Congressional Record

CONTAINING

THE PROCEEDINGS AND DEBATES

OF THE

THIRD SESSION

OF THE

SIXTY-FIFTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME LVII

WASHINGTON
GOVERNMENT PRINTING OFFICE
1919

Congressional Record.

SIXTY-FIFTH CONGRESS,
THIRD SESSION.

VOLUME LVII, PART 1.

DECEMBER 2, 1918, TO JANUARY 4, 1919.

PAGES 1 TO 1060.

337062

Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-FIFTH CONGRESS
THIRD SESSION.

SENATE.

MONDAY, *December 2, 1918.*

The first Monday of December being the day prescribed by the Constitution of the United States for the annual meeting of Congress, the third session of the Sixty-fifth Congress commenced this day.

The Senate assembled in its Chamber at the Capitol.

The VICE PRESIDENT (THOMAS R. MARSHALL, of Indiana) called the Senate to order at 12 o'clock noon.

PRAYER.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we have come to Thee at the opening of this session of the Senate amid the joy of a great Nation, with the acclaim of victory ringing through the hearts and over all the land. Thy mighty power has gotten us the victory. Thou hast led us into a large place. Thou hast brought us out into a vital relation with questions and issues of the world's life. Thou art using us as an evangel of peace and good will among all men. We pray Thy guidance that we may so discharge the duties of the office that has come to us in Thy providence as that the security and peace of the Nation may be perpetuated and the honor and glory of Thy name held above all other questions. Guide us in the discharge of these great duties this day and always. For Christ's sake. Amen.

SENATORS PRESENT.

The VICE PRESIDENT. Senators, the day designated by the Constitution of the United States and the hour fixed by custom for the convening of the Congress of the United States in annual session has now arrived. The Secretary will call the roll of Senators to ascertain if there be a quorum present.

The Secretary called the roll and the following Senators answered to their names:

Ashurst	Hale	Moses	Smith, Ariz.
Baird	Harding	Myers	Smith, Ga.
Bankhead	Henderson	Nelson	Smith, Md.
Beckham	Hitchcock	New	Smith, Mich.
Benet	Johnson, Cal.	Norris	Smith, S. C.
Borah	Jones, N. Mex.	Nugent	Smoot
Brandegee	Jones, Wash.	Overman	Spencer
Calder	Kellogg	Owen	Sterling
Chamberlain	Kendrick	Page	Sutherland
Colt	Kenyon	Penrose	Swanson
Culberson	King	Phelan	Thomas
Cummins	Kirby	Pittman	Thompson
Curtis	Knox	Poindexter	Townsend
Dillingham	La Follette	Pomerene	Trammell
Fernald	Lewis	Ransdell	Underwood
Fletcher	Lodge	Reed	Vardaman
France	McCumber	Saulsbury	Walsh
Frelinghuysen	McKellar	Shafroth	Warren
Gerry	McLean	Sheppard	Watson
Gore	Martin, Ky.	Sherman	Weeks
Gronna	Martin, Va.	Simmons	Wolcott

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is absent at his home on account of illness. I should like to have this announcement stand for the day.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF] is absent on account of illness.

The VICE PRESIDENT. Eighty-four Senators have answered to the roll call. There is a quorum present.

SENATORS FROM NEW JERSEY, SOUTH CAROLINA, AND LOUISIANA.

Mr. FRELINGHUYSEN. Mr. President, I send to the desk the credentials of Senator elect BAIRD, of New Jersey, and ask that they may be read.

The VICE PRESIDENT. The credentials will be read and placed on file.

The Secretary read the credentials, as follows:

A statement of the determination of the board of State canvassers relative to an election held in the State of New Jersey on the 5th day of November, in the year of our Lord 1918, for the election of a Senator to represent the State of New Jersey in the Senate of the United States.

The said board do determine that at the said election DAVID BAIRD was duly elected a Member of the Senate of the United States to fill the vacancy caused by the death of William Hughes.

I do certify that the foregoing is a true, full, and correct statement of the determination of the board of State canvassers therein mentioned.

In witness whereof I have hereunto set my hand this 26th day of November, 1918.

THOMAS F. MCCRAN,
Chairman of the Board of State Canvassers.

Attest:

THOMAS F. MARTIN, *Clerk.*

DEPARTMENT OF STATE.

I, Thomas F. Martin, secretary of state of the State of New Jersey, do hereby certify that the foregoing is a true copy of a statement of the determination of the board of State canvassers, as taken from and compared with the original filed in my office on the 26th day of November, A. D. 1918, and now remaining on file therein.

In testimony whereof I have hereunto set my hand and affixed my official seal at Trenton, this 26th day of November, A. D. 1918.

[SEAL.] THOS. F. MARTIN,
Secretary of State.

Mr. FRELINGHUYSEN. Senator elect BAIRD is present in the Chamber, and I ask that the oath be administered to him.

The VICE PRESIDENT. The Chair understands there are other credentials to be presented. They will be presented, and the Senators elect will be sworn in at one time, if there be no objection.

Mr. FRELINGHUYSEN. Very well.

Mr. SMITH of South Carolina. I present the credentials of Mr. POLLOCK, Senator elect from the State of South Carolina, and ask that they may be read.

The credentials were read and ordered to be placed on file, as follows:

STATE OF SOUTH CAROLINA,
EXECUTIVE CHAMBER,
Columbia, November 27, 1918.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, the Hon. WILLIAM PEGUES POLLOCK was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the unexpired term of the late Benjamin Ryan Tillman, ending the 3d day of March, 1919.

Witness: His excellency our governor, Richard I. Manning and our seal hereto affixed at Columbia, S. C., this 27th day of November in the year of our Lord 1918.

RICHARD I. MANNING,
Governor.

By the governor:
[SEAL.] W. BANKS DOVE,
Secretary of State.

Mr. SMITH of South Carolina. In accordance with the statement of the Chair, I will announce that Mr. POLLOCK is present and ready to be sworn with the other Senators elect.

Mr. RANSDELL. Mr. President, I present the credentials of EDWARD JAMES GAY, Senator elect from the State of Louisiana, and ask that they may be read.

The credentials were read and ordered to be placed on file, as follows:

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, EDWARD JAMES GAY was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the unexpired term of the late Robert F. Broussard, ending on the 3d day of March, 1921.

Witness: His excellency our governor, Ruffin G. Pleasant, and our seal herein affixed, at Baton Rouge, this 26th day of November, A. D. 1918.

RUFFIN G. PLEASANT,
Governor.

By the governor:
[SEAL.] JAMES J. BAILEY,
Secretary of State.

Mr. RANSDELL. Senator elect GAY is in the Chamber and ready to be sworn in.

The VICE PRESIDENT. The Senators elect will present themselves at the desk, and the oath of office will be administered to them.

Mr. BAIRD, Mr. POLLOCK, and Mr. GAY were escorted to the Vice President's desk by Mr. FRELINGHUYSEN, Mr. SMITH of South Carolina, and Mr. RANSDELL, respectively, and the oath prescribed by law having been administered to them they took their seats in the Senate.

LIST OF SENATORS.

The list of Senators by States is as follows:
Alabama—John H. Bankhead and Oscar W. Underwood.
Arizona—Henry F. Ashurst and Marcus A. Smith.
Arkansas—Joseph T. Robinson and William F. Kirby.
California—James D. Phelan and Hiram W. Johnson.
Colorado—Charles S. Thomas and John F. Shafroth.
Connecticut—Frank B. Brandegee and George P. McLean.
Delaware—Willard Saulsbury and Josiah O. Wolcott.
Florida—Duncan U. Fletcher and Park Trammell.
Georgia—Hoke Smith and Thomas W. Hardwick.
Idaho—William E. Borah and John F. Nugent.
Illinois—Jas. Hamilton Lewis and Lawrence Y. Sherman.
Indiana—James E. Watson and Harry S. New.
Iowa—Albert B. Cummins and William S. Kenyon.
Kansas—William H. Thompson and Charles Curtis.
Kentucky—J. C. W. Beckham and George B. Martin.
Louisiana—Joseph E. Ransdell and Edward James Gay.
Maine—Bert M. Fernald and Frederick Hale.
Maryland—John Walter Smith and Joseph I. France.
Massachusetts—Henry Cabot Lodge and John W. Weeks.
Michigan—William Alden Smith and Charles E. Townsend.
Minnesota—Knute Nelson and Frank B. Kellogg.
Mississippi—John Sharp Williams and James K. Vardaman.
Missouri—James A. Reed and Selden P. Spencer.
Montana—Henry L. Myers and Thomas J. Walsh.
Nebraska—Gilbert M. Hitchcock and George W. Norris.
Nevada—Key Pittman and Charles B. Henderson.
New Hampshire—Henry F. Hollis and George H. Moses.
New Jersey—Joseph S. Frelinghuysen and David Baird.
New Mexico—Albert B. Fall and Andrieus A. Jones.
New York—James W. Wadsworth, jr., and William M. Calder.
North Carolina—F. M. Simmons and Lee S. Overman.
North Dakota—Porter J. McCumber and Asle J. Gronna.
Ohio—Atlee Pomerene and Warren G. Harding.
Oklahoma—Thomas P. Gore and Robert L. Owen.
Oregon—George E. Chamberlain and Charles L. McNary.
Pennsylvania—Boies Penrose and Philander C. Knox.
Rhode Island—LeBaron B. Colt and Peter G. Gerry.
South Carolina—Ellison D. Smith and William P. Pollock.
South Dakota—Thomas Sterling and Edwin S. Johnson.
Tennessee—John K. Shields and Kenneth D. McKellar.
Texas—Charles A. Culberson and Morris Sheppard.
Utah—Reed Smoot and William H. King.
Vermont—William P. Dillingham and Carroll S. Page.
Virginia—Thomas S. Martin and Claude A. Swanson.
Washington—Wesley L. Jones and Miles Poindexter.
West Virginia—Nathan Goff and Howard Sutherland.
Wisconsin—Robert M. La Follette and Irvine L. Lenroot.
Wyoming—Francis E. Warren and John B. Kendrick.

SENATOR FROM DELAWARE.

The VICE PRESIDENT. The Chair lays before the Senate the certificate of the governor of Delaware certifying to the election of LEWIS HEISLER BALL for the term beginning March 4 next. The credentials will be inserted in the RECORD and placed on file.

The credentials are as follows:

By authority of the State of Delaware.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

Be it known an election was held in the State of Delaware on Tuesday, the 5th day of November, in the year of our Lord 1918, that being the Tuesday next after the first Monday in said month, in pursuance of the Constitution of the United States and the laws of the State of Delaware, in that behalf, for the election of a Senator for the people of the said State in the Senate of the United States.

Whereas the official certificates of returns of the said election held in the several counties of the said State, in due manner made out, signed, and executed, have been delivered to me according to the laws of the said State by the superior court of the said counties, and having examined said returns and enumerated and ascertained the number of votes for each and every candidate or person voted for for such Senator I have found LEWIS HEISLER BALL to be the person highest in vote, and therefore duly elected Senator of and for the said State in the Senate of the United States for the constitutional term to commence on the 4th day of March, in the year of our Lord 1919.

I, John G. Townsend, jr., governor, do, therefore, according to the form of the act of the General Assembly of the said State and of the act of Congress of the United States in such case made and provided, declare the said LEWIS HEISLER BALL the person highest in vote at the election aforesaid and therefore duly and legally elected Senator of and for the said State of Delaware in the Senate of the United States for the constitutional term to commence on the 4th day of March in the year of our Lord 1919.

Given under my hand and the great seal of the said State in obedience to the said act of the general assembly and of the said act of Congress at Dover, the 18th day of November, in the year of our Lord 1918 and in the year of the independence of the United States of America the one hundred and forty-third.

JOHN G. TOWNSEND, Jr.

By the governor:
[SEAL.]

EVERETT C. JOHNSON,
Secretary of State.

SENATOR FROM MINNESOTA.

Mr. KELLOGG. Mr. President, I present the credentials of Senator KNUTE NELSON and ask that they be read.

The credentials were read and ordered to be placed on file, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, KNUTE NELSON was duly chosen by the qualified electors of the State of Minnesota a Senator from the said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1919.

Witness: His excellency our governor, J. A. A. Burnquist, and our seal herto affixed at St. Paul, this 26th day of November, in the year of our Lord 1918.

J. A. A. BURNQUIST,
Governor.

By the governor:
[SEAL.]

JULIUS A. SCHMAHL,
Secretary of State.

NOTIFICATION TO THE HOUSE.

Mr. MARTIN of Virginia submitted the following resolution (S. Res. 355), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

NOTIFICATION TO THE PRESIDENT.

Mr. MARTIN of Virginia submitted the following resolution (S. Res. 356), which was read, considered by unanimous consent, and agreed to:

Resolved, That a committee consisting of two Senators be appointed to join such a committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT appointed Mr. MARTIN of Virginia and Mr. LODGE as the committee under the resolution.

HOUR OF DAILY MEETING.

Mr. MARTIN of Virginia submitted the following resolution (S. Res. 357), which was read, considered by unanimous consent, and agreed to:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian until otherwise ordered.

COMMITTEE SERVICE.

On motion of Mr. MARTIN of Virginia, it was

Ordered, That the Senator from South Carolina [Mr. POLLOCK] be assigned to the chairmanship of the Committee on National Banks, and that the Senator from Louisiana [Mr. GAY] be assigned to the chairmanship of the Committee on Coast and Insular Survey.

On motion of Mr. WARREN, it was

Ordered, That the Senator from Missouri [Mr. SPENCER] be assigned to membership on the Committee on Canadian Relations, the Committee on Expenditures in the Department of Justice, and the Committee on Indian Affairs.

STATUE OF FREEDOM.

The VICE PRESIDENT. Senators, my attention has been called to an historic event occurring 55 years ago at 12 o'clock meridian of December 2, which I deem of sufficient moment to recall to your memory.

At that hour the bronze Statue of Freedom which surmounts the Dome of the Capitol was raised to its present position. It was the work of and cast at the foundry of Clark Mills on the Bladensburg Road, about 3 miles from the Capitol. The plaster model was by Thomas Crawford and is now in the National Museum.

This statue was erected in the midst of a Civil War, in moments of doubt and uncertainty. Calm and implacable it looked out over the Capital City and over the war-ravished fields of the adjacent territory. It seemed to be a promise that out of the awful tumult should come the eternal calm of freedom to the Republic. It stood with equal fortitude and confidence when the Republic took arms in the defense of stricken Cuba. To-day, when all of us are wondering what is to come as the aftermath of the world's war to the freedom of America and the freedom of the world, let us be reassured that while this statue stands freedom for us will be safe though all the tempests of evil and unlawful purposes may beat with fury round its base.

UPBUILDING OF MERCHANT MARINE.

Mr. PENROSE. Mr. President, is morning business in order?

The VICE PRESIDENT. The Chair has always felt that, except as to such business as is exclusively within the jurisdiction of the Senate, no business is in order until the Congress of the United States is regularly in session.

Mr. PENROSE. Would it be in order to present a resolution?

It does not matter if it is not in order at this time.

The VICE PRESIDENT. The Chair does not know whether the resolution would be in order or not. What is its purport?

Mr. PENROSE. What is in order now?

The VICE PRESIDENT. Everything that has to do with the Senate of the United States and not with the Congress of the United States.

Mr. PENROSE. This is a resolution for the Senate. If there is no objection, I will present a resolution adopted by the Philadelphia Bourse favoring the upbuilding of the United States merchant marine. I ask that it be referred to the Committee on Commerce.

The VICE PRESIDENT. It will be so referred.

THE PRESIDENT'S TRIP TO EUROPE.

Mr. SHERMAN. Mr. President, I wish to present from the New York Times of December 2, 1918, and to have read from the desk by the Secretary the part I have marked. It shows the preparations for the trip abroad of the President, the employment of 50 cooks and confectioners, a chef from the Biltmore Hotel, and an orchestra of many pieces, consisting of both wind and string instruments. Proper eclat will be provided, according to this news report, to impress the crowned heads abroad. I should like to ask, Mr. President, that the article be read.

The VICE PRESIDENT. Is there objection?

Mr. PHELAN. I object, Mr. President.

The VICE PRESIDENT. The question is, Shall the article be read?

Mr. SMITH of Arizona. I raise a question of order. The Chair, in my judgment, after giving some consideration to the question, has no right to put the motion as to whether or not anything shall be printed after objection has been made or a request has been made for unanimous consent. The motion should come from the floor of the Senate, in my judgment. That objection met me in my effort to protect the CONGRESSIONAL RECORD from statements which I thought were unnecessary.

Mr. GRONNA. Mr. President, may I call the Senator's attention——

Mr. SMITH of Arizona. I raisé the point of order that such a motion must come from the proponent of the request or from some other Senator and not be put by the Chair.

Mr. GRONNA. May I correct the Senator? The question is not whether the article shall be printed. The question is, Shall this article which has been sent to the desk by the Senator from Illinois [Mr. SHERMAN] be read?

Mr. SMITH of Arizona. It is just the same thing. If it is read, it will be printed in the RECORD.

Mr. GRONNA. It is not the same thing.

Mr. SMITH of Arizona. It is exactly the same thing.

Mr. SHERMAN. Mr. President, I will make the motion for the reading of the article, if there is any question about the parliamentary situation.

The VICE PRESIDENT. It is the rule that when the reading of any paper is called for and objected to the question shall be determined by a vote of the Senate without debate. The rule is perfectly plain.

Mr. GRONNA. Regular order, Mr. President.

The VICE PRESIDENT. All in favor of the request of the Senator from Illinois will say "aye." [A pause.] Those opposed "no." [A pause.] The "ayes" seem to have it. The "ayes" have it, and the Secretary will read as requested.

Mr. PHELAN. I ask for a division, Mr. President.

The VICE PRESIDENT. All in favor of the reading of the article will rise. [A pause.] Those opposed will rise.

Mr. PENROSE. The motion was declared carried.

The VICE PRESIDENT. Well, it is carried again. The Secretary will read as requested.

The Secretary read the article, as follows:

TRANSPORT READY FOR THE PRESIDENT—SPECIAL CHEF AND STAFF OF WAITERS AND KITCHEN HELPERS DRAFTED FROM BILTMORE—EVERY COMFORT PROVIDED—ORCHESTRA TO PLAY DURING MEALS AND NAVY YARD BAND FOR DECK MUSIC TO MAKE THE TRIP TO BREST.

Through arrangements that are being made by naval officers, under orders of Admiral Gleaves, President Wilson and his guests, including M. Jusserand, the French ambassador, will have every comfort possible on the trip of the transport *George Washington* to Brest, which will begin late to-morrow or early Wednesday.

The naval cooks, who provide for the wardroom of the officers as well as the crew, will not be required to cater to the presidential party, quartered on the promenade decks. Louis Ceres, the chef at the Hotel Biltmore, with his staff and a crew of waiters, will board the *George Washington* to-day at Hoboken and make the kitchen, pantry, and dining rooms ready for the guests when they go on board to-morrow. The catering will be under the direction of J. J. Menotti, a restaurant manager at the Biltmore. He will have 50 cooks, confectioners, bakers, waiters, and so on with him.

It is expected that the peace delegates and the other guests will board the *George Washington* at Pier 4, Hoboken, on Tuesday before 3 o'clock, at which hour she will steam out to Gravesend Bay and anchor to await the arrival of President Wilson. The battleship *Pennsylvania*, flying the flag of Admiral Henry T. Mayo, commander of the American fleet, will steam from the Brooklyn Navy Yard to meet the *George Washington*, with an escort of five of the latest and fastest destroyers, which are said to be capable of steaming 40 knots.

During the afternoon yesterday several officers belonging to the Army and Navy, with their friends, who had obtained special passes from the Navy Department, visited the transport and inspected the suites and cabins on C deck, which are to be occupied by the President and Mrs. Wilson and the guests. An orchestra will go along to play during luncheon and dinner, and the brass band from the navy yard will play on deck and when the *George Washington* enters the harbor of Brest, which is expected to be on December 11 or 12, depending upon the time she leaves New York.

NOTIFICATION TO THE PRESIDENT.

Mr. MARTIN of Virginia and Mr. LODGE, the committee on the part of the Senate appointed to wait on the President of the United States, appeared, and

Mr. MARTIN of Virginia said: Mr. President, the committee appointed to act with a like committee on the part of the House of Representatives to wait upon the President of the United States, to inform him of the organization of the two Houses of Congress and to receive information from him as to any communication he may desire to make, have performed that duty and beg leave to report that the President has expressed his purpose, by the consent of both Houses, to communicate to them in joint session in the Hall of the House of Representatives on to-day, at 1 o'clock p. m.

COMMITTEE TO ATTEND PEACE CONFERENCE.

Mr. CUMMINS. Mr. President, I submit a resolution, which I ask to have read and then referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 358) was read, as follows:

Whereas the peace conference about to assemble in Paris will involve not only a settlement of the issues between the United States and her enemies in the existing war, but will include in its consideration proposed treaties with practically all the civilized nations of the earth; and

Whereas the subjects for disposition are the most comprehensive, far-reaching, and vital ever submitted to the treaty-making powers of the world; and

Whereas no treaty can be entered into by the United States without the consent of the Senate; and

Whereas the President is to conduct the negotiations at Paris in person; and

Whereas it is supremely important that the Senate be promptly, fully, and accurately informed of all the facts which may be pertinent to the proposed readjustment in the affairs of the various powers concerned in these treaties and of all the reasons which may be urged for and against the proposed compacts while the negotiations therefor are in progress. It is therefore

Resolved by the Senate of the United States, That there be created a committee, to be composed of eight Senators, one-half from the majority and one-half from the minority, which shall be charged with the duty of proceeding to Paris at the proper time, in order to be there present during the said peace conference.

The committee shall diligently inquire with respect to all the facts pertaining to or material for the future consideration of the proposed treaties by the Senate, and make itself familiar with all the conditions and circumstances surrounding the subject and all the reasons which may exist for and against the action to be taken. It shall report to the Senate upon all such matters as often as it may deem it advisable to do so, and it shall make a final report at or before the time that the treaties growing out of the conference are laid before the Senate for approval, rejection, or modification.

The committee shall be chosen in the manner provided in the rules of the Senate for the selection of its standing committees.

It is authorized to employ such secretaries, clerks, stenographers, and messengers as it may deem necessary for the discharge of the duties herein imposed upon it.

All the expenses incident to its work in the United States and Europe shall be paid from the contingent fund of the Senate upon the certificate of the Senator who shall be chosen chairman of the committee.

Mr. HITCHCOCK. Mr. President, I wish to suggest to the proposer of this resolution that it is customary to send such resolutions first to a committee to consider the resolution upon its merits, and after that to have it referred to the Committee to Audit and Control the Contingent Expenses of the Senate. I think that if the Senator would request that the resolution first go to the Committee on Foreign Relations it would be more in accordance with the usual practice.

Mr. CUMMINS. Mr. President, I do not so understand the practice of the Senate. The law imperatively requires the reference of a resolution of this character to the Committee to Audit and Control the Contingent Expenses of the Senate. It can not even be considered by the Senate until a report from that committee is had. I have no objection whatever to a reference at the proper time to the Committee on Foreign Relations; indeed, I expect that it will be referred to that committee for consideration; and I submit to the Chair, and will be entirely satisfied with whatever ruling the Chair may make, the question as to which committee should first consider the resolution. I may remark that I intend to press it with all the energy I have and at every convenient opportunity, and all I ask from either committee is prompt consideration and report.

Mr. HITCHCOCK. I make the suggestion, Mr. President, from my memory of the practice of the Senate. It seems much

more reasonable to me that the committee that passes upon the merits of the question should first consider the resolution, and then, after that committee has affirmatively passed upon the resolution, that it should go to the Committee to Audit and Control the Contingent Expenses of the Senate, which will merely consider the question of expense.

Mr. CUMMINS. I have never, Mr. President, been quite sure with regard to the scope of the jurisdiction of the Committee to Audit and Control the Contingent Expenses of the Senate. I assume that it may pass upon the merits of a resolution; I know nothing of a rule to the contrary; but whatever the Chair may rule upon the subject, with that I will be content, because I have no disposition to exclude either the Committee to Audit and Control the Contingent Expenses of the Senate or the Committee on Foreign Relations. I want the judgment of both.

Mr. SHAFROTH. Mr. President, I was a member of the Committee to Audit and Control the Contingent Expenses of the Senate for a number of years, and the rule which we followed at that time was always to treat a resolution not upon its merits, but as a matter that should be passed upon after the merits had been determined by the proper committee. It can readily be seen that that is quite natural, because expenditures ought not to be authorized until it is determined that they are necessary. It seems to me, therefore, that the resolution should be referred first to the Committee on Foreign Relations before the Committee to Audit and Control the Contingent Expenses of the Senate is asked to pass upon it.

Mr. CUMMINS. Mr. President, I may answer that by saying that, if the Committee on Foreign Relations shall vote that this inquiry is necessary, it would seem to me that the action of the Committee to Audit and Control the Contingent Expenses of the Senate would be merely perfunctory, because I assume that it would be quite willing to do whatever is necessary to be done.

Mr. SMOOT. Mr. President, the law specifically says that whenever a resolution is offered in the Senate incurring expenses to be paid out of the contingent fund of the Senate, it must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate. It is mandatory; it is not a rule of the body; it is the law; and it has been the practice of the Senate to do so. After that committee decides as to whether the amount of money that will be required to make the investigation, if it is an investigation that is proposed, can be paid out of the contingent fund of the Senate, then the Senate can decide as to whether they want to proceed with it on the report of the committee or send it to another committee, and in this case it would be to the Committee on Foreign Relations—not necessarily, of course, but that, in all probability, is the committee to which it would be sent. What the Committee to Audit and Control the Contingent Expenses of the Senate decide is whether the expenditures involved shall be or can be paid from the contingent fund of the Senate. In my opinion, that is the committee to which the resolution should first be referred.

The VICE PRESIDENT. This is the law:

> Hereafter no payment shall be made from the contingent fund of the Senate unless sanctioned by the Committee to Audit and Control the Contingent Expenses of the Senate, or from the contingent fund of the House of Representatives unless sanctioned by the Committee on Accounts of the House of Representatives.

It is not that a resolution shall first be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, but that no payment shall be made until it has been sanctioned by the Committee to Audit and Control the Contingent Expenses of the Senate.

The Chair has uniformly adopted the rule of referring resolutions which call for the expenditure of money to the Committee to Audit and Control the Contingent Expenses of the Senate; but the Chair does not believe that that prevents a motion being made from the floor to refer a resolution first to another committee. Unless the motion be made from the floor to refer the resolution to the Committee on Foreign Relations, the Chair refers it to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LODGE. Mr. President, I think the practice of the Senate has, as a rule, been that described by the Chair, as to the soundness of whose ruling I have no question. The Committee to Audit and Control the Contingent Expenses of the Senate is to determine the question of the expenditure of the money when the Senate reaches the point of asking for the money for a given purpose; but that may come at any time. I have always felt that where the Committee to Audit and Control the Contingent Expenses of the Senate undertook to go into the merits of a case, as they have done in more than one instance, it was a usurpation; that their sole duty is to say whether the money is in the contingent fund and whether, in their judgment, the fund will permit its expenditure. The merits belong to the committee having charge of the subject and to the Senate itself.

Mr. BRANDEGEE. Mr. President, will the Senator permit an interruption at that point?

Mr. LODGE. Certainly.

Mr. BRANDEGEE. I suggest to the Senator from Massachusetts that that is the logic of the situation, because if the Committee on Foreign Relations should disapprove the resolution there would be no reason for sending it to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LODGE. Exactly.

Mr. HITCHCOCK. Then I move that the resolution be referred to the Committee on Foreign Relations.

Mr. JONES of New Mexico. Mr. President, I trust that the Senate will not pass upon this motion in a perfunctory manner. Heretofore I have called to the attention of the Senate this question of procedure. As a member of the Committee to Audit and Control the Contingent Expenses of the Senate, in the summer of last year I called the attention of the Senate to a resolution which was then introduced directing an investigation of a strike upon the railways of this city. I thought at that time that some committee of this body should consider whether or not the investigation should be made. At that time the Committee to Audit and Control the Contingent Expenses of the Senate made a report upon the resolution, recommending that the resolution be referred to the Committee on the District of Columbia.

The Senate did not act favorably upon that recommendation. The result was that no committee of the Senate considered the propriety or advisability of having the investigation made. From that time down to the present there have been a large number of resolutions directing investigations to be made. They have been referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and on some occasions I have insisted that that committee, in view of the previous action of the Senate, should consider the question as to whether or not the investigation should be made, but objection has been invariably made by Members of this body. Just a few weeks ago, as the Senate will remember, in connection with a proposed investigation of an explosion in the State of New Jersey, I stated to this body that the Senator who submitted the resolution objected to the Committee to Audit and Control the Contingent Expenses of the Senate making any examination of the question as to whether or not an investigation should be made. So it has been the practice since I have been in this body that no investigation has been made by any committee of the advisability of the adoption of such resolutions as this.

I believe it must be apparent to all Senators that a resolution of this importance, and, in fact, a resolution authorizing the investigation of any subject, should be passed upon by some committee of this body, so that we may know that there is merit behind the resolution. I do not intend to enter into the question of the merits of this resolution. It may be meritorious. It may be that there is an urgent need for this information to be obtained; but I do want to insist that some committee of this body shall pass upon this question.

Heretofore the Committee to Audit and Control the Contingent Expenses of the Senate has not done it. I do not believe that the resolution should be referred to that committee for the purpose of making a merely perfunctory report, a pro forma report. This body has invariably acted upon such reports from that committee without further investigation. It is my judgment that this resolution should go first to the Committee on Foreign Relations; and if that committee, after investigation, believes that the work should be done, then it should be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, to see whether or not the funds at the disposal of the Senate will justify the expense.

I hope that the Senators will consider this matter in a serious way, and at this time adopt a procedure which will be right and will meet the well-considered views of the Senate for the future.

Mr. KELLOGG. Mr. President, before saying a few words as to the committee to which the resolution should be referred, I wish to take the first opportunity to say, as one Republican, that I am not in favor of the resolution and shall oppose it on the merits. It does seem to me, however, that a resolution so vitally affecting our relations with foreign governments should not first be passed upon by a mere auditing committee, but should go to the Committee on Foreign Relations, where I hope it will be killed.

Mr. CUMMINS. Mr. President, I hope that every friend of the resolution, at least, will vote to refer it to the Com-

mittee on Foreign Relations. I would much rather have it considered by that committee in the first instance than by the Committee to Audit and Control the Contingent Expenses of the Senate. I only suggested the reference to the Committee on Contingent Expenses because I was under the impression, confirmed by the practice that had been pursued, that all such resolutions must be referred in the first instance to that committee.

I therefore make no objection whatever to the motion of the Senator from Nebraska and hope that it may be adopted.

Mr. PITTMAN. Mr. President, without expressing any opinion for or against the resolution introduced by the Senator from Iowa [Mr. CUMMINS], it has occurred to me that no committee so small from this body would have any influence with the Senate if it should be appointed, go to Paris, return, and report. The impressions received by eight Members of this body and the conclusions they might draw from their observations in Paris would hardly satisfy the other Members of the Senate; and the report, while it might give cause for debate, would not, in my opinion, facilitate action on the part of this body.

Therefore, in order that the matter may be considered by whatever committee the resolution is referred to, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from Nevada proposes an amendment to the resolution, which will be stated.

The SECRETARY. It is proposed to strike out the word "eight" and insert "ninety-six."

Mr. SMOOT. Mr. President, I wish to read the law to which I referred just a moment ago. As I stated, the practice has been to send all such resolutions to the Committee to Audit and Control the Contingent Expenses of the Senate. The law reads as follows:

> Hereafter no payment shall be made from the contingent fund of the Senate unless sanctioned by the Committee to Audit and Control the Contingent Expenses of the Senate, or from the contingent fund of the House of Representatives unless sanctioned by the Committee on Accounts of the House of Representatives. And hereafter payments made upon vouchers approved by the aforesaid respective committees shall be deemed, held, and taken, and are hereby declared to be conclusive upon all the departments and officers of the Government—

And so forth. Of course, it has been held in the past, and it has been the practice of the Senate, and was thrashed out in this body when the resolution to investigate the street railways of the District of Columbia was under consideration. I made the statement that I did upon the basis of the precedents of the Senate.

Mr. WALSH. Mr. President, when this subject was comparatively new to the present occupant of the chair, the Chair ruled that the proper practice was to refer the matter first to the Committee to Audit and Control the Contingent Expenses of the Senate, but upon further consideration the Vice President said as follows. I read from volume 2 of the Precedents, page 127:

> The VICE PRESIDENT (Mr. MARSHALL). The Chair thinks that the Chair was not properly advised as to the statute of the United States the other day in referring the above-noted resolution to the Committee to Audit and Control the Contingent Expenses of the Senate. The Chair believes now that the statute simply provides that money shall not be paid out of the contingent fund of the Senate until the payment has met with the approval of the Committee to Audit and Control the Contingent Expenses of the Senate. So, if any committee proceeds to make expenditures without the consent of that committee it is taking a chance that the money will never be paid.
>
> The Chair is very glad to reverse his ruling and to refer the resolution to the Committee on Education and Labor, with the view that if reported from the Committee on Education and Labor it shall subsequently be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, in order that there may be no complication with reference thereto.

And then the venerable and lamented late Senator Gallinger, who was perhaps as well advised about the rules of the Senate as any Member thereof, said:

> Mr. GALLINGER. Mr. President, on this point I will venture merely to suggest that in the past that procedure has frequently been followed; the resolution has been referred to the committee having control of the subject matter, and subsequently it would necessarily, under the law, be sent to the Committee to Audit and Control the Contingent Expenses of the Senate.
>
> The VICE PRESIDENT. The Chair was trying to explain the ruling he made the other day under a misapprehension as to the terms of the statute.

I read this in view of the statement, quite positively made, that the uniform practice has been otherwise.

The VICE PRESIDENT. The Chair thinks he has ruled this morning in accordance with the statement read by the Senator from Montana.

Mr. WALSH. Quite so.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. HITCHCOCK] that the resolution be referred to the Committee on Foreign Relations.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

Mr. South, the Chief Clerk of the House of Representatives, appeared and delivered the following message:

Mr. President, I am directed by the House of Representatives to inform the Senate that a quorum of the House of Representatives has appeared, and that the House is ready to proceed to business.

Also, that a committee of three Members were appointed by the Speaker on the part of the House to join the committee on the part of the Senate to wait upon the President and inform him that a quorum of the two Houses has assembled and that Congress is ready to receive any communication he may have to make, and that Mr. KITCHIN, Mr. SHERLEY, and Mr. MANN were appointed as a committee on the part of the House.

Also, that the House had passed a concurrent resolution providing that the two Houses of Congress assemble in the Hall of the House of Representatives on Monday, December 2, 1918, at 1 o'clock p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them, in which it requested the concurrence of the Senate.

JOINT MEETING OF THE TWO HOUSES.

Mr. MARTIN of Virginia. Mr. President, I ask that the concurrent resolution of the House of Representatives providing for a joint session of the two Houses be laid before the Senate.

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives, which was read, considered by unanimous consent, and agreed to, as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress assemble in the Hall of the House of Representatives on Monday, the 2d day of December, 1918, at 1 o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The VICE PRESIDENT (at 12 o'clock and 50 minutes p. m.). The hour having arrived at which, in accordance with the concurrent resolution of the two Houses, the Senate is to proceed to the Hall of the House of Representatives to receive a communication from the President of the United States, the Sergeant at Arms will take charge.

Thereupon the Senate, preceded by its Sergeant at Arms and headed by the Vice President and the Secretary, proceeded to the Hall of the House of Representatives.

ADDRESS BY THE PRESIDENT OF THE UNITED STATES.

The address of the President of the United States, this day delivered at a joint meeting of the two Houses of Congress, is as follows:

GENTLEMEN OF THE CONGRESS: The year that has elapsed since I last stood before you to fulfil my constitutional duty to give to the Congress from time to time information on the state of the Union has been so crowded with great events, great processes, and great results that I cannot hope to give you an adequate picture of its transactions or of the far-reaching changes which have been wrought in the life of our nation and of the world. You have yourselves witnessed these things, as I have. It is too soon to assess them; and we who stand in the midst of them and are part of them are less qualified than men of another generation will be to say what they mean, or even what they have been. But some great outstanding facts are unmistakable and constitute, in a sense, part of the public business with which it is our duty to deal. To state them is to set the stage for the legislative and executive action which must grow out of them and which we have yet to shape and determine.

A year ago we had sent 145,918 men overseas. Since then we have sent 1,950,513, an average of 162,542 each month, the number in fact rising, in May last to 245,951, in June to 278,760, in July to 307,182, and continuing to reach similar figures in August and September,—in August 289,570 and in September 257,438. No such movement of troops ever took place before, across three thousand miles of sea, followed by adequate equipment and supplies, and carried safely through extraordinary dangers of attack,—dangers which were alike strange and infinitely difficult to guard against. In all this movement only seven hundred and fifty-eight men were lost by enemy attack,—six hundred and thirty of whom were upon a single English transport which was sunk near the Orkney Islands.

I need not tell you what lay back of this great movement of men and material. It is not invidious to say that back of it lay a supporting organization of the industries of the country and of all its productive activities more complete, more thorough in method and effective in result, more spirited and unanimous in purpose and effort than any other great belligerent had been able to effect. We profited greatly by the experience of the nations which had already been engaged for nearly three

years in the exigent and exacting business, their every resource and every executive proficiency taxed to the utmost. We were their pupils. But we learned quickly and acted with a promptness and a readiness of cooperation that justify our great pride that we were able to serve the world with unparalleled energy and quick accomplishment.

But it is not the physical scale and executive efficiency of preparation, supply, equipment and despatch that I would dwell upon, but the mettle and quality of the officers and men we sent over and of the sailors who kept the seas, and the spirit of the nation that stood behind them. No soldiers or sailors ever proved themselves more quickly ready for the test of battle or acquitted themselves with more splendid courage and achievement when put to the test. Those of us who played some part in directing the great processes by which the war was pushed irresistibly forward to the final triumph may now forget all that and delight our thoughts with the story of what our men did. Their officers understood the grim and exacting task they had undertaken and performed it with an audacity, efficiency, and unhesitating courage that touch the story of convoy and battle with imperishable distinction at every turn, whether the enterprise were great or small,—from their great chiefs, Pershing and Sims, down to the youngest lieutenant; and their men were worthy of them,—such men as hardly need to be commanded, and go to their terrible adventure blithely and with the quick intelligence of those who know just what it is they would accomplish. I am proud to be the fellow-countryman of men of such stuff and valour. Those of us who stayed at home did our duty; the war could not have been won or the gallant men who fought it given their opportunity to win it otherwise; but for many a long day we shall think ourselves "accurs'd we were not there, and hold our manhoods cheap while any speaks that fought" with these at St. Mihiel or Thierry. The memory of those days of triumphant battle will go with these fortunate men to their graves; and each will have his favourite memory. "Old men forget; yet all shall be forgot, but he'll remember with advantages what feats he did that day!"

What we all thank God for with deepest gratitude is that our men went in force into the line of battle just at the critical moment when the whole fate of the world seemed to hang in the balance and threw their fresh strength into the ranks of freedom in time to turn the whole tide and sweep of the fateful struggle,—turn it once for all, so that thenceforth it was back, back, back for their enemies, always back, never again forward! After that it was only a scant four months before the commanders of the Central Empires knew themselves beaten; and now their very empires are in liquidation!

And throughout it all how fine the spirit of the nation was: what unity of purpose, what untiring zeal! What elevation of purpose ran through all its splendid display of strength, its untiring accomplishment. I have said that those of us who stayed at home to do the work of organization and supply will always wish that we had been with the men whom we sustained by our labour; but we can never be ashamed. It has been an inspiring thing to be here in the midst of fine men who had turned aside from every private interest of their own and devoted the whole of their trained capacity to the tasks that supplied the sinews of the whole great undertaking! The patriotism, the unselfishness, the thoroughgoing devotion and distinguished capacity that marked their toilsome labours, day after day, month after month, have made them fit mates and comrades of the men in the trenches and on the sea. And not the men here in Washington only. They have but directed the vast achievement. Throughout innumerable factories, upon innumerable farms, in the depths of coal mines and iron mines and copper mines, wherever the stuffs of industry were to be obtained and prepared, in the shipyards, on the railways, at the docks, on the sea, in every labour that was needed to sustain the battle lines, men have vied with each other to do their part and do it well. They can look any man-at-arms in the face, and say, We also strove to win and gave the best that was in us to make our fleets and armies sure of their triumph!

And what shall we say of the women,—of their instant intelligence, quickening every task that they touched; their capacity for organization and cooperation, which gave their action discipline and enhanced the effectiveness of everything they attempted; their aptitude at tasks to which they had never before set their hands; their utter self-sacrifice alike in what they did and in what they gave? Their contribution to the great result is beyond appraisal. They have added a new lustre to the annals of American womanhood.

The least tribute we can pay them is to make them the equals of men in political rights as they have proved themselves their equals in every field of practical work they have entered, whether for themselves or for their country. These great days of completed achievement would be sadly marred were we to omit that act of justice. Besides the immense practical services they have rendered, the women of the country have been the moving spirits in the systematic economies by which our people have voluntarily assisted to supply the suffering peoples of the world and the armies upon every front with food and everything else that we had that might serve the common cause. The details of such a story can never be fully written, but we carry them at our hearts and thank God that we can say that we are the kinsmen of such.

And now we are sure of the great triumph for which every sacrifice was made. It has come, come in its completeness, and with the pride and inspiration of these days of achievement quick within us we turn to the tasks of peace again,—a peace secure against the violence of irresponsible monarchs and ambitious military coteries and made ready for a new order, for new foundations of justice and fair dealing.

We are about to give order and organization to this peace not only for ourselves but for the other peoples of the world as well, so far as they will suffer us to serve them. It is international justice that we seek, not domestic safety merely. Our thoughts have dwelt of late upon Europe, upon Asia, upon the near and the far East, very little upon the acts of peace and accommodation that wait to be performed at our own doors. While we are adjusting our relations with the rest of the world is it not of capital importance that we should clear away all grounds of misunderstanding with our immediate neighbors and give proof of the friendship we really feel? I hope that the members of the Senate will permit me to speak once more of the unratified treaty of friendship and adjustment with the Republic of Colombia. I very earnestly urge upon them an early and favorable action upon that vital matter. I believe that they will feel, with me, that the stage of affairs is now set for such action as will be not only just but generous and in the spirit of the new age upon which we have so happily entered.

So far as our domestic affairs are concerned the problem of our return to peace is a problem of economic and industrial readjustment. That problem is less serious for us than it may turn out to be for the nations which have suffered the disarrangements and the losses of war longer than we. Our people, moreover, do not wait to be coached and led. They know their own business, are quick and resourceful at every readjustment, definite in purpose, and self-reliant in action. Any leading strings we might seek to put them in would speedily become hopelessly tangled because they would pay no attention to them and go their own way. All that we can do as their legislative and executive servants is to mediate the process of change here, there, and elsewhere as we may. I have heard much counsel as to the plans that should be formed and personally conducted to a happy consummation, but from no quarter have I seen any general scheme of "reconstruction" emerge which I thought it likely we could force our spirited business men and self-reliant labourers to accept with due pliancy and obedience.

While the war lasted we set up many agencies by which to direct the industries of the country in the services it was necessary for them to render, by which to make sure of an abundant supply of the materials needed, by which to check undertakings that could for the time be dispensed with and stimulate those that were most serviceable in war by which to gain for the purchasing departments of the Government a certain control over the prices of essential articles and materials, by which to restrain trade with alien enemies, make the most of the available shipping, and systematize financial transactions, both public and private, so that there would be no unnecessary conflict or confusion—by which, in short, to put every material energy of the country in harness to draw the common load and make of us one team in the accomplishment of a great task. But the moment we knew the armistice to have been signed we took the harness off. Raw materials upon which the Government had kept its hand for fear there should not be enough for the industries that supplied the armies have been released and put into the general market again. Great industrial plants whose whole output and machinery had been taken over for the uses of the Government have been set free to return to the uses to which they were put before the war. It has not been possible to remove so readily or so quickly the control of foodstuffs and of shipping, because the world has still to be fed from our granaries and the ships are still needed to send supplies to our men oversea and to bring the men back as fast as the disturbed conditions on the other side of the water permit; but even there restraints are being relaxed as much as possible and more and more as the weeks go by.

Never before have there been agencies in existence in this country which knew so much of the field of supply, of labour,

and of industry as the War Industries Board, the War Trade Board, the Labour Department, the Food Administration, and the Fuel Administration have known since their labours became thoroughly systematized; and they have not been isolated agencies; they have been directed by men which represented the permanent Departments of the Government and so have been the centres of unified and cooperative action. It has been the policy of the Executive, therefore, since the armistice was assured (which is in effect a complete submission of the enemy) to put the knowledge of these bodies at the disposal of the business men of the country and to offer their intelligent mediation at every point and in every matter where it was desired. It is surprising how fast the process of return to a peace footing has moved in the three weeks since the fighting stopped. It promises to outrun any inquiry that may be instituted and any aid that may be offered. It will not be easy to direct it any better than it will direct itself. The American business man is of quick initiative.

The ordinary and normal processes of private initiative will not, however, provide immediate employment for all of the men of our returning armies. Those who are of trained capacity, those who are skilled workmen, those who have acquired familiarity with established businesses, those who are ready and willing to go to the farms, all those whose aptitudes are known or will be sought out by employers will find no difficulty, it is safe to say, in finding place and employment. But there will be others who will be at a loss where to gain a livelihood unless pains are taken to guide them and put them in the way of work. There will be a large floating residuum of labour which should not be left wholly to shift for itself. It seems to me important, therefore, that the development of public works of every sort should be promptly resumed, in order that opportunities should be created for unskilled labour in particular, and that plans should be made for such developments of our unused lands and our natural resources as we have hitherto lacked stimulation to undertake.

I particularly direct your attention to the very practical plans which the Secretary of the Interior has developed in his annual report and before your Committees for the reclamation of arid, swamp, and cut-over lands which might, if the States were willing and able to cooperate, redeem some three hundred million acres of land for cultivation. There are said to be fifteen or twenty million acres of land in the West, at present arid, for whose reclamation water is available, if properly conserved. There are about two hundred and thirty million acres from which the forests have been cut but which have never yet been cleared for the plow and which lie waste and desolate. These lie scattered all over the Union. And there are nearly eighty million acres of land that lie under swamps or subject to periodical overflow or too wet for anything but grazing which it is perfectly feasible to drain and protect and redeem. The Congress can at once direct thousands of the returning soldiers to the reclamation of the arid lands which it has already undertaken, if it will but enlarge the plans and the appropriations which it has entrusted to the Department of the Interior. It is possible in dealing with our unused land to effect a great rural and agricultural development which will afford the best sort of opportunity to men who want to help themselves; and the Secretary of the Interior has thought the possible methods out in a way which is worthy of your most friendly attention.

I have spoken of the control which must yet for a while, perhaps for a long while, be exercised over shipping because of the priority of service to which our forces overseas are entitled and which should also be accorded the shipments which are to save recently liberated peoples from starvation and many devasted regions from permanent ruin. May I not say a special word about the needs of Belgium and northern France? No sums of money paid by way of indemnity will serve of themselves to save them from hopeless disadvantage for years to come. Something more must be done than merely find the money. If they had money and raw materials in abundance to-morrow they could not resume their place in the industry of the world to-morrow,—the very important place they held before the flame of war swept across them. Many of their factories are razed to the ground. Much of their machinery is destroyed or has been taken away. Their people are scattered and many of their best workmen are dead. Their markets will be taken by others, if they are not in some special way assisted to rebuild their factories and replace their lost instruments of manufacture. They should not be left to the vicissitudes of the sharp competition for materials and for industrial facilities which is now to set in. I hope, therefore, that the Congress will not be unwilling, if it should become necessary, to grant to some such agency as the War Trade Board the right to establish priorities of export and supply for the benefit of these people whom we have been so happy to assist in saving from the German terror and whom we must not now thoughtlessly leave to shift for themselves in a pitiless competitive market.

For the steadying and facilitation of our own domestic business readjustments nothing is more important than the immediate determination of the taxes that are to be levied for 1918, 1919, and 1920. As much of the burden of taxation must be lifted from business as sound methods of financing the Government will permit, and those who conduct the great essential industries of the country must be told as exactly as possible what obligations to the Government they will be expected to meet in the years immediately ahead of them. It will be of serious consequence to the country to delay removing all uncertainties in this matter a single day longer than the right processes of debate justify. It is idle to talk of successful and confident business reconstruction before those uncertainties are resolved.

If the war had continued it would have been necessary to raise at least eight billion dollars by taxation payable in the year 1919; but the war has ended and I agree with the Secretary of the Treasury that it will be safe to reduce the amount to six billions. An immediate rapid decline in the expenses of the Government is not to be looked for. Contracts made for war supplies will, indeed, be rapidly cancelled and liquidated, but their immediate liquidation will make heavy drains on the Treasury for the months just ahead of us. The maintenance of our forces on the other side of the sea is still necessary. A considerable proportion of those forces must remain in Europe during the period of occupation, and those which are brought home will be transported and demobilized at heavy expense for months to come. The interest on our war debt must of course be paid and provision made for the retirement of the obligations of the Government which represent it. But these demands will of course fall much below what a continuation of military operations would have entailed and six billions should suffice to supply a sound foundation for the financial operations of the year.

I entirely concur with the Secretary of the Treasury in recommending that the two billions needed in addition to the four billions provided by existing law be obtained from the profits which have accrued and shall accrue from war contracts and distinctively war business, but that these taxes be confined to the war profits accuring in 1918, or in 1919 from business originating in war contracts. I urge your acceptance of his recommendation that provision be made now, not subsequently, that the taxes to be paid in 1920 should be reduced from six to four billions. Any arrangements less definite than these would add elements of doubt and confusion to the critical period of industrial readjustment through which the country must now immediately pass, and which no true friend of the nation's essential business interests can afford to be responsible for creating or prolonging. Clearly determined conditions, clearly and simply charted, are indispensable to the economic revival and rapid industrial development which may confidently be expected if we act now and sweep all interrogation points away.

I take it for granted that the Congress will carry out the naval programme which was undertaken before we entered the war. The Secretary of the Navy has submitted to your Committees for authorization that part of the programme which covers the building plans of the next three years. These plans have been prepared along the lines and in accordance with the policy which the Congress established, not under the exceptional conditions of the war, but with the intention of adhering to a definite method of development for the navy. I earnestly recommend the uninterrupted pursuit of that policy. It would clearly be unwise for us to attempt to adjust our programmes to a future world policy as yet undetermined.

The question which causes me the greatest concern is the question of the policy to be adopted towards the railroads. I frankly turn to you for counsel upon it. I have no confident judgment of my own. I do not see how any thoughtful man can have who knows anything of the complexity of the problem. It is a problem which must be studied, studied immediately, and studied without bias or prejudice. Nothing can be gained by becoming partisans of any particular plan of settlement.

It was necessary that the administration of the railways should be taken over by the Government so long as the war lasted. It would have been impossible otherwise to establish and carry through under a single direction the necessary priorities of shipment. It would have been impossible otherwise to combine maximum production at the factories and mines and farms with the maximum possible car supply to take the products to the ports and markets; impossible to route troop shipments and freight shipments without regard to the advantage or dis-

advantage of the roads employed; impossible to subordinate, when necessary, all questions of convenience to the public necessity; impossible to give the necessary financial support to the roads from the public treasury. But all these necessities have now been served, and the question is, What is best for the railroads and for the public in the future?

Exceptional circumstances and exceptional methods of administration were not needed to convince us that the railroads were not equal to the immense tasks of transportation imposed upon them by the rapid and continuous development of the industries of the country. We knew that already. And we knew that they were unequal to it partly because their full cooperation was rendered impossible by law and their competition made obligatory, so that it has been impossible to assign to them severally the traffic which could best be carried by their respective lines in the interest of expedition and national economy.

We may hope, I believe, for the formal conclusion of the war by treaty by the time Spring has come. The twenty-one months to which the present control of the railways is limited after formal proclamation of peace shall have been made will run at the farthest, I take it for granted, only to the January of 1921. The full equipment of the railways which the federal administration had planned could not be completed within any such period. The present law does not permit the use of the revenues of the several roads for the execution of such plans except by formal contract with their directors, some of whom will consent while some will not, and therefore does not afford sufficient authority to undertake improvements upon the scale upon which it would be necessary to undertake them. Every approach to this difficult subject-matter of decision brings us face to face, therefore, with this unanswered question: What is it right that we should do with the railroads, in the interest of the public and in fairness to their owners?

Let me say at once that I have no answer ready. The only thing that is perfectly clear to me is that it is not fair either to the public or to the owners of the railroads to leave the question unanswered and that it will presently become my duty to relinquish control of the roads, even before the expiration of the statutory period, unless there should appear some clear prospect in the meantime of a legislative solution. Their release would at least produce one element of a solution, namely certainty and a quick stimulation of private initiative.

I believe that it will be serviceable for me to set forth as explicitly as possible the alternative courses that lie open to our choice. We can simply release the roads and go back to the old conditions of private management, unrestricted competition, and multiform regulation by both state and federal authorities; or we can go to the opposite extreme and establish complete government control, accompanied, if necessary, by actual government ownership; or we can adopt an intermediate course of modified private control, under a more unified and affirmative public regulation and under such alterations of the law as will permit wasteful competition to be avoided and a considerable degree of unification of administration to be effected, as, for example, by regional corporations under which the railways of definable areas would be in effect combined in single systems.

The one conclusion that I am ready to state with confidence is that it would be a disservice alike to the country and to the owners of the railroads to return to the old conditions unmodified. Those are conditions of restraint without development. There is nothing affirmative or helpful about them. What the country chiefly needs is that all its means of transportation should be developed, its railways, its waterways, its highways, and its countryside roads. Some new element of policy, therefore, is absolutely necessary,—necessary for the service of the public, necessary for the release of credit to those who are administering the railways, necessary for the protection of their security holders. The old policy may be changed much or little, but surely it cannot wisely be left as it was. I hope that the Congress will have a complete and impartial study of the whole problem instituted at once and prosecuted as rapidly as possible. I stand ready and anxious to release the roads from the present control and I must do so at a very early date if by waiting until the statutory limit of time is reached I shall be merely prolonging the period of doubt and uncertainty which is hurtful to every interest concerned.

I welcome this occasion to announce to the Congress my purpose to join in Paris the representatives of the governments with which we have been associated in the war against the Central Empires for the purpose of discussing with them the main features of the treaty of peace. I realize the great inconveniences that will attend my leaving the country, particularly at this time, but the conclusion that it was my paramount duty to go has been forced upon me by considerations which I hope will seem as conclusive to you as they have seemed to me.

The allied governments have accepted the bases of peace which I outlined to the Congress on the eighth of January last, as the Central Empires also have, and very reasonably desire my personal counsel in their interpretation and application, and it is highly desirable that I should give it in order that the sincere desire of our Government to contribute without selfish purpose of any kind to settlements that will be of common benefit to all the nations concerned may be made fully manifest. The peace settlements which are now to be agreed upon are of transcendent importance both to us and to the rest of the world, and I know of no business or interest which should take precedence of them. The gallant men of our armed forces on land and sea have consciously fought for the ideals which they knew to be the ideals of their country; I have sought to express those ideals; they have accepted my statements of them as the substance of their own thought and purpose, as the associated governments have accepted them; I owe it to them to see to it, so far as in me lies, that no false or mistaken interpretation is put upon them, and no possible effort omitted to realize them. It is now my duty to play my full part in making good what they offered their life's blood to obtain. I can think of no call to service which could transcend this.

I shall be in close touch with you and with affairs on this side the water, and you will know all that I do. At my request, the French and English governments have absolutely removed the censorship of cable news which until within a fortnight they had maintained and there is now no censorship whatever exercised at this end except upon attempted trade communications with enemy countries. It has been necessary to keep an open wire constantly available between Paris and the Department of State and another between France and the Department of War. In order that this might be done with the least possible interference with the other uses of the cables, I have temporarily taken over the control of both cables in order that they may be used as a single system. I did so at the advice of the most experienced cable officials, and I hope that the results will justify my hope that the news of the next few months may pass with the utmost freedom and with the least possible delay from each side of the sea to the other.

May I not hope, Gentlemen of the Congress, that in the delicate tasks I shall have to perform on the other side of the sea, in my efforts truly and faithfully to interpret the principles and purposes of the country we love, I may have the encouragement and the added strength of your united support? I realize the magnitude and difficulty of the duty I am undertaking; I am poignantly aware of its grave responsibilities. I am the servant of the nation. I can have no private thought or purpose of my own in performing such an errand. I go to give the best that is in me to the common settlements which I must now assist in arriving at in conference with the other working heads of the associated governments. I shall count upon your friendly countenance and encouragement. I shall not be inaccessible. The cables and the wireless will render me available for any counsel or service you may desire of me, and I shall be happy in the thought that I am constantly in touch with the weighty matters of domestic policy with which we shall have to deal. I shall make my absence as brief as possible and shall hope to return with the happy assurance that it has been possible to translate into action the great ideals for which America has striven.

The Senate returned to its Chamber at 1 o'clock and 50 minutes p. m., and the Vice President resumed the chair.

ORDER OF BUSINESS.

Mr. MARTIN of Virginia. Mr. President, I move that the Senate adjourn.

Mr. ASHURST. Mr. President, I desire to introduce a bill.

Mr. DILLINGHAM. Mr. President——

Mr. MARTIN of Virginia. Mr. President, there are some formal matters that Senators are very anxious to present, and therefore I shall be glad to withhold the motion for the present.

The VICE PRESIDENT. Very well; then we will start in the regular order. The Congress of the United States being now in regular session, the first thing in order is to receive a communication from the President of the United States.

Mr. Sharkey, one of the secretaries to the President, appeared and delivered several messages from the President of the United States.

MEAT-PACKING INDUSTRY (H. DOC. NO. 1297, PT. II).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry and ordered to be printed:

To the Senate and House of Representatives:

I transmit herewith for the information of the Congress Part II of the summary of the report of the Federal Trade Commission on the Meat-Packing Industry, being a part of the commission's food investigation.

WOODROW WILSON.

THE WHITE HOUSE, *2 December, 1918.*

ANTONIO M. MARTIN RIVERO (H. DOC. NO. 1460).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying papers, was referred to the Committee on Naval Affairs and ordered to be printed:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State inclosing a draft of a joint resolution authorizing the Secretary of the Navy to permit Mr. Antonio M. Martin Rivero, a citizen of Cuba, to receive instruction at the United States Naval Academy at Annapolis at the expense of the Government of Cuba.

The Secretary of State points out that the passage of the resolution would be regarded as an act of courtesy by the Government of Cuba and that it would follow established precedents.

WOODROW WILSON.

THE WHITE HOUSE, *2 December, 1918.*

REPORTS OF SECRETARY OF THE SENATE.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Senate, transmitting, pursuant to law, a statement of receipts and expenditures of the Senate for the fiscal year ended June 30, 1918, which was ordered to lie on the table and be printed. (S. Doc. No. 309.)

He also laid before the Senate a communication from the Secretary of the Senate, transmitting, pursuant to law, an account of all property, including stationery, belonging to the United States in his possession on the 2d day of December, 1918, which, with the accompanying paper, was ordered to lie on the table and be printed. (S. Doc. No. 304.)

MEMORIALS.

Mr. POINDEXTER presented a memorial of the City Council of Seattle, Wash., remonstrating against the proposed increase in telephone rates, which was referred to the Committee on Interstate Commerce.

Mr. NELSON presented a memorial of the Duluth Theater Managers' Association of Minneapolis remonstrating against the increased tax on amusements, as proposed in the pending revenue bill, which was referred to the Committee on Finance.

He also presented memorials of the J. R. Watkins Medical Co., of Winona; the Koch Vegetable Tea Co., of Winona; the Minnesota Pharmaceutical Association; and the Northwestern Drug Co., of Minneapolis, all in the State of Minnesota, remonstrating against the proposed tax on proprietary medicines in the pending revenue bill, which were referred to the Committee on Finance.

He also presented a memorial from C. M. Stendal, of Minneapolis, Minn., remonstrating against the proposed tax on wearing apparel in the pending revenue bill, which was referred to the Committee on Finance.

He also presented a memorial of the El Queeno Cigar Co., of Chisholm, Minn., remonstrating against the proposed tax on tobacco in the pending revenue bill, which was referred to the Committee on Finance.

He also presented a memorial of Janney, Semple, Hill & Co., of Minneapolis, Minn., remonstrating against the proposed tax on sporting goods in the pending revenue bill, which was referred to the Committee on Finance.

He also presented the memorial of B. J. Patrick, of Minneapolis, Minn., remonstrating against Government ownership of utilities, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Rotary Club of Duluth, Minn., relative to the proposed Federal Department of Education, which was referred to the Committee on Education and Labor.

SENATOR FROM WISCONSIN.

Mr. DILLINGHAM. Mr. President, from the Committee on Privileges and Elections I present the report which I send to the desk. It is accompanied by a resolution (S. Res. 360) that the committee be discharged from the further consideration of the subject matter. I desire to have the report and resolution read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read the report (No. 614), as follows:

The Committee on Privileges and Elections, to whom were referred the resolutions of the Minnesota Commission of Public Safety petitioning the Senate of the United States to institute proceedings looking to the expulsion of ROBERT M. LA FOLLETTE from the Senate as a teacher of disloyalty and sedition, giving aid and comfort to our enemies, and hindering the conduct of the war, respectfully report that they have fully considered said resolutions and the charges contained therein, as well as the speech made by Senator LA FOLLETTE at St. Paul, Minn., on the 20th of September, 1917, to which speech said resolutions referred, and upon which speech is based the petition contained therein, having considered the entire case as presented the committee recommend that the petition preferred by said Minnesota commission of public safety be dismissed for the reason that the speech in question does not justify any action by the Senate.

Your committee also recommend the adoption of the following resolution:

"*Resolved*, That the resolutions of the Minnesota commission of public safety petitioning the Senate of the United States to institute proceedings looking to the expulsion of ROBERT M. LA FOLLETTE from the Senate be, and the same hereby are, dismissed for the reason that the speech in question does not justify any action by the Senate."

Mr. POMERENE. Mr. President, I ask that under the rule the matter may go over for the present. I may say that, while of course I have been advised as to the substance of the report, I have not seen it nor heard it read until this moment. I expect to prepare and to present within the next few days, at as early a moment as my duties in the Senate will permit, a minority report; and I think the matter should not be disposed of until that report has been made.

The VICE PRESIDENT. The report will lie over under the rule and be printed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and by unanimous consent the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 5051) for the promotion of certain officers in the United States Army; to the Committee on Military Affairs.

A bill (S. 5052) to make section 5 of the post office appropriation act for the fiscal year ending June 30, 1918, as amended by section 1110, war revenue act of October 3, 1917, applicable to the District of Columbia; to the Committee on Post Offices and Post Roads.

By Mr. McKELLAR:

A bill (S. 5053) authorizing the Director General of Railroads to establish a system of mileage books; to the Committee on Interstate Commerce.

A bill (S. 5054) donating bronze cannon to the city of Memphis, Shelby County, Tenn.; and

A bill (S. 5055) relative to discharges of certain soldiers and sailors who served in the war with Germany; to the Committee on Military Affairs.

A bill (S. 5056) to place on the eligible list all soldiers and sailors who served in the war with Germany; to the Committee on Civil Service and Retrenchment.

By Mr. McLEAN:

A bill (S. 5057) granting a pension to Mary Elizabeth Crowe (with the accompanying papers); to the Committee on Pensions.

By Mr. GRONNA:

A bill (S. 5058) to authorize the counties of Morton and Burleigh, in the State of North Dakota, to construct a bridge across the Missouri River near Bismarck, N. Dak.; to the Committee on Commerce.

A bill (S. 5059) granting a pension to August Wohlgemuth;

A bill (S. 5060) granting a pension to John M. Johnson; and

A bill (S. 5061) granting an increase of pension to Rosetta Waldref; to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 5062) to extend the franking privilege to banking institutions in connection with business relating to the collection of installment payments upon subscriptions to the liberty loan; to the Committee on Post Offices and Post Roads.

By Mr. WARREN:

A bill (S. 5063) for the relief of Henry Wagner (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 5064) granting an increase of pension to Henry B. Lake; to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 5065) amending section 4904 of the Revised Statutes;

A bill (S. 5066) amending chapter 143 of the act of March 3, 1883 (22 Stat., 625), and for other purposes;

A bill (S. 5067) granting a gratuity to members of the United States Army; and

A bill (S. 5068) extending the benefits of the war-risk insurance act to certain civilians employed by the Army; to the Committee on Military Affairs.

UNIFORMS AND PAY OF DISCHARGED SOLDIERS.

Mr. ASHURST. I introduce a bill and ask that it be read and referred to the Committee on Military Affairs:

The bill (S. 5050) to grant to every honorably discharged soldier, sailor, and marine the uniform he is wearing at the time of such discharge and to provide pay for 90 days after such discharge was read the first time by title, the second time at length, and referred to the Committee on Military Affairs, as follows:

Be it enacted, etc., That every soldier, sailor, and marine in the Army, Navy, and Marine Corps of the United States, upon receiving an honorable discharge, shall be entitled to keep and retain as his own property the uniform he is wearing at the time of such discharge from the service, and no charge nor debit whatever shall be entered against the account of any such discharged soldier or sailor or marine by reason of his retaining said uniform; and there shall be paid to every such soldier, sailor, and marine full pay for the 90 days next ensuing after the date of his honorable discharge.

PROMOTIONS FOR MILITARY SERVICE.

Mr. McKELLAR submitted the following resolution (S. Res. 359), which was referred to the Committee on Military Affairs:

Resolved, That the Secretary of War be, and he is hereby, requested and directed to furnish to the Senate full information in reference to promotions in overseas service.

Also full information as to promotions already made of officers who have not seen overseas service; also any plans he may have of equalizing promotions, to the end that those who have become entitled to promotions by reason of service abroad or at home shall be accorded such promotion.

ADJOURNMENT.

Mr. MARTIN of Virginia. I move that the Senate adjourn.

On a division, the motion was agreed to; and (at 2 o'clock p. m.) the Senate adjourned until to-morrow, Tuesday, December 3, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, *December 2, 1918.*

This being the day designated by the Constitution for the annual meeting of Congress, the Members of the House of Representatives assembled in their Hall for the third session of the Sixty-fifth Congress, and, at 12 o'clock noon, were called to order by the Speaker, who on taking the chair was greeted with general applause.

PRAYER.

Rev. Earle Wilfley, pastor of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

Almighty and most merciful God, who dost inhabit eternity, and in whose hands are the destinies of nations, for this moment we stand before Thy throne to supplicate Thy pardon for all our wrongdoings and to ask Thy blessing and guidance for the days to come.

If, as a Nation, we have sinned or come short of Thy will, we pray that the record may be made clean this morning by Thy divine forgiveness, and that we may stand with a clear record before Thee.

O Lord, the world is bathed in tears, and precious lives have been snuffed out. Wrecks are on every hand, and we pray, O God, that Thy love may manifest itself to us in divine and fullest measure. We pray Thy blessing upon our beloved country and all its righteous interests, upon the Congress assembled, upon all in authority, for the Army and Navy, and every part of the Government service. Give us open eyes to see, ears to hear aright, and the fullest understanding of duty and privilege.

Especially we pray, O God, that upon the President of the United States may rest the fullest, largest measure of Thy holy spirit. In this momentous hour may he speak not only the words of truth and soberness, but speak with wisdom, justice, and courage; and as we hear, may it be with hearts ready to discern the truth and wills highly purposed to do the right. In this supreme hour, O our God, we crave Thy guidance, Thy blessing, Thy forgiveness, and Thy love, for Thy name's sake. Amen.

ROLL CALL BY STATES.

The SPEAKER. The Clerk will call the roll by States, to ascertain the presence of a quorum.

The Clerk proceeded to call the roll by States, when the following Members responded:

ALABAMA.

Oscar L. Gray.
S. Hubert Dent, jr.
Henry B. Steagall.
J. Thomas Heflin.
William B. Oliver.
John L. Burnett.
Edward B. Almon.
George Huddleston.
William B. Bankhead.

ARKANSAS.

Thaddeus H. Caraway.
William A. Oldfield.
John N. Tillman.
Otis Wingo
Henderson M. Jacoway.
Samuel M. Taylor.
William S. Goodwin.

CALIFORNIA.

Clarence F. Lea.
Charles F. Curry.
Julius Kahn.
John I. Nolan.
John A Elston.
Charles H. Randall.
Henry Z. Osborne.
William Kettner.

COLORADO.

Benjamin C. Hilliard.
Charles B. Timberlake.
Edward Keating.
Edward T. Taylor.

CONNECTICUT.

Augustine Lonergan.
Richard P. Freeman.
John Q. Tilson.
Schuyler Merritt.
James P. Glynn.

DELAWARE.

(At large.)
Albert F. Polk.

FLORIDA.

Herbert J. Drane.
Frank Clark.
Walter Kehoe.

GEORGIA.

James W. Overstreet.
Frank Park.
Charles R. Crisp.
W. C. Wright.
Gordon Lee.
Charles H. Brand.
Thomas M. Bell.
Carl Vinson.

IDAHO.

(At large.)
Addison T. Smith.
Burton L. French.

ILLINOIS.

Martin B. Madden.
James R. Mann.
William W. Wilson.
Adolph J. Sabath.
James McAndrews.
Thomas Gallagher.
Fred A. Britten.
George E. Foss.
Ira C. Copley.
Charles E. Fuller
John C. McKenzie.
William J. Graham.
Edward J. King.
Clifford Ireland.
Joseph G. Cannon.
William B. McKinley.
Henry T. Rainey.
Loren E. Wheeler.
William A. Rodenberg.
Martin D. Foster.
Thomas S. Williams.
Edward E. Denison.

INDIANA.

Oscar E. Bland.
William E. Cox.
Lincoln Dixon.
Everett Sanders.
Richard N. Elliott.
Merrill Moores.
Albert H. Vestal.
Fred S. Purnell.
William R. Wood.
Milton Kraus.
Louis W. Fairfield.
Henry A. Barnhart.

IOWA.

Charles A. Kennedy.
Harry E. Hull.
Burton E. Sweet.
James W. Good.
Cassius C. Dowell.
Horace M. Towner.
William R. Green.
George C. Scott.

KANSAS.

Edward C. Little.
Philip P. Campbell.
Guy T. Helvering.
William A. Ayres.

KENTUCKY.

Alben W. Barkley.
David H. Kincheloe.
Ben Johnson.
Swagar Sherley.
Arthur B. Rouse.
James C. Cantrill.
William J. Fields.
Caleb Powers.

LOUISIANA.

H. Garland Dupré.
Whitmell P. Martin.
John T. Watkins.
Riley J. Wilson.
Ladislas Lazaro.
James B. Aswell.

MAINE.

Louis B. Goodall.
Wallace H. White, jr.
John A. Peters.
Ira G. Hersey.

MARYLAND.

Jesse D. Price.
Carville D. Benson.
Charles P. Coady.
J. Charles Linthicum.
Sydney E. Mudd.
Frederick N. Zihlman.

MASSACHUSETTS.

Allen T. Treadway.
Frederick H. Gillett.
Calvin D. Paige.
Samuel E. Winslow.
John Jacob Rogers.
Willfred W. Lufkin.
Michael F. Phelan.
Frederick W. Dallinger.
Peter F. Tague.
George Holden Tinkham.
James A. Gallivan.
Richard Olney, 2d.
William S. Greene.
Joseph Walsh.

MICHIGAN.

Frank E. Doremus.
Samuel W. Beakes.
Edward L. Hamilton
Carl E. Mapes.
Patrick H. Kelley.
Joseph W. Fordney.
James C. McLaughlin.
Gilbert A. Currie.
Frank D. Scott.

MINNESOTA.

Sydney Anderson.
Charles R. Davis.
Carl C. Van Dyke.
Ernest Lundeen.
Harold Knutson.
Andrew J. Volstead.
Clarence B. Miller.
Halvor Steenerson.
Thomas D. Schall.

MISSISSIPPI.

Ezekial S. Candler.
Hubert D. Stephens.
Thomas U. Sisson.
Pat Harrison.
Percy E. Quin.
James W. Collier.

MISSOURI.

Milton A. Lomjue.
William W. Rucker.
Charles F. Booher.
William P. Borland.
Clement C. Dickinson.
Courtney W. Hamlin.
Dorsey W. Shackleford.
Champ Clark.
Frederick Essen.
Leonidas C. Dyer.
Thomas L. Rubey.

MONTANA.

(At large.)

John M. Evans.

NEBRASKA.

Charles F. Reavis.
Charles O. Lobeck.
Dan V. Stephens.
Charles H. Sloan.
Ashton C. Shallenberger.
Moses P. Kinkaid.

NEVADA.

(At large.)

E. E. Roberts.

NEW HAMPSHIRE.

Sherman E. Burroughs.
Edward H. Wason.

NEW JERSEY.

William J. Browning.
Isaac Bacharach.
Thomas J. Scully.
Elijah C. Hutchinson.
William F. Birch.
John R. Ramsey.
Dow H. Drukker.
Edward W. Gray.
Richard Wayne Parker.
Frederick R. Lehlbach.
John J. Eagan.
James A. Hamill.

NEW YORK.

Frederick C. Hicks.
Chas. Pope Caldwell.
Harry H. Dale.
Frederick W. Rowe.
John J. Delaney.
William E. Cleary.
Oscar Wm. Swift.
Reuben L. Haskell.
Daniel J. Riordan.
Meyer London.
Christopher D. Sullivan.
Fiorello H. LaGuardia.
Thomas F. Smith.
John F. Carew.
Walter M. Chandler.
Isaac Siegel.
Jerome F. Donovan.
Anthony J. Griffin.
Daniel C. Oliver.
Benjamin L. Fairchild.
Edmund Platt.
Charles B. Ward.
Rollin B. Sanford.
James S. Parker.
Bertrand H. Snell.
Luther W. Mott.
Homer P. Snyder.
Walter W. Magee.
Norman J. Gould.
Harry H. Pratt.
Archie D. Sanders.
Charles M. Hamilton.

NORTH CAROLINA.

John H. Small.
Claude Kitchin.
Edward W. Pou.
Hannibal L. Godwin.
Leonidas D. Robinson.
Robert L. Doughton.
Edwin Y. Webb.
Zeb Weaver.

NORTH DAKOTA.

John M. Baer.
George M. Young.

OHIO.

Nicholas Longworth.
Warren Gard.
Benjamin F. Welty.
John S. Snook.
Charles C. Kearns.
Simeon D. Fess.
John A. Key.
Isaac R. Sherwood.
Robert M. Switzer.
Horatio C. Claypool.
Clement Brumbaugh.
Arthur W. Overmyer.
George White.
Roscoe C. McCulloch.
William A. Ashbrook.
David A. Hollingsworth.
John G. Cooper.
William Gordon.
Robert Crosser.

OKLAHOMA.

Thomas A. Chandler.
William W. Hastings.
Charles D. Carter.
Tom D. McKeown.
Joseph B. Thompson.
Dick T. Morgan.

OREGON.

Willis C. Hawley.
Nicholas J. Sinnott.
Clifton N. McArthur.

PENNSYLVANIA.

William S. Vare.
George S. Graham.
J. Hampton Moore.
George W. Edmonds.
Peter E. Costello.
George P. Darrow.
Henry W. Watson.
William W. Griest.
John R. Farr.
Thomas W. Templeton.
Robert D. Heaton.
Arthur G. Dewalt.
Louis T. McFadden.
John V. Lesher.
Aaron S. Kreider.
John M. Rose.
Andrew R. Brodbeck.
Edward E. Robbins.
Bruce F. Sterling.
Henry W. Temple.
Henry A. Clark.
Henry J. Steele.
Nathan L. Strong.
E. H. Beshlin.
Stephen G. Porter.
M. Clyde Kelly.
John M. Morin.
Guy E. Campbell.

(At large.)

Thomas S. Crago.
Mahlon M. Garland.
Joseph McLaughlin.
John R. K. Scott.

RHODE ISLAND.

Walter R. Stiness.
Ambrose Kennedy.

SOUTH CAROLINA.

James F. Byrnes.
Fred H. Dominick.
William F. Stevenson.
Asbury F. Lever.

SOUTH DAKOTA.

Charles H. Dillon.

TENNESSEE.

Sam R. Sells.
Richard W. Austin.
John A. Moon.
Cordell Hull.
William C. Houston.
Joseph W. Byrns.
Thetus W. Sims.
Finis J. Garrett.
Hubert F. Fisher.
Lemuel P. Padgett.

TEXAS.

Eugene Black.
James Young.
Sam Rayburn.
Rufus Hardy.
Alexander W. Gregg.
Joe H. Eagle.
Joseph J. Mansfield.
James P. Buchanan.
James C. Wilson.
Marvin Jones.
James L. Slayden.
John N. Garner.
Thomas L. Blanton.

(At large.)

Jeff: McLemore.

UTAH.

James H. Mays.

VERMONT.

Frank L. Greene.

VIRGINIA.

Schuyler Otis Bland.
Edward E. Holland.
Andrew J. Montague.
Walter A. Watson.
Edward W. Saunders.
Carter Glass.
Thomas W. Harrison.
C. Bascom Slemp.
Henry D. Flood.

WASHINGTON.

John F. Miller.
Lindley H. Hadley.
Albert Johnson.
William L. La Follette.
C. C. Dill.

WEST VIRGINIA.

George M. Bowers.
Stuart F. Reed.
Harry C. Woodyard.
Edward Cooper.

WISCONSIN.

Henry Allen Cooper.
William J. Cary.
William H. Stafford.
John J. Esch.
Edward E. Browne.
David G. Classon.
James A. Frear.

WYOMING.

(At large.)

Frank W. Mondell.

The SPEAKER. On this roll call 354 Members, a quorum, have answered to their names.

SWEARING IN OF MEMBERS.

Mr. FREAR. Mr. Speaker, Mr. ADOLPHUS P. NELSON, Representative elect from the eleventh district of Wisconsin to succeed Mr. LENROOT, is waiting to take the oath of office.

Mr. ASHBROOK. Mr. Speaker, Mr. MARTIN L. DAVEY, Member elect from the fourteenth Ohio district, has filed his certificate of election and wishes to take the oath of office.

Mr. COOPER of Wisconsin. Mr. Speaker, Mr. FLORIAN LAMPERT, Member elect from the sixth Wisconsin district to succeed the late JAMES H. DAVIDSON, is present and wishes to take the oath.

The SPEAKER. The gentlemen named will present themselves and be sworn in.

Messrs. NELSON, DAVEY, and LAMPERT presented themselves at the bar of the House and took the oath of office prescribed by law.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed the following resolutions:

Resolved, That a committee of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that Congress is ready to receive any communication he may be pleased to make.

That in compliance with the foregoing resolution the Vice President had appointed as said Committee Mr. MARTIN of Virginia and Mr. LODGE.

Also:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

NOTIFICATION OF THE PRESIDENT.

Mr. KITCHIN. Mr. Speaker, I ask immediate consideration for the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from North Carolina asks immediate consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 453.

Resolved, That a committee of three Members be appointed on the part of the House to join the committee appointed by the Senate to wait upon the President and inform him that a quorum of the two Houses has assembled and that Congress is ready to receive any communication he may have to make.

The resolution was agreed to, and the Speaker appointed as the committee on the part of the House Messrs. KITCHIN, SHERLEY, and MANN.

NOTIFICATION OF THE SENATE.

Mr. SHERLEY. Mr. Speaker, I offer the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House resolution 454.

Resolved, That the Clerk of the House inform the Senate that a quorum of the House of Representatives has appeared and that the House is ready to proceed to business.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

HOUR OF DAILY MEETING.

Mr. POU. Mr. Speaker, I ask immediate consideration of the resolution which I send to the Clerk's desk.

The Clerk read as follows:

House resolution 455.

Resolved, That until otherwise ordered the hour of daily meeting of the House of Representatives shall be 12 o'clock meridian.

The resolution was agreed to.

JOINT SESSION OF SENATE AND HOUSE.

Mr. KITCHIN. Mr. Speaker, I ask immediate consideration of the following resolution, which I send to the desk.

The Clerk read as follows:

House concurrent resolution 62.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Monday, the 2d day of December, 1918, at 1 o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The SPEAKER. The question is on agreeing to the resolution.

Mr. MANN. Mr. Speaker, this is such an unusual procedure for the House to invite a joint meeting of the House and Senate to receive a message from the President in person, before the President has been officially informed by the committees appointed by the two Houses that Congress has assembled and has a quorum and is ready to do business, that it seems to me that in order to prevent it being taken as a precedent hereafter the gentleman from North Carolina ought to explain the reason for this very hasty action. [Laughter.]

Mr. KITCHIN. Mr. Speaker, I think everybody understands this hasty action and why it is necessary.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was considered and agreed to.

RECESS.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the House stand in recess until 10 minutes of 1 o'clock p. m.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the House stand in recess until 10 minutes of 1. Is there objection?

There was no objection.

Accordingly (at 12 o'clock and 40 minutes p. m.) the House took a recess until 12 o'clock and 50 minutes p. m.

AFTER THE RECESS.

The recess having expired, the House was called to order by the Speaker.

COMMITTEE TO NOTIFY THE PRESIDENT.

Mr. KITCHIN. Mr. Speaker, the committee to wait upon the President and advise him that a quorum of the House is present and is ready to receive any communication he might make have, in conjunction with a like committee on the part of the Senate, performed that duty, and the President wishes us to inform the House that he will be pleased to address a joint session of the two Houses at 1 o'clock p. m.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 62.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Monday, the 2d day of December, 1918, at 1 o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 186. Joint resolution authorizing the President of the United States to cause to be struck bronze medals commemorating the winning of the world's war and the valor of our military forces and to distribute and present such medals to the officers and men of our land, sea, and air forces.

S. J. Res. 187. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bill:

H. R. 12998. An act to amend section 3528 of the Revised Statutes.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

Sundry messages in writing were delivered from the President of the United States by Mr. Sharkey, one of his secretaries, who also informed the House of Representatives that the President had, on November 21, 1918, approved and signed bills of the following titles:

H. R. 282. An act amending the public buildings act approved March 4, 1913, providing for the purchase of a site for a public building at Nogales, Ariz.;

H. R. 10818. An act to authorize the county of Loudon, in the State of Tennessee, to construct a bridge across the Tennessee River near Loudon, Tenn.; and

H. R. 11945. An act to enable the Secretary of Agriculture to carry out, during the fiscal year ending June 30, 1919, the purposes of the act entitled "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," and for other purposes.

JOINT MEETING OF SENATE AND HOUSE.

At 12 o'clock and 57 minutes the Doorkeeper announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker and the Members of the Senate took the seats reserved for them.

The SPEAKER. On the part of the House the Speaker appoints the gentleman from North Carolina, Mr. KITCHIN; the gentleman from Kentucky, Mr. SHERLEY; the gentleman from Virginia, Mr. FLOOD; the gentleman from Illinois, Mr. MANN; and the gentleman from Massachusetts, Mr. GILLETT, as a committee to wait upon the President and conduct him into the Hall.

The VICE PRESIDENT. On behalf of the Senate the Vice President appoints the Senator from Nebraska, Mr. HITCHCOCK; the Senator from North Carolina, Mr. SIMMONS; the Senator from Massachusetts, Mr. LODGE; and the Senator from Minnesota, Mr. KELLOGG.

At 1 o'clock p. m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk, amid applause on the floor and in the galleries.

The SPEAKER. Gentlemen of the Senate and the House, I introduce to you the President of the United States. [Applause.]

ADDRESS OF THE PRESIDENT.

GENTLEMEN OF THE CONGRESS: The year that has elapsed since I last stood before you to fulfil my constitutional duty to give to the Congress from time to time information on the state of the Union has been so crowded with great events, great processes, and great results that I cannot hope to give you an adequate picture of its transactions or of the far-reaching changes which have been wrought in the life of our nation and of the world. You have yourselves witnessed these things, as I have. It is too soon to assess them; and we who stand in the midst of them and are part of them are less qualified than men of another generation will be to say what they mean, or even what they have been. But some great outstanding facts are unmistakable and constitute, in a sense, part of the public business with which it is our duty to deal. To state them is to set the stage for the legislative and executive action which must grow out of them and which we have yet to shape and determine.

A year ago we had sent 145,918 men overseas. Since then we have sent 1,950,513, an average of 162,542 each month, the number in fact rising, in May last to 245,951, in June to 278,760, in July to 307,182, and continuing to reach similar figures in August and September,—in August 289,570 and in September 257,438. No such movement of troops ever took place before, across three thousand miles of sea, followed by adequate equipment and supplies, and carried safely through extraordinary dangers of attack,—dangers which were alike strange and infinitely difficult to guard against. In all this movement only seven hundred and fifty-eight men were lost by enemy attack,—six hundred and thirty of whom were upon a single English transport which was sunk near the Orkney Islands.

I need not tell you what lay back of this great movement of men and material. It is not invidious to say that back of it lay a supporting organization of the industries of the country and of all its productive activities more complete, more thorough in method and effective in result, more spirited and unanimous in purpose and effort than any other great belligerent had been able

to effect. We profited greatly by the experience of the nations which had already been engaged for nearly three years in the exigent and exacting business, their every resource and every executive proficiency taxed to the utmost. We were their pupils. But we learned quickly and acted with a promptness and a readiness of cooperation that justify our great pride that we were able to serve the world with unparalleled energy and quick accomplishment. [Applause.]

But it is not the physical scale and executive efficiency of preparation, supply, equipment and despatch that I would dwell upon, but the mettle and quality of the officers and men we sent over and of the sailors who kept the seas, and the spirit of the nation that stood behind them. [Applause.] No soldiers or sailors ever proved themselves more quickly ready for the test of battle or acquitted themselves with more splendid courage and achievement when put to the test. [Applause.] Those of us who played some part in directing the great processes by which the war was pushed irresistably forward to the final triumph may now forget all that and delight our thoughts with the story of what our men did. Their officers understood the grim and exacting task they had undertaken and performed it with an audacity, efficiency, and unhesitating courage that touch the story of convoy and battle with imperishable distinction at every turn, whether the enterprise were great or small,—from their great chiefs, Pershing and Sims, down to the youngest lieutenant [applause]; and their men were worthy of them,—such men as hardly need to be commanded, and go to their terrible adventure blithely and with the quick intelligence of those who know just what it is they would accomplish. I am proud to be the fellow-countryman of men of such stuff and valour. [Applause.] Those of us who stayed at home did our duty; the war could not have been won or the gallant men who fought it given their opportunity to win it otherwise; but for many a long day we shall think ourselves "accurs'd we were not there, and hold our manhoods cheap while any speaks that fought" with these at St. Mihiel or Thierry. [Applause.] The memory of those days of triumphant battle will go with these fortunate men to their graves; and each will have his favourite memory. "Old men forget; yet all shall be forgot, but he'll remember with advantages what feats he did that day!"

What we all thank God for with deepest gratitude is that our men went in force into the line of battle just at the critical moment when the whole fate of the world seemed to hang in the balance and threw their fresh strength into the ranks of freedom in time to turn the whole tide and sweep of the fateful struggle,—turn it once for all, so that thenceforth it was back, back, back for their enemies, always back, never again forward! [Applause.] After that it was only a scant four months before the commanders of the Central Empires knew themselves beaten; and now their very empires are in liquidation!

And throughout it all how fine the spirit of the nation was: what unity of purpose, what untiring zeal! What elevation of purpose ran through all its splendid display of strength, its untiring accomplishment. I have said that those of us who stayed at home to do the work of organization and supply will always wish that we had been with the men whom we sustained by our labour; but we can never be ashamed. It has been an inspiring thing to be here in the midst of fine men who had turned aside from every private interest of their own and devoted the whole of their trained capacity to the tasks that supplied the sinews of the whole great undertaking! The patriotism, the unselfishness, the thoroughgoing devotion and distinguished capacity that marked their toilsome labours, day after day, month after month, have made them fit mates and comrades of the men in the trenches and on the sea. And not the men here in Washington only. They have but directed the vast achievement. Throughout innumerable factories, upon innumerable farms, in the depths of coal mines and iron mines and copper mines, wherever the stuffs of industry were to be obtained and prepared, in the shipyards, on the railways, at the docks, on the sea, in every labour that was needed to sustain the battle lines, men have vied with each other to do their part and do it well. They can look any man-at-arms in the face, and say, We also strove to win and gave the best that was in us to make our fleets and armies sure of their triumph!

And what shall we say of the women,—of their instant intelligence, quickening every task that they touched; their capacity for organization and cooperation, which gave their action discipline and enhanced the effectiveness of everything they attempted; their aptitude at tasks to which they had never before set their hands; their utter self-sacrifice alike in what they did and in what they gave? Their contribution to the great result is beyond appraisal. They have added a new lustre to the annals of American womanhood. [Applause.]

The least tribute we can pay them is to make them the equals of men in political rights [applause] as they have proved themselves their equals in every field of practical work they have entered, whether for themselves or for their country. These great days of completed achievement would be sadly marred were we to omit that act of justice. [Applause.] Besides the immense practical services they have rendered, the women of the country have been the moving spirits in the systematic economies by which our people have voluntarily assisted to supply the suffering peoples of the world and the armies upon every front with food and everything else that we had that might serve the common cause. The details of such a story can never be fully written, but we carry them at our hearts and thank God that we can say that we are the kinsmen of such.

And now we are sure of the great triumph for which every sacrifice was made. It has come, come in its completeness, and with the pride and inspiration of these days of achievement quick within us we turn to the tasks of peace again,—a peace secure against the violence of irresponsible monarchs and ambitious military coteries and made ready for a new order, for new foundations of justice and fair dealing.

We are about to give order and organization to this peace not only for ourselves but for the other peoples of the world as well, so far as they will suffer us to serve them. It is international justice that we seek, not domestic safety merely. Our thoughts have dwelt of late upon Europe, upon Asia, upon the near and the far East, very little upon the acts of peace and accommodation that wait to be performed at our own doors. While we are adjusting our relations with the rest of the world is it not of capital importance that we should clear away all grounds of misunderstanding with our immediate neighbors and give proof of the friendship we really feel? I hope that the members of the Senate will permit me to speak once more of the unratified treaty of friendship and adjustment with the Republic of Colombia. I very earnestly urge upon them an early and favourable action upon that vital matter. I believe that they will feel, with me, that the stage of affairs is now set for such action as will be not only just but generous and in the spirit of the new age upon which we have so happily entered.

So far as our domestic affairs are concerned the problem of our return to peace is a problem of economic and industrial readjustment. That problem is less serious for us than it may turn out to be for the nations which have suffered the disarrangements and the losses of war longer than we. Our people, moreover, do not wait to be coached and led. They know their own business, are quick and resourceful at every readjustment, definite in purpose, and self-reliant in action. Any leading strings we might seek to put them in would speedily become hopelessly tangled because they would pay no attention to them and go their own way. All that we can do as their legislative and executive servants is to mediate the process of change here, there, and elsewhere as we may. I have heard much counsel as to the plans that should be formed and personally conducted to a happy consummation, but from no quarter have I seen any general scheme of "reconstruction" emerge which I thought it likely we could force our spirited business men and self-reliant labourers to accept with due pliancy and obedience.

While the war lasted we set up many agencies by which to direct the industries of the country in the services it was necessary for them to render, by which to make sure of an abundant supply of the materials needed, by which to check undertakings that could for the time be dispensed with and stimulate those that were most serviceable in war, by which to gain for the purchasing departments of the Government a certain control over the prices of essential articles and materials, by which to restrain trade with alien enemies, make the most of the available shipping, and systematize financial transactions, both public and private, so that there would be no unnecessary conflict or confusion,—by which, in short, to put every material energy of the country in harness to draw the common load and make of us one team in the accomplishment of a great task. But the moment we knew the armistice to have been signed we took the harness off. Raw materials upon which the Government had kept its hand for fear there should not be enough for the industries that supplied the armies have been released and put into the general market again. Great industrial plants whose whole output and machinery had been taken over for the uses of the Government have been set free to return to the uses to which they were put before the war. It has not been possible to remove so readily or so quickly the control of foodstuffs and of shipping, because the world has still to be fed from our granaries and the ships are still needed to send supplies to our men oversea and to bring the men back as fast as the disturbed conditions on the other side of the water permit; but even

there restraints are being relaxed as much as possible and more and more as the weeks go by.

Never before have there been agencies in existence in this country which knew so much of the field of supply, of labour, and of industry as the War Industries Board, the War Trade Board, the Labour Department, the Food Administration, and the Fuel Administration have known since their labours became thoroughly systematized; and they have not been isolated agencies; they have been directed by men who represented the permanent Departments of the Government and so have been the centres of unified and cooperative action. It has been the policy of the Executive, therefore, since the armistice was assured (which is in effect a complete submission of the enemy) to put the knowledge of these bodies at the disposal of the business men of the country and to offer their intelligent mediation at every point and in every matter where it was desired. It is surprising how fast the process of return to a peace footing has moved in the three weeks since the fighting stopped. It promises to outrun any inquiry that may be instituted and any aid that may be offered. It will not be easy to direct it any better than it will direct itself. The American business man is of quick initiative.

The ordinary and normal processes of private initiative will not, however, provide immediate employment for all of the men of our returning armies. Those who are of trained capacity, those who are skilled workmen, those who have acquired familiarity with established businesses, those who are ready and willing to go to the farms, all those whose aptitudes are known or will be sought out by employers will find no difficulty, it is safe to say, in finding place and employment. But there will be others who will be at a loss where to gain a livelihood unless pains are taken to guide them and put them in the way of work. There will be a large floating residuum of labour which should not be left wholly to shift for itself. It seems to me important, therefore, that the development of public works of every sort should be promptly resumed, in order that opportunities should be created for unskilled labour in particular, and that plans should be made for such developments of our unused lands and our natural resources as we have hitherto lacked stimulation to undertake.

I particularly direct your attention to the very practical plans which the Secretary of the Interior has developed in his annual report and before your Committees for the reclamation of arid, swamp, and cut-over lands which might, if the States were willing and able to cooperate, redeem some three hundred million acres of land for cultivation. There are said to be fifteen or twenty million acres of land in the West, at present arid, for whose reclamation water is available, if properly conserved. There are about two hundred and thirty million acres from which the forests have been cut but which have never yet been cleared for the plow and which lie waste and desolate. These lie scattered all over the Union. And there are nearly eighty million acres of land that lie under swamps or subject to periodical overflow or too wet for anything but grazing which it is perfectly feasible to drain and protect and redeem. The Congress can at once direct thousands of the returning soldiers to the reclamation of the arid lands which it has already undertaken, if it will but enlarge the plans and the appropriations which it has entrusted to the Department of the Interior. It is possible in dealing with our unused land to effect a great rural and agricultural development which will afford the best sort of opportunity to men who want to help themselves; and the Secretary of the Interior has thought the possible methods out in a way which is worthy of your most friendly attention.

I have spoken of the control which must yet for a while, perhaps for a long while, be exercised over shipping because of the priority of service to which our forces overseas are entitled and which should also be accorded the shipments which are to save recently liberated peoples from starvation and many devasted regions from permanent ruin. May I not say a special word about the needs of Belgium and northern France? No sums of money paid by way of indemnity will serve of themselves to save them from hopeless disadvantage for years to come. Something more must be done than merely find the money. If they had money and raw materials in abundance to-morrow they could not resume their place in the industry of the world to-morrow,—the very important place they held before the flame of war swept across them. Many of their factories are razed to the ground. Much of their machinery is destroyed or has been taken away. Their people are scattered and many of their best workmen are dead. Their markets will be taken by others, if they are not in some special way assisted to rebuild their factories and replace their lost instruments of manufacture. They should not be left to the vicissitudes of the sharp competition for materials and for industrial facilities which is now to set in. I hope, therefore, that the Congress will not be unwilling, if it should become necessary, to grant to some such agency as the War Trade Board the right to establish priorities of export and supply for the benefit of these people whom we have been so happy to assist in saving from the German terror and whom we must not now thoughtlessly leave to shift for themselves in a pitiless competitive market.

For the steadying and facilitation of our own domestic business readjustments nothing is more important than the immediate determination of the taxes that are to be levied for 1918, 1919, and 1920. As much of the burden of taxation must be lifted from business as sound methods of financing the Government will permit, and those who conduct the great essential industries of the country must be told as exactly as possible what obligations to the Government they will be expected to meet in the years immediately ahead of them. It will be of serious consequence to the country to delay removing all uncertainties in this matter a single day longer than the right processes of debate justify. It is idle to talk of successful and confident business reconstruction before those uncertainties are resolved.

If the war had continued it would have been necessary to raise at least eight billion dollars by taxation payable in the year 1919; but the war has ended and I agree with the Secretary of the Treasury that it will be safe to reduce the amount to six billions. An immediate rapid decline in the expenses of the Government is not to be looked for. Contracts made for war supplies will, indeed, be rapidly cancelled and liquidated, but their immediate liquidation will make heavy drains on the Treasury for the months just ahead of us. The maintenance of our forces on the other side of the sea is still necessary. A considerable proportion of those forces must remain in Europe during the period of occupation, and those which are brought home will be transported and demobilized at heavy expense for months to come. The interest on our war debt must of course be paid and provision made for the retirement of the obligations of the Government which represent it. But these demands will of course fall much below what a continuation of military operations would have entailed and six billions should suffice to supply a sound foundation for the financial operations of the year.

I entirely concur with the Secretary of the Treasury in recommending that the two billions needed in addition to the four billions provided by existing law be obtained from the profits which have accrued and shall accrue from war contracts and distinctively war business, but that these taxes be confined to the war profits accruing in 1918, or in 1919 from business originating in war contracts. I urge your acceptance of his recommendation that provision be made now, not subsequently, that the taxes to be paid in 1920 should be reduced from six to four billions. Any arrangements less definite than these would add elements of doubt and confusion to the critical period of industrial readjustment through which the country must now immediately pass, and which no true friend of the nation's essential business interests can afford to be responsible for creating or prolonging. Clearly determined conditions, clearly and simply charted, are indispensable to the economic revival and rapid industrial development which may confidently be expected if we act now and sweep all interrogation points away.

I take it for granted that the Congress will carry out the naval programme which was undertaken before we entered the war. The Secretary of the Navy has submitted to your Committees for authorization that part of the programme which covers the building plans of the next three years. These plans have been prepared along the lines and in accordance with the policy which the Congress established, not under the exceptional conditions of the war, but with the intention of adhering to a definite method of development for the navy. I earnestly recommend the uninterrupted pursuit of that policy. It would clearly be unwise for us to attempt to adjust our programmes to a future world policy as yet undetermined.

The question which causes me the greatest concern is the question of the policy to be adopted towards the railroads. I frankly turn to you for counsel upon it. I have no confident judgment of my own. I do not see how any thoughtful man can have who knows anything of the complexity of the problem. It is a problem which must be studied, studied immediately, and studied without bias or prejudice. Nothing can be gained by becoming partisans of any particular plan of settlement.

It was necessary that the administration of the railways should be taken over by the Government so long as the war lasted. It would have been impossible otherwise to establish and carry through under a single direction the necessary priorities of shipment. It would have been impossible otherwise to

combine maximum production at the factories and mines and farms with the maximum possible car supply to take the products to the ports and markets; impossible to route troop shipments and freight shipments without regard to the advantage or disadvantage of the roads employed; impossible to subordinate, when necessary, all questions of convenience to the public necessity; impossible to give the necessary financial support to the roads from the public treasury. But all these necessities have now been served, and the question is, What is best for the railroads and for the public in the future?

Exceptional circumstances and exceptional methods of administration were not needed to convince us that the railroads were not equal to the immense tasks of transportation imposed upon them by the rapid and continuous development of the industries of the country. We knew that already. And we knew that they were unequal to it partly because their full cooperation was rendered impossible by law and their competition made obligatory, so that it has been impossible to assign to them severally the traffic which could best be carried by their respective lines in the interest of expedition and national economy.

We may hope, I believe, for the formal conclusion of the war by treaty by the time Spring has come. The twenty-one months to which the present control of the railways is limited after formal proclamation of peace shall have been made will run at the farthest, I take it for granted, only to the January of 1921. The full equipment of the railways which the federal administration had planned could not be completed within any such period. The present law does not permit the use of the revenues of the several roads for the execution of such plans except by formal contract with their directors, some of whom will consent while some will not, and therefore does not afford sufficient authority to undertake improvements upon the scale upon which it would be necessary to undertake them. Every approach to this difficult subject-matter of decision brings us face to face, therefore, with this unanswered question: What is it right that we should do with the railroads, in the interest of the public and in fairness to their owners?

Let me say at once that I have no answer ready. The only thing that is perfectly clear to me is that it is not fair either to the public or to the owners of the railroads to leave the question unanswered and that it will presently become my duty to relinquish control of the roads, even before the expiration of the statutory period, unless there should appear some clear prospect in the meantime of a legislative solution. Their release would at least produce one element of a solution, namely certainty and a quick stimulation of private initiative.

I believe that it will be serviceable for me to set forth as explicitly as possible the alternative courses that lie open to our choice. We can simply release the roads and go back to the old conditions of private management, unrestricted competition, and multiform regulation by both state and federal authorities; or we can go to the opposite extreme and establish complete government control, accompanied, if necessary, by actual government ownership; or we can adopt an intermediate course of modified private control, under a more unified and affirmative public regulation and under such alterations of the law as will permit wasteful competition to be avoided and a considerable degree of unification of administration to be effected, as, for example, by regional corporations under which the railways of definable areas would be in effect combined in single systems.

The one conclusion that I am ready to state with confidence is that it would be a disservice alike to the country and to the owners of the railroads to return to the old conditions unmodified. Those are conditions of restraint without development. There is nothing affirmative or helpful about them. What the country chiefly needs is that all its means of transportation should be developed, its railways, its waterways, its highways, and its countryside roads. Some new element of policy, therefore, is absolutely necessary,—necessary for the service of the public, necessary for the release of credit to those who are administering the railways, necessary for the protection of their security holders. The old policy may be changed much or little, but surely it cannot wisely be left as it was. I hope that the Congress will have a complete and impartial study of the whole problem instituted at once and prosecuted as rapidly as possible. I stand ready and anxious to release the roads from the present control and I must do so at a very early date if by waiting until the statutory limit of time is reached I shall be merely prolonging the period of doubt and uncertainty which is hurtful to every interest concerned.

I welcome this occasion to announce to the Congress my purpose to join in Paris the representatives of the governments with which we have been associated in the war against the Central Empires for the purpose of discussing with them the main features of the treaty of peace. [Applause.] I realize the great inconveniences that will attend my leaving the country, particularly at this time, but the conclusion that it was my paramount duty to go has been forced upon me by considerations which I hope will seem as conclusive to you as they have seemed to me.

The allied governments have accepted the bases of peace which I outlined to the Congress on the eighth of January last, as the Central Empires also have, and very reasonably desire my personal counsel in their interpretation and application, and it is highly desirable that I should give it in order that the sincere desire of our Government to contribute without selfish purpose of any kind to settlements that will be of common benefit to all the nations concerned may be made fully manifest. The peace settlements which are now to be agreed upon are of transcendent importance both to us and to the rest of the world, and I know of no business or interest which should take precedence of them. The gallant men of our armed forces on land and sea have consciously fought for the ideals which they knew to be the ideals of their country; I have sought to express those ideals; they have accepted my statements of them as the substance of their own thought and purpose, as the associated governments have accepted them; I owe it to them to see to it, so far as in me lies, that no false or mistaken interpretation is put upon them, and no possible effort omitted to realize them. It is now my duty to play my full part in making good what they offered their life's blood to obtain. [Applause.] I can think of no call to service which could transcend this.

I shall be in close touch with you and with affairs on this side the water, and you will know all that I do. At my request, the French and English governments have absolutely removed the censorship of cable news which until within a fortnight they had maintained and there is now no censorship whatever exercised at this end except upon attempted trade communications with enemy countries. It has been necessary to keep an open wire constantly available between Paris and the Department of State and another between France and the Department of War. In order that this might be done with the least possible interference with the other uses of the cables, I have temporarily taken over the control of both cables in order that they may be used as a single system. I did so at the advice of the most experienced cable officials, and I hope that the results will justify my hope that the news of the next few months may pass with the utmost freedom and with the least possible delay from each side of the sea to the other. [Applause.]

May I not hope, Gentlemen of the Congress, that in the delicate tasks I shall have to perform on the other side of the sea, in my efforts truly and faithfully to interpret the principles and purposes of the country we love, I may have the encouragement and the added strength of your united support? [Applause.] I realize the magnitude and difficulty of the duty I am undertaking; I am poignantly aware of its grave responsibilities. I am the servant of the nation. I can have no private thought or purpose of my own in performing such an errand. I go to give the best that is in me to the common settlements which I must now assist in arriving at in conference with the other working heads of the associated governments. I shall count upon your friendly countenance and encouragement. I shall not be inaccessible. The cables and the wireless will render me available for any counsel or service you may desire of me, and I shall be happy in the thought that I am constantly in touch with the weighty matters of domestic policy with which we shall have to deal. I shall make my absence as brief as possible and shall hope to return with the happy assurance that it has been possible to translate into action the great ideals for which America has striven. [Applause.]

At 1 o'clock and 45 minutes p. m. the President retired from the Hall of the House.

Thereupon the Vice President and the Members of the Senate returned to their Chamber.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. RAKER, for five days, on account of important business and inability to reach Washington sooner.

To Mr. WALDO, at the request of Mr. SIEGEL, indefinitely, on account of serious illness.

To Mr. SANDERS of Louisiana, indefinitely, on account of illness.

To Mr. EMERSON, indefinitely, on account of serious illness in his family.

To Mr. VOIGT, at the request of Mr. ESCH, for 10 days, on account of illness in his family.

ANTONIO M. MARTIN RIVERO (H. DOC. NO. 1460).

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying documents, referred to the Committee on Naval Affairs:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State inclosing a draft of a joint resolution authorizing the Secretary of the Navy to permit Mr. Antonio M. Martin Rivero, a citizen of Cuba, to receive instruction at the United States Naval Academy at Annapolis at the expense of the Government of Cuba.

The Secretary of State points out that the passage of the resolution would be regarded as an act of courtesy by the Government of Cuba and that it would follow established precedents.

WOODROW WILSON.

THE WHITE HOUSE, *2 December, 1918.*

MEAT-PACKING INDUSTRY (H. DOC. NO. 1297, PT. II).

The SPEAKER also laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Senate and House of Representatives:

I transmit herewith for the information of the Congress Part II of the summary of the report of the Federal Trade Commission on the Meat Packing Industry, being a part of the commission's food investigation.

WOODROW WILSON.

THE WHITE HOUSE, *2 December, 1918.*

BRIDGE ACROSS THE ARKANSAS RIVER (H. REPT. 838).

Mr. WINGO. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13153) extending the time for the construction of a bridge across the Arkansas River at the foot of Garrison Avenue, at Fort Smith, Ark., which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the time for commencing the construction and completion of a bridge authorized by the act of Congress approved July 27, 1917, to be built across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark., by the Sebastian bridge district, are hereby extended to one year and three years, respectively, from July 27, 1918.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 1, line 3, strike out the word "time" and insert in lieu thereof the word "times."

The SPEAKER. Is there objection?

Mr. GILLETT. Mr. Speaker, reserving the right to object, I would like to ask the leader of the House what his program is for to-day.

Mr. KITCHIN. After this matter is concluded, one way or the other, I am going to move to adjourn.

Mr. MANN. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas yield for a question?

Mr. WINGO. Certainly.

Mr. MANN. What is the necessity of taking this bill up to-day? It is not yet on the calendar.

Mr. WINGO. It comes to-day with a unanimous report from the committee, and is not yet on the calendar.

Mr. MANN. What is the necessity for passing it to-day?

Mr. WINGO. The necessity for prompt action arises out of these facts: Authority for the construction of this bridge was granted by a legislative act creating an improvement district several years ago. Unless the time to construct this bridge across this stream is extended this public improvement will be practically defeated, because they must advertise for bids and let the contract before the 1st of January. They have no authority to let that contract until they have full authority to construct the bridge, which includes the permission of the Federal Government.

Mr. MANN. But this is the 2d day of December. There is quite a time yet until the 1st of January. We could pass this bill to-morrow. It is very unusual to take up matters by unanimous consent on the first day of the session. Why not pass the bill to-morrow or Wednesday?

Mr. WINGO. I appreciate that fact, and I sought to impress it upon the House on the last day of the last session of Congress. I was then assured that if I would not press it at that time over the gentleman's agreement that it should be passed the first day of this session. The necessity which the gentleman wants to get at is this: I want it passed to-day so that it can be passed by the Senate to-morrow and be presented to the President for his signature before he goes to Europe.

Mr. MANN. I understand; but the Constitution provides a method of having a bill enacted into law without the signature of the President. I take it the President would not leave the country with the gentleman's bill in a position where it could not become a law or where Congress could not act upon anything. If the gentleman's bill were passed to-morrow, and passed by the Senate within a short time, it would become a law before the 1st of January, after it is presented to the President and he does not sign it and the period of 10 days elapses. Why does not the gentleman wait and present the bill to the President?

Mr. WINGO. To be perfectly frank with the gentleman, under the peculiar conditions that exist legally with reference to this bridge district I want to take the surest and most expeditious route, and upon the assurance of the House that it would permit me to pass it on the first day I did not press it during the existence of the gentleman's agreement during the last session.

Mr. MANN. That excuse is not a good one. Not pressing a bill on the last day of a session does not amount to anything at all. Lots of men do not press bills then if they think they can not pass them. Gentlemen do not press the bill because they could not pass it. Now, here is the situation: I am not criticizing the President for going abroad. I am inclined to think if I were in his position I would feel inclined to do the same thing, but the gentleman is afraid to trust his bill becoming the law by the 1st of January to its presentation to the President for fear he can not find the President to whom to present it, and if his fear is right about a bridge bill what is his fear to be about important legislation? The President will not be in this country. He will not be accessible. The bill enrolled and duly passed by both Houses can not be presented to him personally. It has been the custom to take bills to the White House. That is the custom. A presentation to an official at the White House is a presentation to the President. But if the President is abroad and is not capable of receiving the message the question is whether somebody else is entitled to act in that capacity. The Constitution of the United States says that when the President is incapacitated or can not be reached in some way the Vice President is to perform the duties of his office. Now, are we going to be put in a position that for the next six weeks Congress can not by any method it wishes to pursue accomplish anything? We pass a bill or a resolution. The gentleman's course indicates that he thinks if it were sent to the White House that would not be a presentation to the President, so that it could not become a law by failure of the President to sign it. It can not become a law by the President signing it, because he can not get at it.

Mr. WINGO. Mr. Speaker, I should not want by my silence to leave the impression that I agree with the gentleman's interpretation——

Mr. MANN. But the gentleman's course agrees with it.

Mr. WINGO. Before I get to that I want to suggest the practical fact that confronts me. Even if the President were not abroad, there is something else to be done in the letting of this contract besides this. It has to be advertised, and the board has not authority to advertise for bids even before this should become a law. I think, to be perfectly frank with the gentleman, I am fearful rather we will not get through in time to comply with the peculiar requirements of the statute governing the erection of this bridge. Now, the gentleman has suggested that my course leads to the conclusion that I am afraid the bill can not be presented to the President. I will be frank with the gentleman, as he has asked my opinion, and state that my conclusion as a lawyer, humble as my opinion may be, is that the President when he receives a bill from Congress is acting as an official and not as a person and a presentation at the President's office is a presentation to the President of the United States.

Mr. STAFFORD. Has the gentleman any authority?

Mr. WINGO. None but sound reasoning and common sense.

Mr. MANN. The gentleman will remember that the President has officially informed us that he will not be at his office. That is official information.

Mr. WINGO. Yes; the President has done that. He has informed us officially, and the country has recognized even before the President informed us officially, that the situation was such as to make it his duty to go abroad, and certainly I should not want the President to stay at home on account of a bridge bill, even if I held the gentleman's view, and forego the discharge of his duty in the international crisis that exists.

Mr. MANN. I have not objected to the consideration of the gentleman's bill; that has been given.

Mr. WINGO. I appreciate——

Mr. MANN. I am not objecting to the President's going abroad, but I think sometime some wise gentlemen on the ma-

jority side of the House ought to be able to inform the Congress what course is to be pursued when these matters come before us. Is there any way by which we may make into law anything through Congress before the President returns?

Mr. LONGWORTH. Will the gentleman yield for a question?

Mr. WINGO. I yield to the gentleman from Ohio.

Mr. LONGWORTH. The gentleman may recall it has been on many occasions the presidential custom to hand the pen with which he signed a bill for some favored project to the gentleman interested in it. How would the gentleman from Arkansas attempt to get the pen in this case?

Mr. WINGO. I am willing, if I get the law, to let some one else have the pen. We want the bridge and have for years, and the Capital Issues Committee held it up until the time expired, and now we have to pass this extension act in order that this much-needed bridge can be promptly constructed.

Mr. MONDELL. Will the gentleman yield?

Mr. WINGO. I yield to the gentleman.

Mr. MONDELL. As I understand it, the gentleman from Arkansas gives it as his legal opinion—and I am sure that he is a good lawyer—that the delivery of the bill at the White House is equivalent to the delivery of the bill to the President or presentation to the President. Now, following that view of the matter, the gentleman's bill, if it passes any time in the near future, could be delivered to the White House and in due course would become a law. So, from the gentleman's own view of the matter, there does not seem to be any urgency concerning it.

Mr. WINGO. It is not only necessary to pass it through this House and through another House, but then bids have to be advertised for, considered, and one accepted, and all that under the law requires time.

Mr. MONDELL. As I understand the gentleman from Arkansas, the absence of the President from the White House would have no effect upon his bill at all, except to insure its becoming a law at the end of 10 days.

Mr. WINGO. That is my humble opinion.

Mr. GREENE of Vermont. Is it the gentleman's opinion that the presentation of a bill to an empty White House is equivalent to giving it to a Democratic President?

Mr. WINGO. No; I think not; nor to a Republican President.

Mr. GILLETT. Will the gentleman yield?

Mr. WINGO. I will.

Mr. GILLETT. Suppose the President officially notified the House that he was to be at his summer residence in New Jersey, would you under those circumstances say that the presenting of a bill at the White House was all that was necessary?

Mr. WINGO. I think so. When he has been absent from the White House in the past, bills have been delivered there.

Mr. GILLETT. And if it laid there for 10 days it would become a law?

Mr. WINGO. Yes.

Mr. SLOAN. Does not the gentleman presume that if the President of the United States goes beyond the 3-mile limit and takes himself out of position to perform his duty in reference to his bridge bill, that the Vice President of the United States will consider it his duty to assume it at once?

Mr. WINGO. I am not going to indulge in presumptions as to how an executive will perform his duty. I concern myself only with the discharge of my duties, confident that the executive officers will discharge theirs.

Mr. SLOAN. I would like to ask the gentleman if he would not understand it to be a fact that when the President of the United States puts it out of his own power to perform the ordinary functions of President of the United States by leaving the country over which he is supposed to preside, the contingent officer, also elected by the people, would have the courage to do what he should and occupy the White House and perform the duties of the President of the United States?

Mr. WINGO. I never cross a bridge until I get to it. [Laughter.]

Mr. LONGWORTH. But the gentleman's bill is a bridge bill. [Laughter.]

Mr. WALSH. Will the gentleman yield?

Mr. WINGO. I will.

Mr. WALSH. Is it any part of the gentleman's purpose in advocating this important legislation to make a test case of this question as to the President leaving the country when legislation is pending?

Mr. WINGO. Certainly not. I have no desire to test any question that might be involved. I am confident no question will be raised.

Mr. WALSH. That is why the gentleman is so free with his legal opinion?

Mr. WINGO. No; I was asked for my opinion. I did not volunteer it. It costs nothing. The gentleman is not bound to take it.

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read a third time, and passed.

On motion of Mr. WINGO, a motion to reconsider the vote by which the bill was passed was laid on the table.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 3, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting communications from the heads of executive departments and other Government establishments submitting supplemental estimates of appropriations for increase in statutory salaries of officers and employees for the fiscal year 1920 (H. Doc. No. 1365); to the Committee on Appropriations and ordered to be printed.

2. A letter from the chairman of the Federal Trade Commission, transmitting Part II of the Report of the Federal Trade Commission on the Meat Industry, being a part of the commission's food investigation (H. Doc. No. 1297, pt. ii); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

3. A letter from the Attorney General, transmitting a statement of expenditures of the appropriations for the United States Court of Customs Appeals for the fiscal year ended June 30, 1918 (H. Doc. No. 1366); to the Committee on Expenditures in the Department of Justice and ordered to be printed.

4. A letter from the Secretary of the Smithsonian Institution, transmitting information regarding purchase and exchange of typewriting machines during the fiscal year ending June 30, 1918 (H. Doc. No. 1367); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Smithsonian Institution, transmitting statement of officers and employees of the Smithsonian Institution who have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year ended June 30, 1918 (H. Doc. No. 1368); to the Committee on Appropriations and ordered to be printed.

6. A letter from the chairman of the United States Tariff Commission, transmitting copy of the second annual report of the United States Tariff Commission (H. Doc. No. 1369); to the Committee on Ways and Means and ordered to be printed.

7. A letter from the Secretary of the Smithsonian Institution, transmitting statement for the first four months of the current fiscal year of the average number of employees who received increased compensation at the rate of $120 per annum and average number by grades who received the same at each other rate (H. Doc. No. 1370); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Secretary of the Smithsonian Institution, transmitting detailed statement of expenditures for the fiscal year ending June 30, 1918, under the appropriations for "International Exchanges," "American Ethnology," the "Astrophysical Observatory," the "International Catalogue of Scientific Literature," the "National Museum," the "National Zoological Park," etc. (H. Doc. No. 1371); to the Committee on Appropriations and ordered to be printed.

9. A letter from the chairman of the Interstate Commerce Commission, transmitting statement of typewriters and other labor-saving devices purchased and exchanged during the fiscal year 1918 (H. Doc. No. 1372); to the Committee on Appropriations and ordered to be printed.

10. A letter from the Secretary of War, transmitting statement submitted by the Chief of Ordnance, United States Army, of the costs of all types and experimental manufacture of guns and other articles and the average cost of the several classes of guns and other articles manufactured by the Government at the

several arsenals (H. Doc. No. 1373); to the Committee on Expenditures in the War Department and ordered to be printed.

11. A letter from the Secretary of the United States Senate, transmitting report of the average number of employees of the United States Senate who received the $120 per annum increase this year (H. Doc. No. 1374); to the Committee on Appropriations and ordered to be printed.

12. A letter from the Secretary of War, transmitting statements submitted by the Chief of Ordnance, United States Army, of the expenditures and allotment cost of arms, components of arms, and appendages fabricated, altered, and repaired during the fiscal year ended June 30, 1918 (H. Doc. No. 1375); to the Committee on Expenditures in the War Department and ordered to be printed.

13. A letter from the superintendent of the State, War, and Navy Department Building, transmitting report concerning employees of this office receiving increase of compensation (H. Doc. No. 1376); to the Committee on Appropriations and ordered to be printed.

14. A letter from the Attorney General, transmitting report of average number of employees receiving increased compensation under the act approved July 3, 1918, making appropriations for the legislative, executive, and judicial expenses of the Government (H. Doc. No. 1377); to the Committee on Appropriations and ordered to be printed.

15. A letter from the Postmaster General, transmitting annual report of operations of the Postal Savings System for the fiscal year ended June 30, 1918 (H. Doc. No. 1378); to the Committee on the Post Office and Post Roads and ordered to be printed.

16. A letter from the Acting Postmaster General, transmitting statement showing in detail what officers or employees have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year ended June 30, 1918 (H. Doc. No. 1379); to the Committee on Expenditures in the Post Office Department and ordered to be printed.

17. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting report of the official operations of the government for the fiscal year ended June 30, 1918 (H. Doc. No. 1431); to the Committee on the District of Columbia and ordered to be printed.

18. A letter from the United States Employees' Compensation Commission, transmitting statement of all travel performed during the fiscal years ended June 30, 1917, and June 30, 1918, by officers and employees of this commission other than those who in the discharge of their regular duties are required to travel constantly (H. Doc. No. 1380); to the Committee on Appropriations and ordered to be printed.

19. A letter from the Secretary of the Treasury, recommending appropriations for certain increases in salaries of officers and employees in the Treasury Department (H. Doc. No. 1381); to the Committee on Appropriations and ordered to be printed.

20. A letter from the president of the United States Civil Service Commission, transmitting a statement showing the typewriters, adding machines, and other labor-saving devices exchanged in part payment for new machines during the fiscal year 1918 (H. Doc. No. 1382); to the Committee on Appropriations and ordered to be printed.

21. A letter from the chairman of the Federal Trade Commission, transmitting report of typewriters, adding machines, and other similar labor-saving devices exchanged during the fiscal year ended June 30, 1918 (H. Doc. No. 1383); to the Committee on Appropriations and ordered to be printed.

22. A letter from the Acting Secretary of Labor, transmitting an itemized statement of the actual expenditures during the fiscal year 1918 from the appropriations "Miscellaneous expenses, Bureau of Naturalization, 1918" (H. Doc. No. 1384); to the Committee on Expenditures in the Department of Labor and ordered to be printed.

23. A letter from the Postmaster General, transmitting memorandum of allowances granted payable from the appropriation for unusual conditions for the fiscal year 1918 (H. Doc. No. 1385); to the Committee on Expenditures in the Post Office Department and ordered to be printed.

24. A letter from the Secretary of War, transmitting a tentative draft of a proposed bill extending the benefit of the war-risk insurance act to certain civilians employed by the Army (H. Doc. No. 1386); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

25. A letter from the managing director of War Finance Corporation, transmitting report of War Finance Corporation covering operations from date of organization to November 30, 1918, inclusive (H. Doc. No. 1387); to the Committee on Banking and Currency and ordered to be printed.

26. A letter from the chairman of the Interstate Commerce Commission, transmitting a statement showing the employment under appropriation for the valuation of carriers for the fiscal year ended June 30, 1918 (H. Doc. No. 1388); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

27. A letter from the acting chairman United States Shipping Board, transmitting a statement showing the number of persons, the grades or character of positions, the original rates of compensation, and the increased rates of compensation, as required by section 2 of the act of Congress approved June 12, 1917 (H. Doc. No. 1389); to the Committee on Appropriations and ordered to be printed.

28. A letter from the acting chairman of the United States Shipping Board, transmitting a statement of travel made by officers and employees of the United States Shipping Board from Washington, D. C., during the fiscal year ended June 30, 1918 (H. Doc. No. 1390); to the Committee on Appropriations and ordered to be printed.

29. A letter from the Acting Postmaster General, transmitting report of the finances of the department for the preceding year, a report of the amount expended in the department for the preceding fiscal year, and a report with reference to the appropriation "Increase of compensation, Post Office Department, 1919" (H. Doc. No. 1391); to the Committee on Expenditures in the Post Office Department and ordered to be printed.

30. A letter from the Secretary of the Treasury, transmitting estimate of appropriation for electrical protection to Subtreasury vaults for consideration in connection with the sundry civil estimates for the fiscal year 1920 (H. Doc. No. 1392); to the Committee on Appropriations and ordered to be printed.

31. A letter from the National Home for Disabled Volunteer Soldiers, transmitting statement showing typewriters exchanged, National Home for Disabled Volunteer Soldiers, fiscal year 1918 (H. Doc. No. 1393); to the Committee on Appropriations and ordered to be printed.

32. A letter from the Secretary of the Treasury, transmitting estimate of appropriation, New York, N. Y., quarantine station, for inclusion in the sundry civil appropriation bill (H. Doc. No. 1394); to the Committee on Appropriations and ordered to be printed.

33. A letter from the Assistant Secretary of War, transmitting report by the officer in charge public buildings and grounds concerning methods of reducing the cost of operating fountains in the Union Station Plaza (H. Doc. No. 1395); to the Committee on Appropriations and ordered to be printed.

34. A letter from the chairman of the Interstate Commerce Commission, transmitting report showing number of persons, the grades and character of positions, the original rates of compensation, and the increased rates of compensation under the act of June 12, 1917 (H. Doc. No. 1396); to the Committee on Appropriations and ordered to be printed.

35. A letter from the chairman of the Interstate Commerce Commission, transmitting a statement showing the travel of all officials and employees who have traveled on official business from Washington to points outside the District of Columbia during the fiscal year ended June 30, 1918 (H. Doc. No. 1397); to the Committee on Appropriations and ordered to be printed.

36. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Bayous des Cannes and Nezpique, La. (H. Doc. No. 1398); to the Committee on Rivers and Harbors and ordered to be printed.

37. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Coos Channel, East Channel, Oreg. (H. Doc. No. 1399); to the Committee on Rivers and Harbors and ordered to be printed.

38. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Queens Creek, Onslow County, N. C. (H. Doc. No. 1459); to the Committee on Rivers and Harbors and ordered to be printed.

39. A message from the President of the United States, transmitting a report from the Secretary of State inclosing draft of joint resolution authorizing the Secretary of the Navy to permit Mr. Antonio M. Martin Rivero, a citizen of Cuba, to receive instructions at the United States Naval Academy, at Annapolis, at the expense of the Government of Cuba (H. Doc. No. 1460); to the Committee on Naval Affairs and ordered to be printed.

40. A letter from the Secretary of War, transmitting a tentative draft of a bill fixing a limitation of time for bringing suits against the United States in certain cases (H. Doc. No. 1360); to the Committee on the Judiciary and ordered to be printed.

41. A letter from the Secretary of the Treasury, transmitting information relative to the necessity of supplying hospital accommodations for discharged sick and disabled soldiers and sailors and others entitled to treatment by the Public Health Service (H. Doc. No. 1361); to the Committee on Public Buildings and Grounds and ordered to be printed.

42. A letter from the Secretary of War, transmitting tentative drafts of bills amending certain sections of the Revised Statutes of the United States relating to patents (H. Doc. No. 1362); to the Committee on Patents and ordered to be printed.

43. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Elk River, Md. (H. Doc. No. 1363); to the Committee on Rivers and Harbors and ordered to be printed.

44. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Lake Worth Inlet, Palm Beach County, Fla. (H. Doc. No. 1364); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BARKLEY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 13153) extending the time for the construction of a bridge across the Arkansas River at the foot of Garrison Avenue at Fort Smith, Ark., reported the same with amendment, accompanied by a report (No. 838), and as so amended recommend that it pass.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. JONES: A bill (H. R. 13173) to provide for the retention of all uniforms issued to soldiers and sailors of the United States who have been honorably discharged, providing also for the privilege of using same for a stated period of time; to the Committee on Military Affairs.

By Mr. BLANTON: A bill (H. R. 13174) providing for the local commemoration in his home county of the supreme sacrifice made by each soldier, sailor, marine, and aviator who lost his life while in the service of the United States during the present war; to the Committee on Appropriations.

By Mr. SNYDER: A bill (H. R. 13175) for the relief of commissioned officers of the Army recommended for promotion; to the Committee on Military Affairs.

By Mr. BLANTON: A bill (H. R. 13176) providing for the wearing of uniforms after demobilization; to the Committee on Military Affairs.

Also, a bill (H. R. 13177) providing for railroad transportation home to be furnished emergency war workers employed by the Government when dismissed from positions; to the Committee on Appropriations.

By Mr. OLIVER of Alabama: A bill (H. R. 13178) to provide a preliminary survey of the Sipsey River, Ala., with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H. R. 13179) to provide a preliminary survey of the Cahaba River, Ala., with a view to the control of its floods; to the Committee on Flood Control.

By Mr. GRIEST: A bill (H. R. 13180) providing for a survey of Susquehanna River between the mouth of said river, in the State of Maryland, and the city of Harrisburg, on said river, in the State of Pennsylvania; to the Committee on Rivers and Harbors.

By Mr. SNYDER: A bill (H. R. 13181) to regulate the sale and promotion of stocks, bonds, etc.; to the Committee on Interstate and Foreign Commerce.

By Mr. BLACK: A bill (H. R. 13182) to repeal certain provisions of an act of Congress approved June 15, 1917, known as "the espionage law," and certain provisions of an act of Congress approved October 6, 1917, known as "trading-with-the-enemy act," in so far as such provisions limit or forbid the export of raw cotton; to the Committee on the Judiciary.

By Mr. SLOAN: A bill (H. R. 13183) to vest ownership in all honorably discharged enlisted men and noncommissioned officers of the United States Army, Navy, and members of the Marine Corps the uniform and personal effects, not including arms, issued to them and worn by them in the United States service; to the Committee on Military Affairs.

By Mr. WEBB: A bill (H. R. 13184) making continuing appropriations to defray the actual expenses, within the limits prescribed, of members of the Supreme Court of the United States and of the several circuit courts of appeals of the United States, in attending the annual meetings of the judicial section of the American Bar Association; to the Committee on the Judiciary.

Also, a bill (H. R. 13185) to amend paragraph 1, section 200, of article 2 of the act entitled "An act to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war," approved March 8, 1918; to the Committee on the Judiciary.

By Mr. LAZARO: Resolution (H. Res. 456) to allow a session clerk to the Committee on Enrolled Bills; to the Committee on Accounts.

By Mr. POU: Resolution (H. Res. 457) to allow an assistant clerk to the Committee on Rules; to the Committee on Accounts.

By Mr. PARK: Resolution (H. Res. 458) authorizing the Postmaster of the House to continue the employment of the additional messenger authorized during the second session of the Sixty-fifth Congress; to the Committee on Accounts.

Also, resolution (H. Res. 459) to pay to Sebe Newman $600 out of the contingent fund of the House for extra services; to the Committee on Accounts.

Also, resolution (H. Res. 460) assigning clerks to certain committees of the House; to the Committee on Accounts.

Also, resolution (H. Res. 461) authorizing clerks to certain committees of the House; to the Committee on Accounts.

By Mr. DYER: Resolution (H. Res. 462) authorizing the Speaker of the House to appoint a committee of five Members of the House of Representatives to investigate the delay in reporting the casualties overseas; to the Committee on Rules.

By Mr. RODENBERG: Joint resolution (H. J. Res. 353) declaring the absence of the President from the territory of the United States an inability to discharge the duties of the office and devolving such powers upon the Vice President; to the Committee on the Judiciary.

By Mr. LUNDEEN: Joint resolution (H. J. Res. 354) instructing the delegates to the peace conference to demand freedom for Ireland; to the Committee on Foreign Affairs.

By Mr. McLAUGHLIN of Pennsylvania: Joint resolution (H. J. Res. 355) on the right of Ireland to self-determination; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANDLER of Mississippi: A bill (H. R. 13186) for the relief of Mrs. Mamie Duffer, of Shannon, Miss.; to the Committee on Claims.

By Mr. DALE of New York: A bill (H. R. 13187) for the relief of Swend A. Swendson; to the Committee on Claims.

By Mr. DYER: A bill (H. R. 13188) granting a pension to Cyrus H. Saltzman; to the Committee on Pensions.

By Mr. HERSEY: A bill (H. R. 13189) for the relief of Susie Currier; to the Committee on Claims.

By Mr. McKINLEY: A bill (H. R. 13190) granting an increase of pension to Edward Myres; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 13191) granting an increase of pension to Thomas Clark; to the Committee on Invalid Pensions.

By Mr. SNOOK: A bill (H. R. 13192) granting a pension to John B. Glick; to the Committee on Invalid Pensions.

By Mr. STRONG: A bill (H. R. 13193) granting an increase of pension to John N. Hall; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolutions of the Socialist Party of Kings County, N. Y., relative to amnesty for political prisoners and other matters in connection with peace arrangements; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Petition of The Bronx Board of Trade, urging the passage of House bill 13142; to the Committee on the Library.

By Mr. DYER: Petition favoring the passage of House bill 5407, providing for the admission of osteopaths into the Medical Corps of the Army by the following residents of St. Louis, Mo.: A. D. Hess, T. L. Hausmann, P. C. Sparks, R. R. Vaughan, Lucy T. Childress, Emma C. Puschner, F. Harvey Morse, L. W. Childress, M. Willie Fulton, Sophia E. Turner, Wm. V. John, J. C. Hart, C. D. Summy, C. H. Gore, George Harkness, F. P. Held, Martin J. Collins, F. F. Fletcher, Frank P. Hays, J. Chas. Hart, J H. Howe, Edwin L. Merrill, Genoa S. Teas, Wade Childress, Eliza K. Payton, and Elsie Peschler; to the Committee on Military Affairs.

By Mr. SNYDER: Petitions from residents of the thirty-third New York district favoring admission of osteopaths to the Medical Corps of the Army; to the Committee on Military Affairs.

By Mr. TEMPLE: Petition signed by residents of New Castle, Pa., favoring House bill 5407, the osteopathic bill; to the Committee on Military Affairs.

Also, petition signed at a public missionary meeting held in New Castle, Pa., November 12, 1918, favoring an antipolygamy amendment to the Constitution of the United States; to the Committee on the Judiciary.

SENATE.

TUESDAY, *December 3, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek inspiration and wisdom for the great office of Senator from Thee, the author of all truth and the guide of those who put their trust in Thee. Grant us this day so to have Thee in mind and Thy presence to guide and inspire us as that the duty done may bring the largest measure of prosperity and happiness and peace to the people whom we serve. For Christ's sake. Amen.

JOSEPH T. ROBINSON, a Senator from the State of Arkansas; EDWIN S. JOHNSON, a Senator from the State of South Dakota; and JOHN S. WILLIAMS, a Senator from the State of Mississippi, appeared in their seats to-day.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

SENATOR FROM GEORGIA.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of Hon. W. J. HARRIS, a Senator elect from the State of Georgia, which will be inserted in the RECORD and placed on the file.

The credentials are as follows:

Executive Department, Atlanta.

STATE OF GEORGIA,
EXECUTIVE DEPARTMENT,
November 27, 1918.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, Hon. W. J. HARRIS was duly elected by the qualified electors of the State of Georgia Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning the 4th day of March, 1919.

In witness whereof, I have hereunto set my hand and caused the great seal of the State to be affixed at the Capitol in Atlanta this, the 27th day of November, in the year of our Lord 1918 and of the independence of America the one hundred and forty-third.

HUGH M. DORSEY,
Governor.

By the Governor:
[SEAL.]

H. B. STRANGE,
Secretary of State.

ENLARGEMENT OF THE CAPITOL GROUNDS (H. DOC. NO. 1498).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, information relative to any building or buildings or vacant land that may be acquired under the provisions of the sundry civil acts of June 17, 1910, and March 4, 1911, or subsequent acts, for the enlargement of the Capitol Grounds, which was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

REPORT OF THE PUBLIC PRINTER (S. DOC. 306).

The VICE PRESIDENT laid before the Senate the annual report of the Public Printer for the fiscal year ended June 30, 1918, which was referred to the Committee on Printing and ordered to be printed.

THE GOVERNMENT PRINTING OFFICE.

The VICE PRESIDENT laid before the Senate a communication from the Public Printer, stating, pursuant to law, that the average number of employees of the Government Printing Office to receive increased compensation at the rate of $120 is 5,131, and that one employee receives increased compensation at the rate of $20 per annum, which was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed a bill (H. R. 13153) extending the time for the construction of a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark., in which it requested the concurrence of the Senate.

CASE OF LITHUANIA FOR INDEPENDENCE (S. DOC. 305).

Mr. LODGE. Mr. President, I have here a statement of the case of Lithuania for independence. It has been presented by a committee representing the Lithuanian associations in this country. Lithuania is a country for which, I am sure, anyone who has examined the facts feels the deepest sympathy, which I hope will be given independent government and freedom in the terms of peace. I desire to present in their behalf to the Senate their case for independence, as they call it, and ask that it be printed as a public document and be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS.

Mr. KELLOGG. I send to the desk a petition signed by the president and vice president of the American Bar Association, asking for increased salaries for Federal circuit and district judges. I move that it be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. COLT presented a petition of the Men's Community Club of Washington Park, Providence, R. I., praying that there be no amelioration in the terms of peace imposed upon the German people, and that full and complete just punishment of a people who have applauded every new outrage perpetrated by their fiendish masters, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a petition of the congregation of the First Parish Church of Cambridge, Mass., praying for the establishment of a league of nations, which was referred to the Committee on Foreign Relations.

Mr. NELSON presented a memorial of the Marshall, Wells Co., of Duluth, Minn., remonstrating against the 10 per cent tax on guns and ammunition as proposed in the pending revenue bill, which was referred to the Committee on Finance.

He also presented the memorial from John C. Sweet, of Minneapolis, Minn., and the memorial of L. N. Scott, of St. Paul, Minn., remonstrating against an increased tax on amusements as proposed in the pending revenue bill, which were referred to the Committee on Finance.

Mr. LEWIS. I present a resolution in the nature of a petition adopted by the City Council of Chicago, Ill., on November 18, 1918, favoring the passage of the bill designating November 14 as a national holiday to be known as "Armistice Day." I move that the resolution be referred to the Committee on the Judiciary.

The motion was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 5071) extending the benefits of sections 2304, 2305, and 2309, Revised Statutes of the United States, to those who rendered military or naval service during the Mexican border troubles and the war with Germany and its allies; to the Committee on Public Lands.

By Mr. STERLING:

A bill (S. 5072) to amend chapter 6, part 1, of volume 38, United States Statutes at Large, Sixty-third Congress, entitled "An act providing for mediation, conciliation, and arbitration in controversies between certain employers and their employees," approved July 15, 1913; to the Committee on Interstate Commerce.

By Mr. SMOOT:

A bill (S. 5073) to provide for Federal aid to good roads, to permit the several States to utilize the superior credit of the United States in raising road construction funds, to aid the States in maintenance of roads, to establish a national academy of highway and bridge engineering, and to create a national highway commission; to the Committee on Post Offices and Post Roads.

By Mr. POINDEXTER:

A bill (S. 5074) to make the land and personal property of John Bonomache, Indian, liable to execution upon judgment of Superior Court of the State of Washington, County of Spokane, in the case of Louise Fletterman *v.* John Bonomache; to the Committee on Indian Affairs.

A bill (S. 5075) requiring first-class letter mail to be stamped with stamp indicating day and hour of its receipt; to the Committee on Post Offices and Post Roads.

A bill (S. 5076) for comparative tariffs on shingles and lumber; to the Committee on Finance.

By Mr. THOMAS:

A bill (S. 5077) to provide for the creation of Federal railroad companies, to establish a more effective supervision of railroads in the United States, and for other purposes; to the Committee on Interstate Commerce.

By Mr. NORRIS:

A bill (S. 5078) granting an increase of pension to James C. Daly; to the Committee on Pensions.

By Mr. COLT:

A bill (S. 5079) granting a pension to Carrie M. Birdsall (with accompanying papers); to the Committee on Pensions.

By Mr. GORE:

A bill (S. 5080) to provide for the acquisition of a site and the erection thereon of a public building at Cordell, Okla.;

A bill (S. 5081) to provide for the acquisition of a site and the erection thereon of a public building at Hugo, Okla.;

A bill (S. 5082) to provide for the acquisition of a site and the erection thereon of a public building at Clinton, Okla.;

A bill (S. 5083) to provide for the acquisition of a site and the erection thereon of a public building at Elk City, Okla.; and

A bill (S. 5084) to provide for the acquisition of a site and the erection thereon of a public building at Idabel, Okla.; to the Committee on Public Buildings and Grounds.

FEDERAL RAILROAD COMPANIES.

Mr. THOMAS. I wish to introduce a bill prepared by Mr. W. W. Cook, of the New York bar, and the author of a work upon corporations. It is a bill for the creation of Federal railroad companies and for their regional classification, somewhat along the lines presented by the suggestions of the President yesterday. It has been very carefully and thoughtfully prepared, and I ask to have it printed in the RECORD and referred to the Committee on Interstate Commerce.

The bill (S. 5077) to provide for the creation of Federal railroad companies, to establish a more effective supervision of railroads in the United States, and for other purposes, was read twice by its title, referred to the Committee on Interstate Commerce, and ordered to be printed in the RECORD, as follows:

A bill (S. 5077) to provide for the creation of Federal railroad companies, to establish a more effective supervision of railroads in the United States, and for other purposes.

Be it enacted, etc., That wherever the words "Federal railroad company" are used in this act the words shall be construed to refer to each of the five corporations to be organized under this act as herein provided.

The words "Federal railroad board" used in this act shall be construed to mean the board of six members herein provided for.

The words "secretary of railroads" used in this act shall be construed to be the head, at the seat of government, of an executive department to be known as the department of railroads, said head to be appointed by the President, by and with the advice and consent of the Senate. Said appointee shall receive a salary of $12,000 per annum and his term and tenure of office shall be uniform with other members of the Cabinet.

FEDERAL RAILROAD DISTRICTS.

SEC. 2. That continental United States, excluding Alaska, is hereby divided into five districts, to be known as New England railroad district, central railroad district, southern railroad district, northwestern railroad district, and Central Pacific railroad district.

The New England railroad district shall include the New York, New Haven & Hartford Railroad system and all other railroads in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut not controlled by any railroad system in another Federal railroad district.

The central railroad district shall include the Pennsylvania Railroad system, New York Central Railroad system, Erie Railroad system, Baltimore & Ohio Railroad system, Chesapeake & Ohio Railroad system, and all other railroads in the States of Illinois, Indiana, Ohio, Michigan, Pennsylvania, New Jersey, and New York not controlled by any railroad system in another Federal railroad district.

The southern railroad district shall include the Southern Railroad system and Illinois Central Railroad system and all other railroads in the States of Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, West Virginia, and Mississippi, and the District of Columbia not controlled by any railroad system in another Federal railroad district.

The northwestern railroad district shall include the Chicago, Milwaukee & St. Paul Railroad system, the Chicago & Northwestern Railroad system, the Northern Pacific Railroad system, the Great Northern Railroad system, and all other railroads in the States of Wisconsin, Minnesota, North Dakota, South Dakota, Montana, Wyoming, Idaho, Oregon, and Washington not controlled by any railroad system in another Federal railroad district.

The Central Pacific railroad district shall include the Union Pacific Railroad system, the Atchison, Topeka & Santa Fe Railroad system, the Southern Pacific Railroad system, and all other railroads in the States of Iowa, Nebraska, Kansas, Missouri, Arkansas, Louisiana, Texas, Oklahoma, Colorado, New Mexico, Arizona, Utah, Nevada, and California not controlled by any railroad system in another Federal railroad district.

Any question which may arise as to whether a particular railroad is included within any particular Federal railroad district shall be decided by the Federal railroad board.

FEDERAL RAILROAD COMPANIES.

SEC. 3. That the Federal railroad board shall supervise the organization in each of the said districts of a Federal railroad company by nine individuals in each district selected by the Federal railroad board, and thereupon such individuals in each district shall under their seals make an organization certificate which shall specifically state the name of such Federal railroad company, the territory and extent of the district as defined by States in section 2 of this act, the city and State in which its principal office is to be located in said district, the amount of capital stock ($9,000), and the number of shares into which the same is divided ($10 each), and the number of shares subscribed for by each incorporator (100). The said organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of said court or notary, transmitted to the secretary of railroads, who shall file, record, and preserve the same in his office. Upon the filing of such certificates with the secretary of railroads, as aforesaid, each of the said Federal railroad companies shall become a body corporate, and as such and in the name designated in such organization certificate shall have power—

First. To adopt and use a corporate seal; to have succession in perpetuity, unless it is sooner dissolved by an act of Congress or unless its franchise becomes forfeited by some violation of law; to make contracts; to sue and to be sued in any court of law or equity; to appoint by its board of directors such officers and employees as are not otherwise provided for in this act, to define their duties, require bonds of them and fix the penalty thereof, and to dismiss at pleasure such officers or employees; to prescribe by its board of directors by-laws not inconsistent with law, regulating the manner in which its general business may be conducted, and to privileges granted to it by law may be exercised and enjoyed; to exercise such incidental powers as shall be necessary to carry out the purposes of this act.

Second. To acquire, hold, and exercise the power of ownership of any or all of the shares of the capital stock and bonds and other obligations of any or all railroad companies within its district as aforesaid; also to construct, acquire, maintain, and operate railroads within its district; also to issue shares of its capital stock from time to time, either for cash or in exchange for shares of stock or bonds or other obligations of any and all railroad corporations within its district, on such basis of exchange as may be authorized by its board of directors; also to issue shares of its capital stock from time to time for such purposes (including its own expenses and disbursements) connected with or incidental to the control, acquisition, construction, management, use, and development of railroads, railroad business, and railroad stock, bonds, or other obligations already issued or hereafter to be issued by railroad companies within its district (including the issue of Federal railroad company stock, to provide money to enable any railroad company in its district to pay or purchase outstanding obligations or to pay for past or future improvements, equipment, or extensions, stock of such railroad company being issued to the Federal railroad company in consideration of such money), as may be determined by its board of directors; also to exercise the power, which is hereby given to it, of eminent domain, to acquire any shares of the capital stock or bonds or other obligations of any and all railroad corporations within its district or to acquire any railroads themselves or railroad property or property for railroad purposes, in its district whenever in its opinion it is necessary or advantageous to it to do so by condemnation under judicial process, and the United States district court or courts of the district wherein such stock or property is located shall have jurisdiction of proceedings for such condemnation. The practice, pleadings, forms, and modes of proceedings in causes arising under the provisions of this act shall conform, as near as may be, to the practice, pleadings, forms, and proceedings existing at the time in like causes in the courts of record of the State within which such district courts are held, any rule of the court to the contrary notwithstanding.

Third. To vote its own holdings of stock and to solicit proxies from other stockholders to vote their holdings of stock in any railroad corporation in its district, and such vote of such stock and proxies by the Federal railroad company for directors in said railroad corporation or corporations shall be limited to persons who shall have resided within the district for at least nine months in each of the five years prior to the election, and have been actively engaged during said five years in the district in commerce, agriculture, or some other industrial pursuit, or in the practice of a profession.

SEC. 4. That at least six members of the board of directors of each Federal railroad company shall for at least nine months of each of the preceding two years have resided in the district in which they have been chosen directors. No Senator or Representative in Congress shall be an officer or director of a Federal railroad company. No director of a Federal railroad company shall be an officer, director, or employee of any other railroad company. Any director of any Federal railroad company may be removed at any time for cause by the Federal railroad board. The board of directors of each Federal railroad company shall consist of nine members, all of whom shall be appointed by the Federal railroad board. Protests by stockholders or by the public shall be open to public inspection. Vacancies from any cause in the boards of directors of any Federal railroad company shall be filled by the Federal railroad board. The directors of each Federal railroad company shall receive such compensation as the board of directors may determine in advance in each instance, subject to the approval of the Federal railroad board. The board of directors of each Federal railroad company shall at its first meeting (after its first board retires from office) designate three directors to serve one year from the next 1st day of January, and three for two years, and three for three years, and thereafter all directors shall hold office for three years. Each Federal railroad company shall every three months make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

STOCK ISSUES AND GUARANTY OF DIVIDENDS.

SEC. 5. That the capital stock of each Federal railroad company shall be divided into shares of $10 each. The outstanding capital stock may be increased from time to time as authorized by the board of directors. When the capital stock of any Federal railroad company shall have been increased the board of directors shall cause to be executed a certificate to the secretary of railroads showing the increase of capital stock. The shares shall be represented by certificates which shall be transferable.

SEC. 6. That dividends on the stock of each Federal railroad company shall not exceed 6 per cent.

SEC. 7. That the United States Government hereby guarantees the payment of 3 per cent dividends on the shares of the stock of the several Federal railroad companies, and the Secretary of the Treasury is hereby authorized and directed to sign the name of the United States of America to a guaranty to that effect on the face of the certificates of stock issued by the corporation (the guaranty on canceled certificates to be canceled when the certificates are canceled by transfer), the form of said guaranty to be as follows:

"The United States of America hereby guarantees to the record holder of this certificate of stock the payment by the Federal railroad company issuing the same 3 per cent annual dividends on the shares of the capital stock represented by this certificate payable semiannually on the 1st days of January and July of each year after the date of this guaranty.

"If at any time the United States of America by act of Congress ceases to pay said guaranty, the United States of America shall pay to the holders of said certificates of stock the price at which they were originally issued or the value at the time of issue of the property for which they were originally issued."

The said guaranteed rate of dividend may be varied by Congress from time to time, but not as to any issue already made.

SEC. 8. That the United States Government shall be entitled to all the profits of the several Federal railroad companies in excess of said 6 per cent dividends, and shall apply such excess profits to extensions

and improvements, or purchase of railroad bonds or stock, or reduction of rates, or retirement of stock issued hereunder, or for any other purpose said Government may deem best in connection with the railroads.

SEC. 9. That national banks and Federal reserve banks may invest and deal in the shares of stock of the said Federal railroad companies or any of them, and such shares may be transferred to and deposited with the Treasurer of the United States in lieu of United States bonds as prescribed by sections 5159 to 5189, inclusive, of the Revised Statutes of the United States as amended, and by section 4, subdivision 8, of the Federal reserve act, and may be deposited with the Treasurer of the United States as security for deposits by said Treasurer of funds of the United States in national banks, and may be deposited as security for and in accordance with the act of Congress of May 30, 1908, amending the national banking laws. The board of trustees, established by act of Congress of June 25, 1910, to establish postal savings depositories, may invest postal-savings funds in such shares as securities of the United States within the meaning of that act. Said shares of the capital stock of said Federal railroad companies or any of them shall be receivable at part as a satisfactory collateral security for Federal reserve notes and as a reserve available as eligible paper under the Federal reserve act and as investments by Federal reserve banks.

SEC. 10. That the Federal railroad companies shall proceed with all reasonable dispatch to acquire sufficient of the outstanding capital stock of the Pennsylvania; New York Central; Illinois Central; Chicago, Milwaukee & St. Paul; Chicago & North Western; Union Pacific; Atchison, Topeka & Santa Fe, and Southern Pacific Railroad systems, to control those railroad companies; each Federal railroad company so to acquire the stock of any said railroad system or systems within its district. Such acquisition may be by purchase or by exchange of Federal railroad company's stock for the stock of said railroad system or systems, or by condemnation proceedings.

FEDERAL RAILROAD BOARD.

SEC. 11. That a Federal railroad board is hereby created, which shall consist of six members, one to be the secretary of railroads and the remaining five members to be appointed by the President of the United States, by and with the advice and consent of the Senate. In selecting the said five members of the Federal railroad board not more than one shall be selected from any one Federal railroad district. The said five members shall devote their entire time to the business of the Federal railroad board and shall each receive an annual salary of $12,000, payable monthly, together with actual necessary traveling expenses. In addition to the salaries hereinbefore provided for, each of said six members shall each year receive $10,000 for each and every one of said five Federal railroad companies which pays its guaranteed dividend without resort to the guarantor, each year being taken by itself. No Senator or Representative in Congress shall during his term of office, or for five years thereafter, be a member of the Federal railroad board. The members of the said board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any railroad company, and shall not during that time hold or own stock therein. At least one of said five members shall be a person experienced in the management and operation of railroads. One member shall be designated by the President to serve for 2 years, one for 4, one for 6, one for 8, and one for 10 years, and thereafter each member so appointed shall serve for a term of 10 years unless removed for cause by the President. Whenever a vacancy shall occur, whether by expiration of term or otherwise, among the said five members of the Federal railroad board, a successor shall be appointed by the President with the advice and consent of the Senate to fill such vacancy. The President shall have power to fill all vacancies that may occur on the Federal railroad board during the recess of the Senate by granting commissions which shall expire 30 days after the next session of the Senate convenes. Of the five members thus appointed, one shall be designated by the President as governor and one as vice governor of the Federal railroad board. The governor of the Federal railroad board, subject to its supervision, shall be the active executive officer. A majority of the members at a meeting duly called shall constitute a quorum, and a majority of those present at such meeting shall be sufficient for affirmative action. The salaries and expenses of the Federal railroad board shall be paid by the Federal railroad companies in proportion to the respective outstanding capital stock of each from time to time. The Federal railroad board shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress. The Federal railroad board shall have power to examine at its discretion the accounts, books, and affairs of each Federal railroad company and to require such statements and reports as it may deem necessary, and shall at all times furnish full information to the public regarding its operations and the operations of each Federal railroad company.

SEC. 12. That said Federal railroad board is hereby given the power to fix and determine all interstate railroad rates and service, and also such intrastate rates and service as Congress has the power to regulate under the Constitution of the United States. No State or State commission or other State authority shall fix, determine, or regulate any rates, service, or operation of railroads owned by any of said Federal railroad companies.

SEC. 13. That no stock shall be issued by any Federal railroad company except after the approval thereof by the Federal railroad board, which board shall also first approve the use to be made of such stock and the terms of its issue. All financial operations of every Federal railroad company shall be approved by the Federal railroad board before becoming effective.

SEC. 14. That this act may be altered from time to time or repealed.

ENLARGED HOMESTEADS.

Mr. JONES of New Mexico. Mr. President, I introduce a bill to provide for extending the rights of stock-raising homesteaders. I desire to call attention at this time to the bill, so that it may have the attention of Senators interested in the subject, and that it may also receive attention from the people at large.

Under the existing law no more than one section of land can be taken up as a homestead. It is well known that in many sections of the country this is not sufficient area to enable the homesteaders to make a living. I have thought for some time that some provision should be made to extend the rights of these homesteaders, and I am introducing this bill for the purpose of extending to such homesteaders the right during the period when they are complying with the homestead law to lease additional areas of land, and at the conclusion of the acts to be performed in order to acquire title to the homestead they may have an option to purchase the lands which may be leased in the meantime.

The area to be leased and also to be optioned to the homesteader I have left blank, so that the people throughout the western country and the members of the Public Lands Committee may give to that question their best consideration and judgment.

There are some other provisions in the bill which likewise need to be carefully considered. That the country may be invited to consider the provisions of the bill, I am going to ask that it be printed in the RECORD.

I may say that this is a time when we should provide homes for the returning soldiers, and that we should have those homes of such an extent that the soldiers can make a good living upon them and establish real and prosperous homes. I introduce the bill and ask that it be printed in the RECORD.

The bill (S. 5069) to extend the rights of stock-raising homesteaders was read twice by its title, referred to the Committee on Public Lands, and ordered to be printed in the RECORD, as follows:

A bill (S. 5069) to extend the rights of stock-raising homesteaders.

Be it enacted, etc., That from and after the passage of this act any person who has made entry for public lands under the provisions of the act of Congress approved December 29, 1916, entitled "An act to provide for stock-raising homesteads, and for other purposes," and who is complying with the requirements of said act and the rules and regulations promulgated thereunder shall have the right to file application with the Secretary of the Interior for the lease of not more than — acres of unappropriated contiguous public lands of the same or inferior character to which no lawful claim has attached. Such applications shall be filed with and received by the register and receiver of the land district in which said land is located, and suspended until it shall have been determined by the Secretary of the Interior whether the land is of the character subject to lease and appraised as to its rental value under regulations to be prescribed by him. That during such suspension the land described in the application for lease shall not be disposed of, and if found subject to lease to the applicant a lease shall be made for a period not exceeding five years, subject to the payment of annual rental as determined by the appraisement hereinbefore provided for; otherwise the application shall be rejected subject to appeal, but no right to occupy or use such lands shall be acquired by reason of such application to lease until after lease is made as hereinafter provided. Such lease when executed shall contain a provision that the same shall be terminated if and when the lessee shall, with respect to his entry under the said act of Congress approved December 29, 1916, fail to comply with the requirements of said act and the rules and regulations promulgated thereunder.

SEC. 2. That any such lessee who shall have complied with the requirements of this act may, from and after the issuance of patent to him upon his homestead entry made under the act of December 29, 1916, have the right to purchase any or all of the lands so leased at their appraised value under regulations prescribed by the Secretary of the Interior, the purchase money to be paid in 20 annual installments, deferred payments to draw interest at the rate of 4 per cent per annum, payable annually.

SEC. 3. That all leases and entries made and patents issued under the provisions of this act shall be subject to and contain a reservation to the United States of all the coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine, and remove the same. The coal and other mineral deposits in such lands shall be subject to disposal by the United States in accordance with the provisions of the coal and mineral land laws in force at the time of such disposal. Any person qualified to locate and enter the coal or other mineral deposits, or having the right to mine and remove the same under the laws of the United States, shall have the right at all times to enter upon the lands entered or patented, as provided by this act, for the purpose of prospecting for coal or other mineral therein, provided he shall not injure, damage, or destroy the permanent improvements of the entryman or patentee, and shall be liable to and shall compensate the entryman or patentee for all damages to the crops on such lands by reason of such prospecting. Any person who has acquired from the United States the coal or other mineral deposits in any such land, or the right to mine and remove the same, may reenter and occupy so much of the surface thereof as may be required for all purposes reasonably incident to the mining or removal of the coal or other minerals, first, upon securing the written consent or waiver of the homestead entryman or patentee; second, upon payment of the damages to crops or other tangible improvements to the owner thereof where agreement may be had as to the amount thereof; or, third, in lieu of either of the foregoing provisions, upon the execution of a good and sufficient bond or undertaking to the United States for the use and benefit of the entryman or owner of the land to secure the payment of such damages to the crops or tangible improvements of the entryman or owner, as may be determined and fixed in an action brought upon the bond or undertaking in a court of competent jurisdiction against the principal and sureties thereon, such bond or undertaking to be in form and in accordance with rules and regulations prescribed by the Secretary of the Interior and to be filed with and approved by the register and receiver of the local land office of the district wherein the land is situate, subject to appeal to the Commissioner of the General Land Office: *Provided*, That all patents issued for the coal or other mineral deposits herein reserved shall contain appropriate notations declaring them to be subject to the provisions of this act with reference to the disposition, occupancy, and use of the land as permitted to an entryman under this act.

SEC. 4. That one-half of the proceeds from leases and sales of land under this act shall be deposited in the Treasury of the United States as are receipts from the sales of other public lands, and the balance shall be paid to the State or Territory wherein the lands sold are situate, to be used for the construction of public highways or of irrigation and drainage works.

SEC. 5. That the Secretary of the Interior is hereby authorized to make all necessary rules and regulations for the purpose of carrying this act into effect.

AMENDMENT OF ESPIONAGE LAW.

Mr. BORAH. I introduce a bill which I desire to have referred to the Committee on the Judiciary. I will state that the bill is for the purpose of repealing those provisions of the espionage act which permit the Postmaster General to determine what matter shall go through the mails.

The bill (S. 5070) to repeal certain sections of the espionage act and the act amendatory thereof was read twice by its title and referred to the Committee on the Judiciary.

COMMITTEE SERVICE.

Mr. MARTIN of Virginia. Mr. President, I send to the desk an order for filling committee vacancies, and I ask unanimous consent for its present consideration.

The order was read and agreed to, as follows:

Ordered, That Senator REED be assigned to the chairmanship of the Committee on Public Buildings and Grounds, and that he, on his own request, be relieved from further service as chairman of the Committee on Manufactures, but not from membership thereon.

That the following-named Senators be assigned to membership of the following committees:

Senator GAY to Appropriations; Additional Accommodations for the Library of Congress, Census, Expenditures in the Navy Department, Fisheries, Pensions, Post Offices and Post Roads, Public Buildings and Grounds.

Senator POLLOCK to Appropriations, Additional Accommodations for the Library of Congress, Cuban Relations, Expenditures in the Navy Department, Five Civilized Tribes of Indians, Forest Reservations and the Protection of Game, Indian Depredations, Private Land Claims, Transportation and Sale of Meat Products.

Senator MARTIN of Kentucky to Civil Service and Retrenchment, Claims, Corporations Organized in the District of Columbia, Enrolled Bills, Expenditures in the Interior Department, Five Civilized Tribes of Indians, Immigration.

Senator THOMPSON to Expenditures in the War Department.

Senator GORE to Industrial Expositions.

Senator HENDERSON to Investigate Trespassers on Indian Lands, Post Offices and Post Roads.

Senator UNDERWOOD to On the Library.

Senator HARDWICK to Mississippi River and its Tributaries.

Senator NUGENT to Pacific Islands and Porto Rico, Patents.

Senator POMERENE to Pacific Islands and Porto Rico.

Senator MYERS to Pacific Railroads, Expenditures in the Department of State.

Senator SMITH of Georgia to Philippines.

Senator WOLCOTT to Revolutionary Claims.

Senator SMITH of Maryland to Standards, Weights, and Measures.

Senator OVERMAN to Transportation Routes to the Seaboard.

Senator LEWIS to On the University of the United States.

Senator PITTMAN to Interstate Commerce.

Senator KING to Naval Affairs.

Senator GERRY to Privileges and Elections.

THE PRESIDENTIAL OFFICE.

Mr. SHERMAN. I offer a concurrent resolution which I desire to have lie on the table. I ask that the resolution may be read.

The VICE PRESIDENT. It will be read.

The Secretary read the concurrent resolution (S. Con. Res. 26), as follows:

Whereas Woodrow Wilson, President of the United States, is about to depart from the territorial limits thereof and go beyond the jurisdiction of its Constitution and laws and be and remain upon foreign territory, within the limits of another sovereignty, the Republic of France; and

Whereas among the powers and duties of the President as the Chief Executive Civil Magistrate of the Government are the following: To receive ambassadors and other public ministers of foreign powers; to appoint ambassadors and other public ministers, consuls, judges of the Supreme Court, and all other officers of the United States not otherwise provided for; to protect every State against domestic violence on the application of its legislature or executive; to perform, if it shall be required, a guaranty of the United States of a republican form of government to each State, and to protect each of such States against invasion; to pardon and reprieve for offenses against the United States; and to take care that the laws be faithfully executed; and

Whereas Villa is still at large in Mexico pillaging and creating disorders threatening the safety of the border States of the Union, and the I. W. W., as they are commonly known as organizations for disorderly and seditious purposes, now actively engaged in threatening civil commotion with others, making the constant presence of the Executive at the seat of government necessary to preserve orderly conditions and execute the law in the United States and the several States thereof; and

Whereas Congress having convened in regular session on the first Monday in December, A. D. 1918, and will continue in session at the seat of government in the city of Washington, D. C., until March 4, 1919, with pending legislation and the passage of bills requiring Executive action in due course of legislation, and the President being further required from time to time to give Congress information of the state of the Union and to recommend to their consideration such measures as he may deem necessary and expedient; and

Whereas Congress did by an act approved July 16, 1790, provide that on the first Monday in December, A. D. 1800, the seat of government of the United States should by virtue of that act be transferred to Washington, D. C., and all offices attached to the said seat of government should accordingly be removed thereto by their respective holders, and shall after the said day cease to be exercised elsewhere, which was accordingly done pursuant to said act, so that the city of Washington, in said District, thereby became and still is the seat of government of the United States and the place where legislative and executive powers and duties shall and must be exercised; and

Whereas the Constitution provides in cases of the removal of the President from office or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly until the disability shall be removed or a President shall be elected, pursuant to which power Congress did by an act of January 19, A. D. 1886, known as the presidential-succession act, duly approved, provide therefor, but no legislation has been provided declaring what shall constitute inability of the President and devolving such powers and duties upon and the assumption and exercise of the same by the Vice President: Now therefore be it

Resolved by the Senate (the House of Representatives concurring), That the departure by the President and his absence from the territory of the United States and from the seat of government so fixed and declared by law be, and the same are hereby, declared to constitute an inability to discharge the powers and duties of the said office of President of the United States, and is hereby declared to constitute a vacancy in such office of President, and that the powers and duties thereof shall immediately upon such departure and absence by the President from the territorial limits of the United States and the seat of government thereof devolve upon and be exercised by the Vice President of the United States, who shall qualify and assume the powers and duties of the office of said President of the United States until a President shall be duly elected, and all official acts of the Vice President while such powers and duties are so devolved upon him shall be, and are hereby, declared to be valid for all intents and purposes and shall be received and accepted as the act of the President of the United States.

Mr. KNOX. I send to the desk and ask to have read a resolution to be referred to the Committee on Foreign Relations.

Mr. WALSH. I rise to inquire what disposition was made of the resolution offered by the Senator from Illinois.

The VICE PRESIDENT. The Senator asked that it lie on the table. It goes over under the rule.

PEACE CONFERENCE.

Mr. KNOX submitted the following resolution (S. Res. 361), which was read and referred to the Committee on Foreign Relations:

Whereas the United States of America entered the war with Germany and Austria-Hungary in order to vindicate the ancient rights of navigation as established under international law and in order to remove forever the German menace to our peace; and

Whereas the splendid effort of the American people and the valor of our soldiers and sailors during a year and a half, when added to the enormous sacrifices, the steadfast fortitude, and the noble courage displayed by our allies during more than four years, have made possible the attainment of those aims, now best expressed as restitution, reparation, and guaranties against the German menace; and

Whereas the surrender of Germany and Austria-Hungary to the terms of the armistice has attained a great part and has rendered enforcible the remainder of those aims; and

Whereas conferences are about to take place with the purpose to complete, to perfect, and to guarantee the attainment of the war aims aforesaid and thus to pass to the state of formal peace: Therefore be it

Resolved, That the purposes of the United States of America in those conferences should be confined to the aforesaid aims and matters germane thereto.

Second, That for the safeguarding of those aims the first essential is a definite understanding that, the same necessity arising in the future, there shall be the same complete accord and cooperation with our chief cobelligerents for the defense of civilization.

Third. That any project for any general league of nations or for any sweeping change in the ancient laws of the sea as hitherto recognized as international law and violated by the Teutonic powers should be postponed for separate consideration not alone by the victorious belligerents but by all the nations if and when at some future time general conferences on those subjects might be deemed useful.

Further resolved, That immediately upon compliance with the terms of the armistice and the guaranteed attainment of the war aims as aforesaid the Army and Navy of the United States should be withdrawn from foreign territories and waters except in so far as their retention might be temporarily necessary to establish the status contemplated by the armistice; and, further, that the extraordinary powers conferred upon the President for the prosecution of the war should be withdrawn and the country restored to a normal condition of peace, with the greatest possible celerity consistent with the national interest.

GOVERNMENT OF COSTA RICA.

Mr. MOSES submitted the following resolution (S. Res. 362), which was read and referred to the Committee on Foreign Relations:

Whereas the President of the United States, in an address delivered at a joint session of the two Houses of Congress, December 2, 1918, has emphasized the "capital importance" of action which shall "clear away all grounds of misunderstanding with our immediate neighbors and give proof of the friendship we really feel"; and

Whereas there now exists in the Republic of Costa Rica a government, constitutional in form and stable in character, which has maintained itself for two years in the face of a grave menace, which has given proof of undoubted adherence to the allied cause and of special friendliness to the United States, and which has been formally recognized by all the Governments of the Western Hemisphere, save only those of Nicaragua and the United States: Now therefore be it

Resolved, That it is the opinion of the Senate that the President, having declared that "the stage of affairs is now set for such action as will be not only just but generous and in the spirit of the new age upon which we have so happily entered," should forthwith extend formal recognition to the existing Government of Costa Rica and should immediately enter into full diplomatic relations therewith.

PAYMENT TO HON. CHRISTIE BENET.

Mr. MARTIN of Virginia submitted the following resolution (S. Res. 363), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to the Hon. Christie Benet the sum of $554.79, being the compensation of a Senator of the United States for 27 days, November 6 to December 2, 1918, both dates inclusive, during which he served as Senator from the State of South Carolina.

PROPOSED TREATY WITH COLOMBIA.

Mr. THOMAS. Mr. President, I desire to give notice that on Monday next, at the close of the morning business, I shall submit some remarks to the Senate on the pending proposed treaty with Colombia.

BREWERS' GERMAN PROPAGANDA.

Mr. OVERMAN. Mr. President, I ask the permission of the Senate that the subcommittee of the Committee on the Judiciary to investigate the brewers' German propaganda be granted leave to sit during the sessions of the Senate.

The VICE PRESIDENT. Without objection, leave will be granted.

REPORT ON AERONAUTICS (S. DOC. NO. 307).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, ordered to be printed, and, with the accompanying paper, referred to the Committee on Military Affairs:

To the Senate and House of Representatives:

As required by the provisions of the act of March 3, 1915, making appropriations for the Naval Service for the fiscal year ending June 30, 1916, I transmit herewith the Fourth Annual Report of the National Advisory Committee for Aeronautics for the fiscal year ended June 30, 1918.

The recommendation of the committee as outlined in the closing paragraphs of its report for the continuance of the scientific study of the problem of flight and the development of aviation for all purposes has my hearty approval. Attention is also invited to the recommendation of the committee that the appendixes of this report be published with the report as a public document.

WOODROW WILSON.

THE WHITE HOUSE, *3 December, 1918.*

REPORT OF COUNCIL OF NATIONAL DEFENSE (H. DOC. NO. 1440).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, ordered to be printed, and, with the accompanying paper, referred to the Committee on Military Affairs:

To the Senate and House of Representatives:

As required by the provisions of the Army appropriation act approved 29 August, 1916, creating the Council of National Defense, I transmit herewith the Second Annual Report of the Council of National Defense for the fiscal year ended June 30, 1918.

WOODROW WILSON.

THE WHITE HOUSE, *3 December, 1918.*

HOUSE BILL REFERRED.

H. R. 12153, an act extending the time for the construction of a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark., was read twice by its title and referred to the Committee on Commerce.

THE PRESIDENTIAL OFFICE.

Mr. SHERMAN. Mr. President, I should like about 15 minutes before adjournment to-day, by unanimous consent, to submit some remarks on the absence of the President.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Illinois will proceed.

Mr. SHERMAN. Mr. President, in order that what my views are on this subject when they shall have been expressed may be beyond question, I have, contrary to my usual custom, placed them on paper.

The President's absence from the seat of government and the territorial limits of the United States by his contemplated attendance at Versailles, France, as a member of the peace commission suspends the legislative power of the Government during that absence. Congress can pass bills, but can not present them to the President for his approval or veto. Neither can the 10-day limit result in the passive Executive approval of a bill, because the 10 days do not begin to run until it is presented to him. A bill can not as a practical matter be presented to the President when he is in Europe, nor, if he vetoed it while there, being at the American ambassador's, could it be returned to the House in which it originated in such a way as to legislate as the Constitution contemplates it. A necessary constitutional legislative agent is no longer in his normal relation with other essential constitutional legislative agents so that legislation can be perfected.

The act of July 16, 1790, fixed the seat of government on and after the first Monday in December, A. D. 1800, at Washington, in the District of Columbia, and provided that all offices attached to the seat of government should accordingly be removed thereto by their respective holders and should after the said day cease to be exercised elsewhere. This is a legislative declaration fixing the place where the powers of the Federal Government shall be exercised. Contemporaneous with this act all Federal powers and duties of an executive and legislative character have been performed at the seat of government so fixed. Such power has been uniformly administered at the seat of government for 118 years. No President has ever undertaken to exercise or administer his great civil functions elsewhere. Federal sovereignty resides at the Capital. It can not be transferred to any other point even on the soil of the United States and within the jurisdiction of its Constitution and laws pursuant thereto except by act of Congress approved in due form by the President. It is a palpable violation of the act of 1790, approved by George Washington, to attempt to exercise the constitutional sovereign powers of the President within the domain of another Government, outside the territory of this country, and with the Atlantic Ocean intervening between the President and the seat of government.

No imperious necessity justifies the pernicious mischief likely to result. National legislation, vast appropriations of money, the legislation incident to the readjustment from war to peace conditions, all crowd as urgent measures. The uncertainty, the risk of litigation, the confusion imminent on the invalidity of both legislation and Executive orders fill the President's absence with grave menace. The public peace profoundly affected in the changes from war to peace levels, the signs of disorder, the frequent threats of lawless assemblages, the dangers hanging upon our Mexican border, all join to require the Chief Magistrate to be at his post of duty at the seat of government. His office is an executive one. It is a corporation sole. When its occupant is absent its quorum does not exist; unless a Vice President can assume the office or the Executive powers and duties can be devolved upon him, the President's office becomes vacant. The presidential succession act does not apply so long as the Vice President is eligible and competent; and he is both.

Mr. THOMAS. Mr. President, will the Senator from Illinois yield for a question?

Mr. SHERMAN. Yes, sir.

Mr. THOMAS. In order to explain the question more fully I will read that provision of the Constitution which applies to the subject matter of the Senator's discussion:

> In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

My question is whether, in the absence of previous legislation upon the subject, Congress being expressly authorized to enact such legislation, there can be such a thing as disability or inability of the Executive? The Senator may intend to discuss that phase of the subject. To me it is a most interesting one.

Mr. SHERMAN. That, Mr. President, is the point I intended to cover by the resolution I offered this morning, which lies on the table, declaring by congressional definition what "executive inability" is.

Mr. THOMAS. Well, I asked the question because I inferred from my understanding of the resolution that it was to act retrospectively, and that, in the event of its adoption by Congress, it would take effect with the departure of the President. Am I correct with regard to that?

Mr. BRANDEGEE. Mr. President——

Mr. SHERMAN. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. Mr. President, without expressing any positive opinion upon the question raised by the Senator from Colorado [Mr. THOMAS] I should like to make this suggestion to him: Does not the first part of the clause of the Constitution which he read devolve the duties of the President upon the Vice President in case of the inability of the President to perform them? Does not the second part of the clause which he read provide that Congress may, in the event of the inability of both the President and the Vice President, pass laws as to the succession? Are they not two independent and separate questions?

Mr. THOMAS. I think not, Mr. President. The subject was discussed at great length and very exhaustively during the interim between the shooting of President Garfield and his death, and I have a distinct recollection that the best legal thought at that time agreed that antecedent legislation was essential by Congress before the inability or the disability became operative.

Mr. BRANDEGEE. Mr. President, is that not simply to determine the fact of the President's disability?

Mr. THOMAS. It may be; but it can not, in my judgment, act retrospectively.

Mr. CURTIS. Mr. President, with the consent of the Senator from Illinois——

Mr. SHERMAN. I yield.

Mr. CURTIS. I desire to read a few extracts from a decision of the Supreme Court of Oklahoma, which I believe will throw some light on the subject. I do not care to do so unless the Senator will consent. It will take only about a minute.

Mr. SHERMAN. Certainly; I should like to have it incorporated in the RECORD.

Mr. CURTIS. I think it answers the question of the Senator from Colorado.

Mr. THOMAS. Does the Senator intend to read the provision of the constitution of Oklahoma which deals with the subject?

Mr. CURTIS. Yes. I read the following from the opinion of the Supreme Court of Oklahoma in the case of Ex parte Nelson Hawkins, Oklahoma Criminal Reports, volume 10, pages 399 and 400:

> This case presents simply a cold question of law, and must be decided as such without reference to any other considerations. Article 6, section 16 (Williams's Const. Okla., sec. 165), provides in express terms that all of the powers of the governor shall devolve upon the lieutenant governor during the inability of the governor to discharge the powers and duties of said office and until such disability shall be removed. No one will contend that the powers of the governor can be exercised by him during his absence from the State, any more than that a judicial officer of Oklahoma could open court and try cases or could discharge any other official duty in another State or upon foreign territory. The office of governor of Oklahoma was not created for the benefit of the man who temporarily holds his position. It is in no sense his private property; but it is alone for the people of Oklahoma, and must be confined to Oklahoma, and can not be placed upon wheels and hauled all over the face of the universe. The governor may go to other States, and travel in foreign countries, with all of the military pomp and glory of the commander in chief of the Oklahoma Militia, as he pleases, without forfeiting his office, and may carry his title with him; but his powers as governor become dormant the very moment he crosses the State line, and they revive again as soon as he returns and is within the borders of the State. * * *
>
> An emergency may arise at any moment requiring the presence of the governor within the State. The constitution provides that there shall always be some one within the State clothed with power to perform the duties of chief executive. The constitution must be obeyed, let it please or displease whom it may. There is nothing more ridiculous than to contend that the governor, as a matter of whim or caprice, can leave the State to attend banquets or play golf in other States, or for any other purpose, and say to those who have business with his office: "Wait until it suits my convenience to return." This question was fully considered by this court in the case of Ex parte Crump, supra, decided at the September term of this court.

It seems to me under this decision, construing the provisions of the Oklahoma constitution, which are identical with the terms of the Constitution of the United States, that the moment the President leaves the United States the Vice President becomes the President of the United States and should fill the office until the President returns.

Mr. WILLIAMS. Mr. President, will the Senator yield for me to ask a question of the Senator from Kansas?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Mississippi?

Mr. SHERMAN. I yield.

Mr. WILLIAMS. Is there or is there not in the Oklahoma constitution a provision requiring that the lieutenant governor, or whoever may be the second officer, shall act as governor while the governor is absent from the State?

Mr. CURTIS. No.

Mr. WILLIAMS. Several States have that provision.

Mr. CURTIS. The provision is similar to the provision of the Constitution of the United States.

Mr. WILLIAMS. The Senator says "similar." Would he mind reading it?

Mr. CURTIS. The constitution provides in express terms that all of the powers of the governor shall devolve upon the lieutenant governor during the inability of the governor to discharge the powers and duties of said office and until such disability shall be removed.

Mr. WILLIAMS. That is the only provision in the constitution?

Mr. CURTIS. It is the only provision; and that is similar to the provision of the Constitution of the United States regarding the inability of the President to discharge the powers and duties of the office.

Mr. WILLIAMS. I just wanted to have that plain as we went along.

Mr. SHERMAN. On principle, the case read by the Senator from Kansas from the Oklahoma decisions is applicable. The query propounded by the Senator from Colorado is one that led to the introduction of the resolution. It was my motive. I think Congress can legislate for an existing emergency whether before or after the happening of the occurrence creating the emergency. The presidential succession act of 1886, during President Cleveland's first administration, was for the purpose of covering a crisis that arose when legislation was lacking. The Vice President was either disabled or dead, leaving, in the event of Mr. Cleveland's death or inability, no one upon whom that office would directly devolve. Congress executed the constitutional power in the succession act of 1886, which provides that in case of the inability, resignation, death, or removal from office of both the President and the Vice President the office shall devolve upon certain Cabinet members, beginning with the Secretary of State and following in the order named in the statute. That act, however, does not apply to existing conditions. It is evident that in 1886, when this act was perfected, the traditions of Congress as well as of the executive department led the framers of that act to believe that there never would be a violation of the manifest spirit and traditions of the Government by the voluntary departure of the Executive beyond the jurisdiction of the United States.

Senator George Frisbie Hoar was the sponsor in this body of the succession act of 1886. Here in this Chamber he stated when it was pending—some may remember it—that he did not wish to "strut under borrowed plumage." His cousin, Rockwood Hoar, he stated, drafted the bill, drew the act, and Senator Hoar introduced it and supported it on the floor of this body. At that time scarcely a Senator not a publicist of that day believed it was necessary to declare that in the event of the absence of the President of the United States from the territory of the country certain other persons should succeed to the Executive office, and I apprehend it was for that reason alone that no such provision was inserted in the act of 1886.

Mr. WILLIAMS. Mr. President, may I ask the Senator from Illinois a question?

Mr. SHERMAN. Yes, sir; I yield for a question.

Mr. WILLIAMS. Is the Senator or is he not aware of the fact that President Taft, during his term of office, went to Canada and was absent for a week or two—I do not remember just how long—upon foreign soil; and that he also went about 2,000 miles, I think—maybe not quite that much—into Mexico and held a conference with President Diaz? Is he or is he not aware of the fact that President Roosevelt, during his term of office, spent a day or two in one of the cities of the Panama Republic, not the Panama Zone?

Mr. SHERMAN. I will come to some of those instances in a moment, before I conclude.

Mr. WILLIAMS. If the Senator is aware of those facts, would the Senator mind telling me why, under a Republican administration, no Republican solicitous for the Constitution, and no Democrat, either, far more solicitous—historically, at any rate—for the Constitution, raised any objection or offered any resolution declaring the President's inability to carry on the duties of his office?

Mr. SHERMAN. Mr. President, I am not one of those who adopt the mistakes of my own party as a precedent by which I govern myself or seek to legislate for others. I never have.

Mr. WILLIAMS. Now, would the Senator mind one more question? Disliking the Democratic Party as much as he does—almost as much as I dislike his party—would the Senator mind telling me why no Democrat armed with partisanship and with political hatred during those times raised that question; and can he imagine any reason for it, except that the question was not worth raising, and is a mere camouflage?

Mr. SHERMAN. I think the question ought to be raised by anybody who has a right to raise it, and accordingly I have done so. I have not approved of the precedents breaking the traditions as well as the statutes of the United States if committed by a President elected on the ticket of the party of which I am a member. It is no more to be condoned or forgotten by one party or by one President than by another; and I wish seasonably to voice in my remarks here my protest as well as my belief on that subject.

Mr. SMITH of Michigan. Mr. President, if the Senator will pardon me——

Mr. SHERMAN. Certainly.

Mr. SMITH of Michigan. I think the statement of the Senator from Mississippi is wrong as to President Taft. As I understand it, he did not cross the international bridge at El Paso. He went to the Territorial line and stopped there and was met there by President Diaz; at least, this is the view of El Paso people as expressed to me and it may be erroneous.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me just a little longer——

Mr. SHERMAN. All right; I yield.

Mr. WILLIAMS. I am not making that statement because I remember it personally. The Senator from Arizona [Mr. SMITH] told me this morning that he was with President Taft

in Mexico; and I know that President Taft went to Canada and made a speech or two there, because it was in every newspaper in the United States.

Mr. SMITH of Michigan. I am not talking about Canada; but he made his headquarters at El Paso, went to the international bridge, and was met there by President Diaz.

Mr. THOMAS. The Senator is mistaken.

Mr. WILLIAMS. I will hear from the Senator from Arizona about that first.

Mr. SMITH of Michigan. All right.

Mr. WILLIAMS. The Senator from Arizona told me that he was with President Taft on that trip, if I correctly understood him.

Mr. THOMAS. The facts are, Mr. President——

The VICE PRESIDENT. The Senator from Illinois has the floor.

Mr. SHERMAN. I think this has now reached the refined stage of common-law pleading where the issue is joined between others than the litigants to the case; and I must respectfully ask that it cease, and that these gentlemen settle their difficulties in the cloakroom.

The VICE PRESIDENT. The Senator from Illinois has the floor.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. The Senator from Illinois has refused to be further interrupted.

Mr. WILLIAMS. Mr. President, I see that the Senator from Arizona [Mr. SMITH] is present. I have just quoted what he told me in the cloakroom a moment ago, and I should like to have his testimony upon this historical fact. I understood the Senator to say that he was with the party of which President Taft was a member, and that he went into Mexican territory, and was there for some time.

Mr. SHERMAN. It is very difficult to resist the Senator from Mississippi at any time.

Mr. WILLIAMS. Am I correct in my understanding of what the Senator said?

Mr. SMITH of Arizona. That is true.

Mr. WILLIAMS. Yes; and the Senator from Arizona was with him on that trip; and the Senator from Colorado says that Diaz came across the line, met Taft at the bridgehead, and that Taft, repeating the courtesy, went across the line into Mexico and met Diaz away below the boundary.

Mr. SHERMAN. As the Senator from Illinois remembers the international bridge at El Paso, nobody will ever stay across on the other side very long. Juarez is the last place on earth in which any man wishes to stay beyond mealtime. I will come to those instances, referring to each of them specifically, in a moment.

Congress is composed of numerous Members. Its only requirement is a quorum, to be secured by the parliamentary officer, if necessary by the arrest of absent Members. There is no such provision to enforce the presence of the Federal Executive. It is a matter of imperative necessity that Congress declare the President's absence from the soil of the United States and the seat of government an inability to discharge the powers and duties of President, and in effect a vacation of the office, and a devolution of the same, with its powers and duties, upon the Vice President. An executive act is not officially valid unless it be performed in accordance with the Constitution and laws of the United States.

In construing the Constitution of the United States the Supreme Court declared:

> That what is implied is as much a part of the instrument as what is expressed.

Therefore what arises by necessary implication in a fundamental law is as much the law as the expressed letter of the text. To say that the Constitution does not prohibit in express terms the absence of the President in a foreign country, and therefore it is lawful, ignores this salutary rule of common sense. The intention of those who wrote, and the American people who adopted, the Constitution was to guard the President against the insidious influences and flattery incident to the servile adulation and absurd pomp of the kings and council chambers of the Old World. Amid crowns and reminiscences of ancient thrones, with profound interested deference yielded by diplomats grown gray in Europe's quarrels, who see centuries beyond their generation, the whole American atmosphere that ought to surround the President is lost. A courtier's smile and the bending knee of a sycophant have often in history entangled a nation in fatal alliances. A kiss of a sensuous woman has changed the course of empire. We ought not to put him in temptation. [Laughter.]

The VICE PRESIDENT. The Chair will not continue to warn the occupants of the galleries. They will be cleared if the occupants do not obey the rules of the Senate.

Mr. SHERMAN. The savory fragrance of incense offered by alien satellites may mount with intoxicating power to a head already strangely obsessed with the phantasy that he has become the State. The kings like Louis the Bourbon are not found in France alone in history. They have been found in other countries, and they may be bred on American soil.

The spirit of Americanism brooded above the infant Republic as it emerged from the Confederation of Revolutionary days. It vitalized and inheres in the sovereignty of the great delegated powers of the Executive. The thought of the voluntary departure of the chief civil magistrate, clothed with such plenary functions, beyond seas and without the national territory is reprobated and denied in every essential relation and mutual dependence of the structure and organic departments of Federal Government. The whole Federal system is based on the continuous and well-sustained operation of the Government as an entirety. The President is an integral part of the whole. He is an essential element of legislation. His office can not be suspended for an instant or its connection severed from the other coordinate branches of government without doing violence to the charter interpreted and applied for 130 years by its founders and their successors.

There is a constitutional morality woven into the fabric of every government devised and administered by an intelligent people from the days of Athens to America, and from Pericles and his predecessors to Washington. That spirit is a part of the American Government as much as the letter of a statute or of any great organic charter. It is this enduring vitality of which Grote wrote, and which he preserved for the instruction of posterity. Within it dwells the spirit that makes alive the organic instrument that collects in its great headlands the elementary rights of nations. One who violates it strikes a more grievous blow than he who merely breaks the letter. The law of 1790, as well as the unbroken contemporaneous exercises of such powers for a hundred and eighteen years, ought to be binding upon every officer who has taken the oath. Such uniform adherence to the exercise of great sovereign elemental powers is a formidable exposition difficult to argue away.

How can the President receive ambassadors representing sovereign power when absent from the seat of government, and particularly if he be within an alien sovereignty? Is it possible for him to make civil appointments even from the American ambassador's department in France, or can he order troops on the application of a State to protect it against domestic violence? Can he pardon or reprieve offenders while absent in Europe? Who will dispatch troops if required to enforce the laws of the United States and the orders of courts? The President can not execute the laws under his oath of office while he is in a foreign country and unable to exercise executive power at the seat of Federal Government.

The foregoing powers inhere in the President as a civil chief magistrate. Sovereignty is not of a migratory nature in its civil characteristic. The civil powers of the President have no extraterritorial validity. They confer no authority and constitute no defense for acts committed outside the area in which the law is operative. The status of civil sovereignty is attached to the territory, the people, and the institutions over which it wields its powers. The President of the United States is not its President in France. He is an alien there, a mere citizen of this Republic shorn of all his sovereign powers vested in his office when in the United States and at the seat of government. He has no power of his own volition to transfer the seat of government in the executive branch to an alien Province. Two sovereignties can not exist and be coterminus within the same territory at the same time.

The fiction that an ambassador's place of residence or a consul's office or the quarter-deck of a battleship represents the territory of this Republic all around the globe is a mere fiction of commerce for the purpose of taking care of American citizens who are absent in alien jurisdiction and for effecting the necessary purposes of trade.

An official possessed of sovereignty by virtue of the municipal or local law does not transfer that sovereignty or any portion thereof to foreign soil by transporting his physical person to the latter place. Sovereignty is extinguished when the officer departs from his domain. An attempted exercise of sovereign power abroad by the President of the United States, then absent in Europe, I believe to be void and confers no rights and constitutes no defense to one who must justify himself thereunder.

There is an unwritten law of unbroken tradition surrounding the President's office that he must not leave the country even for a day. Public reasons of the gravest character constitute the basis of this tradition. In the spring of 1901 President McKinley emphasized his respect for this limitation. At El Paso, Tex., he wished officially to meet President Diaz near the boundary of the two countries. He did not even go to the half-

way line or place his foot upon the international bridge across the Rio Grande River. Ten years before this President Harrison adventured as far as the middle line of the bridge but no farther.

Mr. WILLIAMS. Mr. President, the Senator said a moment ago, in answer to a question of mine, that he would come to that point later on. He now asserts that President Taft never crossed the border.

Mr. SHERMAN. No; President McKinley. I spoke last with reference to President McKinley.

Mr. WILLIAMS. I beg the Senator's pardon.

Mr. SHERMAN. I will come to the Taft matter in a moment.

Mr. WILLIAMS. I thought the Senator said President Taft. I beg the Senator's pardon.

Mr. SHERMAN. I am sure the Senator did not hear me.

President Arthur in 1883 was supposed unwittingly to have violated the tradition on a fishing excursion in the Thousand Islands. On a fishing excursion with some companions he drifted across the middle of the St. Lawrence River and was, in fact, within the jurisdiction of Canadian law.

President Cleveland on a hunting trip is commonly believed to have gone outside the United States for a short time when he sailed past Cape Hatteras outside the 3-mile limit, which technically put him on the high seas beyond the jurisdiction of the laws of the United States.

President Taft went to Panama in 1910. His destination was the Canal Zone, by treaty United States territory. I regard the jurisdiction and the power governmentally of the United States as supreme in the Canal Zone. When President Taft was beyond the 3-mile limits of tidewater he was outside of the territorial limits of the United States, and before he reached the Canal Zone he violated this tradition. His absence was unjustifiable under settled practices at that time, I believe, although Congress was not then in session and it led to no such complications as the absence of the President at this time might do.

No disturbance of necessary governmental operations followed the absence of President Taft in the circumstances attending his departure and his return. The isolated instances which I have been able to find of presidential absences, even if all of them be wholly indefensible, can not abrogate or modify the limitations that surround the Executive office and the traditions that have commanded the course of its occupants for more than a century of official conduct.

Mr. KNOX. If the Senator from Illinois will permit me, I will suggest one other case of a presidential journey in which the wisdom of not passing out of the sovereignty of our own country was emphasized in a very peculiar way. When George Washington was President of the United States he made a coaching trip to New England. This was shortly before Rhode Island had accepted the Constitution. He carefully and avowedly avoided going into Rhode Island because it was foreign territory to the new Union. Shortly afterwards Rhode Island did accept the Constitution and then, as I say, giving peculiar emphasis to his view, he made a special trip to Rhode Island.

Mr. SHERMAN. I am very glad of the information the Senator from Pennsylvania [Mr. KNOX] gives of the precedent made by one of the early Presidents in that way, and it lends strength to the tradition I have alluded to. It interprets the act of 1790 which declared that the sovereign power of the Government shall be exercised at the seat of government and not elsewhere. Such reasons will fall upon heedless ears when addressed to those who ridicule or deride the necessary restraints and safeguards of constitutional government; with such persons anything that is, is necessarily wrong. We are approaching a period, Mr. President, of stress and strain that may well test the most elementary and necessary of the constitutional limitations of this Republic.

Virtue among some is an indiscriminate destruction of every agency and the ignoring of every principle wrought out in the experience of mankind. It seems to be reserved for the President to gamble with the insuperable difficulties he creates by his absence beyond seas. He no doubt will excite the rapturous applause of the scoffing intellectuals who minister to his vanity. He takes an iconoclastic delight in overriding every constitutional provision and every statute of the Republic, both in letter and spirit, designed to protect and preserve the civil liberty of the country. It is unofficial and personal government followed to its logical conclusion.

The foregoing dangers justify a declaration by Congress that will define the inability of the President. I believe it to be a proper subject of legislative definition. It will interpret and apply the tradition and the law that have attended the executive office from the days of Washington. It will be of material value to courts and future Presidents in interpreting the place in which sovereign power may lawfully be exercised. The Presidency is created and exists by law. This is a trite observation, but it is necessary to repeat it. Beyond it and its enumerated or incidental powers he can not go. The Constitution, by virtue of which he is elected and his great executive powers vested, requires the President to have been 14 years a resident within the United States, as well as 35 years of age, to make him eligible to the office. This long residence in the United States, while a positive qualification, is evidently to insure a personal knowledge of current affairs. It illuminates the President's absence during the protracted negotiations of the belligerant nations in France. The people of this Republic are entitled to the personal presence of their Executive.

It is no answer to say that the swift steamship, the cables, and telegrams do eliminate distance. They have not eliminated national boundaries and the limitations upon the sovereignty of their majesties and respective rulers. If he can communicate so readily with his Washington office and his people while in Paris, then his agents in Paris could as readily communicate with him if he remained in Washington by these same physical agencies. It is a poor rule that will not work both ways.

The absence of many weeks in a distant land is so repugnant to the exercise of his great powers as to justify the passage of this resolution.

I will state that a Representative from Illinois [Mr. RODENBERG] in the House yesterday introduced the same resolution, except that it does not declare the office vacant, but it does declare during the interim that the powers and duties during the President's absence in a foreign country shall devolve upon the Vice President, to be exercised until the President shall return to the jurisdiction and territory of the United States.

By this resolution Congress supplies a statutory definition of presidential "inability" so as to make it incumbent upon the Vice President to qualify, assume, and discharge executive duties. He therefore ceases to be the presiding officer of this body and does become the actual President until another one is duly elected in 1920 and inaugurated the 4th of March, 1921. This secures the public welfare and private right from an interregnum and cessation of executive functions, and no other construction will do so.

Mr. President, in conclusion, I have submitted the question involved in this discussion and in the resolution to Hannis Taylor, who is a well-known authority on constitutional law, and have received from him an opinion that deals specifically with this question at some length. It is a closely reasoned, strong examination of the question and so illuminating I ask, without reading, to have it printed as a part of my remarks.

The VICE PRESIDENT. Is there any objection? The Chair hears none. It is so ordered.

The matter referred to is as follows:

WASHINGTON, D. C.,
November 30, 1918.

Hon. LAWRENCE Y. SHERMAN,
United States Senate.

MY DEAR SENATOR SHERMAN: You have requested me, as a student of American constitutional law, to give an opinion on the following question:

Will the absence of the President in Europe create the "inability to discharge the powers and duties of said office" contemplated in Article II, section 10, of the Constitution, which provides that "in case of the removal of the President from office or of his death, resignation, or inability to discharge the powers and duties of said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President and such officer shall act accordingly until the disability be removed, or a President shall be elected"?

I answer as follows: The first legislation by Congress, giving effect to the provision of the Constitution in question, was the act of March 1, 1792, expressly repealed by the presidential succession act of January 19, 1886, which, together with Article II, section 1, now governs the entire subject.

The statute and the constitutional provision must be construed together under that elementary rule which provides that constitutional prohibitions arising by necessary implication out of the fundamental law are just as effective as those arising in express terms. In restating that principle in Ex parte Yarbrough, Mr. Justice Miller said, in construing the Constitution of the United States, "that what is implied is as much a part of the instrument as what is expressed."

It is a gross error to assume that the President is not commanded by the Constitution never to go beyond the territorial limits of the United States. The very nature of his office and the supreme duties annexed to it command the President never

to depart, certainly when Congress is in session. There is no express prohibition directed either to the Senate or to the House of Representatives commanding them not to go abroad and hold their sessions there. The same implied and self-evident prohibition is directed to the President never to go abroad at any time. Such prohibition necessarily enters into the very nature of the office itself, which is an unprecedented and unique creation.

In describing the motives that governed the convention of 1787, when creating the presidential office, Sir Henry Maine said that "the figure they had before them was not a generalized English king, nor an abstract constitutional monarch; it was no anticipation of Queen Victoria but George III himself whom they took for their model." With that powerful figure before them the conventon vested in the President of the United States more than executive power; it made him an integral part of the National Legislature. Without his personal approval or rejection, no act of Congress can become a law, with the one exception to be hereafter noted.

Article I, section 7, clause 2, of the Constitution expressly provides that "every bill when it shall have passed the House of Representatives and Senate shall, before it becomes a law, be presented to the President of the United States," who is expected to be present at the seat of government to act upon it in person. That he can not abdicate the duty or delegate it to another is put beyond all question by the decision of the Supreme Court in La Abra Silver Mining Co. against United State (175 U. S., 423). It is the settled law of this Republic, long defined by the Federal courts, that an act of Congress can not, with a single exception, be made the law of the land until the actual and physical placing of the President's signature on the document presented to him by the two Houses for that purpose.

If the President approves the bill, the Constitution directs him to sign it; if he does not approve it, the Constitution makes it his duty to return it with his objections to the House in which it originated. And a further and vital provision is that in case the President does not return the bill within 10 days after presentation it becomes a law in the same manner as though he had signed it. After the bill has become a law the Statutes of the United States make it the duty of the Secretary of State to "forthwith" file the law as soon as possible and to give publicity to it. Thus it is as clear as a mathematical demonstration that if both the President and Secretary of State, in open defiance of the Constitution, abdicate at the same moment and go for a long sojourn in foreign lands while Congress is in session the lawmaking power of this Government is at an end until the vacuum can be filled.

In view of that grave contingency every precaution was taken in the presidential succession act of 1886 to make an interregnum in the presidential office impossible. In commenting upon the menacing conditions that made that act a necessity, President Wilson, in his "History of the American People," has said: "There had been such a season while Mr. Arthur was President. There had been an anxious summer when, had death or serious disability overtaken him, there would have been no one to take up the duties of the chief officer of the Nation. Another season of the same sort came during the very first year of Mr. Cleveland's presidency. Mr. Hendricks, who had been chosen Vice President with Mr. Cleveland, died in November, 1885, and there was a brief interval during which there was no one between the President and a legal lapse of the presidential functions. At its first session, therefore, the Congress which had been chosen at the time of Mr. Cleveland's election passed an act which placed the heads of the executive departments in the line of succession in the order of the creation of their several offices." And yet, in open defiance of his own unanswerable exposition, the President, without any excuse, is preparing to abdicate his high office and to impose upon himself an "inability to discharge the powers and duties of said office," and, more, to take along with him the Secretary of State, who is second in the line of succession which the act defines.

I have said "without any excuse whatever," because the going of the President himself to the peace congress as a mere delegate violates not only the Constitution of his own country but a basic and elementary rule of international law and diplomacy, which decrees that no chief of state must appear in person in such an assembly. In obedience to that rule Great Britain, France, and Italy will send not their chiefs of state but their first ministers. The President will therefore degrade the dignity of his high office and humiliate the American people in the presence of all Europe by appearing there in an unprecedented and unbecoming capacity.

What right has he to say to the world by his acts that the American first minister, Mr. Lansing, who has been confirmed by the Senate as a competent Secretary of State, is unworthy to stand in the congress as the peer of the first ministers of Great Britain, France, and Italy, especially when he is to be supported by the brilliant and distinguished delegation chosen to accompany him? If he needs guidance in international law and diplomacy, the world-famous jurist, Col. House, will be there to advise and direct him. Besides, in creating the presidential office, the convention made it very plain that our Chief of State must at all times be carefully guarded against the insidious influences of foreign powers. Speaking on that subject in the convention, Mr. Madison said: "Limited as the powers of the Executive are, it will be an object of great moment with the great rival powers of Europe who have American possessions to have at the head of our Government a man attached to their respective politics and interests."

At this critical moment when grave conflicts are impending between the interests of the American people and those of certain all-powerful European States, the President should not be subjected to the seductive influences of pomp, pageantry, and adulation in the banquet halls of kings. He should remain here in touch with the sympathies and interests of the American people.

As a practical illustration of the difficulties involved, let us suppose that after the President places himself beyond the limits of the territorial jurisdiction of the Constitution and laws of the United States he sends a nomination to the Senate for Secretary of the Treasury. A nomination is a continuing act which presupposes a legally acting President behind it. The moment he ceases to be such the nomination is automatically withdrawn by operation of law. If the Senate then attempts to confirm a nomination not legally before it, the confirmation will be void and the vast transactions of the Treasury will be clouded at once with the taint of illegality. The President is about to throw a monkey wrench into a piece of delicately adjusted constitutional machinery at a moment when it is running at high pressure.

In the presence of such an emergency, neither the Vice President nor the Congress should falter in the discharge of the supreme duty imposed by the Constitution, which the American people do not consider "obsolete." So plain is the law upon the subject of the prohibition in question that, since the adoption of the Constitution, no President has ever presumed to violate it. Excepting only one instance, when invading armies forced a momentary withdrawal, the executive, legislative, and judicial departments have been ever present at the seat of government ready to discharge all of their official functions. Therefore if the President, under evil advice, persists in his purpose at this critical moment to abdicate his office by absenting himself from the seat of government for an indefinite sojourn in foreign lands, while the Congress of which he is an integral part is in session, the fact that he has thus unlawfully put upon himself an "inability to discharge the powers and duties" of his office will be too plain for controversy.

It will thus become the imperative duty of the Vice President to take the oath of office as President and to assume all the duties and responsibilities thereof. If he falters, it will be the plain duty of Congress to direct him to do so by a joint resolution to that effect. And here the fact should be emphasized that neither the Constitution nor the presidential succession act makes any provision for a President of the United States pro tempore. After the Vice President has been sworn in as President he becomes such in the full sense of that term. No provision is made by law under which he can hand back the presidential office to his predecessor. If Vice President Marshall after he has become President as the law provides resigns or becomes subject to an "inability," the office will then pass on in the line which the presidential succession act defines. It will be entirely beyond his power to transfer it to anyone else; that can be done by the law alone. And so it appears that our matchless Constitution is equal to all emergencies.

With great respect, I remain,
Sincerely, yours,

HANNIS TAYLOR.

Mr. WILLIAMS. Mr. President, the newspapers have been full for the last two or three days of advertisement of a grand parade of tirades in opposition to President Wilson's contemplated visit to France and Great Britain. We were told that there was going to be a regular hurricane—perhaps an explosion of a volcano—and we have listened to the speech, or to the reading of the writing, rather, of the Senator from Illinois [Mr. SHERMAN]. That, I suppose, is the tornado and the volcano and the explosion which were to take place; and we are now left with the results. Parturiunt montes, nascetur ridiculus mus.

Amongst the complex concatenations of endless adjectives to which we have just listened I have failed to find any argument of any description. I find, upon the contrary, that the contention of the Senator from Illinois violates the precedents of Presidents who have reigned if not ruled in this country hitherto, or, to use a true American term, have presided in this country hitherto.

Now, Mr. President, in no true sense does the President of the United States personify the sovereignty of the American Republic any more than a Senator does or a Member of the House of Representatives. They are a part of the representatives of the sovereignty, which is the people. So all of this talk about a President losing the sovereign power while he goes abroad is absolute nonsense, and in using the word "nonsense" I mean no disrespect to the Senator from Illinois. There are behind him men wiser than he who are making the same mistake, if it be a mistake, who are at any rate making the same contention, whether they know better or not.

Mr. President, a king represents the sovereignty of his kingdom. An emperor represents the sovereignty of his empire. Yet the entire history of the world is full of visits of kings to other kingdoms, of emperors to other empires, and to kingdoms, and even to republics. It never was contended for one minute that one of them lost the sovereignty of his country or his own official status by making a trip of that sort.

Now, that is not all. The Senator from Pennsylvania [Mr. KNOX] made a correction a moment ago about George Washington, I believe it was, and said that he went to Rhode Island after Rhode Island had come into the Republic. That is true. It is also true that he passed through Rhode Island on his way to Boston before Rhode Island came into the Republic. It is also true that Mr. Roosevelt went down on his way to the Panama Zone, which does belong to us and is under our jurisdiction, and after he got there he was upon American soil, but on his way he stopped at towns in the Panama Republic, which was foreign soil. It is also true that Mr. Taft went into Canada and was there absent several days; I do not remember how long; a gentleman in the cloakroom told me this morning he thought 10 days, but I do not remember. It is also true, as the Senator from Arizona [Mr. SMITH] remembers, that Mr. Taft went into Mexico and was absent in Mexico quite a time. It is also true that not even a Democrat antagonizing Roosevelt or Taft ever raised the question that that constituted inability.

Now, Mr. President, contrary to the opinion of a great many men who live now, the fathers who wrote this Constitution were men of tolerably good sense. They were men who excited the admiration of Gladstone; they were men who excited the admiration even of Napoleon Bonaparte, with all his war madness; they were men who received the praise even of the Hohenzollerns, of Frederick the Great, who was the greatest of the Hohenzollerns, and the only really great Hohenzollern. If they had wanted to say that absence from the territorial limits of the United States constituted an inability, they would have said so. If they had wanted to say that absence from the territorial limits of the United States constituted a temporary or permanent vacation of the office, they would have said so. They were not such asses that they did not foresee that sort of a possibility, even if they did not regard it as a probability.

They tried to take care of the future for the sake of the American people, and we have found that the Constitution is a thing that has thus far taken care of us and is very much superior to any form of bolshevism or any form of autocracy in the world. To say that they would have regarded a temporary absence from the United States to make a couple of speeches in Canada or to run down to Mexico and exchange courtesies with Díaz as constituting an inability to discharge the duties of the Presidency, or as a vacation of the office of the Presidency, and that they did not provide for it beforehand, is to accuse them of being veritable fools; and whatever else they were, George Washington was not a fool, Benjamin Franklin was not one, James Madison was not one, Witherspoon was not one, nor were any of these other men.

Kings, Emperors, Presidents, all have left the territory under the jurisdiction of their Governments and not one of them in the entire history of the world has ever been deprived of his official functions because of that reason, except when a revolution took place in his absence, when, indeed, for the most part, the absence was really due to flight for fear of revolution that was anticipated. Not one has been deprived of his official functions for such a reason in the whole history of the world. Parturiunt montes, nascetur ridiculus mus.

Mr. President, this endless concatenation of complex adjectives somehow does not sound to me like the Senator from Illinois; it does not sound to me as if he were willing to be guilty of the sort of utterances that he has just pronounced. He read his speech, of course, and read it with good emphasis; read it in fine style, as he usually does, and with a degree of acting that made it funny at times, even when the Senator was seeking to be serious, and still funnier at other times when he was not seeking to be serious.

I doubt if any real lawyer, any real publicist, any real man of real common sense believes that Woodrow Wilson is doing anything wrong or unconstitutional, at any rate, when he is going to France. Gentlemen may bark and gentlemen may try to bite—"try to bite," I say; they can not bite; they may bark—but this war has produced some few great men—Clemenceau, "the Tiger"; Foch, the strategist; Joffre, the fighter; Haig, the Scotchman, with the Scotchman's persistency and hanging on; Rawlinson, the English bulldog; Allenby, the deliverer of Jerusalem; our own Pershing; David Lloyd George, broad-minded, philanthropic, true to democratic instincts; Woodrow Wilson, last but not least.

I warn gentlemen now that they can not tear either one of them down, now after this war is over and has been won, from the pedestal on which humanity has placed them. The worst they can do is to bark, and their bark will not even annoy to any very great extent.

The President of the United States knows that it is better for him to have a heart-to-heart talk with Clemenceau; that it is better for him to have a heart-to-heart talk with David Lloyd George; that it is better for him to have a heart-to-heart talk with the premier of Italy and with King Albert, the noblest soul that this war has produced, and find out the facts and the essential feeling of their respective peoples, which must not be defiled by them or us. Does he think that Mr. Wilson has got to communicate, then, every morning before breakfast with the august Senator from Illinois or the equally august Senator from Mississippi and have a debate about every point touched upon by him and them here in the Senate every day down to the boundary between Czecho-Slavia and Jugo-Slavia? Does not the Senator from Illinois know as well as I do that the President knows that the most important thing is to have harmony and to have as much of it beforehand as possible and as little of difference to be discussed afterwards as possible? Does the Senator imagine that the President ought to stay here and instruct his delegates to do this and to do that and to do the other thing, regardless of our allies and in ignorance himself of what they have to say in reply, or to cable to the public their differences before by mutual concession they are happily settled?

Mr. SHERMAN. He has been doing it all the time.

Mr. WILLIAMS. Well, he has not had any delegates over there thus far, and, by the way, he has not instructed the Senator from Illinois, and if he had and the Senator had obeyed his instructions, he would have been much wiser. [Laughter and applause in the galleries.]

The VICE PRESIDENT. Just a moment. This is the last warning of the Chair to the galleries. They must stop their manifestations. The Chair instructs the sergeants at arms at the doors that if applause or any other manifestation occurs in the galleries the galleries must be cleared.

Mr. WILLIAMS. Mr. President, in addition to that, ladies and gentlemen in the galleries, I desire to say that applause always bothers me; that it always worries me.

Does the Senator from Illinois imagine that the President does not know that heart-to-heart talks with the other great men whom this war has developed—without taking it for granted now that the President regards himself as a great man; I merely so regard him; but my opinion is not worth more than that of the Senator from Illinois, and the Senator from Illinois regards himself, perhaps as most Senators do, as a greater man than Woodrow Wilson—but supposing he is right; the President is here; he occupies the position; he must act; and wanting to act, the more ignorant he is, as the Senator assumes him to be, the more he ought to want to confer with these great men and to find out from them what ought to be done. A President is to a large extent like a king; he is subject to the information that people choose to give him, and he is, therefore, very frequently misled, as old Ulysses Grant was, as you remember, very many times; as George Washington was by the whisperings of New England Federalists.

Then, what is there more reasonable than for the President to want to go to France and to say, "Mr. Clemenceau, you are the premier of the Republic of France, and I am the President of the United States; you are Clemenceau and I am Wilson. Let us see what the actual situation is as you understand it, and then please listen to me and catch it as I understand it. I do not want to stay back in America and instruct my delegates by cablegrams to insist upon this or insist upon that, or

die in the trench with this proposition or that, for France may not want it, or Italy may not want it, or England may not want it; and, above all things in the world, the most important thing now is harmony in details and in general essentials, so that we may not make asses of ourselves, as the republics and kingdoms in the Balkans did after they had whipped the Turk.

"If we leave it merely to messengers, if we leave it merely to people who are to be instructed by cablegrams, with all of the errors that may occur of misinterpretation and misconstruction, there is a danger of our fighting one another." Then, what becomes of the dream of peace? What becomes of "the parliament of man"? What becomes of the "federation of the world"? What becomes of the dream of the poets and the vision of the seers?

"Let us get together now. It is true," the President may say, "I have the Senate behind me; it must later on be consulted; its voice is potential." "It is true, Lloyd George, that you have the House of Commons behind you; it must later on be consulted; its voice is, as Blackstone said, omnipotent; it can do anything except turn a man into a woman or a woman into a man; it can do anything that can be done by law; and, Mr. Clemenceau, you must also consult with the French Assembly, but in the meanwhile let us try to get together; let the row not begin between us."

Then up jumps some Senator and says, "Oh, yes; but every morning he ought to cable to us and tell us that about half an hour ago Clemenceau said so and so, and David Lloyd George said this and that, and I said this, and I want the American Senate and the American people to stand behind me." That would be the conduct of an egotist, a megalomaniac, but it would not be the conduct of a man who lacks confidence in himself every now and then, as I know this President does. Somebody told me once that now and then he lacked confidence in the accuracy of his own judgment, and I said, "Every man of good sense does; they are only asses who do not." Somebody told me that he changed his opinion several times about several things, and my reply was along the same line. Every man of sense does; nobody but a fool does not. Men change, and their opinions and conclusions change with changed conditions. Nobody but a lawyer in a law case or a politician hunting office or a fool without any sense ever paid much attention to consistency.

If I should say to the Senator from Nebraska that he expressed a certain opinion four years ago and he is expressing a different one now, his probable answer as an honest man would be, "Well, if I expressed the opinion four years ago, I expressed it because I thought it was right then, and if I am expressing a different opinion now I am expressing it because I think I am right now."

Oh, Mr. President, this newspaper advertisement of the way they were going to fall all over Woodrow Wilson, starting from Illinois and winding up in Massachusetts, I believe, or all around the country, with a little help from the intermediate territory! And the first exhibition they made of themselves—what was it? They went over to the House the other day to listen to the President make an address with a sort of gentlemen's understanding that they were not to applaud him—they did not know what he was going to say, but there was a sort of gentlemen's understanding that they were not to applaud him. He had hurt their feelings by saying that he thought the Democrats ought to be elected to office.

Why, did you not know he was a Democrat, and did not the American people know it when they elected him? Do you contend that Grant or McKinley or Taft or any of the other Presidents did not regard themselves as chiefs of their party? Do you not know that every President has done so except George Washington, and that the only reason why George Washington's second administration failed was because he did not belong to any party, and therefore did not have any steady cohort to fight for what he thought was right and had nothing but volunteers in every little engagement? The hypocrisy of charging Woodrow Wilson with a great crime because he wants Democrats elected to office! Even that objection was not well founded, because when he found men upon his own side who were not true to the war and true to the ideals of the war his word went out against them just as significantly as it went out in favor of democracy generally.

What would he have been if he had been elected as a Democrat and had not been a Democrat? He would have been a hypocrite, would he not? Are you going to vote for any man as a Republican candidate for the Presidency and make him President later on that you do not think is going to stand by the tenets, the traditions, and the ideals of the Republican Party? You know you are not. So far as I am concerned, I have no apology to make for the President because he is a Democrat. If I had had the slightest doubt of his Democracy, I never would have voted for him. "Parturiunt montes, nascetur ridiculus mus!" Going all the way, I reckon, from the remote West plumb to New England, where the Brahmins live! I reckon some of you have forgotten that John Adams was a Federalist. I guess some of you have forgotten that Andrew Jackson was a Democrat and never made any shame of it. Some of you on the other side think that you beat the President. You did not beat the President. The people beat the Democratic Party in the last election. Do you know why? Because your party, taking it upon the percentage basis, had been truer to the war than we had—and when I say "we," I mean my party.

We had men in the other wing of this Capitol, and we had men here calling themselves Democrats, and several of them in high position of committee vantage, that were sticking the President every chance they got with a fine Italian dagger. I have come to the conclusion that the American people put you in office in these two Houses because they thought maybe you could be more safely trusted to stand behind the President than a lot of our fellows could be. That may be an error, but that is my opinion, because I have found a good many Mississippi Democrats talking that way, even Mississippi Democrats, who never voted any other ticket than the Democratic ticket and would not do so to save their lives. But we had got rid of these traitors. The people ought to have known that we would get rid of them.

And now, Mr. President, I imagine the difficulty the Senator from Illinois will have, together with all of the wiser men behind him, who are going to spend the next two weeks attacking Woodrow Wilson, if they can manage to get the time—and I suppose they will—I imagine the difficulty they will have in persuading the old Indiana Democrat in the Vice President's chair that he should qualify as President of the United States while Woodrow Wilson is in Europe having heart-to-heart talks with Clemenceau and David Lloyd George. You know you might just as well have tried that on me, if I had happened to be Vice President. You know that sort of camouflage does not go.

You know the American people do not misunderstand it. They know it is blind partisan hate, malice, and uncharity. All in the world you have got to do is to give yourselves two weeks' rope, and at the end of two weeks of unlimited rope the American people will have spotted you, and there will be enough of them getting religion and going on the mourners bench and confessing before God and man that they made an awful mistake in the vote they cast at the last election, to render the next presidential election secure, unless you happen to get a military hero and we do not, and if that should happen God only knows what will become of us.

Mr. President, I believe in loyalty to a cause when it is a good cause, to a man when he is a good man and a strong man and an able man. I have never taken shame to myself for loyalty to any of the great men that I have ever known. I have taken pride to myself that I trusted them rather than my own judgment at various times. Whatever else this war has resulted in it has resulted in proving in Woodrow Wilson's case that a prophet is not without honor save in his own country, and not altogether without honor even there. He is so much greater, he is so much wiser, he is so much longer visioned, he is so much gentler visioned than the men who think they are making political capital by attacking him that there is no comparison.

This Republic has furnished five great Presidents, and he is one of the five. And your children and your grandchildren, in spite of what you have heard to-day, with all its endless concatenation of complex and senseless adjectives a l'Illinois, will be taught in the history books by the school-teachers in your own State and in your own party to revere and honor him. He is not with a Scotch name and a Scotch jaw for nothing, and he is not afraid of anything; and he does not go around bragging about not being afraid, either. He is going to do what he thinks is right, not only for America but for the world; and he is going to try to get out of this, if he can, by heart-to-heart talks with Lloyd George and Clemenceau and the Italian premier and the Belgian King and the balance of them, a comparatively permanent and a just peace and, if possible, a league of nations to preserve the peace of the world.

Now and then somebody tells me: "That is all impracticable, and you can not have it." Why not? I suspect that when the first man started and told people that they had to stop their private rows and quit killing one another and go to a court of justice and settle their difficulties that somebody else said: "Oh, well, that is all humanitarian and all that, but there is no sense in it, and it can not be done. Sherman will not put his weapon up, and Williams will not 'bury his club'"; but Sherman and Williams did, after a while. They tell me that you would "have to have the whole civilized world agree to it." I say no. I say that the allied nations alone can agree to this in the treaty of peace: "Hereafter we will declare beyond the pale

of civilization any civilized country that dares make war upon another without having previously offered to leave the question in controversy to a fair and impartial arbitrament; and if any country will do it, that country will be declared beyond the pale of civilization. We will cut off her traffic and her travel on the high seas and, as far as we can, by land. We will put the construction of sea power on her; and the minute she quits the path of insanity and comes back into the broad path of civilization, quits making the war to which we objected, then we will let her join this alliance, too, if she sincerely wills consent and repentance." We will go further; we will say that after we have declared a nation like that to be beyond the pale of civilization, we will not only cut off its traffic and its travel upon the high seas, and upon land as far as we can, but we will declare it to be "the enemy of mankind," and we will make united war against it.

You never see the force of the constable and the sheriff behind the justice of the peace or the circuit court, except when he opens court and declares it adjourned; but everybody knows it is there, and, as a consequence, nobody defies it, or at least nobody but a very reckless man. And so in this agreement you will not have to whip the country that wants to get beyond the pale of civilization, because it will not get there. It will be afraid to try. Even Hohenzollern would have been afraid to go into this war if he had known the civilized world was going to face him.

"Oh, well," you tell me, "but maybe Italy will not agree; maybe France will not agree; maybe Japan will not agree; maybe Roumania has private irons in the fire; maybe Serbia has, so that you can not get her to join in the agreement." I tell you that the two English-speaking races by themselves can do it. We have the sea power of the world. Great Britain has just demonstrated what sea power amounts to—constriction, throat-grappling, starvation if necessary, deprivation of raw materials, deprivation of industrial life, control of overseas traffic and travel. These United States have the second largest navy in the world, and before many years roll around we will have the largest. I tell you that if nobody else goes into the league of nations except the English-speaking races, the great confederacy of States here, the great confederacy of Provinces over there, Great Britain, Scotland, Wales, Ireland—except the Sinn Feiners, who amount to practically nothing—the Canadians, the Australians, the New Zealanders, the South Africans, the most loyal of all Britain's Provinces, because she acted most magnanimously toward them, they and we, with our law, our language, and our courage and resources on land and at sea, are enough.

By our sea power, by our control of raw material, by our control of the economic resources of the world, such as iron and copper out in your country, gold farther Northwest, and cotton down South, without which nobody can exist, we alone, if the balance of the world will not come into it, can agree that any civilized nation that makes war upon another without first either agreeing or offering to leave the question in controversy to fair and impartial arbitrament shall be outside of the pale of civilization and our enemy, and that their travel and traffic upon the high seas shall be terminated, that their access to raw materials shall be terminated. We two—Republic and Empire—alone can bring about the peace of the world for a hundred years if we have the courage to try.

That is what Wilson has gone to Europe to try to consummate—the dream of poets, the vision of prophets, the heart-wish of good men and good women for a thousand years—peace, honorable peace, permanent peace, just peace; just even to our enemies, but not overmerciful to them, because in order to be just they must pay retribution. David Lloyd George says that they must account for what they have stolen and what they have taken, and, as far as possible—although it is not possible to measure it in money—for what they have murdered and what they have raped. But all the same, a just peace, leaving to every language on this globe the right to homologate itself with the nationality, so that the Czecho-Slavs and the Jugo-Slavs and the Serbians may go together; the Poles, whether in Prussia or Russia or Austria, may flock together; Schleswig, stolen from Denmark, may go back to Denmark; Alsace and Lorraine may go to France; Roumania may be independent, with the Roumanians in Bessarabia and Transylvania; all of that. Those are details that Wilson does not propose to handle by himself.

What would you think of Mr. Wilson if he should send word by cablegram to the French and English and Belgian and Serbian authorities of the demands that he made, instead of going over there and saying it to one another in heart-to-heart talks and by mutual concession arriving at unity of purpose and harmony of action? Is there one of you who does not believe he is doing the best he knows how, even if you think he is a fool and unfit to be a member of this august body, as not many of you do? Is there one of you who does not really think in the bottom of your heart that he is doing the best he can? Is there one of you who thinks he is guided by a dishonest purpose? Is there one of you who thinks that he is motived by an unpatriotic purpose? Is there one of you who thinks he deserves the adjectives that have been poured out on his defenseless head this morning? I do not believe the utterer of them does. Whatever else he may be, however much you may dislike him, however much he may have disagreed with some of you on this side about patronage and other things and some of you on the other side about political principles, there is not one of you that will go to your bedside to-night and tell God in secret converse that you believe that he is either unpatriotic or dishonest or that he has any purpose in the world except not only the good of the American Republic but the general welfare of the civilized world.

Why bark at him all the time? Are you barking at him with the idea that it will damage him? It will not. You are digging your own graves when you try to dig his. If you bark at him with the idea that it is going to help you, it will not. Now, whenever you find him making a mistake, call attention to it; call attention from the housetops; call his attention, amongst others. My personal experience with him has been that he is the quickest man to correct an error that ever I came into official contact with when he finds out that it is an error, when he is convinced of it. He is as stubborn as he can be until he is convinced.

There we are—Clemenceau representing France; Lloyd George representing Great Britain, who went to his people to find out whether they wanted him to continue to represent them or not, as doubtless Wilson would if he could do it under the Constitution of the United States. There are certain personal selfish British, certain personal selfish French motives, that this country, unconcerned with any territorial or monetary advantage, is divorced from. We want to have all of the influence we can over there with them to bring about a permanent and just peace; as nearly as possible "a parliament of man and a federation of the world"; and what are you doing here? Weakening your own agent every day, throwing adjectives at his head, accusing him virtually of idiocy, of un-Americanism—weakening him in the council, so that if you can help it America shall not predominate, but somebody else will.

What do you want to do it for? Will it help your children? Will it help your grandchildren? Will it help the American Republic? Will it help democracy in the world? Will it help civilization from one pole to the other, as near to either pole as civilization stretches? You know it will not.

What is the next Presidency of the United States compared with what we may do in this war? I stood upon this floor six months ago, I believe, or eight, and I said that if the blackest Republican ran against the best Democrat that ever existed, and that Democrat had not supported this war from beginning to end and the Republican had, I would vote for the Republican. I was accused of partisanship for making that statement. As a matter of fact, it was the most extremely unpartisan utterance that could be made by anybody.

Oh, the iron hand in the velvet glove; protestations of fairness; constitutionality coming from the party that never respected the Constitution 10 years of its existence, that was born defying it—to wit, the fugitive slave law, that was then a part of it—that continued to defy it after the war as well as during it! All at once, nicely caught with the little complexities of constitutional toilet arrangements, cosmetics upon the face, chiefly, you try to make a scapegoat out of Wilson.

Well, you can not make a scapegoat out of anybody that is not a goat to start with, and especially not if he is wiser than the man who attacks him is—and frequently he is; not always; of course never when a Senator attacks him. Of course, when a Senator attacks anybody he is being attacked by a sort of a German superman; almost an American Hohenzollern, that is capable of everything wise and nothing foolish, not even an utterance accidentally.

I want to leave you this thought: How is all this going to hurt him? How is it going to help you? How is it going to help your posterity? How is it going to help the American Republic? How is it going to help American influence in Europe? How is it going to accomplish any good end of any description for the purposes of civilization or democracy or humanity?

The VICE PRESIDENT. The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which is Senate bill 4637.

LEAGUE OF NATIONS.

Mr. LEWIS. Mr. President, may I avail myself for a second, not holding the morning hour to have concluded, to give notice

that I will address the Senate, with the Senate's permission, on Friday morning after the close of the morning business on the subject of the proposed league of nations for peace.

PAYMENT TO HON. CHRISTIE BENET.

Mr. THOMPSON. Mr. President, I desire to report back favorably, without amendment, from the Committee to Audit and Control the Contingent Expenses of the Senate, resolution No. 363, and I ask to have it considered at this time.

Mr. McKELLAR. That may be done with the understanding that the unfinished business will not be displaced.

The VICE PRESIDENT. The resolution will be read.

The Secretary read the resolution, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to the Hon. Christie Benet the sum of $554.79, being the compensation of a Senator of the United States for 27 days—November 6 to December 2, 1918, both dates inclusive—during which he served as Senator from the State of South Carolina.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. CURTIS. Mr. President, I object to the present consideration of the resolution. I should like to ask the Senator reporting the resolution to make a little inquiry before he brings it up again. I understand that the Senator elect from the State has been paid the salary from the date of the election. Under the Constitution the term of Senator Benet expired on the day of the election of his successor. Therefore I doubt very much if he is entitled to this extra salary. Surely Congress will not pay a double salary during that time. If the Senator elect has not been paid, then there might be favorable action upon the resolution, but personally I shall object to its consideration until we can get the facts in the case.

Mr. THOMPSON. This is simply a favorable report from the committee on the resolution.

Mr. CURTIS. It is not the question of a favorable report.

Mr. THOMPSON. I will state in reply to my distinguished colleague that we have a very striking example in the State of Kansas, and one very much in point. The same situation arose when the distinguished Senator came to the Senate in place of Senator Benson. He drew the salary in the interim, the same as in this instance, as I am informed; and this, I am told by all the older Senators, has been the universal custom in the Senate in a situation of this kind. I have numerous precedents, and it has never been questioned before that I know of. I have no interest in the matter except to do justice to a Senator who has served in the Senate without pay and to do justice to his State. Of course, if my colleague objects, the resolution will simply go to the calendar and can be taken up and disposed of as the Senate sees fit at the proper time.

Mr. CURTIS. Senator Benson did draw the salary until I took the oath; that was the old practice. Before the Constitution was amended, a Senator was appointed to serve until his successor was elected and qualified. I was elected by the legislature in 1907. I was not elected until the 23d day of January, and I took my seat in the Senate on the 29th of January. But under the Constitution as it now is, with the constitutional amendment with regard to the election of United States Senators, a newly elected Senator to fill an unexpired term is entitled to his office and entitled to pay from the day he is elected. That question has not been decided and there are no precedents since the adoption of the constitutional amendment.

I am informed that the financial clerk or the Secretary has been notified that the new Senators are entitled to their pay from the date of the election. If that is so and this resolution is adopted Mr. Benet will be paid for time for which the newly elected Senator has been paid. I do not think the Senate wants to set a precedent of that kind.

I will state to the Senator from Kansas that Senator Benson drew his pay until the 29th of January, 1907, and your humble servant drew the pay from the 29th of January, 1907. There was no double payment during the time.

I object to the consideration of the resolution.

The VICE PRESIDENT. On objection, the resolution goes to the calendar.

CALLING OF THE ROLL.

Mr. MYERS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Colt	France	Henderson
Bankhead	Cummins	Frelinghuysen	Hitchcock
Beckham	Curtis	Gay	Johnson, Cal.
Borah	Dillingham	Gronna	Johnson, S. Dak.
Calder	Fernald	Hale	Jones, N. Mex.
Chamberlain	Fletcher	Harding	Jones, Wash.
Kellogg	Martin, Va.	Pomerene	Sutherland
Kendrick	Moses	Ransdell	Swanson
Kenyon	Myers	Robinson	Thomas
King	Nelson	Saulsbury	Thompson
Kirby	New	Shafroth	Townsend
Knox	Norris	Sheppard	Trammell
La Follette	Overman	Sherman	Underwood
Lewis	Page	Smith, Ariz.	Vardaman
Lodge	Penrose	Smith, Ga.	Walsh
McCumber	Phelan	Smith, Mich.	Warren
McKellar	Pittman	Smoot	Watson
McLean	Poindexter	Spencer	Williams
Martin, Ky.	Pollock	Sterling	Wolcott

Mr McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. SUTHERLAND. My colleague [Mr. GOFF] is absent on account of illness.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Seventy-six Senators having answered to their names, there is a quorum present.

LEAGUE OF NATIONS.

Mr. KELLOGG. Mr. President, I wish to give notice that on the next legislative day, immediately after the close of the morning business, I will submit some remarks upon the subject of the league of nations and incidentally upon the resolution submitted by the Senator from Pennsylvania [Mr. KNOX].

CIVIL-SERVICE RETIREMENT.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4637) for the retirement of employees in the classified civil service.

Mr. McKELLAR. I ask for a vote on the pending amendment. My understanding is that that is the amendment offered by the Senator from Wyoming [Mr. WARREN].

Mr. THOMAS. Let the amendment be read.

Mr. POMERENE. Mr. President, before amendments, particularly those that may be regarded as of primary importance, are voted upon, I desire to discuss what I conceive to be the merits of the pending bill, and to explain the provisions of the substitute which I have offered therefor. With the permission of the Senate, I should like to ask the chairman who has charge of the bill how many members of the committee approved the measure.

Mr. McKELLAR. Practically all. One or two said they would like to offer amendments. The Senator from Iowa [Mr. CUMMINS], I think, is the only one who reserved that right.

Mr. THOMAS. I shall offer an amendment to the bill some time before the final vote is taken.

Mr. POMERENE. Mr. President, in discussing the bill I want to state preliminarily that I am in hearty sympathy with the purpose to adopt some system of retirement. It was my privilege to be a member of the Committee on Civil Service and Retrenchment for a number of years, and for two years to preside over the committee. The committee then prepared a bill which was reported to the Senate, and which is the same bill I have given notice I would offer at the proper time as a substitute for the bill now pending before the Senate.

I think that everyone who has given attention to the subject of the civil service not only in Washington but throughout the country must recognize the fact that there are a large number of superannuated employees in the service who are rendering little, if any, service for the stipend they now receive, but who have given long service to the country, and who it would be almost cruel to sever from the service without making some provision for them. When I say this I am not unmindful of the fact that some of these employees have not been faithful servants. I assume that the most of them have been, and I am going to discuss this subject on that theory.

I hope that before this Congress adjourns there will be some legislation upon this subject for the relief of the superannuated employees in the civil service. But, Mr. President, I must confess my very great disappointment with the bill which has been presented by the committee. While I am not a prophet nor the son of a prophet, I offer the prediction that if it is adopted it will prove not only unsatisfactory to the public, but it will prove more than unsatisfactory to the employees themselves.

Mr. McKELLAR. Will the Senator yield to me?

Mr. POMERENE. Yes.

Mr. McKELLAR. The Senator understands that the representatives of all the employees' associations signified their approval of the pending measure?

Mr. POMERENE. I have heard the Senator make that statement half a dozen times, and I challenge the statement that the measure meets with the approval of the employees in the country generally. I have seen no evidence of it in the hearings save and except that certain representatives have come here and said that it had been submitted and it met their approval.

Mr. McKELLAR. Of course, that is the whole question. I do not know of anything else to go by except what they represent.

Mr. POMERENE. If the Senator will bear with me I think I can demonstrate that fact to the satisfaction of some Senators at least.

Mr. President, let us for a brief time analyze the bill as it is presented. In the first place, in section 1 it divides the employees into two classes, those who will be retired at 68, and the city and rural letter carriers and railway mail clerks, who shall be eligible for retirement at 65 years.

Section 2 divides these employees into four classes. Class A embraces those who have served for a period of 30 years or more; class B those who have served for a period of 25 years or more but less than 30; class C those who have served for 20 years or more and less than 25; class D those who have served for 15 years or more but less than 20 years. The annuity provided in the bill for employees in class A is 50 per cent of the employee's average annual salary for 10 years next preceding the date of his retirement, with the proviso that no annuity shall be in excess of $600 per year. I should like Senators to recognize the inequalities in this classification. In class B, 40 per cent of the salary, but it shall in no case exceed $540; class C shall receive 30 per cent of the average annual basic salary for the 10 years next preceding the date on which he or she retires, but their annuity shall in no case exceed $480; and class D shall receive 25 per cent of the salary for the last 10 years preceding their retirement, but in no case shall they receive more than $420.

Senators will see that under these provisions a man or woman who has worked 19 years gets no greater pension than the one who has worked 15 years. The one who has worked 20 years will get $60 per year annuity more than the one who has worked 19 years. The same variation exists in each of the classes to which I have referred.

Mr. President, this bill is based upon the so-called half-and-half plan. Bear in mind that there have been proposed at various times three methods of pension. One is a straight pension payable by the Government after a certain number of years upon reaching the retirement age; a second is made wholly contributory; a third is partly contributory and partly a straight pension, or at the expense of the Government. Under the bill which has been presented to the Senate it is provided that half of the expense shall be paid out of the Public Treasury and half of it shall be paid by the employees.

The report indicates that it was the judgment of the committee that it would require for the pension system herein devised a system of money equal to 5 per cent of the total salaries of the employees in the classified service, and it is proposed that 2½ per cent of this shall be payable out of the public funds of the Treasury and 2½ per cent of it shall be payable by the employees themselves.

I wish Senators would bear with me while I analyze that proposition. Remember that the age at which the employees retire here is 68, save as to certain classes, who retire at 65 years.

So if young men or young women enter into the public service at the age of 20 years they must contribute 2½ per cent of their salary for 48 years before they are entitled to the pension; that is, if they are in that class that are retirable at 68. If a man enters the service at 67, then he only pays 2½ per cent of his salary for one year, and straightway he is entitled to a pension for the amount required here, within one year from that date.

It may be suggested that men and women ordinarily are not received into the service at that advanced ago; but allow me to suggest that it does provide that in completing the time of the service they can take into consideration the length of service that they have rendered in the unclassified departments. So Senators will see that if an employee of the Government was in the unclassified service with no intention to remain in the service permanently, but had probably served 14 years and then severed himself from the service, by making certain payments, if he desired to go back into the service again, he can serve one year more and then be entitled to the pension provisions of the bill.

More than that, Senators; at one time when this bill was before the committee, so I am advised, there was a limitation upon the amount of the assessment which could be made against any employee of $50 per annum, no matter what his salary. That provision has been eliminated, and now no matter how diligent an employee may be, no matter how skillful he may be, no matter how high a salary he may get, he is compelled to pay 2½ per cent of that salary each year during the entire length of his service in order to become entitled to an annuity of $600 a year.

Let us follow that up a little further. Assume that the employee is getting a salary of $1,200 a year at 20 years of age. Two and one-half per cent is $30. If by his own ability and by reason of the character of the service he is advanced in a year or two so that he gets $3,000 a year, he is compelled to pay 2½ per cent of that, or $75 a year. If he should be receiving for any portion of this period $5,000 a year, he must still pay 2½ per cent of that $5,000, or $125 per year; in other words, under this system, instead of speaking of it as a system one-half of which is maintained at the public expense and one-half of it at the expense of the employees, we ought to be perfectly fair with the public, we ought to be fair with the employees themselves, and we ought to be fair to the taxpayers and tell them the real truth about it. You will find, on an investigation of this bill, that you make each of the employees under this system an insurer for the other employees; you have the young man the insurer for the old man; the young woman an insurer for the old woman. In my judgment, if anybody is to be the insurer for any of these employees it should be the public and not one employee for the other.

Why, Senators, the system here adopted is going to make it attractive for the older people to get into the service and unattractive for the young man to stay in the service. I do not think it is quite right to require one employee, a young man or a young woman, who enters the service at 20 years, to pay 2½ per cent of his or her salary, no matter what it may be, for a period of 48 years, and get, at the most, an annuity of only $600 a year; and to say to another man that it is only necessary for him to be in the classified service for one year and to pay 2½ per cent of his salary in addition to certain payments which are required, and then get the same annuity that the other man gets.

Mr. President, I made a statement here a moment ago which seemed to question the facts as given by the chairman of the committee; and I want to say now that I did not make it or intend it in an invidious way, for I am sure that Senators will agree with me that, even though we differ, the Senator from Tennessee would not willfully make a misstatement. I have no doubt that he based his statement upon certain representations made by representatives who had the subject in charge.

I have examined the testimony pretty carefully. I know that some statements have been made to the effect that they are all satisfied with this plan, but I fail to find any statement in the record to the effect that the men who are getting $2,000, $2,500, and $3,000 or $5,000 a year are willing to pay 2½ per cent of their salary during all these years for the benefit of somebody else.

That question has been raised not by me alone, but by Dr. Maddrill, who was the actuary who appeared before the committee and discussed this very problem.

Before going into that portion of his testimony, however, in order that I may present the view of the witness consecutively, I desire to read a few lines. It will be noted that a statement is made in the report to the effect that to maintain the system here adopted it would cost not to exceed 5 per cent of the salaries. Though I am not able to place my eye upon it just at this moment, Senators will find, in any event, that statement is contained in the report. Dr. Maddrill was before the committee and was asked this question:

The CHAIRMAN. Doctor, you do not feel that there is any doubt about 5 per cent being sufficient to pay the annuities provided for in this bill, do you?

Mr. MADDRILL. Five per cent will cover the annuity as provided in the proposed plan.

That was some other plan, as I understand.

Mr. JORDAN. But not in this one?

Mr. MADDRILL. It will be 5 and a fraction in this one.

The CHAIRMAN. I thought you stated before that 5 per cent would cover it.

Mr. MADDRILL. My statement was that the 5 per cent would come within a few tenths of 1 per cent.

Mr. JORDAN. It can be referred to still as a 5 per cent bill?

Mr. MADDRILL. It can be referred to still as a 5 per cent bill.

So, according to this testimony, the cost of the bill would be 5 per cent plus a few tenths less than 1 per cent more. Again, he was asked by the chairman this question—I read from page 26:

The CHAIRMAN. Now, you have changed your mind about this, Doctor, have you not, since you testified about it in the beginning?

Mr. MADDRILL. No, Senator.

The CHAIRMAN. Because, as I understood, when you brought us the last figures on it before its introduction you believed that this bill was a very fair measure, looked at from the half-and-half basis, and one that was practical and that Congress might well pass. Now, why have you changed your views about it?

Mr. MADDRILL. May I respectfully say, Mr. Chairman, that my views have not changed?

The CHAIRMAN. Yes.

Mr. MADDRILL. My relation to the bill has changed somewhat. It seems to me now that I am put in the position of one who really is made responsible for proposed economic provisions which I could not feel that I would like to be sponsor for. One of them, for example, is this: After my suggestions were made with regard to the bill—

Now I come to that part of the testimony to which I referred a moment ago—

the $50 maximum deduction was struck out, against my protest. That struck me as absolutely unfair to the employees—not, of course, of the lower salaries, but of the higher salaries. The bill as now printed proposes to take from the higher-paid employee twice what he would pay to an insurance company which receives the expenses of doing its business and a profit.

The CHAIRMAN. If he is willing to do that, why should outsiders complain?

Mr. MADDRILL. I doubt, Mr. Chairman, from my observation and from what has come to me, if he is willing.

The CHAIRMAN. I beg to take issue with you, Doctor. They have sent their representatives here, who all say they are in favor of it; and I believe I have gotten one letter—there may have been two, but I think only one letter—that disapproves of the bill.

I will say that since this bill has been published it has been given wide distribution; the print has been exhausted, and we have had to have new editions of it printed and sent out, and I have applications for it at all times, and I get many letters about it, all of which have been of approval except one from some gentleman here in the city, whose name I do not now recall, who disapproves of it on a number of grounds; and practically all of them approve of it regardless of how much they contribute and how much they do not; and here are all their representatives here who are approving it, and these representatives would not approve it unless the men behind them did approve it.

Mr. JORDAN. That is right.

The CHAIRMAN. We know that from actual experience; and I am not going to approve anything here for these people unless they are behind it.

Mr. MADDRILL. Mr. Chairman, may I question whether the employees of the salaries above $2,000 have really had this brought to their attention? The representatives here, I think it should be stated in justice to themselves and to my former statement, are voicing the attitude of the employees who are not receiving the higher salaries.

Senators, bear in mind that there are nearly 300,000 of these employees in the United States in the classified service. I recognize the fact that we get in the habit of receiving committees, and that those committees say, "Yes, our constituency approves of this bill"; but I should like to know whether they explained to the Government employees throughout the 48 States of the Union that under this scheme it is proposed to charge some of the employees on a so-called 50 per cent plan enough to pay the entire expense of their insurance and other employees twice the cost of their insurance, while as to others they will only pay a very small per cent.

Mr. McKELLAR. Mr. President——

Mr. POMERENE. Pardon me a moment. In other words, it is proposed to have the young men here the insurers for the middle-aged and the old men. There can not be any question about that, and my guess is that if we could hear the voice of those who are getting the larger salaries or who are likely to get them, they would say, "Why should we be insurers for others? If anybody is to be insurer for the other, why should it not be the Government that has received their years of service?"

Now I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, the Senator from Ohio asked what the sentiment is from each of the 48 States composing this Union. I will ask the Senator if he has heard from any of the associations from his State; and if so, what they asked him to do about the matter?

Mr. POMERENE. Mr. President, I have not heard from these gentlemen out in the States.

Mr. McKELLAR. Has the Senator heard from any of them in the employment of the Government?

Mr. POMERENE. I heard from one here the other day, opposing this bill very much. I do not know whether he was speaking individually or in a representative capacity.

Mr. McKELLAR. Has the Senator heard from none in favor of the bill?

Mr. POMERENE. Mr. President, I have not had much correspondence on this subject, but I had a vast deal of correspondence about it for a period of two years, while I was a member of the committee. I think I know something of the sentiment, and I know that it is a very easy thing to say, "We have adopted a half-and-half plan; you will only have to pay one-half of the cost of your annuity"; and immediately those who do not understand the system say "amen" to it; but what would be the result if you were to go to these employees and say to them—to a young man or to a young woman—"Do you understand that when you are paying 2½ per cent, if you are less perhaps than 30 years of age, you are paying almost the entire cost of your insurance; and if you are getting one of the higher salaries you are perhaps paying double the cost of your insurance, while certain others will only be paying a small percentage of their insurance?" That is the situation, and my judgment is that it takes more than a recommendation signed by some committee to demonstrate that that is a fair system.

Now, Mr. President, let me go a little further.

Mr. KING. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. FERNALD in the chair). Does the Senator from Ohio yield to the Senator from Utah?

Mr. POMERENE. I yield.

Mr. KING. This matter is of so much importance that I feel the Senator ought to explain it to more Senators than are now upon the floor, and I suggest the absence of a quorum.

Mr. POMERENE. Well, Mr. President, that has been one of the difficulties with this subject; we can not get Senators to take the matter up and give it the attention it really deserves.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Baird	Henderson	Norris	Smoot
Bankhead	Johnson, Cal.	Overman	Spencer
Beckham	Johnson, S. Dak.	Page	Sterling
Calder	Kellogg	Penrose	Sutherland
Colt	King	Phelan	Thomas
Cummins	Kirby	Poindexter	Thompson
Curtis	Knox	Pomerene	Townsend
Dillingham	La Follette	Ransdell	Trammell
Fernald	Lewis	Robinson	Vardaman
Fletcher	McKellar	Saulsbury	Warren
Frelinghuysen	Martin, Ky.	Shafroth	Watson
Gay	Martin, Va.	Sheppard	Wolcott
Gerry	Moses	Smith, Ariz.	
Gore	Myers	Smith, Ga.	
Gronna	New	Smith, Mich.	

Mr. SHEPPARD. I wish to announce that the Senator from Oregon [Mr. CHAMBERLAIN] is detained from the Senate on official business.

Mr. SUTHERLAND. I desire to announce the absence of my colleague [Mr. GOFF] because of illness.

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum of the Senate is present.

Mr. POMERENE. Mr. President, while the roll was being called, a Senator kindly directed my attention to the statement in the report of the committee which I was seeking to find, but was not able to place my eye upon at the moment. It is on page 4:

A number of conferences were held and finally Dr. Maddrill reported that the present bill, which was introduced on June 3, 1918, would cost the Government and the employees not more than about the sum of 5 per cent of the salaries of all the employees.

I have read from Dr. Maddrill's testimony, in which he says that it would cost a few tenths less than 1 per cent in excess of the 5 per cent; and that fraction of 1 per cent means millions of dollars in the administration of this proposed law.

Mr. President, I also call your attention to another statement in the testimony of Dr. Maddrill, in which he says with respect to the cost of a system incorporated in this bill:

The bill as now printed proposes to take from the higher paid employee twice what he would pay to an insurance company which receives the expenses of doing its business and a profit.

Does anybody believe that these employees are willing to pay for Government insurance twice the amount that they would be required to pay for private insurance?

Now, let me call the attention of the Senate to a paragraph in the report that I submitted on February 13, 1917, as the chairman of this same committee, the membership of which was substantially the same as the membership of the committee now. I refer to that portion of the report which speaks of the amount of the assessments. Let me explain preliminarily that I had not the exact figures before me, but these estimates of the amounts of the assessments are based upon what the average salary or pay of the employees would be. I can not state exactly what that is, but I can throw some light upon it by stating that the average salary of those 70 years of age and over in 1917 was $1,160 per annum. Now, I assume that the average salary would not be much more than $1,200 or $1,300 or $1,400 probably.

Under a system which contemplates that when it is completely established it shall be self-sustaining, at the age of 20 the total cost of this annuity would be 3 per cent; at the age of 25, 4 per cent; at the age of 30, 5 per cent; at the age of 35, 6.5 per cent; at the age of 40, 8 per cent; at the age of 45, 11.5 per cent; at the age of 50, 16 per cent; at the age of 55, 23.5 per cent; and at the age of 60, 39 per cent.

These were estimates which were submitted by Mr. Herbert D. Brown, the Chief of the Bureau of Efficiency. That is the total cost—3 per cent when 20, 39 per cent when 60. Under the pending bill one-half of it will cost 2½ per cent of everybody's salary, the 2½ per cent being sufficient to pay the entire assessment of the younger men, but being sufficient only to pay a modicum of the cost of those of 50 or 60 years of age or older.

Further, Mr. President, let me call the attention of the Senate to another statement in the report. It was stated the other day in the discussion of this measure that it met with the President's approval, provided it did not make any drain upon the Treasury during the period of the war, and the statement was made that it was not going to make any drain upon the Treasury during the period of the war. That must be explained. The report tells us that the estimated receipts at 2½ per cent from employees during the year 1920 would be $9,000,000. Now,

bear in mind, please, that the $9,000,000 is only supposed to pay one-half of the cost of this system. It must follow, then, that the whole cost when the system is finally installed would be twice $9,000,000, or $18,000,000 per year. I want Senators to note the table that is submitted here. In 1920 it is said that the receipts from the 2½ per cent would amount to $9,000,000; in 1921 this 2½ per cent would amount to $9,400,000; in 1922, $9,500,000; in 1923, $9,600,000; in 1924, $9,700,000; and in 1925, $9,770,000. The pensions during those years, it is said, would cost the following amounts: During 1920, $1,732,000; in 1921, $1,972,000; in 1922, $2,154,000; in 1923, $2,400,000; in 1924, $2,589,000; and in 1925, $2,778,000. But here you have no statement as to what is going to be the cost of this system during the subsequent years. It is a gradual and a rapidly increasing sum.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. POMERENE. I yield.

Mr. KING. Has the Senator figured what it will cost if we take over the railroads, the telegraphs, the telephones, and all of the public utilities, and the copper mines, and have ten to fifteen million employees who will be under the civil service?

Mr. POMERENE. No, Mr. President; but I am going to give you some figures that will startle you, even assuming that the amount of 2½ per cent of the pay roll will not increase during the next 60 years. The 2½ per cent assessment amounts to $9,000,000 per annum; that is, one-half the cost of this system. The total cost of the system, therefore, would be $18,000,000 per year, and for 60 years the aggregate cost of this system would be $1,080,000,000. One-half of the cost to the Government for 60 years would be $540,000,000, and one-half of the cost to the employees for 60 years would be $540,000,000.

I am referring to that at this particular time because under the scheme which was prepared by this committee when I had the honor to be the chairman of it, the total cost to the Government of that system for 60 years, which would be self-sustaining after it is fully and completely installed, would be $172,351,800. The cost the first year, or the moment that this system is inaugurated, if my amendment were adopted, would be $2,890,500. Under it the assessments can not be in any event in excess of 8 per cent, and the cost of the pension system in excess of 8 per cent for all employees, as contemplated, is to be borne by the Government. Under that system, which I shall explain a little more fully a little later on, the expense to the Government would increase for a period of 21 years, when, according to Dr. Herbert D. Brown, it would reach a peak, amounting for that year to $6,207,600; and then it runs down lower and lower, until 60 years from the date of the inauguration of the system, when the cost to the Government would be $100.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. POMERENE. I yield to the Senator.

Mr. THOMAS. Does not the Senator think that as soon as the operation of the bill began to increase this burden upon the employees, the political pressure which they can exert would be utilized for the purpose of repealing so much of the law as requires them to pay one-half of this expense, putting the whole thing upon the Government?

Mr. POMERENE. There is not any doubt at all about it; and I am here to suggest that, in my belief, when the employees who receive these higher salaries say that they authorize anybody to speak for them in favor of this bill those same representatives will not appear for them in connection with any other legislation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. POMERENE. I yield.

Mr. McKELLAR. The Senator from Colorado asked if amendments would not be offered putting the whole burden upon the Government in the future. Would not that be so in the case of the Senator's bill, if it were passed, or any other bill that might be passed? Might not amendments be offered in the same line? Why should that apply to one bill more than others?

Mr. POMERENE. Oh, anything can possibly happen; but I shall discuss that feature a little later on.

I want to call attention, and particularly the attention of the Senator from Tennessee, to the figures contained in this report. According to this estimate submitted by Dr. Maddrill, the two and a half per cent, as I said before, will amount during the first year to $9,000,000, and the pensions during that year will amount to $1,732,000, and it is estimated that that would leave an excess of $6,900,000 in the Treasury, and that that would be a saving. But the Senator and his advisers overlook the fact that his bill contemplates the retirement of something over 7,000 employees per year.

Mr. McKELLAR. About 7,500.

Mr. POMERENE. Now, these superannuated employees are divided into classes. Some of them are wholly inefficient; some of them may be 25 per cent efficient; some of them 50 per cent efficient. Now, if you are going to displace 7,500 employees, assuming for the sake of the argument that the average is 50 per cent inefficient, you must, to do their work, put on 3,750 new employees, and you have got to pay them, but this bill that is not going to cost the Government anything does not take that fact into account.

Mr. President, there is another proposition to which I want to call the attention of Senators. I assume that I do not need to argue with Senators the necessity of having a reserve fund in any scheme of insurance. The laws of all the States require it; common sense and common prudence suggest it, and business principles demand it; yet under this bill—I read from page 8, line 15:

> The Secretary of the Treasury is hereby authorized and empowered to invest, from time to time, in interest-bearing securities of the United States such portions of the "civil-service retirement fund" hereby created as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances as herein provided.

In other words, under this scheme the employees of the Government are paying each year into the Treasury 2½ per cent of their salaries, and it is not to be reinvested, except within the option of the Secretary of the Treasury himself. There is nothing mandatory about it. He is not required to invest the funds in any kind of securities. Those moneys can be used for other purposes. They are trust funds, and trust funds always ought to be kept in trust for the cestui que trust, and unless these funds are thus invested you will simply have the Government's promise to pay under this legislation. In other words, you have a claim with which you can go to the Court of Claims, and I am not going to take the time of the Senate to discuss the length of time and the inconvenience to which claimants will be put.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. POMERENE. Yes; I yield.

Mr. McKELLAR. Does the Senator think that any better disposition of the trust funds could be made than to put them in the charge of the Secretary of the Treasury, to be invested in bonds of the Government of the United States? Furthermore, the Senator failed to read all of the provision, and I shall do so now:

> And the income derived from such investments shall constitute a part of said fund for the purpose of carrying out the provisions of section 11 of this act.

I think the Senator surely can not deny that that provision of the bill constitutes a proper trust fund and makes all proper safeguards.

Mr. POMERENE. I am afraid the Senator has failed to catch my point. My point is that under whatever system is adopted, whether it is the one in the Senator's bill, the one in my substitute, or in any other, it should be made mandatory upon those who are administering the bill to keep this reserve fund invested; and, in order to demonstrate to the Senate that I am not alone in this view of the question, I am going to send to the desk a letter which I received from Mr. George T. Keyes, secretary of the National Civil Service Reform League, and I ask that it may be read for the information of the Senate.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read the letter.

The Secretary read as follows:

NATIONAL CIVIL SERVICE REFORM LEAGUE,
New York, November 12, 1918.

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.

DEAR SENATOR POMERENE: With regard to the McKellar retirement bill which, I understand, is unfinished business, will you be good enough to send me a copy of any bill which you may be planning to propose for a substitute measure?

I have just noticed a "joker" in the pending bill (S. 4637) for the retirement of employees in the classified civil service, which raises a new and grave objection to the present form of that bill.

The public and the employees have been led to believe by the debates and the apparent intent of the bill itself that the money withheld from the salaries of employees would be held at interest in each employee's name, in an inviolable retirement fund.

But actually, I have just discovered, the bill only provides for crediting to each employee the amounts of his contributions and the interest thereon. The actual money contributed is to be used by the Secretary of the Treasury to pay for the retirement of those already of retirement age. Only "such portions" of the contributions are held in reserve, in the name of the individual contributors, "as in his judgment may not immediately be required for the payment of annuities, refunds, and allowances." (Sec. 8, p. 8, line 18.)

Instead of accumulating a fund, therefore, the Government is accumulating a debt. For a few years the receipts will outbalance the payments, as the report on the bill (No. 574, p. 7) indicates. But after that, or beginning about 1930, there will no longer be any fund from which to pay the then rapidly amounting costs of retirement. It will be necessary for Congress to make annual appropriations to repay the amounts "borrowed" from the employees then to be retired with compound interest, and the amount of these repayments has not even been computed.

The proposed disbursement of reserves is exactly analogous to the systems of the now bankrupt insurance companies and fraternal organizations that failed to maintain their reserve funds intact. There is no escaping the certain nemesis that overtakes such schemes.

From the employees' point of view the scheme is perilous. The present Congress can not pledge future Congresses to the repayment of these amounts. Appropriations for that purpose may be delayed or even denied. All that the employee will have, instead of the "fund" he believes he is accumulating, is a "claim" against the Government. Anyone familiar with the endless procedure necessary to collect even the most just claim against the Government will readily agree that the position of the employees depending on a claim instead of a fund will be precarious.

The language of the bill is clear on this point once it is called to one's attention. But I am satisfied that neither the Members of Congress nor the public nor the employees have had their attention directed to it. Nobody who reads section 8 attentively can now doubt that the retirement fund proposed in S. 4637 is doomed to certain collapse within, at most, 15 years, unless Congress makes very large extra appropriations.

I hope you will have an opportunity to make the point clear to the Senate.

Sincerely, yours, GEORGE T. KEYES,
Secretary.

Mr. POMERENE. Mr. President, there is another feature of this bill to which I desire to call the attention of the Senate, and that is the experience that Great Britain has had with this same subject. I am not going to take the time of the Senate this afternoon to go into all the details of that history. I do not come freshly from it, and many of the facts have escaped my memory; but I do remember certain of the controversies that arose.

In the early part of the last century they adopted a straight pension bill; that is, a scheme which was sustained entirely by the public treasury. There were in Great Britain two classes of employees, as there are in this country—one, the classified service; the other, the unclassified service. Those who were in the classified service for a time felt that they were the favored class, that they were getting pensions or annuities from the Government after the required years of service. After a time, however, it developed that those who were in the unclassified service were receiving higher pay for the service rendered than those who were in the classified service, and a commission was appointed for the purpose of investigation. The commission discovered that those in the classified or the pensioned service were, in fact, receiving lower pay than the others for this reason: Every time the employees in the classified service made an appeal for an increase in their salary they were met with the cry, "Why, you are pensioned. The Government is paying for your pension. We respectfully decline to increase your wages." That objection can be made to at least the extent of 50 per cent in the case of this bill, because it is supposed to be one-half payable out of the Public Treasury.

Mr. President, I think the most intelligent student of this subject that I have come in contact with in the years that I have given to the subject is Mr. Herbert D. Brown, now at the head of the Bureau of Efficiency. I read from his testimony as quoted in the hearings before the committee on the United States Senate on Senate bill 3079 and Senate bill 5673, page 97:

The conclusions to be drawn from Great Britain's century of experience in pensioning its civil employees are very definite. That experience shows that pensions paid out of the public treasury as pure gratuities are certain to be taken into account in fixing salaries, and a pension system thus becomes, in effect, a contributory system. As soon as the employees realize that they are contributing to their own pension they at once demand that, on separation from the service for any cause whatever, the value of their contributions shall be returned to them in some form. It is in recognition of the reluctance of human nature to give something for nothing—shown first by the officers of the Government in taking a pension into account in fixing salaries, and next by the employees in their unwillingness to forfeit their contributions under any circumstances—that the pension system of England was modified by the act of September 20, 1909.

Mr. Brown continues, and on page 183 of the same report states:

The English pension system is, therefore, not a free and absolute system of gratuities at all, but a system of theoretical contributions from the employees' salaries, more or less adequate to pay the benefits given. Whatever it may have been in the beginning, that is what it has become through the policy—a policy sure to develop under a system of gratuities, human nature being what it is—of taking the pension into consideration in fixing salaries.

Mr. Brown, on page 186, says:

There must be a sharp differentiation between accrued liabilities and future liabilities. The contributions made by present employees should be held in reserve to pay future pensions, and not consumed in paying pensions for past services. The accrued liabilities must be paid by the State or the contributed fund will soon become insolvent.

And this, as I construe the action of the committee when I was chairman of it, was in part, at least, responsible for the adoption of the scheme which is proposed in the substitute measure.

Now, Senators, if I may take a little time to discuss the proposed amendment—and I shall make my statement as brief as I can, consistently with the importance of the measure—I may say that the basic principles of the bill were taken from a report made by a commission appointed by President Taft, known as the Efficiency Commission—I may not have the name of it accurately—and that was modified after some considerable study of it and consultation with students on the subject. The basic principle of that bill was to adopt a system whereby each man would be an insurer for himself, and not an insurer one for another. It must follow that in adopting any system we can not at first make it entirely self-sustaining, because if we were to take the older employees and make an assessment against them which would be sufficient to purchase an annuity of $600 when they reached the retirement age, it would require, when they become 60 years of ago, 39 per cent of their salary, assuming that the salary was the average salary. It was thought by the committee at that time if we could adopt any system whereby certain assessments would be made and kept in a separate account for each individual, and the assessments thus made put at interest at the rate of 4 per cent, compounding it annually, it would serve not only the purpose of insurance but the purpose of a savings bank as well. So in the first section of the proposed substitute bill we provide that there shall be an assessment made against the salary of each employee in the classified service which, computed to the nearest tenth of a dollar, will be sufficient, with interest thereon at 4 per cent per annum, compounded annually, "to purchase from the United States an annuity, payable quarterly throughout life, for every such employee on arrival at the age of retirement, as herein provided," that age being 70, but under no circumstances could this assessment be more than 8 per cent.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. POMERENE. I yield.

Mr. McKELLAR. Substantially speaking, the system provided in section 1 of the Senator's amendment is a compulsory requirement upon the employees to buy annuities. Is not that all that it amounts to?

Mr. POMERENE. Why, that part of it is compulsory; yes.

Mr. McKELLAR. In other words, they can buy their annuities now, and the Senator's bill would virtually, under certain regulations, compel the employees to do so. That is about the substance of it.

Mr. KING. Mr. President, will the Senator yield?

Mr. POMERENE. I yield.

Mr. KING. I should like to ask the Senator from Tennessee if the bill which bears his name is not also compulsory?

Mr. McKELLAR. It is compulsory, of course; but it is compulsory upon the agreement of the employees through their representatives.

Mr. POMERENE. Oh, so is the other, as far as that goes.

Mr. McKELLAR. I beg the Senator's pardon; the employees have never adopted this amendment.

Mr. KING. Mr. President——

Mr. POMERENE. I wish to say, in this connection, I do not propose to father legislation simply because the beneficiaries want that particular kind of legislation. Their wishes should be considered, but they should not be controlling.

Mr. KING. Will the Senator from Ohio pardon me?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. POMERENE. Yes.

Mr. KING. As I interpret the bill offered by the Senator from Tennessee, it is compulsory in this sense: It compels the Government of the United States to pay 50 per cent of the annual assessment and it compels the employees to pay 50 per cent.

Mr. McKELLAR. That is exactly right.

Mr. KING. So it is compulsory, in morals at least, to the same extent as the bill offered by the Senator from Ohio. In one instance the employee pays it all; in the other he is compelled to pay half of it.

Mr. McKELLAR. If the Senator will pardon me a moment, if he will look at the provision in the bill and the substitute he will find that the compulsory feature applies precisely the same.

Mr. POMERENE. No. Let me call the attention of the Senator from Utah to the further fact that in the proposed substitute, if it becomes a law, the employee is only compelled to provide for his own insurance. In the bill of the Senator

from Tennessee the employees of the younger class and those drawing the higher salaries are compelled not only to pay their own insurance but to pay a part of the insurance of their fellow employees.

Let me suggest further, in addition to what I said a moment ago, I realize the necessity for this legislation, and I know that two years ago the bill which was then proposed and adopted was pretty generally satisfactory.

Mr. FLETCHER. Mr. President——

Mr. POMERENE. I yield to the Senator from Florida.

Mr. FLETCHER. I ask the Senator what the cost would be to the employees under each plan.

Mr. POMERENE. I will come to that. I discussed that in part while the Senator was out.

Mr. FLETCHER. Would the same amount of benefits accrue to them?

Mr. POMERENE. In general I can answer in this way: It is not quite the same, because the bill proposed by the committee divides them into four classes—A, B, C, and D. In that respect it differs somewhat, but generally speaking in view of the fifty-fifty plan adopted the cost of the McKellar bill to the Government will be twice what the cost of the Pomerene bill will be to the Government, if I may so call it. More than that, after it is installed completely then the cost of the McKellar bill continues, whereas the cost of the substitute bill will be nil to the Government.

Mr. FLETCHER. And the percentage of cost to the employees?

Mr. POMERENE. I have referred to that.

Mr. McKELLAR. If the Senator will pardon me a moment——

Mr. POMERENE. Just one moment. I am asked a question, and I want to answer it as nearly as I can. Senators who will go into this subject will discover that these expenditures have not been figured with entirely actuarial accuracy. There are a good many elements which enter into the question. One of them will be the amount of the salary; another will be the age; a third will depend upon the mortuary tables which are adopted from time to time, and so forth. There are a number of elements which will make it almost impossible to determine the amount with precision. That is particularly true of the bill which is offered by the committee, because there the employees are divided into four classes, and necessarily the statistics which might be true as to one class would not be true as to the others. The cost of the substitute bill, based upon average salaries, the Senator will find was given by Mr. Herbert D. Brown and is contained on page 2 of the report which was submitted to the Senate February 13, 1917, on the bill then favorably reported.

Mr. McKELLAR. If the Senator will yield to me for a moment——

Mr. POMERENE. Yes; I yield.

Mr. McKELLAR. I think the question the Senator from Florida asked can be well answered by referring to the last proviso in the first section of the substitute, which is as follows:

Provided, however, That the deductions made from the salary, pay, or compensation of persons hereafter entering the service shall not exceed 8 per cent thereof.

I think that answers the question of the Senator from Florida.

Mr. POMERENE. Mr. President, that is the maximum assessment on the average salary, and if he was getting twice the average salary, of course, the assessment would be cut in two. I can simply give a very general statement in that behalf. If the salaries amount to $3,000 or $4,000, it would not be more, probably, than one-third or one-half of the 3 per cent, which is the estimated assessment for those who are 20 years of age.

Mr. President, I want to go on now with the explanation of the so-called substitute bill. It provides that all of these assessments shall be kept in the Treasury and they must be invested in securities, in bonds of the United States, farm-loan bonds, State bonds, municipal bonds, or county bonds which will meet the approval of the administering board. In other words, we provide specifically for a reserve fund out of which all the withdrawals are to be paid.

I want Senators to bear this fact in mind, too, that under the substitute bill a separate account is kept with each individual. If he withdraws at any time before he becomes 60 years of age, then all his assessments plus accumulations with 4 per cent compound interest must be refunded to him. If he dies meanwhile, then all these assessments plus accumulations must be paid to his estate. During the period between 60 and 70 years the committee at that time thought it would be wise to require the annuity which his accumulated assessments and their earnings would buy to be paid in annual installments so long as he should live, and then in any event, if he should die before he received annuities equal to the amount of his assessment plus the accumulations, that money shall all be refunded to his estate. Our thought was at that time that this method was in the nature of a compulsory savings account, each one dependent upon himself, no one insuring for the other.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Florida?

Mr. POMERENE. I do.

Mr. FLETCHER. That looks very much like a regular insurance plan, with this exception: Ordinarily an insurance company would require certain premiums to be paid, and the party taking out the insurance would be subject to a physical examination. Here you are insuring everybody, the old, the decrepit, the ill, the maimed, the halt, and those who are afflicted otherwise. You are taking in everybody. Each man will carry his own insurance. If he dies he gets back all he paid with the accumulations, and if he retires he gets back all he paid in with the accumulations. I do not see how you can maintain the system in that way.

Mr. McKELLAR. If the Senator will pardon me——

Mr. POMERENE. Pardon me a minute. I can answer only one at a time. If the suggestion which the Senator from Florida makes has any application at all it applies to both schemes. The question of the man's health does not enter into it at all. So long as he is an employee, so long as he is serving and receiving a salary these deductions are made. If by reason of poor health he should retire or if he should unfortunately die before he reaches the retirement age all the assessments and the accumulations are refunded. In that respect it differs very materially from the insurance problem.

Now, let me go briefly to the question of the cost of this system. Let me say that at the time the substitute bill was being prepared and we were having our hearings it was suggested that the Bureau of Efficiency should try to get entirely accurate returns showing the number of employees in the several departments, the age of the employees, their salaries, and so forth. It did not seem that it was possible to get complete returns, and at the time I severed my connection with the committee Mr. Brown, who had this matter in charge, was not able to get complete returns. So I take it all the figures which we may give here must be subject to certain modifications; but I think they may be regarded as reasonably accurate.

At the time the report was prepared it was believed that there were 5,000 officers and employees who were 70 years of age or over. The report of the Senator from Tennessee shows the number now to be about 7,500. But there is this difference between the two bills: Dr. Brown's estimate of the number of employees was based upon a retiring age of 70. That of the pending bill is based upon a retiring age of 65 and 68.

Mr. McKELLAR. Depending upon the class.

Mr. POMERENE. Yes. Now, with the 5,000 officers and employees over 70 years of age it was estimated that their average salary would amount to about $1,160, making the total salaries $5,800,000. Assuming the average pay to be $1,160, then the average annuity payable to them would be $550 per year, making the total annuity $2,750,000. It was thought at the time that it would be best for the first year to make the annuities payable out of the appropriations which had been made for salary account of these employees, and then under the plan which we adopted it was thought that the annuities would amount to a total sum of $2,750,000 the first year. We could then return 10 per cent of the $5,800,000 thus appropriated for salary account into the Treasury, amounting to $580,000, and that would still leave $2,470,000 in the salary account which could be used for the purpose of employing new clerks to take the place of those who had become superannuated. That would employ 2,500 men and women—that is, new beginners—at salaries of $900 to $1,000 each.

As I stated awhile ago, the total cost of this system to the Government until it should become completely self-sustaining, namely, 60 years hence, would be $172,042,000.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. POMERENE. I do.

Mr. KING. That would be based upon the salaries now paid to the employees who would come under the classified service, would it not, so that there would not be an increase in the salaries or compensation paid? There would be necessarily an increase in the amount to be paid ultimately?

Mr. POMERENE. I think the Senator overlooks the fact that there is a limitation upon the amount of annuity to $600 per

year, except that it shall in no event exceed 50 per cent of the salary.

Mr. KING. I had that in mind.

Mr. McKELLAR. They are all in one class.

Mr. POMERENE. There is only one class.

Mr. McKELLAR. That is, in the Senator's bill.

Mr. KING. I did not overlook that. I had in mind that limitation, but anticipated that with the demand that is being made now very vociferously by employees of the Government for an increase in compensation there would likewise be an emendation of that bill, if it should become a law, so as to increase the amount of the annuity which shall be paid.

Mr. POMERENE. That, of course, is possible, but I may say that I have been in sympathy with the demand for increased pay for the employees of the Government not only during the last two years, but there should have been a readjustment of all the salaries in my judgment. Some of the employees are underpaid, some of them have been overpaid, and I think the Congress of the United States could very well afford to investigate this subject and enact some law readjusting all salaries.

Now, as bearing upon the proposed substitute, I want to send to the desk to be read a carbon copy of a letter which was sent to me under date of February 10, 1917, from Dr. Herbert D. Brown, Chief of the Bureau of Efficiency. It gives a statement as to the cost of the proposed plan in the substitute amendment.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

FEBRUARY 10, 1917.

Hon. ATLEE POMERENE,
Chairman Committee on Civil Service and Retrenchment,
United States Senate.

DEAR SENATOR POMERENE: In response to your request, I submit the following statement regarding the approximate cost to the Government of the retirement plan for the competitive classified civil service contained in Senate bill 3079 as amended by your committee to-day:

Stated briefly, your bill provides that employees in the competitive classified service shall be retired at age 70 on annuities equal to half pay, with a maximum of $600. The annuities of employees now eligible for retirement must be paid wholly by the Government. Employees not yet eligible for retirement are required to set aside each month such an amount of money as may be necessary, with interest at 4 per cent compounded annually, to provide their own annuities at age 70, except that no employee shall be required to contribute more than 8 per cent of his salary. Since many of the employees are now at ages at which 8 per cent of their salaries with interest will not provide the full amount of their annuities it will also be necessary for the Government to provide the difference between the amount of their contributions and the total cost of their annuities.

According to the last annual report of the Civil Service Commission, there were on June 30, 1916, 296,926 employees in the competitive classified civil service. Of these, approximately 47,000 are fourth-class postmasters, who are not eligible for retirement under your bill. This leaves approximately 250,000 persons who are included. Of this number, about 47,000 are clerks and miscellaneous employees in post offices, about 34,500 are city carriers, about 43,500 are rural carriers, and about 22,000 are railway postal clerks, or a total of about 147,000 postal employees, leaving about 103,000 employees outside of the Postal Service.

As no statistics were available concerning the salaries and length of service of the employees at the various ages on which to base an estimate of the cost of retiring the employees, you procured on May 17, 1916, the passage of a Senate resolution directing the Bureau of Efficiency to collect statistics on which to base such an estimate. The bureau accordingly requested the various departments and independent establishments to supply the necessary information on forms prepared for the purpose. As most of this information had to be collected from post offices and other offices scattered throughout the country, the returns were slow in coming in and are not yet complete. Up to January 15, 1917, returns covering 203,141 employees in the service of the Government, including unclassified employees, had been received.

In order to use these incomplete returns it was necessary to assume that the returns received for the various classes of employees were representative, and to prorate them up to known totals. For example, 26,703 returns for city letter carriers were received out of a total of about 34,500. The number of carriers of each age, salary, and length of service, as shown by the tabulation of the returns received, was therefore prorated up by a factor which brought the total number for all ages up to 34,500.

The tabulation of these returns, prorated up to the total number of employees known to be in the competitive classified service, showed that there are now about 5,000 employees who are 70 years of age or over, and that their total annuities the first year would amount to about $2,750,000 if all retired at once. This cost would steadily increase for about 25 years, when the annual cost to the Government would be between $6,000,000 and $7,000,000. After that time the cost to the Government would steadily decrease until, at the end of about 50 years, it would cease with the death of the last employee who received Government aid.

This annual cost for the annuities which the deductions from the employees' salaries will not provide is by no means altogether an added expense to the Government. Many of the aged employees are receiving salaries that they do not wholly earn. Under the terms of the bill each employee's annuity is to be paid the first year out of the salary he is receiving at the time of retirement; 10 per cent of that salary is to be covered into the Treasury; and the balance is to be used, with other similar balances, to employ young clerks in the lower grades. If one active young clerk can do the work of two superannuated clerks, then the saving in salary will be sufficient to pay the annuities until such time as the superannuated clerks would have resigned, if not retired. If all of the 5,000 employees who are 70 years of age or over should retire at once, the 10 per cent of their salaries which would be covered into the Treasury would amount the first year to about $580,000. Unless Congress makes appropriations for a larger number of efficient clerks than the departments now have, a considerable part of this saving should continue from year to year.

I trust it may not be out of place for me to add a word in regard to the experience of the Bureau of Efficiency in its efforts to introduce improved methods of handling the Government's business. The most serious difficulty that the bureau has encountered in introducing better business methods into the departments has been the inability of the aged employees to learn new ways of doing their work. If this difficulty is removed by the retirement of these aged employees, we believe that new methods can be introduced far more rapidly and much greater savings can be accomplished than will be possible under present conditions.

Very respectfully,

HERBERT D. BROWN,
Chief Bureau of Efficiency.

Mr. POMERENE. Mr. President, I may say I had hoped to have a more detailed review of this pending legislation from Dr. Brown, but because of many other official engagements he was not able to give it the time he had hoped to give to it, and was for some days called out of the city. But I have from him a letter bearing date November 12, 1918, in which in a very general way he reviews the principal provisions of the pending bill and the substitute therefor, and in order that Senators may have the benefit of his views I send this letter to the desk and ask to have it read.

The PRESIDING OFFICER (Mr. KIRBY in the chair). The Secretary will read as requested.

The Secretary read as follows:

UNITED STATES BUREAU OF EFFICIENCY,
Washington, November 12, 1918.

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.

DEAR SENATOR POMERENE: You asked me this morning for a statement concerning the relative cost of Senate bill 633 introduced by you in 1917 and Senate bill 4637 introduced by Senator McKELLAR some days ago. These bills provide for the retirement of the civil employees of the Government.

I will not undertake in this letter to go into the details of the plans, but will try to answer your question in general terms, and for the purpose of this answer will assume that the benefits paid under the two bills are equal. The benefits paid under the two bills are not exactly equal, but for the purpose of comparison it is fair to assume that they are. The principal difference between the two bills is this: Your bill is intended to be self-supporting after the employees now in the service have passed away—that is to say, the deductions from salaries with interest are intended to be sufficient to pay for the annuities of new entrants. Senator McKELLAR's bill is intended to be a so-called "50-50" plan. If the benefits under it are the same as yours the cost of it the first year will be the same as yours, but with each succeeding year the cost to the Government will be greater than yours, until finally, after 30 or 40 years, his bill will impose a burden on the Government equal to half of the annual payments or annuities, whereas your bill at that time will impose no burden whatever on the Government.

You also ask whether the plan provided for by Senator McKELLAR'S bill will be self-supporting during the first years of its operation if enacted into law—that is to say, will it require any aid from the Federal Government during those years? My answer to your question is that it will not require any aid from the Government during the first years. Neither will your plan. The deductions in both cases are more than sufficient to pay the annuities during the first few years, because the number of elegibles will be few at first. But as the number reaching retirement age will increase at about the same rate that the service has increased during the past 30 or 40 years, it is obvious that in a short time the income will be inadequate to cover the entire cost of the plan. As stated before, the two plans may be considered equal in point of cost in the beginning, but with each succeeding year Senator McKELLAR'S bill will cost more than yours, until finally at the end of 30 or 40 years your bill will be self-supporting, while his will require contribution from the Government equal to half its cost.

Strictly speaking, it is inaccurate to say that the plan under either bill would be self-supporting in the beginning. Your plan will be self-supporting ultimately, but Senator McKELLAR'S never will be. Under both your bill and Senator McKELLAR'S the deductions from the pay of the employee remain the property of the employee, and are returned to him in some form whenever he leaves the service. But if those deductions are taken in the first years to pay other employees than those to whom they belong, the plan is obviously not self-supporting even in the beginning, for the deductions will ultimately have to be returned with interest to the original contributors.

The Government, of course, can borrow the employees' contribution. Until the annual payments exceed the contributions no appropriation will be necessary, but at best the moneys obtained by the Government in that way can only be considered as a loan. After a few years payments to pensioners will exceed the contributions by the employees, and when that time is reached it will be necessary to make appropriations from the Treasury to meet the deficit. That time, of course, will be reached at an earlier date under Senator McKELLAR'S bill than under yours, and the appropriation required from year to year will steadily increase as compared with yours until, as I stated before, in 30 or 40 years his will require a continuous and increasing appropriation from the Government, whereas yours will by that time be self-supporting.

Very respectfully,

HERBERT D. BROWN,
Chief Bureau of Efficiency.

Mr. POMERENE. Mr. President, as shedding some light upon the letter which has just been read, I have before me a statement showing the cost of the substitute bill which I intend to offer for a period of 60 years. This statement was prepared by Dr. Brown at or about the time that the committee reported to the Senate the so-called substitute bill about two years ago, and, without reading it, I ask that it be incorporated in the RECORD for the information of Senators.

The PRESIDING OFFICER. Without objection, that order will be made.

The statement referred to is as follows:

Year.	Cost of pension.	Total.
0	$2,890,500	
1	3,115,200	$6,005,700
2	3,328,800	
3	3,485,900	
4	3,649,200	
5	3,766,000	
6	3,910,000	24,145,600
7	4,073,600	
8	4,279,100	
9	4,444,200	
10	4,710,800	
11	4,946,200	46,599,500
12	5,214,900	
13	5,451,200	
14	5,681,600	
15	5,840,400	
16	5,973,800	74,761,400
17	6,043,900	
18	6,078,000	
19	6,143,100	
20	6,202,300	
21	6,207,600	105,436,300
22	6,197,100	
23	6,127,700	
24	5,990,800	
25	5,735,200	
26	5,471,300	134,958,400
27	5,104,500	
28	4,691,900	
29	4,241,200	
30	3,775,100	
31	3,301,400	156,072,500
32	2,855,400	
33	2,447,300	
34	2,079,300	
35	1,750,200	
36	1,458,700	166,063,400
37	1,202,900	
38	980,900	
39	790,300	
40	628,700	
41	493,200	170,759,400
42	381,400	
43	338,900	
44	255,400	
45	189,200	
46	137,400	172,061,600
47	97,700	
48	67,900	
49	46,100	
50	30,400	
51	19,500	172,323,100
52	12,200	
53	7,300	
54	4,300	
55	2,400	
56	1,300	172,350,700
57	600	
58	300	
59	100	
60	100	172,351,800
61		
62		

Cost of all pensions, $172,351,800.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. POMERENE. I yield.

Mr. CUMMINS. Before we adjourn to-day, I want to ask the Senator from Ohio a question, and if he is unable to answer it I want to refer it to the Senator from Tennessee. The question is purely for information or for interpretation of the bill now before the Senate.

I have given a good deal of study to this subject. I was formerly chairman of the committee of which the Senator from Ohio afterwards became chairman, only to be succeeded by the Senator from Tennessee. I had the honor of introducing a bill, which was reported favorably by the committee, which is essentially like the bill reported by the Senator from Ohio, differing only in what I regard as unimportant details. I gave a good deal of investigation to the subject then, but I have not—and it is my own fault entirely—become so familiar with the bill which is being brought forward now by the Senator from Tennessee.

It seems to be assumed in the debate that I have heard that the contributions to be made by the employees in the classified civil service begin with their introduction to the service. I am entirely unable to find any warrant for that assumption in the so-called McKellar bill, and I should like to know when these contributions which are to be made by the employees are to begin.

Mr. POMERENE. If the Senator is speaking——

Mr. CUMMINS. If the Senator from Ohio will allow me, I will make my question complete. The bill in its first section does not define in any way to whom it is to be applicable. In the second section there is provided a series of payments to be made by the United States to four classes of employees. I need not mention the classes A, B, and C, because they are the older employees, but as to class D, which is the last one, the bill provides:

Class D shall include all employees to whom this act applies who shall have served the United States for a total period of 15 years or more, but less than 20 years.

No payments are to be made, I assume, to any employee unless he or she has served the Government at least 15 years.

I turn to section 8 and I find that it provides for reserving from the basic salary or pay or compensation—now I quote—

of each person to whom this act applies a sum equal to 2½ per cent of such person's basic salary, pay, or compensation.

If I were called upon to construe or interpret the bill with the light I now have, I would be compelled to hold that it applied only to the four classes which are enumerated in the second section, and that there was no obligation on the part of any employee to begin his contribution to the fund until he had been in the employ of the Government at least 15 years. If that be the interpretation of the bill the amount required from the General Treasury of the United States in order to make the payments that are provided for would be very largely increased, as is evident, for the actuarial computation with which we are provided and which is intended to give us information with regard to the cost to the Government does not proceed upon any such basis. I may be wholly wrong about this interpretation. If I am, I should like either the Senator from Ohio or the Senator from Tennessee to set me right.

Mr. POMERENE. Mr. President, as the question of the Senator from Iowa is a very pertinent one, and as it relates to the pending bill, I will yield to the Senator from Tennessee to answer it.

Mr. McKELLAR. Mr. President, in answer to the question of the Senator from Iowa, I will say that it is the purpose of the bill to apply to all employees of the classified civil service; and there is an addition found in section 4 of the bill in the following language:

SEC. 4. That the provisions of this act shall include employees of the Library of Congress and the Botanic Gardens, excepting such persons as may be appointed by the President and confirmed by the Senate, and may be extended by Executive order, upon recommendation of the Civil Service Commission, to include any employee or group of employees in the civil service of the United States not classified at the time of the passage of this act. The President shall have power, in his discretion, to exclude from the operation of this act or include therein any employee or group of employees whose tenure of office is intermittent or of uncertain duration.

The question of the Senator from Iowa, as I understand, is whether the bill applies only to those employees who have been in the service for 15 years or whether it applies to all members of the classified service?

Mr. CUMMINS. My question is, When does the obligation of the employee to contribute a portion of his compensation begin, or, to state it more accurately, when does the right of the Secretary of the Treasury or any one of the various departments of the Government to withhold salaries begin?

Mr. McKELLAR. It begins on the first day of the second month after the month in which this act is approved, that there shall be deducted and withheld from the basic salary——

Mr. CUMMINS. I see nothing whatever in the bill that will permit that construction.

Mr. McKELLAR. If there is not, if the Senator from Iowa will suggest an amendment that will so provide, I shall be very glad; or if he will not suggest it, I shall be very glad to do it. I think that does sufficiently appear from section 4; but if there is any doubt about it, I shall be very glad to clear up that doubt.

Mr. CUMMINS. Section 4 does not remove the doubt, because that is intended simply to bring certain employees within its scope who might not be generally considered to be classified civil-service employees.

Mr. McKELLAR. Would it meet the Senator's objection to strike out, in line 18, on page 7, the words "of each person to whom this act applies" and to substitute therefor "each person in the classified civil service"? I should be very glad to accept that amendment if the Senator will offer it.

Mr. CUMMINS. I merely rose to suggest what seemed to me, from the standpoint of the author of the bill, to be a defect.

Mr. McKELLAR. I am rather inclined to think the Senator from Iowa is entirely correct about it.

Mr. CUMMINS. I do not want to undertake the task of amending the bill, because, as the Senator from Tennessee knows, I am in favor of the contributory plan, the plan which is in effect a compulsory saving fund, supplemented by a provision which would enable us to put the plan into execution; that is, an appropriation by the Government for such sums as may be

required to retire the aged employees who are now so old and who have been so long in the service that they can not build up for themselves a fund which will be required to support them after retirement; but I think that whatever bill is passed ought to be as perfect as possible.

Mr. McKELLAR. I thank the Senator for calling the matter to my attention, and I ask unanimous consent, Mr. President, to strike out, in line 18, on page 7, the words "of each person to whom this act applies" and to substitute therefor the words "of each person in the classified civil service."

Mr. POMERENE. Mr. President, before that is done—I do not know that I have any objection to it—it seems to me there is an amendment pending.

Mr. McKELLAR. I was merely asking unanimous consent, and I hope the Senator will not object.

Mr. POMERENE. Very well; I have no objection.

Mr. McKELLAR. I wish to thank the Senator from Iowa for calling my attention to what seems to be a very patent error in the bill.

The PRESIDING OFFICER (Mr. POLLOCK in the chair). Will the Senator please restate his amendment?

Mr. McKELLAR. On page 7, line 18, strike out the words "to whom this act applies" and insert "in the classified civil service."

The PRESIDING OFFICER. The Secretary will state the proposed amendment.

The SECRETARY. On page 7, line 18, it is proposed to strike out the words "to whom this act applies" and to insert in lieu thereof the words "in the classified civil service."

The PRESIDING OFFICER. The question is on the adoption of the amendment proposed by the Senator from Tennessee.

Mr. THOMAS. Mr. President, it seems to me that the amendment is too broad, because there are a great many employees in the classified civil service who are not within the scope of the bill. For instance, fourth-class postmasters are all in the classified civil service.

Mr. POMERENE. And, Mr. President, if the Senator from Tennessee will allow me also to make a suggestion in that connection, I am not advised myself, but the Senator seems in the preparation of this bill to have given special attention in section 4 to employees of the Library of Congress and the Botanic Garden, as if they were not generally understood to be in the classified service.

Mr. McKELLAR. There may be some confusion about that, and I ask to modify my amendment so as to read "in the classified civil service, subject to the exceptions made by this bill." Will that be satisfactory?

Mr. CUMMINS. I suggest to the Senator from Tennessee that the amendment ought to be in section 8, and it ought to make it perfectly clear that the reservation of salary shall begin with the introduction of the employee into the classified service.

Mr. McKELLAR. Will the Senator suggest the words he thinks will accomplish that purpose? If he will do so, I will be delighted to accept the amendment.

Mr. CUMMINS. I do not wish to interrupt the Senator from Ohio in his address.

Mr. McKELLAR. The Senator from Ohio has finished, as I understand.

Mr. POMERENE. Not quite; but I have no objection to the amendment being made.

Mr. McKELLAR. If the Senator from Ohio desires to proceed, I will have an amendment ready to meet the objections set forth by the Senator from Ohio and the Senator from Colorado in just a moment while the Senator from Ohio proceeds with his argument.

Mr. POMERENE. Mr. President, I had about concluded; but lest I may be misunderstood, I want to make it perfectly clear that what I have said this afternoon is not to be construed as being in opposition to a retirement plan. I am most earnestly in favor of it. I think we ought to adopt some plan of retirement, not only from a humanitarian standpoint as it relates to the employee himself, but from the standpoint of administrative efficiency. I do not believe that Senators comprehend the condition that exists in some of the departments. There are men and women in the departments who ought not to be there, because they have reached a point of superannuation where they ought to be cared for in some way, no matter whether their present condition is due to their own fault or to some other cause.

More than that, I can understand, as Senators can generally, when there is some young man or young woman in one of the departments, the very embodiment of efficiency and intelligence, working along at a modest salary, eager to improve and to advance, who finds just ahead of him or her on the pay roll some elderly persons who perhaps are not doing one-half of the work that the younger ones are doing and yet are receiving higher salaries, there is enough of human nature in all of the employees to rebel against that condition. It destroys the morale of the department.

I think that we have progressed so far in this country as to warrant the belief that those who have studied the question sincerely feel that there ought to be some reasonable plan of retirement adopted. I am anxious that the plan adopted shall be a satisfactory plan to the public and reasonably satisfactory to the employee, but I am at the same time morally certain that when the employees of this Government understand the plan that is proposed in the pending bill, which was presented by the committee and known as the McKellar bill—when they understand that many of the young, thrifty, energetic, intelligent employees will pay the cost of the annuities which their fellow employees will receive—they will be disposed to rebel, and they will have reason to complain.

Mr. KING. Mr. President, before the Senator concludes I should like to ask him a question or two.

Mr. POMERENE. I yield to the Senator.

Mr. KING. Does the Senator think, in view of the immense and stupendous work lying before Congress in connection with preparing for demobilization, the work of reconstruction, and all of the post-war matters that will call for solution, that it is an opportune time now to take up this question? Furthermore, is it opportune to take it up in view of the fact that there is a claim made by many that the Government will take over the railroads, the telegraphs, the telephones, the power plants, the packing plants, the copper works, and the coal mines of the country and operate them as governmental instrumentalities and agencies, in which event all of those persons so employed would pass over into the classified service, so that we would have upon the classified service roll not 1,000,000 but 3,000,000, 4,000,000, 5,000,000, 6,000,000, possible 10,000,000 employees? In view of the fact that those questions are going to be presented to Congress for consideration, does the Senator think that it is opportune now to take up this question?

Mr. POMERENE. Well, Mr. President, I think I am conscious of the difficulties which are suggested by the Senator from Utah, but I do not regard them as insurmountable. We are always going to have new questions coming up. We have not reached Government ownership of railroads yet. We do know that a serious condition prevails in some of the departments. I realize very fully that there are many, many employees here who may be classed as war employees, most of whom have been placed in the classified service; and while on the face of things it seems that they have received reasonable salaries, yet at the same time they have been the victims of landlords and hotels and restaurants to such an extent that they have not been able to save much out of their salaries. Many of them will be separated from the service very soon; many of them have already been discharged. I do not believe that we ought to wait until there is a complete readjustment of all these difficult problems. That would be simply postponing the day. I should like to see some legislation upon this subject at this session if it is at all possible.

Mr. McKELLAR. Mr. President, I will detain the Senate only five or six minutes to answer one or two of the propositions that have been so ably put forth by the distinguished Senator from Ohio [Mr. POMERENE].

I am delighted to know that the Senator from Ohio does not oppose civil service retirement legislation. That is not his position at all. His position is that he does not approve of the bill which has been reported by the committee and which embodies what is commonly known as the half-and-half plan, but does approve a bill that was reported out previously by the committee, although not acted upon by the Senate, under the terms of which the entire cost, or substantially the entire cost, of the bill would be paid by the employees, being, as I looked at it, a compulsory annuity plan of saving by the classified civil-service employees. I think the bill which has been reported by the committee and which is pending before the Senate and has been pending for some time should commend itself to every fair-minded person.

The Senator from Ohio objects to the amount of 2½ per cent being rather ruthlessly taken away from the employees whether the employees want it taken away or not. My answer to that is that under the terms of his bill it is an amount not exceeding 8 per cent that is ruthlessly taken away from the employees in the same way; and that is one of the reasons why, I imagine, some of the employees do not favor the plan put forward by the Senator from Ohio. It is that in the present bill 2½ per cent is taken away from the employees, and under the plan of the Senator from Ohio not exceeding 8 per cent might be taken

away. It seems to me that that is a plan that ought not to be adopted by the Senate.

I want to call the attention of the Senate to another proposition. The Senator says this plan is unfair to the Government and unfair to the employees. Now, let us see whether it is or not. The only complaint about the plan put forward by the committee being unfair to the employees is that some of the higher-salaried employees—those who get, say, $2,000 or $2,500 or $3,000—pay a little more in proportion than those who get the smaller salaries. Very well; they are not complaining of it. I take it that there is not a man getting over $2,000 who is complaining of the 2½ per cent that will be taken from his salary. I have not heard of it. No one has complained to me.

Mr. POMERENE. Mr. President, may I ask the Senator whether he has personal knowledge that that feature of the bill has been explained to the employees?

Mr. McKELLAR. It has not only been explained, but it has been carefully gone over with them. Men like Dr. Jordan, Dr. Beach, and other gentlemen connected with this plan that has been put forward here have understood it and have explained it to all of the employees, so far as I know, and the representatives of all, and they make no objection to it. It is true that it does bear a little bit harder on those, but under our principle of legislation we usually make the tax a little larger on those who are able to bear it, and it ought to be done. I do not believe any of them have complained, and the first complaint I have heard along that line has been the complaint of the Senator from Ohio.

I do not think we ought to seriously consider a complaint of that kind. If we are going to indulge in any partiality at all—and no plan can be absolutely perfect—I think we should let it be on the side of those who get the smallest salary. I think it is nothing but fair and right that that should be done.

But the Senator says that the committee's plan is unfair to the Government. Let us see whether it is unfair to the Government. The Government contributes 2½ per cent of this amount—one-half of it. What does the Government get in return for that contribution? According to the figures as they have been given by the Government's own agents, it has been shown by the proof in these hearings that there are 4,000 superannuated employees of the Government to-day who are absolutely doing no work, and are incapable physically or mentally of doing any work. The average salary of those employees is about $1,500; so that, if the Senator pleases, we are pensioning those 4,000 superannuated employees at the rate of $1,500 apiece, amounting to about $6,000,000.

Mr. KING rose.

Mr. McKELLAR. Just one moment, and I will yield to the Senator with pleasure. There are 3,500 of them, according to this plan, that are doing about half the amount of work that they ought to do, and that will amount to between two and three million dollars more of saving to the Government. What it costs the Government, according to the figures made by the Government expert, is about $9,000,000. What the Government gets back is something between eight and nine million dollars. By the way, the cost to the Government of $9,000,000 is only when the system gets into full working order. For many years it will not cost the Government a cent, according to these figures, but when it gets into full working order it will cost the Government $9,000,000 on the present basis. The Government, however, will be receiving back in saving, because of work actually done instead of work not done at all now, somewhere between eight and nine million dollars, so that the amount it will actually cost the Government is a mere pittance.

I beg the pardon of the Senator from Utah, and I now yield to him.

Mr. KING. I think the Senator has answered the point I had in mind.

Mr. McKELLAR. I am glad to have had the pleasure of doing so.

Mr. FLETCHER. Mr. President, may I ask the Senator if under his bill the employee is obliged to retire at a certain age?

Mr. McKELLAR. That does not occur until so many years after the bill has been in operation. At first they have an election to retire or not, for a certain number of years, which is mentioned in the bill.

Mr. FLETCHER. Of course, you will not get rid of these inefficient employees unless they are obliged to retire?

Mr. McKELLAR. Oh, yes; they are going to compel them to retire.

Now, just one or two other things.

I was glad to hear the Senator from Ohio say that he is in favor of retirement legislation. When we consider the fact that there are but two civilized Governments on the face of the earth that do not give their superannuated employees a retirement pension, it certainly seems that it is a subject worthy of our consideration. Those Governments are the Government of the United States and the Government of Turkey, if there is a Government of Turkey to-day, but as it was under the Sultan. The United States Government, the foremost Government in all the world, and Turkey, the hindmost Government perhaps of all of the world, are the only ones that fail to retire their superannuated employees. Practically every vigorous, prosperous corporation in this country provides for retirement, and very nearly all of them pay the entire cost of it.

Mr. VARDAMAN. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. VARDAMAN. May I ask the Senator if a great many of the Governments that retire their superannuated employees have not an old-age pension law?

Mr. McKELLAR. Some of them have, but a great many of them have not. I will say to the Senator that a great many of those Governments simply have a plan of retiring their superannuated employees at certain ages, and therefore the Government pays that annuity. It is small; it is not large, but in proportion it is about what is provided for in this bill.

Mr. VARDAMAN. Does not the able Senator from Tennessee know that every man in this country who labors, in the field and the factory particularly, contributes to the wealth and support of this Government, and that the man who lives on the farm is quite as much entitled to this consideration and to share in the benefaction which the Government confers by this bill as the man who comes to Washington or accepts employment from the Government at other places at a larger salary and greater profits than he received at home?

Mr. McKELLAR. There is a basis for the Senator's question, of course; but the difference between the two is that here is a group of old people that have worn themselves out in the service of the Government itself. I think the Senator must see that there is a distinction. I have never studied the question of general old-age pensions. I feel very kindly about it, and I hope that some system will be established by which general old-age pensions may be provided for in the future; but we can not provide for everything in this bill. For instance, the Senator from Utah [Mr. KING] suggests that we ought to put in this bill a prohibition against any increase in the civil service. Perhaps, in order to pass the bill, according to the Senator's view, we ought to provide that the Government shall not take over the railroads; but that legislation is not before the Senate now. I think that legislation ought to stand on its own bottom. We ought to discuss that on its merits when we get to it. We ought to consider this on its merits under existing conditions, under conditions that we know are right; and I take it that neither the Senator from Mississippi nor the Senator from Utah nor the Senator from any other State, if he will give the matter conscientious and careful investigation in the light of all the facts, will for a moment consider voting against a reasonable retirement bill, whether this bill or some other.

Mr. VARDAMAN. I am sure the Senator from Tennessee has given serious thought and profound consideration to this question. I know he is always philanthropic, altruistic, and patriotic; but I can not overlook the fact that the man who comes from his home to Washington to engage in Government service receives a salary greater than he probably enjoyed at home, because he would not have come had it not been that he was endeavoring to better his pecuniary condition. He remains here for a time, works shorter hours, as has been suggested by the able Senator from Colorado—he lives a much easier, less laborious life, and after a few years is retired upon a pension.

To make myself more explicit, the Government employee leaves his employment in Mississippi or Tennessee, which pays him, we will say, $50 or $75 per month. He comes to Washington and receives $100 per month. After working a few months his wages are increased to $125 or $150 per month. Now, this same man leaves his parents, his brothers, and his sisters at home to toil, to produce the wealth that pays not only his salary but the taxes also which maintain the Government. As I stated a moment ago, he remains here a few years, and then, under this proposed bill, is retired upon a pension, while his people at home still labor to produce the wealth that pays his salary and all the salaries and expenses of the Government.

I submit, Mr. President, it is not just; it is not fair. I wish to state distinctly, however, that I have no objection to providing for an old-age pension. I think it is proper to take care of the men and women who have gone the full length of years and find themselves in the evening of life penniless. It is a proper employment of the governmental function, and it would give me pleasure to see that the evening of their days is spent above want. They should be afforded the necessary comforts of life; but I submit it is not fair to select a few, especially when you

consider that the few selected have not endured the hardships that are experienced by the people who live on the farms.

It is a singular thing to me that nobody seems to care about the hardships or burdens that are piled upon the back of the farmer of this country. He is taxed without conscience, and when there are any favors to be given out by the Government he is left entirely off the list. The burdens and blessing of Government should rest alike on the rich and the poor, the weak and the strong. A just Government plays no favorites in the dispensation of its favors. The principle of partiality embodied in this bill is a dangerous principle, and I think its enactment will embark this Government on a policy that is going to press heavily upon a certain class of our people.

For that reason I am opposed to the bill proposed by the Senator from Tennessee, and shall vote against it. If, however, Mr. President, the able Senator shall propose a bill providing for an old-age pension, a bill that will do justice alike to all the people who need Government aid, I shall with great pleasure support that bill.

Mr. McKELLAR. There are several answers to the argument of the distinguished Senator from Mississippi. In the first place, comparatively few of the civil-service employees are here in Washington. Only a very small percentage of them are here. In the second place, very few of the civil-service employees in Washington or anywhere else make as much as the men back home. On the contrary, the men back home make more. I can give the Senator an illustration of that right here. The Senator says they ought to be penalized for coming here and accepting positions with the Government.

Mr. VARDAMAN. I beg the Senator's pardon; I did not say that.

Mr. McKELLAR. That would be the legitimate result of the Senator's argument.

Mr. VARDAMAN. Oh, no. They are not penalized at all, but they are rewarded for their coming here, and they come to get a better salary than they were receiving at home.

Mr. McKELLAR. I do not agree with the Senator about that.

Mr. VARDAMAN. Certainly the able Senator will not contend that it is penalizing the Government employees because we refuse to retire them upon a pension.

Mr. McKELLAR. I will withdraw the word "penalize." It is not always true, however, that a man makes more money here. I think as a rule he makes less money in the departments. He has less opportunities in the departments than he has at home. There is no doubt in the world about that; but he is serving the Government, and a great many of us like to serve the Government. I do not think it is an improper ambition to desire to serve the Government, whether in a large capacity or in a small capacity; but I call the Senator's attention to the fact that the ruling prices of labor to-day, which I believe are something like 65 to 72½ cents an hour, are more than is made by the ordinary department clerk. Ordinarily, in times of peace, I think the salaries here run from $900 to $1,200; not much more than that. I am talking about the salaries here in Washington. Now, you take the great number of rural carriers, the great number of civil-service employees on the mail trains, take them wherever they are, and they are deserving of consideration, especially when they are old and worn out in the service and no longer able to do any good for themselves or for the Government. Whatever may be the fact about the matter, they have worn themselves out in the service of the Government. Now, are you just going to turn them out to graze or are you going to pension them at $1,500 a year, as we are doing now, or are you going to make some reasonable, fair, just arrangement by which they can be retired?

Mr. President and Senators, I believe that the bill proposed here is a reasonable and a fair and a just measure. It does not take 8 per cent from the salary of each employee, as is provided in the amendment.

Mr. POMERENE. No, Mr. President; if the Senator please——

Mr. McKELLAR. Well, not exceeding 8 per cent, as provided in the Senator's bill.

Mr. POMERENE. That is only from a comparatively small number.

Mr. McKELLAR. When you give the Government the power to take 8 per cent, they will probably take it before it is over. But, however that may be, 2½ per cent taken from the salary of an employee is not a large sum. It is carefully provided for; it is carefully hedged about; it is carefully arranged; it is carefully prepared. We have had an expert of the Government go over the figures and see whether it will do what it says it will do—that is, pay the annuities that are provided for in the bill—and the Government expert says that it will. The distinguished Senator from Ohio, seeking to find a flaw here and there upon which to hinge an objection, as it appears to me, says: "Why, Dr. Maddrill said that it was 5⅕ per cent."

Mr. POMERENE. No; I did not say that.

Mr. McKELLAR. Five and one-tenth per cent, or something in that neighborhood.

Mr. POMERENE. No, Mr. President.

Mr. McKELLAR. Just a trifle more.

Mr. POMERENE. Let us get these figures right, because a tenth of a per cent means millions here. What he did say was that it would cost a few tenths less than 1 per cent in excess of the 5 per cent.

Mr. McKELLAR. I am not going to stop to go over the hearings, because I promised not to take over five or six minutes, and I have already done that, with the interruptions; but if the Senator will look at the hearings he will find that it is about 5⅕ per cent. Do you know how we took care of that one-tenth of 1 per cent? We struck out the casualty provision in it where injuries occurred; and thereupon it was said that with that feature of the old bill stricken out it would more than take care of this one-tenth of 1 per cent, or whatever it might be, and that the plan could be carried out on the basis of 5 per cent.

Mr. President and Senators, in conclusion I just want to say this: We have done a world of work on this bill. We have carefully guarded it in every way possible. We have guarded the Government's interests. We have guarded the employees' interests. The employees said that they could not under any circumstances contribute more than 2 per cent; that any more than that would vitally affect them, and that they could not give it. As a compromise arrangement, it was provided that each side should bear 50 per cent of the cost. It seems to me that that is fair, and that it ought to commend itself to every Senator.

I have noticed here Senators who oppose this bill voting for an increase of salary of 15 and 20 and in some cases 25 per cent to the employees. Now, let us look at it from that standpoint, Senators. The only thing that you would do about it, if you should regard it as a contribution, would be to raise the salaries 2½ per cent. It does seem to me that when we can raise the salaries 2½ per cent, and at the same time establish a system by which in the future these people can have something to live on in their old age, it is as little as Congress can do for its servants that have been with it for all these years.

I commend the bill to the Senate; I hope that it will pass, and I ask for a vote upon the amendment of the Senator from Wyoming [Mr. WARREN].

Mr. THOMAS. Mr. President, I offer an amendment which I ask the Secretary to read.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. 17. Any employee who shall advocate, encourage, or participate in any strike against the Government, or any department, bureau, or commission thereof, or who shall join with other employees in refusing or failing to perform their duties as required by law or the rules and regulations of the heads of the departments, bureaus, or commissions, shall forfeit all right to and shall receive none of the benefits of this act.

Mr. THOMAS. Mr. President, I ask to have that amendment lie over, and, in all probability, I shall have something to say upon it to-morrow.

Mr. KING. Mr. President, I move that the Senate adjourn.

Mr. McKELLAR. Mr. President, will the Senator withdraw that motion for one moment? I should like to ask the Senator from Colorado, in view of the fact that this bill has been the unfinished business now for nearly two months, whether he will not discuss his amendment this afternoon? Indeed, Mr. President, I will say to the Senator from Colorado that I will not object to his amendment, if the Senate sees fit to adopt it, rather than to postpone the final vote upon this very just measure.

Mr. THOMAS. Mr. President, if the Senator could secure a final vote upon this bill to-night, I would gladly comply with his request, although the condition of my voice is such as to make it unsafe for me to say much this afternoon. I understand, however, that there are a number of amendments. It is now nearly 5 o'clock, and I know there are a great many Senators who want to be here when the final vote is taken and who are not now in their seats. I therefore do not believe, and I hardly think the Senator believes, that he could get a final disposition of his bill to-night.

Mr. McKELLAR. I had hoped to get a final disposition of it. It seems to me that a bill like this, which has been before the Senate for two months, might have a final disposition. There is a quorum here; and, so far as the amendment of the Senator

from Colorado is concerned, I shall not offer any objection to that amendment if we may have it voted on now.

Mr. KING. Mr. President, permit me to say that it is impossible to get a quorum here this afternoon, so that it is impossible to make a final disposition of this bill, and I insist upon my motion.

Mr. McKELLAR. One moment: Will the Senator be willing for us to have a vote on it to-morrow? I want to be fair. I think I have been as fair as a man could be in the management of the bill. Whenever a Senator has asked for time, I have without hesitation said that that was all right, and that I should be glad to have him; but this has been going on now for about two months, and it seems to me that surely the committee of which I am a member is entitled to have the bill voted on.

I hope the Senator from Utah will withdraw his motion and let us vote on the bill this afternoon. I appeal to him to do so.

Mr. KING. Mr. President, it is impossible to secure a vote this afternoon. A quorum is not here, and in my opinion it is impossible to secure the presence of a quorum. As for myself, I have no objection to a vote being taken to-morrow. In fact, I have no objection to a vote being taken now, except that there are a number of amendments, and a number of Senators who desire to speak.

Mr. McKELLAR. There are only three amendments—the amendment of the Senator from Wyoming [Mr. WARREN], the amendment of the Senator from Ohio [Mr. POMERENE], and the amendment of the Senator from Colorado [Mr. THOMAS], to which I shall not make any objection.

Mr. THOMAS. Mr. President, I shall not interpose any objection whatever to a vote to-morrow.

Mr. McKELLAR. Then, with that understanding, I make no further request. Mr. President, I move that the Senate adjourn, if the Senator will permit me to do so.

Mr. KING. I have no objection to the Senator making the motion.

The PRESIDING OFFICER. The Senator from Tennessee moves that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, December 4, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

TUESDAY, *December 3, 1918.*

The House met at 12 o'clock noon.

Rev. Charles Wood, D. D., pastor of the Church of the Covenant, Washington, D. C., offered the following prayer:

O Thou God of the whole earth, who dost hold the sea in the hollow of Thy hand, before whom all the nations of the world are but as the fine dust of the balance, invisible to our eyes, we cried unto Thee out of the depths in the hour of our distress. Thou didst still the wild waves; Thou didst beat back the floods of barbarism and of savagery. And grant now that in the hour of triumph we may call to Thee out of hearts that are big with gratitude and with praise. We pray that Thou wilt so deliver us from all self-confidence and pride, from all reliance upon numbers and wealth, upon munitions and men, that this victory may not be the prophecy to us of such ruin as has come to other peoples when they have forgotten God. Grant, we beseech Thee, that the spirit of the Most High may abide here and give guidance unto these Thy servants in their deliberations, and that the blessings of the Lord Almighty may be not only upon them but upon all those whom they represent. And so we beseech Thee that the benediction of Thy grace also may be upon Thy servant the President of the United States, and upon all the delegates to that conference where the destinies of humanity may be decided for many decades. Fill all hearts with high and inspiring hopes that the good purpose of Thy goodness is being accomplished, to Thy glory and to the welfare of the world. And to Thy name shall be praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERSONAL EQUIPMENT, ENLISTED MEN IN ARMY AND MARINE CORPS.

Mr. ASWELL rose.

The SPEAKER. For what purpose does the gentleman from Louisiana rise?

Mr. ASWELL. To ask unanimous consent to proceed for three minutes.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to address the House not to exceed three minutes. Is there objection?

Mr. WALSH. Well, what about, Mr. Speaker? Reserving the right to object——

Mr. ASWELL. To make some suggestions regarding the enlisted men in the Army and Marine Corps.

The SPEAKER. Is there objection?

There was no objection.

Mr. ASWELL. Mr. Speaker, in the last few days I have conferred with a number of enlisted men who are being discharged from the Army and the Marine Corps in several sections of the country, and I am impressed with the great desire on the part of these men to retain their uniforms. It will be a good investment for patriotic purposes, as well as a proper and right thing to do. I ask unanimous consent for the present consideration of the resolution which I send to the Speaker's desk.

Mr. MANN. Well, I object, not knowing what it is. That is not the way to bring it up.

The SPEAKER. The gentleman from Illinois objects.

Mr. ASWELL. I would like to ask the gentleman that it be read.

Mr. MANN. If the gentleman is going to ask unanimous consent then for its consideration, that is not fair to the House.

Mr. ASWELL. I will ask that it be read for information.

Mr. MANN. It is proposed then to ask for its immediate consideration?

Mr. ASWELL. Mr. Speaker, I have two minutes left, and I ask that it be read in my time.

The SPEAKER. The gentleman asks that the resolution be read in his time. Is there objection?

There was no objection.

The Clerk read as follows:

Joint resolution (H. J. Res. ——) to dispose of the personal equipment of enlistrd men in the Army and the Marine Corps.

Resolved, etc., That the personal equipment of each enlisted man in the Army and in the Marine Corps in the service of the United States on November 11, 1918, shall, upon his honorable discharge, automatically become the personal property of said enlisted man in the Army and Marine Corps.

Mr. DUPRÉ. Mr. Speaker, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. DUPRÉ. Why not include men of the Navy?

Mr. ASWELL. The personal equipment of men of the Navy already belongs to them.

The SPEAKER. The time of the gentleman from Louisiana has expired.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

Sundry messages in writing were delivered from the President of the United States by Mr. Sharkey, one of his secretaries, who also informed the House of Representatives that the President had, on December 2, 1918, approved and signed bill of the following title:

H. R. 12998. An act to amend section 3528 of the Revised Statutes.

PAYMENT OF DECEMBER SALARIES TO CAPITOL EMPLOYEES.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the following joint resolution.

The SPEAKER. The gentleman from Kentucky asks for the present consideration of the resolution which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 356) authorizing the payment of salaries of officers and employees of Congress for December, 1918.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and instructed to pay the officers and employees of the Senate and the House of Representatives, including the Capitol police, their respective salaries for the month of December, 1918, on the day of the adjournment for the holiday recess; and the Clerk of the House is authorized to pay on the same day to Members, Delegates, and Resident Commissioners their allowance for clerk hire for the said month of December: *Provided*, That the session employees of the Senate and House of Representatives shall be paid for the entire month of November, 1918, and a sufficient sum is appropriated, out of any money in the Treasury not otherwise appropriated, for that purpose.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker——

Mr. SHERLEY. Mr. Speaker, the first part of the resolution is in the usual form of resolutions providing for the pay of the December compensation prior to Christmas. The latter part is to take care of the situation that grew out of the long session which ended the latter part of November. It ended about 10 days before the beginning of the new session, and the clerks and other employees have practically all continuously remained here. It is impossible, with the sudden termination of that session, to get through a resolution dealing with the situation, and it seemed but equitable to carry the provision contained in the resolution.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. SHERLEY. Certainly.

Mr. MANN. The resolution provides for the payment on the date Congress adjourns for its recess. When is that to be? What is the purpose in reference to the House taking a recess?

Mr. SHERLEY. I have no information. My own judgment is that the beginning of that recess ought to be the 24th day of December, and the ending of it ought to be the 26th of December. I express only my personal opinion.

Mr. MANN. I should think it quite certain that in that event there would be no concurrent resolution passed by Congress for a holiday recess, and hence no holiday adjournment; and under that condition this resolution would have no effect, even if it should be passed.

Mr. SHERLEY. Perhaps there will be no need for it in that event.

Mr. MANN. There would be no need, unless the purpose was to do what it has been customary to do; that is, to pay the employees before Christmas Day, so that they can spend the money during Christmas week and be hard up in January.

Mr. LINTHICUM. That is the usual custom.

Mr. SHERLEY. Then in order to prevent any complication, and in order to bring about the consummation which the gentleman suggests, I suggest that the resolution be amended so as to read—

On the 23d day of December, 1918—

In place of the language—

on the day of the adjournment of the present session for the holiday recess.

Mr. MANN. I think that would improve the resolution.

Mr. SHERLEY. I suggest that as an amendment.

Mr. WALSH. We have not got consent to consider it yet.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. WALSH. Reserving the right to object, I should like a little more explanation as to why the session employees should be paid for the entire month of November.

Mr. SHERLEY. It has been the custom where employees were engaged up to near the close of the month that they were paid for the month rather than for a fraction of the month.

Mr. WALSH. It would seem to me that is a pretty good custom to discontinue. How long a time was it?

Mr. SHERLEY. I think we adjourned on the 21st of November. That would be nine days.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHERLEY. Now, I offer an amendment, in line 7, after the word "the," to strike out what follows down to the word "and" in the following line and insert the words "the 23d day of December, 1918."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SHERLEY: In line 7, strike out the words "day of the adjournment of the present session for the holiday recess" and insert in lieu thereof the words "23d day of December, 1918," so that as amended it will read "their respective salaries for the month of December, 1918, on the 23d day of December, 1918."

Mr. WINGO. Mr. Speaker, will the gentleman permit a suggestion?

Mr. SHERLEY. Certainly.

Mr. WINGO. As I now recall, the 23d will be on Monday, and Christmas comes on Wednesday. I suggest that he make it the Saturday preceding, instead of the Monday preceding, Christmas.

Mr. SHERLEY. I have no objection, and I suggest the 21st day of December, then, instead of the 23d.

The SPEAKER. Without objection, the 23d will be changed to the 21st, and, without objection, the amendment will be agreed to.

There was no objection.

The joint resolution as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. FOCHT, indefinitely, on account of death in his family.

To Mr. STEDMAN, for 15 days, on account of sickness in his family.

SANATORIUM FOR DISCHARGED SOLDIERS AND SAILORS.

Mr. GARRETT of Tennessee. Mr. Speaker, I offer the following privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 437.

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into Committee of the Whole House on the state of the Union for the consideration of H. R. 12917, entitled "A bill to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes"; that there shall be not to exceed one hour of general debate. At the conclusion of such general debate the bill shall be considered for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole House on the state of the Union the same shall be reported to the House with such recommendation as the committee may make, whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the amendment which I send to the Clerk's desk be agreed to.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Amendment proposed by Mr. GARRETT of Tennessee: Page 1, line 2, after the word "resolution," strike out the words "the House shall" and insert in lieu thereof the following: "It shall be in order to move that the House."

Mr. CAMPBELL of Kansas. Mr. Speaker, reserving the right to object—and I shall not object to this amendment—may I suggest to the gentleman from Tennessee in charge of the resolution that he allow two hours for general debate? It has been suggested that this proposes a general subject—that is, the matter of providing hospitals, which should have general discussion, and I suggest that another hour be added for general debate.

Mr. GARRETT of Tennessee. To be confined to the bill.

Mr. CAMPBELL of Kansas. To be confined to the bill.

Mr. GARRETT of Tennessee. I do not know that I have any objection to that, Mr. Speaker—that there be two hours' general debate, to be confined to the bill.

The SPEAKER. Without objection, the first amendment proposed will be agreed to.

Mr. WALSH. I do not think the general debate ought to be confined to the bill.

The SPEAKER. The Chair was not putting that amendment. The first amendment was proposing that it shall be in order to move that the House resolve itself into Committee of the Whole. Without objection, that first amendment will be agreed to.

There was no objection.

The SPEAKER. The question now is on the amendment changing the general debate from one hour to two hours.

Mr. GARRETT of Tennessee. To be confined to the bill.

The SPEAKER. To be confined to the bill.

Mr. WALSH. Do I understand the gentleman to make that motion?

Mr. GARRETT of Tennessee. No.

The SPEAKER. The gentleman from Kansas really made it, and the gentleman from Tennessee accepted it.

Mr. GARRETT of Tennessee. Just a moment. I do not want to lose the floor, nor did I understand that the gentleman from Kansas asked me to yield in such a way as that I would lose the floor.

Mr. CAMPBELL of Kansas. I suggested to the gentleman from Tennessee that he ask unanimous consent that the time be extended one hour.

Mr. GARRETT of Tennessee. And I accepted the suggestion that I would ask unanimous consent to make the general debate two hours instead of one hour, the general debate to be confined to the bill.

The SPEAKER. The gentleman from Tennessee makes that request. Now, if any gentleman has anything to say, this is his opportunity.

Mr. WALSH. Reserving the right to object, Mr. Speaker, the original resolution does not confine the debate to the bill. If we are going to enlarge the time, why restrict the character of the debate?

Mr. GARRETT of Tennessee. I will state to the gentleman from Massachusetts that the reason the original resolution did not in terms confine the debate to the bill was that it was assumed that upon the adoption of the resolution the gentleman in charge of the bill would be recognized for one hour and that he would control all the time for general debate, and it was understood that he would see that general debate was confined to the bill. Now, if we are to change it to two hours the gentleman in charge would be recognized for one hour, and whoever might get recognition would get recognition for another hour and in Committee of the Whole he might discuss any subject whatever. This does not change the original purpose at all.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. Does the gentleman from Kansas desire to make any suggestion as to time for debate on the rule?

Mr. CAMPBELL of Kansas. I had an agreement with the gentleman from Ohio who is opposed to the rule——

Mr. GARRETT of Tennessee. Will 40 minutes, the usual time, be sufficient?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARRETT of Tennessee. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. GARRETT of Tennessee. Mr. Speaker, the purpose of this resolution is to make it in order to consider H. R. 12917, a bill to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States and for other purposes.

Under the terms of the war-risk insurance act it was provided that treatment should be given to honorably discharged soldiers and sailors of the United States, the treatment to be under the direction of the Public Health Service of the United States, which, as gentlemen know, is a bureau in the Treasury Department. That bureau has not the facilities with which to render the service that is required by the terms of the war-risk insurance act, and it is for the purpose of beginning preparations for the performance of that service and that duty that it is desired to consider this bill, H. R. 12917. I do not care to enter into any discussion of the bill; it is a simple and plain rule. I yield to the gentleman from Massachusetts for a question.

Mr. WALSH. Is it the gentleman's contention that H. R. 12917 takes care of the needs provided for in the war-risk insurance act?

Mr. GARRETT of Tennessee. Not completely.

Mr. WALSH. It does not begin to.

Mr. GARRETT of Tennessee. Yes, it will begin to; but there will be a large number that can not be taken care of there.

Mr. WALSH. Does the gentleman know whether there is any pending legislation which provides for taking care of the entire needs of the Government in that respect?

Mr. GARRETT of Tennessee. There is a bill before the Committee on Public Buildings and Grounds dealing further with the subject, but that has not been officially called to the attention of the Committee on Rules.

Mr. WALSH. That provides a comprehensive scheme for the whole requirements of the Government.

Mr. GARRETT of Tennessee. I am not familiar with the details of the bill.

Mr. GILLETT. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. GILLETT. Will the gentleman tell us, as this is the first bill that comes before us, on what theory the majority of the House is going to act as to bills that are to be passed? Are they to go to the White House and then assume that they will become a law in 10 days, or will they be held back until the end of the session when the President is here?

Mr. GARRETT of Tennessee. I can not give the gentleman any official information.

Mr. GILLETT. Does not the gentleman think it fair that this side of the House should know the theory on which the House is going to pass these bills?

Mr. GARRETT of Tennessee. If I knew, I would have no hesitation in telling the gentleman. I have seen what undoubtedly the gentleman has seen in the press as to the plan to be followed.

Mr. GILLETT. I have not; I have seen different statements, and I thought probably the persons responsible for legislation would have formed some definite plan which they would be willing to tell us and which we ought to know. It would make a difference whether all the bills are to be held back until the end of the session or are to be pushed through with the assumption that in 10 days they become a law.

Mr. GARRETT of Tennessee. I can state no further, for I have no information on the subject.

Mr. GILLETT. Has anyone on that side any information in regard to it?

Mr. GARRETT of Tennessee. I can not answer the gentleman that question.

Mr. CANNON. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. CANNON. This expenditure of one million and a half dollars somewhere in Kentucky would take care of 1,000 patients, as I get from a hasty reading of the bill.

Mr. GARRETT of Tennessee. That is the expectation, that it will take care of at least 1,000 patients.

Mr. CANNON. This looks like picking out a place that may be a proper place or may not be a proper place. Does not the gentleman think that the whole matter should be properly taken up and considered, so that after full and careful consideration the whole subject could be taken care of in a general bill?

Mr. GARRETT of Tennessee. I will say to the gentleman from Illinois that the representatives of the Public Health Service visited this site, examined it carefully, and made a most favorable recommendation upon it. A beginning must be had. This site has the approval of those who are to administer the law and render the service. The land, as the gentleman knows, is to be donated.

Mr. CANNON. No; I did not.

Mr. GARRETT of Tennessee. Yes; the citizens of Dawson Springs, Ky., have acquired an option of 10,000 acres of land, and stand prepared to execute a deed of gift to the Government, without any expense whatever to the Government for the real estate that is to be used, and it is provided expressly in the bill that the United States "is authorized to acquire by gift a tract of land," and so forth.

Mr. CANNON. If they own 10,000 acres there, and propose to give 1,000 acres, without investigation, it looks to me like a case of the early bird.

Mr. GARRETT of Tennessee. The gentleman does not mean without investigation, or perhaps I do not know what the gentleman means by that expression.

Mr. CANNON. I mean this: There are thousands of places, hundreds of thousands of places, in the United States where it would be totally improper to locate a sanatorium. There are many places in the mountains, many springs throughout the country, where the surroundings as to water, elevation, accessibility, climate, and location should be taken into consideration, and there ought to be a general report covering the whole ground. This looks to me like a case of the early bird that catches the worm when, perhaps, there are many other birds that could catch better worms.

Mr. GARRETT of Tennessee. The course followed in this case would appear to be somewhat similar to that which was followed in the location of soldiers' homes. My recollection is that there was no general plan adopted for the location of soldiers' homes, but that a worm was caught here and a worm was caught there and a worm was caught at another place and at many other places. I believe that one worm was caught at Danville, Ill.

Mr. CANNON. Yes; 25 or 30 years after the war closed and after full consideration by a committee and a report to the House. The location of soldiers' homes——

Mr. GARRETT of Tennessee. Oh, I am not criticizing the location at Danville.

Mr. CANNON. I am criticizing, but I do not desire to mention this place or that place or the other place. The early location of soldiers' homes was not a happy one in every instance.

Mr. GARRETT of Tennessee. I do not know about that.

Mr. CANNON. I speak because I do know; but it seems to me that an hour of general debate upon this and then to be considered under the five-minute rule does not provide sufficient time; and, if another committee has this whole matter before it, it seems to me that the matter ought to come from that committee.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. MONDELL. I notice that the argument for the location of the sanatorium at this particular point is predicated largely upon the alleged curative and medicinal value of the Dawson Springs water.

Mr. GARRETT of Tennessee. No; the gentleman is mistaken about that.

Mr. MONDELL. I have read the report rather carefully and that is what I gather from the report, that while this locality is possibly a healthful and proper one for a sanatorium, as many other localities are, the principal argument seems to be the curative value of the Dawson Springs water.

Mr. GARRETT of Tennessee. Let me say to the gentleman it was not so represented to the Committee on Rules, nor do I understand that it was so represented to the Committee on Public Buildings and Grounds in the consideration of the bill—that it was on account of the curative properties of the water as applied to tuberculosis.

Mr. MONDELL. Well, as applied to a variety of diseases.

Mr. GARRETT of Tennessee. There is very fine water at Dawson Springs, Ky.

Mr. MONDELL. My query was this: There is nothing in the legislation so far as I can see that guarantees that the Government shall secure any of the land containing these alleged valuable springs. Then what particular value is there in the establishment of a sanatorium in the vicinity of these springs without a provision whereby the Government shall have the use of some of these waters?

Mr. GARRETT of Tennessee. The gentleman is making an inquiry of me which would better be made when the bill itself comes before the House for consideration.

Mr. MONDELL. I thought possibly the gentleman was informed on that particular phase of the subject.

Mr. GARRETT of Tennessee. My information is that arrangements have been made and that it will be guaranteed to the Government that water will be supplied from various of the wells located there, free of cost.

Mr. MONDELL. They are wells, not springs?

Mr. GARRETT of Tennessee. They are wells, yes. It will be expected, of course, that the Government will furnish the facilities for carrying water to the hospitals.

Mr. MONDELL. Certainly if the curative value of these waters is one of the strong arguments in favor of the establishment of the sanatorium at this point, then legislation should carry some provision under which it is definitely provided and determined that the Government shall have the use of those valuable waters.

Mr. HAMILTON of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. HAMILTON of Michigan. Is the gentleman familiar with the springs there—Dawson Springs?

Mr. GARRETT of Tennessee. It is called Dawson Springs, but as a matter of fact the waters come from wells. I am familiar with the place. I have been there several times.

Mr. HAMILTON of Michigan. It is stated here in the testimony of Dr. Banks that the water is practically the same as that at Carlsbad in Bohemia.

Mr. GARRETT of Tennessee. That is my information.

Mr. HAMILTON of Michigan. At Carlsbad there are hot springs and cold springs and several different kinds of springs, several different kinds of medicinal effects to be had. Is this statement of Dr. Banks made advisedly? Is it true that there are springs there of different kinds of water?

Mr. GARRETT of Tennessee. There are wells from which flow different kinds of water; that is, the mineral properties are different in the different wells. I am not chemist enough to explain the properties of the different waters. There is no hot water there.

Mr. HAMILTON of Michigan. How deep do they have to go to get the water?

Mr. GARRETT of Tennessee. They are shallow wells—15 or 20 feet.

Mr. HAMILTON of Michigan. That is, the water does not boil up.

Mr. GARRETT of Tennessee. No; it is pumped.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. DYER. Will the gentleman state, if he knows, the reason why this place was selected for tuberculosis patients?

Mr. GARRETT of Tennessee. I will read to the gentleman from the statement of Dr. Banks in response to a question from Mr. BURNETT.

Mr. DYER. Who is Dr. Banks?

Mr. GARRETT of Tennessee. He is the representative of the Public Health Service of the Treasury Department.

From a climatic standpoint, the temperature and weather records of this locality for the past 20-odd years show a very considerable portion of sunshiny days, somewhere about 75 per cent of clear or sunshiny days, and it is almost virgin soil, with large forests round about.

Then, further, it is because of its central location. It is not very far from the center of population.

Mr. DYER. How many railroads enter this place?

Mr. GARRETT of Tennessee. There is only one railroad, the trunk line of the Illinois Central from Louisville to Memphis, but there is a crossing about 12 miles away, the trunk line of the Louisville & Nashville Railroad.

Mr. DYER. Will the gentleman state, if he has any idea, about how many soldiers there will be need to care for who are ill with tubercular trouble?

Mr. GARRETT of Tennessee. The statement made before the Committee on Rules at the time of the hearing upon this resolution, which was some weeks ago, was that at that time it was estimated there were some 14,000.

Mr. DYER. This will only take care of 500.

Mr. GARRETT of Tennessee. It is supposed that they will be able to take care of a thousand.

Mr. DYER. Does not the gentleman think, with all fairness to the situation, that the suggestion made by the gentleman from Illinois [Mr. CANNON] should be given consideration, and that is instead of going now and starting off on a scheme of piecemeal establishment of a camp here and one somewhere else, just because somebody wants it, that it is better to take this matter up and give it full, conscientious consideration, with due consideration only for the benefit of the soldiers and not the political subdivisions of the country or because somebody wants an institution there? Let us give this matter the benefit——

Mr. GARRETT of Tennessee. Mr. Speaker, the gentleman's suggestion of a political phase of the matter is one I had not heard at any time or at any place until he suggested it.

Mr. DYER. I will say to the gentleman that there has been much complaint throughout the war about the establishment and location of camps for soldiers, and a lot of them have been established, according to——

Mr. GARRETT of Tennessee. I do not want to yield all of my time. I desire to reserve some of my time. If I yield further I will have to appeal to the gentleman from Kansas to help me out on time.

Mr. CAMPBELL of Kansas. The demand for time is accumulating over here.

Mr. GARRETT of Tennessee. I shall have to reserve the remainder of my time then. I am perfectly willing to answer all questions I can answer.

The SPEAKER. The gentleman has three minutes left.

Mr. MOORE of Pennsylvania. Will not the gentleman answer me in that three minutes? The appropriation here is $1,500,000, is it not?

Mr. GARRETT of Tennessee. That is in the bill. Mr. Speaker, I hope gentlemen will not regard me as disrespectful, but I must reserve the remainder of my time.

The SPEAKER. The gentleman reserves three minutes. The gentleman from Kansas is recognized for 20 minutes.

Mr. CAMPBELL of Kansas. Mr. Speaker, this resolution brings up a very important subject matter. Whether or not the bill made in order by this resolution should be passed by the House is a question for the House to determine after the rule has been agreed to. There are now few questions of more importance to the returned soldiers and to their friends than to provide suitable places in which they may be treated for diseases and wounds incurred in the line of their duty. This resolution makes in order a bill which provides 500 beds in the way of hospital facilities.

Mr. HAMILTON of Michigan. May I ask the gentleman a question?

Mr. CAMPBELL of Kansas. Not now. There are now, it is estimated, hospitals for the treatment of about 14,000 soldiers.

Mr. DYER. There will be 100,000 before the thing is all over.

Mr. CAMPBELL of Kansas. It is not definitely known for how many provision must be made. Personally I am indifferent as to the place of location of any of these hospitals if we provide places where wounded or diseased men may be treated. I am interested, as I am sure every Member of this House is interested, in establishing hospitals where they may be treated at the earliest opportunity after they have incurred diseases or wounds. That question was discussed somewhat at length by the Committee on Rules as to the policy that should be pursued. Personally I suggested, and I now suggest and favor, a general scheme that will take care of as many soldiers or discharged soldiers as need treatment. This must be done. The earlier it is done the better for the country and for the soldiers treated. It was suggested that many of our soldiers' homes now used for veterans of the Civil War may be in large measure used as hospitals for the soldiers of this great war. Even that will not provide sufficient hospital facilities, it is estimated.

Mr. GOOD. Will the gentleman yield there? These hearings were had while hostilities were going on?

Mr. CAMPBELL of Kansas. Oh, yes.

Mr. GOOD. And when it was anticipated that the Army would be very largely increased?

Mr. CAMPBELL of Kansas. When that was expected.

Mr. GOOD. A different condition.

Mr. SNYDER. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. I would rather conclude my statement, but I will yield.

Mr. SNYDER. I just wanted to suggest that it will be some time before this sanatorium would be completed for the use of these men. In the meantime what will be done with all the hospitals we have built and created throughout the country? Could not they be used feasibly for this purpose?

Mr. CAMPBELL of Kansas. The hospitals we have provided and soldiers' homes that can provide room will undoubtedly be used as necessity requires.

Mr. GARRETT of Tennessee. Will the gentleman permit just a moment?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARRETT of Tennessee. It seems to me the attention of Members should be called to the fact that this is for the treatment of discharged soldiers and sailors. The hospitals

which are in existence, with the exception of one, so far as I now remember, are all for men who are in the service and before they have been discharged.

Mr. CAMPBELL of Kansas. Let me conclude and——

Mr. SNYDER. Certainly there is no reason in the world why these hospitals, after they become not useful for taking care of the present Army, could not be used for this purpose.

Mr. CAMPBELL of Kansas. When this resolution was under consideration and when the bill made in order was under consideration before the Committee on Public Buildings and Grounds the war was still on. Men were being drafted in every section of the country. We were increasing the number of men in the service by hundreds of thousands. Now the war is ended, and the demobilization of armies, the discharge of men, is now the order of the War Department. The processes of discharging men from the service will continue as rapidly as the War Department can perform its work. This will make available many hospitals for discharged soldiers that would otherwise be used for soldiers not discharged. So the subject is one that must have early action by the Congress, in view of the conditions as they now exist.

Mr. DOWELL. Will the gentleman yield there?

Mr. CAMPBELL of Kansas. For a question.

Mr. DOWELL. Was any plan suggested by the War Department to your committee for taking care of those who can not be taken care of in this hospital when this question was up for the granting of this rule?

Mr. CAMPBELL of Kansas. That question was not raised. It was, as suggested, that this bill provided a hospital in which tubercular patients, or patients with incipient tuberculosis, might be treated.

Mr. DOWELL. As I recall, the chairman of the committee stated on the floor some weeks ago that there were already 24,000.

Mr. CAMPBELL of Kansas. It is estimated that there are 14,000 discharged soldiers who will need hospital treatment.

Mr. DOWELL. It is apparent, then, that this does not even start to take care of that number.

Mr. CAMPBELL of Kansas. This would only make provision for about 500 beds.

Mr. HAMILTON of Michigan. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I yield for a question.

Mr. HAMILTON of Michigan. The bill provides that this sanatorium shall have a capacity of not less than 500 beds. The gentleman from Tennessee [Mr. GARRETT] says that the hospital will provide for 1,000 patients. Do you propose to put two in a bed, or what is the arrangement?

Mr. CAMPBELL of Kansas. I propose nothing of the kind.

Mr. HAMILTON of Michigan. There is another proposition I would like to submit to the gentleman. I would like to know if the climate of Dawson Springs is considered to be a climate particularly favorable to the treatment of tuberculosis. Has it been resorted to heretofore as a place where tubercular patients may be restored to health?

Mr. CAMPBELL of Kansas. That question was raised. It has not been regarded by physicians or by others as a tubercular resort, although physicians appearing before the Committee on Rules said that the theory of altitudes was now discarded by physicians generally, and that sunshiny places, with healthful surroundings, with good food and water, providing cleanly places for living and good treatment, were as good for tubercular patients as higher altitudes and drier climates.

Mr. HAMILTON of Michigan. I wish to say to the gentleman that I have heard a good deal of testimony on this subject, and that it has been universally considered that the climate of Arizona, New Mexico, and western Texas is a much better climate.

Mr. CAMPBELL of Kansas. That is the opinion I have entertained myself.

I asked for an additional hour for the discussion of this bill because of the very important subject that it raises; and I am glad to see the membership of the House taking an interest in it, and I trust, whatever becomes of this particular item, that the whole subject will have early consideration; and I would like to see among other places provided for the treatment of the soldiers the place at Dawson Springs, not because it would be peculiarly adapted to tubercular patients but because it would be adapted to any patients afflicted with other diseases, like Bright's disease or incipient Bright's disease or rheumatism. The waters are said to be almost exactly the same as the waters at Carlsbad——

Mr. HAMILTON of Michigan. There are several different waters at Carlsbad.

Mr. CAMPBELL of Kansas (continuing). And if that is true, it would be a good place for one of the hospitals.

Mr. HELVERING. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I will.

Mr. HELVERING. I wish to inquire if the gentleman has knowledge of what the present equipment at Dawson Springs is.

Mr. CAMPBELL of Kansas. Just hotel facilities. It is a summer resort with summer hotels. Southern people go there very generally.

Mr. HELVERING. The gentleman is speaking of the curative property of the waters, and I wanted to know whether there was a summer resort there or not.

Mr. CAMPBELL of Kansas. There are hotels there. I think one of them is open all the year round.

Mr. HAMILTON of Michigan. Does the gentleman understand that what has been referred to here as Carlsbad water is particularly adapted to cases of Bright's disease?

Mr. CAMPBELL of Kansas. I understand that people from this country who are fearful they are about to have Bright's disease go to Carlsbad for treatment.

Mr. HAMILTON of Michigan. There are about half a dozen different kinds of water at Carlsbad.

Mr. MONDELL. The gentleman has referred to the alleged curative qualities of the water at Dawson Springs or thereabouts. Possibly the gentleman can answer the question that I propounded to the gentleman from Tennessee [Mr. GARRETT].

Mr. CAMPBELL of Kansas. I can not.

Mr. MONDELL. There may be a sanatorium established in the vicinity of an alleged valuable springs without any arrangements for any particular use of the springs.

Mr. CAMPBELL of Kansas. I understand arrangements will be made for piping the water to the place donated by the citizens to the Government.

Mr. MONDELL. There is nothing in the bill assuring the use of these waters.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I will.

Mr. LAGUARDIA. Is the purpose of this institution to be for tubercular patients?

Mr. CAMPBELL of Kansas. That was the original intention of the bill.

Mr. LAGUARDIA. What has the water to do with tubercular patients?

Mr. CAMPBELL of Kansas. Nothing, except that it is important that patients drink water and take proper baths.

I now yield three minutes to the gentleman from Iowa [Mr. GREEN].

The SPEAKER. The gentleman from Iowa is recognized.

Mr. GREEN of Iowa. Mr. Speaker, there was a time when the question of the appropriation of $1,850,000 would have occupied considerable discussion in this House and there would have been no difficulty in obtaining a reasonable time for its discussion. That time was not so very many years ago. It was when the debt of this country was not a tithe of what it is now. It was when the expenditures which we expected to incur were not a tithe of what we now expect to incur in the future. But for some reason it appears now that my friend from Tennessee [Mr. GARRETT] is very reluctant to grant a reasonable time for general debate here unless that time should be confined to the discussion of this particular bill.

Mr. Speaker, the very fact that at the opening of this session, just as soon as Members can get the floor and obtain opportunity they offer this bill, which has not been fully or carefully considered even in the committee, and which will have no opportunity to be properly considered on this floor, for the purpose of getting $1,850,000 to be expended in the State of Kentucky, seems to furnish a sufficient reason why gentlemen do not want general discussion at this time.

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Iowa. Certainly.

Mr. LONGWORTH. Is it not a fact that this measure involves the ultimate expenditure of a much larger sum than $1,850,000? On the face of this report it is to appropriate $1,500,000 and is intended to house 500 men only. Therefore, if we are going to house these 14,000 men it will amount to considerably over $40,000,000, which surely ought to be considered in this House at this time.

Mr. GREEN of Iowa. Yes. I am glad the gentleman from Ohio spoke of that right there. There is no doubt that in connection with this project there will be two or three million dollars expended for this particular proposition, and that for all measures of this kind, if expended in this manner, at least $40,000,000.

Mr. REAVIS. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Iowa. With pleasure.

Mr. REAVIS. Is it not true that the matter of the treatment of soldiers suffering from disability should be considered in a

very comprehensive plan rather than by merely nibbling at it, as seems to be contemplated in this bill?

Mr. GREEN of Iowa. Yes. The gentleman from Kansas [Mr. CAMPBELL] referred to that. There is no question but that we ought to have a definite and comprehensive plan and should know what it will cost.

Mr. REAVIS. And we should know how many we are to provide for.

Mr. GREEN of Iowa. Yes; we should know how many we are to provide for. But at present we know neither the one nor the other, and no effort was made to find out, apparently. There was no effort made to find out whether or not this was the best place at which to locate this sanatorium. There was no evidence brought out on that point. The evidence merely showed that the location had some medicinal water, some sunshiny days, and, wonderful to behold, some woods or timber near it. Not a fact was stated which would show any advantage for treating tuberculosis.

Mr. CLARK of Florida. Mr. Speaker, will the gentleman yield to me?

Mr. GREEN of Iowa. I regret I can not. I have only three minutes.

Mr. CLARK of Florida. I want to say that the Public Health Service investigated it and made an extensive report.

Mr. GREEN of Iowa. The gentleman is in error. It did not investigate it or make an extensive report with a view to determine whether it was one of the best locations for a tuberculosis hospital; and if they had done so, that fact would have been prima facie evidence of the incompetence of the Public Health Service, so far as this place being a proper location for a sanatorium of this character, although the water may be excellent for the treatment of other diseases.

Everybody knows that during these war times we have been voting millions, and even billions, of dollars without any proper discussion. This may have been necessary during war time. Probably it was, but are we going to continue in the same manner now that the necessities of war are no longer upon us? If so, all the waste that characterized our war appropriations will be repeated in time of peace.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. GILLETT].

The SPEAKER. The gentleman from Massachusetts is recognized for three minutes.

Mr. GILLETT. Mr. Speaker, when this bill was before us at the last session of Congress I objected to it on the same ground that has been put forward just now, that when we are beginning to take up this project we should first consider a comprehensive plan which would cover the whole field. I remember that when this bill was discussed before the gentleman from Kentucky [Mr. CANTRILL] said that there would have to be a sanatorium in every State of the Union. I hope that is not true; but if it is true, or near the truth, we ought to take up the question with some comprehensive purpose, and we ought to have a report upon the subject from the very best health officers of the country, telling us where these institutions should be located, how much we should expend upon them, and where the men to be treated could be best cared for.

Now, of course, everybody on both sides wants to do what is the best for these sick men when they come back. We do not, however, want to spoil an entire scheme by suddenly jumping into one place and making a nibble there. There is a bill pending before the Committee on Public Buildings and Grounds which, it seems to me, is a basis for a comprehensive scheme which the Government can go into with full light and under which it may properly provide for the situation that may arise.

The gentleman from Florida [Mr. CLARK] says the authorities of the Public Health Service have recommended this project. Of course they have. I do not blame them. The Public Health Service wants to perform a service for these men, as we all do; and the officials of the Public Health Service are willing to take the best they can get whenever they can get it. But Congress is the body which ought to provide wisely and farsightedly for these matters, and we ought to get the best professional opinion that can be obtained, and then the best estimate as to the numbers of men to be cared for, and in that way make a final plan. Kentucky may be an admirable place for the treatment of tuberculosis. As to that, I am not particularly informed. I have never given study to that question, but I have always understood that either a warm and dry climate, like that of Arizona and New Mexico, or a high altitude like Colorado, is the best for the treatment of tuberculosis. But I will leave that to the experts. What we ought to do is to let the experts thoroughly investigate the subject and let them report to the Committee on Public Buildings and Grounds, and then, with a far-embracing and well-prepared bill before us, we can speedily enact it. It is not going to delay anything. We will not gain time by passing simply this detached bill. This bill will not provide for anything like all the soldiers that may require treatment, and therefore we should wait until we get the best authority for the right thing, and not, perhaps, do the worst thing at the beginning. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. CAMPBELL of Kansas. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has four minutes remaining.

Mr. CAMPBELL of Kansas. I yield that time to the gentleman from Missouri [Mr. DYER].

The SPEAKER. The gentleman from Missouri is recognized for four minutes.

Mr. DYER. Mr. Speaker, I sincerely hope, in the consideration of legislation for the benefit of men who have served their country in this war, we will give weight to but one thought, with one mind, and that is to do the best we can do for these men. We in this war have voted for a lot of things, and a lot of things have been authorized under authority conferred by the War Department, which in this House have been questionable with regard to the merit and the value that has been given.

Now, we ought to enter upon a consideration of the things to be done for the care of the men whose health has been ruined in the service of their country, and we ought to do the best that we can do for them and not start here to-day upon a cheap, piecemeal bill for the care of a few men who are coming home, and men who are already here, afflicted with that horrible disease, tuberculosis. If this bill becomes a law, the building proposed to be erected will no doubt take many months in its construction before it can house a single man discharged from the Army. As the gentleman from Illinois [Mr. CANNON] has said and as others have said, we must enter into this question of the care of thousands of men who are coming home afflicted with tuberculosis because of their service in France and because of their service in the camps in this country. Camps have been selected in this country without due regard to military intelligence and without due regard to the advice of the Surgeon General, and because of that fact thousands of our soldiers are now afflicted with tuberculosis and thousands have died.

Mr. GORDON. Will the gentleman yield?

Mr. DYER. No; I can not yield.

The SPEAKER. The gentleman declines to yield.

Mr. DYER. The Committee on Military Affairs or some other committee should take up this subject and deal with it intelligently and map out a plan for the care of these thousands—yes, the hundred thousand and more men—who, on account of their service, will be found suffering from this terrible disease. We must not now give any heed to the advantage of any State, any locality, or any town, but we must give heed only to the general welfare of our men who are coming home from France. We must not do what we have been doing in the past, place hospitals and camps in locations which are not for the best interests of the soldiers. Mr. Speaker, I trust that this measure will be defeated and that the Congress, under the advice of the Surgeon General and the health authorities, will establish something that is for the good of the whole Army.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I desire at the outset to correct one statement just made by the gentleman from Missouri [Mr. DYER], namely, that the camps for the mobilizing of the Army of the United States were selected without consultation with the Surgeon General of the Army. The gentleman is entirely mistaken in that.

Mr. DYER. If the gentleman will yield, I will say that I have been told——

Mr. GARRETT of Tennessee. No; I can not yield to the gentleman.

Mr. DYER. The gentleman makes a misstatement.

Mr. GARRETT of Tennessee. Did not the gentleman say that the camps were located without consulting with the Surgeon General?

Mr. DYER. I said they were not in all instances, and I can prove that statement.

Mr. GARRETT of Tennessee. My information is different. Now, I am unable to understand some of the arguments made by gentlemen, particularly that argument which says that because it will be some time before this hospital can be completed, therefore we should not begin it at all. I can not understand exactly the argument of the gentleman from Iowa [Mr. GREEN]

that tubercular patients are not to be treated at all if they have to be treated in Kentucky. That seems to be the logic of the gentleman's argument.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. GARRETT of Tennessee. No; I do not. This site has been investigated by the authorities that are to administer this service under the terms of the law unanimously passed by the Congress of the United States. It has been investigated by the experts of the Public Health Service in the Treasury Department who have been there personally and examined the ground, examined the water, examined the climate, and who have recommended that this bill be passed in order that they may begin to perform the service imposed upon them by the Congress. To say that because this hospital can not be built in a week or a month we shall not begin on it at all is to my mind a very remarkable argument and does not carry any weight. I may state that the hearings had before the Committee on Public Buildings and Grounds were published weeks and weeks ago, and were available to every Member who chose to take them and read them. These hearings contain a letter from the Secretary of the Treasury, most earnestly appealing for the passage of this bill and for the consideration of the other general bill that is before the committee. In this document, which I have not the time to have read now, but which will be read in the debate on the bill, I am sure, if the rule shall pass, he points out specifically the reasons why this bill should pass.

Mr. Speaker, I ask for a vote on the resolution.

The SPEAKER. Before putting the vote the Chair will lay before the House two messages from the President.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS (S. DOC. NO. 307).

The SPEAKER laid before the House the following message from the President:

To the Senate and House of Representatives:

As required by the provisions of the act of March 3, 1915, making appropriations for the naval service for the fiscal year ending June 30, 1916, I transmit herewith the Fourth Annual Report of the National Advisory Committee for Aeronautics for the fiscal year ended June 30, 1918.

The recommendation of the committee as outlined in the closing paragraphs of its report for the continuance of the scientific study of the problems of flight and the development of aviation for all purposes has my hearty approval. Attention is also invited to the recommendation of the committee that the appendixes of this report be published with the report as a public document.

WOODROW WILSON.

THE WHITE HOUSE, *December 3, 1918.*

Note.—Report accompanied similar message to the Senate.

The SPEAKER. This message will be ordered printed and referred to the Committee on Naval Affairs without the accompanying documents.

Mr. MANN. Did the Speaker order the appendixes printed?

The SPEAKER. They have been printed in the Senate, as the Chair understands. If it turns out that they were not printed in the Senate the Chair will order them printed here to-morrow.

COUNCIL OF NATIONAL DEFENSE (H. DOC. NO. 1440).

The SPEAKER laid before the House the following message from the President:

To the Senate and House of Representatives:

As required by the provisions of the Army appropriation act, approved August 29, 1916, creating the Council of National Defense, I transmit herewith the Second Annual Report of the Council of National Defense for the fiscal year ending June 30, 1918.

WOODROW WILSON.

THE WHITE HOUSE, *December 3, 1918.*

Note.—Report accompanied similar message to the Senate.

The SPEAKER. This message will be printed and referred to the Committee on Appropriations. The situation with reference to the accompanying documents is the same as in the preceding case.

SANATORIUM FOR DISCHARGED SOLDIERS AND SAILORS.

The House resumed consideration of House resolution 437.

The SPEAKER. The question is on agreeing to the resolution.

The question being taken, on a division (demanded by Mr. GARRETT of Tennessee), there were—ayes 47, noes 61.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is none. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. The question is on agreeing to the resolution.

The question was taken; and there were—yeas 152, nays 151, answered "present" 5, not voting 126, as follows:

YEAS—152.

Alexander	Dixon	Jones	Rouse
Almon	Dominick	Kettner	Rubey
Ashbrook	Doolittle	Key, Ohio	Rucker
Aswell	Doremus	Kincheloe	Sabath
Austin	Doughton	King	Saunders, Va.
Ayres	Drane	Kitchin	Scully
Bankhead	Dupré	Kreider	Shallenberger
Barkley	Eagle	Lazaro	Sherley
Barnhart	Evans	Lee, Ga.	Sims
Beakes	Fields	Lever	Sisson
Bell	Fisher	Linthicum	Slayden
Beshlin	Flood	London	Small
Black	Foster	Lundeen	Smith, Idaho
Bland, Va.	Gallagher	McAndrews	Snook
Blanton	Gard	McKeown	Steagall
Booher	Garner	McLemore	Steele
Borland	Garrett, Tenn.	Mansfield	Stephens, Miss.
Brand	Glass	Martin	Stephens, Nebr.
Brumbaugh	Goodwin, Ark.	Mays	Sterling
Buchanan	Gordon	Moon	Stevenson
Burnett	Gray, Ala.	Morgan	Sumners
Byrnes, S. C.	Griffin	Neely	Tague
Caldwell	Hamlin	Oldfield	Taylor, Ark.
Campbell, Pa.	Hardy	Oliver, Ala.	Thompson
Candler, Miss.	Harrison, Miss.	Oliver, N. Y.	Tillman
Cantrill	Harrison, Va.	Olney	Vinson
Caraway	Hastings	Overmyer	Walton
Carew	Heflin	Overstreet	Watkins
Clark, Fla.	Helvering	Padgett	Watson, Va.
Claypool	Hilliard	Park	Weaver
Cleary	Holland	Phelan	Webb
Collier	Hollingsworth	Polk	Welty
Crosser	Houston	Pou	White, Ohio
Davey	Huddleston	Price	Wilson, La.
Delaney	Humphreys	Quin	Wingo
Dent	Igoe	Rayburn	Wright
Denton	Jacoway	Robinson	Young, Tex.
Dewalt	Johnson, Ky.	Romjue	The Speaker

NAYS—151.

Anderson	Foss	Little	Rose
Anthony	Frear	Longworth	Rowe
Baer	Freeman	Lufkin	Sanders, Ind.
Birch	French	McArthur	Schall
Bland, Ind.	Fuller, Ill.	McCulloch	Scott, Iowa
Bowers	Gillett	McFadden	Sells
Britten	Glynn	McKenzie	Siegel
Browning	Good	McKinley	Sinnott
Burroughs	Graham, Ill.	McLaughlin, Mich.	Sloan
Butler	Graham, Pa.	McLaughlin, Pa.	Smith, Mich.
Cannon	Gray, N. J.	Madden	Snyder
Cary	Green, Iowa	Magee	Stafford
Chandler, N. Y.	Greene, Mass.	Mann	Steenerson
Chandler, Okla.	Greene, Vt.	Mapes	Stiness
Clark, Pa.	Griest	Miller, Minn.	Strong
Classon	Hadley	Miller, Wash.	Sweet
Cooper, Ohio	Hamilton, Mich.	Mondell	Switzer
Cooper, W. Va.	Hamilton, N. Y.	Moore, Pa.	Temple
Cooper, Wis.	Haskell	Moores, Ind.	Templeton
Copley	Hawley	Morin	Tilson
Crago	Hersey	Mott	Timberlake
Currie, Mich.	Hicks	Nichols, Mich.	Towner
Dallinger	Hull, Iowa	Paige	Vare
Darrow	Husted	Parker, N. J.	Vestal
Denison	Hutchinson	Parker, N. Y.	Volstead
Dillon	Ireland	Peters	Walsh
Dowell	Kahn	Platt	Ward
Drukker	Kearns	Porter	Wason
Dunn	Kelley, Mich.	Pratt	Watson, Pa.
Dyer	Kennedy, Iowa	Purnell	Wheeler
Edmonds	Kennedy, R. I.	Ramsey	White, Me.
Elliott	Knutson	Randall	Williams
Elston	Kraus	Rankin	Wilson, Ill
Esch	La Follette	Reavis	Winslow
Essen	LaGuardia	Reed	Woodyard
Fairfield	Lampert	Robbins	Young, N. Dak.
Farr	Lea, Cal.	Rodenberg	Zihlman
Fordney	Lehlbach	Rogers	

ANSWERED "PRESENT"—5.

Bacharach	Johnson, Wash.	Shackleford	Snell
Campbell, Kans.			

NOT VOTING—126.

Benson	Dale, N. Y.	Fess	Heaton
Blackmon	Dale, Vt.	Flynn	Heintz
Brodbeck	Davis	Focht	Helm
Browne	Decker	Francis	Hensley
Byrns, Tenn.	Dempsey	Fuller, Mass.	Hood
Carlin	Dickinson	Gallivan	Howard
Carter, Mass.	Dies	Gandy	Hull, Tenn.
Carter, Okla.	Dill	Garland	James
Church	Donovan	Garrett, Tex.	Johnson, S. Dak.
Condy	Dooling	Godwin, N. C.	Juul
Connally, Tex.	Eagan	Goodall	Keating
Connelly, Kans.	Ellsworth	Gould	Kehoe
Costello	Emerson	Gregg	Kelly, Pa.
Cox	Estopinal	Hamill	Kless, Pa.
Cramton	Fairchild, B. L.	Haugen	Kinkaid
Crisp	Fairchild, G. W.	Hayden	Langley
Curry, Cal.	Ferris	Hayes	Larsen

Lesher	Nolan	Sanders, N. Y.	Tinkham
Littlepage	Norton	Sanford	Treadway
Lobeck	Osborne	Scott, Mich.	Van Dyke
Lonergan	O'Shaunessy	Scott, Pa.	Venable
Lunn	Powers	Sears	Voigt
McClintic	Ragsdale	Sherwood	Waldow
McCormick	Rainey, H. T.	Shouse	Walker
Maher	Rainey, J. W.	Slemp	Welling
Mason	Raker	Smith, C. B.	Whaley
Merritt	Ramseyer	Smith, T. F.	Wilson, Tex.
Montague	Riordan	Stedman	Wise
Mudd	Roberts	Sullivan	Wood, Ind.
Nelson, A. P.	Rowland	Swift	Woods, Iowa
Nelson, J. M.	Russell	Taylor, Colo.	
Nicholls, S. C.	Sanders, La.	Thomas	

So the resolution was agreed to.

The following pairs were announced:

Until further notice:

Mr. CONNALLY of Texas with Mr. JOHNSON of Washington.

Mr. HAMILL with Mr. HAYES.

Mr. SANDERS of Louisiana with Mr. SANDERS of New York.

On this vote:

Mr. BLACKMON (for) with Mr. SWIFT (against).

Mr. HELM (for) with Mr. DALE of Vermont (against).

Mr. MANN. Mr. Speaker, would it be proper to order a recapitulation of the vote, which I judge is very close?

Mr. GARRETT of Tennessee. Let us hear the announcement.

The SPEAKER. One hundred and fifty-seven ayes to one hundred and fifty.

Mr. MANN. Then I do not care for a recapitulation.

The SPEAKER. The Chair was in error; the 1 in the figures handed up by the Clerk appears like a 7. The vote is 151 to 150. The gentleman from Illinois demands a recapitulation, and the Chair thinks he is entitled to it.

The vote was recapitulated.

Mr. MANN. Mr. Speaker, I did not hear the name of the gentleman from Wisconsin, Mr. LAMPERT, called. I ask if he is recorded.

The SPEAKER. The Chair is informed that his name was called and that he did not respond. But before the Chair passes on that the Clerk will announce the Members "present."

The Clerk read as follows:

Mr. BACHARACH, Mr. CAMPBELL of Kansas, Mr. JOHNSON of Washington, Mr. SHACKLEFORD, and Mr. SNELL.

The SPEAKER. What is the gentleman's inquiry?

Mr. MANN. Is the gentleman from Wisconsin, Mr. LAMPERT, recorded?

The SPEAKER. He is not recorded.

Mr. MANN. The gentleman states that he voted. He is here, and a number of Members heard him vote on the regular roll call.

Mr. GARRETT of Tennessee. Was the usual question put to the gentleman?

Mr. FULLER of Illinois. I heard him vote.

Mr. MANN. There was no "usual" question put to him. He was present and voted when his name was called on the roll call.

The SPEAKER. If the gentleman was here and voted, he has an undoubted right to have his vote recorded. The Clerk will call his name.

The Clerk called the name of Mr. LAMPERT, and he answered "Nay."

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. CLARK of Missouri, and he answered "Yea."

Mr. STAFFORD. Mr. Speaker, on the recapitulation of the vote I did not hear my name among those recorded as voting nay. I voted nay on the first roll call, and I rise to inquire whether I am in error or not.

The SPEAKER. The gentleman is recorded. After the recapitulation and the vote of the gentleman from Wisconsin [Mr. LAMPERT] and the Speaker, the vote stands—yeas 152, nays 149.

Mr. MANN. How did we lose one?

The SPEAKER. By virtue of mathematics, the Chair supposes.

Mr. MANN. We had 150 before and added 1, and that makes 149. [Laughter.]

The SPEAKER. This vote as handed up to the Speaker by the Clerk stands—yeas 152, nays 149, present 5. The resolution is agreed to. The Chair desires to make this statement: He announced the vote first as 157 yeas and 150 nays, and any man with good eyes in his head who will look at the figure "1" as it is upon this sheet handed up to the Chair, with the tail of the "5" running through it, would make an affidavit that it was a "7" and not a "1."

A quorum being present, the doors were opened.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be discharged from further consideration of House joint resolution 345 and that the same be referred to the Committee on Insular Affairs.

Mr. WALSH. Mr. Speaker, reserving the right to object, what is the resolution?

Mr. GARRETT of Tennessee. It is a Porto Rican matter.

Mr. FIELDS. Will the gentleman explain what it is?

The SPEAKER. The gentleman from Tennessee asks unanimous consent that House joint resolution 345, which was referred to the Committee on Military Affairs, be referred to the Committee on Insular Affairs. Is there objection?

Mr. CALDWELL. Mr. Speaker, reserving the right to object, I do not recall what the matter is by the number. Will the gentleman tell us what it is?

Mr. MANN. I think the matter ought to be called up at the regular time.

Mr. GARRETT of Tennessee. Mr. Speaker, this is a resolution that has already passed the House. It was not introduced in the regular way, but was brought up by unanimous consent, and when passed was a typewritten proposition, not having been printed. The gentleman from Iowa [Mr. TOWNER] and myself collaborated in it. It was a matter for the relief of the Porto Rican earthquake sufferers. For some reason that I can not understand after it had passed the House it was printed and referred to the Committee on Military Affairs, which has nothing in the world to do with it. The only question there could possibly be about it would be whether it should be referred to the Committee on Appropriations or to the Committee on Insular Affairs. It has already passed. It is not a matter of great difference, except if the question of conferees should arise.

Mr. MANN. The gentleman asks to have it referred to the Committee on Insular Affairs?

Mr. GARRETT of Tennessee. Yes.

Mr. MANN. If it has already passed the House, there is nothing to refer. After the House has acted on a resolution and passed it, there is nothing for the House upon which to act further. The House has no jurisdiction over it. The papers are not in the possession of the House.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, it can not be done.

The SPEAKER. Does the gentleman from Illinois object?

Mr. MANN. I object, Mr. Speaker; but the Chair ought not to entertain a request of that sort. The matter is not before the House.

The SPEAKER. The Chair did not know a thing about the resolution.

Mr. MANN. The gentleman from Tennessee ought not to make the request. The papers are not in the possession of the House. The gentleman picks up a printed copy of something, where the Printing Office or the printing clerk or some one has made a mistake, a very natural error under the circumstances; but the papers, the engrossed copy of the resolution, are in the possession of the Senate, and we can not act upon it without possession of the papers. We have no power over it.

The SPEAKER. The Chair agrees with the gentleman from Illinois, and the Chair suggests to all Members that when they have matters of this kind they should give the Chair a copy so that he may have opportunity to examine the matter.

Mr. GARRETT of Tennessee. I made the request many days ago.

The SPEAKER. The Chair is not referring particularly to the gentleman from Tennessee, but is making the suggestion to all Members.

SANATORIUM FOR DISCHARGED SOLDIERS AND SAILORS.

Mr. CLARK of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12917) to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes.

Mr. WALSH rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. WALSH. To make a parliamentary inquiry. I desire to ask under the rule who will be in control of the extra hour which is provided for. As I understand it, the gentleman from Florida [Mr. CLARK] is entitled to an hour in charge of the bill. Who will have charge of the time in opposition to the bill?

Mr. CLARK of Florida. Mr. Speaker, the rule as I understand it does not provide——

Mr. WALSH. I am asking the Chair, if the Chair pleases.

The SPEAKER. If the Chair had an opinion on it, he would state it. The practice has been that the ranking member on the committee that is against it has charge of it. So far as the Chair knows that has been the universal practice here.

Mr. WALSH. But when there is no member of the committee opposed, who will have charge?

The SPEAKER. The Chair thinks he would recognize the gentleman from Illinois.

Mr. WALSH. Who?

The SPEAKER. The Chair thinks he would recognize the gentleman from Illinois [Mr. MANN], who is the ranking Republican on that side.

Mr. CLARK of Florida. Mr. Speaker, may I make this suggestion? I notice on the recapitulation of the vote that the gentleman from New York [Mr. DUNN] is recorded as having voted against the rule. Mr. DUNN is a member of the committee and opposed to the bill.

The SPEAKER. The practice has been this, that the ranking minority member, if he is opposed to it, takes charge, and if he is not it goes down the line, and if nobody on that committee is here, if the Chair were going to preside over the committee, he would recognize the gentleman from Illinois. The question is on going into the Committee of the Whole House on the state of the Union.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. MADDEN. Division, Mr. Speaker.

The SPEAKER. The gentleman will have to get up.

Mr. MADDEN. Mr. Speaker, I will get up and ask a division.

The SPEAKER. The gentleman from Illinois demands a division.

The House divided; and there were—ayes 68, noes 88.

Mr. CLARK of Florida. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Florida demands the yeas and nays. Those in favor of the yeas and nays will rise and stand until they are counted. [After counting.] Fifty-five gentlemen have arisen, a sufficient number, and the Clerk will call the roll.

The question was taken; and there were—yeas 148, nays 140, answered "present" 3, not voting 142, as follows:

YEAS—148.

Alexander	Dewalt	Jacoway	Romjue
Almon	Dickinson	Johnson, Ky.	Rouse
Ashbrook	Dill	Jones	Rubey
Aswell	Dixon	Keating	Sabath
Austin	Dominick	Kincheloe	Saunders, Va.
Ayres	Doolittle	King	Scully
Bankhead	Doremus	Kitchin	Shackleford
Barkley	Doughton	Lea, Cal.	Shallenberger
Barnhart	Drane	Lee, Ga.	Sherley
Beakes	Eagan	Lesher	Sherwood
Bell	Eagle	Linthicum	Sims
Black	Evans	Lobeck	Slayden
Bland, Va.	Fields	London	Small
Blanton	Fisher	Lundeen	Snook
Booher	Foster	McAndrews	Steagall
Borland	French	McKeown	Steele
Brand	Gallagher	McLemore	Stephens, Nebr.
Brodbeck	Gard	Mansfield	Sterling
Buchanan	Garner	Martin	Sumners
Burnett	Garrett, Tenn.	Mays	Tague
Byrns, Tenn.	Glass	Montague	Taylor, Ark.
Caldwell	Goodwin, Ark.	Morgan	Taylor, Colo.
Campbell, Pa.	Gordon	Oldfield	Thompson
Candler, Miss.	Gray, Ala.	Oliver, Ala.	Tillman
Cantrill	Gregg	Oliver, N. Y.	Van Dyke
Caraway	Griffin	Overmyer	Vinson
Carew	Hardy	Overstreet	Walton
Cary	Harrison, Miss.	Padgett	Watkins
Clark, Fla.	Heflin	Park	Watson, Va.
Claypool	Helvering	Phelan	Weaver
Cleary	Hilliard	Polk	Webb
Condy	Hollingsworth	Pou	Welty
Collier	Houston	Quin	White, Ohio
Davey	Huddleston	Rainey, H. T.	Wilson, La.
Delaney	Hull, Tenn.	Randall	Wingo
Dent	Humphreys	Rayburn	Wright
Denton	Igoe	Robinson	Young, Tex.

NAYS—140.

Anderson	Elliott	Kelley, Mich.	Mott
Baer	Esch	Kennedy, Iowa	Nichols, Mich.
Birch	Essen	Kinkaid	Osborne
Bland, Ind.	Fairchild, B. L.	Knutson	Paige
Bowers	Fairfield	Kraus	Parker, N. J.
Britten	Farr	La Follette	Parker, N. Y.
Browne	Fordney	LaGuardia	Peters
Browning	Foss	Lampert	Platt
Burroughs	Frear	Lehlbach	Pratt
Butler	Fuller, Ill.	Little	Purnell
Cannon	Gillett	Longworth	Ramsey
Chandler, N. Y.	Glynn	Lufkin	Rankin
Chandler, Okla.	Good	McArthur	Reavis
Clark, Pa.	Gould	McCulloch	Reed
Classon	Graham, Ill.	McFadden	Robbins
Cooper, Ohio	Graham, Pa.	McKenzie	Rodenberg
Cooper, W. Va.	Green, Iowa.	McKinley	Rogers
Cooper, Wis.	Greene, Mass.	McLaughlin, Mich.	Rose
Currie, Mich.	Griest	Madden	Rowe
Curry, Cal.	Hadley	Magee	Sanders, Ind.
Dallinger	Hamilton, Mich.	Mann	Schall
Darrow	Hawley	Mapes	Scott, Iowa
Denison	Heaton	Miller, Minn.	Sells
Dillon	Hersey	Miller, Wash.	Siegel
Dowell	Hicks	Mondell	Sinnott
Drukker	Hutchinson	Moore, Pa.	Sloan
Dyer	Ireland	Moores, Ind.	Smith, Idaho
Edmonds	Kearns	Morin	Smith, Mich.
Snell	Swift	Volstead	Williams
Snyder	Switzer	Walsh	Wilson, Ill.
Stafford	Temple	Ward	Winslow
Steenerson	Timberlake	Wason	Wood, Ind.
Stiness	Tinkham	Watson, Pa.	Woodyard
Strong	Vare	Wheeler	Young, N. Dak.
Sweet	Vestal	White, Me.	Zihlman

ANSWERED "PRESENT"—3.

Bacharach	Johnson, Wash.	Kreider

NOT VOTING—142.

Anthony	Fess	Kehoe	Riordan
Benson	Flood	Kelly, Pa.	Roberts
Beshlin	Flynn	Kennedy, R. I.	Rowland
Blackmon	Focht	Kettner	Rucker
Brumbaugh	Francis	Key, Ohio	Russell
Byrnes, S. C.	Freeman	Kiess, Pa.	Sanders, La.
Campbell, Kans.	Fuller, Mass.	Langley	Sanders, N. Y.
Carlin	Gallivan	Larsen	Sanford
Carter, Mass.	Gandy	Lazaro	Scott, Mich.
Carter, Okla.	Garland	Lever	Scott, Pa.
Church	Garrett, Tex.	Littlepage	Sears
Connally, Tex.	Godwin, N. C.	Lonergan	Shouse
Connelly, Kans.	Goodall	Lunn	Sisson
Copley	Gray, N. J.	McClintic	Slemp
Costello	Greene, Vt.	McCormick	Smith, C. B.
Cox	Hamill	McLaughlin, Pa.	Smith, T. F.
Crago	Hamilton, N. Y.	Maher	Stedman
Cramton	Hamlin	Mason	Stephens, Miss.
Crisp	Harrison, Va.	Merritt	Stevenson
Crosser	Haskell	Moon	Sullivan
Dale, N. Y.	Hastings	Mudd	Templeton
Dale, Vt.	Haugen	Neely	Thomas
Davis	Hayden	Nelson, A. P.	Tilson
Decker	Hayes	Nelson, J. M.	Towner
Dempsey	Heintz	Nicholls, S. C.	Treadway
Dies	Helm	Nolan	Venable
Donovan	Hensley	Norton	Volgt
Dooling	Holland	Olney	Waldow
Dunn	Hood	O'Shaunessy	Walker
Dupré	Howard	Porter	Welling
Ellsworth	Hull, Iowa	Powers	Whaley
Elston	Husted	Price	Wilson, Tex.
Emerson	James	Ragsdale	Wise
Estopinal	Johnson, S. Dak.	Rainey, J. W.	Woods, Iowa
Fairchild, G. W.	Juul	Raker	
Ferris	Kahn	Ramseyer	

The Clerk announced the following additional pairs:

On this roll call:

Mr. HELM (for) with Mr. DALE of Vermont (against).

Mr. BLACKMON (for) with Mr. SWIFT (against).

Mr. SHACKLEFORD. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman listening when his name was called?

Mr. SHACKLEFORD. I was listening when my name was called, but I did not hear it.

The name of Mr. SHACKLEFORD was called, and he answered "aye."

Mr. MADDEN. Mr. Speaker, the gentleman from Missouri just came in the Hall, did he not?

Mr. FOSTER. If he had not been here the Speaker would not let him vote.

The SPEAKER. The gentleman from Missouri was here and has been here all day.

Mr. FLOOD. Mr. Speaker, I would like to vote, but I do not know whether I did vote or not.

The SPEAKER. The gentleman is not recorded. Was the gentleman in the Hall listening?

Mr. FLOOD. I reckon not.

The SPEAKER. Then the gentleman can not vote.

Mr. CROSSER. Mr. Speaker, I do not know whether I was here when my name was called or not.

The SPEAKER. Then the gentleman can not vote.

Mr. CROSSER. I have been here a good part of the time.

The SPEAKER. The gentleman has to qualify and say whether he was in the Hall listening or not.

Mr. CROSSER. I do not know whether I was or not; I would not lie about it.

Mr. GLASS. Mr. Speaker, I was in the Hall engaged in conversation and did not hear my name when it was called. Whether that is a qualification or not, the Speaker will have to decide.

The SPEAKER. It is a very close squeeze.

Mr. GLASS. I think I am entitled to vote.

Mr. MANN. Of course I know what the rule is, and of course the Speaker knows how it is construed. I think the gentleman ought to be required to state whether he was listening—in other words, at least that he was not intentionally not listening.

Mr. GLASS. I shall be very glad to state, Mr. Speaker, I had intended voting. I missed my name on the first roll call and hoped to hear it on the second roll call, but I was engaged in conversation with a colleague and did not hear it.

Mr. MANN. If the gentleman was in the Hall expecting to vote, and listening in the way we listen in the Hall, I think the gentleman ought to state that.

Mr. GLASS. Well, I do state that. I was listening, just about as we are in the habit of listening.

The SPEAKER. I think the gentleman is entitled to vote.

The name of Mr. GLASS was called, and he voted "Yea."

The result of the vote was announced as above recorded.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12917, with Mr. FOSTER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12917, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 12917) to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes.

Mr. CLARK of Florida. Mr. Chairman, I ask unanimous consent that the first reading of the bill may be dispensed with.

The CHAIRMAN. The gentleman from Florida asks unanimous consent that the first reading of the bill may be dispensed with. Is there objection?

Mr. WALSH. Mr. Chairman, I think it ought to be read. It is only a short bill.

The Clerk read as follows:

Be it enacted, etc., That the United States is authorized to acquire by gift a tract of land suitable for the purpose of not less than 1,000 acres in or adjacent to the city of Dawson Springs, Hopkins County, Ky., or in Caldwell County, Ky., adjacent to the city of Dawson Springs, Ky., or in Christian County, Ky., adjacent to the city of Dawson Springs, Ky., for the purpose of erecting a sanatorium for the treatment of persons discharged from the military and naval forces of the United States and persons who are now or hereafter may be beneficiaries of the United States Public Health Service; such sanatorium to be of a capacity of not less than 500 beds. There is hereby appropriated the sum of $1,500,000 out of any moneys in the Treasury not otherwise appropriated for the construction of such sanatorium, including the necessary buildings with their appropriate mechanical equipment and approach work and roads leading thereto, for the accommodation of patients, officers, nurses, attendants, storage, laundries, and live stock, with all necessary furniture and equipment for the above; and an additional sum of $350,000 is hereby appropriated for operation and maintenance of the same for the fiscal year ending June 30, 1920.

In carrying the foregoing appropriations into effect the Secretary of the Treasury may purchase materials and labor in open market or otherwise and employ laborers and mechanics for the construction of such buildings and their equipment as in his judgment shall best meet the public exigencies within the limits of this appropriation.

And the Secretary of the Treasury is hereby authorized, in his discretion, to employ for service within or without the District of Columbia, without regard to civil-service laws, rules, and regulations, and to pay from the sums hereby authorized at customary rates of compensation of such additional technical and clerical services as may be necessary exclusively to aid in the preparation of the drawings and specifications for the above-mentioned objects and the supervision of the execution thereof, and for traveling expenses incident thereto, at a total of cost for such additional technical and clerical services and traveling expenses of not exceeding $33,000 of the above-mentioned limit of cost.

Said sanatorium shall be under the jurisdiction of the Secretary of the Treasury and operated under the direction of the Surgeon General of the United States Public Health Service.

The CHAIRMAN. The Clerk will report the committee amendments.

Mr. CLARK of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLARK of Florida. Is it necessary to read the proposed committee amendments now? This is the first reading of the bill, Mr. Chairman.

The CHAIRMAN. The Chair thinks that the bill is before the House for consideration and that the whole bill as proposed should be read. The Clerk will proceed.

The Clerk reported the following committee amendments:

Page 2, lines 4 and 5, strike out the words "there is hereby appropriated the" and insert the words "the sum of $1,500,000."

Page 2, lines 5 and 6, strike out "out of any moneys in the Treasury not otherwise appropriated" and insert "is hereby authorized."

Page 2, line 13, strike out the word "appropriated" and insert the word "authorized."

Page 2, lines 16 to 21, inclusive, strike out the following: "In carrying the foregoing appropriations into effect the Secretary of the Treasury may purchase materials and labor in open market or otherwise and employ laborers and mechanics for the construction of such buildings and their equipment as in his judgment shall best meet the public exigencies within the limits of this appropriation," and insert in lieu thereof: "In carrying the foregoing authorization into effect the Secretary of the Treasury is authorized to enter into contract for such construction, equipment, and so forth, or to purchase materials and employ laborers and mechanics, and construct, equip, and so forth, said sanatorium, and so forth, as in his judgment shall best meet the public exigencies within the limits of this authorization."

The CHAIRMAN. The gentleman from Florida [Mr. CLARK] is entitled to one hour.

Mr. MADDEN. Mr. Chairman, I was going to ask the gentleman from Florida if he would object to answering a question.

Mr. CLARK of Florida. I am not going to address the committee now, I will say to the gentleman

Mr. MADDEN. I thought maybe, as chairman of the committee, he might have information that any person else would not have.

Mr. CLARK of Florida. Go ahead. What is it?

Mr. MADDEN. I was going to ask——

Mr. GARRETT of Tennessee. Mr. Chairman, who has been recognized?

The CHAIRMAN. The gentleman from Florida [Mr. CLARK], the chairman of the committee, has been recognized for one hour.

Mr. MADDEN. I was going to ask the gentleman from Florida if he would be kind enough to tell the committee what is meant, on the twenty-fourth line, on page 2, by "equipment, and so forth."

Mr. CLARK of Florida. Mr. Chairman, I will try to explain that when I come to make my remarks, but I do not care to do it right now, because I am going to yield the floor to some one else.

Mr. MADDEN. The gentleman does not care to tell what that means?

Mr. CLARK of Florida. Not until I get the floor in my own time. I would like to inquire who has the time on the other side of the House?

The CHAIRMAN. The Chair begs to state that if the ranking member of the committee was present he would feel that he ought to be recognized. No one has yet asked for recognition, but the Chair observes that the gentleman from Michigan [Mr. SMITH] is present, a member of the committee, and he would recognize the gentleman from Michigan.

Mr. SMITH of Michigan. If the Chair please, the gentleman from Tennessee [Mr. AUSTIN] is the ranking member, but he is not here, and neither is the gentleman from Kentucky [Mr. LANGLEY], and therefore I am the next in line.

The CHAIRMAN. The Chair so understands.

Mr. SMITH of Michigan. I would like to inquire how long a time would be allotted to this side?

The CHAIRMAN. The gentleman would be recognized for one hour.

Mr. CLARK of Florida. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. CANTRILL].

Mr. CANTRILL. Mr. Chairman and gentlemen of the committee, in the brief time allotted to me to discuss this bill I wish to say at the outset that there is no one in the House who is more in favor than I am of curtailing all expenditures that it is possible to curtail since the signing of the armistice. But the signing of the armistice has nothing to do whatever with this piece of legislation, from the fact that the sanatorium proposed in this bill is to take care of men who have already been discharged from the military and naval forces of the country, and there is a moral obligation resting upon the Government of the United States, based on legislation which Congress has already enacted, to take care of these men. I take it that there is practically no opposition in the House to the general scheme and to the general plan that men who have been discharged from the service should be cared for by the Government under the terms of the war-risk insurance act. We are obliged to do that. The whole thing resolves itself, as I see it, into the proposition as to whether or not the Members of the House think it best now, on the urgent advice of the Public Health Service, on the urgent advice of the Treasury Department, to make a beginning on the general scheme which I am sure every Member of Congress is heartily in favor of.

Now, in answer to certain criticisms which came up during the discussion of the rule, the facts in the case, so far as this case now before us is concerned, are these: This bill was first considered before the Committee on Public Buildings and Grounds. I happen to be a member of that committee, and I heard in full the detailed arguments that were had before that committee. The bill was gone into carefully and thoroughly. The report which was filed by the Committee on Public Buildings and Grounds has been before the House for several months, and I am sure that if the gentlemen who criticized the action of the Committee on Rules this morning in presenting the rule had taken the time to read this report they would not have made the criticism that they made, to the effect that this legislation has not been carefully considered. As a matter of fact, it has been very carefully considered by the Committee on Public Buildings and Grounds, and for the information of the House I beg to say that it was the unanimous opinion of the Committee on Public Buildings and Grounds that this bill should be enacted into law. There was not a single dissenting voice in the Committee on Public Buildings and Grounds against the passage of this bill. There is no minority report pending before the House, and I am sure

that if gentlemen on the Public Buildings and Grounds Committee had been opposed to the measure naturally they would have presented a minority report to the House. There was a full membership of that committee of 21 members. My recollection is that practically every member of the committee was present when the evidence was taken and the hearings were had on the bill, and that committee, after full investigation and careful consideration, recommends to the House the passage of this measure.

In addition to that, I am very frank to say, without criticizing at all the action of some gentlemen on the Committee on Public Buildings and Grounds in voting against the consideration of this measure at this time and voting against the rule, that the chairman of the Committee on Public Buildings and Grounds, upon the evidence and unanimous report of the committee, was instructed to appear before the Committee on Rules and ask for a rule to expedite the passage of this bill. In accordance with that order from the Committee on Public Buildings and Grounds, the chairman of that committee, the gentleman from Florida [Mr. CLARK], appeared before the Committee on Rules, of which I also happen to be a member, and asked for the rule; and the Committee on Rules, contrary to its usual custom, had a complete and full hearing before the Committee on Rules on the merits of this proposition. There was no opposition in the Committee on Rules to the request for a rule, because, if you gentlemen will recall, when the rule was before the House this morning, the gentleman representing the minority side of the House made no fight against the adoption of the rule; and if I recall correctly they did not vote against the adoption of the rule. So that as a matter of fact this bill has had careful consideration by two committees of the House, namely, the Committee on Public Buildings and Grounds and the Committee on Rules, and the latter committee, after a hearing of the merits of the case, unanimously reported a rule to the House.

I make this statement as to the action of the two committees because I happen to be on both and heard the hearings in both committees, and I simply present those facts for the consideration of the House to show that the bill has indeed had careful consideration, and I make that statement in answer to the criticism of gentlemen on the floor of the House who have said, under a mistaken idea, that the bill did not have proper consideration.

Now, I am frank to say to you, gentlemen of the committee, that the gentleman from Wyoming [Mr. MONDELL], when the rule was under consideration this morning—and I think the gentleman from Wyoming has raised a point which I would commend to the favorable consideration of the committee when it takes the bill up under the five-minute rule—called attention to what was purely an oversight, I am sure, on the part of the committee in not incorporating that feature in the bill, namely, that if this sanatorium is built, this piece of legislation should provide that a supply of water from these noted springs should be furnished to the sanatorium. Some provision should be made so as to make it obligatory upon the people who are to give this land, which I will explain later, to furnish a supply of medicinal water, for which these springs are noted.

Now, gentlemen, as a matter of fact, we all know that these sanatoriums have to be built, and, as I stated, the signing of the armistice has nothing whatever to do with this piece of legislation. There has already been placed upon the Public Health Service, whose business it is under previous legislation, enacted unanimously I believe by this Congress, the duty of taking care of these disabled men. There are, according to the report made several months ago, 14,000 such men who are suffering from tuberculosis. As a matter of fact, within another year we are informed that we can safely count, I am sorry to say, on probably 30,000 men taken out of the service who will have been broken down under military discipline and whose constitutions will have given way and who will have become infected with tuberculosis and discharged from the service.

Now, it is true that this is but the beginning. But I make this appeal to the House: We have to begin at some time, and this particular project has, upon the initiative of the Public Health Service—not upon the initiative of any member of the Kentucky delegation, but upon the initiative of the Public Health Service—after a careful survey of the United States, been taken up in order to make a start, and that service has picked out this place. Upon expert advice the committees I have referred to have recommended this place as a good place in which to make that start in the beginning of these sanatoriums.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. CANTRILL. Yes.

Mr. LONGWORTH. The gentleman has stated that this is just a beginning, and that probably very shortly we will have to provide for 30,000 men. According to the bill the cost for each man would be $3,000. Does the gentleman mean to say that this is the beginning of a $90,000,000 project?

Mr. CANTRILL. I mean to say this to the gentleman, that as I recall the testimony before our committee—and that very point was raised by members of the committee—the experts whose business it has been to build hospitals for the United States, the military and naval authorities, as I recall—and if I am wrong I trust that some member of the committee will correct me—said that, taking into consideration the full equipment and construction of a complete hospital, it takes practically $3,000 per bed to complete an up-to-date, modern hospital; and I know that the gentleman from Ohio——

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CLARK of Florida. Mr. Chairman, I yield five minutes more to the gentleman.

The CHAIRMAN. The gentleman from Kentucky is recognized for five minutes more.

Mr. CANTRILL. I know that the gentleman from Ohio will agree with me in stating that we should give these men the very best hospital attention that is necessary.

Mr. LONGWORTH. I agree with the gentleman entirely that something must be done; but why not start with a comprehensive scheme rather than piecemeal? And, furthermore——

Mr. CANTRILL. My time is very limited and I have some other important facts connected with this which I wish to state; but in answer to the gentleman I will say this, that in order to take up a comprehensive program—of which I am heartily in favor—it would take weeks and weeks. But this particular place, because of its location, because of its climate, because of the wonderful medicinal powers of its waters, has been recommended by the medical experts of the Government as an ideal place to build a sanatorium.

Mr. LONGWORTH. Will the gentleman yield at that point?

Mr. CANTRILL. Make it brief, please, because I have some other matters which I wish to state.

Mr. LONGWORTH. I will. The gentleman has alluded to the wonderful medicinal properties of the waters there; but he will certainly admit that the medicinal properties of the waters there can be of no benefit to patients suffering from tuberculosis.

Mr. CANTRILL. I frankly admit that, but in answer to the gentleman from Ohio, let me read the statement of Dr. Banks in the hearings. The gentleman would have noticed that statement if he had read the hearings. Dr. Banks is at the head of the Public Health Service. He testified as follows:

> It was thought that the peculiar situation of Dawson Springs in connection with the water there was such that it could be utilized for the treatment of certain types of chronic diseases for which that water would be very efficacious. My original idea was to limit it to a tuberculosis hospital, but I think the officials of the United States Public Health Service thought there would probably be a sufficient amount of land there to add other units for the treatment of certain types of kidney disease and diseases of joints, rheumatism, etc.

That is a complete answer to the gentleman from Ohio.

Mr. LONGWORTH. Then I understand the gentleman to say that this is not only the beginning of a particular scheme, but the beginning of a scheme to spend millions more at Dawson Springs?

Mr. CANTRILL. So far as I am concerned, as a member of the committee which had charge of this bill, it makes no difference to me if it does take millions or tens of millions of dollars. I am willing to vote for the appropriation of it to take care of these men who have lost their health in the service of their country and in defense of our flag. The matter of dollars and cents cuts no figure whatever with me upon this proposition. This has been recommended by your committee; it has been recommended by the experts of the department whose business it is to carry out the program which you have already demanded in previous legislation.

Mr. WALSH rose.

Mr. CANTRILL. Before the gentleman from Massachusetts asks me a question, let me make this statement in further answer as to this particular location: Let me say to the House that the citizens of Dawson Springs are the only people, so far as our committee knows, who have appeared before Congress and offered to donate to the United States Government from 1,000 to 10,000 acres, if necessary, for the location of this hospital. That is another reason why it appealed to the committee. There are 10,000 acres of land immediately surrounding these springs upon which the corporation operating the springs hold options. They are willing to close those options, to buy the 10,000 acres of land, and make a gift of it to the United States Government. If the gentleman will read the bill, it is to authorize the United States Government to accept this land as a

gift, not to authorize the payment of money to the corporation which owns these springs. There is no other locality in the United States which has made a similar offer, and it seems to me that it is the part of wisdom for Congress to accept that proposition. Now I will yield to the gentleman from Massachusetts, if I have the time.

Mr. WALSH. If what the gentleman says is true, why not authorize the erection of a sanatorium down there at Dawson Springs to take care of all these men instead of 500 of them?

Mr. CANTRILL. I can answer that question easily. If the gentleman will read the hearings——

Mr. WALSH. I have read the hearings.

Mr. CANTRILL. Evidently the gentleman has not read the report.

Mr. WALSH. I have read the report of the committee.

Mr. CANTRILL. The experts of the Public Health Service have testified that it is proposed to scatter these sanatoriums all over the United States, not to take a sick man from Maine to Kentucky——

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANTRILL. I should like just a few minutes more to answer that question.

Mr. CLARK of Florida. I yield to the gentleman five minutes more.

Mr. CANTRILL. It is not a good idea to take a man from Maine and send him to Kentucky or to Arizona or to California. It is too far away from home. Men suffering from tuberculosis in many cases are able to move about. They can go to the springs and stay a while, and then go back home and visit their people. It is best for them to go and come, and that is the intention, and I am heartily in favor of it—to establish sanatoriums in various parts of the country so that men can go and come and be close to their homes and their people, where their home folks can come and see them when they are in the hospital, and where they can go home. That is a direct answer to the question of the gentleman from Massachusetts.

Mr. MADDEN. Will the gentleman yield?

Mr. CANTRILL. I yield to the gentleman from Illinois.

Mr. MADDEN. If the gentleman's statement is correct, that they want to distribute these sanatoriums all over the United States and that we have already enacted legislation authorizing the Public Health Service to establish sanatoriums, why is it not left to the Public Health Service to establish them instead of designating a particular spot where one particular sanatorium is to be established?

Mr. CANTRILL. Because, as I have stated, these experts who appeared before the committee have stated that this is an ideal location, and, in addition to that, it is the only location in the country where the citizens have been public spirited enough to give from 1,000 to 10,000 acres of land, if necessary, for the establishment of a sanatorium. That seems to me to answer the gentleman from Illinois.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CANTRILL. I yield to the gentleman from New York.

Mr. LAGUARDIA. The gentleman stated that there were 10,000 acres of land available there. The bill provides that not less than 1,000 acres shall be taken as a gift. Now, what guaranty have we that after we get the first thousand acres we will not be compelled to buy the rest of it?

Mr. CANTRILL. It is provided that the Public Health Service is to say how much land is wanted, whether 1,000 acres or 10,000 acres, and whatever number of acres the Public Health Service says it wants these people will give that number of acres to the Government of the United States.

Now, one thing further, the location of this proposed sanatorium is in the center of the population, practically, of the United States. It is on or very near two great trunk lines going both east and west and north and south, and from a railroad point of view it is an ideal location. It is not in an out-of-the-way place. As to the climate, the Public Health Service has made a thorough investigation, and the report shows that, so far as the climate is concerned and the clearness of the weather, it is an ideal location.

Now, gentlemen, what objection can there be to it? You and others say we are all in favor of it, which I am sure is true; but why hold back a proposition that is for the immediate construction and which has behind it such favorable indorsement as this from the department of the Government whose business it is to take care of these disabled men? There is nothing which can be gained by postponement; in fact, from the standpoint of humanity, from the standpoint of our duty as legislators, it is our business, and it should be our pleasure, to immediately begin the construction, and I want to say to any gentleman on the floor of this House that when the Public Health Service recommends any location in any State in the Union as an ideal place for the establishment of a sanatorium I will be heartily in favor of enacting that into legislation.

Mr. WATSON of Pennsylvania. Will the gentleman yield?

Mr. CANTRILL. I will.

Mr. WATSON of Pennsylvania. Do the proponents of this measure present the land in fee simple?

Mr. CANTRILL. Yes.

Mr. WATSON of Pennsylvania. Do they have any reservations in it?

Mr. CANTRILL. No.

Mr. MADDEN. Yes; they park it if they take it.

Mr. CANTRILL. The Secretary of the Treasury will see to it that they give the 10,000 acres of land, or whatever amount is necessary as passed upon by the Public Health Service, as a gift to the Government.

Mr. WATSON of Pennsylvania. They do not reserve the right to build a hotel on the property?

Mr. CANTRILL. Not on the property.

Mr. SMITH of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, the bill before us provides for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces at or near Dawson Springs, Ky. Dawson Springs, Ky., may be a very proper location for such an institution. It may develop in the course of time that it is important and necessary that such an institution be established, but on examination of the present situation in the country I think we will find it very clearly demonstrated that an institution of that kind is not needed at the present time and may not be in the early future, because other and more speedy plans may be put in operation to care for the men in question.

This bill was introduced in a time of war and stress, when it was necessary to do things hurriedly and sometimes without proper consideration and without opportunity to consider all of the questions involved. But we have seen the coming of the dove of peace. We have come to the time of reconstruction, and it is necessary and important that every question coming before the House shall now be considered in view of the present conditions, with the view of legislating wisely and intelligently, everything considered.

We will care for the soldier boys. No one need have any doubt about that—all of them—those wounded and those afflicted in the service, and we will do it speedily and we will do it well, and there is no difference of opinion amongst the representatives of the American people on that proposition.

What is the situation? We have now in the general hospitals of the United States under the jurisdiction of the War Department 26,000 beds available for the use of the men recovering from wounds or disease. We have now in the camps and cantonments of the country 50,000 beds available for the use of soldiers suffering from wounds and disease. In addition to that we have recently taken over a number of hotels and sanatoriums heretofore under private control, with the expectation that we would need 100,000 hospital beds for our oversea forces if the war should continue.

Since this bill was introduced we have taken over a great sanatorium at West Baden, Ind., a splendid institution, having a capacity of 632 beds. The last report I have from West Baden, which I think was three or four days ago, shows that there were 18 patients there, so that now at West Baden we have 614 beds available. West Baden also has mineral springs very similar to those at Dawson Springs. There we have an institution built, equipped, running, and ready, and no men appearing to take advantage of the accommodations presented.

It is suggested that this institution should be for tubercular patients because of the presence of these curative waters. Who ever heard of sending a tubercular patient to Kentucky? When did tubercular patients get to moving in any direction except to the dry and elevated regions of the far West in the hope of recovery? Who ever heard of any kind of mineral waters being helpful in cases of tuberculosis? The cure of tuberculosis is effected by fresh air and lots of it, and most frequently in a dry, bracing climate. The right kind of diet helps, but not the waters of mineral springs.

Mr. DILLON. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. DILLON. Can the gentleman tell the committee what was the arrangement under which West Baden Springs were taken over?

Mr. MONDELL. I do not know except we have appropriated many hundred millions of dollars now available with the expectation that it would be necessary to provide 120,000 beds in addition to the 50,000 beds in the camps and cantonments. We know that the development, the purchase, and the taking over

of these institutions has reached a point where we now have some 26,000 beds in addition to the 600 beds available, empty, at West Baden that can be utilized at this moment. Just how many there are vacant of the 26,000 beds in the general hospitals I do not know, but undoubtedly there is a considerable number.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. ELSTON. In the treatment of tubercular patients are the hospital facilities emphasized to any great extent, or are the facilities in the matter of comfortable living and fresh air and good diet the principal consideration?

Mr. MONDELL. The patient far gone with tuberculosis is sometimes given hospital treatment, but the proper and usual treatment for tuberculosis is a treatment of fresh air and good food.

Mr. ELSTON. And I would suggest that in connection with all of these cantonments there are auxiliary hospitals for the treatment of those afflicted with the disease where hospital treatment is necessary.

Mr. MONDELL. Yes. It is true that these general hospitals are not now available, and the cantonment hospitals are not now available for men discharged from the service, but they can be made available within 24 hours by the passage of a resolution. Within a short time it will be necessary to make them available so far as they can be spared from the needs of men in the service and are needed for men who have been discharged from the service. In addition to that, we could now turn over one, at least, of the National Soldiers' Homes, and probably two, to those uses and purposes; and those institutions are going; they are under way; they are provided for; the accommodations are all there.

Mr. GARD. Is there not a soldiers' home some place in the Dakotas?

Mr. MONDELL. Yes; there is a sanatorium at Hot Springs, S. Dak., and it is far from being filled to capacity at this time. A large number of these discharged soldiers could be received there and taken charge of at any time, and that South Dakota climate is a splendid climate for the care of tubercular patients, although it is not claimed that the hot water helps especially in that direction. The dry air does much. We must and we shall provide for the needs of the men discharged from the service who are suffering from various ailments. We have some accommodations for such men now, and the first thing to do is to turn over for the use of such men the accommodations now available and then enter upon a comprehensive plan for the future. This piecemeal proposal of legislation is not in the interest of the men needing treatment or of the people who pay the bills.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. SMITH of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. Chairman, I am opposed to this measure because at the present time the committee has under consideration a bill which is to provide for a general scheme for the care of discharged soldiers and sailors who may be afflicted with disease. That scheme does not contemplate erecting a sanatorium at one particular place. I do not know why the committee has not reported out that general bill, but it looks as though Kentucky wanted to make sure that she "got hers," and then the rest of the country might have the general legislation.

There is nothing in the hearings to disclose how many sites were visited by Mr. Perry, or Mr. Stimpson, or Col. Banks to ascertain where these available sites are that might be utilized for this sanatorium. If this is the one site in the entire United States for this sanatorium, why do they not provide for taking care of more than 500 at $3,000 a bed? That is an exorbitant sum. They ask for the erection of a sanatorium, at a cost of $1,500,000, which will only be a start for that particular site, and there is no necessity for that. Furthermore, we have authority given in various places to buy many sanatoriums which have been tendered to the Government, and which they have declined to take, which might be utilized. As has been pointed out, we have many hospitals that have been erected by the Surgeon General of the Army, which, after these men who have been called to the camps have been returned to their homes, can be easily adapted for this purpose. They contend in the report that the war-risk insurance act requires the Government to build these hospitals and these sanatoriums. This is the language of the war-risk insurance act:

> In addition to the compensation above provided, the injured person shall be furnished by the United States such reasonable governmental medical, surgical, and hospital services, and with such supplies, including artificial limbs, and similar appliances, as the director may determine to be useful and reasonably necessary.

That does not require the erection of a vast chain of sanatoriums and hospitals and resting stations, particularly if we have facilities already in being. The hearings will disclose that there are numerous hospitals and other places which might be easily converted to this use. We have appropriated in the various Army appropriation bills of recent years millions of dollars for hospitals and hospital supplies.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. WALSH. Yes.

Mr. HARDY. Does the evidence show that the Government owns numerous hospitals or that it has the temporary use of them?

Mr. WALSH. The evidence in the hearings does not disclose any that they are using. But it discloses that there are hospitals that have been built under the appropriation for military purposes in connection with the erection of these cantonments.

Mr. HARDY. Are these temporary structures?

Mr. WALSH. Some of those are temporary, in the vicinity of camps, and others permanent. There are 37 of those in the United States.

Mr. HARDY. The reason I am asking is this: If we have a few temporary hospitals, or hospitals built for use just during the war, not owning the ground on which they stand, that certainly would not be a sufficient arrangement.

Mr. WALSH. I would say to the gentleman that there are 37 hospitals owned by the Government outside of these temporary structures at cantonments.

Mr. HARDY. Are these hospitals anything like competent and sufficient for the needs of the Government?

Mr. WALSH. They are being used by the Government for hospital purposes and these soldiers are being treated there, and I can not assume that the Surgeon General of the Army would put diseased and disabled soldiers in hospitals that are not suitable for the purpose.

Mr. HARDY. Will the gentleman permit a little further? Is it not altogether possible, and is it not true, that these hospitals were located with reference to cantonments and conveniences of the Army service and not for permanent use as hospitals?

Mr. WALSH. Well, it is, of course, entirely possible and most probable that if this bill is passed they will provide a sanatorium or a hospital at a cost far in excess of the cost of these 37 other institutions which have been taken over or erected by the Government and it will be up to date in every particular; but I submit if the Government has the facilities at hand now, adequate facilities, to take care of this, that there is no need in singling out one particular State to erect a sanatorium at a cost of $1,500,000.

Mr. HARDY. On that question——

Mr. WALSH. The gentleman will appreciate that my time is running. I was about to say that we appropriated in the various Army bills for the Surgeon General vast sums of money. In the appropriation for 1918, under the Medical Department, in the share of the appropriation which might be utilized for hospitals, we made an appropriation of $267,408,948. This general scheme in the general bill which has been introduced carries an appropriation of $10,500,000, and it is notable that the general legislation which has been proposed is so framed as to take care of discharged disabled soldiers and sailors, patients of the War-Risk Bureau, whereas this Dawson Springs proposition is for the purpose of treating persons discharged from the military and naval forces of the United States and persons who are now or hereafter may be beneficiaries of the United States Public Health Service. I do not know under what legislation the Public Health Service was hitched up with the War-Risk Insurance Bureau in the treatment of these discharged and disabled soldiers and sailors, but it is certainly not under the authority of the act creating the War-Risk Insurance Bureau.

Mr. LONDON. Will the gentleman yield?

Mr. WALSH. I will.

Mr. LONDON. Does the testimony of the hearings disclose the presence of tubercular sanatoriums in Kentucky?

Mr. WALSH. I understand not. There is no sanatorium in Kentucky. There are some in several other places, but of course there is no other place in the country where the water is like that at Carlsbad, and that hitched up with the great number of tuberculosis-afflicted soldiers and sailors who are coming back makes Dawson Springs the one great center of the United States where must be assembled all these afflicted men. Now, we have all got sympathy for them, but if the advantages of this are so great, there ought not to be any other site considered. They ought to put all of this $30,000,000 in sanatoriums there to take care of all of them, and in view of the fact we are to have a general scheme afterwards, I submit we ought not to pick out 500 or 600 of these disabled soldiers and sailors and say to them, "We will give you a chance to go to Dawson Springs, Ky., and drink freely of the Carlsbad water and we will let the other

27,500 soldiers wait until we have decided where these other sanatoriums should be." It will be just as easy to start the erection of these various hospitals at the same time, at these 15 or 20 places, the same as was done in the case of the cantonments, and have them all completed at the same time, so that these men might be given an opportunity to have this treatment simultaneously. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Florida. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. KINCHELOE].

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, as it happens, and I presume unfortunately in view of the remarks of the gentleman from Massachusetts, Dawson Springs is in my district in Kentucky. The force of his argument is that he wants these hospitals, but from his provincialistic view he does not want one to go to Kentucky. I am going to be more generous with him than he is with me, and if this general scheme is adopted to erect these hospitals throughout the country, if the men in charge of the Public Health Service see fit to want one to go to Massachusetts, I think it ought to go there. The hospital spoken of by the gentleman from Wyoming [Mr. MONDELL] is under the supervision of the War Department. The reason Dawson Springs was selected by the Public Health Service was because of the fact that the business men in and surrounding that country offered to donate the land. Col. Banks was sent upon the initiative of the Bureau of Public Health and War-Risk Bureau, one of the most eminent surgeons in the country and one of the most eminent——

Mr. CANNON. Will the gentleman yield at that point?

Mr. KINCHELOE. Yes, sir.

Mr. CANNON. Dr. Blue is at the head of the Public Health Service.

Mr. KINCHELOE. Yes.

Mr. CANNON. Mr. Banks is connected with the Treasury Department, with the War-Risk Service, two entirely different services.

Mr. KINCHELOE. No; Col. Banks is also connected with the Public Health Service, the chief surgeon of the War-Risk Insurance Bureau, which is being administered under the supervision of the Bureau of Public Health.

Mr. GARD. If the gentleman will permit, the gentleman does not mean the place is selected because a number of business men want to give land to the Government——

Mr. KINCHELOE. No; I had not gotten through. Col. Banks went down there at the request of the Bureau of War-Risk Insurance. He came back and recommended this as the central hospital of this whole propaganda for several reasons——

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. KINCHELOE. I would like to make my statement——

Mr. GRAHAM of Illinois. It is right on that point.

Mr. KINCHELOE. The reasons that led them to decide on Dawson Springs were that it is not only within 40 miles of the center of population of the United States but the idea of establishing it at this place is that it has practically two trunk lines of railroad—the Illinois Central, running from Louisville to New Orleans, east and west, practically, and the main line of the Louisville & Nashville, from Chicago and St. Louis to Jacksonville. It is not to be altogether a tuberculosis hospital. It is for the discharged soldiers and sailors and other wards of the Government that may be upon the Bureau of Public Health and Bureau of War-Risk Insurance.

Mr. REAVIS. Will the gentleman yield there?

Mr. KINCHELOE. Yes, sir.

Mr. REAVIS. Is it the intention to put the tubercular patients in immediate association with patients who are not suffering from tuberculosis?

Mr. KINCHELOE. If the gentleman will read the hearings, he will see that the whole thing was thrashed out there.

Mr. REAVIS. I know it is not so stated in the hearings, but the gentleman just stated that it is not to be exclusively a tuberculosis hospital. Are you going to have the other patients associated with the tubercular patients?

Mr. KINCHELOE. They are to be segregated on different parts of the land. They claim they need a thousand acres to do it.

Mr. REAVIS. And there is to be more than one hospital constructed there?

Mr. KINCHELOE. More than one building; several of them.

Mr. GRAHAM of Illinois. In view of what the gentleman said, I would like to ask a question. You say that Col. Banks visited this at the request of Surg. Blue?

Mr. KINCHELOE. Yes, sir; and the Bureau of War-Risk Insurance.

Mr. GRAHAM of Illinois. In the hearings, on page 8, he states that he visited Dawson Springs at the suggestion of the War-Risk Insurance Bureau.

Mr. KINCHELOE. This feature is to be administered, as I understand, under the Public Health Service.

Mr. GRAHAM of Illinois. He went there at the request of the Director of the War-Risk Insurance Bureau?

Mr. KINCHELOE. I do not know. I think both.

Mr. GRAHAM of Illinois. He says that.

Mr. KINCHELOE. They say now that there is no need, since the armistice has been declared, for the erection of this hospital under this general propaganda that the two bureaus want. Here is a letter also from the Secretary of the Treasury, written to the Speaker of the House, which I want the Clerk to read in my time, making the appeal in view of the great necessity for the treatment of these discharged soldiers and sailors, and asking the Speaker not only to expedite this bill for Dawson Springs but the general propaganda that is before the Committee on Public Buildings and Grounds. And in my time I will ask the Clerk to read the letter.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 18, 1918.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

SIR: Pressing necessity of the utmost gravity impels me to invite your attention to two bills pending in Congress, to supply hospital accommodations for discharged sick and disabled soldiers and sailors, patients of the War-Risk Insurance Bureau, and others entitled to treatment by the Public Health Service of this department; namely, H. R. 12917, to provide certain hospital facilities at Dawson Springs, Ky., on land to be donated to the Government, and H. R. 13026, to provide like hospital accommodations at various points throughout the country. The former bill was introduced in the House on September 11, and on investigation by the Public Buildings and Grounds Committee was reported out, and subsequently made a special rule in Congress, that the greatest possible expedition might be given to the project, and at this writing I understand that the bill is only waiting for a quorum in the House to complete the legislation in that branch of Congress.

In my letter of September 20, transmitting a tentative draft of legislation which has since been given H. R. 13026, there was also transmitted a report from a committee appointed by the Secretary of War, the Secretary of the Navy, and myself, in which the statement was made that 13,000 beds would be required for these patients, and that the War and Navy Departments had made no provision for patients other than those of active forces, and therefore the War and Navy Departments had no beds available for patients of the War-Risk Insurance Bureau, and in addition thereto a memorandum from the Surgeon General of the Public Health Service of this department in which the statement is made that these beds would not be for temporary purposes, but will be needed for years to come, and that the estimated cost of supplying the number of beds required would be $26,000,000 for hospital accommodations for soldiers and sailors suffering from tuberculosis.

In addition to these patients, I am advised in a letter dated October 26, from the chief medical advisor of the War-Risk Insurance Bureau, that the Surgeon General of the United States Army asked for some practical solution for supplying sanatoria for restorative or institutional treatment of persons discharged from the military and naval forces suffering from epilepsy, due to shell shock and other causes. The War Department is desirous of discharging these cases into the care of the War-Risk Insurance Bureau. In connection with these cases, it is estimated that accommodations for not less than 2,000 should be immediately provided for out of the funds carried in H. R. 13026.

The bills above referred to represent estimates for approximately 6,000 beds only, but it is of the utmost importance that this number be made available at the earliest possible moment. Since these estimates were transmitted to Congress an armistice has been declared and hostilities ceased, but while these are happy conditions, it has, as a matter of fact, foreshortened the day and hour when hospital accommodations must be made available, and has pressed home to me the tremendous responsibility of supplying accommodations for the sick and disabled discharged soldiers and sailors who will soon return from overseas in overwhelming numbers, and I can not too strongly urge upon you to exercise all your influence to translate the proposed legislation into law, as one of utmost importance, in order that the Government may carry out its part of its contract with the soldiers and sailors who have so magnificently carried out their entire contract with the Government, and to this end request that this legislation be made a special rule in the House in order that funds may be made immediately available for the purpose above stated.

Respectfully,
W. G. MCADOO, *Secretary.*

Mr. KINCHELOE. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has five minutes remaining.

Mr. LONGWORTH. Will the gentleman yield for just one question?

Mr. KINCHELOE. Yes, sir.

Mr. LONGWORTH. It has been repeatedly stated here that the real reason for the selection of this site was because certain business men had agreed to donate the land. Can the gentleman state what the land is worth per acre?

Mr. KINCHELOE. No, sir; I can not. That was the predominating reason for the Bureau of War-Risk Insurance sending Dr. Banks down there.

Mr. GOOD. Will the gentleman yield for a question regarding the bill?

Mr. KINCHELOE. The chairman explained that. I decline to yield.

Mr. CLARK of Florida. If the gentleman will permit me, the testimony was that it was worth between $10 and $100 an acre.

Mr. LONGWORTH. Somewhere between $10 and $100?

Mr. CLARK of Florida. Yes, sir.

Mr. LONGWORTH. And that is as near as this committee gets it?

Mr. KINCHELOE. And another reason that Dr. Banks favors Dawson Springs is that the weather records for the last 20 years show that there is 70 per cent sunshine there. It is a question of whether you are going to take care of soldiers and sailors of the Army and Navy who have rendered their services to the Government. I have a great regard for the gentleman from Massachusetts [Mr. WALSH], but I have a greater regard for the wisdom of the men on whose shoulders rests the responsibility of this matter. And here come the two letters and a letter to the Speaker of the House from the Secretary of the Treasury, who say that there is pressing need for it, and the question is whether you are going to take the word of the gentleman from Massachusetts or an eminent physician like Dr. Banks or an eminent physician like Surgeon General Blue and the letter of the Secretary of the Treasury, which says that our boys performed their duty and many of them lost their health. Here come the great bureaus of this Government, on whose shoulders rests the responsibility, and say that there is a pressing need. And it is so pressing that notwithstanding the armistice was declared in November the Secretary of the Treasury writes to the Speaker and makes an appeal to the American Congress to take care of these boys as late as November 18.

My recollection is that this general scheme carries an appropriation of about $10,000,000. The gentleman from Massachusetts [Mr. WALSH] would have all these discharged soldiers and sailors go to Kentucky. Would you tell your discharged soldiers and sailors, who were discharged in Massachusetts, "Before you can be a recipient under the solemn contract which the American Congress made under this war-risk insurance law you have got to go to Kentucky to get it"? They recommended Dawson Springs because it is in the center of the central part of the country where they can go.

Mr. WALSH. Does the gentleman ask me that question?

Mr. KINCHELOE. Oh, well——

Mr. WALSH. You used the singular in speaking of "the gentleman from Massachusetts," and you pointed to me.

Mr. KINCHELOE. Yes; I will ask you that question. I ask you that question: Do you want your discharged boys to go to Kentucky?

Mr. WALSH. If this is going to be the only sanatorium that the Government is going to build, I certainly would.

Mr. KINCHELOE. Mr. Speaker, I do not yield further to the gentleman from Massachusetts.

Mr. WALSH. I thought the gentleman wanted me to answer.

Mr. KINCHELOE. No; I can not tell the gentleman from Massachusetts anything. He knows too much now. [Laughter.]

Mr. WALSH. I am willing to stand a test with the gentleman from Kentucky. [Laughter.]

Mr. KINCHELOE. I would not contest anything with the gentleman.

Now, gentlemen, under the provisions of the general bill that is now pending before the Committee on Public Buildings and Grounds, and I understand the committee met this morning and agreed to establish more of these hospitals in various parts of the United States, these unfortunate boys will not have to leave their homes so far that their relatives can not come to see them and visit them; and in view of the fact that this particular bill has a privileged status, to come in first, while these others will come on later, I say to you, gentlemen, that I will join you, as long as the Bureau of War-Risk Insurance and Public Health Service say it is necessary to appropriate millions of dollars to erect hospitals for these unfortunate boys, in locating them anywhere that will be best in the United States.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Not right now. Now, as to the question of treating all these boys on their return, it is true there will be 30,000 of them, but, according to Gen. Banks's testimony, they will not all be the wards of the Government in this or any other hospital at the same time. They will come and go. For that reason it is believed that if this and the general bill become law, they will be able to take care of the entire 30,000 men by reason of the fact that they will come and go.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. KINCHELOE. So, gentlemen, I ask you, not from the sectional standpoint but for the benefit of these boys, many of whom have given their health and many of them their limbs to the service, that proper provision be made for their treatment as soon as they can get to it. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

The CHAIRMAN. The gentleman from Indiana is recognized for five minutes.

Mr. WOOD of Indiana. Mr. Chairman, if there is a pressing need for this hospital—and I dare say there is—and if there is a pressing need for it in the State of Kentucky—and I dare say there is—it can be gotten more quickly than by building this proposed hospital at Dawson Springs. The climatic conditions at Camp Taylor are practically the same as those that exist at Dawson Springs. They have all the equipment, they have all the buildings, they have elegant drainage, and it is said to be one of the best cantonments in the United States, and it could be rearranged into a hospital for the one-hundredth part of what is proposed as the initial expense to start this institution down at Dawson Springs. [Applause.]

Here is another proposition: They are trying to obtain money here under a false pretense when they say that Dawson Springs is a good place for the treatment of tubercular patients. It is the last place on earth to which a person afflicted with tuberculosis ought to be sent. It is not more than 600 feet above sea level. They want to find a place for the treatment of tubercular patients where they have not only 75 per cent of clear days but where they have 365 days in the year that are sunshiny. You have places of that character that might be easily prepared for the treatment of tuberculosis. Go out to Deming, N. Mex., for instance, for a climate suitable for the treatment of tubercular patients—4,800 feet above the sea, dry air, and splendid climate, with a completed cantonment that could easily be converted into a sanatorium. In the State of Indiana there are two of the finest institutions in the world—one at West Baden and the other at French Lick, not more than a mile away—where they have just as good water as that at Dawson Springs, and not one kind but a dozen kinds of good water.

People go to those sanatoriums for all kinds of diseases, but those who are in charge of the medical staff, both at West Baden and at French Lick, advise their tubercular patients to get away from there as quickly as they can, because the climate there is not favorable to the treatment of tuberculosis. Indeed, I dare say there is not a reputable physician in the State of Kentucky who would advise a patient to go to Dawson Springs for the purpose of receiving treatment for tuberculosis, so that the attempt should not be made to obtain this hospital at Dawson Springs under a false pretense. If it is wanted because of the fact that there is urgent and immediate necessity for it, we should take and locate it where proper hospital facilities can be provided the quickest and with the least possible cost.

There is entirely too much of a tendency, now that we are in the habit of spending money, to take and spend it wherever proposals and offers are made, or to find them where none presents itself. Now that the war is over and the cantonments are being abandoned all over this country, they are proposing to spend $2,500,000 for the purpose of building an 80-mile road at Camp Bragg, down in North Carolina, where there is no necessity for a cantonment and no necessity for a foot of road; and an advertisement is being carried now in the paper which is edited by Josephus Daniels, the Secretary of the Navy, calling for 12,000 men to build these 80 miles of road at an expenditure of $2,500,000.

Gentlemen, there are plenty of places where money can be expended judiciously for the treatment of these young men who are afflicted with tuberculosis. Twice within the last month I have been called upon to get a soldier out of the hospital at Camp Taylor, in the State of Kentucky, a man who was dying from consumption, and when he had been recommended time and time again by the physicians at the base hospital at Camp Taylor for discharge so that his people could take him to Arizona, where he could be treated for the malady from which he was suffering.

Another case, if you please, was at Camp Gordon, where the climatic conditions for tubercular treatment are just as good as they are at Dawson Springs, where there was a young man with one lung almost gone. The physician treating him in the base hospital said he should be taken away from there as quickly as possible to a dry climate in the West, where perchance his life may be saved. It was only after long trials, and not until there was a direct order issued by The Adjutant General that an immediate discharge of this man be had, that it could be done. The gentlemen who are watching these patients who have tubercular troubles do not advise that they be kept in this climate.

They do not advise that they be kept in Camp Taylor, in the State of Kentucky, where the conditions are just as good for the treatment of tuberculosis as they are at Dawson Springs, but they do advise that they be taken away from there at the earliest possible moment and taken to some place where they can receive suitable treatment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Michigan. I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, when the President wrote that famous letter of his 10 days before the election he let down the bars to those who might properly criticize his administration. On the Republican side our lips had been sealed from the beginning of the war, though much legislation had been brought into this House which many of us were inclined to believe was not good legislation. There was extravagance in many of the bills brought in during the war. There may have been graft in some of those bills. Doubtless there was, but the lips of Republicans were sealed from their desire to uphold the hands of the Commander in Chief of the Army and Navy, who sanctioned these measures and said they were necessary for war purposes. But the President invited criticism when he wrote that famous preelection letter and pleaded for a Democratic Congress to uphold his hands. The people responded to his appeal, but not, perhaps, as was expected. They gave notice to the President that they wanted this Congress, made up of their Representatives, to speak their minds upon public questions, and especially upon the question of extravagance in expenditure. [Applause.]

Now Congress has reassembled. We had word from the "throne" yesterday, prior to the departure of the President on his European tour, that we must curtail expenditures, that we must relieve business of the heavy burden of taxes that the war had imposed upon it. Yet to-day, when the President's back is turned, our Democratic friends bring in a measure which proposes to take $1,500,000 and more out of the Treasury to do what? To build a hospital, apart from any comprehensive war-relief scheme, apparently for the benefit of the people of Dawson Springs, and at the rate of $3,000 per bed in that hospital. It seems as if the time had come for gentlemen who are opposed to waste and extravagance to speak out, and that if we are to follow the President's admonition to curtail our expenditures and reduce the taxes he insisted we should impose, this is the place to begin.

Gentlemen cavil about how this question of Dawson Springs arose. I have gone over the hearings and do not observe that the War Department or anybody else, except a mere bureau of the Government, has been very urgent as to the war necessity of this hospital. How did it arise? The eloquent gentleman from Kentucky [Mr. KINCHELOE], acting for certain citizens of Dawson Springs who had anywhere from 1,000 to 10,000 acres of land for which they did not have any special use, admitted in his statement before the committee that having heard that there were rumors that hospitals were to be erected he went to the War-Risk Bureau and suggested that Dawson Springs was a good place. Follow the hearings along and you will find that the bureau chiefs were induced to go to Dawson Springs, and as a result they said, "Yes, Dawson Springs would be a good place. They have fine water at Dawson Springs. They propose to give a thousand acres or more of land to the Government. They have coal in the vicinity, and they have building material near at hand. They have lumber there, and if the Government will spend a million and a half dollars at Dawson Springs we can buy the material and build a hospital."

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. GARRETT of Tennessee. Has the gentleman any suggestion to make as to some other place where we can begin to take care of these tubercular patients?

Mr. MOORE of Pennsylvania. Yes. Unfortunately, I have some knowledge of tuberculosis.

Mr. GARRETT of Tennessee. I mean has the gentleman any suggestion as to any other place?

Mr. MOORE of Pennsylvania. I have never heard that boiling springs or water of peculiar chemical properties or mineral qualities, such as is said to abound at Dawson Springs, has anything to do with the cure of tuberculosis. I think the gentleman from Kentucky [Mr. KINCHELOE] admitted that.

Mr. GARRETT of Tennessee. There is no claim that it has.

Mr. MOORE of Pennsylvania. But he sidestepped that and said it was the intention to build other buildings and to take care of other patients besides those with tuberculosis. Gentlemen, this is the time for us to criticize and, if need be, to stop these extravagant and wasteful appropriations. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SMITH of Michigan. I yield five minutes to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. Mr. Chairman, the war is over, but the patriots have not ceased their raids upon the Treasury, as is evidenced by this bill. We have a hospital in practically every cantonment in the United States, and we have a good many cantonments. We have a hospital in most every Army camp in the United States. We have added 37 Government-owned hospitals in the United States to take care of the boys who come back and need treatment at a hospital. We have appropriated hundreds of millions of dollars to take care of those boys, as has been instanced by the gentleman from Wyoming [Mr. MONDELL]. We have at West Baden, Ind., 632 beds for these boys and have only been able to find 18 boys to send there so far for treatment. And yet in the face of this you propose now to open the doors of the Treasury and appropriate $1,850,000 to start to build a hospital in Kentucky. If started it will ultimately cost many million of dollars to complete. I anticipate, Mr. Chairman, that there is a little joker in this bill. Let me read you a part of this sentence, which describes the authority: "For the purpose of erecting a sanatorium for the treatment of persons discharged from the military and naval forces of the United States and persons who are now or hereafter may be beneficiaries of the United States Public Health Service." Ah, what you are trying to do here under the guise of patriotism is to get an appropriation of almost $2,000,000 to make this a place, a great gathering place, where the Public Health Service can send its beneficiaries to Dawson Springs. Who are the beneficiaries of the Public Health Service? Has it any real limitations? The Government does not get the springs if this gift is accepted; it gets the mountain side close to the springs, and here will be congregated not our soldiers but the beneficiaries of the Public Health Service, whoever they are.

The gentleman speaks of more than 70 per cent of sunshine at Dawson Springs, Ky. What in the name of common sense will the moonshiners of Kentucky do in that locality if there is going to be 70 per cent of sunshine? [Laughter.]

Mr. Chairman, I have here an advertisement found in the paper of the Secretary of the Navy, Hon. Josephus Daniels, published three days after the armistice was signed, asking for 12,000 additional men to build a new Army cantonment, and I understand this work is still in progress at Fayetteville, N. C. Now, we are asked here to authorize the building of this sanatorium after the war is over and after it has been demonstrated that there is no need of hospitals in the United States at the present time to take care of our boys. In fact, it is shown we have more hospitals and more beds than there is any demand for from the Army.

We will take care of these boys and give them the best hospital treatment obtainable, but let us not try to put through a real estate transaction at this time when the Treasury can ill afford it under the guise of patriotism, under the guise of finding hospital service for boys who have performed a wonderful service over the seas. Do not get pork under the name of patriotism.

The report accompanying the bill states that this place was selected because it was on high ground with good drinking water, and because the land was good and fertile and was in close proximity to coal. All of these things are found in my own State, but I want to say that I do not believe my State is an ideal place in which to found a tuberculosis hospital. Heretofore we have sent tuberculous patients to high altitudes. We send the person afflicted with the dread disease to Arizona, New Mexico, Colorado, or California, but who ever went to Kentucky for a cure for tuberculosis? Only once have I heard of Kentucky offering a cure for tuberculosis and that was in regard to the cure advertised for tuberculous patients at Mammoth Cave. Little stone huts were constructed in the cave, and the scientists treated tuberculous patients for a short time; but after two or three weeks' treatment, when they found these patients were not gaining, they discharged them. When they left the cave and came out in this Kentucky sunshine they all died within 10 days. That is the record of Kentucky as offering a cure for tuberculosis, and I do not want the boys from my State to be forced to go to Kentucky for that kind of treatment. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Mr. Chairman, in these days of billion-dollar appropriations this bill, which carries the sum of $1,850,000, is not of itself so large as to shock our conscience. And yet gentlemen advocating it say that this is but the beginning of a great scheme for the foundation of tuberculosis hos-

pitals. The gentleman from Kentucky [Mr. CANTRILL] read from an official report where it was said that it was expected that within one year there would be 30,000 tubercular patients for which accommodations must be found. Let us see what sort of a sum we are going to run into before we get through with the program of which they say this bill is but the beginning. This bill provides for an expenditure at the rate of $3,000 per man. They say that is the least that can be properly appropriated. Thirty thousand patients at $3,000 per man amounts to $90,000,000. This, then, is the beginning of a $90,000,000 scheme. Furthermore, gentlemen have said that the purpose of this particular hospital is to accommodate not only tubercular patients but others. You can open the door to every kind of a patient, and who will say that this is not the beginning of a scheme to spend three or four or five hundred million dollars, and that without any serious consideration whatever?

I have nothing against the great State of Kentucky. It is a State neighboring and touching upon mine. I have passed many delightful hours in that great Commonwealth, but it has always struck me that it was a place for men with strong lungs and strong heads, and not for debilitated men with weak lungs. [Laughter.]

Who ever heard of Kentucky as a resort for tubercular patients? They say that this resort in the State of Kentucky is the only place where the people are patriotic enough to offer to give us from 1,000 to 10,000 acres for this purpose. I asked the gentleman residing in the district in which this hospital is to be placed how much that land is worth, and he said he has no idea, whereupon arises in his place the distinguished chairman of the Committee on Public Buildings and Grounds and says the testimony shows that the land is worth somewhere between $10 and $100 an acre. Now, that is very enlightening to this House. It shows the kind of consideration the committee gave this bill. If the reason for going to Dawson Springs is a matter of cost, the best information we can get is that this land is worth somewhere between $10,000 and $1,000,000. That is the asset the Government is going to receive—somewhere between $10,000 and $1,000,000. That is used as an argument to jam through without any real consideration at all an appropriation of $1,850,000, conceded to be the beginning of a scheme which will cost before we are through somewhere possibly as much as a half a billion dollars.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. GARRETT of Tennessee. Do I understand from the gentleman's argument that he is opposed to making arrangements for the care of the soldiers who have been honorably discharged and who are suffering from disease contracted in the line of duty?

Mr. LONGWORTH. Of course the gentleman is to understand no such thing, and the gentleman does not understand it and can not understand it from a word that I have said by the most extravagant interpretation.

Mr. GARRETT of Tennessee. I wish to be entirely frank with the gentleman. It has been difficult for me to draw any other conclusion from the argument that he has just made, when he says that this is the starting of a scheme to cost $500,000,000. It is my denseness, perhaps, not the lack of the gentleman's clearness.

Mr. LONGWORTH. The gentleman is anything but dense, and I know that the gentleman understood no such thing, because it was not possible for a gentleman with his acumen, exceeded by that of no man in the House, to put such a construction upon my remarks.

Mr. GARRETT of Tennessee. What does the gentleman suggest?

Mr. LONGWORTH. The gentleman suggests that on a matter of such immense importance as this the House should at least be favored with a comprehensive plan, involving as it does the expenditure of millions from the Treasury; and I will say this to the gentleman, that before long the expenditure of the funds of the Treasury will be in the hands and under the control of a party that will see that measures of this kind are not put through in this way. The gentleman will not find that party niggardly, certainly when it comes to the giving of aid and comfort to our soldiers, but he will find that party giving some real consideration to and exercising some sort of supervision over the expenditure of the funds belonging to the people of the United States.

Mr. SMITH of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, of course everyone realizes that some provision must be made for the care of the men who are afflicted with disease as a result of their service in the Army, but everybody ought to realize also that there should be no special favoritism practiced in the establishment of the facilities that are to be used for that purpose. There ought to be a comprehensive plan made by the Public Health Service which provides facilities not only for the 500 men who are proposed to be treated at Dawson Springs but for the other 29,500 men it is indicated will be similarly afflicted. There is no reason why, when we are making preparations for the care of those who have given themselves to the service of the country, we should confine our action to the mere care of 500 men; and there is no reason why we, in any event, should select the point at which they are to be cared for. We should give general authority to the Public Health Service to do the work of caring for these men and permit the Public Health Service to select the points and provide the means. I can not help but reach the conclusion that the corporation which owns these springs and proposes to turn this land over to the Government of the United States is engaged in an advertising scheme that will advance the value of the property which they already own. They say that the condition upon which they will turn this land over to the Government is that the Government shall create a park of the land which it acquires. The cost of creating a park would, no doubt, be enormous, but the value of that part of the land owned by the corporation upon which the springs are situated would be immense and it would advertise the waters owned by the corporation and undoubtedly yield fabulous profits for the money they already have invested there. There could be no better advertising scheme than to turn this land over to the Government of the United States. I admire the gall which they displayed in proposing to give the Government 10,000 acres of land in order that what they already own there outside of the 10,000 acres of land might become immensely valuable.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GREENE of Vermont. Does it not somehow suggest to the gentleman that it might be an instance similar to a friend giving you an elephant one day and you waking up the next morning to discover that he is in the hay business? [Laughter.]

Mr. MADDEN. It reminds me of the fellow who went out to Denver in the pioneer days and opened a bank. After he had the bank open and had obtained the deposits of all the people that lived in the territory he called a meeting of the creditors and said, "Gentlemen, the bank has failed; the money is gone. There is nothing I have to offer you but myself. You can do with me as you please." One man in the audience said, "Well, when you are cutting him up I want to speak for his gall." [Laughter.]

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman is always constructive and always fair. Would he be good enough to tell us just when he would be willing to begin the preparations for taking care of the soldiers who have suffered by reason of that service?

Mr. MADDEN. I think we should have begun before now. I think we should have had preparations made all over the United States, if that has not already been done. I would be opposed and I am opposed to the selection of any particular site by the Congress of the United States through a special act in order that some particular section of the United States may be favored and 500 men suffering from disease may be provided for while all others go unprovided for.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SMITH of Michigan. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA]. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I want to say this to the gentleman having charge of this measure: Congress need not have so much concern about the American boys that are coming back. The American boys will look after Congress, and don't you forget it. It is rather late now to express all of this concern, and while the committee of merchants of the city of Dawson might have succeeded in putting it over on the distinguished doctor from the insurance department, you can not put it over on the sick boys, suffering with tuberculosis. The gentleman from Tennessee [Mr. GARRETT] asks repeatedly if we have anything in mind to suggest in place of the plan proposed in this bill. Yes; I have something in mind. If you are going to have a tuberculosis sanatorium, put it in a place of sufficient altitude, where climate and surroundings are conducive to improving the condition of the patients—places that are known to be ideal for such purposes.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. No; I refuse to yield—I have not had a word for 15 months. [Laughter.] Do not try an experiment upon our sick soldiers. Try it first on the natives of that district. Establish a little private sanatorium down there for tubercular patients, and if it works out, well and good; but do not try the experiment upon the American soldier. I am not a specialist on tuberculosis, but I do know you need more than good water to cure it.

I shall leave that phase of the question, but I did ask for time for one purpose, and I want to take the first opportunity I have had to express myself—and that is on the freedom of action of this body. If there was any doubt in my mind about this bill, I would have given the benefit of the doubt to the passage of the bill, but I shall refuse to vote for it after having heard the letter of the Secretary of the Treasury. We must serve notice now that we are tired of these departmental edicts, these bureaucratic decrees, and the executive bulls. [Applause on the Republican side.] Gentlemen, I had occasion to preach democracy in Europe; I at least am going to practice the same thing here. [Applause.] Yes; and this side of the House is as much to blame as the other side of the House. Whatever came here, everything that was asked, at the sound of the lash of the whip you passed it. If you wanted to help the American boys, why did you not send aeroplanes and motors when we needed them? Why did you not get the machine guns over when we needed them? Everybody voted for everything if a letter from one of the departments ordered it. We wonder why these new governments that are being created all over Europe adopt a new plan of government, why they do not adopt a representative form of government. Do you blame them if the greatest legislative body in the world, the American Congress, the representatives of the people, absolutely abdicates and sits idly and passively while department chiefs run the legislative branch of the Government? I for one shall use every dilatory tactic I know of every time that a department letter is offered to be read on the floor of this House for the purpose of coercing or forcing through a measure. It is time for the American Congress to get back into its own. It is time to exercise our constitutional duties and control our departments.

Mr. GARRETT of Tennessee. Will the gentleman object to any of the heads of departments testifying before committees?

Mr. LAGUARDIA. Certainly not; and stop there. I would stop there, however.

Mr. GARRETT of Tennessee. I always stop when the gentleman says stop.

Mr. LAGUARDIA. I did not mean it that way, and the gentleman knows that. I would stop after they had testified and the committee decides, with the approval of the House, of course, what is really needed. They should give information—not draft and compel legislation.

Mr. GARRETT of Tennessee. The gentleman objects especially to this particular letter which has been read?

Mr. LAGUARDIA. Absolutely. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Florida. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. AUSTIN].

Mr. AUSTIN. Mr. Chairman, the pending bill was pretty thoroughly considered by the Committee on Public Buildings and Grounds, of which I am a member, and as I understand it comes here with a unanimous report from said committee, or at least without a minority report. The committee based its action upon a very careful hearing of those charged with the responsibility of caring for the maimed and the diseased and those who will be benefited under the provisions of this bill growing out of the world war. I can not imagine why there should be any opposition to so meritorious a measure as the one under consideration. The department of the Government charged with the care and the welfare of the returning soldiers has placed the stamp of its approval and recommended in the strongest possible terms this proposed legislation. It strikes me if we are to have a public-health department, a Surgeon General's department, that those of us who are not versed in medical science, who have not given years of study to questions of this kind, should carefully weigh and consider what they say in reference to legislation touching the welfare, the needs, and requirements of the soldiers when they return home. There can be no question as to the absolute necessity of the American Congress making provision for the care, comfort, and treatment of the countless thousands of soldiers returning from over the sea, where they have won imperishable glory for our beloved country.

Mr. KNUTSON. Will the gentleman yield?

Mr. AUSTIN. In a moment. This is not the only proposition of the kind which will be submitted to us for our consideration and action, because this country was not only wholly unprepared for war but equally unprepared to properly care for those who have borne the burden of winning this great war upon foreign shores. Thousands of returning soldiers who are wounded and maimed and diseased will be cared for in hotels which are rented temporarily for housing them, that are not equipped or constructed with a view to making them modern up-to-date hospitals. But this is only one of many similar measures which will be submitted to the American Congress which will require of us, in the performing of our duty, prompt and favorable action. Now I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman is a member of the Committee on Public Buildings and Grounds, and I wish to ask if in the hearings any consideration was given to the work being done at the Government hospital for tubercular soldiers near Santa Rita, N. Mex.?

Mr. AUSTIN. I think that was perhaps referred to in a general way.

Mr. KNUTSON. A part of that hospital is not used to its full capacity at this time, and it is an ideal situation—pure water, altitude of 4,000 feet, and land can be bought in immediate vicinity at $1 and $1.50 an acre.

Mr. AUSTIN. There will be not only a vital necessity for the full capacity of existing hospital facilities in New Mexico, but a considerable enlargement of the hospital in that State and the construction of many other hospitals in the United States.

Mr. GRAHAM of Illinois. Will the gentleman yield for a question?

Mr. AUSTIN. Yes.

Mr. GRAHAM of Illinois. Does the gentleman think now as a Member of Congress that, in his judgment, it is the right thing to do to fix the location of these various hospitals from time to time by a bill put through Congress fixing the location here and there according to places for which a majority of the Members of this House will vote?

Mr. AUSTIN. This location is virtually fixed, just as though we were to refer the selection to the head of the proper department for an investigation and recommendation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GORDON. Fixed in the discretion of the Surgeon General, is it not?

Mr. AUSTIN. Yes, sir.

Mr. GORDON. Of the Public Health Service?

Mr. AUSTIN. Fixed as the result of an investigation, report, and recommendation from the head of that department, which should not be overlooked or disregarded.

Mr. CLARK of Florida. I want to inquire of the gentleman from Michigan how many more speeches there will be on his side.

Mr. SMITH of Michigan. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Michigan [Mr. SMITH] has 5 minutes remaining and the gentleman from Florida [Mr. CLARK] 20.

Mr. SMITH of Michigan. I have only five minutes.

Mr. CLARK of Florida. How many more speeches will you have?

Mr. SMITH of Michigan. I will have only one more.

Mr. CLARK of Florida. I yield five minutes to the gentleman from Alabama [Mr. BURNETT].

Mr. BURNETT. Mr. Chairman, I was rather amused to hear the gentleman from Pennsylvania [Mr. MOORE] talking about the Democrats having brought in this wasteful bill, and yet not so much amused when we all realize and appreciate the fact that the gentleman can not make any speech unless he injects partisan politics into it.

It is not a Democratic bill. Our committee is not a partisan committee, and it never has been. Every member of it that was present agreed to this bill, and the gentleman from Tennessee [Mr. AUSTIN] has had the courage to stand by the report after a full and complete hearing before that committee. I was rather surprised and a little amused that my good friend from Michigan [Mr. SMITH], who is on the committee and who joined in the report, is actually leading the fight and controlling the time against it. You Republicans undertake to play petty politics now. It is not the time, or the place, or the bill, Mr. Chairman, where men should begin to show the cloven foot rejoicing over recent victory. This bill involves the lives of human beings; men who have worn the uniform; men who have incurred disease and affliction in defense of the flag on the other side and on this side, and it seems to me to be an inopportune time, when the lives of men hang in the balance, to talk about saving $1,500,000.

The gentleman from Ohio [Mr. LONGWORTH] talked about this being a good time and a good bill upon which to begin retrench-

ment. Let us not retrench when we would jeopardize the lives of men who have taken their lives in their hands in defense of the Stars and Stripes. And yet that is the argument of the gentleman from Ohio.

Gentlemen, let us not descend now into petty partisan politics by delaying the passage of this bill, when it may occasion the loss of the lives of some of the boys that incurred these diseases in defense of a cause we believe to be right.

Mr. WALSH. Will the gentleman yield?

Mr. BURNETT. I have only five minutes. I beg the gentleman's pardon. With courtesy and with eminent respect for him, I can not.

Mr. Chairman, this bill was started before the comprehensive scheme for such sanatoriums was worked out. Now, is it to be delayed? The committee was considering that comprehensive scheme this morning and in a very short time will be able to complete it. But after that comprehensive bill is passed, Mr. Chairman and gentlemen, they have got to locate the places all over the country where these sanatoria ought to be placed. Here is one that the eminent, distinguished, and able health officers, whose business and duty it is to investigate these things, have already located and pointed out as an ideal location, one of the best throughout the country, as these physicians say.

Mr. Chairman, are we going to delay the passage of this bill in order that a comprehensive scheme may be worked out, in order that the representatives of the Health Bureau and the War-Risk Bureau may go all over the country for the purpose of selecting places, when some woman's boy may forfeit his life because we have not such a place?

The hospitals at cantonments, I understand, are for soldiers in service. This sanatorium is intended for discharged soldiers and sailors. These gentlemen who made the investigation stated very cogent reasons why this place ought to be selected. The strongest argument the gentleman from New York [Mr. LAGUARDIA] has made against it is that the Secretary of the Treasury has written a letter down here urging it. Shame upon such an argument as that! From time immemorial the Committee on Public Buildings and Grounds, under the chairmanship of Republicans as well as Democrats, has been accustomed to elicit from the Treasury Department and from the different departments all the information it could gain. One of the first things that is done is to refer a bill to the Treasury Department in order that just such a letter as that of which the gentleman complains, with information and instruction, may be sent to us. And if we had come here without that letter one of the first objections of leaders on the Republican side would have been that we had not received any letter or information from the Treasury Department in regard to it. We have followed the custom. It has been so for years and years, Mr. Chairman, and I think it is a good one, because certainly I am willing, for my part, to receive light from any source. While I was on the minority of that committee—and I served for years on it before the Democrats got control of the House—nobody raised the question, nobody thought about raising the question, that the Secretary of the Treasury or that the head of any department had advised us or instructed us in regard to bills.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BURNETT. Mr. Chairman, I would like to have three minutes more.

Mr. CLARK of Florida. I yield three minutes more to the gentleman.

Mr. BURNETT. Mr. Chairman, I want to read from the testimony of Dr. Banks. He is certainly an eminent man in his profession. He is selected by the War-Risk Bureau for that particular line. He says:

> We have a great many of the organic diseases like Bright's disease coming out of the Army, and rheumatic affections, and the water there at Dawson Springs, Ky., is practically the same as the Carlsbad water in Bohemia; is very efficacious as a steady drink in cases of that kind.

The idea of these professional gentlemen was that on account of the rolling character of the land, on account of the interior character, on account of the surroundings there, it was especially adapted to the treatment of tuberculous cases, and on account of the efficacy of the water it was especially adapted to cases of kidney trouble and other diseases where water of that kind would be beneficial. Therefore, for those combined purposes and in order that the matter might be expedited, this bill was reported. The gentleman from Kentucky [Mr. KINCHELOE] showed his desire to expedite the bill and made an effort to that end, but it was objected to by some gentleman on the other side when it was asked two months ago to have unanimous consent for the purpose of then getting consideration of the measure. If consideration had then been given to it, it would have been, no doubt, quickly passed at the other end of the Capitol, and by to-day we could have been at work in constructing these buildings and preparing this ground for that purpose, and perhaps have had some of the buildings completed in a very short period of time.

Dr. Banks goes on and says:

> I visited Dawson Springs at the suggestion of the Director of the War-Risk Insurance Bureau when an offer of land was made to the bureau for building purposes. I think the War-Risk Insurance Bureau has no authority to build, yet I went there for the purpose of making a recommendation, if it appeared to be a suitable place, to the Surgeon-General of the Public Health Service, whose hospitals the War-Risk Bureau now utilize for the treatment of our patients. There has been offered to us a very desirable tract of land situated on high ground, on a plateau between two lakes or a continuous lake which circles around in the shape of a bowl. The water facilities there—that is, the ordinary drinking water, aside from the special spring—are excellent, and it is good farming land, suitable for the grazing of a herd of cattle, which would be necessary for a tuberculosis sanatorium.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CLARK of Florida. Mr. Chairman, I yield to the gentleman one minute more.

The CHAIRMAN. The gentleman from Alabama is recognized for one minute more.

Mr. BURNETT. Dr. Banks proceeds to say:

> There is also coal very close by, possibly on the ground itself, or at least within a mile or two or a few miles of the place, so that the question of fuel would be reduced to a minimum as far as cost goes, because there is bituminous coal in that region.

He gives cogent reasons why this place has been selected and why it is especially adapted to the purposes of a sanatorium of this kind.

Gentlemen, are you ready now in your places to assume the responsibility of playing politics and defeating this measure, and perhaps in that way causing the death of men who might be healed by the expediting of this work? I hope no gentleman will vote against this bill, and especially, Mr. Chairman, I should be ashamed of any member of the Committee on Public Buildings and Grounds who would vote against this bill, when we had the unanimous report from that committee. [Applause.]

The CHAIRMAN. The Chair made a statement a little while ago, when the inquiry was made as to the time. An error was made then. I find that the gentleman from Michigan [Mr. SMITH] has remaining 10 minutes instead of 5 minutes.

Mr. CLARK of Florida. Will the gentleman from Michigan use his time? We have but one speech more on this side.

Mr. SMITH of Michigan. I yield five minutes to the gentleman from Iowa [Mr. GREEN].

The CHAIRMAN. The gentleman from Iowa is recognized for five minutes.

Mr. GREEN of Iowa. Mr. Chairman, I expected that when an effort was made on this side to perform our duty in an orderly manner and prevent waste of money there would be a charge that we were indulging in partisan politics, but I hardly expected that it would come from my friend from Alabama [Mr. BURNETT]. This side of the House and the Republican Party have always been first to care for the soldiers properly. They are also the first to see to it that the moneys appropriated are expended in such a way as will effectuate this purpose. That is what we want done in this case. The gentleman from Alabama says the Members on this side are unwilling even to make a beginning. The gentleman is mistaken. The Members on this side are willing to make a beginning, but we want to begin right. We do not want to begin to take care of tuberculous patients in a State and climate that are not fitted for that character of work. The gentleman says that even at this time there may be some soldiers suffering for want of care and that delay is being interposed in this proceeding by the action of this side. If gentlemen on the other side wanted immediate action taken, why have they not introduced a resolution which would enable the War Department to use the sanatoriums of that department for tuberculosis? They are already constructed, but they are not being used to their full capacity, like the one to which the gentleman from Minnesota [Mr. KNUTSON] referred a moment ago, and they are located in a salubrious climate, in places where they could really do some good. This is the place where soldiers in immediate need of attention should be taken. It is said that this bill has been pending for some time and that no provision has been made for treating discharged soldiers suffering from tuberculosis. True, but gentlemen on the other side are all the more to blame for the situation. A resolution opening our partially used hospitals, hospitals constructed for the express purpose of treating tuberculosis in the Regular Army, would have passed this House long ago and upon this side by unanimous consent. But it would have taken no money from

the Treasury, and they have never introduced any resolution of that kind.

We have buildings all over the country devoted to the soldiers, not used to half of their capacity, and yet they want to construct more in a place that is entirely unsuitable for the purpose. The gentleman reads the testimony of the doctor, and what does it show? It shows that down there at this place in Kentucky they have some sunshine most of the time, that it is up on a "high plateau," that it is even so much as 600 feet high, that they have some water there that the people of Kentucky do not want to use, and that they are perfectly willing that other people should have, as it is very good for treating certain diseases, but not of any use for treating a tuberculosis patient. And, wonder of wonders, it has some woods near it, some timber, also actually has a place where you can pasture cows; and all of these things show that this is an ideal place, so gentlemen say, for the treatment of tuberculosis patients. What could be more preposterous or ridiculous? There is no single thing about the place that adapts it for the treatment of tuberculosis patients, and there is not a thing to show that the committee took any testimony to find out whether there were other places adapted for that purpose. Not a moment did they spend on that. They did not inquire as to where the best places were to locate such an asylum. Apparently they did not care. Kentucky wanted this. It wanted this $1,860,000, and they propose to expend this sum in constructing a building down there, adorning the grounds, and improving the location and making a great resort in Kentucky where they could pasture cows and where the sun shines "70 per cent of the time." Why, they could have gone to Arizona and found a place where the hotel people are willing to let any man have his board free on any day that the sun does not shine! Yet they talk about this being a place for tuberculosis patients. One gentleman says, "Why does the gentleman from Iowa object to it?" I object to it because the people in my State do not want their boys sent there. I would not want my boy sent there if he was suffering from tuberculosis, and I do not want the other soldiers sent there. It is not a proper place for that purpose. I want them sent where there is at least some chance of improvement, if not a possibility of a cure, and I do not want the money of the people wasted on this project. [Applause on the Republican side.]

Mr. SMITH of Michigan. I yield three minutes to the gentleman from California [Mr. OSBORNE].

Mr. OSBORNE. Mr. Chairman, if this bill had come to a vote upon its passage during the last session I should certainly have voted for it, as I did for every proposition that came before the House which seemed on its face to be of value in carrying on the war or in carrying on any of its incidental activities. But the change that has taken place is very great. We are no longer confronted with the exigencies of war, which sometimes require action without careful consideration, for fear we may make a mistake by withholding some necessary or desirable war agency. I feel now, however, that conditions are so different that I doubt whether I shall vote for this bill.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. OSBORNE. I have very little time.

Mr. GARRETT of Tennessee. Does the gentleman mean that political conditions or physical conditions have changed?

Mr. OSBORNE. I mean that we have changed from the condition of war to the condition of peace.

Mr. GARRETT of Tennessee. But we still have tubercular patients to be treated.

Mr. OSBORNE. I do not refer to political conditions at all. I have shown no disposition to introduce politics in this House since I have been a Member.

Mr. GARRETT of Tennessee. I merely wanted to inquire what particular conditions the gentleman meant had changed. We still have 14,000 tubercular patients to take care of, have we not?

Mr. OSBORNE. I meant the change of conditions from war to peace.

Mr. Chairman, there are a great number of cantonments in this country, with many hospitals already constructed. There is in the State of California, at Camp Kearney, for instance, a magnificent hospital. People have been brought there from Kentucky and Tennessee whose tubercular condition has been greatly ameliorated, and if they stay there long enough I think they stand a good chance of getting well. I believe consideration should be given to those numerous cantonment properties which now belong to the United States, in connection with which there have been fitted up splendid hospitals for soldiers, and which otherwise will be abandoned, instead of now going into new projects calling for large additional expenditure on the part of the Government. I therefore shall not vote for this bill.

Mr. SMITH of Michigan. Mr. Chairman, I think I have only two minutes left. In those two minutes I want to say that a question seems to have been raised because I voted in the Committee on Public Buildings and Grounds last September to report out this bill. I have now voted against this rule and voted against going into Committee of the Whole to consider the bill. It is true that I voted in the committee to report out this bill, but I have yet to learn that if a man votes to report out a bill he is bound to support that bill when it comes up on the floor of the House.

Now, if the war had continued I would be in favor of this bill for the same reason as that stated by the gentleman from California [Mr. OSBORNE], who has just spoken. But now the war is over. In my district, I think, is located the largest sanitarium in the United States, with patients from the world over. In that district there is a cantonment, capable of taking care of 35,000 soldiers, connected with a splendid hospital. A soldier suffering from tuberculosis wants fresh air and exercise. Convalescent patients do not want to be brought in contact with soldiers suffering from contagious diseases. There is room in this city of Washington for thousands of convalescent soldiers, and there are buildings already constructed all over the country that could be used for this purpose. We had already made great preparation for the wounded and disabled soldiers by equipping and constructing a large number of hospitals and why not use those we now have standing idle and empty before constructing others at $1,500,000 each? We will soon be asked to buy billions of liberty bonds and raise billions by taxation to pay for and maintain the hospitals already built and standing empty. Under this bill they want us to take 10,000 acres of land for park purposes. They do not say they will use that land for the purposes of this hospital, but they say if you will devote it to park purposes and make a park of it, a Government reservation, and maintain it at large governmental expense, then they will give this land, otherwise not. But because of the very great facilities we already have in the United States for taking care of these patients it seems to me the bill is inopportune. It seems to me that it would be better policy to use the cantonments for convalescing patients than tear them down.

Mr. CLARK of Florida. Mr. Chairman, I am not going to take all the time I have left at my disposal, but there are one or two matters I would like to refer to for a moment. I shall do it by referring to what some of these gentlemen have said. The gentleman from Ohio [Mr. LONGWORTH] seems to be very much amused at land selling for $10 to $100. The gentleman lives in Cincinnati, and I doubt if he knows very much about the value of land in the country. Here is a tract of 1,000 to 10,000 acres of land proposed to be donated for governmental purposes. The proposition is that they will donate anywhere from 1,000 to 10,000 acres, whatever amount may be necessary. When asked by the committee what the land was valued at gentlemen there conversant with the situation stated that it was worth from $10 to $100 an acre. The land on the hills was worth about $10 an acre and the land in the valley was worth about $100 an acre. There is nothing very remarkable about that, and it is about as near a correct judgment as any man who knows anything about estimating the value of land can give when considering property of that kind.

Mr. Chairman, there has been so much misstatement about this matter, there has been so much of error, that it is hard to keep up with it. What is the situation? This is the first time in my 14 years of service in this House that I have seen a report from the Committee on Public Buildings and Grounds, which has never been a political committee, being made the means of involving the House in a political fight. It will be remembered that there was an effort made to pass this bill in the last session of Congress before adjournment, and it went out then because a Republican Member of the House made the point of no quorum. We have found that the Republicans have been fighting this bill from that good hour to this. For what purpose? What is the reason of it? Why should the Republican Party in this House line up almost to a man against a bill intended to alleviate human suffering, the ills of the boys who have gone to the front? You can not escape it; that is the position you are in. There is absolutely no possible escape from it.

Gentlemen ask, Why do you not put them in the hospitals that the Government already has—37 hospitals it has been said that we now own? I do not know how many we do own, but I know the testimony of Col. Banks shows that these hospitals are all being used by the men in the active service of the Army and Navy and are not open to men such as we propose to take care of in this bill. Here is what he says:

There are only two classes of hospitals now to which we can send these discharged soldiers and sailors, the hospitals known as Public Health Service hospitals and the Indian medical service, because the Army and Navy hospitals are not open for the treatment of civilians.

He says further that they are entirely occupied in the treatment of men connected with the active service in the war. And yet gentlemen stand here and quibble and say, Why do you not send them to the hospitals already established? The testimony of the medical officers of the Government is to the effect that under the law they can not be sent there, and the further fact that they are already occupied fully by these men in the active service.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. CLARK of Florida. Let me get through, and then I will. My friend from Massachusetts said that the law did not require the building of these hospitals. Here is what the law says, and I quote it from the report:

> The war-risk insurance act provides that all discharged soldiers and sailors shall be treated in the Government hospitals, or, as the language of the act is, "shall be furnished governmental hospital, medical, and surgical service."

There is the contract which the Congress of the United States made with these men when they went into the service of their country, that they should be furnished with "hospital, medical, and surgical service," and yet the gentleman says that the law does not require it.

Mr. Chairman, I want to call your attention to one or two more things. My friend from Indiana [Mr. WOOD] said that Dawson Springs was the worst place on earth to send tuberculous patients. I looked at him and wondered if it were true that Col. Banks and Dr. Stimson, assistant to Gen. Blue, knew absolutely nothing about tubercular treatment. As I gazed upon him I wondered, "and still the wonder grew that one small head could carry all he knew."

These gentlemen know nothing about it—Dr. Banks, an eminent physician, and Dr. Stimson, for years eminent in the Public Health Service—and yet it remains for the gentleman from Indiana to discover that although these gentlemen went down and examined the location and made the request of Congress that this place be selected, they knew nothing about it, but he knew it all.

There is one other point that I desire to call to the attention of the House in this record. There are 14,000 of these men now, and the testimony is that there will probably be, in the years 1918 and 1919, 34,000 more, but all of these will not seek hospital treatment. The Public Health Service thought probably 75 per cent, or some 26,000 of them, would seek it.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. CLARK of Florida. In a moment. I want to say further with respect to the cost of the hospital that Mr. Perry, the architect in the Public Health Service, testified before the committee that under existing conditions, under the high war prices, it would cost, in his judgment, at least $3,000 a bed to build an up-to-date modern hospital with all the modern appliances and appurtenances which belong to it. He said that under normal times they figured they could construct such a hospital for about $2,000 a bed, but that includes every building that belongs to it. That includes all of the furniture and everything else on the ground. They figure it by the bed. That is the way that they get at the cost of the entire structure. I yield to the gentleman from Iowa.

Mr. GOOD. The estimate with regard to the hospital facilities that would be necessary next year was made about 60 days ago, was it not, or longer, and was based on our continuing in the war?

Mr. CLARK of Florida. Yes; but we have still got 14,000 of these tubercular men now asking that they be taken care of. We had 14,000 two months ago, about the 18th of September. Those men have not been provided for and others have come on since. But my friend from Iowa goes out of his way to attack the Secretary of the Navy. He says that three days after the armistice was signed there was an advertisement in Josephus Daniels's paper calling for 12,000 men to finish or to build some cantonment at Fayetteville, N. C., or some other place.

That advertisement had probably been running for some time. The gentleman will not say that that was the first insertion of it, and he will not say that the Secretary of the Navy sent it out after the armistice was signed. If he did, I guarantee that he had good reasons for it, because I want to say that of all the men engaged in this great war, of all the men in the different departments, when the history of the war shall come to be written in the future, the faithful and impartial and unpolitical historian will write the name of Josephus Daniels high in the temple of fame. [Applause.]

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. CLARK of Florida. Yes.

Mr. GOOD. I will say that the information that I received was contained in a letter written from North Carolina, in which the writer says:

> With the war over——

Mr. CLARK of Florida. Oh, I did not yield for that.

Mr. GOOD—

> With the war over, why all this waste——

Mr. CLARK of Florida. Mr. Chairman, I yielded for a question. The gentleman has not asked a question, but he proceeded to read a letter from some politician in North Carolina.

Mr. GOOD. He is not a politician, he is a manufacturer.

Mr. CLARK of Florida. When you get down to this whole proposition it is simply this: The department asks for this building, and my little friend from New York [Mr. LAGUARDIA], who has been over fighting on the other side, tells us what the boys are going to do when they get back. Mr. Chairman, I want some of the crippled boys we are trying to take care of, some of the fellows who got hit, some of the fellows that can give some evidence that they were where shot and shell were flying, to come back and tell me what they want us to do.

Mr. GOOD. You will not find any of them among the Members of the Democratic side of the House who left here to go over and fight.

The CHAIRMAN. The time of the gentleman from Florida has expired. All time has expired.

Mr. CLARK of Florida. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 12917 and had come to no resolution thereon.

CALENDAR WEDNESDAY.

Mr. KITCHIN. Mr. Speaker, I am going to ask unanimous consent to dispense with business in order to-morrow, Calendar Wednesday, so that we can continue with the consideration of this bill. If that be agreed to, I will state that it is my intention to ask, when we adjourn to-morrow night, to adjourn until Saturday.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to do away with the business in order on to-morrow, Calendar Wednesday.

Mr. BURNETT. Mr. Speaker, may I ask the gentleman if we could not have Thursday on the Private Calendar or something else that is ready, without losing that day? We have got a lot of business on the Private Calendar.

Mr. KITCHIN. We would have to get unanimous consent for that. I am trying to get unanimous consent to do away with Calendar Wednesday to-morrow.

Mr. BURNETT. I do not think we ought to waste the day when we have a calendar here that ought to be disposed of. I do not object to dispensing with Calendar Wednesday, but I am talking about the adjournment over Thursday.

Mr. KITCHIN. I appended that to my remarks on the ground I have conferred with some of the Members who would probably object to dispensing with Calendar Wednesday unless it was in conjunction with unanimous consent to adjourn until Saturday after finishing this bill. I ask unanimous consent, Mr. Speaker, that the business on Calendar Wednesday, to-morrow, be dispensed with.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the business on Calendar Wednesday for to-morrow be dispensed with. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes) the House adjourned until to-morrow, Wednesday, December 4, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Interior submitting a supplemental estimate of appropriation required by the department for the fiscal year 1920 (H. Doc. No. 1461); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Navy submitting a supplemental estimate of appropriation required by the Navy Department for gathering the naval records of the war with the central powers of Europe (H. Doc. No. 1462); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting copy of a communication from the United States Employees'

Compensation Commission submitting a supplemental estimate of appropriation required by the commission for the fiscal year 1919 (H. Doc. No. 1463); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Attorney General submitting a supplemental estimate of appropriation required by the Department of Justice for the fiscal year 1920 (H. Doc. No. 1464); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Comptroller of the Treasury submitting a proposed paragraph of legislation relating to auditing accounts abroad (H. Doc. No. 1465); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Agriculture submitting a supplemental estimate of appropriation for increases in salaries of officers and employees of the Department of Agriculture for the fiscal year 1920 (H. Doc. No. 1466); to the Committee on Agriculture and ordered to be printed.

7. A letter from the Secretary of the Treasury, transmitting copy of a communication from the chairman of the United States Tariff Commission submitting a supplemental estimate of appropriation required by the commission for the fiscal year 1919 (H. Doc. No. 1467); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Superintendent of the Library Building and Grounds, transmitting statement required by section 6, legislative act of July 3, 1918, regarding increased compensation paid employees under this office (H. Doc. No. 1468); to the Committee on Appropriations and ordered to be printed.

9. A letter from the Assistant Secretary of the Department of Labor, transmitting statement in relation to increased rates of compensation to employees of the Department of Labor, required by section 6 of the legislative act approved July 3, 1918 (H. Doc. No. 1469); to the Committee on Appropriations and ordered to be printed.

10. A letter from the Superintendent of the Library Building and Grounds, transmitting information regarding purchases of typewriting machines and exchanges made in part payment thereof by Library of Congress during the fiscal year 1918 (H. Doc. No. 1470); to the Committee on Appropriations and ordered to be printed.

11. A letter from the Secretary of the Treasury, transmitting report relating to purchase and exchange of typewriters and other similar labor-saving devices during the fiscal year ended June 30, 1918 (H. Doc. No. 1471); to the Committee on Appropriations and ordered to be printed.

12. A letter from the Secretary of the Treasury, transmitting report of the contingent expenses of the Treasury Department for the fiscal year ended June 30, 1918 (H. Doc. No. 1472); to the Committee on Expenditures in the Treasury Department and ordered to be printed.

13. A letter from the Postmaster General, transmitting statement showing the per annum salary of employees at each censorship station, for the censorship of foreign mails, as of November 30, 1918 (H. Doc. No. 1473); to the Committee on Expenditures in the Post Office Department and ordered to be printed.

14. A letter from the Assistant Secretary of Labor, transmitting detailed statement of expenditures from appropriations "Contingent expenses Department of Labor, 1916," for the period from November 18, 1917, to November 7, 1918: "Contingent expenses, Department of Labor, 1917," for the period from November 18, 1917, to November 7, 1918; and "Contingent expenses, Department of Labor, 1918," for the period from July 1, 1917, to November 7, 1918 (H. Doc. No. 1474); to the Committee on Expenditures in the Department of Labor, and ordered to be printed.

15. A letter from the Assistant Secretary of Labor, transmitting statement of travel performed during the fiscal year ended June 30, 1918, by officers and employees of the Department of Labor, on official business to points outside of the District of Columbia (H. Doc. No. 1475); to the Committee on Expenditures in the Department of Labor and ordered to be printed.

16. A letter from the Secretary of the Treasury, transmitting statement of officers and employees of various bureaus of the Treasury Department, who traveled on official business to points outside of the District of Columbia, fiscal year ended June 30, 1918 (H. Doc. No. 1476); to the Committee on Expenditures in the Treasury Department and ordered to be printed.

17. A letter from the Secretary of Agriculture, transmitting statement of number of persons employed in meat-inspection service, their duties, places of employment, and contingent expenses, fiscal year ended June 30, 1918 (H. Doc. No. 1477); to the Committee on Expenditures in the Department of Agriculture and ordered to be printed.

18. A letter from the Secretary of War, transmitting statement number employees Washington office, Panama Canal, receiving increased compensation at the rate of $120 per annum, etc., during first four months of the present fiscal year (H. Doc. No. 1478); to the Committee on Appropriations and ordered to be printed.

19. A letter from the Librarian of Congress, transmitting statement average number of employees in the Library of Congress proper (including Copyright Office) receiving the increased compensation at the rate of $120 per annum for first four months of fiscal year 1919 (H. Doc. No. 1479); to the Committee on Appropriations and ordered to be printed.

20. A letter from the Chairman of the Federal Trade Commission, transmitting special report dealing with the subject of resale price maintenance (H. Doc. No. 1480); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

21. A letter from the Secretary of the Treasury, transmitting statement of expenditures under appropriations on account of first, second, third, and fourth liberty loan and war-savings certificates to October 31, 1918, and expenditures in the purchase of obligations of foreign Governments to November 15, 1918 (H. Doc. No. 1481); to the Committee on Expenditures in the Treasury Department and ordered to be printed.

22. A letter from the Secretary of the Treasury, transmitting estimates of appropriations for defraying the expenses of collecting the revenue from customs for the fiscal year ending June 30, 1920 (H. Doc. No. 1482); to the Committee on Appropriations and ordered to be printed.

23. A letter from the Superintendent of the United States Botanic Gardens, transmitting statement required by section 6, legislative act of July 3, 1918, regarding increased compensation paid employees under this office (H. Doc. No. 1483); to the Committee on Appropriations and ordered to be printed.

24. A letter from the Secretary of the Treasury, transmitting estimate of appropriation for consideration in connection with the next deficiency bill (H. Doc. No. 1484); to the Committee on Appropriations and ordered to be printed.

25. A letter from the chairman of Capital Issues Committee, transmitting report of Capital Issues Committee (H. Doc. No. 1485); to the Committee on Ways and Means and ordered to be printed.

26. A letter from the Secretary of the Interior, transmitting a detailed report of the expenditures made in per capita payments to the Apache, Kiowa, and Comanche Indians during the fiscal year ended June 30, 1918 (H. Doc. No. 1486); to the Committee on Indian Affairs and ordered to be printed.

27. A letter from the Secretary of the Interior, transmitting a detailed report of the expenditures made from tribal funds of the Confederated Bands of Utes during the fiscal year ended June 30, 1918 (H. Doc. No. 1487); to the Committee on Indian Affairs and ordered to be printed.

28. A letter from the Secretary of the Interior, transmitting a statement of expenditures from the tribal funds of the Blackfeet Indians of Montana for the fiscal year ended June 30, 1918 (H. Doc. No. 1488); to the Committee on Indian Affairs and ordered to be printed.

29. A letter from the Secretary of the Interior, transmitting a report of expenditures made for the purchase of cattle for the benefit of Indians on the Standing Rock Reservation in North Dakota and South Dakota for the fiscal year ended June 30, 1918 (H. Doc. No. 1489); to the Committee on Indian Affairs and ordered to be printed.

30. A letter from the Secretary of the Interior, transmitting statement of the fiscal affairs of all Indian tribes for whose benefit expenditures from the public or tribal funds were made during the fiscal year ended June 30, 1918 (H. Doc. No. 1490); to the Committee on Indian Affairs and ordered to be printed.

31. A letter from the United States Court of Claims, transmitting judgment rendered by the Court of Claims for the year ended November 30, 1918 (H. Doc. No. 1491); to the Committee on Claims and ordered to be printed.

32. A letter from the Secretary of the Interior, transmitting a report for the fiscal year 1918 (H. Doc. No. 1492); to the Committee on Indian Affairs and ordered to be printed.

33. A letter from the Secretary of the Interior, transmitting a detailed statement of expenditures from the tribal funds of the Chippewa Indians, of Minnesota, for the fiscal year ended June 30, 1918 (H. Doc. No. 1493); to the Committee on Indian Affairs and ordered to be printed.

34. A letter from the Secretary of the Interior, transmitting tables showing the cost and other data with respect to Indian

Irrigation projects as compiled to the end of the fiscal year 1918 (H. Doc. No. 1494); to the Committee on Indian Affairs and ordered to be printed.

35. A letter from the Secretary of War, transmitting report of the National Reservation Commission for the fiscal year ended June 30, 1918 (H. Doc. No. 1495); to the Committee on Agriculture and ordered to be printed.

36. A letter from the Secretary of War, transmitting statement showing by bureaus and offices the number and designation the persons employed temporarily in the War Department (H. Doc. No. 1496); to the Committee on Appropriations and ordered to be printed.

37. A letter from the Secretary of the Treasury, transmitting statement of expenditures in the office of the Auditor of the War Deparment, the office of the Auditor of the Navy Department, and the offices of the assistant treasurers at New York, San Francisco, and New Orleans (H. Doc. No. 1497); to the Committee on Expenditures in the Treasury Department and ordered to be printed.

38. A letter from the Secretary of the Interior, transmitting a statement of receipts from rentals, extension of Capitol Grounds, for the period December 1, 1917, to October 31, 1918 (H. Doc. 1498); to the Committee on Appropriations and ordered to be printed.

39. A letter from the Superintendent of the Library Buildings and Grounds, transmitting information relative to travel in connection with official business during the fiscal year 1918 (H. Doc. No. 1499); to the Committee on Appropriations and ordered to be printed.

40. A letter from the Secretary of the Interior, transmitting a report of all moneys collected and deposited during the fiscal year ended June 30, 1918, under the appropriation "Determining heirs of deceased Indian allottees, 1918" (H. Doc. No. 1500); to the Committee on Indian Affairs and ordered to be printed.

41. A letter from the Secretary of the Interior, transmitting a statement of expenditures on account of the Indian Service for the fiscal year ended June 30, 1918 (H. Doc. 1501); to the Committee on Expenditures in the Department of the Interior and ordered to be printed.

42. A letter from the Secretary of the Interior, transmitting a report for the fiscal year ended June 30, 1918, relating to the appropriation "Indian schools, support, 1918" (H. Doc. No. 1502); to the Committee on Indian Affairs and ordered to be printed.

43. A letter from the Secretary of the Interior, transmitting a detailed report of the expenditures made for the purpose of encouraging industry among the Indians of the various reservations during the fiscal year ended June 30, 1918 (H. Doc. No. 1503); to the Committee on Indian Affairs and ordered to be printed.

44. A letter from the Secretary of the Interior, transmitting a detailed report of the expenditures made for the purchase of cattle for the Northern Cheyenne Indians on the Tongue River Reservation, Mont., for the fiscal year ended June 30, 1918 (H. Doc. No. 1504); to the Committee on Indian Affairs and ordered to be printed.

45. A letter from the Secretary of the Interior, transmitting a report of expenditures from the permanent fund of the Sioux Indians during the fiscal year ended June 30, 1918 (H. Doc. No. 1505); to the Committee on Indian Affairs and ordered to be printed.

46. A letter from the Secretary of the Interior, transmitting a report showing the diversion of appropriations for the pay of specified employees in the Indian Service for the fiscal year ended June 30, 1918 (H. Doc. No. 1506); to the Committee on Indian Affairs and ordered to be printed.

47. A letter from the Secretary of the Interior, transmitting a detailed report of expenditures made for the purpose of encouraging industry and support among the Indians on the Tongur Reservation, Mont., during the fiscal year ended June 30, 1918 (H. Doc. No. 1507); to the Committee on Indian Affairs and ordered to be printed.

48. A letter from the Secretary of the Interior, transmitting a statement of the cost of all survey and allotment work on Indian reservations for the fiscal year ended June 30, 1918 (H. Doc. No. 1508); to the Committee on Indian Affairs and ordered to be printed.

49. A letter from the Secretary of the Interior, transmitting a statement of the expenditures for the fiscal year ended June 30, 1918, of money carried on the books of this department under the caption, "Indian moneys, proceeds of labor" (H. Doc. No. 1509); to the Committee on Indian Affairs and ordered to be printed.

50. A letter from the Secretary of the Interior, transmitting a detailed report of the expenditures made for the purpose of encouraging industry among the Indians of the various reservations during the fiscal year ended June 30, 1918 (H. Doc. No. 1510); to the Committee on Indian Affairs and ordered to be printed.

51. A letter from the Superintendent of the Botanic Gardens, transmitting information relative to travel from Washington, D. C., in connection with official business during the fiscal year 1918 (H. Doc. No. 1511); to the Committee on Appropriations and ordered to be printed.

52. A letter from the Secretary of War, transmitting statements of expenditures, increase of compensation for the first four months of the fiscal year 1919 (H. Doc. No. 1512); to the Committee on Appropriations and ordered to be printed.

53. A letter from the Secretary of the Treasury, transmitting report with respect to the operations of the War Finance Corporation (H. Doc. No. 1513); to the Committee on Ways and Means and ordered to be printed.

54. A letter from the Secretary of War, transmitting a report showing sales of war supplies, material, lands, factories, or buildings and equipment by each of the several bureaus and departments of the War Department (H. Doc. No. 1514); to the Committee on Military Affairs and ordered to be printed.

55. A letter from the Secretary of the Interior, transmitting financial report of St. Elizabeths Hospital for the Insane (H. Doc. No. 1515); to the Committee on Expenditures in the Interior Department and ordered to be printed.

56. A letter from the Secretary of the Interior, transmitting detailed statement of receipts and expenditures on account of pay patients at Freedmen's Hospital for the fiscal year ended June 30, 1918 (H. Doc. No. 1516); to the Committee on Expenditures in the Interior Department and ordered to be printed.

57. A letter from the Secretary of the Interior, transmitting report that no diversions or expenditures were made from appropiations for purchase of subsistence for the several Indian tribes during the fiscal year ended June 30, 1918 (H. Doc. No. 1517); to the Committee on Indian Affairs and ordered to be printed.

58. A letter from the Secretary of the Interior, transmitting detailed statement of expenditures for professional and other services at Freedmen's Hospital for the fiscal year ended June 30, 1918 (H. Doc. No. 1518); to the Committee on Expenditures in the Interior Department and ordered to be printed.

59. A letter from the Secretary of the Interior, transmitting report showing proceeds from sale of supplies and obsolete material and equipment and collections from townsite assessments for the fiscal year ended June 30, 1918 (H. Doc. No. 1519); to the Committee on Appropriations and ordered to be printed.

60. A letter from the Secretary of Agriculture, transmitting report showing condition and character of papers not needed in the transaction of business and the amount of proceeds from the sale of such papers deemed useless (H. Doc. No. 1520); to the Committee on Disposition of Useless Executive Papers and ordered to be printed.

61. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report showing status of water terminals at cities and towns along the Ohio River between Pittsburgh and Cairo (H. Doc. No. 1521); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

62. A letter from the Secretary of the Interior, transmitting report that there have been no hostilities by any tribe of Indians with which the United States has treaty stipulations during the year 1918 (H. Doc. No. 1522); to the Committee on Indian Affairs and ordered to be printed.

63. A letter from the Secretary of the Interior, transmitting report of disbursements for the fiscal year ending June 30, 1919, under acts of Congress, for the endowment and support of colleges of agriculture and mechanic arts (H. Doc. No. 1523); to the Committee on Agriculture and ordered to be printed.

64. A letter from the Secretary of the Interior, transmitting report that no expenditures were made during the fiscal year ended June 30, 1918, for construction of hospitals from the appropriation "Relieving distress and prevention of disease among Indians" (H. Doc. No. 1524); to the Committee on Indian Affairs and ordered to be printed.

65. A letter from the Secretary of the Interior, transmitting a report for the fiscal year ending June 30, 1918, showing exchange of typewriters, adding machines, etc. (H. Doc. No. 1525); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. JOHNSON of Kentucky (by request of the Commissioners of the District of Columbia): A bill (H. R. 13194) to enlarge the powers of the Commissioners of the District of Columbia relative to the public health; to the Committee on the District of Columbia.

By Mr. OSBORNE: A bill (H. R. 13195) to prohibit the public or private display within the United States of America and its Territories and possessions of certain flags and emblems and prescribing penalties for the violation thereof; to the Committee on the Judiciary.

By Mr. HICKS: A bill (H. R. 13196) to provide that every person receiving an honorable discharge shall retain as his personal property without cost his uniform and other clothing; to the Committee on Military Affairs.

Also, a bill (H. R. 13197) to prescribe the personnel of the Navy Nurse Corps, the qualifications for appointment, and the method of appointment therein, the pay, allowances, and leave of absence of members of said corps, and the conditions under which they may be retired, and for other purposes; to the Committee on Naval Affairs.

By Mr. GOULD: A bill (H. R. 13198) providing for the distribution of ordnance captured or acquired by the American expeditionary forces in the war with Germany and Austria-Hungary; to the Committee on Military Affairs.

By Mr. CHANDLER of Oklahoma: A bill (H. R. 13199) to refer all claims of the Cherokee, Creek, and Seminole Indians, whether as individuals or otherwise, to the Court of Claims; to the Committee on Indian Affairs.

By Mr. FRENCH: A bill (H. R. 13200) to eliminate the necessity for most of the expenses and work in connection with the Dead Letter Division of the Post Office Department; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 13201) to provide for the retention by officers, soldiers, sailors, and marines of uniforms, clothing, and other articles upon their honorable discharge from service; to the Committee on Military Affairs.

By Mr. SWEET: A bill (H. R. 13202) to repeal all of Title II of an act "To provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and to supervise the issuance of securities, and for other purposes," approved April 5, 1918; to the Committee on Interstate and Foreign Commerce.

By Mr. BIRCH: A bill (H. R. 13203) for the purchase of a site and the erection of a public building at Dover, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. ALEXANDER: A bill (H. R. 13204) to establish load lines for vessels in foreign trade; to the Committee on the Merchant Marine and Fisheries.

By Mr. JONES: A bill (H. R. 13205) to provide for the retention of all uniforms issued to soldiers and sailors of the United States who have been honorably discharged, and providing also for the privilege of using same; to the Committee on Military Affairs.

By Mr. CLAYPOOL: Resolution (H. Res. 463) to initiate the necessary steps to open opportunities for employment to all workers in the United States who face enforced idleness; to the Committee on Rules.

By Mr. GALLAGHER: Joint resolution (H. J. Res. 357) requesting the commissioners plenipotentiary of the United States of America to the international peace conference to present to the said conference the right of Ireland to freedom, independence, and self-determination; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 13206) granting an increase of pension to Angeline McVicker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13207) granting an increase of pension to Joseph Brinton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13208) granting a pension to Cora Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13209) granting a pension to Susan Rowe; to the Committee on Pensions.

By Mr. CANTRILL: A bill (H. R. 13210) granting an increase of pension to Simon Reeder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13211) granting an increase of pension to Anderson Adams; to the Committee on Invalid Pensions.

By Mr. CRAGO: A bill (H. R. 13212) granting an increase of pension to John Wells; to the Committee on Invalid Pensions.

By Mr. FIELDS: A bill (H. R. 13213) granting a pension to Matilda Mitchell; to the Committee on Invalid Pensions.

By Mr. HICKS: A bill (H. R. 13214) to provide for the payment to Mrs. Erastus Bennett of insurance money of Pvt. Joseph Griffin; to Committee on Interstate and Foreign Commerce.

By Mr. JUUL: A bill (H. R. 13215) granting a pension to John S. Dornblaser; to the Committee on Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 13216) granting an increase of pension to Flemon M. Smith; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 13217) granting an increase of pension to Edward A. Lane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13218) granting an increase of pension to William V. Richardson; to the Committee on Pensions.

Also, a bill (H. R. 13219) granting a pension to Ellen J. Kidwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13220) granting a pension to Samuel L. Ensminger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13221) granting a pension to William Mendenhall; to the Committee on Pensions.

By Mr. SHERWOOD: A bill (H. R. 13222) granting an increase of pension to John Speaks; to the Committee on Invalid Pensions.

By Mr. SISSON: A bill (H. R. 13223) to relinquish, release, remise, and quitclaim all right, title, and interest of the United States in and to certain lands in the State of Mississippi; to the Committee on the Public Lands.

By Mr. SNOOK: A bill (H. R. 13224) granting a pension to Charlotte Perry; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 13225) for the relief of the Kanawha & Ohio Transfer Co.; to the Committee on Claims.

By Mr. TILSON: A bill (H. R. 13226) granting a pension to Emma A. Glenney; to the Committee on Invalid Pensions.

By Mr. VINSON: A bill (H. R. 13227) for the relief of Della James; to the Committee on Claims.

By Mr. WATSON of Pennsylvania: A bill (H. R. 13228) granting an increase of pension to Nicholas Baggs; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Resolution of a mass meeting of the Jugo-Slav societies of St. Louis, Mo., relative to the disposition of Jugo-Slav territory by peace conference; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Petition of Bricklayers' International Union No. 9, Brooklyn, N. Y., recommending measures to prevent another great war; to the Committee on Foreign Affairs.

By Mr. DARROW: Resolution of the Rotary Club of Philadelphia, favoring legislation for the retirement of superannuated Government employees; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH: Petition of Local Union No. 66, Journeymen Tailors' Union of America, La Crosse, Wis., protesting against 20 per cent tax on clothing; to the Committee on Ways and Means.

By Mr. MAGEE: Petition of Lamson Grange, No. 588, Lamson, N. Y., in opposition to the postal zone rate law; to the Committee on Post Offices and Post Roads.

By Mr. JOHN W. RAINEY: Resolution of city council of the city of Chicago, Ill., favoring the bill designating November 11 as a national holiday; to the Committee on the Library.

By Mr. RANDALL: Resolutions of the Friday Morning Club of Los Angeles and of the Principals' Club of the Los Angeles City Schools, indorsing the creation of a department of education; to the Committee on Education.

By Mr. VARE: Petition of the board of directors of the Philadelphia Bourse, requesting passage of the civil-service retirement and pension bill; to the Committee on Interstate and Foreign Commerce.

Also, appeal of the Market Street Merchants' Association of Philadelphia, for the passage of the bill for the retirement of civil Government employees; to the Committee on Interstate and Foreign Commerce.

SENATE.

WEDNESDAY, *December 4, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee that in this great Union of sovereign States there is a dominant spirit of submission to the Divine will. Throughout the length and breadth of this land there are multiplied millions who reverence the name of the God of our fathers. We pray that Thy servants in the Senate, expressing the thoughts and ideals of the great States of the Union, may also have a consciousness of the Divine presence and a supreme desire to honor and reverence Thy holy name. Give us to-day Thy guidance as we commit ourselves to the unerring counsel of the Divine mind. For Christ's sake. Amen.

IRVINE L. LENROOT, a Senator from the State of Wisconsin, appeared in his seat to-day.

The Journal of yesterday's proceedings was read and approved.

PRICE OF WHEAT.

Mr. GRONNA. Mr. President, I have before me a letter written by Judge Glasgow, chief counsel of the Food Administration, which I am going to ask to have read. I deem it of great importance, and I am only sorry that so few Senators are present.

However, before the letter is read, if I may be permitted, I want to say that I have received a great many letters not only from citizens of my State but from citizens of other States with reference to the guaranteed price of wheat for the year 1919. I have answered a great many of them and stated the facts as I understand them to be. I have read in some of the newspapers of the country that the guaranteed price of wheat for 1919 could in fact not be carried out, but that the wheat guaranty would end with the war. This, as I understand it, not only places the Food Administration and the Department of Agriculture in a false light, but I think it also reflects upon the Chief Executive of the Nation, because the President of the United States has by proclamation fixed the price of wheat for 1919. While it is true, Mr. President, that no appropriation has been made for putting into effect the organization necessary to carry it out, that can, of course, be done by Congress, and I expect it will be done by Congress. Such an agency was designated to carry out this agreement for 1918, and I assume that Congress will enact legislation that will make it possible to carry out the guaranty for 1919.

I ask to have the letter read at the Secretary's desk, and I also ask that the proclamation made by the President of the United States on September 2, 1918, and which is printed in the Official Bulletin, be printed in the RECORD.

The VICE PRESIDENT. Without objection, leave will be granted, and the Secretary will read as requested.

The Secretary read the letter, as follows:

UNITED STATES FOOD ADMINISTRATION,
Washington, D. C., December 3, 1918.

Hon. ASLE J. GRONNA,
United States Senate, Washington, D. C.

DEAR SENATOR: Referring to our conversation this morning, I have seen in at least one newspaper the statement that "the wheat guaranty is to end with the war," and I have seen in at least one newspaper the statement that "the conclusion of peace will terminate the effectiveness of the Government's guaranteed price for the 1918–19 wheat crop," and there could not be a more misleading or more inaccurate statement, as it is directly contrary to the act of Congress, the proclamation of the President made in pursuance thereof, and the uniform information given out by the officers of the Food Administration and the Grain Corporation.

By the proclamation of February 21, 1918, the President fixed the guaranteed price for wheat harvested in the United States during the year 1918 and offered for sale before the 1st day of June, 1919, and to carry out and make effective the guaranty for the 1918 harvest the President by Executive order of June 2, 1918, designated the Food Administration Grain Corporation as the agency of the United States for the purpose.

By proclamation of September 2, 1918, the President, under the authority of the act of Congress known as the Lever Act, fixed and determined the reasonable guaranteed price of wheat for the crop of 1919 for the principal primary markets, such price being $2.26 at Chicago and at other markets at a relative price, and the proclamation proceeds as follows:

"The sums thus determined and fixed are guaranteed by the Government of the United States at the principal primary markets of the United States, above mentioned, to every producer of wheat at any grade so established under the United States grain-standards act, upon the condition that said wheat is harvested in the United States during the year 1919 and offered for sale before the 1st day of June, 1920, to such agent or employee of the United States or other person as may be hereafter designated, etc."

While the agency has been designated for the 1918 crop, the agency to carry out this guaranty for the 1919 crop has not yet been designated.

Therefore the end of the war or the proclamation of peace does not in any way affect the present guaranteed price made by the United States Government for the wheat harvested in the year 1919. The only condition to the effectiveness of the guaranty is that such wheat should be offered for sale before the 1st day of June, 1920. Neither the officers of the Food Administration nor of the Grain Corporation have ever suggested any other view or have expressed any other opinion.

It is proper for me to say, however, that it is very probable that it will be necessary that Congress should be called upon to aid financially and perhaps by the creation of additional agencies to make good the guaranty as to the wheat harvested in the year 1919, and when the proper time comes and sufficient information is at hand upon which to base a recommendation Congress will undoubtedly be apprised of the whole situation and its powers be invoked for the maintenance of the guaranty made under its authority.

Believe me, very truly, W. A. GLASGOW, Jr.,
Chief Counsel.

The proclamation by the President of the United States is as follows:

PRESIDENT EXPLAINS PLANS TO INSURE FAIR WHEAT PRICE FOR CROPS GROWN IN 1919—BASIS OF GOVERNMENT GUARANTY—COMMISSION TO BE APPOINTED NEXT SPRING TO REPORT ON ALL FACTORS NOW OR THAT MAY THEN EXIST TO GUIDE HIM IN DECISIONS.

MEMORANDUM.

SEPTEMBER 2, 1918.

In issuing to-day the Government's guaranty of the same price for the 1919 wheat crop that was guaranteed for the 1918 crop I wish it to be understood that in the spring of 1919 I will appoint a disinterested commission, who will secure for me the facts by that time disclosed as to the increased cost of farm labor and supplies, using the three-year prewar average prices of wheat, of labor, and of supply costs as a basis, and that from this information I shall determine whether there should be an increase in price above the present level, and, if so, what advance, in order to maintain for the farmer a good return. Should it then appear that an increase is deserved over the present guaranty, however, it will be applied only to those who have by next harvest already marketed their 1918 wheat.

It is the desire and intention of all departments of the administration to give to the wheat grower a fair and stimulative return in order that the present acreage in wheat may be maintained.

I find a great conflict of opinion among various sections of the country as to the price that should be named as a minimum guaranty. It must be obvious to all, however, that the factors which will make for increased or decreased cost of production of next year's harvest can not be determined until the near approach to the harvest.

In giving a guaranteed price for wheat one year in advance (the only industry guaranteed by the Government) there is involved a considerable national risk. If there should be peace or increased shipping available before the middle of 1920, Europe will naturally supply itself from the large stores of much cheaper wheat now in the Southern Hemisphere; and therefore the Government is undertaking a risk which might in such an event result in a national loss of as much as $500,000,000 through an unsalable surplus; or, in any event, in maintaining a high level of price to our own people for a long period subsequent to freedom in the world's markets.

Despite this, the desirability of assuring a supply to the world of prime breadstuffs by insuring the farmer against the fluctuations in prices that would result from the uncertainties of the present situation and from the speculation those uncertainties entail, seems to me to make the continuation of the guaranty for another year desirable. On the other hand, it is clear that before increasing this liability by large sums with the risks set forth above, and before increasing the burden of the consumer, the matter should be subjected to searching inquiry at the appropriate time—the time when the pertinent facts will be known.

I feel confident that with this preliminary fixed guaranty, and with the assurance that justice will in any event be done to the grower, he will continue the fine patriotic effort by which he has served the country hitherto; that the Government will have acted prudently; and that the consumer will be satisfied that his interests are not unduly sacrificed, but just and exhaustive consideration given to every element of the matter at the proper time.

WOODROW WILSON.

PROCLAMATION GUARANTEEING PRICE FOR THE WHEAT CROP GROWN IN 1919 IS ISSUED BY PRESIDENT WILSON.

[By the President of the United States of America.]

A PROCLAMATION.

Whereas under and by virtue of an act of Congress entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel," approved by the President on the 10th day of August, 1917, it is provided, among other things, as follows:

"SEC. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States, shall have the benefits of the guaranty provided for in this section, he is authorized, from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain standards act approved August 11, 1916. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed prices, and in particular governing conditions of delivery and payment; and differences in price for the several standard grades in the principal primary markets of the United States adopting No. 1 northern spring or its equivalent at the principal interior primary markets as the basis. Thereupon the Government of the United States hereby guarantees every producer of wheat produced within the United States that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guarantee within the period, not exceeding 18 months, prescribed in the notice, a price not less than the guaranteed price therefor as fixed pursuant to this section. In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty."

Now, therefore, I, Woodrow Wilson, President of the United States, by virtue of the powers conferred upon me by said act of Congress, and especially by section 14 thereof, do hereby find that an emergency exists requiring stimulation of the production of wheat, and that it is essential that the producers of wheat produced within the United States

shall have the benefits of the guarantee provided for in said section, and in order to make effective the guaranty by Congress for the crop of 1919 and to assure such producers a reasonable profit I do hereby determine and fix and give public notice of reasonable guaranteed prices for No. 1 northern spring wheat and its equivalents at the respective principal primary markets as follows, to wit:

New York, N. Y., $2.39½ per bushel.
Philadelphia, Pa., $2.39 per bushel.
Baltimore, Md., $2.38½ per bushel.
Newport News, Va., $2.38½ per bushel.
Duluth, Minn., $2.22½ per bushel.
Minneapolis, Minn., $2.21½ per bushel.
Chicago, Ill., $2.26 per bushel.
St. Louis, Mo., $2.24 per bushel.
Kansas City, Mo., $2.18 per bushel.
Omaha, Nebr., $2.18 per bushel.
New Orleans, La., $2.28 per bushel.
Galveston, Tex., $2.28 per bushel.
Tacoma, Wash., $2.20 per bushel.
Seattle, Wash., $2.20 per bushel.
Portland, Oreg., $2.20 per bushel.
Astoria, Oreg., $2.20 per bushel.
San Francisco, Cal., $2.20 per bushel.
Los Angeles, Cal., $2.20 per bushel.
Salt Lake City, Utah, $2 per bushel.
Great Falls, Mont., $2 per bushel.
Pocatello, Idaho, $2 per bushel.
Spokane, Wash., $2 per bushel.

And that the guaranteed price for the other grades established under the United States grain standards act, approved August 11, 1918, based on said price for No. 1 northern spring wheat at the respective principal primary markets of the United States above mentioned, will assure the producers of wheat produced within the United States a reasonable profit; the guaranteed prices in the principal primary markets above mentioned being fixed by adopting No. 1 northern spring wheat or its equivalents at the principal interior markets as the basis.

For the purposes of such guaranty only I hereby fix the guaranteed prices at the respective principal primary markets above mentioned for the following grades of wheat, to wit, No. 1 northern spring, No. 1 hard winter, No. 1 red winter, No. 1 Durum, No. 1 hard white. The guaranteed prices at the respective principal primary markets aforesaid of all other grades of wheat established under the United States grain standards act approved August 11, 1916, shall be based on the above-guaranteed prices and bear just relation thereto.

The sums thus determined and fixed are guaranteed by the Government of the United States at the respective principal primary markets of the United States above mentioned, to every producer of wheat of any grade so established under the United States grain standards act, upon the condition that said wheat is harvested in the United States during the year 1919, and offered for sale before the 1st day of June, 1920, to such agent or employee of the United States, or other person, as may be hereafter designated, at any one of the above-mentioned cities, which are hereby declared to be the principal primary markets of the United States, and provided that such producer complies with all regulations which may be hereafter promulgated in regard to said guaranty by the President of the United States.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the District of Columbia this 2d day of September, in the year of our Lord 1918, and of the independence of the United States of America the one hundred and forty-third.

[SEAL.] WOODROW WILSON.

PETITIONS AND MEMORIALS.

Mr. SHERMAN. I present resolutions adopted by the congregation of the First Congregational Church, of Decatur, Ill., in regard to the observance of a universal Thanksgiving Day. I ask that they be received and properly referred.

The VICE PRESIDENT. The resolutions will lie on the table.

Mr. SHERMAN. I present a copy of a resolution from the Home Market Club, of Boston, Mass., in regard to the preparation of peace conditions, which I should like to have printed in the RECORD. It is very short.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION IN FAVOR OF A PROTECTIVE TARIFF.

We remind the people of the country that we were unprepared for war. We warn the country that we are unprepared for peace. While every other great nation among the belligerents has given careful and constant study to the problems of reconstruction, we face the future without plan or program or preparation. We still retain upon our statute books a tariff law passed nearly a year before the outbreak of the war and which is entirely unsuited to the new conditions which will confront us now that the war has ended. It was clearly demonstrated before the war that the Underwood-Simmons tariff law brought distress to the country, unemployment to labor, and loss and bankruptcy to business. The energies of the Nations will now be directed to industry and commerce. Competitive conditions will be restored and the struggle for world markets will be renewed. The war brought tremendous expansion to our industries and largely increased wages to labor. These industries can not prosper nor can labor be properly remunerated if competition with foreign countries is unregulated and the importation of competitive goods is unrestricted. We believe in the maintenance of the American standard of living, in the ample reward of labor, and in a fair profit for business enterprise. These ends can be obtained only by such a measure of protection as will safeguard our industries, and we respectfully urge upon Congress the necessity of reenacting an adequate protective tariff.

Mr. HALE presented a petition of sundry citizens of Maine, praying for the enactment of legislation to prevent any German or Austrian reservist or other person opposed to the United States from returning to the United States for any purpose whatever, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented resolutions adopted by the New England Hardware Dealers' Association, favoring universal military training and the establishment of a league of nations, which were referred to the Committee on Foreign Relations.

He also presented resolutions of the South Middlesex Conference of Unitarian Churches of Massachusetts, favoring the establishment of a league of nations to maintain peace, which were referred to the Committee on Foreign Relations.

Mr. MOSES presented resolutions adopted by Local Division No. 1, Ancient Order of Hibernians, of Manchester, N. H., requesting the President to use his influence in securing the freedom of Ireland, which were referred to the Committee on Foreign Relations.

ARKANSAS RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably, without amendment, the bill (H. R. 13153) extending the time for the construction of a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark., and I submit a report (No. 615) thereon. I call the attention of the Senator from Arkansas [Mr. ROBINSON] to the bill.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CALDER:

A bill (S. 5086) amending the act approved March 3, 1918, relative to the incorporation of the National Conservatory of Music of America; to the Committee on the Library.

By Mr. POINDEXTER:

A bill (S. 5087) granting one month's extra pay to all officers and enlisted men honorably discharged from the Army, Navy, or Marine Corps on or after November 11, 1918; to the Committee on Military Affairs.

By Mr. BANKHEAD:

A bill (S. 5088) to amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916; to the Committee on Post Offices and Post Roads.

By Mr. GORE:

A bill (S. 5089) to provide for the acquisition of a site and the erection thereon of a public building at Henryetta, Okla.; and

A bill (S. 5090) to authorize the acquisition of a site and the repairing and enlargement of a Federal building thereon at Okmulgee, Okla.; to the Committee on Public Buildings and Grounds.

CONTROL OF RAILROADS.

Mr. SMITH of Georgia. Mr. President, I send to the desk a bill which I ask to have read.

The VICE PRESIDENT. In full?

Mr. SMITH of Georgia. Yes. It is short. I wish to say that I consider it pertinent to perhaps the most important problem of our reconstruction. It deals somewhat with the railroad problem and suggests a step preparatory and probably necessary to the return of the railroads to their owners.

The bill (S. 5085) to amend an act entitled "An act to provide for the operation of transportation systems while under Federal control, for just compensation of their owners, and for other purposes," approved March 21, 1918, was read the first time by its title, the second time at length, and referred to the Committee on Interstate Commerce, as follows:

A bill (S. 5085) to amend an act entitled "An act to provide for the operation of transportation systems while under Federal control, for just compensation of their owners, and for other purposes," approved March 21, 1918.

Be it enacted, etc., That the "Act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," approved March 21, 1918, be, and the same is hereby, amended as follows:

That the following provision of section 10 of said act is hereby repealed:

"That during the period of Federal control, whenever in his opinion the public interest requires, the President may initiate rates, fares, charges, classifications, regulations, and practices by filing the same with the Interstate Commerce Commission, which said rates, fares, charges, classifications, regulations, and practices shall not be suspended by the commission pending final determination.

"Said rates, fares, charges, classifications, regulations, and practices shall be reasonable and just and shall take effect at such time and upon such notice as he may direct, but the Interstate Commerce Commission shall, upon complaint, enter upon a hearing concerning the justness and reasonableness of so much of any order of the President as establishes or changes any rate, fare, charge, classification, regulation, or practice of any carrier under Federal control, and may consider all the facts and circumstances existing at the time of the making of the same. In determining any question concerning any such rates, fares,

charges, classifications, regulations, or practices or changes therein, the Interstate Commerce Commission shall give due consideration to the fact that the transportation systems are being operated under a unified and coordinated national control and not in competition.

"After full hearing the commission may make such findings and orders as are authorized by the act to regulate commerce as amended, and said findings and orders shall be enforced as provided in said act: *Provided, however*, That when the President shall find and certify to the Interstate Commerce Commission that in order to defray the expenses of Federal control and operation fairly chargeable to railway operating expenses, and also to pay railway tax accruals other than war taxes, net rents for joint facilities and equipment, and compensation to the carriers, operating as a unit, it is necessary to increase the railway operating revenues, the Interstate Commerce Commission in determining the justness and reasonableness of any rate, fare, charge, classification, regulation, or practice shall take into consideration said finding and certificate by the President, together with such recommendations as he may make."

That the following provision is hereby substituted for the provision repealed:

"SEC. 2. That during the period of Federal control, whenever in his opinion the public interest requires, the President may initiate rates, fares, charges, classifications, regulations, and practices by filing the same with the Interstate Commerce Commission. Said rates, fares, charges, classifications, regulations, and practices shall be reasonable and just and shall take effect at such time and upon such notice as he may direct; but the Interstate Commerce Commission may of its own initiative, and shall upon complaint, enter upon a hearing concerning the justness and reasonableness of so much of any order of the President, heretofore or hereafter made, as establishes or changes any rates, charges, classifications, regulations, or practices of any carrier under Federal control, and may consider all the facts and circumstances in connection therewith, and said rates, fares, charges, classifications, regulations, and practices may be suspended or modified by the commission pending final determination.

"After full hearings the commission may make such findings and orders as are authorized by the act to regulate commerce, as amended, and such findings and orders shall be enforced as provided in said act."

Mr. SMITH of Georgia. If the Senate will permit me for just one moment, I will state that the object of this bill is to strike out from the present act authorizing the control of the railroads by the President the provision that permits changes to be made by the President or by the Director General of Railroads in the rates, fares, regulations, and management of the railroads without the control of the Interstate Commerce Commission. This bill will restore to the Interstate Commerce Commission the right to suspend any order passed by the Director General of Railroads with reference to rates or to review and modify any such order on its own initiative without waiting for complaints. It is intended to entirely restore to the Interstate Commerce Commission, now that the war is over, the jurisdiction over railroads and rates, even though in the hands of the President, which it had when they were in the hands of private owners.

MINING CLAIMS IN ALASKA.

Mr. JONES of Washington. Mr. President, on October 5, 1917, the Senate passed a joint resolution suspending the section of the Revised Statutes requiring certain annual assessments and improvements to be made upon mining claims. Congress has passed a special act relating to assessments for the Territory of Alaska. It was thought for some time that the joint resolution applied to Alaska as well as to the continental part of the United States.

A very serious question has been raised as to whether or not that is true; and in order to avoid complications I have prepared a joint resolution extending the provisions of the joint resolution of October 5 to Alaska. I desire to present it and have it referred to the Committee on Territories. I trust that the chairman of the Committee on Territories will call the committee together at an early date to consider the matter.

The joint resolution (S. J. Res. 190) extending to the Territory of Alaska the provisions of the joint resolution entitled "Joint resolution to suspend the requirements of annual assessment work on mining claims during the years 1917 and 1918," approved October 5, 1917, was read twice by its title and referred to the Committee on Territories.

THE REVENUE.

Mr. GORE submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

THE PRESIDENT.

Mr. FLETCHER. Mr. President, I desire to have printed in the RECORD an editorial appearing in the Christian Science Monitor of November 25, 1918. I commend the editorial to those who are engaged in the rather small partisan business of criticizing the President.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRESIDENT.

Now that the war is over some of the conditions in the United States which the war created are either passing away automatically or are threatened with speedy removal. This newspaper pointed out, when the United States entered the conflict, that the Government of the Republic would, for the time being, become practically a dictatorship, more power being delegated to the President during the continuance of hostilities than had in modern times been granted to the rulers of most monarchies.

The United States is a Government in which the voice of the public rules. If the public in an emergency expresses its willingness temporarily to suspend ordinary processes its right to do so can not be questioned, even though this may involve, as it has involved since April, 1917, many departures from strict constitutional methods and common usages. By tacit and general consent of the people it was agreed that the President, in the conduct of the war, should be given full power to act. In this, Congress, whether it liked it or not, and there was no serious dissent in that quarter, had to acquiesce. Thus, in a sense, the Republic became for the duration of the war virtually an autocracy. What the President said became law.

He sought certain authority beyond that with which he was constitutionally vested; the public backed his demand; Congress granted it. He was enabled to do on his own motion that which, in the ordinary course of procedure, would require the sanction of Congress and a favorable opinion from the Supreme Court. The great end in view was the winning of the war, and the public, having implicit confidence in the Executive, permitted him to go about the winning of it in his own way. His way proved successful, so far as the part of the United States in the conflict was concerned.

In granting their President plenary power in the conduct of the Nation through one of the most critical periods of its history the people surrendered not an iota of the power belonging to themselves. They reserved the right to withdraw from him all the authority they had conferred at the turn of a hand or the quiver of an eyelash, should he fail in the performance of his duty; vox populi was the real autocrat; Woodrow Wilson simply its instrument.

Much stir is now made among a certain group in the Senate concerning the necessity of shearing President Wilson of his extraordinary or extraconstitutional powers, but even the most urgent in demanding that the country return to normal conditions in government are reluctant to say that the return shall be immediate. The war is over, but certain questions growing out of its triumphant conclusion remain to be settled. It may be said to be the universal belief in the United States that President Wilson should not be limited, either in the influence or in the authority which he shall take with him to the peace conference. What the so-called "revolting" Republican Senators are demanding more particularly is that the legislative branch of the Government shall reclaim and maintain its coordinate power with the Executive in carrying on the work of reconstruction.

In this position the people, when the proper time arrives, will be found on their side, and there is not the shadow of a reason to suppose that the President will be found in opposition. When the peace of the world is established, as it will be very soon, on a foundation of common justice, the Government of the United States will slip back into its normal groove without the slightest friction. Thenceforth, or until some other exceptional emergency calls for extraordinary procedure, Congress, as the Constitution prescribes, will make the laws and the President will execute them, as usual. No democratic institution has been undermined, impaired, or even threatened, by recent departures from the letter of the Constitution; the Constitution and the country are alike safe so long as they are made to serve the purposes of the people.

It is not a very wholesome symptom that, almost before the ink with which Germany has signed away her hope of becoming a dominating world power is dry, marking as the act does the greatest triumph of democracy in a century, if not in all history, certain irreconcilables in the United States Senate should be afforded opportunity of misrepresenting and attempting to belittle a man whom the whole world cheerfully recognizes as one of the most important factors in the achievement of this victory. There is no excuse for impugning the motives, much less for questioning the loyalty of Woodrow Wilson to the United States Constitution and to American ideals. It is not only nonsensical but exceedingly dangerous at this time, when hidden evil forces are seeking every possible means of expression, every possible method of propagating suspicion, discontent, and sedition among the masses, that men in high public office should indulge, through partisan rancor, in aspersions tending to create disunion among good citizens.

Common sense, common prudence, and ordinary judgment should, one would think, impel those intrusted with public responsibility to take a broader than partisan view of the work that lies before the President at this juncture. He is responding to a world invitation in consenting to attend the peace conference. His presence at the board is sought because his counsel is everywhere esteemed. The Nation he will represent should feel proud of the honor conferred upon him. It has stood behind him in the making of war; it should stand behind him in the making of peace.

PEACE TERMS.

Mr. FRELINGHUYSEN. Mr. President, I submit a resolution and ask that it be read by the Secretary.

The resolution (S. Res. 364) was read, as follows:

Whereas the President has informed Congress that the bases of peace outlined by him on the 8th of January last have been accepted by the allied Governments and by the central empires, and that it is his duty to see that no false or mistaken interpretation is put upon them; and

Whereas the President has never stated his own interpretation of such bases and the same, particularly those relating to "a league of nations" and the "freedom of the seas," are open to various interpretations, some of which may be in conflict with established national traditions; and

Whereas the President has announced that the various steps in the approaching negotiations abroad shall be promptly made known to the American people: Therefore be it

Resolved, That the President be, and he is hereby, respectfully requested to make publicly known his own interpretation of his proposed peace terms as presented to Congress January 8, 1918, and not attempt to impose such interpretation upon the international conference about to assemble until full opportunity is presented to the American public to become acquainted with the same, to the end that this Nation may not be committed to policies in contravention of the traditions of the United States; and be it further

Resolved, That a copy of this resolution be forthwith transmitted to the President.

Mr. FRELINGHUYSEN. I ask unanimous consent for five minutes' time to express my views on this resolution before it

goes to the Committee on Foreign Relations, the proper committee to which it should be referred.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. FRELINGHUYSEN. Mr. President, in his address to Congress of December 2 the President informed us that the bases of peace outlined by him to us on the 8th of January last have been accepted by the allied Governments and by the central empires, and by way of explanation of his trip to Europe he stated that it was his duty to see "that no false or mistaken interpretation is put upon them."

In view of this explanation it requires no argument to show that various interpretations may be placed upon the bases of peace which he outlined. Some of the bases relate not merely to a settlement of the present war, but to our relations in the future with all Governments. Heretofore we have been guided by certain traditions. The immortal Washington in his farewell address gave certain advice which we have religiously followed. He said:

> Europe has a set of primary interests which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

It may well be that conditions have so changed that we should no longer follow advice by which we have been guided for more than a century. As a representative of the people, it seems to me that we should not bind ourselves to a policy at variance with it unless certain that such is the will of the people.

The fourteenth basis proposed by the President reads:

> A general association of nations must be formed under specific covenants for the purpose of affording mutual guaranties of political independence and territorial integrity to great and small States alike.

Does this basis mean that we will join with European nations in a guaranty of the political independence and territorial integrity of all States both great and small? Does it means that to preserve such territorial integrity and political independence we will in fulfillment of our guaranty use whenever necessary our Army and Navy? Does it mean that henceforth we must take part in all political and territorial disputes throughout the world? We have among us many who came to our shores and the children of many who came to our shores because of the constant quarrels and jealousies of European nations and because of the fear that such quarrels and jealousies might any day involve them in war. I do not say that we should not do our utmost to prevent future wars. That I concede is our duty, but if we propose to obligate ourselves to use our Army and Navy whenever necessary in any part of the world to preserve peace, we should be certain that we are conforming to the will of those whom we represent.

The President is the chosen leader of the United States. Any proposal which he may make will naturally carry with it great weight. If he proposes in behalf of the United States the use of its Army and Navy to preserve the peace of the world, or if he assents to any such proposal if made by another nation, what position will the Senate be in should such a proposal be adopted? Constitutionally we will be free to exercise our own judgment and to accept or reject any treaty which the Executive may negotiate. Will we, however, be free from embarrassment should other nations say to us, Your Chief Executive spoke in behalf of the American public and supposedly voiced their views? That brings me to the point of my motion. Is the President sure that his interpretation of the bases of peace is the interpretation of the American public? As he has never made known such interpretation, how can we be sure? Should he not, in all justice, before he makes any proposal on such momentous questions make known to the public what interpretation he places upon his fourteenth basis, and should he not afford the public an opportunity to voice its opinion?

The fourteenth basis is not the only one which involves a comparison of our past traditions with what should be our policy in the future. During the Civil War in order to preserve the Union we found it necessary to insist upon and to exercise the right to condemn cargo owned by a neutral and shipped from one neutral port to another neutral port where it appeared that such cargo was ultimately intended for transshipment to the enemy. In Europe the doctrine of ultimate destination was disputed, but if that doctrine had not been practiced during the present war who will dare say what would have been the result? Certainly the prevention of supplies reaching Germany through neutral countries contributed in no small measure to her defeat. Can anyone here tell me what is the true interpretation of the second basis of peace outlined by the President in January last? It reads:

> Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

If such had been the rule during the Civil War could supplies have flowed uninterrupedly from Europe to the South by way of Mexico? If in force during the present war, could supplies have flowed uninterruptedly from North and South America to Germany through Holland? I confess that I do not know what is the true interpretation of the phrase "absolute freedom of navigation upon the seas," and as a representative of the people I respectfully suggest that if the President's interpretation involves a departure from our traditions he should not propound such interpretation as a proposal in behalf of the American public unless he is certain that the American public approves it. How can he be certain that the American public approves an interpretation which has never been made known to it?

It is hardly necessary for me to call attention to any other basis of peace proposed by the President to illustrate my viewpoint. There has never been a time in our history which called for greater caution and wisdom. There has never been a time when the practice of pitiless publicity, so frequently advocated by the President, was more urgently required. The American public is a reading public, a thinking public. It does not hesitate and will not hesitate to express its opinion if afforded an opportunity. In my opinion the President should not in behalf of the American public make proposals which involve a radical departure unless he is certain that his proposal carries with it the approval of the people. Though we are not bound by any treaty which he may negotiate, still, in view of the fact that he was chosen by the people to the highest position in the country, other nations may not recognize that his proposals are subject to our review and may feel affronted should we differ from him. It is his duty as well as ours to act for the people; and, to avoid misunderstanding, it seems to me that the people should be told by him what is the interpretation which he places upon his bases of peace and should be advised to what extent he intends in their behalf to propose a policy which may involve an abandonment of our traditions. All I ask is that the public should be taken into the confidence of the President, that he should afford the public an opportunity to express its views, and, should it appear that there is a pronounced view upon any subject, that he will not run counter to it. It is for such reason that I have introduced my motion.

Mr. WALSH. Mr. President, in the very pertinent remarks made by the distinguished Senator from New Jersey [Mr. FRELINGHUYSEN] he adverted to the rather embarrassing position in which the Members of the Senate would be placed in the exercise of their constitutional duties should the peace conference act in accordance with and confirm the 14 points that were advanced by the President as the proper basis for the treaty of peace in his address to Congress on the 8th of January last. Of course, as indicated by the Senator from New Jersey, every Senator will be at liberty to exercise his own judgment concerning the matter of confirming or rejecting any treaty that may be submitted to the Senate; yet, as stated by the Senator from New Jersey, every Senator holding adverse views will be laboring under very particular embarrassment, these views having been presented by the Chief Executive of the country at the peace conference.

I want to submit, Mr. President, that the embarrassment will be increased, however, by the fact that this address was made to Congress nearly a year ago. On the 8th day of January last the President announced his views as to the kind of a treaty of peace which should be made. Up to within six weeks of this time I have no recollection that any Member of the Senate has expressed any divergence from those views thus announced by the President. We have heard within the last 30 or 60 days no little criticism of these 14 points as a proper basis for peace, and much has been said concerning the indefiniteness of these declarations and of the necessity for further elucidation of their meaning in order to clear up the obscurity which may inhere in them.

Mr. POINDEXTER. Mr. President——

Mr. WALSH. Just a moment.

Now, Mr. President, we shall be under an added embarrassment by reason of the fact that we did not speak earlier, as it seems to me, in relation to these 14 points. If the address to which we have listened this morning by the Senator from New Jersey had been made immediately upon the address of the President in January last, of course the world would have been put upon notice that the President did not speak the universal voice of the people of America; but it seems to me, Mr. President, that, in the absence of any particular criticism of the address

down to within the most recent times, the people of the world very justly assumed that the views thus expressed by the President were indorsed by this great Nation.

Now I yield to the Senator from Washington.

Mr. POINDEXTER. I should like to ask the Senator from Montana if it is not true that he heard at the time the President made this address and various other addresses on the terms of peace—some of them made even before we had begun the war and continued at frequent intervals from that time down to the present—criticism of the President for discussing terms of peace while we were endeavoring to concentrate our energies upon gaining the victory?

Mr. WALSH. I have no such criticisms in mind. I do not undertake to say that they were not made; but that is not the point that I am making. The President did declare that a treaty ought to be made upon the basis that he laid down; and I undertake to say that, in this body at least, down to within 60 days no dissent has been made from those principles; at least I speak from my own recollection about the matter.

Mr. KNOX. Mr. President——

Mr. WALSH. I have yielded to the Senator from Washington [Mr. POINDEXTER].

Mr. KNOX. May I correct the Senator from Montana as to the facts?

Mr. WALSH. I have yielded to the Senator from Washington.

Mr. KNOX. May I have the floor for a moment?

Mr. POINDEXTER. I will conclude in just a moment.

Mr. KNOX. Very well.

Mr. POINDEXTER. Mr. President, I want to say in my own behalf as an individual, enjoying the right of independent opinion, as every other citizen of the country does, and in whatever responsibility devolves on me as a Senator of the United States, that I do not feel that I am in default in not having expressed opinions on this subject and I do not believe that the American people are in default upon it.

My understanding of the attitude of those who differed with the President in regard to this matter is that they deprecated the continuous discussion by the President, or by anybody else, especially anyone else in authority, of peace, and the cry of peace, peace, peace, and what the terms of peace should be, before we had even been able to mobilize our resources to gain the victory which was the essential foundation for any peace, whatever its terms might be.

Mr. KNOX. Mr. President——

Mr. WALSH. I now yield to the Senator from Pennsylvania.

Mr. KNOX. Mr. President, referring to the specific proposition of the Senator from Montana [Mr. WALSH] that he had not heard in this body any dissent from the views expressed by the President last January, I wish to call the Senator's attention to the fact, which he has evidently overlooked, that, so far from this body being estopped from criticizing the points made by the President, the action of this body, at least technically, stands adverse to those points, and for this reason: Within a day or two after the President had delivered his address announcing the 14 points the Senator from Illinois [Mr. LEWIS] introduced into the Senate a resolution approving the conditions of peace announced by the President. That resolution was referred to the Committee on Foreign Relations; it was taken up by that committee for consideration, and it was developed that to press the resolution would be to cause a spirited and untimely discussion of the subject upon the floor of the Senate, which would not be to any advantage; and that resolution lies to-day in the pigeonholes of the Committee on Foreign Relations.

Mr. WALSH. Mr. President, the fact remains, however, as I have stated, that no one has arisen on the floor, until the Senator from New Jersey spoke this morning, to express the slightest dissent.

I now desire to add further that in the month of May, 1916, in a public address delivered in this city, which was introduced as a part of the CONGRESSIONAL RECORD, the President announced, in a general way at least, his adherence to the idea of a league of nations for securing the permanent peace of the world. I have no recollection of any particular criticism upon the floor of the Senate of the views thus expressed by him until within the last 60 days.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. WALSH. I yield.

Mr. FRELINGHUYSEN. Do I understand the Senator from Montana to assert that the American public are irrevocably committed to the 14 principles as declared nearly 11 months ago by the President of the United States?

Mr. WALSH. No; I have not said so, and I have not said that any Senator is irrevocably committed; but I do say that any Senator who has remained silent for a year after these views of the President have been expressed and after the people of the world have had just reason for believing that he spoke the views of the American people ought to hesitate a little bit now about voicing his criticism.

Mr. FRELINGHUYSEN. May I state, in reply to the Senator from Montana, that at that time we were at war, the outcome of which was in doubt, and it was the feeling of many Senators, including myself, that at that time it was not proper to criticize the peace terms of the President.

Mr. JOHNSON of California and Mr. KELLOGG addressed the Chair.

The VICE PRESIDENT. The Senator from California.

Mr. JOHNSON of California. Mr. President, I am very glad, indeed, that the resolution was presented by the Senator from New Jersey [Mr. FRELINGHUYSEN], and much that he says finds a very responsive echo in my own thought. I feel, as the Senator from Washington [Mr. POINDEXTER] has stated, that no man upon this floor is estopped from questioning, opposing, or controverting the terms that were laid down by the President in his address of January last. I recall that address most vividly. I remember that after that address was made and the general principles announced in it there were some of us who dissented very vigorously from it, and I recall, too, that just one month later the President of the United States made another address, in which, substantially, he said that his previous terms were tentative and that they constituted but a provisional sketch. I do not state his language exactly; I state my interpretation of it. I remember also that after that February address some of us commented upon it and expressed our approval of it and our approval of the fact that it was a modification of the January address.

As the Senator from New Jersey well says, we are to-day in the situation that we do not know the President's interpretation of what he has stated regarding terms of peace; the American people do not know the President's interpretation of his 14 points. Some of them are nebulous; some of them are yet indefinable; some of them as yet are not understood; and the President of the United States has departed, or is about to depart, for a foreign shore, leaving the American people neither understanding what he meant nor knowing what he goes for.

Mr. PITTMAN. Mr. President——

Mr. JOHNSON of California. He says that he goes for the purpose, as I understood his address the other day, of interpreting to somebody else the terms of peace that he laid down in January last. What we ask, not in any partisan spirit at all but echoing what our people ask, is that he interpret first to the American people and to the American Congress.

Mr. PITTMAN. I wanted to ask a question of the Senator from California.

Mr. THOMAS. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Colorado will state his parliamentary inquiry.

Mr. THOMAS. Has morning business been concluded?

The VICE PRESIDENT. It has not.

Mr. THOMAS. Then I ask for the regular order.

The VICE PRESIDENT. Concurrent and other resolutions are in order.

PEACE TREATIES.

Mr. BORAH. Mr. President, I offer a resolution, which I think is pertinent particularly at this time, and ask that it may be read and lie on the table.

The resolution (S. Res. 365) was read and ordered to lie on the table, as follows:

Whereas the President of the United States on January 8, 1918, declared that the first prerequisite of a durable peace was "open covenants openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view"; and

Whereas this was a clear denunciation of secret diplomacy, the chief weapon of despotism, and the most prolific source of the world's disturbance; and

Whereas no covenants of peace can be concluded or be binding upon the people of the United States except through treaties ratified by the Senate of the United States; and

Whereas the people who waged and won this war in behalf of democracy are entitled to know in advance of their being bound by the terms of any treaties of peace: Therefore be it

Resolved, That when such treaty or treaties of peace relative to the termination of this war are transmitted to the Senate of the United States for consideration it or they shall at once and as soon as received be made public, and that the consideration of the same and all discussions relative thereto shall be in the open sessions of the Senate.

THE PRESIDENTIAL OFFICE.

Mr. SHAFROTH. Mr. President, before the morning business is closed, I should like to secure unanimous consent to comment for a few minutes upon a case which appears to me as in point with regard to the discussion which occurred yesterday of the powers of the President when he leaves the territorial limits of the United States. I shall take only a few minutes—not more than 10 or 15 minutes.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. SHAFROTH. Mr. President, I have found a case in the Seventy-eighth Missouri Reports, at page 139, entitled State ex rel. Crittenden against Walker, which, it seems to me, covers this matter better than any case that has been presented or any case that I have been able to find. It relates to the question as to what is the power of the governor upon leaving the State, and as to whether or not a lieutenant governor can take upon himself the powers of the governor as soon as the governor crosses the boundary of his State. It arose when Mr. Crittenden was governor of Missouri, and when he went to New York upon some business affairs of the State and was gone a considerable length of time. When he came back his salary was held up by the auditor on the ground that he had been out of the State, that there had been a lieutenant governor administering the affairs of the State, and therefore that he was not entitled to receive all of his month's salary from the State.

I will read extracts from the opinion:

"The question presented, therefore, is, Can the governor who absents himself from the State for the purpose of performing duties imposed upon him by the constitution and laws of the State be deprived of his salary during such absence? The attorney general, in an argument characterized for its plausibility and ingenuity, insists that he can, and bases his argument on the following section of the constitution: 'In case of the death, conviction or impeachment, failure to qualify, resignation, absence from the State, or other disability of the governor, the powers, duties, and emoluments of the office for the residue of the term, or until the disability shall be removed, shall devolve upon the lieutenant governor.' It is insisted that by virtue of this section, in case of the absence of the governor from the State for any purpose or for any period of time, however short, that pro tempore he ceases to be governor, and all executive functions, as well as the emoluments of the office, devolve upon the lieutenant governor."

I will call attention to the fact that that section is much more specific than the clause of the Constitution of the United States, because the clause in the Federal Constitution does not refer to absence in specific terms. It says simply:

"In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President."

There is no reference to his absence from the territory of the United States. It is a pure question of ability or inability to perform the duties of the office. The opinion continues:

"We are of the opinion that the construction contended for is too narrow, is not warranted by the section. Treating conviction or impeachment either as meaning conviction on impeachment, conviction of any crime as well as impeachment, it will be perceived that there are five specified causes, upon the happening of any one of which the duties and powers, as well as the salary of governor, devolve upon the lieutenant governor. It will be observed that four of these causes, viz, death, conviction on impeachment, failure to qualify, and resignation, are of such nature as absolutely to create a vacancy in the office; and all of the four are of such character that no one of them can occur without its being a matter of such public notoriety as to be known throughout the State in 24 hours after the death, impeachment, failure to qualify, or resignation occurs, thus not leaving in doubt or to conjecture the right of the lieutenant governor to assume at once the performance of the duties and powers of the gubernatorial office and to receive the emoluments thereof.

"In view of the fact that the death, impeachment, failure to qualify, or resignation of the governor involves necessarily a vacancy in the office, and the further fact that whenever any one of the above events occurs the right of the lieutenant governor is not left open to question or doubt, it may well be insisted upon, as it is by relator, that the fifth specified cause, viz, 'absence from the State,' does not mean either an absence from the State for the purpose of performing a duty imposed by law upon the governor or a mere casual absence of a few days, but that it is necessarily implied from its connection with the other specified causes that such absence must be of such a character as to indicate on the part of the governor an abdication for the time being of the duties of the office, and such as, in the opinion of the governor, would make it necessary for him to call upon the lieutenant governor to take his place and perform such duties as the condition of business in his office and the exigencies likely to arise might require during such absence, and when so called upon his authority to act could neither be questioned nor his right to the emoluments of the office denied until the governor returned and resumed his place.

"Speaking for myself, and using the language of Ludeling, C. J., in the case of the State ex rel. Warmoth *v.* Graham (26 La. Ann., 568; s. c., 21 Am. Rep., 551), when a like question was under consideration, I do not believe 'that it was ever contemplated that the movements of the governor should be watched with a view that the lieutenant governor * * * should slip into his seat the moment he stepped across the borders of the State.'

"It is neither provided by the constitution nor by any law of the State how the absence of the governor from the State shall be ascertained or made known either to the people or to the lieutenant governor, so as to authorize him to assume the functions of the executive office or to impart knowledge of the fact to the people of his authority so that it may be recognized and unquestioned.

"In the event of the death, impeachment, failure to qualify, or resignation of the governor no such difficulty presents itself. If the lieutenant governor or auditor may assume to determine that any absence of the governor from the State, without reference to the purpose of the absence or the character and extent of it, is such an absence as for the time being ousts him of his office and casts upon the lieutenant governor the powers, duties, and emoluments of the office, why might they not, in passing upon the meaning of the words occurring in said said section 'or other disability of the governor,' determine that he was disabled by reason of insanity, without waiting for the judgment of the court pronouncing him insane, in a proceeding to determine that question by inquest of lunacy.

"The only authority we have found upon the question is the case of the State ex rel. Warmoth *v.* Graham (26 La. Ann., 568), which was a proceeding by mandamus to compel the auditor to pay the warrant of the governor for his salary from the 6th to the 19th of May, 1871, and from the 26th of June to the 17th of July, 1871. The auditor refused to pay this warrant on the ground and for the reason that during said periods the governor was absent from the State and that the duties of governor, as well as his salary, devolved upon the lieutenant governor, to whom the salary had been paid.

"Under the constitution and laws of Louisiana, it is provided, as it is in our Constitution, that in the absence of the governor from the State, or his inability to discharge the duties of the office, the powers and duties as well as the salary of the office devolve upon the lieutenant governor. It was held in that case that it was the duty of the auditor to pay the warrant, and as it is the only case in point we have been able to find it is deemed not inappropriate to quote what was said by the court in the disposition of the question, which is as follows:

"'It is evident if the lieutenant governor be authorized to assume the functions of the governor during any temporary absence of the governor from the State, he may also, whenever the governor is unable to attend to the duties of his office on account of sickness, in case of "inability to discharge the powers and duties of the office." We do not believe this to be the meaning intended by the framers of the constitution. The inability to discharge the duties of the office, as well as the absence from the State spoken of in the article, are such as would affect injuriously the public interest. The mere absence at Pass Christian, within a few hours' run of the capital, could not by any possibility affect the public interest. How is the absence of the governor to be ascertained? It is manifest that there ought to be some certain proof accessible to the public from which they may with certainty derive the knowledge as to who is authorized to act as governor of the State. As the law makes no provision for the mode in which the governor shall manifest to the public his absence from the State, it necessarily is left to his discretion, subject to his responsibility to the people. If the interests of the State should suffer in consequence of his prolonged absence, he would be amenable to public sentiment and to the control of the impeaching power of the State. Some public record should be made of the intended absence, or the governor should publicly place the lieutenant governor in charge of the government, so that the term of absence shall appear of record, and during such absence the acts of the acting governor would be of unquestionable validity. Anything less than this might create confusion and uncertainty.'

"The only difference between the above case and the one before us is that it does not appear that the governor of Louisiana was absent from the State in the discharge of a duty

imposed upon him by law, while in the case under consideration the governor was absent for the purpose of performing a duty which the law enjoined upon him in conjunction with others. And while the facts in the present case do not call upon us to go as far as the court went in said case, it may not be improper to say that the views therein expressed are not inconsistent with sound reason, and if an enlightened court under a constitution and laws which, like our Constitution, devolve the duties of the office of governor upon the lieutenant governor in the event of the absence of the governor from the State, has determined, as it did in the case above cited, that the absence of the governor from the State for a limited time creates no such vacancy in the office as to authorize the lieutenant governor to assume the duties and prerogatives and receive the salary of the governor, it is, at the very least, persuasive authority for the soundness of the conclusion we have reached that the absence of the governor from the State for the purpose of performing a duty cast upon him by law did not authorize the lieutenant governor to assume the functions of his office during such absence and receive his salary."

Mr. President, the Constitution imposes upon the Chief Executive the duty to negotiate and make treaties, subject to ratification by the Senate. It does seem to me that as the peace of our own Nation and of all the nations of the world is involved it is the highest official duty of the President to be at that place where he can be of most benefit to our own country. In my judgment, his presence at the peace table will be the inspiration which will produce a treaty based upon American ideals. I can not conceive that any court would declare his "inability to discharge the powers and duties" of his office when he is performing his highest duty imposed by the Constitution itself.

Mr. KELLOGG. Mr. President——

Mr. SHAFROTH. I yield to the Senator.

Mr. KELLOGG. I thought the Senator had yielded the floor.

Mr. SHAFROTH. Very well, I will yield the floor.

Mr. KELLOGG. As the morning hour seems to be taken up by general discussion, I ask unanimous consent to submit some remarks upon the question of a league of nations and the resolution introduced by the Senator from Pennsylvania [Mr. KNOX].

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. OVERMAN. Will the Senator from Minnesota yield to me to have an order made?

Mr. KELLOGG. I yield for that purpose.

WITHDRAWAL OF PAPERS—POMEROY PARKER.

On motion of Mr. OVERMAN, it was

Ordered, That leave be granted to withdraw from the files of the Senate the papers accompanying the bill S. 7281, Sixty-first Congress, second session, to correct the military record of Pomeroy Parker, no adverse report having been made thereon.

COMMITTEE SERVICE.

Mr. MARTIN of Virginia. The Senator from Minnesota kindly yields to me to have an order made for a committee assignment, which I send to the desk.

The order was read and agreed to, as follows:

Ordered, That Senator VARDAMAN be assigned to the chairmanship of the Committee on Manufactures, and that he, on his own request, be relieved from further service as chairman of the Committee on Conservation of National Resources, but not from membership thereof.

LEAGUE OF NATIONS.

Mr. KELLOGG. Mr. President, were the revenue bill now before the Senate, or any very pressing legislation demanding our attention, I should not take the time of the Senate to discuss this subject. But, Mr. President, the Senate, the coordinate treaty-making body, is not represented upon the peace commission, and the only way we have of making our views known upon the important world issues of to-day is by a resolution of the Senate declaring principles or by the individual expressions of Senators upon the floor.

I am not complaining of this situation, but it was with interest that I saw the resolution introduced by the Senator from Pennsylvania [Mr. KNOX] yesterday, declaring certain principles. That resolution is entirely different from the resolution of the Senator from Iowa [Mr. CUMMINS] providing for the appointment of commissioners to visit Versailles during the sitting of the peace commission. That resolution I do not approve of. It is proper that the Senate should express its views in a resolution upon any subject. I do not think it proper for the Senate to send commissioners or ambassadors to Versailles to the peace conference. They would have no position; they would not be entitled to admission to the conferences of the commissioners of the allied and other nations; they would be embarrassed in their position and they would embarrass our friends, the English, French, and Italian commissioners, who would desire, of course, to show respect to the representatives of this great body. They would also embarrass the President.

I believe that the first object of the Senate and of the Senators is the good of the Nation and their desire is that the President and his commissioners may bring out of the great conference at Versailles a solution which will reflect honor upon this Nation and will be a lasting benefit in the generations to come. That ought to be the controlling motive of the Senate, even though we may believe that the Senate should have been represented upon the commission.

I merely make this remark in passing in order to distinguish the resolution from that of the Senator from Pennsylvania. I shall not discuss the resolution at length, but some of its provisions are inseparably connected with the subject upon which I crave the permission of the Senate to submit a few remarks.

Our objects in this war might well be stated by the Senate, and perhaps after the settlement of those questions directly involved it would be better to postpone to some future period the question of a league of nations or a change of the general rule for the freedom of the sea.

I take it that we entered the war not for any vague idea of establishing world democracy or a league of nations, but for a definite purpose, because our rights upon the high seas had been invaded, our citizens murdered, the agents of Germany had plotted in our midst against our peace and security, violated our laws, and incited our neighbors to war with us. In order that we might make this country safe against the domination of Germany, we went to war. I think it quite proper that when those issues are settled around the great council table, the issues of indemnity to Belgium, France, and Serbia and other nations, what shall be done with the German Navy and the German military armaments, and many, many other questions, it would be proper to take up the question of a league of nations, not alone between the belligerent countries, but with all the civilized nations of the world, because the neutral nations are as much interested in the subject as we are.

Furthermore, that conference will be interested, at least the principal nations of Europe will be interested, in defining the boundaries and in declaring the independence and perhaps guaranteeing the integrity of various nations or would-be nations of Europe. I take it that this country is only very indirectly interested in that subject, and that we are not going to fix the boundaries of the Balkan States or other States of Eastern Europe, or of those people who aspire to sovereignty, and that we are not going by an armed force to guarantee those boundaries or guarantee the integrity of those countries during all the years to come.

Are we to police the vast and disturbed domain of Russia or be forever embroiled in the Balkan troubles or the troubles over the Golden Horn or the aspirations of Poland? While we should hope that they will be settled so that each of the great peoples of the world may have an opportunity to develop their nationality, yet it is another question if we are called upon to fix their boundaries, their autonomy, and to forever guarantee them. That is the entanglement against which the Father of his Country warned us.

Furthermore, I am admonished when I come to study the question of a league of nations that no peace convention could possibly settle upon the terms of such a league within the time that the great issues of this war should be determined. The world has been disturbed and ravished for four years. The nations are weary of war. It is now practically over, and as soon as possible the issues pertaining to the war should be settled, our Army returned, and we and all the other nations allowed to pursue the pathways of peace. But I do not mean by that that we should not make an effort toward a league or concert of nations which shall have in mind the preservation of the peace of the world.

Mr. President, the establishment of a league of nations is, I believe, now foremost in the minds of statesmen as well as in the minds of the people of the civilized world. It is being discussed by publicists and journalists the world over. The impelling causes which at this time bring this ancient and honorable subject before the public are too fresh in our minds to need extended discussion.

The appalling calamity through which the world has just passed, the destruction of life, the awful suffering, the shocking crimes committed under the guise of war, and the waste of nations has created anew in the minds of the suffering people a determination to put an end to such conflicts.

It is probably too much to hope that the world will be permanently at peace. De Segur, the great general and historian of the French Revolution and the Napoleonic régime, said:

Universal peace is the dream of the wise; war is the history of mankind.

As much as the world longs for peace to-day, we are confronted by the cold facts that unfortunately this is true. A league of nations to enforce peace has been a favorite theme for discussion by benevolent statesmen and publicists for 2,000 years. From the Hellenic League to the Holy Alliance—in fact, to the last Hague convention—it has been tried time and again, and although its ameliorating influences have undoubtedly been felt in decreasing the number of those conflicts which from time to time have devastated countries, yet the wrecks of nations, scattered along the pathway of human progress, testify to its failure as a complete preventative of war.

This, however, should not discourage us. I believe the time has come to try to establish a league to prevent war and to enforce peace, which may not be an entire preventative, but, backed by a world public sentiment, will have a tremendous influence toward maintaining just and equitable relations between nations and preventing the horrors of war.

If ever there was a period in history when it behooves statesmen to exert themselves to the utmost to find some means for the settlement of those controversies which divide nations other than the resort to arms, the present is the time.

I do not for a moment disparage the principles upon which we, with the allied nations, have carried on this war. I was an advocate of entering the contest. I believe the cause was sufficient, and the principles for which we were fighting soared high above the horrors of the battle field; that America in this struggle has found her soul. The splendid spirit of her sons who have given their lives in this sacrifice, the splendid spirit of the people which has made it possible to send that great tidal wave of humanity to crush the devastating military power of Germany, does not lead us into the paths of war but into the paths of peace. We should not overlook this fact. The peoples of the world, the toiling millions upon whom this war has fallen with crushing weight, were determined that it should end by victory, and are determined now that no step shall be neglected which will tend to bring a permanent peace.

I have no sympathy with the tenets of socialism, State or international. The growth of this spirit has been augmented by the abuses of war, and I am willing to lift my voice in favor of a league of nations to maintain peace. But I am not in favor of an impracticable, I might say an impossible, scheme that I believe yet rests in the brain of the dreamer and in the womb of the far-distant future. The condition of the world is far better for the successful establishment and maintenance of such a league at this time than ever before. No league of nations can succeed unless it originates and is sustained by an honest public sentiment of the peoples involved, and unless the Governments joining in such league are responsive to the demands of the people. These conditions exist to-day to a greater degree than ever before. I believe with the closing of this war irresponsible government will have practically disappeared from the face of the earth and in its place there must come in Russia, in the central empires, and in the other nations, a government responsive to the will and voice of the people, such as exists to-day in the great allied nations, fighting, as we all hope, the last world war for the supremacy of right and justice. One thing is sure. Unless Germany changes her attitude toward the rest of the world, unless the aspirations and policies which have guided that nation in the past are to be changed and a more enlightened sentiment shall control the German people, and a government is established responsive to this sentiment, there must be a league of the allied nations to see that Germany is rendered powerless to renew the contest.

Again, another thing which will make a far more permanent peace is the abolition of the system of secret treaties and alliances. I believe, as I have said before, that the treaties which close this greatest of world conflicts and settle the disputes upon which the future of nations depends should be made in the open, in the light of public opinion, and approved by an honest world sentiment. How many leagues of nations, like the Holy Alliance, have foundered upon the rocks of disaster because they were based upon false principles of justice and sustained by secret alliances and the hope of dynastic supremacy? I deplore what seems to be the disposition of the President not to take the American people into his confidence, especially that body of the supreme legislative power of the Nation, the coordinate treaty-making body, the United States Senate. So far as possible we should know his views upon the difficult problems which must be settled in Paris. I would have the world informed as to the progress of the negotiations and the principal issues involved from time to time between nations surrounding the council table. It is only in this way that a healthy public sentiment can be expressed and a peace arrived at which shall meet the judgment of the civilized world.

I come now to the more concrete question—what kind of a league or concert of nations we should approve—and upon this subject I desire not to make dogmatic statements but to keep an open mind. If I am permitted to take part in the deliberations of the Senate upon the confirmation of the treaty of peace, I shall go as far as possible in sustaining measures necessary to prevent the recurrence of war, provided they do not infringe upon those national rights which I believe all of us deem to be necessary to the future prosperity and happiness of this people.

I listened with interest to the eloquent speech of the Senator from Missouri [Mr. REED] voicing his opposition to a league of nations. Granting his premises or definition of a league of nations, I do not, in the main, disagree with him. But it depends upon what we consider to be a proper league of nations. If you mean by a league of nations that there shall be established a world supergovernment, with legislatures and judicial tribunals—under which the signatory powers will be to some extent vassal states—with power to legislate or interfere with our internal affairs, our foreign trade, our tariff duties, our regulations of commerce, the development and disposition of the great natural resources of this country, I say emphatically I am not in favor, and I know of no one, except, possibly, some extreme, impractical dreamer, who would favor such a scheme. I have studied, as far as possible, the public expressions upon this subject during the war, and I believe that the great preponderance of sentiment of the leading statesmen and publicists of the world, as well as all the organs of public expression, is that such a scheme, or any scheme of a world government whose laws can be enforced by international tribunals, is impracticable and inadvisable.

I do not favor the establishment of any supergovernment over nations. Nor do I believe, considering our position, that it would be policy to do it. Furthermore, I am of the opinion that under the principles of our form of Government, established by the Constitution, we have no power to enter into such a treaty. The Constitution of the United States irrevocably vests the government in the legislative branch, to be elected by the people, the execution of the laws in the executive branch, and the judicial to construe those laws and to perform other judicial duties.

Under Article VI of the Constitution it is provided that—

This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land, and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

While it is true that in this country a treaty, if it is self-executory, has the effect of a law, and if it pertains to any subject within the treaty-making power is supreme over the laws and constitutions of States, yet it is not supreme over the Constitution of the United States or of a subsequent law of Congress, for it is clear that under the Constitution Congress has power to denounce any treaty.

Let me illustrate, for example. Suppose we should join a league of nations with an international force which had authority to bind the signatory powers to make war upon any country and such league should undertake to exercise such power. The Constitution of the United States irrevocably places in the Congress the power to declare war. Has the Senate of the United States and the President under the treaty-making power the authority to enter into a treaty that will permit a supergovernment of the world to involve us in war or to declare war for us against another nation? That is one case of many which might be made to illustrate this principle.

Mr. President, I ask permission, without reading, to insert in the RECORD a quotation from the decision in Whitney *v.* Robertson (124 U. S., 190).

The VICE PRESIDENT. Without objection, permission to do so is granted.

The matter referred to is as follows:

A treaty is primarily a contract between two or more independent nations, and is so regarded by writers on public law. For the infraction of its provisions a remedy must be sought by the injured party through reclamations upon the other. When the stipulations are not self-executing—that is, require no legislation to make them operative—to that extent they have the force and effect of a legislative enactment. Congress may modify such provisions, so far as they bind the United States, or supersede them altogether. By the Constitution a treaty is placed on the same footing and made of like obligation with an act of legislation. Both are declared by that instrument to be the supreme law of the land, and no superior efficacy is given to either over the other. When the two relate to the same subject, the courts will always endeavor to construe them so as to give effect to both, if that can be done without violating the language of either; but if the two are inconsistent, the one last in date will control the other, provided always

the stipulation of the treaty on the subject is self-executing. If the country with which the treaty is made is dissatisfied with the action of the legislative department, it may present its complaint to the executive head of the Government and take such other measures as it may deem essential for the protection of its interests.

Mr. KELLOGG. In the case of Thomas *v.* Gay (169 U. S., 264), the Supreme Court said—and I will read this, for it is very short and, I think, very pertinent:

It is well settled that an act of Congress may supersede a prior treaty and that any questions that may arise are beyond the sphere of judicial cognizance and must be met by the political department of the Government.

It need hardly be said that a treaty can not change the Constitution or be held valid if it be in violation of that instrument. This results from the nature and fundamental principles of our Government. The effect of treaties and acts of Congress, when in conflict, is not settled by the Constitution. But the question is not involved in any doubt as to its proper solution. A treaty may supersede a prior act of Congress and an act of Congress may supersede a prior treaty. (Foster *v.* Nelison, 2 Pet., 253; Taylor *v.* Morton, 2 Curt., 454.)

It would seem, therefore, of questionable propriety as well as doubtful authority to attempt to establish over this country an arbitral chamber or tribunal which can, without the consent of our legislative authority, in any way control our internal policies or any activities of the Government which are, by our Constitution, committed to the legislative authority. While some of the foreign governments are not embarrassed by such limited powers, yet I believe it is the consensus of opinion of the leading nations of the world that any such plan of supergovernment is impracticable.

It is, of course, impossible for me, in the space of these remarks, to review the principal expressions even of the leading statesmen of the world upon this intricate and difficult problem. I think there is great diversity of opinion among the allied powers, centering, however, upon a general and almost universal sentiment that some league or general treaty must be made which will have an effect to prevent the recurrence of such a calamity. The nearest expression to a national sentiment, perhaps, comes from the House of Lords in England. All the leading statesmen in England have declared in favor of some kind of a league of nations; not, however, such a one as received the condemnation of the Senator from Missouri.

On the 19th of March, 1918, Lord Parmoor moved, in the House of Lords, the following resolutions:

That this House approves of the principle of a league of nations and the constitution of a tribunal whose orders shall be enforcible by an adequate sanction.

Mark those words.

After most elaborate debate, the resolution was modified and adopted, reading as follows:

That this House approves the principle of a league of nations and commends to His Majesty's Government a study of the conditions required for its realization.

Quite a different thing.

The debate was participated in by Lord Parmoor, the Marquis of Lansdowne; Lord Bryce; Lord Parker, a thorough student of the subject; Lord Curzon, a member of the Government; and many others. I wish to briefly quote from some of those statesmen their views upon this important question.

In the discussion of the subject, Lord Parker, who has been one of the advocates of a league of nations, said:

As soon as the risk of war becomes great, nations will begin to settle their differences by other means. Arbitrations may be resorted to, possibly international councils or international conciliation boards may be made use of, but tribunals in the ordinary sense of the word—legal tribunals for the administration of international law based upon an organized international force—is a very different matter, and one which must be left, in my opinion, to grow out of that sense of mutual obligation which is beginning to exist amongst nations. If we attack that part of the problem at first, I have very serious fears that the whole structure which we are trying to build may fall about our ears. Probably if any dispute now arose between ourselves and any other great nation—say the United States of America—the nations in difference would easily arrive at some means of settling the dispute otherwise than by war, whether by a tribunal ad hoc or in some other way. It is a very serious matter to ask great nations in the present day to agree beforehand to submit disputes of whatever nature to the arbitrament of a tribunal consisting of representatives of some two dozen or three dozen States, many of whom may be indirectly interested in casting their votes on this side or on that.

Lord Bryce, who, everyone knows, is a distinguished scholar of the science of government and international law, discussing this problem on June 26, 1918, in the House of Lords, said:

Now, the creation of such a machinery as that to which I have referred, the provision of means for the pacific settlement of disputes instead of resorting to war, is a difficult and an infinitely complex question. Attempts have been made heretofore—the one which is most familiar to your Lordships was that made under bad auspices by the Holy Alliance in 1815—to provide some method for permanent peace. That attempt was destined to failure from the false principles upon which it was founded. We must go far deeper, and found it upon principles compatible with freedom. I do not for a moment underrate the difficulties which must be faced, and I think that we may dismiss all those grandiose notions of what has been called a federation of the world, an attempt to induce the great States to forego their sovereignty and to submit themselves to some superior authority and to constitute an international army. All these schemes, if they ever are realizable, must belong to a very distant future, and I do not think we ought to contemplate any further limitation of sovereignty than is necessarily involved in the obligations undertaken by a treaty. But, however limited and cautious our plans may be, it is not to be denied that the difficulties in the way are very great, and that the questions to be solved are of the utmost complexity. I do not think anyone can appreciate how great those difficulties are unless he addresses himself to a close and long-continued study of the subject, and to the various plans that have been advanced.

Earl Curzon, while supporting the general principles of a league of nations and arbitration of the disputes which lead to war, used the following significant language, which I ask to include in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Then I come to the question of the sanction, which also, I think, must be somewhat closely scrutinized. The two forms suggested have been that of economic pressure or boycott and that of the use of force. In theory economic pressure is, of course, the easiest method to adopt, and it would seem prima facie to be likely to be the most effective. You suspend commercial intercourse with the offending nation; you stop her imports and exports so far as you can; you prohibit communication by telegraph, by telephone, by post, by railway, by wireless telegraphy with her; you desist from lending her capital or from paying her debts; you blockade her coasts. Well, a good many of these expedients we have adopted; almost the whole of them we are practicing in the present war. They did not, it is true, succeed in preventing the war; they have not, at any rate at present, curtailed its duration. But I should like to put it in this way: I doubt very much whether, if Germany had anticipated when she plunged into war the consequences, commercial, financial, and otherwise, which would be entailed upon her by two, three, or four years of war, she would have been as eager to plunge in as she was. Remember this: Though we have not done possibly all that we desired, we have done a great deal, and we could have done a great deal more if your hands had not been tied by certain difficulties. It is naturally a delicate matter for me to allude to this. A good many of them have been removed by the entry of the United States of America into the war, but we have always the task of handling with great and necessary delicacy the neutral States, and this difficulty still remains with us. But observe that this difficulty will not arise if you have a league of nations to which all the States belong, because then there will be no neutral States whose interests you will have to consider.

This brings me to the final point of the proposed sanction force. And here I am very much in agreement with what I understood to be the argument of my noble friend, Lord Bryce. Some people seem to imagine that you can set up an international court—or a supernational court, I suppose it ought to be called—with an international police. The powers in general under these suggestions are to retain only such forces as the court may decree; the whole of them are to be at the disposal of the central tribunal; and if that were so, it is clear that such a force would have to be so preponderant in numbers and in the other elements of strength as to exercise an overwhelming superiority in arms over any offending party with whom it might have to deal. Speaking for myself, I doubt not merely the wisdom but the possibility of setting up an international police. I doubt very much whether sovereign States would submit to this restriction, almost this derogation of their sovereignty, and I do not see how an international police, marshaled and set on foot in the way I have described, would be able to cope with the difficulties that might arise, not so much in Europe, but in the heart of the African continent or elsewhere.

I suggest, in respect of all these schemes, that we should not proceed too quickly or too far. I think that the attempt at this stage to construct a hard-and-fast juridical system would be attended with failure; and if you fail now, observe that you not only destroy the chances of the scheme which you may be trying to construct, but you may throw back the movement for generations. That has been the fate—I was alluding to history just now—of those earlier attempts at leagues of nations; they were premature; they were presently diverted from their proper object, and they expired in ridicule and scorn.

Mr. KELLOGG. It is sufficient to say that, while Earl Curzon suggests economic pressure, he dissents emphatically from any superjudicial tribunal whose decree shall be put into effect by international force. He is speaking, we must remember, after the greatest contest and the greatest trial the British Government has ever passed through probably in all its history, and certainly since the Napoleonic wars.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. KELLOGG. I yield to the Senator.

Mr. LEWIS. May I not ask the able Senator if he will not recall that Lord Curzon, particularly in the very matters to which the Senator is alluding, seems to rest his final determination upon the inability of having all nations become a party to the league? To use an ordinary phrase, his stumbling block was as to whether we could bring all nations into the league, but he did not say—and I yield to the Senator's better memory, as I have not had that proceeding so lately before me as the Senator has—in that same discussion, following Lord Bryce and others, that the league would depend for success upon having all of the nations enter into it.

Mr. KELLOGG. I do not think so.

Mr. LEWIS. And that upon that he rested his conclusion.

Mr. KELLOGG. I have read with great care, within the last few weeks, all of the debates in the House of Lords and the House of Commons upon that subject; I have read the principal comments of the European journals, including the French, and I do not recollect that Lord Curzon or any of the other distinguished English statesmen placed their objection upon that ground; but they placed their objection upon the ground stated

by Lord Parker, Lord Bryce, and Lord Curzon in the quotations I have given.

It is true that Mr. Balfour and the prime minister, Lloyd George, have made general declarations in favor of a league of nations, as we hear constantly in the press and by Senators' declarations that they are in favor of a league of nations, but it depends upon what the league of nations is to be. When you come to define it as a supertribunal, a standing army of the world, whereby nations of necessity give up their sovereignty or a portion of their sovereignty, few statesmen of the present day, I believe, recommend it or are in favor of it.

I was saying that the statesmen of Great Britain were standing with the great war then in their faces. They were looking over the past three years of bloodshed and ruin which had tried the British nation as never before in its history, and they were longing for peace. They were Anglo Saxon statesmen, whose desire was to spread the doctrine of liberty over the world and not that of military power; and yet these gentlemen, with their clear-sighted vision, did not recognize in a league of nations of this kind a solution of the world's difficulties, but did recognize the necessity for a closer relation, a concert of nations, an educated public national and international sentiment, that will go far toward ending these terrible struggles.

The discussion in the House of Lords, as well as the discussion in the House of Commons, by the principal ministers in the present Government, leads me to the conclusion that England is probably willing to go as far as if not farther than any of the other nations of Europe in the establishment of a league of nations which shall exercise the right of mediation, conciliation, and arbitration of disputes between nations which lead to war; that England is not ready to pronounce in favor of a superjudicial tribunal, whose decrees shall be executed by international armed force; but I think it is the consensus of opinion of her statesmen that she is willing to go much further than heretofore in the establishment of suitable machinery for mediation, conciliation, and arbitration, and to exert international pressure by concert of peoples for maintenance of peace. It will be seen that some of her public men advocate economic pressure; others the appeal to the enlightened sentiment of the nations.

In France there has been no declaration by resolution of the Chamber of Deputies or the Senate, so far as I am aware, expressing an opinion upon this subject.

I am informed that a commission was appointed by the French Government to study this important question—I believe it was headed by that distinguished jurist, Leon Bourgeoise—that a report has been made which has been furnished to the allied Governments, and that our Government has a copy, although I have not had the opportunity of seeing it and can only state what developed in the debate in the House of Lords and from what I have gathered from the French journals.

Lord Curzon stated on June 26, 1918, that such a report had been made and communicated to the allied nations, but that it had not yet reached the British Government. He said:

> The French commission appears to have pointed out that it would be out of the question to set up an international police—a State above all other States whose aims should be to substitute law for force in the settlement of these national disputes. That is a statement of opinion with which I think we shall all concur.

This commission was appointed by the French Government, as I understand, simply to make inquiry and recommendations; that it has no authority to speak for the Government. From the accounts in the French papers I would judge that while this report has not been made public the conclusions of the commission have, to a considerable extent, reached the public through the press. As near as I can judge, the French commission does not recommend any league of nations having control over the governmental affairs of the signatory powers. The commission apparently recommends the continuance of The Hague tribunals, a provision for the submission to an arbitration tribunal of those legal questions which are called, in diplomatic parlance, justiciable as distinguished from political, and the establishment of a court or commission of conciliation or mediation, to be composed of representatives from each country, which shall take up and adjust, if possible, those political or nonjusticiable disputes between nations. The question I am in doubt upon is what pressure or power this commission recommends for the enforcement of the judgment of such commissions. I am led to believe that the pressure of public opinion is the principal one relied upon and that if any force is recommended it is after all other means have been exhausted, and I am not clear that such force is recommended at all.

Mr. Robert E. Olds, a lawyer of distinction, a student of the affairs of government, and who has had an exceptional opportunity to observe public sentiment in France, writes me on October 14 as follows:

> I assume you also are following closely the career of that ancient and honorable idea of a league of nations. It is a favorite theme at the conclusion of all great wars. I try to read each day the London Times and a couple of Paris papers (usually the Figaro and the Gaulois or Journal des Debats). Two or three times a week I get the Journal de Geneve. The British and French periodicals are also, of course, available. The English, I find, are pretty generally for the league, although opinion is by no means unanimous.
>
> I think I have shown the kind of a league that the English statesmen are in favor of.
>
> In France the idea has taken no root at all. I have looked in vain for any rational discussion of it. There is a studied avoidance of the subject alike by statesmen, publicists, and journalists. One gains the distinct impression that the French regard the notion as chimerical and visionary. Perhaps the national loathing of Germany and the consequent reluctance to go into any combination of which Germany might be a member goes far to explain the attitude.

For those who have not already done so, I suggest the consideration of an outline of a league of nations proposed by Lord Parker in his speech in the House of Lords on the 19th of March. I do not believe that we are going to enter into a treaty of peace to end this great war without an earnest effort, guided by all the wisdom and experience of preceding ages, to arrive at some agreement, some league or concert of nations, which shall exercise influence not only upon world public sentiment but in guiding nations to the pathway of peace and preventing a conflict of arms. I am not, of course, willing that this country, if we could do so, should turn over to any supergovernment control over our domestic policies, the development of our great natural resources, or our trade and commerce with other nations, questions of immigration, of customs duties, or the Monroe doctrine. We are fortunately situated. We produce within our domain not only our own needs but a surplus of all the principal raw materials going into the commerce of the world. With food supplies, iron, copper, oil, timber, cotton, and other products there are but few things for which we must depend upon the outside world. But we should undoubtedly yield, as far as possible, in order that at the close of the war we and the other nations shall not commence to prepare for the next war.

In addition to the enormous burden which this war has left upon the belligerent nations, upon our country as well as the European countries, are we to press down upon the people the burden of growing armament and gigantic militarism?

I have not advocated that we should not always be prepared to meet and protect our territory and our rights, but that if possible we should stop the competition of growing armament between nations. Nor do I advocate that we should undertake, in concert with other nations, to fix the boundaries of all the States of Europe and by leagues of nations guarantee their boundaries and the integrity of their Governments. This is not within the scope of international action to try and obtain concert of the leading Governments to adjust the disputes of nations and prevent resort to arms.

As far as I am able to judge the consensus of public opinion among the allied nations to-day is in favor of the general principles of a league of nations to prevent war. You may say this is generalization. I think we may go further and say that the consensus of opinion is that there should be a league by treaty binding all the signatory powers which shall provide not only for mediation, but shall make it the duty of the powers joining to offer mediation between contending nations; that it shall provide for commissions of investigation and conciliaton and provide for the members to suomit their disputes to arbitration. The vital point, to be sure, is what disputes shall be submitted and what means shall be taken to compel the enforcement of the decrees of the arbitral tribunals. I realize this is the difficult point. It is said that unless there is some force to execute the decrees of the tribunal the whole proceeding will be a farce, that nations like Germany will neither submit nor abide by the judgment.

In the first place, I believe, the conditions for conciliation and arbitration have never been as favorable as to-day and as they will be in the future. Nations heretofore have hesitated to agree to submit their disputes to arbitration for the reason that they did not wish to go into a court perhaps more or less interested in the question or kindred questions and submit matters vital to the national life to arbitration, and various schemes of excluding from arbitration those questions which were considered quite nonjusticiable or vital to the nation's welfare have been evolved. But the trouble is that those are the questions which often bring on conflicts, and it is a question whether we should not agree to submit to a proper tribunal of arbitration many questions which we are not now willing to leave to arbitration where the enforcement of the judgment is left to the enlightened sentiment of mankind. That there should be a world police or armed force is, in my judgment, impracticable and unthinkable.

It may be said that we have arbitration treaties with the principal nations of the world. We have, to be sure, with France and Great Britain an arbitration treaty, negotiated, I believe, by the distinguished Senator from Pennsylvania [Mr. KNOX] when he was Secretary of State. He will correct me if I am not stating the facts accurately. In that treaty it was provided that justiciable questions depending upon law and fact should be submitted to a tribunal, and that a board or commission of conciliation should be created. The treaty did contain a clause guarding, I think, to a great extent the interests of the country, to determine what were the justiciable questions; but the Senate did not approve it and the treaty stands as I suggested.

Mr. SMITH of Georgia. Mr. President, will the Senator yield for a question?

Mr. KELLOGG. I will.

Mr. SMITH of Georgia. And did not the Senate advise the world, by its action then, that we were entirely opposed to any kind of international tribunal that might pass upon our vital interests, our national honor, or any problems of government that might affect this country?

Mr. KELLOGG. I think it did, as I said before.

Mr. SMITH of Georgia. I was in the Senate at the time, and it was the first opportunity I had to take part in the consideration of a great question; the debates then show, as did the final action of the Senate by a substantial majority, that even a majority of the present Senate then in the Senate could not agree to ratify any treaty or any program that submitted even to arbitration between two countries, to say nothing about international tribunals representing numerous nations, the important questions of government or problems of vital interest or of national honor belonging to our own country.

Mr. KELLOGG. Answering the Senator from Georgia, I think it did; and I do not think the Senator from Georgia will draw from any remarks I have made any conclusion that I thought to the contrary.

Mr. SMITH of Georgia. I did not. I was only desiring to supplement the view of the Senator by calling attention to the fact that when it was said that we should have advised the President earlier of our attitude I meant to suggest that the Senate had advised the world as far back as 1912 of its attitude upon many of these questions; and I meant further to suggest that it was entirely proper for the Senate now to exercise its responsibility by giving its advice on the pending treaty, as to the character of the treaty that we would be willing to ratify.

Mr. KNOX. Mr. President——

Mr. KELLOGG. I yield to the Senator from Pennsylvania.

Mr. KNOX. I merely wanted to state that the exact point of divergence between the Senate and the executive department of the Government at that time over that particular treaty was this: The treaty provided that all justiciable questions should be submitted to arbitration, and then it defined justiciable questions to be those questions which are susceptible of determination by the application of the ordinary recognized rules of law and equity. But obviously a question always arose as to whether a question was justiciable or not; and the proposition of the treaty was that that question—that is, its justiciability and, therefore, its arbitrability—should be left to commissioners; and the Senate declined to do that, because it said that would possibly submit vital interests to the decision of outsiders.

Mr. SMITH of Georgia. Because the commissioners might determine contrary to the view of this country. So guarded were we as to the preservation of the independent action of our own country about problems of vital interest that we declined to accept the treaty with those provisions.

Mr. LEWIS and Mr. NORRIS addressed the Chair.

Mr. KELLOGG. I yield to the Senator from Illinois.

Mr. LEWIS. May I be pardoned for suggesting that as I recall the debates—and I can only speak of my knowledge of the debates, having studied them, in this body—Senator Rayner, of Maryland, asserted on the floor, seeking to advocate the position of the eminent then Secretary of State, now equally eminent Senator from Pennsylvania, that the real item of dispute was because the words "law and equity," as contained in the provision submitted, had no equal definition or no equal meaning in the other Governments, and that therefore the definition "law and equity" left it so open that there was no defined thing which made the limit of the conduct on the part of the commissioners to whom the subject was to be committed. Am I right about that—that that was the real, serious grievance?

Mr. KNOX. No; I am sorry to say that the Senator from Illinois is mistaken. The Senate accepted that proposition. There was no difficulty about the arbitration of justiciable questions, and there was no question raised, in the sense that no controversy succeeded, as to the definition of what a justiciable question was. The controversy arose as to whether the question of justiciability should be left to a commission if it was disputed.

Mr. KELLOGG. I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I wanted to ask the Senator if he does not believe that this war, when it is considered in all of its aspects, naturally had a tendency to lead men to include questions that might be defined as justiciable that they would have excluded eight or ten years ago? In other words, referring particularly to what the Senator from Georgia has said about the Senate having gone on record, does not the Senator believe that one of the lessons of this war is that men will be more inclined, in order to avoid war and to reach an agreement, to agree to arbitrate things that probably before this war they would have hesitated to enter into any agreement to make arbitration treaties to cover?

Mr. KELLOGG. Mr. President, I have no doubt of that. I believe it is the firm opinion of the intelligent world to-day that if Germany had had a responsive government, and if war could only have been declared by a legislature after discussion, there would not have been this terrible war; and I believe that the sentiment of the world to-day is ripe for the exercise of all the powers of arbitration and conciliation that the nations can safely grant consistent with their independent sovereignties. I do not think the public sentiment has ever been as favorable to such action as at the present time.

I was suggesting the two treaties between this country, France, and Great Britain. I believe that some definition or some means of determining what are justiciable disputes can be arrived at to safeguard this country, so that our vital interests will not be submitted to nations which may have interests to the contrary, and that some means of conciliation and investigation by permanent commissions may be devised that will largely take care of the political questions.

It may be said that we have the treaties negotiated by Mr. Bryan as Secretary of State. There are a large number of them. They are all substantially alike. They simply provide for investigation and conciliation, and some of the countries agree that they will not make war while this investigation is going on. The treaties have done no harm. In fact, they may have done a great deal of good. They may, in some instances, have softened the passions of nations by giving time for consideration. But it is entirely a different proposition to negotiate a treaty between Brazil and the United States and a treaty between the United States and Chile when there is no treaty between Chile and Brazil. A league or concert of nations with the sole purpose of preventing a war, with a proper tribunal of conciliation and investigation, which shall meet periodically, which shall keep in close touch with the affairs of the various nations parties to it, is a far different thing than the separate treaties which have been negotiated for investigation and arbitration between various nations. It is the combined and concerted action of the great nations of the world at the close of this war which will prevent the recurrence of such a calamity which has devastated civilized lands.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 4637.

Mr. KELLOGG. Mr. President, I am not to be understood as advocating that this country, situated as it is in the Western Hemisphere, under our form of Government, is going to enter into a league of nations which will involve it in the pitfalls and dangers of European intrigue or the maintenance of a world army which may be turned against us. But I do advocate that every effort shall be made by The Hague tribunal or some similar tribunal for the conciliation of political disputes and the arbitration and settlement of all questions which are justiciable, and for some means of determining what those questions are.

We have before us the example of two great, intelligent, progressive Anglo-Saxon nations that have been at peace for more than 100 years. The nations of the earth are growing closer and closer together, international relations are multiplied, space has been annihilated, and I believe that every effort should be made toward the conciliation of those disputes which from time to time divide the nations of the earth.

But we must remember that few nations, if supported by a proper public sentiment, which I believe is growing, will defy the arbitral tribunal and the public sentiment of the world. In the nineteenth century there were 471 international disputes favorably submitted to decision by arbitration, and in the last 20 years many such disputes have been settled in this way, in not one of which have the Governments involved refused to abide by the decision of the arbitrators. The nearest approach to such a failure is the finding of the tribunal in the case of Panama and Porto Rico, which has not yet been fully complied

with. Such a league of nations could provide for mediation, for commissions of conciliation which should investigate and find the facts and make recommendations which should be furnished to interested Governments.

It may be said that this was substantially provided for by The Hague Convention, and that in spite of the agitation for world peace, which has been the most prominent in the last 25 years, this war—the greatest since recorded history—has devastated the world. But The Hague conference did not go to the limit which I believe the principal nations are now willing to go. The central powers were not willing to agree to submit their disputes to arbitration. It may be that nothing would have prevented a trial of strength between the central empires and the rest of the world. Had there existed in Germany a responsible government, an intelligent public sentiment which could be expressed through legislatures and ministers, even with the incense burning which has been going on in Germany and the training of the German mind toward the supernation, I do not believe war would have broken out. But with the boundless ambition of the Hohenzollerns, with the control over all the resources and activities of the nation, there apparently had to come a trial of strength to decide whether this great military autocracy should survive or go down before the free peoples of the world. That time has passed, and while I do not expect that the millennium has arrived or that war will cease in the world, I do believe that the growing, enlightened public sentiment; the abolition of irresponsible governments; the growth of science which increases the instruments of destruction; the increase in the magnitude and the burden of war and all the horrors, miseries, and crimes of four years, has created a fertile field and an educated public sentiment, which is determined that such a war shall not again occur.

I am not unmindful of the teachings of our forefathers, of the wisdom of Washington, whose precepts we have followed. I believe the opinions which he expressed, the examples which he gave to the world, the influence which he exerted upon his time, have been among the most potent civilizing influences.

Notwithstanding his admonition, we did go forth and engage in battle upon foreign soil. We sent one of the greatest armies ever marshaled in war. We backed this Army by the resources of a great country and by the patriotic sentiment of a generous and enlightened people. We did this not only for our own material protection, that the institutions which we had reared might remain, but for the establishment of right and justice as the ruling factor in human destiny. Shall we hesitate now, while maintaining all our institutions, our Government, and the right to control all our internal affairs, to join in a league of nations which may have a lasting effect upon all the generations to come?

Mr. President, when the sun went down on that memorable August day four years ago, its last rays were clouded by the gathering storm of war. It was to rise upon a new world—the old had passed away—a world to be deluged with human blood and laid waste by the ravages of ruthless war, but a world of peace-loving, free people, animated by a new determination, inspired by new ideals and by new hopes, a determination that lawless military rule should end, ideals of democracy founded upon justice to all peoples, and a hope for a lasting peace. Lincoln uttered a great truth when he said, "This Nation can not exist half free and half slave." Neither can the world exist in peace half autocratic military government, recognizing no principle but that of force, and half free, self-governing democracy. A conflict is inevitable and must go on until one or the other is mastered.

Mr. President, it may be a delusion, but I like to indulge in the hope that the contest is ended, that the great preponderance of world government is representative democracy founded on safe guaranties of personal liberty, security of property, and opportunity for individual initiative and progress. It is either that or the reign of license and lawlessness, a despotism more terrible than autocratic power, which is its usual sequel.

Mr. LEWIS obtained the floor.

Mr. KNOX. Will the Senator from Illinois yield to me for a moment? I wish to call the attention of the Senator from Minnesota to a matter.

Mr. LEWIS. I yield to the Senator from Pennsylvania, though I expect to occupy only about five minutes.

Mr. KNOX. For just a moment. The Senator from Minnesota has performed a great public service in bringing to our attention the views of the English and French statesmen whom he has quoted and by his reference to the parliamentary attitude in both those countries; but he has overlooked what I regard as an even more important fact—one with which we have more concern and one which should have a greater influence over us.

We have not been behind Great Britain and France in parliamentary expression as to our attitude upon this great subject. As late as 1916, almost two years after the war began, the Congress of the United States passed an act expressing its policy, expressing its attitude not only as to the extent that we should go, but as to the method by which a conference should be brought about which should pass upon the great question as to a league of nations or a combination for the prevention of war.

Allow me to read the act of August 29, 1916:

It is hereby declared to be the policy of the United States to adjust and settle its international disputes through mediation or arbitration, to the end that war may be honorably avoided. It looks with apprehension and disfavor upon a general increase of armament throughout the world, but it realizes that no single nation can disarm, and that without a common agreement upon the subject every considerable power must maintain a relative standing in military strength.

In view of the premises, the President is authorized and requested to invite, at an appropriate time, not later than the close of the war in Europe, all the great Governments of the world to send representatives to a conference which shall be charged with the duty of formulating a plan for a court of arbitration or other tribunal, to which disputed questions between nations shall be referred for adjudication and peaceful settlement, and to consider the question of disarmament and submit their recommendation to their respective Governments for approval. The President is hereby authorized to appoint nine citizens of the United States, who, in his judgment, shall be qualified for the mission by eminence in the law and by devotion to the cause of peace, to be representatives of the United States in such a conference. The President shall fix the compensation of said representatives, and such secretaries and other employees as may be needed. Two hundred thousand dollars, or so much thereof as may be necessary, is hereby appropriated and set aside and placed at the disposal of the President to carry into effect the provisions of this paragraph.

So we have a definite American plan in respect to a league of nations. We have a definite American method by which this thing can be accomplished. We have a definite request to the President of the United States to call a conference of the representatives of the world before the close of the present war or at any earlier time he sees fit, and we have the appropriation necessary to carry the act into effect. So if there is such a thing as an American idea expressed by the representatives of the American people in an American Congress upon this subject it is found within the four corners of this act. I think this should be added to the presentation of the attitude of the other countries made by the Senator from Minnesota.

Mr. KELLOGG. I thank the Senator from Pennsylvania.

Mr. PITTMAN. Will the Senator from Illinois yield that I may ask a question of the Senator from Minnesota?

Mr. LEWIS. I yield.

Mr. PITTMAN. I desire to ask the Senator from Minnesota a question, and I do it because he is undoubtedly thoroughly prepared upon this subject. I have listened to his remarks with the very deepest interest. It is the first speech on this subject in the Senate I have had the pleasure of hearing which shows a careful study of the question, or that is not flavored with prejudice or possibly with politics. I was impressed with the fairness of the discussion by the Senator from Minnesota, and while I gained a great deal of information with regard to the many and various views of what should constitute this league of nations, I do not know that I definitely understand the particular league of nations the Senator from Minnesota favors. I should like to know if the Senator from Minnesota would be prepared, not to-day, of course, but within the next few days, to present to this body and argue as intelligently as he has this subject a proposed constitution or a proposed plan, with the necessary limitations, of a league of nations.

Mr. KELLOGG. Mr. President——

Mr. LEWIS. I yield, of course, to the Senator on the theory that it will not deprive me of my right to the floor. I know he does not intend to do so.

Mr. KELLOGG. Mr. President, it was frequently said in the House of Commons and in the upper House of Great Britain it was more important at that time to discuss general principles than details. I did not intend to burden the Senate with writing a constitution for a league of nations. What I did wish to do was to inspire if possible a sentiment in favor of some action to move the nations of the earth to enter into some agreement whereby peace might be permanently obtained. I did not flatter myself that my suggestions would reach Versailles, or have any influence upon the deliberations of the peace conference, but that it might start a discussion in the Senate by those far abler than I and better known in Europe, and produce perhaps a resolution from the Senate declaring some principles which we believe should be enacted for a league of nations. But I will say this to the Senator: I believe that there should be some permanent body like The Hague tribunal, with stated meetings, to which the United States should send representatives, which should create an arbitral tribunal to dis-

pose of those questions which we may be able to define as justiciable, and which do not so involve the internal government and vital interests of our country to make it advisable to agree in advance to submit to arbitration. I think with the Senator from Pennsylvania [Mr. KNOX] we might go further in defining what those justiciable questions are and providing for some tribunal to determine them from time to time. I think we can go further in a united action through commissioners of conciliation who shall keep in touch with the affairs of the world and whose duty it shall be to intercede at once in the event of a threatened war.

I realize the difficulties. I have not prepared a charter, and I did not think it was necessary or would serve any good purpose. My hope was rather to start a discussion upon this question which is to-day occupying the attention of the civilized world, that the older and more experienced in mind of the Senate might discuss it for the benefit of the American people.

Mr. PITTMAN. I thank the Senator, Mr. President, and with the permission of the Senator from Illinois for a second——

Mr. LEWIS. I yield.

Mr. PITTMAN. I am now satisfied that if the distinguished Senator from Minnesota, who has given such careful consideration to a league of nations, is not now prepared to more definitely define a league of nations than he has done to-day, and he has defined it more carefully and fully than I have ever heard it defined before, it must be recognized that there is possibly some doubt even in the mind of the President as to the details to be worked out in the accomplishment of a league of nations. It is possible that all will admit, and I know that the Senator from Minnesota believes, that the President in asserting the general principle of a league or a concert of nations looking to an enduring peace has exactly the same purpose that the Senator from Minnesota has, and had exactly the same purpose in announcing it, that was, to stimulate the world to try to accomplish the same purpose.

I would have been surprised had the Senator from Minnesota gotten upon this floor and demanded a detailed explanation from the President of the United States as to what kind of a league of nations he intends to propose. I would not have been surprised if some of the other Senators had done so who knew nothing about it and did not have time to study the question, and they are the ones who have generally criticized any pronouncement of principle. I think possibly the same objections were made at the time it was suggested throughout the world that governments should agree upon rules governing civilized warfare. There was not any statesman on earth who could define the rules of civilized warfare, yet all the world believes in it. It could not be defined except by the people to be bound by it. It was defined subsequently by the nations to be bound by it. This principle is understood just as well as was the principle of civilized warfare, and this principle will be defined by the people to be bound by it, as I take it.

I think the Senator has done a wonderful service in so clearly delineating the various thoughts with regard to a league of nations.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. GAY in the chair). Does the Senator from Illinois yield further?

Mr. LEWIS. I yield to the Senator from Minnesota.

Mr KELLOGG. I do not understand that in my remarks I criticized the President in not going into the details of a league of nations, nor would I criticize any Senator for not defining accurately what kind of a league of nations should be established, a question that has perplexed the greatest minds of the world for hundreds and hundreds of years. I would like to know whether the President believes in a world tribunal which should have its decrees executed by force or not, but I have made no complaint against the President for not going into the details of a league of nations.

Mr. LEWIS. Mr. President, I gave notice yesterday that I would on Friday address the Senate upon the proposition of a league of nations for peace. I therefore at this time do not rise to address myself to that particular subject, but I do assume to refer to the preliminary remarks of the eminent Senator from Minnesota, that which evidently was not a part of the speech he had prepared and has delivered in the present hour on the league of nations.

Mr. President, I concur with the Senator from Nevada [Mr. PITTMAN] in his complimentary allusion to the Senator from Minnesota paying tribute to the speech as being wholly divorced from anything of a partisan tinge or touch of personal prejudice; also I concur with the able junior Senator from Pennsylvania [Mr. KNOX] that the paper presented by the Senator from Minnesota this morning is a liberal contribution to history, literature, and statesmanship of the subject. Whether we will agree with his conclusions is a matter to be after determined.

But in the preliminary remarks of the eminent Senator I was very much interested. It is the first time on this floor that any Senator has referred to the failure of the President of the United States to appoint Senators as members of the commission to go abroad and attend the present gathering ordered for Versailles touching the matter of peace. From the Senator came the first expression in the Senate that could be taken note of for purposes of reply.

Mr. President, the public at large has been given the impression that in his appointments to the peace commission the President cast some slight upon this body; that by failing to appoint Members of it he indicated to the nations at large a lack of respect for its personnel or an indifference to the position it occupies in the affairs of government.

Mr. President, I am sure that the President had not any such views and was in no wise animated by the slightest sense of indifference to the very high position of this body or the influence its Members exert in anything they advocate, but I wish to bring to attention now, in reply to the Senator from Minnesota, and therefore in reply to the criticisms on this feature, some few things which I trust may not occupy any length of time, at least not any objectionable length of time, as a clear justification for the President declining to name Members of this body or of his failure to do so.

Mr. KELLOGG. Will the Senator yield?

Mr. LEWIS. I yield.

Mr. KELLOGG. I did not criticize. I gave my views.

Mr. LEWIS. The Senator is quite acquit of criticizing the action. He merely expressed the view expressed in other quarters of regret.

Mr. President, when it is suggested to the country that Senators should have been named on that tribunal there ought to arise at once this interrogation, which I hope the very faithful members of the press will present now to the Nation as from an humble Member of this body: What would be thought of any power naming as a judge to decide a cause a lawyer who had for eight months been the advocate on one side of the controversy? What would be said of that bench made up of appointed judges to try one certain cause where every one of them had been for eight months presenting his demand as to what should be the final judgment of that court? What would be thought of a court made up of members each of whom had defined what he felt to be the duty of the litigants, their obligations, and already through himself presented a final decree as to what that court should decide in the dispute? The reply would be that it was such a prejudiced tribunal that no fair man ought to suggest such, and no honorable man who had been such previous advocate would have taken a place upon it.

Mr. President, with that interrogation let us view this situation for a moment, that we might indicate to the public what must have been in the mind of the President of the United States, who must be conceded to be a learned man and a historian of the past, as to why a Member of this body was not placed by him as one of the commission to serve on that international peace tribunal.

Mr. President, first we view them entering into Versailles. They are met at once by the Governments who are interested in the conflict, with this acknowledged conclusion: "Gentlemen, you have in the United States Senate, in speeches manifold, presented the viewpoint that Alsace-Lorraine should go back to France. Yet you are here to sit upon a bench as a judge while Alsace-Lorraine is asking to be made an independent State on her merits after the order of Poland, and which you insist should be the fate of Serbia. Gentlemen of the United States Senate, you are brought here and put upon the bench when you have time and time again been urging that the attitude of France and Britain concerning certain boundary lines touching the Rhine should be of this and that conclusion." Conceded. "You have made speeches as to what should be done with Turkey; you have laid down your doctrines; you have announced them to your people; your people have accepted them from you; you have sought election; you have sought honor and position upon your views." Conceded. "And yet you come to sit as judges, with impartial minds, presumably, to have presented to you the relative contentions of these different countries as to what they feel to be the future rights, the divisions, the dispositions, the applications of all their future."

And then, further, Mr. President, we can hear them reflect: "You have, gentlemen of the Senate, time and time again stated what your opinion was as to what should be the penalty upon Germany, among which are retribution, indemnity, and the keeping by the allies of all the captured colonies of Germany."

"Yes." "You have felt it deeply in your hearts." "Yes." "You have proposed it to your countrymen." "We have." "You have received their verdict." "We have." "And yet you are brought to sit on this bench as impartial judges with your judgment heretofore pronounced, having been accepted by your people, against which you dare not go and the reverse of which you dare not attempt. You are here to say if the Irredenta of Italy-Austria is to go all to Italy or some to Greece or any to South Slovakia. Yet you have announced too often to count that the Irredenta should all go at once to heroic Italy. You are here to decide as to a national Poland, a national Bohemia, a national Hungary. Yet as to all of these there is conflict of peoples within their domain insisting that no such organization should be created including them because of race, sect, or religion. Yet you are here," they will say, "to decide, after hearing, that which you have prejudged and time and time again announced your decision in Senate and public speeches."

Mr. SMOOT and Mr. NEW addressed the Chair.

The PRESIDING OFFICER (Mr. GAY in the chair). Does the Senator from Illinois yield; and if so, to whom?

Mr. LEWIS. I yield to the Senator from Utah, who first rose. Then I shall yield to the Senator from Indiana.

Mr. SMOOT. I desire to ask the Senator from Illinois if the same situation that he has just described as affecting Senators would not also apply to Lloyd George, to Clemenceau, and to the President of the United States, who, of course, will sit in the same case as judges?

Mr. LEWIS. I first answer the Senator from Utah. I must say "no." I had intended to refer to that feature, but I say "no," and I say "no" with great vigor. First, Lloyd George does not sit afterwards as a supreme court upon his own action, as would these Senators in Senate on confirmation of the treaty; neither does Clemenceau, to ratify for France what shall transpire in that peace body. As to the President of the United States, I must impress upon the Senator from Utah his constant statement that he goes to "tender his judgment," to "participate in a consultation," but not in the decision.

Mr. SMOOT. Mr. President——

Mr. LEWIS. I yield again to the Senator from Utah, but shall then yield to the Senator from Indiana.

Mr. SMOOT. I want to say to the Senator that what I stated was just exactly what Lloyd George does do, and that is more particularly true as to him than it is as to the President of the United States. In referring to the President of the United States, I only had in mind the question as to the return of Alsace-Lorraine. I do not want the Senator to think that I went further than that as to the President of the United States, but the position that Lloyd George holds gives him the absolute power, more so than the President of France or the President of the United States, to determine, after the decision is reached, that it shall be final and binding upon England and upon the English race.

Mr. LEWIS. Mr. President, I regret that the Senator from Utah and myself can not concur in that for this reason: He has a viewpoint as to certain forms of British legislative action which has no application to the present proceeding. I will illustrate that to him in a single clause. When the overtures of peace were sought to be presented by Fox as having been presented through Napoleon, Pitt was then premier. Pitt opposed Fox in the British Parliament, denying that these overtures of Bonaparte were just, and refused particularly to accept them as presented by Talleyrand. I invite the attention of the able Senator from Utah to the fact that subsequently the subject was debated upon the floor of Parliament. It was 1800—I think February. The question then arose, if the overtures as presented were to be agreed upon, whether the Houses of Parliament had the further right, after the agreement, to pass any judgment upon them. It was then held, sir, it has always been since held, so far as I know—I do not know the history preceding this event—that after the Parliament had designated, if it did, or the King had designated, if he did, delegates to represent the Empire, and the decision had been reached, that was the conclusion, so far as Parliament had power over the decision. The only thing that could then be done, I will tell my honorable friend, is for members to oppose it as a policy, then bring it up as a resolution of party confidence if the vote is adverse. They then go to the country for a new election, this course being different from ours and more democratic. That opposition, then, is sent at once to the ballot box as against the actors, and not, as my eminent friend assumes, to Parliament for a confirmation or rejection in form, as our Senate serves.

Mr. SMOOT. Mr. President, will the Senator from Illinois yield to me further?

Mr. LEWIS. Yes, for we are seeking to get the history of this correct. I have other things to say on other branches later.

Mr. SMOOT. Mr. President, I must dissent from the position taken by the eminent Senator from Illinois, as I understand the situation. I may be wrong and the Senator from Illinois may be right; but I understand that after this peace treaty shall have been concluded Parliament will have nothing whatever to do with it; that it is an executive function entirely, so far as England is concerned. It is not so much so with France and the United States as it is with England.

Mr. LEWIS. Mr. President, may I be pardoned to say that the Senator from Utah is absolutely correct? I have been seeking to make that exact situation clear to him. He is absolutely correct in making it. Parliament has absolutely nothing to do with it. The only action to be taken if objections are made—and they are made then on the ground, sir, that it is wrong or unjust to England, and a vote of confidence in the government making the treaty is denied—is at once to issue writs for an election. If they choose a new Parliament, may I submit it to the eminent Senator, he is quite right in the assumption that it does not take the part as our United States Senate here does, to confirm the action.

Mr. SMITH of Michigan. That would not change the treaty.

Mr. LEWIS. And, as the Senator from Michigan well says, it could not change the treaty.

Mr. MOSES. Mr. President——

Mr. LEWIS. I ask pardon of the Senator from New Hampshire. May I yield first to the Senator from Indiana [Mr. NEW], to whom I owe that courtesy?

Mr. NEW. The question I proposed to ask was covered by the question asked by the Senator from Utah [Mr. SMOOT].

Mr. LEWIS. Then I yield to the Senator from New Hampshire.

Mr. MOSES. I desire to ask the Senator from Illinois a question. Being unfamiliar with the functions or prerogatives or powers of Senators, may I ask the Senator from Illinois if he deems it likely that a single speech or any number of speeches made by Senators here would be likely to commit either the Senate or the people of the United States to any policy whatsoever regarding our foreign relations?

Mr. LEWIS. Mr. President, I will say to the Senator from New Hampshire that, knowing the high character of the men occupying this body, I would assume they would be free from being prejudiced, and that they might still be wholly impartial; but it would be very difficult to impress the people of Britain, the people of France, and of the smaller nations, who are now pleading at the bar of this gathering, that such men will be impartial judges, who had already rendered decisions both to themselves and to the Senate and to their country. It is for that reason I must impress upon the Senate that the President must have seriously been influenced by these situations when he came to the consideration of naming Members of this body. It would have been, sir, as though one named members of the Supreme Court to sit in the lower tribunal to make decision of that which they themselves were to review for affirmance or reversal.

Mr. President, apart from the fact that the instances and situations I illustrate would seriously impair the usefulness of such a Senator in that tribunal, weaken his force, lessen his strength, limit his influence, or becloud a needed esteem, what effect, sir, would it have here when he returns to this body when the treaty is presented? Would not this body well know that whatever vote he had cast there or reasons for such more or less had to be in compliance with previous views expressed in this tribunal? Would not the peace tribunal know that his influence here would be to exert the views he had expressed to his people and to the Senate previously, the reverse of which he might not dare to assume? Would they not feel therefore that the final conduct of his action there as commissioner or here as confirming Senator could not be regarded as wholly impartial? Or, let us take the other aspect—the measure the Senate would give to such Senator here on matters of confirmation. Would not certain party colleague Senators feel that they were called on to confirm the treaty out of that comity which Senators bear to each other and out of that courtesy that suggested that if they did not confirm the action of their colleague they would put that Senator in his State as one repudiated by the body of which he was a Member? Would not these party compatriots see that only by confirming could they sustain him? They know the political effect of repudiation. Would not all these considerations be pressed on them as of prime importance and necessary to reckon with?

I now invite the attention of the Senate to just a morsel of history. Henry Clay was so impressed with the fact that he would be beaten for the Presidency if he dared confirm by his own action as commissioner the treaty of Ghent, which arranged the peace of the War of 1812, that he declined to sign it. When

Gallatin, one of the commissioners, took him out into the corridor of a little hotel at Bruges to impress upon him—as history records—that if he did not sign it it would weaken us with Britain, with whom we had lately been at war, he refused upon the ground, as he then gave it—and, Senators, you are historians and you will bear me out—that the treaty in no wise contained one single line guaranteeing to us the seas, for which we went to war, and, as he said, for which he had demanded we go to war. He said—pardon the expression—"How in the hell could I sign such and go back to Kentucky?" Finally, sir, Henry Clay was called upon, through influences, to lend his acquiescence; but when the treaty came to this body and was confirmed it was so known to have been compromised to its acceptance that it lost its weight, and never to this hour is the procedure of confirmation or the terms of the treaty cited by any Members of this body as a precedent for anything.

Sir, let us recall that when the commissioners were selected to conclude peace with France in 1799 Oliver Ellsworth, Chief Justice of the United States Supreme Court, and W. R. Davie and W. V. Murray were chosen. The mission was successful and ratified here without a dissent.

Now, my able friend, the senior Senator from Michigan [Mr. SMITH], brings to my attention a matter which I shall advert to; it is that President McKinley named Senators to settle the treaty of Spain and America. Before I enter on this subject, may I ask to have a message sent the senior Senator from Massachusetts [Mr. LODGE] saying that if he has finished his lunch I should like to have him present, as I shall refer to a matter in connection with that treaty that I think is within his memory as a personal witness, and if I am in error I want correction, and if I am right I want confirmation.

Mr. President, I now state that when the war was concluded between our country and Spain President McKinley designated Senator Frye, of Maine; Senator Davis, of Minnesota; and then a Democrat, who had been a Senator, but, as I now think, was then a judge of a United States court, the Hon. George Gray.

Mr. THOMAS. Senator Gray was a Senator at the time he was appointed.

Mr. LEWIS. Was he a Senator at that time?

Mr. SMOOT. He was at that time a Senator.

Mr. LEWIS. I thank the Senators for the correction.

Mr. SMITH of Michigan. And he was a very eminent Senator.

Mr. LEWIS. He was an able man. Indeed, I recall being an advocate of his for the Presidency.

Mr. President, then, apart from the fact whether he was then in the Senate or had been appointed judge, he was designated as a minority representative. There was at that time all over this land a very serious dispute as to whether the United States should take over the Philippine Islands. It was a question to which our country was very alive. I lived on the Pacific coast then; I had the honor then to represent in Congress, as Congressman at large, a State on the Pacific coast, the State of Washington; but in New England and in the South there was great resentment against taking the Philippines, while in my section of the country there was seemingly a very strong demand for that action, on the theory that it strengthened the Pacific coast. I opposed it, and was in the minority.

Mr. President, when that treaty came back to this body it embodied the taking of the Philippine Islands and the paying of $20,000,000 to Spain. The treaty also carried with it certain other provisions. The debate as to the confirmation of that treaty continued days and weeks. Senators sitting about me, such as the Senator from Alabama [Mr. UNDERWOOD], the Senator from Michigan [Mr. SMITH], and the Senator from Kansas [Mr. CURTIS], who were then Members of the other House, will recall with what fiery dispute that peculiar debate swayed to and fro. Sir, I ask the memory of those who were around at that time to recall one of the charges which Senator Hoar, of Massachusetts, made on the floor of this Senate against the confirmation of the treaty. Among other things he said that Senators were being implored out of a comity of the relations they bore to Senators who had participated in making the treaty and in accepting what he called "the burden of blood" and putting it on the country.

Mr. SMITH of Michigan. But the country did not adopt their view.

Mr. LEWIS. That is positively true—to later qualify its position.

Mr. President, that treaty was discounted on this floor by Senators who were called upon to vote for its confirmation because of the knowledge that there was being imposed upon them a sense of fraternal obligation because of their fellow Senators being a part of the board. There has passed to heaven, let us believe, the then distinguished senior Senator from Maine, Mr. Hale, the differences between whom and Senator Frye, his colleague, who helped make the treaty, were not altogether closed even at death, if political history, incidental and otherwise, is correct, because of that peculiar situation put on Senator Hale by the position of his colleague. Senator Hale conscientiously opposed that treaty, and he was put in the peculiar position of warring against his colleague, and the burden put upon him was so heavy because of the charge that he was reflecting upon the State of Maine by his opposition to his colleague that it greatly disturbed him.

Mr. President, there was a Senator on this floor—I do not know what political designation he went by then, whether Republican, silver Republican, or Democrat—Senator Pettigrew of South Dakota—who in his opposition to the treaty——

Mr. SMITH of Michigan. He was a Democrat then. He was a Democrat in 1896, and this occurred in 1898.

Mr. LEWIS. The Senator from Michigan tells me he was designated as a Democrat. I thought he was a silver Republican, so termed. Among other things, if the public press be right, he characterized the attempt to enforce the treaty upon this body as an effort to secure political advantage to the Members of the body who had participated in framing the treaty. And, Mr. President, let the Senate recall that so bitter became the dispute in this body and so divided its counsels that that treaty was ratified finally by the very smallest margin, and the action left for years afterwards, sir, wounds which were never thoroughly healed in the lifetime of those who participated.

That being true, Mr. President, what think you, sir, would have been the result if Senators had been named by the President of the United States and had presumed to sit upon this Versailles tribunal and, although urging the best conclusion they might, had returned here and asked that all be ratified? Will anybody fancy that it would not be said that their judgment had been made before they ever took their place? Will it not be said over in Europe that we gave them a prejudiced tribunal? Will it not be charged that we sent men who were partial and who had already prejudged the case? And when they returned here would not those who had found objections to the treaty feel that they were under some obligation of fraternity, some comity of relationship, some courtesy of association to confirm that which individually they may have felt they should oppose? Would not their freedom of opposition be stinted, if not paralyzed, to a great degree by the knowledge that their assault upon the result was an assault upon one of their colleagues? And, sir, if we should confirm things that meet the objections of those of our fellow citizens anywhere, could you ever quell the voice of our protesting citizens, who could charge us with having done so for no other reason than that Members of our body had their political fortunes in the balance and at stake, and thus deprecate our action and discount the treaty? It would have a cloud on its title forever.

Surely, Mr. President, these reflections must be recorded as a very just reason why no fair man standing as the President has stood, and does stand, could have ignored the very impending and influential reasons against naming one of the members of the supreme court, who must ratify this treaty, to sit in the lower tribunal and make a decision which he himself would afterwards pass upon as right or wrong against assault.

Senators have said—I have heard them on this floor most sincerely say—that they have a right to be kept in touch with the proceedings. Mr. President, I pause. I observe the senior Senator from Massachusetts [Mr. LODGE] is now in the Chamber, and I desire to ask him if his memory accords with my own. I stated before the Senator came in, and when I sent word to ask the Senator to come in, that the public press reported that his then eminent colleague, Mr. Hoar, in his opposition to confirming the treaty known as the Spanish-American treaty in 1898, then charged, among other things, an attempt to influence the free judgment of Senators by the mere fact of the comity amongst Senators; that this treaty had been presented, among others, by those who were Members of this body; and that prevented fair and free thought. I also called attention to the speech which Senator Pettigrew is reported to have made in the Senate, who likewise, following Senator Hoar, and, seemingly to me, adopted his viewpoint, charged that they could not have free and fair consideration because of the influence of the fact that Members of this body were participants in the peace tribunal. I charged, as a result of that, that the very narrow margin by which the treaty was ratified was due to that feeling of comity. I should like to ask the distinguished Senator from Massachusetts if his memory of those debates, if he has memory of them as a then Senator from Massachusetts, agrees with the newspaper reports. I was not a Member of the Senate at that time.

Mr. LODGE. Mr. President, it is impossible for me at a distance of 20 years to state just what occurred in that debate. My colleague, Mr. Hoar, was very much opposed to the treaty; but I do not remember whether or not he said anything about comity to other Senators. I have no recollection of it. It would be discovered—no, it could not be discovered, because that treaty was discussed in executive session.

Mr. LEWIS. I may say to the eminent Senator that I would have gotten the RECORD and produced it but for the fact that I had to take such information as I have only from the public papers and traditional recital from those who recall the incidents.

Mr. LODGE. Of course. I do not recall that my colleague said it, although he may have done so. The question of the Senators being signatories to the treaty, however, played very little part in the debate, and I do not think had any influence whatever on the result. The contest arose, as the Senator is well aware, out of the provision of the treaty taking the Philippine Islands.

Mr. LEWIS. I think the Senator in the latter remark confirms what I have previously stated to the Senate was to my knowledge the contention of the time—the Philippines—as I was not then a member of this body, being a member of another body, which had no right to participate in the deliberations incident to the ratification of the treaty.

Now, Mr. President, I come to the concluding feature, to which I ask Senators' attention for a moment. Senators have stated here that they have a right to be kept in touch with the proceedings, and therefore, for that reason, should have a representative at the peace conference. I reply to that by saying that if a Member of the Senate were there, however, the Senate would not be kept in touch with the proceedings; all he could do would be when he came back to arise and recite what transpired. The Senate could not have a report from him every minute an expression was had, the atmosphere that surrounded it, the sentiment that enhanced it, the prejudice that weakened it. Mr. President, does the Supreme Court of the United States have each step of the trial in a lower tribunal brought to it each moment it transpires as a reason or basis for reviewing the opinion that is before it under complaint of error and in the process of appeal for reversal? Not at all. But if the proceedings are to be made familiar to this body, it will not be overlooked that there will be stenographic reports, and the Senators will have the same reports as any other tribunal would have upon appeal. They will have the reports exactly as they have upon any other treaty negotiated and brought from abroad. They never know respecting other treaties each step that is taken in the deliberation; they have to take the paper as it is sent in to them in its entirety, not the deliberations and the debates at all, but, if so, they are in the stenographic report and in the bound official volumes. Will not that material also be before this body in this incident, as has been the custom for all time?

Then, Mr. President, is there anything else this body shall pass upon but the final conclusion reached, and the conclusion, sir, is the treaty complete? This action is measured only by the evidence that is brought before the Senate in the record. Therefore I must differ from the eminent Senators who lay down the doctrine that there should be a Senator upon the board, or many Senators, in order that the Senate may be kept in touch. First, I deny the premises; we would not keep in touch by such a plan. Second, they are not called on to keep in touch, but they are only to be cognizant of, aware of, and informed of the proceedings as concluded, and such proceedings as will enlighten them to the conclusion they will have to reach; that is, whether they wish to ratify or to reject the treaty. There can be no amendment, no change, no addition or reduction—the whole as a whole or none at all, complete acceptance or wholly rejected.

Mr. SMITH of Michigan. Mr. President, I should like to make a suggestion to the Senator from Illinois which may not be timely or important.

Mr. LEWIS. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I fail to see, as one Member of the Senate, why the treaty of peace with Germany and Austria-Hungary is so fraught with danger to our country. We are in no peril; we were victorious and sit in judgment; whatever the terms the vanquished must yield. We are not at war with Turkey, and therefore there will be no treaty of peace with Turkey so far as our country is concerned; we are not at war with Bulgaria, and there will be no treaty of peace with Bulgaria. We have renounced in advance any general monetary indemnity from the central powers, and therefore the question of a monetary indemnity can not arise. We have absolutely foreclosed ourselves against any territorial acquirements, and therefore that question can not arise; and the question of putting into treaty form with Germany and with Austria-Hungary any provision which links our Government to theirs in a league of peace must await the trend of events and the ultimate good faith of those Governments. I am speaking only of the actual work to be performed by the Senate. The Paris conference will take wider scope and undoubtedly lay the foundation of peace broad and deep. In this the President will have an important part, but the Senate need not be consulted until such action takes definite form. In other words, a league of nations is a league between England, France, Belgium, and Italy, our allies, and ourselves, and if the peace conference at Paris should finally determine informally that a league of nations was desirable an agreement must be made separate and apart from the treaty of peace with Germany and with Austria. It may be that very important questions will arise affecting the territorial limits and the integrity of smaller States; I know that they are apprehended, but this will be a matter of policy and not of law and ample information will be forthcoming. I have been very much impressed by some of the things I have heard to-day about their importance; but, nevertheless, the question of indemnity and territorial compensation having been voluntarily eliminated, it seems to me that our duty in the first instance will be a very simple one, and if we league ourselves with foreign States afterwards upon any basis of obligation and reciprocity that must be brought about by voluntary cooperation among the victors and the vanquished or by the victors alone. I have full faith that American interests will be protected by the chosen representatives of the American people.

Mr. LEWIS. Mr. President, of course that subject referred to by the Senator is fraught with serious difficulties and impends with very difficult problems. I expect on Friday to refer to that phase and will not intrude it now. It does not enter upon the present discussion to which I am addressing myself, as the Senator very wisely saw; but I nevertheless invited his observations by yielding to him. I will conclude upon the single thought——

Mr. SMITH of Michigan. I hope I did not interrupt the Senator against his will.

Mr. LEWIS. Not in the slightest. I invited it. The Senator did not interrupt me against my will; we have had associations for many years, and nothing that he has ever done that touches me has been against my will. I have not always been able to agree with him, but interrupting me by him meets my approval.

Mr. President, I was concluding upon the line of seeking to disprove wholly the ground that had been urged in many quarters, that it was necessary that Senators should be made members of this commission or that they should be kept in touch; and I replied by saying that the Senate would not be kept in touch had Members of the Senate had membership on the commission. I had stated that the only touch they are called upon to have with the proceeding is, at the conclusion, with that which will be reported to them officially, as with any other treaty, for acceptance or rejection. I reaffirm my views as expressed.

Mr. President, I have assumed at this time to offer these observations because the remarks of the Senator from Minnesota in the opening of his speech—in harmony with similar observations made in many quarters—would have led the country to conclude that which it has drawn too generally from other observations—that the President had failed to do a necessary and legal thing, or that he had failed in a necessary duty, or that there was no excuse for what he did in failing to put Members of the Senate upon the peace commission. Mr. President, may I be pardoned for saying—I can speak of my own knowledge—that it was the wish of the President of the United States to have Members of this body and some of the other legislative branch upon that tribunal, and not until close investigation and reflection restored him to the difficulties and revived to his mind what undoubtedly would confront them was he compelled to dismiss that consideration. I only mention that now that it might be known that at no time was there contumely or indifference cast upon this body by the mere omission to make those appointments.

I have made these statements, I have set forth these grounds why the President was justified, in my viewpoint, not, sir, that I wish to enter upon the discussion at this time as to what might be called the propriety or the impropriety of naming Senators, but in order that we may do no wrong to anyone. We do not wish to send the President of the United States from this country with the stamp of the scorn of his countrymen upon him. There is no patriot of this body who would send him forth striped with the maledictions of the United States Senate or send him forth as one who goes with a verdict of his countrymen of repudiation and discredit. Surely every man wishes that in the mission upon which he has entered the

President shall have Godspeed and shall have success and come back with glory. That means the honor of his country; it means the victory of his Nation. Anything else felt in the heart of any man or uttered from any American could be little less than treason to his country.

It is, therefore, for the reason only that he may be set right by a mere suggestion, which I know is sufficient when reflected upon, that I have assumed to enter upon this phase of the discussion, feeling that it is justice we seek, and only that; and my mind reverts—it is not inappropriate to enter upon that theme here in this forum—I take my text from the famous line of Bulwer-Lytton in Richelieu:

For justice, all seasons summer, all places a temple!

I thank the Senate.

Mr. SMOOT. Mr. President, just for the RECORD I wish to say that Hon. George Gray, the gentleman referred to by the Senator, served in the Senate from March 19, 1885, until March 3, 1899. He was a member of the commission which met in Quebec in August, 1898, to settle the differences between the United States and Canada, and later of the commission which met in Paris in September, 1898, to arrange the terms of peace between the United States and Spain. Therefore, he was a Senator of the United States at the time of his appointment.

Mr. McKELLAR. The treaty being concluded on February 6, 1899, before the expiration of his term of service on the 3d of March.

Mr. SMOOT. Yes. Now, Mr. President, I want to get back to the bill before the Senate.

CIVIL-SERVICE RETIREMENT.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4637) for the retirement of employees in the classified civil service.

Mr. SMOOT. Mr. President, I am compelled to leave the Chamber at this time to attend a very important meeting of the Finance Committee, and I want now to offer and have pending, unless the Senator in charge of the bill agrees to them, the amendments which I am about to state.

Mr. McKELLAR. I shall not object to the amendments.

Mr. SMOOT. Then I will just offer the amendments now and let them be passed on now.

Mr. McKELLAR. That will be all right.

Mr. SMOOT. On line 4, page 4, I move to strike out the words "and elects to receive" and insert "or is receiving."

Then I move to strike out the last word on line 4 of the same page, the word "disability," and line 5 down to and including the word "his."

After the word "service," on line 6, I move to insert the words "the period of such military or naval service."

After the word "act," on line 7, I move to insert:

And nothing in this act shall be so construed as to affect in any way his right to a pension in addition to the annuity herein provided for.

This will be adopted, I suppose, as a whole—all one amendment.

Mr. FLETCHER. Mr. President, the Senator says this is practically all one amendment. Will he state the object of it?

Mr. SMOOT. I will state briefly the object of it.

As the bill was reported, it prevents a soldier of the Civil War from receiving any benefits under its provisions. My amendment simply allows him to receive the emoluments provided for in the bill notwithstanding the fact that he is receiving a pension for service in the Civil War.

Mr. THOMAS. In other words, it permits him to receive two pensions.

Mr. SMOOT. Well, if you could call them two pensions. If this is a pension, then what the Senator says is true.

Mr. McKELLAR. Will the Presiding Officer submit the amendment?

The PRESIDING OFFICER. The Chair understands that there is an amendment pending.

Mr. SMOOT. I ask unanimous consent that this amendment be considered now, because I have to leave the Chamber.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered. The Secretary will state the amendment offered by the Senator from Utah.

The SECRETARY. On line 4, page 4, it is proposed to strike out the words "and elects to receive" and insert "or is receiving."

The amendment was agreed to.

The SECRETARY. On lines 4 and 5 it is proposed to strike out "disability incurred in the line of duty, the period of his."

The amendment was agreed to.

The SECRETARY. On line 6, after the word "service," it is proposed to insert "the period of such military or naval service."

The amendment was agreed to.

The SECRETARY. On the same page, line 7, after the word "act" and the period, it is proposed to insert a comma and the following words: "and nothing in this act shall be so construed as to affect in any way his right to a pension in addition to the annuity herein provided for."

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Tennessee [Mr. McKELLAR].

Mr. POMERENE. Mr. President, I ask to have the amendment stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. The Senator from Tennessee offers the following amendment: On page 7, line 18, strike out the words "to whom this act applies" and insert "in the classified civil service, or of each person thereafter inducted into such service, with the exceptions herein made."

Mr. McKELLAR. That is an amendment to which the Senator from Iowa [Mr. CUMMINS] called attention yesterday.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Wyoming [Mr. WARREN].

The SECRETARY. On page 8, lines 10, 11, 12, 13, 14, and 15, it is proposed to strike out the following words:

There is also appropriated, out of any moneys in the Treasury not otherwise appropriated, a sum which, when added to the deductions herein provided and transferred from other appropriations under the provisions of this act, shall be sufficient to make payments provided by this act.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. McKELLAR. The next amendment is the amendment offered by the Senator from Colorado [Mr. THOMAS], I think.

The PRESIDING OFFICER. The Senator from Colorado offers an amendment, which will be stated by the Secretary.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. 17. Any employee who shall advocate, encourage, or participate in any strike against the Government, or any department, bureau, or commission thereof, or who shall join with other employees in refusing or failing to perform their duties as required by law or the rules and regulations of the heads of the departments, bureaus, or commissions, shall forfeit all right to and shall receive none of the benefits of this act.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. POMERENE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Baird	Johnson, S. D.	New	Smoot
Beckham	Jones, Wash.	Norris	Spencer
Brandegee	Kellogg	Page	Sutherland
Calder	Kendrick	Penrose	Swanson
Chamberlain	Kenyon	Phelan	Thomas
Curtis	King	Pittman	Thompson
Dillingham	Kirby	Poindexter	Townsend
Fernald	Knox	Pollock	Trammell
Fletcher	Lenroot	Pomerene	Underwood
Frelinghuysen	Lewis	Ransdell	Vardaman
Gay	McKellar	Reed	Warren
Gronna	McLean	Shafroth	Watson
Hale	Martin, Va.	Sheppard	Weeks
Harding	Moses	Smith, Ariz.	Williams
Johnson, Cal.	Myers	Smith, Ga.	

Mr. McKELLAR. I desire to announce that my colleague, the senior Senator from Tennessee [Mr. SHIELDS], is still absent on account of illness. I ask that this announcement may stand for the day.

Mr. SUTHERLAND. I announce the absence of my colleague [Mr. GOFF] on account of illness.

The PRESIDING OFFICER. Fifty-nine Senators have answered to their names. A quorum of the Senate is present.

Mr. POMERENE and Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. REED. Mr. President, I do not want to interrupt the Senator if he wishes to speak on the bill.

Mr. POMERENE. I was going to offer an amendment as a substitute.

Mr. REED. I desire to have read a very short statement, to which I should like to have the Senate's attention directed, if the Senator will let me have the floor that long.

Mr. POMERENE. I yield.

LEAGUE OF NATIONS.

Mr. REED. Mr. President, I send to the desk and ask to have read a portion of a letter written by Hon. D. J. Haff, of Kansas City, Mo., a very prominent lawyer, who has had a great deal to do with the organization of the National Security League and who has been a tower of strength in all matters of preparedness in this country. I should like to have read to the Senate the part that is not marked out. I think it is well worthy the attention of the Senate.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read the matter referred to.

The Secretary read as follows:

The President in his message to Congress yesterday had not one word to say on the lessons of the war, not a word regarding universal military training for our country; and he should have spoken then if ever he intended to. Indeed, he had nothing to say on the subject of future national preparedness except to recommend the continuance of the prewar naval program, for which let us be thankful. So if a policy of national defense is to be adopted the people must force it.

One of the things that already are turning the thoughts of the people from the necessity of an effective policy of national preparedness is the belief which the President has fostered that we are going to have a league of nations that will effectively prevent all future wars. This, for the most part, is a dream upon which we can not afford to rely. Much can be accomplished by the coming peace treaty by clarifying and extending the principles of international law and by punishing the German murderers and pirates who have willfully and deliberately violated them and criminally and wantonly disturbed the peace of the world, as Lloyd George so ably proposed in his speech last week. A league of the more decent nations can be formed having common ideals and based purely upon treaty and honor and a sense of moral responsibility and whose membership is limited to those nations which in the past have not regarded solemn treaties as "scraps of paper"; but to have a league that will prevent war by force, that will coerce its members, is to create a supernation, which means the surrender or destruction of the independence and sovereignty of all its members.

Does any intelligent, thinking man seriously believe that we are—that the nations and the peoples of the world, or a sufficient number of them to dominate the world, are ready for such a thing, for a United States of the world? Can Aryan, Mongolian, and Hottentot, white man and yellow man and black man, Christian, Mohammedan, and Buddhist, speaking a hundred different mutually incomprehensible languages, striving after innumerable opposite ideals, rooted in thousands of years of different habits and of thinking different thoughts and molded by different educations, prejudiced by different and hostile religions, and trained in widely different moral codes, be brought together in the next three months by a peace treaty and formed into a common brotherhood, a world federation, that will kill ambition, annihilate the spirit of revenge, extinguish race pride and prejudice, hatred, greed, lust for power, and all the human passions, evil and noble, that have caused wars since the beginning of history, and thus, by a parchment-created league of nations, immediately and for all time insure the peace of the world?

Who can possibly believe, if he has intelligence and a reasonable knowledge of history, of ethnology and human nature, that it can be done in the next six months, or in a century, or in two or five centuries? Was it not Bacon who said that the only safe teacher is experience? Have the last four years taught us nothing? Did we not have an awakening that at least this generation can not, or at least should not, forget?

Well, then, let us get out of the clouds and remember the processes of evolution, the slow and painful steps by which are attained the progress of mankind and the improvement of human government.

To my mind the subject upon which the people of this country most need education during the next three months, immediately and while the peace congress is in session, is this very question of what can and what can not be accomplished by the pending peace commission and the proposed treaty in the prevention of future wars. Fools are running around dreaming foolish dreams, making much noise, and disturbing sober thought.

We shall be induced to sell our birthright for a mess of pottage if we are not careful.

Mr. WILLIAMS. Mr. President, what is the name signed to that letter?

Mr. REED. I stated who signed it.

Mr. WILLIAMS. Yes; but I want to know the name. I did not hear it.

Mr. REED. D. J. Haff, a prominent attorney of my city.

Mr. WILLIAMS. Mr. President, I want to say just this in connection with that subject——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. POMERENE. Yes; I yield.

Mr. WILLIAMS. I will ask the Secretary to send me the letter. I am not certain that I can recall the language to which I refer.

Mr. REED. It is a private letter, and I had only a part of it read.

Mr. WILLIAMS. I know; but the Senator put it in the RECORD.

Mr. REED. I put a part of it in the RECORD.

Mr. WILLIAMS. I want to get one part of that part of it which has been read. [Reading:]

The President in his message to Congress yesterday had not one word to say on the lessons of the war, not a word regarding universal military training for our country, and he should have spoken then if ever he intended to.

Evidently this gentleman expects the United States to go into the Prussian universal military training system immediately after the war. He expected the President to advise the representatives of the people in the Senate and the House to go into it.

He had nothing good to say on the subject of future national preparedness except to recommend the continuation of the prewar naval program, for which let us be thankful.

I am very glad to hear that this gentleman is thankful for that much, because if we keep the naval program up to where it is now nobody in Europe can ever attack us. We will be isolated—on the defensive—from all future wars. But that is not the part I was trying to reach in connection with this letter. I am trying to find the part where, as well as I remember it, he says that there are still fools raging around, having visions concerning future peace.

Mr. REED. I will find it for the Senator.

Mr. WILLIAMS. Ah! Here it is:

Fools are running around dreaming foolish dreams, making much noise and disturbing sober thought.

We shall be induced to sell our birthright for a mess of pottage if we are not careful.

"Fools are running around dreaming foolish dreams!" Jesus Christ dreamt it. David, the sweet singer of Israel, dreamt it. George Washington dreamt it. Robert E. Lee dreamt it. The poet Tennyson dreamt it. All these people are fools in the opinion of this Missouri lawyer. I suppose he is a lawyer. It sounds like it, from the way he talks.

Fools are running around dreaming foolish dreams, making much noise and disturbing sober thought.

I suspect that about the Stone Age, when one fellow went after another with a club and a piece of flint, and drove that fellow and his partner—not his wife, but the female that he had captured—back into the cave, and took her away from him, that somebody rose up at once and said: "Don't be a fool. Don't be an ass. Don't run around dreaming foolish dreams. Of course, men have got to capture women every day and carry them off out of and into caves; and of course other men that are stronger have got to invade the cave and carry the woman away again; and of course barbarity is perpetual, and we can not help it." And if the argument of the Senator from Missouri be correct, of course the whole world has got to put itself upon an equal footing with Prussia after this war is over. According to the Senator from Missouri we have got to make an armed camp for the whole world as the only hope of peace.

Now, if that is the only hope of peace, upon my honor I would rather Prussia and Germany would have whipped us and we would have had universal domination with some degree of peace. If we are to tax the people all our lives to keep prepared one against the other in mutual suspicion for future warfare and look for it every morning before breakfast; if peace be a useless dream, and if the Prince of Peace be an idle superstition, and if there be no sense in the hope that perhaps humanity may settle its quarrels without murdering one another, then, as far as I am concerned, I would rather be foregathered to my forefathers to-morrow than to live in this world another 10 years. I have seen enough of it during this war.

Fools are running around dreaming foolish dreams, making much noise and disturbing sober thought.

"Making much noise." Who is making the noise? The Prussians made it in their time. The Hohenzollerns made it in their time, and the men who wanted to wait until Prussia could get to America before they fought, instead of accomplishing peace by offensive attack, made it in their time. The Huns under Attila made the noise in their time. The Goths under Alaric made it in their time. The maddened and impassioned soldiers of the French Revolution, who started out to conquer liberty and wound up by undertaking to conquer glory under Napoleon, made it in their time.

There is or is not a God. And God either is or He is not a prince of righteousness and justice. If it be true that fools only dream of peace and fools only dream of an agreement amongst nations whereby peace can be perpetuated, then there is no God of righteousness and no God of justice and no God of mercy, or else, on the other hand, if there be a God of justice and righteousness and mercy He has given me and you a common sense and a common conscience whereby we can be guided in peace consummation. Common sense means merely the sense of all average men in the aggregate, and common conscience the conscience of the average man throughout the world. If He has given us common sense and common conscience, He has given it to us as an instrumentality whereby we can reduce the world to order and to peace and to progress and to civilization, and whereby we shall not be forced to go to the Prussian junker system of universal armament, one man and one nation and people suspecting the other all the time.

"Dreaming a fool's dream, making a noise." It has not been the poet and prophet who have made the noise and dreamed the

foolish dreams. It has been the men who have violated all the dreams of the poet and all the visions of the prophet who have done it.

I was mighty glad when my boys were willing to go out and imitate their grandfather, who went out to fight for what he thought was right, but in another sense I was mighty sorry that the condition of the world was such that they had to go. I am not willing at the end of this war to confess that America and England have been wrong and that we must imitate the continental custom of keeping always armed cap-a-pie. We have just proven that we can call upon the reserve forces of our nations and conquer a constantly prepared military barbaric power. I am not willing to keep the people ground down with taxes throughout years and years because somebody says that the dream of peace is "a fool's dream." It is not a fool's dream. It is a poet's dream. It is a prophet's vision. It is a Christian's communion with God, and it is the purpose of the God of justice and of righteousness throughout the world, and that purpose must be finally accomplished through the common sense and the common conscience of the common men in all democratic countries fighting against all autocracy and against all bolshevism and all nonsense throughout the world.

Mr. REED. I hope the Senator from Ohio will indulge me for a few moments.

Mr. POMERENE. I yield to the Senator from Missouri.

Mr. REED. Mr. President, when I offered the letter of Mr. Haff to be read I had no idea of incensing the Senator from Mississippi; neither did I expect to arouse in him that zealous fervor which always makes his speech charming. Indeed, in hastily running my pencil through the paper—because this was a private letter—I inadvertently did not carry it down far enough to cut out one paragraph which might have been taken to be a criticism of the President, although it was not of an unkind or cruel nature. What I wanted to get before the Senate was this gentleman's very sane and logical statement, a statement which the Senator from Mississippi did not hear throughout, I am sure, or he would not have singled out a single sentence and made it the subject of his bitter criticism.

I do not know what the Senator may believe about a league of nations to enforce peace, but I know that although Jesus Christ nearly 2,000 years ago taught the doctrine of peace, taught the duty of men to maintain peace toward each other, He never promised us that condition until the day should come when the great God had purified the hearts of men and out of their souls had driven all cruelty, all lust, all evil, so that the lion and the lamb might lie down together. That day has not yet arrived. It may come in the providence of God and in the fullness of time. When it does come my brother from Mississippi and myself and all others will be very different men from what we are now. We will be more charitable. We will have a truer vision. We will be less inclined to get irritated. We will not fly into a passion at the opinions of another. We will have just views on all questions. We will, in truth, be fit for the angelic abodes. But I am afraid that it will never come to my friend from Mississippi or to myself until death has closed our eyes, until we have been enfolded in the embrace of that God whose charity may be great enough to cover entirely with its broad and generous mantle our manifold faults and imperfections.

Mr. President, poets have dreamed of peace, parliaments of man, and federations of the world. The vision has been and is a beautiful one, but thus far in the history of the world it has only been a dream. The nation which to-day relies solely upon maintaining peace by moral force will almost certainly become the victim of military force. There must be something besides trusting in God. The old continental commander added, "Keep your powder dry." While we are in this workaday world we must observe the actual conditions of life.

It is true that there ought to be no savages; but if a man were to go into a savage country unarmed and unprepared to defend himself it is altogether likely that he would never come out alive. It may be said that some have done this. Some saints have gone and with their kindliness have won the hearts of savages. That is true, but taken by and large men do not place themselves within the power of uncivilized men.

As there are differences between individuals and tribes, so there are differences between the nations of the earth. Some are inspired by lofty ideals, by a spirit of justice. They recognize the priciples of law and equity.

Others are controlled by motives of cruelty and selfishness. All of them are more or less the victims of prejudice, of race hatreds, due to differences of religion, differences in morals, differences in education, differences in blood, differences in likes and dislikes. And, above all, they are divided by hatreds born of oppression. These differences have during the course of the ages so separated races that they almost seem not to belong to the same human family. It is lamentable to the last degree that this is so. It is equally lamentable that there should be living in peaceful Christian communities men who can lay their hands to the hilt of a knife and drive it into the breast of a sleeping man or woman and rob them of their property. Yet there are murderers. It is lamentable to the last degree that there are men who break the doors of houses and rob and plunder. Yet it is so that there are now, as there always have been, criminals upon the earth. It is regrettable that there are men so base that they will cheat and defraud their neighbors, who can gather to themselves wealth by dishonest practices. And yet every court there is in the world is but a monument to the fact that human cupidity and human cruelty and human injustice are everywhere. They universally are to be found. It is a most regrettable fact that we must have a police force in the city of Washington and in every other city of our land and in every city of the world, a police force without which women would not be safe upon the streets, homes would not be safe. Even strong men would not be safe without a force of law and order to suppress the evil elements of society.

It is a pity, sir, that men do not observe throughout the world a spirit of unalloyed equity, unsullied justice, and exalted righteousness. How beautiful a world it would be if all men would be just! There is no song that ever fell from lip or pen of poet with a more exalted or beautiful theme than that of a world in which justice rules and universal equity holds unchallenged sway. But it has not been. It is not now. We may dream that on some future day it will come, that sometime the divine light will penetrate the darkness of the human soul and the holy finger of love be laid upon hard and cruel heart of man. Yet though we may dream these beautiful dreams, the practical man, the sensible man, knows that he must guard his door, must be prepared to protect wife and child. He also knows that for similar reasons he must at all times be prepared to help protect his city, his State, and his country.

The men who assert this doctrine of common sense can afford to be sneered at. They can afford to exercise patience with those who grow excited and inclined to scold when they are told their vision of universal peace at this time is an idle dream—a foolish vision—and that at this day and age of the world it is impossible to substitute divine love for human cruelty and selfishness by the mere signing of an international agreement providing for a league of nations. If they believe it is foolish, they have a right to say so. I believe it is foolish; but I do not think everybody is a fool who does not agree with me. I made a speech the other day extemporaneously, and I believe I used an expression of that kind. I did it inadvertently. I withdraw it. There were a lot of people before the war came on who were telling us that the time for universal peace had come. I remember that one distinguished statesman negotiated some 20 treaties with some 20 nations. In those treaties agreements were made looking toward the arbitration of international difficulties.

The difficulty, as suggested to me wittily by the Senator from Michigan [Mr. SMITH], was that the treaties provided that all controversies were to remain in cold storage for a year. During all that time nothing was to be done to right any wrong; there was to be no war waged, no force used. I did not vote for those treaties. I nevertheless just as much desire peace as does my distinguished and brilliant friend. I just as much want peace as anyone. If dreams could only bring peace, I would be willing to dream from now until my eyes are closed for the last time in that dreamless sleep which comes at last to all.

Mr. KELLOGG. Will the Senator yield for a suggestion?

Mr. REED. I yield.

Mr. KELLOGG. I understand the Senator refers to the treaties negotiated by Secretary Bryan?

Mr. REED. Yes.

Mr. KELLOGG. I do not think those treaties provided for arbitration.

Mr. REED. They provided a method which we may call a method of arbitration for the purpose of what I am saying at the present time.

Mr. President, I did not vote for those treaties, and I will tell you why. As I understood them, a year must elapse before our Government could take any steps to arrest by force the doing of any act, except possibly the invasion of its own territory. I did not believe that was wise. One illustration will serve to present my view, whether it was correct or incorrect. Conceive this sort of a situation: A foreign nation seeking to gain control

of the country immediately adjacent to the Panama Canal either through the negotiation of a treaty with or by force entering Colombia.

Conceive that this nation should start to build fortifications that would command the canal. Suppose that we should protest and our protest be disregarded. Suppose we should under such conditions find ourselves confronted with a treaty which bound us to wait a year, but did not bind the other nation to cease preparing for our injury, perhaps our destruction. Suppose we thereupon sat down to wait the expiration of the allotted 12 months. Suppose that during all that time our enemy should continue to build impregnable fortresses and to back them by an army of three or four million men. Might we not be forced ultimately to sacrifice hundreds of thousands of lives and billions of dollars to drive out the fortified enemy?

Mr. President, I may have been mistaken, but that was one of the provisions I believed was wrong about those treaties. It is true we might in an exigency of that kind disregard the treaty, disregard its letter, or disregard its spirit. That is only coming back to the ancient doctrine which all of us when we are exercising our sound judgment must acknowledge, and that is that as long as we remain a sovereign nation we must retain at all times the right to defend our vital interests upon the instant, for otherwise we may receive a deathblow while we wait.

Who is to guarantee the safety of America? It can be guaranteed in two ways. One is by the strength of our own arms. It may be the trained military arm or it may be the untrained arm possessing still enough of untrained strength so that it can defend itself even against all comers. I do not stop to argue that question. But, I repeat, we can defend ourselves in one of two ways. One is by our own strength. The other is by reliance upon other nations. Find me, if you can, any other means. Either our own strength must be relied upon or else we must rely upon the strength of other nations or, I might add, a combination of the two. How, then, shall we rely upon the strength of other nations? We must rely upon their agreements. We have nothing else to rely upon. We must substitute for the ability to defend ourselves the expectation and hope that other nations will assist us if we are attacked. That means that we are to make alliances and agreements.

There never was an agreement made between nations that did not involve reciprocal obligations. If other nations agree to defend this country if attacked, then we must in turn agree to defend them if they are attacked. If other nations in mutual agreement bind themselves to maintain the peace of the world by going to war to force peace, then we are bound to likewise go to war in the quarrels of others. Thus we have a defensive alliance and also a league that binds us to enter all the wars of the world.

The advocates of the league have now reached the point where they propose that the United States shall take her sons, boys from farm and factory and countinghouse and office, and transport them across the sea to defend not the rights of the American Nation but to settle the quarrels of European or Asiatic nations with which we are not at all or only remotely concerned.

Gild it as you may with all the ecstasies of oratory or the rhapsodies of religion, soar to every height of poesy, you can not escape the hard and cruel truth that this Government, this people, must be prepared to defend itself or it must rely upon other nations to defend it in whole or in part. I repeat that if we rely upon other nations to defend us, then we must agree to reciprocally defend them.

Now, Mr. President, that being the case, is a man just exactly a monster who suggests that it is better and cheaper in the long run to have some preparation here than to be unprepared? That is all this good lawyer said, even if he is a Missouri lawyer, and my friend seemed to find offense in that. I am sorry for it.

Mr. WILLIAMS. I did not call him a Missouri lawyer.

Mr. REED. Yes, you did; but that is all right. It would not be offensive to me.

Mr. WILLIAMS. You will find by the RECORD that I did not use the word Missouri at all.

Mr. REED. Oh, yes; but it is immaterial, Missouri and Mississippi both being a part of this great Union.

Mr. WILLIAMS. And both beginning with "M-i and a double s."

Mr. REED. Both of them are good States, and it is a credit to any man to come from either of them. What did this gentleman say?

Much can be accomplished by the coming peace treaty by clarifying and extending the principles of international law and by punishing the German murderers and pirates who have willfully and deliberately violated them and criminally and wantonly disturbed the peace of the world, as Lloyd George so ably proposed in his speech last week. A league of the more decent nations can be formed, having common ideals and based purely upon treaty and honor and a sense of moral responsibility, and whose membership is limited to those nations which in the past have not regarded solemn treaties as "scraps of paper," but to have a league that will prevent war by force, that will coerce its members, is to create a supernation, which means the surrender or destruction of the independence and sovereignty of all its members.

Now, I hope that that is not very far from the doctrine in which the Senator believes. I can not believe that the Senator is prepared to indorse the doctrine of a league of nations in which this country shall bind itself to engage in the quarrels, the broils, and the battles that may hereafter arise in Europe, although our interests may be entirely separate from them. I would be interested to learn what the Senator's view is upon that important question.

Mr. WILLIAMS rose.

Mr. REED. I will be glad to yield to the Senator now if he desires me to do so.

Mr. WILLIAMS. No; I thought the Senator from Missouri had concluded. I will state to the Senator my view in a moment.

Mr. REED. Very well.

Mr. President, the Senator before the last war was one of the advocates of peace; he was a pacifist; it did honor to his heart. I will not say it did dishonor to his head. I should say nothing would do dishonor to his head, for he is known as one of the ablest men of our country; and I say that from the very outpourings of my heart. But the men who taught universal peace before this war were mistaken. That is all there is about it.

I have been a believer in the old doctrine of a small standing Army and a small Navy. After I got a little closer to the scene of action as a Member of this body I began to see the necessity of a larger Navy. I believe now, Mr. President, that if the United States had had a Navy three or four times as strong as she had Germany would never have dared enter upon her program of universal destruction of the commerce of the seas and would therefore have never warned us off the waters of the Atlantic Ocean. But whether that is true or is not true we need not pause to discuss.

The Senator from Mississippi frequently says, with that terse wittiness of which he is master, that "only fools refuse to change their minds." We all in this day and age of the world are changing our minds. I have made my mind up that I do not want to see another war ever fought; but if it does come I do not want the war to be over before the United States can put on the battle front a single battery of first-class cannon that was made in our own foundries. I do not want to see a situation again where the war is fought and over and still 12 months must elapse before our first-class ordnance can be ready for the field. I do not want to see another war fought with American troops sent into action not properly defended by shell fire.

I had rather, instead of paying interest on a war debt, employ some money to build works in which we can make cannon at reasonable prices in time of peace. I would make them and cord them up and have them ready, so that if any emergency should hereafter arise we shall have the guns to fight with. I am wicked enough, reactionary enough, barbaric enough, "Stone Age" enough, to actually believe that it is good common sense to have enough rifles with which to arm our men. We did not have them when we entered this war. We were forced to change our weapon. We were able to do that with reasonable speed because England had been at war and England had employed great factories here to make her rifles. They were, therefore, prepared on rather short notice to turn out a similar rifle; otherwise some of our men would have been drilling with broomsticks up to this hour.

I am absolutely wicked enough, Stone Age enough, to have arrived at the conclusion that if England retains her great fleet—and I think she will; I have no idea that England is going to surrender that fleet, though all the poets sing the sweetest songs that ever thrilled poetic souls, though orators may soar to heights above the clouds and cavort from star to star, still Great Britain will keep that fleet; mark what I tell you; every British man-of-war will still pursue its invincible course through the waters of the seas—if that is going to be, I want the United States of America to be in a position of safety. If Great Britain will stop building ships, why, then, the rest may do so. Whatever we may be able to do by mutual agreement as to disarmament, well and good; but that is not the thing of which my friend wrote in this letter. He wrote of a league of nations by which all or a part of the nations of the world should agree to stand together and crush the power of nations that stand against them and enforce the decrees that they may write. Against that he protested; against that I protest.

Lest I forget it later on, let me say now, as I said a day or two ago in a speech here, we ought to rewrite international law. It can be done. That law should be codified; its loose precedents

should be gathered into form and crystallized into an agreed law of nations. Had we possessed a law providing in plain words what I believe the law to be, according to the best precedents, no nation would have the right to declare a blockade save of ports, and there the blockade must be maintained; but no nation should have the right to undertake the blockade of an entire sea, either by scattering mines or by a paper declaration. I believe that if that had been fairly written in the law, England would not have undertaken to blockade the North Sea; and I believe if England had not undertaken to blockade the North Sea some of the difficulties that followed later might never have come. But that again is arguing a question that is in the past and one which perhaps would better not be argued too fully just now.

But thus all of the great questions of international law that have caused trouble during this war, especially those involving the rights of belligerents and neutrals upon the high seas, ought to be written down in a code of laws. Then a nation guilty of violating that code of laws would at least be compelled to answer to the moral court of the world for a willful breach of national faith.

While that itself will not guarantee us, still the ignominy which has fallen upon Germany for treating her agreements as scraps of paper would, to a large extent, tend to discourage breaches of the law agreed upon in the manner I have indicated. So there may be by common consent agreements made limiting the arms and armaments of nations. If that can be done, I am most heartily in accord with it, and I have always been. That might be accomplished, because it is reasonable. For, observe, if two men are antagonists and each of them is carrying two or three pistols as he hunts his enemy, if each shall then agree to lay down one or two of his weapons and each, in fact, shall carry out the agreement, he is comparatively as strong as he was before. Therefore that might be accomplished.

But the doctrine I am assailing and the doctrine that my friend assails in this letter is that there shall be an agreement effected between certain of the nations which shall lay down the rules of conduct for themselves and others, and that if any astute nation shall violate the rules, or if any member violates them, then that this coalition of nations will use their joint power to coerce and conquer the offender.

It may be said that is not the doctrine of the league of nations. I admit it is pretty hard to get out of all these visions that have been floating around here just what any of them mean. There was a full-page article printed in one of the papers the other day—an advertisement which was printed in many of the papers—advocating some of these doctrines. Some of the statesmen of Europe have been advocating doctrines; some of the statesmen of the United States have been advocating other doctrines. It is hard to get at what each may have in mind. Yet we may, perhaps, arrive at some general deduction.

Broadly speaking, a league of nations which goes no further than to agree that certain things are proper and certain things are improper will meet with no opposition from anybody, but a league of nations that proposes to enforce its views upon others and that binds us to contribute to it, that puts us into controversies and broils and battles and wars of Europe is another proposition, and is one that I believe the people of this country will utterly repudiate.

Mr. President, why should they not repudiate it? It is contrary to every tradition of our country. We were warned against it by Washington, Jefferson, Madison, Jackson, and all the host of men who laid the foundations and built the early structure of this Government.

If we go into an arrangement such as I am speaking of, what shall be its limitations? What nations shall be admitted? In a speech by an English statesman the other day, as I recollect it, he suggested that this league should begin with the allied nations. What is it the allies on the other side of the water are going to guarantee for the benefit of America? Are they going to guarantee us against attack? From whom do we fear attack? Are they going to protect us? From whom will they protect us? I know of no nation on earth, save one of the allies, that could harm us to-day.

The only nation that flies a flag that can seriously harm America to-day is England, and nobody anticipates trouble with England. If we did anticipate it, we would hardly be making an alliance with England to protect us against herself.

What are we to get on this side of the water from this alliance? I am speaking now in a selfish way, it is true, but it is an element of selfishness that has common sense back of it. I repeat, there is no nation save Great Britain that can land a soldier on our soil and maintain him there for 30 days; and I do not think he can land, and I am in favor of fixing it so that he can not land even for 30 minutes. If we have to have more cannon and more ships, let us build them. We are spending enough money out here in front of this Capitol now on war workers' dormitories, that never will be occupied and still are going on to completion, to build one or two good battleships.

We pay out more money for moving pictures every year than would build a fleet of vessels. I am not an advocate of great navies unless we have to have them. I repeat, and I still repeat, what protection will we get from such an alliance?

Oh, it may be said, we will have trade abroad. Well, that is not a thing of such gravity as calls upon us to engage in all the wars of Europe.

But upon what a sea of trouble are we asked to embark? Senators, turn to the pages of your histories and ask yourselves why it is that for 2,000 years and more each war in Europe has been succeeded by another war. Many causes may be assigned, but away down deep under them all is race hatred and race ambition. Conquering hordes have time after time swept over Europe. They have crushed with brutal strength the native populations. The native populations have for years, sometimes for centuries, lain prostrate, hating and still hating their oppressors, waiting, waiting, for an opportunity to rise and strike for vengeance and liberty.

Time after time they have risen and driven them out only to find them returning. Sometimes they have held them back. In that case two races hating each other are face to face. The hatred may be wrong; it may be wicked; but you can no more eradicate it by a league of nations than you can wipe out the prejudice between the blacks and the whites in the South by passing a resolution in a New England sewing society. That may furnish the occasion for a dissertation to the effect that there is no prejudice; but, sirs, there is a prejudice.

Do you think that you can mix these alien peoples of Europe and of Asia and make them love each other by having a half dozen gentlemen of great distinction meet at The Hague or at Versailles and sign a paper? I tell you the Roumanian will remember the ravishment of his women and the murder of his old men a thousand years from now and hate the Hun as men hate who have suffered wrongs so great they can not find a voice.

Do you think that France will forgive the Hun in a thousand years? Will the Frenchman remember his women? Will he fail to remember how they were taken for medical examination before they were taken for ravishment? A thousand years from now will Belgium have forgotten the night of her horror? Will she ever cease to witness the burning of her cities, the defilement of her virgins, the massacre of her old men and old women? Will you make them love their oppressors and lie down in sweet serenity in a bed of peace, embracing with the tenderness of lovers? Will you make the Armenian love the Turk? Why, sirs, a million five hundred thousand new dead lie rotting in the ground—babes, little toddling babes, their brains dashed out before the mothers' frantic eyes, the fathers' maddened gaze; girls bound and borne off in brutal savagery to make a bed of lust for fiends incarnate, for such creatures as Moore describes:

> One who could pause and kneel unshod
> In the warm blood that his hand had poured
> And mutter o'er some text of God
> Engraven on his reeking sword.

Will you make the Armenian love the Turk?

What is to be the nature of this league of nations? If it be an agreement between Christian and enlightened nations to observe just rules of conduct toward each other, trusting to their honor and integrity as nations and binding them as honor binds, then well and good; hats off, and all acclaim to such a thing as that; but, if I understand the league of nations, that is not its scope. It is to bind the signatories thereto to employ force to compel obedience. If we so bind ourselves, then when Turkey and Armenia come to clash we must send our troops there. If the Serbians and the Russians come to a clash again, our troops must cross the seas. If England and France hereafter, breaking asunder the bonds of love that bind them now, shall go to fighting, then are we again to be bound to send our sons across the sea? Shall we each time there is a broil in Europe summon our troops, impose the draft, demand the first born and the youngest of the family, and once more send an endless stream of courage and heroism, but still of flesh and blood, across the distant seas to fight in foreign lands over quarrels between races that do not speak our tongue and whose rights and wrongs we do not understand?

It may be wicked, it may be the very acme of brutality, but I protest that if this great country of ours but knows its mission it will stay here within its seagirt shores, protect itself, retain its independence, suffering no single diminution of its sovereignty by agreements with other powers, making only that

character of agreement I have so often referred to, and that it will seek to continue as the great guiding influence upon the Western Hemisphere; that we shall bind to us by ties of commerce and of love those great and virgin countries that lie to our south; that we shall seek to direct the energies of our people and the energies of their people to an honest interchange of products; that we shall make the Monroe doctrine an inviolable doctrine of nations; and that we shall seek always and at all times, by kindly counsel and by generous aid, to help to maintain the peace and the happiness of this world.

Mr. President, I have made these purely extemporaneous remarks because I thought there was nothing in the letter I had read from my friend to call for any castigation of him by the Senator from Mississippi.

Mr. WILLIAMS. Mr. President, I hate to take up the time of the Senate this late in the afternoon. It is right difficult to reply to the Senator from Missouri, because one has to wait so long to begin the reply.

The Senator from Missouri has skillfully avoided and evaded the issue. The issue was the sentence in the letter which he read calling all men fools who dreamt of a permanent and just peace. Nobody was quarreling with a great deal of the other things that the Senator from Missouri said, and nobody was quarreling with the other part of the letter that this lawyer wrote.

The upshot of all that the Senator from Missouri has said is this, that if he is to have his way we are to go back to just where we were before this war started and all the nations of the world are to be armed camps, watching and suspecting one another all the time, ready to move for purposes of aggression and ready to move for fear that others may move for purposes of aggression. Are you going to put up with that? Do you stand here and tell me that that is unavoidable? Do you tell me that the common sense and common conscience and civilization and enlightenment of the world can not avoid it?

Who was talking about trying to make the Belgians love the Germans that raped their women? I was not. Who was talking about trying to make Armenians love Turks? I was not. Nobody imagines that they can do it. But what we are trying to do is to fix the status of things so that Prussians shall no more ravish Belgian women and so that Turks no more shall drive into the desert the women and children of Armenia while they take prisoner, subject to their lust, such of the women as they choose.

The Senator has, with the usual skillfulness of an adroit lawyer, attempted to shift the issue, and has attempted to put me in the position of defending the very thing that I do not defend and of attacking the very thing that I do not want to attack. Are you going to confess that what has recently happended can not be avoided for all the future to come; that junkers and barbarians are to continue, whenever they choose, to tear up treaties as "scraps of paper," and rape women whenever they please? If so, then the Senator's speech has been successful, because it seems that he thinks that that can not be avoided. I think it can, and I think that the common sense and common conscience of the common man, welded in and devoted to democracy throughout the world, can and will avoid it for the future.

Mr. President, if I believed, as the Senator seems to believe, that ever again this disgraceful spectacle could come upon the world's arena, to be witnessed helplessly by humanity, then I would cease to believe in God, and I would cease to believe in the common reason and the common sense and the common conscience of men, His creatures.

The Senator tells me "it may be very wicked but it is inevitable." Why, when 15 or more pioneers went into Missouri or into Mississippi in the early days, the very first thing they did was to form a league of individuals, just like the only league of nations I want. They said, "We have no government, we have no sheriff, we have no clerk, we have no law that binds us, but the man who steals a horse or kills one of us we will hang." So they formed a league of individuals without any court. Every pioneer that settled any part of America went into it with other pioneers with common sense and common conscience and his judgment that said: "We must have law, we must have order, we must have justice, we must have righteousness, and we will have it if we have to hang the fellow that interferes with it." Now, that is what we are going to say, through a league of nations, to Germany or anybody else.

Mr. REED. Mr. President——

Mr. WILLIAMS. One minute. We are simply going to say that hereafter, by the grace of God and by our own might, conjoined and not disunited, that "any civilized country, or country pretending to be civilized, that dares to make war upon another without either consenting to arbitration when it is offered or offering arbitration upon its own part shall become the common enemy of mankind," and we will deal with it like the early pioneers in Missouri dealt with a horse thief or a murderer, that is all.

Now I yield to the Senator.

Mr. REED. Of course there is nothing to be gained by the Senator or myself discussing moot questions. I was about to ask the Senator to define what he meant—what he thinks ought to be the objects of this league of nations and the reciprocal obligations.

Mr. WILLIAMS. Just precisely what was the object of the first 25 men that ever met in Albermarle County, Va., when it was upon the frontier. That was to agree that there should be peace and law and honor and justice and righteousness, and if anybody interfered with it they were going to be put outside of the pale of the law and be treated accordingly.

Mr. REED. And punish them, if necessary, by force?

Mr. WILLIAMS. And punish them, if necessary; yes.

Mr. REED. Now, will the Senator yield, just so that I may understand him? That is all.

Mr. WILLIAMS. Yes.

Mr. REED. I am not asking this in a controversial vein.

Mr. WILLIAMS. Ask your question. I yield for a question.

Mr. REED. I am going to ask it. Does the Senator believe that we ought to agree with one or more or all of the nations of Europe, so that in case some nation in Europe did not obey the regulations of this league we would become a party to helping conquer that nation?

Mr. WILLIAMS. Mr. President, the Senator speaks of "the regulations" of this league. I have said nothing about the regulations of this league, and I have not said that they would make any regulations, except one plain proposition, and that is to spread abroad and proclaim the ukase, if you choose to call it so, that no civilized nation shall dare make war upon another without either offering or accepting fair arbitration. Now, that is the only regulation necessary. If they refuse to abide by that, then I say unhesitatingly that the civilized world ought to declare them the enemy of mankind and of civilization; cut them off from traffic and travel upon the high seas; cut them off from all other traffic and travel, as far as you can, and from raw materials of industry; and, if necessary, send my boys, yes, to whip them into order.

Mr. REED. That is what I wanted to know.

Mr. WILLIAMS. Why, what happens in ordinary society? Why is it that the Senator from Missouri does not load himself up to kill me when we have a difficulty?

Mr. REED. Because I would not do it under any circumstances.

Mr. WILLIAMS. Well, I say, but why do you not if you are mad enough?

Mr. REED. The Senator does not mean that I am mad, of course.

Mr. WILLIAMS. It is not because you are too good to do it, or that I am, if we get mad enough, but it is because you know the force that is behind the constable and the sheriff. [Laughter.]

Mr. REED. Mr. President, of course, in the case of a timid man like myself that might be true; but as for a valiant soul like the Senator from Mississippi, I know that if he wanted to shoot a man he would not hesitate on account of the sheriff. [Laughter.]

Mr. WILLIAMS. I am arguing seriously. What keeps the world in order? What keeps all of you in order? What makes you carry your controversies to the court instead of settling them with pistol or knife is the fact that the court has force behind it, and what actually occurs is this: In not one case in ten thousand does the court ever have to show its force. Your mere consciousness of the fact that the force is behind the court keeps you in order, keeps the Senator from Missouri in order, keeps me in order, and keeps a whole lot of other people in order. He and I have seen the time when we would have liked to kill a fellow that made us mad enough, but we have been educated to believe that we ought not to do it. We have been educated to believe that society had a right to settle our controversy and that we had no right to settle it for ourselves.

The Senator a moment ago said that it "might be wicked, but even the city of Washington had to have police," and every city has to have them. Yes; but every man in Washington is not his own policeman, is he? All the people in Washington together select a police, and they police; but if you left each man to be his own policeman and go out and arm himself cap-a-pie to fight the balance of the world and put a chip on the top of his head and dare you to knock it off, what sort of civilization would you have?

The whole truth is, the world has one more step to make. Long ago individuals agreed that it was better to suffer a little

wrong now and then than it was to let each man be his own judge and his own executioner, and the nations of the world have to learn the same thing. Civilization will never be transmitted into enlightenment until they do, and it is not necessary to have any long list of regulations. You need only one principle; that principle is simply to say: "Before you dare go to war you must submit to the national arena, some fair arbitrament of your own choice and of your antagonist's choice, or, if you choose, some court selected beforehand by all nations of the civilized world the question in controversy." If you do not submit it, or if somebody offers to submit it to you and you do not agree to it, then you shall become like any outlaw in the United States or the District of Columbia becomes when he declines to leave the cause in controversy to the courts and undertakes to settle it for himself.

Mr. REED. Mr. President——

Mr. WILLIAMS. I want to get through.

Mr. REED. On the point, of course I suppose the Senator means to include in the proposition that the question must be submitted the further thought that the decision, when made, must be obeyed.

Mr. WILLIAMS. Certainly.

Mr. REED. Then the Senator proposes that if our country has a controversy with any nation, before it can defend itself by force it must submit to the decision of some tribunal.

Mr. WILLIAMS. Absolutely.

Mr. REED. Who is to select that tribunal?

Mr. WILLIAMS. I understand the Senator's question. The Senator a moment ago, in his own speech, answered his own question. He said there never was any obligation without reciprocal obligations. If we enter into an agreement whereby Turkey and Germany must be made to behave themselves before an international tribunal, then we also must agree that we shall behave ourselves, and there must be a tribunal organized that is fair enough, or we can select arbitrators and they can select umpires, and we must abide by the decision. It is no disgrace, if I have quarreled with you, for me to abide by the decision of the court.

Mr. REED. Will the Senator yield for another question?

Mr. WILLIAMS. I will.

Mr. REED. Would the Senator be willing to submit the Monroe doctrine to an international court the majority of which of necessity would be composed of Europeans?

Mr. WILLIAMS. Mr. President, if what I hope to see is consummated, the Monroe doctrine, like a great many other things, will cease to be at all, because there will take its place a Monroe doctrine of the entire world, and a Monroe doctrine merely confined to the Western Hemisphere will cease to exist; there will be a Monroe doctrine for the world. When you undertake to say that there shall be no war unless after arbitrament, that applies to the Western Hemisphere as well as to everybody else; and when the Senator asks that question there is in his mind the idea that while we are willing to subject Europe and Asia and Africa to a sort of league of nations, we are not willing to subject America to it.

Mr. REED. The Senator——

Mr. WILLIAMS. I want to get through, but still I will answer another question.

Mr. REED. I beg the Senator's pardon; just this one:

The Senator states that he hopes to see the Monroe doctrine abrogated, or its place taken——

Mr. WILLIAMS. By a universal world Monroe doctrine.

Mr. REED. He hopes to see substituted for it a universal world Monroe doctrine. I will not stop to discuss that; but this is the question:

Suppose, notwithstanding the setting up of this universal world Monroe doctrine, some nation should actually cross the ocean and break the Monroe doctrine upon this side——

Mr. WILLIAMS. I am ready to answer that question.

Mr. REED. And suppose that an international court had been set up to which that question was to be submitted; and suppose the majority of that international court was composed of the representatives of European governments, as it would be.

Mr. WILLIAMS. I can not suppose that.

Mr. REED. It is necessary to suppose it.

Mr. WILLIAMS. It is not necessary to suppose it.

Mr. REED. Or else it is necessary to suppose that European governments are going to——

Mr. WILLIAMS. We would select arbitrators, and the other country having controversy with us would select arbitrators, and they would select an umpire.

Mr. REED. Suppose you could not agree on arbitrators.

Mr. WILLIAMS. Well, we would agree; the world and humanity would make us agree.

Mr. REED. But you would not agree in a case of that kind—that is exactly the point—unless you had a permanent court.

Mr. WILLIAMS. Now, let the Senator ask the question.

Mr. REED. Would the Senator be willing to submit that question to any court?

Mr. WILLIAMS. Mr. President, if any nation in the world undertook to invade Central or South America and to defy the Monroe doctrine it would become our duty, if this scheme goes through, to leave to arbitration not the Monroe doctrine but the question in controversy, whatever it was. You can not leave the Monroe doctrine to arbitration.

Mr. REED. No; you leave the invasion.

Mr. WILLIAMS. But you would have to leave to arbitration the question in controversy, which, in our opinion, involves the Monroe doctrine. We would propose it; and if the other nation did not agree to it then we would have behind us Great Britain and her colonies and France and Italy and Belgium and Roumania, if my idea shall be consummated, to whip that nation into agreeing to arbitration. Now, if they did agree to arbitration and we went to it and the arbitrators decided against us, then we ought to submit. No man has a right to speculate on the court. No man has a right to agree to leave a thing to arbitration with the back thought that he will obey the decision provided it is his way and he will violate it if it is not. That goes without saying, if we are honest men.

I noticed another thing about the Senator's speech. He could not keep from betraying the fact that back of it all was either a hatred or a fear of Great Britain. He spoke very contemptuously of "the blockade of the North Sea." If it had not been for the blockade of the North Sea, we would have been whipped to-day; Germany would have been successful.

Mr. REED. The Senator misunderstood me.

Mr. WILLIAMS. No; the Senator said: "From whom do we fear attack, unless it is from Great Britain herself?"

Mr. REED. Oh, well, Mr. President, I did not use the phrase in that way. I do not want the Senator, at this period of the international situation, to intimate that I said that we fear attack from Great Britain.

Mr. WILLIAMS. I did not say you did. You said: "From whom can we have a fear of attack except from Great Britain herself?"

Mr. REED. Oh, no. Let me get the Senator right, because, while I care nothing about the matter of controversy——

Mr. WILLIAMS. I wish the Senator would let me make, in an orderly way, the few remarks I have to make. If I am wrong, the RECORD will show it. That was my recollection of what the Senator said; and if I am wrong, the RECORD will show it.

Mr. REED. Let me make the statement. It will take but a second.

The thought I sought to express was that there was but one nation in the world that could injure us, and I said that it was unthinkable that she would attempt it; but there was only one that could, and that was Great Britain. That is very different from saying that I feared attack from her.

Mr. WILLIAMS. I understand; yes. The innuendo was there, however.

Mr. REED. Well, all right.

Mr. WILLIAMS. Now, Great Britain has had command of the seas for over a hundred years, and with the exception of ourselves she is the most peace-loving nation in the world. There is no reason why we shall not have command of the seas in another 20 years if we choose. We have the resources, we have the money, and nobody can object to our building the ships. The Senator has undertaken to make it rather appear as if I did not want any Navy. He did not say so, but he argued against a man of straw, and he was answering me. It looks as if that was the impression that he meant to leave.

I want the English-speaking race to control the seas of the world, and I want them to do it not because they are the English-speaking race or my race, but because they are the only two branches of any race in the world who love peace and who will fight for peace. We will both do it, and I think we are a little bit better tempered to do it than the English, even. We love peace more than the English, even. Our passion is peace.

So I have no idea that England is going to surrender the control of the seas. There is only one thing that could make England surrender the control of the seas, and that would be an absolute reliance on the fact that we had control of the seas; and if we had it she might be willing to surrender it, because she would know that we were never going to use the control of the seas for the purpose of waging a war of aggression or of starvation upon her. She is bound to keep control of the seas as far as the Continent of Europe is concerned. If she allowed the Continent to have control of the seas, she would be starved in eight weeks; and you do not expect her to surrender the control except upon the one condition that we get it and can hold it. In that event both of us would have it and keep it

with a common peace purpose. If so, we will hold it as trustees for her, just as her fleet held the seas as trustees for us during this war. If it had not been for the fact that she had control of the seas, if it had not been for the English fleet, we would have had a pretty hard time. We could not have got the men over. We would have had to wait here until these pacifists and front-dooryard fellows had been satisfied—the fellows that wanted us to stay in our yard until the enemy got in through the gate, and for God's sake not to go outside and meet him in the street. If he had got as far as the front yard, we would have been gone. That would have been the end of us for a while, at any rate.

Mr. President, this war has been fought in vain, the blood of our sons has been shed unavailingly, our treasure has been poured out like water for nothing, if at the end of this war some other autocracy, some other junkerthum, some other despotism, can perpetrate the outrage which Germany perpetrated when she invaded Belgium and which Austria perpetrated when she sent the ultimatum to Serbia.

The Senator goes on and talks about what a vain dream it is "that the lion and the lamb shall lie down together." Of course, it is a vain dream that the lion should willingly lie down; but in every civilized country in the world the lion has been controlled so that he either had to lie down or get out of the country, and that is what we are going to do with the lion in this case. He has either got to lie down or he has got to get out and go into the desert. Christ said that He did not come "to bring peace to the world but a sword"; and what He meant is just what I am talking about—that as far as the unrighteous are concerned, and the wicked, and the barbaric, and the men who believe in war, and who believe that war is the only way to carry on the world, they must either lie down in peace and make out like they are lambs, or they must be killed, or they must take to the desert.

The Senator speaks of "this workaday world." Why, the world that we have been fooling with for four years is not a workaday world. It is a murder-a-day world. It is a murder-a-second world. We do not want any more of it. Nobody is trying to control the world by moral suasion. Every word that I have said shows that I want behind the agreement of the nations that enter into this agreement something besides moral suasion. I want the force of each nation by its solemn plighted word, or I want, at any rate, enough appearance of force to make the wicked and barbarous peoples think that the force is there, and therefore fear to defy it.

The Senator says very truly that thus far we have not come to that sort of thing. No; we have not. Up to a few years ago—not many years as the world goes—somebody might have risen and said that "so far we had not come to the point where men were willing to leave their controversies to the courts." A man might very well then have been justified in believing that humanity would never reach the stage of perfection where it would agree to that.

I believe, Mr. President, with Thomas Jefferson, not in the perfection of humanity but in its "indefinite perfectability." You may tell me this, that, or the other desirable thing can not be done because of human nature, but my answer is that all you have got to do is to change your own human nature and use your own influence to change other people's human nature until there shall be a revolution in human nature that will suit new conditions.

Of course, you can never have justice and peace and righteousness on the earth as long as men get up and say it is impossible to have it, or as long as the majority of men say it, because until you get a majority of common sense and common conscience of the common people together on a proposition the minority is helpless. It is a psychological problem after all. All you have got to do is to have enough people *will* to have it, and then you will have it. If the Senator and I were about to engage in a controversy in which we had made up our minds to kill one another, and somebody would have me will not to kill him, half of the controversy would have disappeared, and if somebody would have him will not to kill me all of it would have been gone.

Mr. President, I understand that this is a sort of a question that ought not to be very much a matter of controversy but of mutual debate; it ought to be a matter of cool consideration in a mood that neither the Senator from Missouri nor I are experts, and that is a prayerful mood. He and I do have prayerful moods, I do not doubt, at times, notwithstanding the fact that we make no preachment of anything of that description.

It would be a sad thing to believe, it would be an awful thing to think, that humanity was absolutely chained and bound and helpless, and that this carnival of crime and barbarity and atrocity that we have just witnessed should be permitted to occur again. I remember that the British Army went into an action with the cry on their lips, "Never again"—fighting in order that that sort of thing should never again be necessary. You do not want it, I do not want it, nobody really wants it. Then, if we do not want it hard enough and strong enough and earnest enough it will not happen, and if there is somebody such a barbarian that he wants to have it, that he wants to carry it on, just say to him, "As much as we hate bloodshed your blood is the penalty." Kill him; yes, kill him like a mad dog. Kill him because he *is* a mad dog. Kill him because there is no other way to deal with him. Kill him in the name of peace, and kill him in the name of the Prince of Peace. Put force behind your league or your alliance or your agreement or whatever you call it. Put behind it also the willingness that when fair arbitrators decide against you you will submit, and when fair arbitrators decide against the other fellow you are going to make him submit.

Mr. REED. Mr. President, I think I could have done the Senate no greater service than when I offered this letter. It has been the occasion of clearing up, at least so far as the distinguished Senator from Mississippi is concerned and so far as I am concerned, a question that ought to be made plain, namely, what the proposal of those who bring forward the league of nations really is. The Senator from Mississippi has frankly stated that the proposition is to create a league of nations to enforce peace; that this league of nations is to provide, among other things, that no country or people shall go to war on any account until it has first submitted its contentions to arbitration or to a court——

Mr. WILLIAMS. Or offered to.

Mr. REED. Or offered to, and that the decision of that court when rendered must be obeyed, and if it is not obeyed then the force of the entire league will be used against the nation which fails to obey. Baldly stated, it is then proposed by the advocates of the league of nations that the United States shall agree to submit every controversy, however vital to the life of the Republic, to a court, and that it shall obey the mandate of that court upon peril of being conquered by an international army which it has helped to create and to which it has contributed men and money——

Mr. WILLIAMS. If the Senator will pardon me a minute, I said nothing about an international army.

Mr. REED. You plainly spoke of an international force.

Mr. WILLIAMS. Each country signing the treaty is to proceed to enforce its own agreement.

Mr. REED. Very well; in the aggregate that constitutes an international force or army.

Mr. WILLIAMS. I would not have an international army with a supernation. I agree with you about that.

Mr. REED. An international force is then to be created which when gathered shall crush this Nation for failure to obey the court's decree—that is the proposition as now modified.

Mr. President, an international court, as I showed the other day, would necessarily be composed of the representatives of the different nations of the earth. In order to be international it would necessarily have upon it the representatives of all the European nations. The European nations, as Washington said, have many interests in common and those common interests may all unite or exist in common against us.

Mr. WILLIAMS. If the Senator will pardon me, I said nothing about an international court. I said "arbitration." Ordinarily when arbitrators are to be selected one of the parties in the controversy selects a part, the other another part, and the several select an umpire.

Mr. REED. Mr. President, the term "court" was used not only by the Senator but it is in common use by the champions of the league. I am, however, willing to discuss both phases—decision by a court and decision by arbitration. Let me proceed with the court theory first. The court must be composed, as I have said, necessarily of representatives of European nations as well as our own. The European nations, as Washington warned us, I repeat, have interests peculiar to themselves, which may be common against us. Imagine, therefore, a controversy involving such a question. What would be our state if we were obliged to submit it to a court made up in the whole or in a substantial part from those having an interest against us?

Suppose, for instance, that a European nation should undertake the exploitation of a South American State, and the question should arise whether either the Monroe doctrine or the doctrine of the league of nations was being violated. Suppose we were obliged to submit that question to an international court. Is it not easy to see how the nations of Europe having representatives on this court might have a common interest

against the United States? And we would be compelled to submit this doctrine, so vital to our sovereignty and interest, to a court packed against us.

But the Senator abandons the idea of a court and takes refuge in a board or tribunal of arbitration. Really there is a distinction without much difference. By whatever name the tribunal is called, if it has the power of final decision it performs the office of a court. If it be permanent it is a permanent court. If it be temporary it is a temporary court. Mr. President, any league that proposes a tribunal of arbitration and does not name the arbitrators in advance leaves the situation so that in case of emergency incalculable damage might happen before an arbitration court could be selected and convened. Hence it would seem that the arbitrators must be agreed upon in advance. Thus we have in fact a court called by the name of a board of arbitrators. Who, now, are to constitute these arbitrators? Manifestly we could not ask to control. Manifestly some of them would be selected by our enemy. Manifestly the enemy might prevail and by strength or fortune get a majority prejudiced by interest or ties of blood in his favor. In that event the United States is obliged, nevertheless, to go to decision upon a vital matter before a board of arbitration a majority of which is against us from the first. These are the things we are asked to submit to, and if we do not submit to the decision, though it is vital to us, though it involves our national life, we are to be then crushed by a concert of nations that have a force already created for their express purpose.

Mr. President, put that to the American people. Submit to the American voter whether he will ever turn over the vital interests of this Nation to a tribunal a majority of which may be composed of foreigners and even of our enemies. Ask him for his answer. You will receive it in no uncertain terms, for the American people have some common sense left, even if some other people have not.

The distinguished Senator said another thing that conclusively proves he does not believe the doctrine he so vehemently preaches. Let us see what is this doctrine. He would have universal peace. He would have it by virtue of a league of nations. Yet, sir, he says that England must never surrender her sovereignty of the seas unless she surrenders it to us. In other words, this scheme of universal peace demands first, last, and all the time an invincible navy that can command the waters of every sea, and this navy must be that of our friend, England, or it must be our own. So we are only to have a league of universal peace upon condition that the rest of the world agrees that England and the United States, one or both, shall be able to lick every other nation. That is the dream of universal peace and "parliament of man" we are scolded for not accepting.

Mr. President, a little common sense applied to that and I believe we can arrive at the conclusion that the Senator's premise of a great navy for England that will command the seas destroys the very thought of a league of nations. Why? Let us follow it. Suppose that every nation in the world was to be disarmed to-morrow, but that England was to retain her great fleet commanding the seas. England would then command the world and stand "astride it like a colossus," and all the other nations, like little things, could crawl in and out between England's great legs.

I do not say this out of unkindness to England. How can you talk about giving England the supremacy of the sea without at the same time conceding to her supremacy upon the land, provided you insist that the other nations shall disarm upon land? When you have conceded England's supremacy upon the seas and all the other nations of the world then remain helpless upon the land they will be in a condition where they can be at once overwhelmed, where England can bring her troops from every quarter of the globe and all her allies from every clime and hurl them upon a nation standing defenseless. Few of the nations will be so foolish as to agree to that.

I do not say this out of unkindness for England. I anticipate no trouble with Great Britain. Proud I am that my blood comes from the Scotch and Irish part of Great Britain. I am no twister of the British lion's tail, but I know when we assemble around the council table the statesmen of the world they will be as jealous of England as England will be of them. I know that you can not ask that England shall retain dominion of the seas and they shall all lay down their arms upon the land. If you do ask it you will be laughed at.

So the Senator does not believe in his own doctrine. I will tell you the kind of a league of nations he believes in. His league of nations is something that suits his own ideas. It is the union of the English-speaking folk wherein England and America will dominate and all the rest of the world will obey, and if they do not obey, then the treatment is—I quote the Senator—to "kill them like mad dogs, and kill, and kill, and kill, even in the name of the Prince of Peace." That will be a very sacriligious thing to do, to kill in the name of the Holy Christ. It is true, the Emperor William did that.

Now, the whole truth is that the controversies of nations have many of them been in the best of faith. Two nations each believing the other was wrong have gone to war. Such cases have made the great majority of controversies that have brought on modern wars. Each has thought the other wrong, each has thought itself right.

So when you form your league of nations the dominant nations will think they are right about certain things and that the other nations are wrong, and will insist that the other nations shall obey, and if they do not, then they are likely to adopt the doctrine of the distinguished Senator from Mississippi and "kill, and kill, and kill." So the Senator is back in the slaughterhouse of the ages, with his league of nations and all his talk of peace, as bloody as the Kaiser's Huns. You get nowhere by that sort of a tirade. You get nowhere by going around that circle, and you get nowhere by misrepresentation.

I said with great clearness, if I am capable of making a clear statement, that I believe the nations of the world could assemble around the council table and write a code of international law so clear that any nation that violated it would stand before the world as an outlaw, a moral outcast, a moral leper, just as Germany stood before the world when she invaded Belgium. That is a great force in this world, not in any manner to be discounted or to be sneered at. I believe it is possible to agree to a partial disarmament of nations. But I do not believe in a league of nations that proposes to enforce the views of the majority or the decisions of any court upon any other nation, for that is the old Holy Alliance over again. One of these days before this debate is ended I propose to compare the Holy Alliance and the time in which it was formed with some of the circumstances and facts of this day.

Mr. President, I am glad we have had this discussion. We have at last had one frank avowal on this floor that men propose to sumbit the vital interests of the American people to a tribunal a majority of which may be and undoubtedly will be foreigners and enemies of this country. That doctrine baldly stated to the American people will be repudiated in every hamlet and village of America.

EXECUTIVE SESSION.

Mr. McKELLAR. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Thursday, December 5, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate December 4, 1918.

UNITED STATES SHIPPING BOARD.

Charles R. Page, of California, to be a member of the United States Shipping Board for a term of six years. (A reappointment.)

MISSISSIPPI RIVER COMMISSION.

Col. Curtis McDonald Townsend, Corps of Engineers, United States Army, for appointment as a member of the Mississippi River Commission, provided for by the act of Congress approved June 28, 1879, entitled "An act to provide for the appointment of a 'Mississippi River Commission' for the improvement of said river from the Head of the Passes near its mouth to its headwaters," to which office he was appointed during the last recess of the Senate, vice Brig. Gen. William H. Bixby, Corps of Engineers, United States Army, retired, relieved.

COLLECTOR OF CUSTOMS.

James L. McGovern, of Bridgeport, Conn., to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn. (Reappointment.)

COLLECTOR OF INTERNAL REVENUE.

Bertram Gardner, of Garden City, N. Y., to be collector of internal revenue for the first district of New York, to fill an existing vacancy.

ASSISTANT CHIEF INSPECTOR OF LOCOMOTIVE BOILERS.

John A. Shirley, of San Antonio, Tex., to be assistant chief inspector of locomotive boilers.

REGISTERS OF LAND OFFICES.

Henry P. Andrews, of California, to be register of the land office at Sacramento, Cal., his present term expiring December 28, 1918. (Reappointment.)

Robert W. Davis, of Florida, to be register of the land office at Gainesville, Fla. (Reappointment.)

RECEIVER OF PUBLIC MONEYS.

Perry M. Colson, of Florida, to be receiver of public moneys at Gainesville, Fla. (Reappointment.)

APPOINTMENTS IN THE ARMY.

GENERAL OFFICERS.

To be major general.

Lieut. Gen. Robert L. Bullard, United States Army, emergency.

To be brigadier generals.

Maj. Gen. George W. Read, United States Army, emergency.
Maj. Gen. Charles H. Muir, United States Army, emergency.
Maj. Gen. Charles T. Menoher, United States Army, emergency.
Maj. Gen. James W. McAndrew, United States Army, emergency.
Maj. Gen. William G. Haan, United States Army, emergency.
Maj. Gen. James G. Harbord, United States Army, emergency.
Maj. Gen. John L. Hines, United States Army, emergency.
Maj. Gen. Charles P. Summerall, United States Army, emergency.

MEDICAL CORPS.

To be brigadier generals.

Col. Walter D. McCaw, United States Army.
Maj. Gen. Robert E. Noble, United States Army, emergency.

DENTAL CORPS.

To be first lieutenants with rank from November 30, 1918.

First Lieut. David L. England.
First Lieut. Erwin F. Bence.
First Lieut. Glen D. Lacy.
First Lieut. Harold S. Whitney.

FIELD ARTILLERY ARM.

To be second lieutenant with rank from November 1, 1918.

Cadet George Brooke McReynolds.

PROMOTIONS IN THE ARMY.

MEDICAL CORPS.

To be colonels.

Lieut. Col. Louis T. Hess, Medical Corps, from August 30, 1918.
Lieut. Col. Christopher C. Collins, Medical Corps, from October 30, 1918.
Lieut. Col. Benjamin J. Edger, jr., Medical Corps, from November 11, 1918.

CORPS OF ENGINEERS.

To be captains.

First Lieut. Girard B. Troland, Corps of Engineers, from October 13, 1918.
First Lieut. Llewellyn M. Griffith, Corps of Engineers, from October 23, 1918.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

INFANTRY.

To be captains.

First Lieut. Augustine J. Zerbee from August 10, 1918 (subject to examination required by law).
First Lieut. Frank A. Heileman from August 10, 1918.
First Lieut. Lauritz D. Simonson from August 27, 1918.
First Lieut. Carl R. Perkins from September 6, 1918 (subject to examination required by law).
First Lieut. Franklin W. Cheney from September 7, 1918 (subject to examination required by law).
First Lieut. George F. Wellage from September 12, 1918.
First Lieut. Alfred F. Biles, jr., from September 14, 1918 (subject to examination required by law).
First Lieut. Charles T. Hearin from September 29, 1918 (subject to examination required by law).
First Lieut. John F. Fredin, jr., from October 2, 1918 (subject to examination required by law).
First Lieut. James B. Wise, jr., from October 5, 1918 (subject to examination required by law).
First Lieut. Clarence M. Culp from October 5, 1918 (subject to examination required by law).
First Lieut. Robert D. Horton from October 5, 1918 (subject to examination required by law).
First Lieut. Charles B. Kehoe from October 5, 1918 (subject to examination required by law).

To be first lieutenants.

Second Lieut. Harrison B. Beavers, from July 27, 1918.
Second Lieut. Elbridge Colby, from July 27, 1918.
Second Lieut. Allan H. Snowden, from July 31, 1918.
Second Lieut. Herbert D. Gibson, from August 3, 1918.
Second Lieut. Goulding K. Wight, from August 10, 1918.
Second Lieut. Harry S. Wilbur, from August 21, 1918.
Second Lieut. Albert S. Johnson, from August 24, 1918.
Second Lieut. Clarence O. Black, from August 27, 1918.
Second Lieut. Paul B. Robinson, from September 6, 1918.
Second Lieut. William L. Coulter, from September 6, 1918.
Second Lieut. Glen E. McCarthey, from September 7, 1918.
Second Lieut. Joseph H. Hinwood, jr., from September 12, 1918.
Second Lieut. Russell F. Walthour, jr., from September 13, 1918.
Second Lieut. James C. De Long, from September 14, 1918.
Second Lieut. Joseph P. Lawlor, from September 18, 1918.
Second Lieut. Timothy A. Pedley, jr., from September 23, 1918.
Second Lieut. Charles N. Owen, from September 29, 1918.
Second Lieut. Charles R. Gideon, from September 30, 1918.
Second Lieut. Archie MacI. Palmer, from October 2, 1918.
Second Lieut. Jack B. Chadwick, from October 2, 1918.
Second Lieut. John R. Bair, from October 5, 1918.
Second Lieut. James S. Varnell, from October 5, 1918.
Second Lieut. Arthur F. Dahlberg, from October 5, 1918.
Second Lieut. Russell C. Chapman, from October 5, 1918.
Second Lieut. Edwin T. Bowden, from October 5, 1918.

CORPS OF ENGINEERS.

To be captain.

First Lieut. Simon Medine, Corps of Engineers, from October 26, 1918.

To be first lieutenants.

Second Lieut. Roland Jens, Corps of Engineers, from August 20, 1918.
Second Lieut. William E. Thrasher, Corps of Engineers, from October 13, 1918.
Second Lieut. George W. Coffey, Corps of Engineers, from October 23, 1918.
Second Lieut. George O. Consoer, Corps of Engineers, from October 26, 1918.

FIELD ARTILLERY ARM.

To be captains.

First Lieut. Francis Fielding-Reid, Field Artillery, from October 8, 1918.
First Lieut. Harold H. Ristine, Field Artillery (subject to examination required by law), from October 19, 1918.
First Lieut. Oscar L. Gruhn, Field Artillery, from October 20, 1918.

To be first lieutenants.

Second Lieut. Dennis P. McCarthy, Field Artillery, from October 2, 1918.
Second Lieut. Albert Tate, Field Artillery, from October 8, 1918.
Second Lieut. Le Count H. Slocum, Field Artillery, from October 19, 1918.
Second Lieut. John H. Shelton, Field Artillery, from October 20, 1918.

COAST ARTILLERY CORPS.

To be first lieutenant.

Second Lieut. Charles S. Harris, Coast Artillery Corps, from October 18, 1918.

CAVALRY ARM.

To be first lieutenant.

Second Lieut. Gilbert X. Cheves, Cavalry, from October 15, 1918.

PROVISIONAL APPOINTMENTS, BY TRANSFER, IN THE ARMY.

COAST ARTILLERY CORPS.

First Lieut. LeRoy Lutes, Infantry, to be first lieutenant in the Coast Artillery Corps with rank from April 30, 1918.

INFANTRY ARM.

First Lieut. Richard B. Gayle, Coast Artillery Corps, to be first lieutenant in the Infantry Arm with rank from April 30, 1918.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

Victor Blue to be Chief of the Bureau of Navigation in the Department of the Navy, with the rank of rear admiral, for a term of four years.

David W. Taylor to be Chief Constructor and Chief of the Bureau of Construction and Repair in the Department of the Navy, with the rank of rear admiral, for a term of four years from the 13th day of December, 1918.

Capt. Henry A. Wiley to be a rear admiral in the Navy, for temporary service, from the 28th day of November, 1918.

Commander Richard D. White to be a captain in the Navy, for temporary service, from the 28th day of November, 1918.

Lieut. John L. V. Hill to be a lieutenant commander in the Navy, for temporary service, from the 26th day of October, 1918.

Lieut. William W. Meek to be a lieutenant commander in the Navy, for temporary service, from the 5th day of November, 1918.

Lieut. Justin McC. Miller to be a lieutenant commander in the Navy, for temporary service, from the 7th day of November, 1918.

The following-named lieutenants to be lieutenant commanders in the Navy, for temporary service, from the 14th day of November, 1918:

Ellsworth Davis,
Harry R. Gellerstedt, and
Charles J. Parrish.

Lieut. Oliver L. Downes to be a lieutenant commander in the Navy, for temporary service, from the 28th day of November, 1918.

Lieut. (Junior Grade) Thomas E. Flaherty to be a lieutenant in the Navy, for temporary service, from the 1st day of October, 1918.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, for temporary service, from the 10th day of October, 1918:

Charles W. Classen and
John B. Cooke.

Lieut. (Junior Grade) Allen R. Chandler to be a lieutenant in the Navy, for temporary service, from the 11th day of October, 1918.

Lieut. (Junior Grade) Maurice M. Rodgers to be a lieutenant in the Navy, for temporary service, from the 14th day of October, 1918.

Lieut. (Junior Grade) Frank Hannon to be a lieutenant in the Navy, for temporary service, from the 15th day of October, 1918.

Lieut. (Junior Grade) Harry F. Gray to be a lieutenant in the Navy, for temporary service, from the 26th day of October, 1918.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, for temporary service, from the 5th day of November, 1918:

Leonard W. Johnson,
John J. Arnaud, and
Walter C. Haight.

Lieut. (Junior Grade) Charles E. S. Lines to be a lieutenant in the Navy, for temporary service, from the 7th day of November, 1918.

Lieut. (Junior Grade) John Sharpe to be a lieutenant in the Navy, for temporary service, from the 10th day of November, 1918.

Lieut. (Juior Grade) James D. Rorabaugh to be a lieutenant in the Navy, for temporary service, from the 13th day of November, 1918.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, for temporary service, from the 14th day of November, 1918:

Charles P. Porter,
Raymond S. Kaiser, and
Loar Mansbach.

Lieut (Junior Grade) Milton E. Robison to be a lieutenant in the Navy, for temporary service, from the 28th day of November, 1918.

Lieut. (Junior Grade) Daniel F. Mulvihill to be a lieutenant in the Navy, for temporary service, from the 15th day of August, 1918.

Ensign Peter J. Riley to be a lieutenant (junior grade) in the Navy, for temporary service, from the 21st day of September, 1918.

The following-named ensigns to be lieutenants (junior grade) in the Navy, for temporary service, from the 5th day of November, 1918:

Charles L. Bristol, jr.,
Henry W. Reding, jr.,
Elmo H. Conley,
James I. Boyce,
Robert D. Longyear,
Alfred M. Gagneux,
Louis Etshokin,
Donald E. Montgomery,
John H. Fenton,
Ralph L. Colton,
Bruce Hoggson,
Herman Siefke, jr.,
Robert A. Skinner,
Henry A. Orrick, jr.,
Cecil L. Shockley,
Perry McK. Sturges,
John F. Kelsey,
Howard L. Seaton,
Samuel W. Morris,
Stuart L. Peck,
Harold M. Levy,
Donald McL. Day,
Ralph R. Brubaker,
Frank F. Walker,
Frederick S. Hodgman,
Robert C. McKeen,
Albert L. Baker,
Vergil A. Davison,
Charles D. Ingersoll,
Robert R. Titus,
Alexander A. Cameron,
Frank N. Bolton,
Harold M. Kennedy,
Perry A. Howard, jr.,
Francis P. Baeyertz,
Cushing Phillips,
Edward R. Simpson,
Irving B. Levi,
William R. Brent,
John F. O'Rourke, jr.,
Otis R. Marston,
Allan C. Davis,
Freeman L. Curtis,
Frederick N. Worth,
Harold Edwards,
Henry S. Bothfeld,
Carlisle C. McIvor,
Caspar W. B. Townsend,
Russell C. Lewis,
Robert E. Christy,
Ralph C. Taylor,
Leonard M. Starbuck,
Raymond W. Smith,
Hoyt M. Leisure, and
David H. Hammer.

The following-named warranted officers for temporary service, to be ensigns in the Navy, for temporary service, from the 1st day of December, 1918:

Charles H. Gordon,
Otto Fuhrmann,
Harry D. Leininger,
Patrick T. Ryan,
William J. Leidy,
Guy H. Overlock,
Thomas J. Eggleston,
Flavel F. Law,
Jasper I. Ward,
John Richardson,
Harry D. Collins,
James E. Dougherty,
Patrick J. Keough,
Caesar Cooper,
Herman Ruhle,
Malcolm S. Brainerd,
Forest E. Frost, and
Frank M. Mugford.

The following-named enlisted men to be ensigns in the Navy, for temporary service, from the 1st day of December, 1918:

David L. Walters,
John E. Canoose,
Harry C. Francis,
Theron S. Hare,
David Porter,
Emry M. Sindledecker,
Albert A. Webb,
Sidney J. Brawner,
Chester A. Johnson,

Rudolph Oeser,
Mack Q. Wright,
Daniel L. Ertel,
Elmer Bergstrom,
Walter A. Seymour,
George A. Spedden, and
Milford McQuilkin.

Paymaster Elwood A. Cobey to be a pay inspector in the Navy, with the rank of commander, for temporary service, from the 5th day of November, 1918.

Pay Clerk Joseph Simon to be an assistant paymaster in the Navy, with the rank of ensign, for temporary service, from the 1st day of January, 1918.

The following-named acting pay clerks to be assistant paymasters in the Navy, with the rank of ensign, for temporary service, from the 1st day of December, 1918:

Letcher Pittman,
Thomas T. Taylor,
Crawford T. Folsom,
Robert H. Witaker,
Guy B. Falconer,
John E. Bonwell,
Walter S. Rockwell,
Frank Humbeutel,
Charles A. Young, and
Cheyney S. Evans.

The following-named carpenters to be assistant naval constructors in the Navy, with the rank of lieutenant (junior grade), for temporary service, from the 1st day of December, 1918:

Armand Mayville,
Joseph M. Kiernan,
William W. Hastings,
Frederick A. Johnson,
Joseph Emms, and
William R. Bagger.

The following-named assistant naval constructors of the United States Naval Reserve Force to be assistant naval constructors in the Navy, with the rank of lieutenant (junior grade), for temporary service, from the 1st day of December, 1918:

W. Ogden Johnson and
Noah W. Gokey.

The following-named citizens to be assistant naval constructors in the Navy, with the rank of lieutenant (junior grade), for temporary service, from the 1st day of December, 1918:

James B. Welch,
Roy E. Brown,
Leopold R. Hussa,
Roland G. Mayer,
Joseph E. Roy,
Frank L. Butterworth,
William H. Balls,
Donald G. Maxson,
Emerson R. Bouvier,
George V. Whittle,
Anton Kauffman,
George W. Henderson
Gerald W. Thomson,
Kenneth Reid, and
Roland P. Carr.

Chief Boatswain Michael J. J. Farley (retired) to be a lieutenant on the retired list of the Navy, for temporary service, from the 1st day of July, 1918.

Chief Machinist Daniel Mullan (retired) to be a lieutenant on the retired list of the Navy, for temporary service, from the 11th day of September, 1918.

Pay Clerk Roland W. Bell (retired) to be an assistant paymaster on the retired list of the Navy, with the rank of lieutenant, for temporary service, from the 1st day of July, 1918.

Acting Pay Clerk Albert H. Gerbig to be an assistant paymaster in the Navy, with the rank of ensign, for temporary service, from the 1st day of December, 1918.

Paymaster John M. Hancock to be a pay inspector in the Navy, with the rank of commander, from the 11th day of January, 1918.

The following-named officers to be assistant naval constructors in the Navy, with the rank of lieutenant (junior grade), from the 5th day of June, 1918:

Frederick W. Pennoyer, jr.,
Melville W. Powers,
Charles F. Osborn,
Claude O. Kell,
Howard L. Vickery, and
Glenn H. Easton.

The following-named officers to be assistant naval constructors in the Navy, with the rank of lieutenant (junior grade), from the 23d day of September, 1918:

Russell S. Hitchcock,
Sidney E. Dudley,
Edmund E. Brady, jr.,
Theodore L. Shumacher,
Forrest P. Sherman,
Henry A. Hutchins, jr.,
Arthur C. Miles,
Harold M. Horne,
Andrew I. McKee,
Douglas W. Coe,
Joseph W. Fowler, and
John D. Crecca.

The following-named lieutenants on the retired list to be lieutenant commanders on the retired list of the Navy, from the 1st day of July, 1918:

William G. Hannum,
George W. Danforth, and
Edison E. Scranton.

Lieut. Frederick W. Milner (retired) to be a lieutenant commander on the retired list of the Navy from the 27th day of September, 1918.

Lieut. (Junior Grade) Eugene D. McCormick (retired) to be a lieutenant on the retired list of the Navy from the 26th day of October, 1918.

Ensign Arnold H. Vanderhook (retired) to be a lieutenant (junior grade) on the retired list of the Navy from the 21st day of October, 1918.

Maj. (temporary) Emile P. Moses to be a major in the Marine Corps from the 7th day of October, 1918.

The following-named captains to be majors in the Marine Corps, for temporary service, from the 1st day of July, 1918:

De Witt Peck and
Archie F. Howard.

The following-named first lieutenants to be captains in the Marine Corps, for temporary service, from the 1st day of July, 1918:

Edward D. Kalbfleisch,
Chaplain G. Hicks,
Gustav H. Kaemmerling,
Colis Mitchum,
Leo D. Hermle, and
Frank R. Armstead.

The following-named second lieutenants to be first lieutenants in the Marine Corps, for temporary service, from the 16th day of August, 1918:

John M. McGregor,
Clinton H. Wooten,
Henry A. Carr,
William T. Hutchinson,
William G. Olive,
Orrel A. Inman,
Henry N. Hale,
Harold Powell,
William S. Kelley, jr.,
John F. Ryan,
James E. Smith,
Albyn A. Wilcox,
Leonard S. Burns,
George C. Schleeter, and
Harold E. Kellogg.

POSTMASTERS.

ALABAMA.

William K. Cooper to be postmaster at Northport, Ala., in place of W. K. Cooper. Office became presidential January 1, 1918.

Joseph H. Read to be postmaster at Bessemer, Ala., in place of Daniel W. Houston, deceased.

ARKANSAS.

Levi N. Douglas to be postmaster at Trumann, Ark., in place of L. N. Douglas. Incumbent's commission expired January 31, 1918.

Robert H. Smiley to be postmaster at Hot Springs, Ark., in place of R. H. Smiley. Incumbent's commission expired March 2, 1918.

T. W. Sparks to be postmaster at Harrisburg, Ark., in place of T. W. Sparks. Incumbent's commission expired April 29, 1918.

Lucy C. Pullen to be postmaster at Foreman, Ark., in place of Lucy C. Dollarhide, married.

Thomas L. Smith to be postmaster at Lepanto, Ark., in place of W. E. Lamb, deceased. Office became presidential January 1, 1917.

Isaac G. Ritchie to be postmaster at Hardy, Ark., in place of Arthur Sullivan, resigned. Office became presidential January 1, 1918.

Alvin G. Stamps to be postmaster at Earl, Ark., in place of J. H. Nance, resigned.

CALIFORNIA.

Nelson R. Feirl to be postmaster at Portola, Cal., in place of Andrew M. Isom, deceased.

COLORADO.

Edward M. Robinson to be postmaster at Wray, Colo., in place of Lillian A. Hawks, resigned.

Dwight Cline to be postmaster at La Salle, Colo., in place of Clinton E. Mason, declined.

Vivian Sadler to be postmaster at Cheyenne Wells, Colo., in place of Samuel W. Baber, resigned.

CONNECTICUT.

Raymond E. Allen to be postmaster at Danielson, Conn., in place of George M. Pilling, removed.

Henrietta H. Burr to be postmaster at Baltic, Conn., in place of Thomas J. Sullivan, resigned.

DELAWARE.

James J. English to be postmaster at Wilmington, Del., in place of J. J. English. Incumbent's commission expired July 2, 1917.

Alfred L. Cummins to be postmaster at Smyrna, Del., in place of A. L. Cummins. Incumbent's commission expired July 2, 1917.

Rhubert R. German to be postmaster at Delmar, Del., in place of R. R. German. Incumbent's commission expired July 2, 1917.

FLORIDA.

Henry A. Drake to be postmaster at Port St. Joe, Fla., in place of J. E. Maddox, resigned.

Edwin E. Williams to be postmaster at Passagrille, Fla., in place of F. S. Kanode, resigned.

Alexander J. Burnham to be postmaster at Bushnell, Fla., in place of L. L. Sutton, deceased.

GEORGIA.

Henry M. Miller to be postmaster at Colquitt, Ga., in place of H. M. Miller. Incumbent's commission expired May 6, 1917.

Wiley M. Rogers to be postmaster at Union City, Ga., in place of R. F. Duckworth, resigned.

Julian E. Hart to be postmaster at Sylvania, Ga., in place of H. S. White, resigned.

Robert H. Wheless to be postmaster at Nashville, Ga., in place of A. C. Sweat, removed.

Oscar O. Owens to be postmaster at Moultrie, Ga., in place of Charles Beaty, deceased.

Robert E. Barfield to be postmaster at Hahira, Ga., in place of W. W. Webb, resigned.

Ellen White to be postmaster at Fort Screven, Ga., in place of W. D. Evans. Office became presidential October 1, 1917.

Walter W. Daves to be postmaster at Cartersville, Ga., in place of H. J. Jolly, resigned.

ILLINOIS.

John H. Henson to be postmaster at Xenia, Ill., in place of J. H. Henson. Incumbent's commission expired August 27, 1917.

Charles C. Clymore to be postmaster at Vienna, Ill., in place of C. C. Clymore. Incumbent's commission expired May 5, 1918.

Benjamin R. Croxen to be postmaster at Peotone, Ill., in place of B. R. Croxen. Incumbent's commission expired August 15, 1917.

David R. Bennett to be postmaster at Panama, Ill., in place of D. R. Bennett. Office became presidential April 1, 1917.

Walter V. Berry to be postmaster at Irving, Ill., in place of W. V. Berry. Office became presidential October 1, 1918.

George H. Franzen to be postmaster at Fairbury, Ill., in place of G. H. Franzen. Incumbent's commission expired June 27, 1918.

Edward S. Bray to be postmaster at Scales Mound, Ill., in place of James Carr, resigned.

Edward W. Childe to be postmaster at Martinsville, Ill., in place of D. B. Ulrey, resigned.

William J. West to be postmaster at Odin, Ill., in place of J. M. Dace, resigned.

Blanche V. Anderson to be postmaster at Leland, Ill., in place of E. C. Schweitzer. Incumbent's commission expired July 25, 1917.

Inez M. Garrison to be postmaster at Flanagan, Ill., in place of W. F. Lutyen, resigned.

Owen C. McCartney to be postmaster at Hamilton, Ill., in place of W. H. Harkrader, resigned.

Peter C. Burrus to be postmaster at Bluffs, Ill., in place of E. D. Beird, resigned.

Noel V. Greathouse to be postmaster at West Frankfort, Ill., in place of Robert L. Cantrell, resigned.

Frederick W. Hartbank to be postmaster at Tolono, Ill., in place of P. H. Mulligan, resigned.

John F. Mains to be postmaster at Stronghurst, Ill., in place of C. E. Fort, resigned.

Katherine Adams to be postmaster at Riverton, Ill., in place of Emory Edwards, resigned. Office became presidential April 1, 1918.

Harry C. Shales to be postmaster at North Crystal Lake, Ill., in place of John R. McWhorter, resigned.

Tilson V. Worland to be postmaster at Neoga, Ill., in place of J. C. Neal, deceased.

Ernest C. Richter to be postmaster at Menard, Ill., in place of Perry F. Hathaway. Incumbent's commission expired March 24, 1918.

Irma C. Barlow to be postmaster at Loda, Ill., in place of Margaret Keegan, resigned.

Margaret E. Taylor to be postmaster at Keithsburg, Ill., in place of W. S. Cabeen, deceased.

William H. Rodebaugh to be postmaster at Greenup, Ill., in place of James M. Nunamaker, resigned.

Grace E. Tolle to be postmaster at Glasford, Ill., in place of Earl Bitner, resigned.

Charles T. Wilson to be postmaster at Eldorado, Ill., in place of W. J. Bixler, resigned.

Elmer T. Selby to be postmaster at Camp Point, Ill., in place of William Vollbracht, resigned.

Fannie E. Sheahan to be postmaster at Altona, Ill., in place of Benjamin T. Hart, removed.

INDIANA.

Fred H. Foster to be postmaster at Oxford, Ind., in place of M. P. Halgren, declined.

Clarence B. Taylor to be postmaster at Howe, Ind., in place of C. E. Schaeffer, resigned.

Earle A. Smith to be postmaster at Gosport, Ind., in place of G. B. Spicer, resigned.

Nathan W. Ringo to be postmaster at Dugger, Ind., in place of L. E. Chowning, resigned.

Emma A. Scott to be postmaster at Boswell, Ind., in place of Emmett Scanlon, resigned.

IOWA.

Edgar A. Greenway to be postmaster at Pleasantville, Iowa, in place of John H. Kerr, resigned.

George A. Moss to be postmaster at Persia, Iowa, in place of Freeda D. Hamann, resigned.

Fred A. Gefke to be postmaster at Hawarden, Iowa, in place of William Dealy, resigned.

KENTUCKY.

Isaac E. Newton to be postmaster at Earlington, Ky., in place of C. E. Barnett, resigned.

LOUISIANA.

Thomas Siddon to be postmaster at Winnsboro, La., in place of Martha E. Thompson, resigned.

Lillian E. Collins to be postmaster at West Monroe, La., in place of L. E. Russell, resigned.

Chester A. Thompson to be postmaster at Ville Platte, La., in place of Christina Derouen, resigned.

Jesse L. Fowler to be postmaster at Oak Grove, La., in place of H. M. Bailey, resigned.

John D. Fultz to be postmaster at Newellton, La., in place of A. N. Murdoch, resigned.

MICHIGAN.

Cornelius A. Bates to be postmaster at Marine City, Mich., in place of Charles J. Tarte, resigned.

MINNESOTA.

Milton P. Mann to be postmaster at Worthington, Minn., in place of John F. Flynn, resigned.

Charles J. Hohenstein to be postmaster at Gibbon, Minn., in place of John Friedl, resigned.

William Hope to be postmaster at Morris, Minn., in place of M. F. Finnegan, deceased.

Clarence D. Maxey to be postmaster at Backus, Minn., in place of Frank W. Zaffke, resigned.

MISSISSIPPI.

Henry B. Edwards to be postmaster at Shuqualak, Miss., in place of Oliva M. Jenkins, resigned.

Minnie O. Sharbrough to be postmaster at Rolling Fork, Miss., in place of John T. Griffin, declined.

Lawson A. Hill to be postmaster at Cleveland, Miss., in place of Solomon Seelbinder. Incumbent's commission expired September 18, 1917.

William P. Wildberger to be postmaster at Clarksdale, Miss., in place of R. N. Harris, resigned.

MISSOURI.

Charles B. Neville to be postmaster at Lawson, Mo., in place of Bayard C. Wilson, resigned.

Letcher L. Robinson to be postmaster at Chamois, Mo., in place of James Robinson, deceased.

NEBRASKA.

Joseph Fenimore to be postmaster at Merna, Nebr., in place of J. Fenimore. Incumbent's commission expired July 11, 1917.

Orris K. Jones to be postmaster at Lexington, Nebr., in place of O. K. Jones. Incumbent's commission expired February 24, 1918.

George W. Howe to be postmaster at Wisner, Nebr., in place of V. W. Clayton. Incumbent's commission expired June 21, 1917.

Edgar T. Lay to be postmaster at Seneca, Nebr., in place of George McCawley, resigned.

Glenn C. Chadderdon to be postmaster at Cambridge, Nebr., in place of James H. Carroll, resigned.

Frank R. Galbraith to be postmaster at Ainsworth, Nebr., in place of Charles H. Short, resigned.

NEW HAMPSHIRE.

Frank P. Hobbs to be postmaster at Wolfeboro, N. H., in place of F. P. Hobbs. Incumbent's commission expired July 26, 1917.

NEW MEXICO.

Chester G. Parsons to be postmaster at Wagon Mound, N. Mex., in place of Joseph C. Swain, resigned.

NORTH CAROLINA.

Sarah A. Lunceford to be postmaster at Smithfield, N. C., in place of A. M. Sanders, resigned.

NORTH DAKOTA.

Pearl C. Forslof to be postmaster at Warwick, in place of Christian O. Ness. Office became presidential July 1, 1917.

Arthur L. Young to be postmaster at Bowman, N. Dak., in place of Lillian B. Totten, removed.

OHIO.

George R. Irwin to be postmaster at Upper Sandusky, Ohio, in place of Marshall E. Foucht, removed.

Orville F. Barcus to be postmaster at Sunbury, Ohio, in place of Fred D. Baker, resigned.

OKLAHOMA.

Irving O. Diggs to be postmaster at Stillwater, Okla., in place of I. O. Diggs. Incumbent's commission expired February 2, 1918.

David G. Woodworth to be postmaster at Kingfisher, Okla., in place of D. G. Woodworth. Incumbent's commission expired March 19, 1918.

Baker B. Woodward to be postmaster at Bokoshe, Okla., in place of B. B. Woodward. Office became presidential April 1, 1918.

Hattie E. Malloy to be postmaster at Laverne, Okla., in place of John W. Bane, resigned.

Vernon B. Ellington to be postmaster at Wagoner, Okla., in place of Robert L. Windsor, resigned.

Claud Hannon to be postmaster at Wirt, Okla., in place of J. C. Cobb, removed.

Walter A. Thompson to be postmaster at Tahlequah, Okla., in place of A. B. Cunningham, resigned.

James G. Sprouse to be postmaster at McCurtain, Okla., in place of Clifford P. Martin, resigned.

Bronte L. Dean to be postmaster at Binger, Okla., in place of Opal C. Hawn, resigned.

OREGON.

Guy W. Brace to be postmaster at Yamhill, Oreg., in place of Harry C. Gist, deceased.

Richard H. Yates to be postmaster at Willamina, Oreg., in place of Paul C. Belt, resigned.

Exel Vogel to be postmaster at Rainier, Oreg., in place of J. W. Stacy, resigned.

Henry H. McReynolds to be postmaster at Pilot Rock, Oreg., in place of Ross A. Pickering, resigned.

PENNSYLVANIA.

J. Boyd D. Stewart to be postmaster at Wilson, Pa., in place of J. B. D. Stewart. Office became presidential January 1, 1918.

Edward Ace to be postmaster at Nicholson, Pa., in place of E. Ace. Incumbent's commission expired January 19, 1918.

Isaac Scarborough to be postmaster at New Hope, Pa., in place of I. Scarborough. Incumbent's commission expired January 15, 1918.

John A. Waltman to be postmaster at Mayport, Pa., in place of J. A. Waltman. Office became presidential January 1, 1918.

George B. M. Ward to be postmaster at Laceyville, Pa., in place of G. B. M. Ward. Incumbent's commission expired March 20, 1918.

Spurgeon L. Wilson to be postmaster at Driftwood, Pa., in place of S. L. Wilson. Office became presidential April 1, 1918.

James A. Cooper to be postmaster at Brockwaysville, Pa., in place of J. A. Cooper. Incumbent's commission expired May 26, 1918.

Thomas F. McHale to be postmaster at Olyphant, Pa., in place of John J. Moran, removed.

Percy W. Shepard to be postmaster at New Albany, Pa., in place of W. F. Packard, resigned.

John J. Roll to be postmaster at Natrona, Pa., in place of James S. Gordon. Incumbent's commission expired January 15, 1918.

Margaret C. Brown to be postmaster at Langeloth, Pa., in place of Thomas B. McKaig, resigned. Office became presidential October 1, 1916.

William A. Clancy to be postmaster at Foxburg, Pa., in place of J. M. Keesey, removed.

Joseph A. Hanley to be postmaster at Erie, Pa., in place of John T. Brew, resigned.

William D. First to be postmaster at Conneaut Lake, Pa., in place of G. B. Livingston, resigned.

Blair Rorabaugh to be postmaster at Clymer, Pa., in place of J. H. Fagan, resigned.

RHODE ISLAND.

Hartzell R. Birch to be postmaster at Kingston, R. I., in place of Alonzo A. Greeman, resigned.

SOUTH CAROLINA.

William A. Hill to be postmaster at Newberry, S. C., in place of W. A. Hill. Incumbent's commission expired August 2, 1917.

Luther McLaurin to be postmaster at McColl, S. C., in place of L. McLaurin. Incumbent's commission expired March 19, 1918.

Fred Mishoe to be postmaster at Greelyville, S. C., in place of F. Mishoe. Office became presidential January 1, 1918.

Inez H. Whitlock to be postmaster at Ridgeway, S. C., in place of Richard W. Adams. Appointee not commissioned.

William T. Reynolds, jr., to be postmaster at Mount Pleasant, S. C., in place of John A. Patjens, resigned.

Toliver D. Earle to be postmaster at Landrum, S. C., in place of Rufus G. Durham, resigned.

Marie V. Keil to be postmaster at Allendale, S. C., in place of James E. Searson, resigned.

Bruce K. Arnold to be postmaster at Woodruff, S. C., in place of B. K. Arnold. Incumbent's commission expired August 1, 1917.

Francis M. Cross to be postmaster at Westminster, S. C., in place of F. M. Cross. Incumbent's commission expired March 19, 1918.

Joshua L. Young to be postmaster at Ware Shoals, S. C., in place of J. L. Young. Incumbent's commission expired February 7, 1918.

Arthur R. Garner to be postmaster at Timmonsville, S. C., in place of A. R. Garner. Incumbent's commission expired March 19, 1918.

SOUTH DAKOTA.

Arnold Poulsen to be postmaster at Lennox, S. Dak., in place of Ailt J. Miller, resigned.

Claud I. Force to be postmaster at Clear Lake, S. Dak., in place of John Knuckey, resigned.

Perry H. Clute to be postmaster at Bigstone City, S. Dak., in place of Kate A. Schnacke, deceased.

Israel R. Krause to be postmaster at Java, S. Dak., in place of I. R. Krause. Office became presidential April 1, 1918.

TENNESSEE.

John S. Gilbreath to be postmaster at Pulaski, Tenn., in place of J. S. Gilbreath. Incumbent's commission expired March 19, 1918.

Gordon B. Baird to be postmaster at Obion, Tenn., in place of G. B. Baird. Incumbent's commission expired January 12, 1918.

William H. Howard to be postmaster at Milan, Tenn., in place of W. H. Howard. Incumbent's commission expired March 11, 1918.

Arch W. Ashton to be postmaster at Hohenwald, Tenn., in place of A. W. Ashton. Incumbents' commission expired May 2, 1918.

B. Hampton Moore to be postmaster at Halls, Tenn., in place of B. H. Moore. Incumbent's commission expired April 6, 1918.

Robert W. Caldwell to be postmaster at Gallatin, Tenn., in place of R. W. Caldwell. Incumbent's commission expired March 25, 1918.

Thomas P. Rucker to be postmaster at Franklin, Tenn., in place of T. P. Rucker. Incumbent's commission expired June 29, 1918.

Franklin W. Latta to be postmaster at Dyersburg, Tenn., in place of F. W. Latta. Incumbent's commission expired March 9, 1918.

James M. Scarborough to be postmaster at Dover, Tenn., in place of J. M. Scarborough. Incumbent's commission expired March 9, 1918.

Robert L. Long to be postmaster at Church Hill, Tenn., in place of R. L. Long. Office became presidential October 1, 1917.

Enos O. Thomas to be postmaster at Camden, Tenn., in place of E. O. Thomas. Incumbent's commission expired March 25, 1918.

Benjamin W. Scott to be postmaster at Bradford, Tenn., in place of B. W. Scott. Office became presidential April 1, 1918.

John T. Clary to be postmaster at Bellbuckle, Tenn., in place of J. T. Clary. Incumbent's commission expired August 22, 1917.

Eugene F. Allen to be postmaster at Ashland City, Tenn., in place of E. F. Allen. Incumbent's commission expired June 24, 1918.

Addie D. Bell to be postmaster at Springfield, Tenn., in place of A. D. Bell. Incumbent's commission expired June 24, 1918.

Alson C Patton to be postmaster at Bells, Tenn., in place of G. W. Bell, resigned.

Dudley D. Edgemon to be postmaster at Englewood, Tenn., in place of Patrick H. Toomey, resigned.

Haggai M. Miller to be postmaster at Mountain City, Tenn., in place of M. W. Jackson, deceased.

Jessie R. Alexander to be postmaster at Mountpleasant, Tenn., in place of L. H. Hammond, resigned.

Lucille Morris to be postmaster at Tiptonville, Tenn., in place of Ira LaF. Lemonds, resigned.

TEXAS.

Allie R. Arnold to be postmaster at Trinity, Tex., in place of W. W. Trow, deceased.

UTAH.

Charlotte H. Nelson to be postmaster at Castlegate, Utah, in place of D. R. Evans, resigned.

Thomas Brimley to be postmaster at Farmington, Utah, in place of Nephi O. Palmer, resigned.

Clyde Panter to be postmaster at Magna, Utah, in place of Ranald M. Wooley, resigned.

VIRGINIA.

Rose A. Milligan to be postmaster at Urbanna, Va., in place of Carroll C. Chowning, resigned.

WASHINGTON.

Eugene E. Wood to be postmaster at Deer Park, Wash., in place of A. J. Peters, deceased.

Isaac H. Jennings to be postmaster at Spangle, Wash., in place of Alice Sullivan, resigned.

WEST VIRGINIA.

Arthur T. McCort to be postmaster at Follansbee, W. Va., in place of James A. Stephens, resigned.

WISCONSIN.

Douglas S. Knight to be postmaster at Bayfield, Wis., in place of Henry Wachsmuth, sr., removed.

Palmer G. Slauson to be postmaster at Evansville, Wis., in place of Alexander Richardson, deceased.

Gustav B. Husting to be postmaster at Mayville, Wis., in place of Paul A. Herberg, deceased.

Edward A. Severson to be postmaster at Neenah, Wis., in place of J. P. Keating. Incumbent's commission expired October 4, 1917.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *December 4, 1918.*

The House met at 12 o'clock noon.

The Rev. James Sherra Montgomery, of the Calvary Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, help us that we may ever lift our eyes unto the hills from whence cometh our strength. Our strength cometh from the Lord. Regard our Nation in great favor, direct us by Thy wisdom, and inspire us by Thy truth. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. CAMPBELL of Kansas, by unanimous consent, was granted leave of absence for one week, on account of illness.

CONTESTED ELECTION CASE—WICKERSHAM AGAINST SULZER.

Mr. WILSON of Louisiana, from the Committee on Elections No. 1, presented a privileged report (No. 839) from said committee in the contested election case of Wickersham v. Sulzer, which was ordered printed and to lie on the Speaker's table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed without amendment the bill of the following title:

H. R. 13153. An act extending the time for the construction of a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark.

QUESTION OF PERSONAL PRIVILEGE.

Mr. FREAR. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. FREAR. I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. FREAR. On the 23d day of September last I made a speech on the floor of the House in regard to the Security League of New York and briefly discussed the charges the league had made against the American Congress. Immediately afterwards Mr. Lydecker, of the Security League, sent a letter to the Speaker of the House, in which he charged me with "pacifism or worse." The last term would be indefinite were it not for the fact that the league had been charging Members of the House generally, myself included, with pacifism and with disloyalty.

On October 1 last the New York Tribune published an editorial, from which I take the following extract:

> It is true that the National Security League has been denounced in Congress. This was done by Representative FREAR, of Wisconsin, whom the league opposed for reelection because he had voted against the declaration of war and against the Kahn amendment, which was essential to the selective draft, and for the notorious McLemore and Cooper amendments, thereby failing to stand the "acid test" stipulated for by President Wilson. So much for FREAR.
>
> Hearst attacks the National Security League for a similar reason, namely, that it has denounced his disloyalty.

Mr. Hearst's criticism of the Security League, according to the Tribune, is because the league has attacked his "disloyalty," "a similar reason" advanced, according to this paper, for the league's attack upon myself.

Mr. Speaker, there are a number of other communications that I have with me and that I will submit later to the proper committee, but I think that presented is sufficient to qualify under the rule of personal privilege.

The SPEAKER. The gentleman may proceed.

Mr. COOPER of Wisconsin. Mr. Speaker, this is a matter of great importance to the membership of the House, and I raise the point that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. GARRETT of Tennessee and Mr. KITCHIN moved a call of the House.

The roll was called, and the following Members failed to answer to their names:

Blackmon	Ferris	Langley	Sears
Campbell, Kans.	Fess	Littlepage	Sells
Carlin	Flood	McClintic	Shouse
Carter, Mass.	Flynn	McCormick	Siegel
Carter, Okla.	Focht	McLaughlin, Pa.	Sims
Cary	Francis	Maher	Smith, C. B.
Church	Fuller, Mass.	Mason	Stedman
Connally, Tex.	Gallivan	Montague	Stephens, Miss.
Connelly, Kans.	Garrett, Tex.	Mudd	Sterling
Costello	Gray, N. J.	Nelson, J. M.	Sullivan
Cox	Hamilton, N. Y.	Nicholls, S. C.	Swift
Cramton	Haugen	Nolan	Thomas
Crisp	Hayden	Norton	Tinkham
Curry, Cal.	Hayes	O'Shaunessy	Van Dyke
Dale, N. Y.	Heintz	Pratt	Vare
Dale, Vt.	Helm	Price	Venable
Decker	Hensley	Ragsdale	Voigt
Delaney	Hood	Raker	Volstead
Dent	Howard	Roberts	Waldow
Dies	Hull, Tenn.	Rowland	Walker
Drukker	Hutchinson	Rucker	Welling
Dunn	Johnson, S. Dak.	Russell	Welty
Dupré	Juul	Sanders, La.	Wilson, Tex.
Ellsworth	Kehoe	Sanders, N. Y.	Wingo
Emerson	Key, Ohio	Scott, Mich.	Woods, Iowa
Estopinal	Kiess, Pa.	Scott, Pa.	Woodyard
Fairchild, G. W.	Kreider	Scully	

The SPEAKER. On this vote 326 Members—a quorum—have answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from Wisconsin [Mr. FREAR] is recognized.

Mr. FREAR. Mr. Speaker, I will not repeat the statement which I submitted to the Speaker and the House which raises the question of personal privilege. I will proceed directly to the subject in hand, and I trust that I shall not have interruptions, because it will take me nearly all the allotted time to say what I have in mind. I trust you will accord me the attention which I believe the subject deserves.

Mr. Speaker, during the stress of war in June, 1918, the National Security League, a New York corporation, in a bulletin published throughout the country said "it"—the league—"had taken upon itself * * * to prevent the election of incompetent or disloyal men to Congress. * * * Work for a Congress of able men. * * * Organize your district. * * * Write us what you have done. The entire membership of over 100,000 will be thrown into the campaign for the election of a loyal Congress." The bulletin contained further insinuations that the present American Congress is disloyal.

August 10, 1918, this corporation furnished to the press its chart of "acid test" votes in Congress and by direct inference purposely charged that over 300 Representatives and 47 States were disloyal, followed by the query, "What are you going to do about it?"

In a September bulletin this corporation furnished a widely published statement to the press saying "it"—the league—"is prosecuting an aggressive nonpartisan campaign in all parts of the country to insure the election to Congress of men of demonstrated loyalty and ability."

September 18 this same corporation sent an insolent questionnaire to all Representatives in Congress giving 10 days' time in which to answer, and threatening "country-wide publicity." Charges of individual disloyalty will be referred to hereafter.

During the 1918 primaries and election this corporation "aggressively" worked to defeat its blacklisted Members wherever opposition could be aroused. It claims to control a membership of over 100,000, "over 1,000 volunteer speakers cooperating with Government authorities in Washington," and admits an annual expense bill of over $1,000,000, with which to crush opposition.

Eighty per cent of the House has been branded disloyal and unpatriotic by this political blackhand corporation, while hundreds of thousands of voters, irrespective of election or defeat of individual Members, have accepted these false and dishonest statements as true. To repeat its own query, "What are you going to do about it?"

On September 23 I called attention of the House to the charges of disloyalty made by this New York corporation, which Gen. SHERWOOD appropriately terms the "National Obscurity League," against over 300 Members of this House, and similar charges made against 47 of the States, together with evidence of its efforts to defeat Representatives in 1918 in an assumed campaign to elect a "loyal Congress." A resolution of investigation was briefly discussed at that time. For reasons that will later appear efforts to press the resolution for immediate action were withheld, but I am addressing the House in support of the same general proposition and on a matter of the highest privilege. I fully appreciate my own comparative weakness in challenging public slanders issued by this powerful, arrogant corporation that boasts of its large membership, great wealth, and potent influence throughout the land whereby to destroy all those who meet with its disapproval.

On behalf of proscribed Representatives, I could wish that some older and abler Member might challenge charges that reflect upon the patriotism and loyalty of the House and of the country. In an abiding consciousness of my own rectitude of purpose to fulfill every pledge voiced by the oath of office, and in an equally confident belief that this House and this Congress has fully met every test of patriotism and every obligation imposed by the great world's war, I ask your indulgence while offering a brief statement in support of my request for an early investigation of the National Security League of New York.

Mr. Speaker, under existing law the country selects its Representatives by popular choice at both the primary and election. Responsive directly to the people, the high character of membership of this body may be measured by that fact. The House is representative of the people, and if the people are honest and strong, and they generally measure up to their critics, then the House is a fair index of those back home who are the real government.

Once all powerful and controlling in national affairs, the country has witnessed the coordinate hold on reins of government possessed by this legislative body gradually slip away, until the Senate, by usurpation of House functions, the judiciary, by setting aside legislation, often through a divided court, and the Executive, not infrequently by unmistakable command, one and all have subordinated the House to the position it now holds.

The powerful press and great business interests of the country with growing insistence demand that revenue and other important legislation be rewritten by the Senate, so that bills constitutionally originating in the House are practically nullified through limiting to amendment of conference reports and brief debates its influence on such legislation.

Not one constitutional power has been abrogated by the House, or the people whom it most closely represents, through frequent elections. Not one legislative function has been abridged by that people, but the House of Trumbull, of Madison, and of Adams has permitted a marked loss of jurisdiction constitutionally vested in it by them. This legislative body, once guided by the forceful statesmanship of Clay, Calhoun, Stephens of Georgia, and Stevens of Pennsylvania, is subordinated in its legislative prerogatives through easy custom. The forum made famous by Blaine, Garfield, McKinley, and Carlisle, the House of Randall, Reed, CANNON, and CLARK, with sole authority to impeach and in certain cases even to elect the President himself, is shorn of the power and prestige provided by our forefathers first of all when drafting the Constitution.

While Great Britain has watched powers granted under the scope of Magna Charta to its "Commons" grow beyond the dreams of a single century ago, the people of this country during that same period have watched their own popular branch of Government, through its surrender of legislative rights, become subordinated to all others.

Mr. Speaker, never has this House been more responsive to the will of the people than during the notable sixty-fifth session. From our distinguished Speaker down to the humblest Member, the honest historian will write that average patriotism, ability, and industry during these strenuous days of our greatest war have fully measured up to the highest standards of the past. Supporting to the utmost, practically unanimously for the first time in history, all the Executive's recommendations for cooperative aid, we have given millions of our best men and over fifty billions of our dollars toward the prosecution of the war. We have squarely met two great moral and governmental problems that confronted the people for a half century—prohibitory and equal suffrage legislation, both of which the House by a two-thirds vote has submitted to the country. No legislative body since the organization of governments has better deserved or more justly merited the confidence and trust of the people it represented.

It is not my purpose to offer reasons for loss of prestige and power once possessed by the House, for men will differ as to cause, however closely they agree as to results, but one cogent reason why the House is differently regarded by the country than in days of old is because of its easy acquiescence in the new order of things.

In times of peace or war reputable writers and irresponsible scribblers, big interests and innumerable little interests, find common cause in unrebuked criticism of the House. The intelligence and Justice Departments waste no words or time in handling slanderers of the Executive. The judiciary rarely finds need to punish for contempt, because the public refuses to permit the ermine to be dragged in the mire. The Senate reaches out with its probe and seizes interests that, cuttlefishlike, besmirch its membership, but the House is the target of ill-natured flings, from whatever source, until to-day and during the pendency of a great war, when its membership loyally joined in the support of every measure for carrying on the war, a New York corporation "league," headed by an ex-United States Senator and an ex-candidate for the Presidency, has publicly branded the House as disloyal and un-American, from its Speaker down to and including over 300 Members.

Why was the House singled out for attack by this New York corporation? Why were Mr. Root and Mr. Parker unwilling to arouse senatorial anger? Why were they silent over senatorial records that are precisely like those of House Members? Why does the House permit men, however noted, to libel its membership under a cloak of "patriotism"?

This practice of gross misrepresentation is common. Recently a local Washington paper berated Congress editorially day after day for enacting war-time prohibition. It openly charged that a majority of Representatives were stealthily smuggling liquors in back doors of their residences while legislating bone-dry conditions for the public at large in Washington and elsewhere. Such false criticism during times of war held Congress up as a parcel of hypocrites without principle or conscience. A short time ago the paper that uttered these constant and vicious attacks was disclosed to be financed by brewing interests. The motive for the attacks was then understood, but the public only

remembers unrebuked charges of double-dealing by Congress and an impression that its motives are insincere.

Stock gambling by Members generally was the gist of Tom Lawson's charges, repeated with amplifications by sensational newspapers. Proof was submitted that every charge was baseless, and Lawson's slanders were shown utterly false, but the libel against Congress, collectively and individually, was published from one end of the country to the other, and belated truth received little attention from the press that carried the libel or the humbugged public that believed it. No man was punished, no man usually is punished, however false or serious the charge.

Just and unjust criticisms are regularly voiced against public officials, and during times of peace the country is inclined to await facts and suspend judgment; but these have been days of sacrifice, individual and national, days when honest, well-balanced men were no longer of judicial mind and when crazed individuals and hysterical temperaments were unable to weigh calumny or falsehood.

Mr. Speaker, when misrepresentations and hypocritical insinuations are used by a blackmailing New York league for questioning the loyalty and Americanism of 80 per cent of the American Congress during critical times of war, when foul libels are published from one end of the country to the other, and when, under a cloak of patriotism, these interests endeavor to defeat their blacklisted roll of Congressmen, the time has come for Congress to haul before the bar of the House those responsible for malicious slanders and to measure out adequate punishment. [Applause.] If charges are true, if we are disloyal, we have no right to sit in this House. [Applause.] Every Representative, whether proscribed or of the 47 perfect patriots accepted by these interests, should join in protecting the honor and dignity of the House.

I am proud to be a Member of this honorable body that knows no superior but the people. I am jealous of its reputation for loyalty. A scene of strong partisanship in times of peace, its membership has never failed the President since war was declared. Practically unanimous in support of every measure for the conduct of the war, voting fabulous appropriations without means of determining expenditures, giving ungrudgingly to the limit from the most valued part of the Nation's wealth and strength—its manhood—there never has been in past history of this or any other country a legislative body more united and unselfish in its patriotism than the Sixty-fifth Congress. [Applause.]

In my remarks of September 23 I set forth the character of charges made by this New York Security League against the membership of the House and its acceptance by hundreds of thousands as conclusive proof of disloyalty. The use of the charges in many different congressional districts was also briefly stated. Speeches by Representatives COOPER of Wisconsin, MCCULLOUGH, HAYDEN, and others have analyzed and disclosed these false and dishonest "acid tests." Briefly stated, the notorious New York corporation declared that the loyalty of the American Congress must be measured by eight votes cast in Congress, which were as follows:

No. 1, March 7, 1916, tabling of the McLemore resolution.

No. 2, April 18, 1916, Kahn amendment to Military Committee bill.

No. 3, April 18, 1916, Brandegee amendment to military bill.

No. 4, April 15, 1916, providing for a volunteer reserve under Federal control.

No. 5, June 2, 1916, to recommit naval bill.

No. 6, March 1, 1917, amendment as to American ships carrying arms or munitions. All those six amendments or votes were before the war.

No. 7, April 5, 1917, declaration of war.

No. 8, April 23, 1917, Kahn amendment to conscription bill.

Of these eight "acid-test" votes, six were prior to the declaration of war. Only one vote, on the Kahn amendment, was since the declaration. All the one hundred or more remaining measures since war was declared, for raising millions of men and billions of dollars, were ignored by this self-constituted bunch of "loyalty" critics. It has been pointed out repeatedly that prior to the declaration of war with Germany our Government was neutral and that violations of treaty provisions by different belligerents, however objectionable, were specifically challenged only by a declaration of war. Until then no act of the Executive or of Congress, however debatable, was "disloyal." Thereafter every vote admittedly was loyal, excepting the questioned "Kahn amendment."

The Kahn amendment did not give us conscription, but struck from the conscription bill a volunteer provision and took from the President the option therein provided of determining when to enforce conscription. The Security League dishonestly and maliciously misrepresented that vote. Again, the so-called Brandegee amendment and other comparatively insignificant measures prior to war did not reach in number or amount 5 per cent of the men or money unanimously voted by the Sixty-fifth Congress after war was declared.

Mr. Speaker, such "acid tests" were never selected to determine "loyalty." Why, then, did this New York corporation promise "to elect a loyal Congress"? What kind of a corporation determined test votes on loyalty, which, if applied to Washington, Lincoln, Douglas, Greeley, McClellan, Lloyd George, or President Wilson, would have barred these men from ever holding public office? Testing these "acid tests," the full absurdity appeared when within the past month President Wilson, his Cabinet, and all leading members of his party asked for the return and reelection of the Democratic Congress, notwithstanding only four Democratic Representatives passed these "acid tests." [Applause.] On the other hand, Roosevelt, Taft, Hughes, and practically all other leading Republicans urged the reelection of over 200 Republican candidates, 80 per cent of whom were blacklisted by Mr. Root's corporation. Not one word affecting eight "test" votes or of one "test" vote came from the leading men of the country. Not one suggestion of disloyalty or un-Americanism of hundreds of candidates publicly proscribed by the "security league." Unless President Wilson and his Cabinet and Roosevelt, Taft, and Hughes, all foremost Americans, were false to themselves and to their country, then the political propaganda against Congress of this "patriotic" league and other political leagues of like character is an infamous lie, knowingly uttered for political ends. Practically every leading American so determined when these "tests" and "leagues" were ignored.

In other words, only a fool or knave will contend that several comparatively unimportant votes before war rather than 100 votes after war determines loyalty. Logically, the eight tests were a stupid blind. What, then, was the motive of their selection by this arrogant bunch of "loyalists," compared with whom Kaiser Bill and his aids were mere novices?

These witnesses against Congress first determined what the law should be on "loyalty" and then selected eight "test votes"; but in addition to the dual rôle of witnesses and lawgivers for the trial of the American Congress, these same interests arrogated to themselves the additional rôles of prosecutor and of judge. Lawgiver, witness, prosecutor, and judge, all embraced in one, is this powerful but irresponsible Wall Street corporation, which demanded the defeat of the American Congress on the most heinous charge ever laid against public officials.

England did not want an election during the war for fear it would revive all the unscrupulous graveyard political ghouls of whom our "security league" and other camouflaged patriots are exhibits. She avoided these political harpies during the war by extending the legal life of the present House of Commons three years ago. America's Constitution compelled such elections here, and so it became the refuge of every hypocritical lip patriot who had a grudge to settle, an ambition to gratify, or a secret purpose to further. To these elements in every district this New York corporation appealed in carrying out threats to defeat its blacklisted Congressmen.

Mr. Speaker, in its libelous statements given to the press Representatives generally were pilloried, including Speaker CLARK, leaders KITCHIN, FERRIS, MANN, MOORE, LENROOT, FESS, and others, and were declared to be un-American, disloyal, or whatever vile insinuation could be carried to the voters' minds, supported by the promise that this corporation would rescue the country by a political campaign for a "loyal Congress." "Forty-seven" perfect patriots in the House, like Heinze's "57" varieties of pickles, were, however, acceptable to the league, of whom just a quartette of Democrats, out of 220 Members, or less than 2 per cent, were stamped "O. K."

Even the 47 experienced some recent political casualties; but my purpose now is to show the significance of omitted legitimate tests by these same interests. The first real fight after war was declared came over the first revenue bill, which carried the sinews of war, and was passed overwhelmingly on May 22, 1917. No sensible man claims opposition to that measure was disloyal, although the bill was of vital importance to the war. The first revenue bill demanded by the President to finance the war found 19 of the 47 perfect patriots approved by the league voting "nay," or 40 per cent voted against the first war-revenue bill. On the Lenroot amendment to the revenue bill to increase taxes on incomes of $20,000 and more also passed overwhelmingly, 30 per cent of the opposing vote came from the 47 perfect patriots approved by these interests.

I am not questioning any Member's vote, but am pointing out omitted tests. Based on its inquisition chamber "acid tests,"

the New York junker corporation next determined that 47 of the 48 States were disloyal and gave to the press of the country on August 10 the following percentages of disloyalty:

Alabama, 60; Arizona, 62.5; Arkansas, 55.35; California, 48.86; Colorado, 78.12; Connecticut, 5; Delaware, 12.5; Florida, 56.24; Georgia, 58.33; Idaho, 43.75; Illinois, 39.81; Indiana, 52.88; Iowa, 64.77; Kansas, 62.5; Kentucky, 60.23; Louisiana, 45.31; Maine, 25; Maryland, 34.61; Minnesota, 68.75; Mississippi, 60.94; Missouri, 60.15; Montana, 62.5; Nebraska, 75; Nevada, 50; New Hampshire, 6.25; New Jersey, 21.87; New Mexico, 12.5; New York, 15.11; North Carolina, 56.25; North Dakota, 79.16; Ohio, 55.67; Oklahoma, 54.69; Oregon, 20.83; Pennsylvania, 31.67; Tennessee, 51.25; Texas, 66.67; Utah, 31.25; Vermont, 12.5; Virginia, 47.5; Washington, 37.5; West Virginia, 31.25; Wisconsin, 70.45; Wyoming, 75.

Presumably 90 per cent of the House membership standing for reelection and opposed by the New York Security League weathered the storm on November 5, but a few strong public men in close districts were defeated by such poisonous misrepresentation as I have described and victorious Members are left under suspicion. The "tests" and methods have been shown to be hypocritical, and brief reference to patriots responsible for such wholesale slanders may be somewhat enlightening.

The New York Junker Security League Corporation is reputed to be a creature of Wall Street, supporting big-business dreams of national expansion, wherein our Government is to encompass the world in its commercial grasp backed by its own plan or scheme of universal compulsory military training, irrespective of peace terms. A great military and naval establishment of several hundred thousand men or more may be necessary to police other countries from Russia and China to Mexico, and from Patagonia to Panama and to the Philippines. Powerful interests are not adverse to this program, interests that oppose any league of nations or gradual international disarmament or open diplomacy. An investigation will disclose their relations, if any, to this New York corporation that charges the American Congress individually and collectively with crimes of treasonable proportions.

Mr. Speaker, the "Security League, Incorporated," was organized about 1914 and at once became the self-constituted guardian of our liberties and autocratic judge of our patriotism. As set forth in a speech of September 23, its leading sponsors are Elihu Root and Alton B. Parker, of New York City. At the last annual meeting, held May 8, 1918, a "Colonel" Lydecker presented a list of 60 people, including himself, for officers, directors, and "committeemen far and wide," which list was accepted without opposition. Elihu Root was named "honorary president," and Alton B. Parker "honorary vice president."

S. S. Menken, a "Democratic league organizer" of many years' experience, was named "president," a position he had held since 1914. In June, 1918, according to the press, the resignation of Menken was demanded by the league because of his public commendation of William R. Hearst, of New York. After Menken was kicked out by the anti-Hearst interests, Lydecker, a member of the executive committee, took Menken's job. It was Lydecker who insolently wrote Speaker CLARK regarding the proposed investigation. Taking up the officers of the Security League who have attacked the "loyalty" of Congress, we first have Mr. Elihu Root, honorary president. In a June, 1918, league bulletin published throughout the country is the statement, "The entire force of the league's 281 branches and its membership of over 100,000 patriotic Americans will be thrown into this campaign for the election of a 'loyal Congress.' Elihu Root, honorary president, is taking an active part in this campaign." In August Mr. Root's corporation sent broadcast the chart of "test" votes, therein condemning the American Congress and 47 of the 48 States as disloyal.

Immediately following the recent November election the press significantly announced Elihu Root would be chief counsel and legislative agent for all the railways of the country, with $17,000,000,000 at stake, in the most gigantic legal and business deal ever known—the return of railways to private ownership. A pliable or obdurate Sixty-sixth Congress will determine questions of disposition and of terms. Coincidentally, all leading officials of the Security League Corporation are noted corporation lawyers. Coincidentally, single members of the "league's" executive committee are on the directorates of a dozen or more large railway systems. Coincidentally, politically patriotic leagues in 1918 were largely officered and financed by big-business interests. Coincidentally, many candidates for Congress of such interests had notoriously ossified and reactionary records. With billions of dollars in issue, such Representatives might be of undoubted aid during the Sixty-sixth Congress in unscrambling railway interests, according to the views of those instrumental in such elections.

I will not discuss the inglorious failure of the Russian Commission or millions of dollars loaned by the United States to a paper Russian Government after Root's unpublished report was received. Matters of personal patriotic or unpatriotic records are also trivial. The country knows that after this Security League corporation headed by Mr. Root put forth its hypocritical acid tests and "aggressively" tried to defeat blacklisted Members, President Wilson, ex-Presidents Taft and Roosevelt, Mr. Hughes, and many other leading men ignored so-called loyalty tests and urged reelection of many proscribed Members. Why did Mr. Root and his associates lodge the infamous charge of disloyalty against scores of Representatives, a charge repudiated by the country?

Alton B. Parker is "vice president" of this New York corporation. His hold on public attention was first gained in 1904, when he was defeated by over two and one-half million votes because of alleged subserviency to Wall Street. Mr. Parker's patriotic efforts do not occupy any pages of past history. In this particular he emulates Mr. Root, but as a champion of preparedness Mr. Parker is brought out from obscurity when, standing on a platform for the Presidency in 1904, he publicly demanded "a reduction of the American Army and Army expenditures." In 1904 our total forces throughout the world numbered 64,264 officers and men, of whom only a handful were in this country fit for real military service. That small number Mr. Parker demanded should be reduced. This year he was trying to defeat a Congress that unanimously supported every measure for carrying on the war, reaching millions of men and over fifty billions of dollars in the aggregate, while the last famous utterance of Mr. Parker, a new apostle of preparedness and patriotism, was for a reduction of our Army and of Army expenditures, then reaching less than 2 per cent of those we provided. What, then, was Mr. Parker's real purpose in denouncing 300 Representatives of the American Congress as disloyal?

Next we reach Lydecker, of suggestive name, another president of the Security League, who was given Menken's job. In the only red book of blue blood treasured by the aristocracy of America, "Who's Who," Lydecker says of himself he is a lawyer engaged in "corporation work, will contests, administration of estates, reference, and counsel duties." Innate modesty prevents any further flamboyant free advertisements of his self-confessed qualifications, but Lydecker's corporation work harmonizes with recognized legal services of the honorary president and vice president, who jointly compose a small army of home-guard corporation counsel. In the list of American immortals found in "Who's Who," 1916–17, page 1531, is a eulogy of "Lydecker" written by Lydecker. He says he is "a Democrat," therefore a follower of Menken, but a hidden mystery is there revealed.

"Twenty-eight tons" of league literature and boiler plate carried free by the press of the country contain fulsome eulogies, pictures, and propaganda, with "Col." Lydecker, a fierce, military-looking man, generously occupying the center and all four corners of the boiler plate. So frequently has he been presented as a "kernel" that the close proximity of a nut was certain, but "Who's Who" says that Lydecker is no "colonel" at all. Years ago Lydecker was a major in the New York Militia, but during the Spanish-American War, apparently, he ducked war service and bravely hung close to dear old Broadway until war was over.

Answering Lydecker's malicious personal libel, incidentally I raised a company of ex-National Guardsmen for that same war and tendered it to the governor of Wisconsin for immediate oversea service. After many years' service in the Regular Army and State National Guard, when resigning as judge advocate of Wisconsin later in life, all military titles, including that of colonel, were surrendered. My father served three and a half years to save the Union. My son, still in France with the Thirty-second Division of "Les Terribles," fought at Chateau-Thierry, while Lydecker from his New York office was fixing loyalty tests for the American Congress. [Applause.]

The New York press of November 17, 1918, says "Col. Charles E. Lydecker and his league have seven broad principles which the league has mapped out for itself," the first being "to urge a just and careful peace treaty," and so forth. While framing the greatest treaty of all the ages, President Wilson, Lloyd-George Clemenceau, and all world peace delegates, together with the Senate that confirms treaties, one and all may depend upon Lydecker's aid in avoiding international carelessness for, according to Lydecker's bulletin, he also will "urge a just and careful peace treaty." Thank God for Lydecker—and Charlie Chaplin. [Laughter.]

Lydecker says in "Who's Who" he wrote a "Monograph on Militia," and so got into the "Navy League" before that league was foundered by Secretary Daniels. "Who's Who" also says modestly Lydecker was a "founder of the National Security

League." Lydecker, once a "major of milish," and now colonel of the obscurity league, declared 300 Representatives disloyal, including our colleague, Gen. SHERWOOD; yet SHERWOOD won his shoulder straps fighting his way to the top in 40 battles [applause], while Lydecker apparently ducked one real chance to fight and never had any military title or public office of moment in his life. [Applause.] Now, our imitation "major" crowds President Wilson a close second in space covered in "Who's Who." Like senators of 12 centuries ago, it well may be asked, "Upon what meat doth this our major feed that he has grown so great?" Sir Joseph Porter, of Gilbert and Sullivan's "Pinafore," comes to life in this "You-know-me-Mabel" militia rookie, who "polished up his buttons so care-ful-lie that now he's the ruler of the Nation's loyaltee."

Wearing a gobbler strut and borrowed peacock feathers, this rare bird wrote impertinently to Speaker CLARK he would fly to Washington when needed. By all means have Lydecker brought along together with his frayed militia feathers and frumpery, but any investigation that fails to include the real actors now behind the scenes will be the play of Hamlet with the Dane and ghost left out.

It is not my purpose to discuss different agents of the "league," some of whom are caustic writers; but two or three are noted whose pictures generally grace "28 tons of boiler plate" printed "in 1,400 papers" throughout the country. Among these Claude Van Tyne is a conspicuous member. A corporation cook of canned patriotism, Claude Van Tyne is the Dick Deadeye of this Pinafore crew.

Van Tyne, director of the Security League's "educational bureau," gave to the press a scurrilous attack on the Committee on Public Information, charging that its chairman heartily recommended a book about the war. Van Tyne's poisonous inquiry followed, "Is he a safe man to occupy the position he does so potent for the good or ill of our cause?" Creel's answer to Lydecker, of September 30, 1918, declares Van Tyne's attack is "dishonest and indecent." I hold no brief for Mr. Creel, but Congress is interested in Van Tyne, whose league protects "our cause" against a disloyal Congress and against other disloyal public officials.

An editorial from The Nation thus sizes him up:

> As for Prof. Van Tyne, what is to be thought of a scholar who not only aids and abets the cowardly attack but allows himself to garble and misquote printed statements upon which the attack is based?

Claude Van Tyne in a half column of "Who's Who" gives a thrilling account of several exciting bicycle and canoe trips he has survived, and also says he once wrote a book entitled "The Loyalists of the American Revolution." Therein he claims the Tories of the Revolution were real "loyalists," just as his associated Wall Street Tories now claim to be the real loyalists.

I quote briefly from his book:

> The banishment or death of these conservative and respectable Americans (Tories) is a tragedy but rarely paralleled in the history of the world; * * * driven into exile or deprived of the political and social influence because of an unremitting intolerance. * * *

Many Tories loved America with a sincerity not surpassed by the most high-minded Whigs. Though posterity has not awarded them the name, it may wisely concede to them the character of the "patriot." The "tragedy" of the Tories, "unremitting intolerance" of Washington, Adams, and other patriots against Van Tyne's Tory "patriots" of 1776 excites his criticism.

Claude Van Tyne writes of John Adams, one of the pillars of the Revolution:

> We see the folly of John Adams's theory of the creation of the Loyalist Party. Had Adams spoken * * * he would have shown a better grasp on the true state of affairs.

These are gems from Van Tyne. In Webster's wonderful eulogy on John Adams's influence on the Republic, America's leading statesman summed it up with Websterian power and force: "Adams spoke onward, right onward." Thomas Jefferson declared John Adams was our "Colossus both of thought and expression." Yet Van Tyne grasps where he says the giant Adams failed. Colossal egotism, thou art indeed Tyney. This modest Security League Solomon easily disposes of Gen. Charles Lee thus:

> Charles Lee, who at this time posed before the credulous colonists as a military genius and whose sententious piety glowed most brightly when his zeal was most hypocritical.

Mr. Speaker, great men with direct knowledge and pigmies without may differ in estimates, as shown by George Washington's letter of that period, which says regarding Lee:

> He is the first in military knowledge and experience we have in the whole Army. He is zealously attached to the cause. * * * I congratulate my countrymen on his appointment.

Claude's own book on Tory "loyalists" again says: "Every attempt to enforce an unpopular law or any real or rumored approach of the British forces was enough to make every secret Tory alert and eager to overthrow his Whig oppressors. The latter were only too well aware of the unstable nature of their tyrannical power." Many similar extracts evidence the trend of mind of this Security League's colossal egotist. The American people have not forgotten the sacrifice of our forefathers and do not accept Van Tyne's opinion regarding John Adams's "lack of grasp" or of "credulous colonists," including Washington, or the "sententious piety" and "hyprocritical zeal" of Gen. Charles Lee, whatever his shortcomings, or of the "tyrannical power" of Washington, Henry, and other "Whig oppressors" of that day. However, it remained for Van Tyne to discover Tories were the real "patriots," occupying positions "so potent" for good or ill of our "cause."

Another Security League "educational director" and corporation cook of canned patriotism is Buttercup R. McNutt McElroy, whose name parted in the middle and position as bumboat woman of this modern Pinafore crew will not be challenged. R. McNutt is a strange composite of Don Quixote and the windmill. On April 6, 1918, he was sent out as a missionary by this Security League corporation of New York to the wilderness of Wisconsin in a desperate effort to save the old Badger State from wandering Indian and German tribes.

McNutt talked in Madison to university students, and then he returned to New York City, where he immediately hunted up a newspaper reporter, true to league instincts, and gave his impressions of the wild West. He said, back in New York, that while orating in Madison he was received with inattention, and so he "deliberately insulted them and called them a bunch of damned traitors." This is McNutt's statement—in New York. Fortunately no one in Madison heard McNutt, whose name explains matters, otherwise he would have been ducked in the lake on April 6 by rain-soaked students, who are no respecters of persons when "deliberately insulted."

Mr. Speaker, the Wisconsin University, second to none in learning or patriotism in the country [applause], sent to France over 1,500 students, in addition to several thousand alumni, fighting for our flag. Wisconsin has had 115,000 men in military service and furnished three regiments of the Thirty-second Division that won the title of "Les Terribles" from the French for their bravery in battle. [Applause.] These are the people McNutt insulted when he reached a safe distance. According to his extravagant eulogy of himself, in "Who's Who," McNutt was once in a training camp at Plattsburg, but never got nearer than 3,000 miles of the French battle line. [Applause.] Like all other "league" patriots, he stayed by his "security" fireside. [Laughter.]

Returning to the Madison incident, the undisputed facts, supported by statements of many reputable men sitting on the same platform, show that on April 6, 1918, several hundred cold, rain-soaked students were kept for over an hour while patriot McNutt read a long, tedious, sophomoric effort.

His talk passed without incident. Not until he reached a New York reporter, over 1,000 miles away, did he "deliberately insult" his audience or call the students a "bunch of damned traitors" for their lack of appreciation. A statement was prepared on behalf of the university by Chief Justice Winslow, a jurist of high standing in the country; President Charles R. Van Hise, one of America's leading educators; and Dean Birge, all joining in a report, submitted with a large volume of testimony, setting forth substantially that Robert McNutt McElroy first committed an asinine act in saying to a New York reporter that he "deliberately insulted" an audience he was permitted to address; second, he deliberately falsified the facts according to hundreds of people present; and, third, he maliciously refused to correct his false statements which were later approved by the libellous New York "security" league. Nothing fixes dishonest and unpardonable methods more than a statement issued by its officers based on McNutt's unsupported word that they indorsed McNutt's report "without qualification" and as "absolutely exact."

Lieut. Litchfield West, executive secretary of the *Pinafore* crew outfit, is an old salt, according to "Whos Who," belonging to several Washington golf clubs before he struck a patriotic job in New York. [Laughter.] His military title was gained on the staff of a Washington paper and his record as a conspicuous Washington lobbyist merits special investigation when the small fry of this $1,200,000 annual expense crew is probed. I wish I could repeat what has been told me within the hour on this floor about this man. I can not state it here, but if it is true it ought to stamp him forever as a man of more than doubtful reputation. Lloyd Taylor, another "chairman," wrote every individual Member November 28, several days ago, demanding "views at the present time" on compulsory military training. Lloyd and Claude and McNutt and Orth and the major are keeping strict tab on the American Congress. Who foots their bills, and why?

Charles D. Orth, "chairman of the congressional committee," is a commission man and "importer," the nearest to a military commission he has come, and while a handler of cold-storage goods and director in oil corporations with foreign connections, Orth was selected to send insolent letters to Congressmen. Orth greased the way for a "loyal Congress," commanded the American Congress to report to him within 10 days as to its individual qualifications for Congress and its opinions and aspirations, under threatened penalty of league condemnations and of "widespread publicity." Members of Congress are curious to see this pompous oil peddler at close range. [Laughter.] Other patriots appear on the security league executive staff whose innumerable corporate connections are certain to be kept in mind when fixing standards of "loyalty."

From blue-sky land companies to Skyland Sox, incorporated; from alkali and apollinaris water corporations to sugar beets and copper and cotton oil that are listed among war profiteers; from rosin and oil to western chemical, western power, and waterproofing corporations; from directorships on a score of railways, United States steel, and insurance corporations to real and on-paper mining companies in this and other countries; all these will be fruitful subjects for a probe when the home guard of the security league, incorporated, answers roll call.

Brief illustrations noted indicate the league's bombast and cowardly innuendo when the false libellous "chart" on the American Congress was given to the press.

So, too, Van Tyne rushed to the newspapers with his false screed on Creel. Again, McElroy hotfooted to the newspapers with his false and wicked libel on the University of Wisconsin, and in like manner Lydecker first gave to the press his open letter addressed to Speaker CLARK. Childlike he petulently and maliciously said I was "a pacifist or worse." Anyone who resents the cowardly, underhanded attacks of these men, whether made on Congress or upon individuals, is a target for poisoned arrows and branded by this vicious group of irresponsibles as disloyal.

Mr. Speaker, my own record of military and patriotic service is not now important, and yet may not suffer by comparison with any of the blustering bunch of league egotists, but it is the "league" and not Congress that now requires the probe. Its operations and excuse for existence will be of interest to the public that for many weeks has been surfeited with "28 tons" of bombastic boiler-plate "literature." "Lectures, boiler plate, and loyalty" are its watchwords. Not one-tenth of 1 per cent of all our millions of soldiers in France or on the seas or in American camps, or of the citizenship of the country generally, ever heard of a security league corporation lecturer or waded through a paragraph of its 28 tons of boiler-plate literature "printed in 1,400 papers." While recognized influences have helped chrystallize public sentiment in the country, patriotism and sacrifice, individual and national, are inherent in our people, who courageously but silently serve, leaving extravagant flag waving and canned loyalty essays to such leagues. Of insignificant value, as a promoter of patriotism, no organization in the country has given more distinct aid and comfort to the enemy than this New York corporation, which has published to the world the infamous charge that the American Congress is disloyal. Prating of patriotism, the corporation furnished to the country a striking evidence of irresponsible abuse of public men and of disloyalty to a common Government in which all live and serve.

In a remarkable pamphlet from the pen of a remarkably frank man of nation-wide note, Congress is advised that in America we have "our military imperialists, our banking imperialists, our political imperialists, our munition-making imperialists, our nationalist imperialists, our security leagues and Navy leagues, just like Germany's; and all of them have this in common: From the war they desire results quite other than those sought by the people who did the fighting."

Congress is entitled to know what interests and what individuals stand behind these men, what real purpose is covered up by over $1,000,000 in annual expenditures and 28 tons of boiler-plate patriotic camouflage, and what punishment can be awarded public-character assassins, who more than all other agencies in the country combined have sought to foment distrust, discord, and division among our people and to excite the suspicion of the world against our public officials. The country asks for the facts and, so far as lies in its power, Congress should furnish them.

I quote from a letter dated New York, October 12, 1918, from a business man of that city, whose grasp of public questions and keen observations of men and conditions greatly impressed me upon our first meeting in New Orleans, and thereafter in this city and elsewhere. He travels every year throughout the country, from New York to San Francisco, and covers nearly every State in his travels. A letter from his business office on "Wall Street," within the shadow of the Subtreasury Building, of less than 30 days ago, reads: "Your last resolution has surely stirred up the country. * * * In my wide travels throughout the United States I have met men in the smokers, lobbies, and diners of the so-called 'Security League.' Without exception I have found them undemocratic, always fearing the 'masses,' and afraid of 'popular rule.' Whenever I met one of these gentlemen I was reminded of Russian 'chinoviks' and Prussian Junker. Without exception they were narrow-minded and, furthermore, they never impressed me with sincerity. This 'disloyalty' issue of theirs already has its reaction. The American plain people are wise to them. I spoke to farmers from your own State, as well as those from Utah, Nebraska, Dakotas, Iowa, Illinois, and New York. I spoke to workingmen all over the country. The general impression is gathered that this loyalty and patiotism issue is terribly abused for selfish reasons, and the suspicion falls heavier on the accuser than on the accused."

Even some business men on Wall Street are growing "wise" to these self-annointed patriots.

A letter received from a soldier at the front dated November 1 says:

> The National Security League and similar leagues are not receiving much attention from the boys that are lying up here a couple of miles in the shell holes hoping to God the next "one" isn't a direct hit. They want this war over, and they are watching the men that are supporting them and getting the food up to the line and getting their full allotment of cartridges. The superpatriots and grand-stand artists aren't heard of much.

Mr. Speaker, it can not fairly be charged I have personal grievance against this league, except in common with my colleagues, who would draw the fangs of a venomous snake that strikes without warning. Although its poison was spread through my district in advance and alienated some friends, I defeated the only "loyalist" candidate by nearly two to one in the primary, and in the recent election my majority of over 15,000 votes out of 19,000 votes cast was the highest ever given in that district. [Applause.] This verdict was rendered by a constituency whose patriotism and intelligence is unimpeachable, whose boys at Chateau-Thierry, after losing 60 per cent of their effectives in killed, wounded, or missing, won their battle against the defeated shock troops of the Kaiser. [Applause.] I am proud of the confidence of that people, and now that the purpose of investigation can not be charged to efforts to influence the election, now when the House can probe deliberately, let this "league" make good before the country.

What more need be offered in support of an investigation than facts I have presented to you, showing a small coterie of unscrupulous men, acting under a libel-proof corporate name, have challenged the patriotism of hundreds of Representatives and of 47 States. Giving dishonest, widespread publicity to "wrong votes" on war and against preparedness, their query sent into congressional districts of those marked for sacrifice was "what are you going to do about it?" This challenge of the patriotism of the people was expected to and did influence tens of thousands, who did not question false "acid tests" offered by a "security league," and when followed by flamboyant announcements that a campaign would be waged for a "loyal Congress" the disloyalty charge was widely accepted by many men. Capitalized by ambitious candidates, political opportunists, and personal enemies, these infamous charges resulted in bitter campaigns and defeats of high-minded, patriotic Representatives in close districts, who are branded for life as disloyal men.

Heretofore I offered a resolution proposing an investigation be held by the Judiciary Committee. Because of the liberty-loan campaign and following general election I was advised not to press the investigation. For that reason no hearings have been asked nor held and no steps taken other than data collected, which will be presented to the proper committee. On advice of different Members and without questioning the earnest efforts of a regular committee it has been urged that a small committee, composed of Members appointed by the Speaker selected for this special work, would be able to give time and investigation to charges submitted, not practicable with a large committee having other responsible and regular duties. Committee quorums and direct procedure might best be served by a small special committee, and for that reason I have offered a more comprehensive resolution of investigation to include the "Security League" and other so-called patriotic organizations that were active in the recent congressional campaign. To that end I have asked for a special committee of nine members, possessed with powers similar to those held by the committee that probed

the St. Louis riots, to be appointed by the Speaker, to conduct this investigation. I trust the House will support the resolution.

Questions of power of the House to act and of precedents have been considered. It may be said that if no precedents are had whereby to investigate wholesale charges of disloyalty lodged against a majority of the Members of this House by an organization that has libeled prominent men and public officials from one end of the country to the other, a slandering corporation compared to which Lawson is a child in arms, then it is time that the House makes precedents or that we abdicate the positions we now hold.

Charges of disloyalty at any time can not be lightly made, and when made in trying times of war such charges must be investigated, and if proven untrue the libeler should be punished. Unless we vote to purge ourselves of the charge by bringing before us those who have laid the indictment we may well be subject to public distrust. Are we untrue to our oaths of office and to our country? A slanderous New York corporation has so charged. Are we cringing politicians, influenced solely by policy? These contemptible lip loyalists so advertise us to the country. Are we afraid to face political black hands who traduce us? Judged by unchallenged misrepresentation they must so believe. Are we prepared to meet our accusers and test out the testers? Our action here will be the answer.

Collateral questions regarding the composition of the "league," its purposes and activities, how financed, and whether, as alleged, it is a $1,200,000 annual bombastic self-exploitation organization are all unimportant matters compared with the one specific charge that a majority of Congress is disloyal. No precedent need be asked in compelling the presence of witnesses who have so declared. In asking for an investigation I make the following specific charges, which, I believe, can be substantiated by a thorough probe.

Mr. Speaker, I charge that the National Security League, a New York corporation, as organized, is used as a convenient cloak for lawless libelous attacks on public men without resulting financial responsibility or accountability, and that the name of "National Security" was selected in an effort to invite public confidence in the propaganda and activities of its organizers.

That such corporation alleges it is organized "with 38 State branches," a "membership of over 100,000, including 200 branches in cities and towns," a speakers' bureau "of 1,000 volunteer speakers cooperating with Government authorities in Washington," a weekly "editorial news and cartoon publicity service supplied to 1,400 newspapers," has supplied "nearly 30,000,000 pieces" of "war literature," and "has placed 250,000 war maps in schoolrooms throughout the country," that this league has supplied "over 28 tons of literature and boiler-plate matter," and has an admitted annual expense bill of $1,200,000 per annum, all of which is evidence of the unrestrained power and influence possessed by the corporation's officers and agents.

That said corporation selected eight votes or measures before Congress, only one since the declaration of war, and caused to be published broadcast throughout the country a false statement that such votes were a test of loyalty and Americanism.

That said corporation, while falsely representing the character and effect of votes, urged the people of the country to defeat approximately 300 Representatives in Congress, whom it has politically blacklisted as disloyal, and that pursuant to such recommendation its agents went into different districts during the 1918 campaign to aid in the defeat of proscribed Congressmen.

That said corporation further caused to be published throughout the country a list of 47 States, which were declared to be wrong, un-American, or disloyal, according to percentages based upon the votes in Congress cast by Representatives from such States.

That in its June, 1918, bulletin said corporation published a statement saying—

> The league is planning nonpartisan cooperation with the Democratic and Republican congressional campaign pledged to support the war. * * * The entire force of the league's 281 branches and its membership of over 100,000 patriotic American citizens will be thrown into this campaign for the election of a loyal Congress.

That said corporation, by the use of money, letters, telegrams, pamphlets, literature, its officers and agents, directly and through associated leagues, entered into the political campaigns of 1918 and actively attempted to defeat for renomination and election Representatives in Congress who had been publicly branded by it as disloyal and un-American.

That no statement of contributions or expenditures used in efforts to defeat Representatives has been filed with the Clerk of the House by said corporation, under the Federal corrupt-practices act, and no statement of activities of the league or of its contributions or expenditures for political purposes have been filed under laws of the several States.

That, according to "league literature," Elihu Root, Alton Parker, and Charles Lydecker, attorneys at law, are officers of said corporation and as such officers took active part in the congressional campaigns of 1918 for the election of a so-called "loyal Congress" and as such officers are directly responsible for the publication and circulation of charges made against the loyalty of Representatives in Congress and for efforts to secure the defeat of such Representatives.

That R. McNutt McElroy, an officer of said corporation, falsely and maliciously through the public press libeled the students of the University of Wisconsin, many of whom have died in France for their country, and in his unprecedented action, after a full presentation of the falsity of his charges, he was upheld and indorsed by the corporation's officers and agents.

That said corporation has published throughout the country that the league has secured and placed on file the names of 44 Senators and 174 Representatives in Congress who are pledged to vote for compulsory military training irrespective of treaty provisions hereafter to be signed by the belligerent nations, and that such pledges have been secured without regard to terms of peace in this war, possibility of a league of nations to enforce permanent peace, or international agreement to disarm.

That the said corporation has published many tons of propaganda demanding compulsory military training and during time of war inspired unwarranted criticism of the President, Secretary of War, and of Congress by such campaign and propaganda.

On information received from brother Representatives in Congress it is charged, on information and belief, that a thorough investigation of public and secret records of the National Security League, a New York corporation, will disclose large contributions for its support made by business interests known as war profiteers and intended for the publication of propaganda and political legislative business advancement of such interests.

That said league is a powerful irresponsible New York corporation, arrogant and un-American in its methods, a slanderous libel on the patriotism of our public officials and of our citizenship, inimical to the best interests of the country, and has done more to create public discord and unwarranted suspicions and a division among a patriotic people than any other single agency.

I submitted the resolution this morning and urged its early adoption by the House. [Prolonged applause.]

This is the resolution, which I send to the Clerk's desk to have read.

The Clerk read as follows:

Resolved, That a committee of nine Members be appointed by the Speaker of the House to investigate and make report as to the officers, membership, financial support, expenditures, general character, activities, and purpose of the National Security League, a corporation of New York, and of any other political or patriotic organization, league, or association that purports to be organized or engaged in or has been directly or indirectly engaged in the nomination, election, or defeat of Representatives in Congress during the year 1918.

Said committee shall also inquire and ascertain whether charges affecting the loyalty of Representatives in Congress have been made by such leagues or associations, and if so by whom and upon what information, testimony, or record, and whether such charges are true; and shall ascertain whether such league, leagues, or other organizations that may be investigated have complied with the provisions of State and Federal laws in the filing of expense accounts; and shall inquire and ascertain such other matters concerning said league or leagues or other organizations which, in the judgment of such committee, may be found proper; and for the purposes aforesaid the agents, clerks, or employees of such committee shall have power to demand and receive for inspection and use of the committee all books, records, documents, and papers whatsoever belonging to such league or the individual members thereof concerning its activities, and the committee shall have power to send for papers, books, records, and documents and to enforce their appearance and administer oaths.

Said committee is also hereby authorized and empowered to require witnesses to answer all questions propounded by any member thereof touching the investigation ordered and require any witnesses called before it to testify fully as to any information in his possession, whether in the nature of hearsay testimony or otherwise, at such places as it may decide upon, as well as in the city of Washington, pursuant to the purpose of this resolution, and shall have the power to report at any time.

Mr. HARRISON of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. FREAR. I will if I have time; certainly.

Mr. HARRISON of Mississippi. I wanted to ask the gentleman a question. There were eight so-called acid tests, I believe, applied by the Security League. In these tests, I think, if I correctly recall them—I read them at the time—one was on the Kahn amendment on the volunteer system. They put that test, but they failed to give the vote of those men who, while they voted for the volunteer system, afterwards voted for the selective-draft bill on its final passage.

Mr. FREAR. Yes. It was a dishonest and miserable misrepresentation of the record by the Security League, as the new

Senator from Mississippi well implies. I thank the gentleman for the suggestion.

Mr. HARRISON of Mississippi. And again, as I recall, one of the acid tests was the Cooper amendment to the armed-neutrality bill, but they made no mention of the fact that those men who may have voted for the Cooper amendment to the armed-neutrality bill, but who finally, on the passage of the armed-neutrality bill, voted for it.

Mr. FREAR. That is equally true, and the gentleman has fastened it down completely. That was another deliberate falsification of the record by the Security League, as will be demonstrated on an investigation.

Mr. HARRISON of Mississippi. And again, if I recall, there was an amendment offered by the gentleman from New Jersey [Mr. BROWNING] which they made one of the acid tests——

Mr. FREAR. There was an amendment offered by Mr. KAHN in the House and by Mr. BRANDEGEE in the Senate.

Mr. HARRISON of Mississippi. But Mr. BROWNING offered a motion to recommit the naval bill that had been formulated by the Naval Committee, and which carried an increased annual appropriation of upward of $100,000,000. They applied that as a test, while nothing was said at all as to the vote on the final passage of the naval bill.

Mr. FREAR. That is an illustration of the disreputable methods of this Security League. The gentleman is again correct about that vote.

Mr. HARRISON of Mississippi. And again, I understand that there was another acid test applied, where an amendment was offered by Mr. KAHN to the military bill to increase the Regular Army, I believe, from 178,000 to 250,000. They applied that as the acid test, but said nothing about those who had supported an amendment in the same bill that brought into the Federal Army the National Guard, comprising approximately 425,000 men.

Mr. FREAR. The gentleman is right about that. And beyond that fact it was stated upon the floor by members of the Military Committee that the passage of the Kahn amendment would hopelessly confuse at that time the military program which had the approval of the President, and also would promote sergeants, as I now remember, to pay beyond that received by commissioned officers.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. FREAR. Certainly. I am glad to yield to our distinguished party leader.

Mr. MANN. The gentleman will excuse me, because I want to get a little information about matters which I ordinarily would know about.

Mr. FREAR. I shall gladly give it if able to do so.

Mr. MANN. Owing to the advice of my physicians last summer I took no part in the campaign and did not keep track of what was going on during that time. Do I understand the gentleman to say that this league endeavored to influence the nomination of Members of Congress?

Mr. FREAR. It did; directly, in many cases.

Mr. MANN. And the election of Members of Congress in various States of the Union?

Mr. FREAR. Yes; it expressly so declares in its literature. Directly, in many cases. I have stated this before on the floor, and I have evidence of their efforts which will be offered to the committee that investigates.

Mr. MANN. I ask the gentleman for information.

Mr. FREAR. Yes; most assuredly this league did seek to influence in many cases.

Mr. MANN. In the different States?

Mr. FREAR. Oh, yes, indeed, in many States I could name.

Mr. MANN. I understood the gentleman to say that the Security League had not made any return of its expenses or receipts under the so-called publicity act.

Mr. FREAR. That is my understanding, unless it has made the return very recently.

Mr. MANN. I have always made the return myself in my own case, and I do not remember now that I ever had occasion to look up the penal section of that law, but I assume that there is some penalty.

Mr. CALDWELL. One thousand dollars fine and a year in jail.

Mr. FREAR. There certainly is a strong moral obligation to report, whether legally imposed or not.

Mr. MANN. If the gentleman is correct in what he said, I should think that the Department of Justice might very well investigate not only the corporation but the officers of the corporation.

Mr. FREAR. There is a moral obligation, no matter what the exact legal obligation is, a matter of possible interpretation, when a league of this kind, with $1,200,000 in its hands, circulates these anonymous and dishonest statements, attacking the loyalty of this Congress.

Mr. MANN. Because if a political party having a regular organization selected in a public manner is required to make these returns, an anonymous body created by itself certainly ought to be compelled to live up to the law. [Applause.]

Mr. FREAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. FREAR. Certainly.

Mr. McCULLOCH. In the analysis that the gentleman expects to place in the RECORD with regard to the eight test votes, has the gentleman pointed out the fact that in referring to the votes cast the league in its propaganda and literature which it sent out absolutely misstated what was before the House?

Mr. FREAR. I stated that particularly, and called attention to the gentleman from Ohio's remarks made on the floor several weeks ago, which were very pertinent, when he analyzed and exposed the malicious misrepresentation of the record by this league.

Mr. McCULLOCH. For instance, I should like to ask him if he called attention to this particular thing: In referring to the Kahn amendment, which was an amendment to eliminate the voluntee · feature of the conscription bill as reported——

Mr. FREAR. Yes; that was the effect.

Mr. McCULLOCH. This league in referring to the Kahn amendment said:

> This amendment provided for the raising by conscription of the necessary army to give effect to the declaration of war.

The amendment was nothing of the kind.

Mr. FREAR. The gentleman is absolutely correct. The statement of the league, in my judgment, was willfully false.

Mr. McCULLOCH. It was an amendment to eliminate the volunteer feature.

Mr. FREAR. That was all. The gentleman is correct.

Mr. McCULLOCH. Therefore the league has misstated the facts and has held up to public contempt the Members of this body upon a misstatement of the facts.

Mr. FREAR. Absolutely so; and I am asking for an investigation to find out who is responsible, and the purpose behind the league. Mr. Speaker, it has been suggested to me by several Members during this discussion that I ask unanimous consent for the immediate consideration of the resolution.

Mr. GARRETT of Tennessee. What is the resolution?

Mr. FREAR. I will ask to have it read.

Mr. GARRETT of Tennessee. Let it be reported, and let us see what it is.

The SPEAKER. The Clerk will report the resolution.

Mr. MANN. Mr. Speaker, is it to be reported or read for information?

Mr. FREAR. First read for information.

The SPEAKER. Read for information.

The Clerk read as follows:

House resolution 464.

Resolved, That a committee of nine members be appointed by the Speaker of the House to investigate and make report as to the officers, membership, financial support, expenditures, general character, activities, and purpose of the National Security League, a corporation of New York, and of any other (political) or patriotic organization, league, or association that purports to be organized or engaged in or has been directly or indirectly engaged in the nomination, election, or defeat of Representatives in Congress during the year 1918.

Said committee shall also inquire and ascertain whether charges affecting the loyalty of Representatives in Congress have been made by such leagues or associations, and if so, by whom and upon what information, testimony, or record, and whether such charges are true; and shall ascertain whether such league, leagues, or other organizations that may be investigated have complied with the provisions of State and Federal laws in the filing of expense accounts; and shall inquire and ascertain such other matters concerning said league or leagues or other organizations which in the judgment of such committee may be found proper, and for the purposes aforesaid the agents, clerks, or employees of such committee shall have power to demand and receive for inspection and use of the committee all books, records, documents, and papers whatsoever belonging to such league or the individual members thereof concerning its activities; and the committee shall have power to send for papers, books, records, and documents, and to enforce their appearance and administer oaths.

Said committee is also hereby authorized and empowered to require witnesses to answer all questions propounded by any member thereof touching the investigation ordered and require any witness called before it to testify fully as to any information in his possession, whether in the nature of hearsay testimony or otherwise, relative to the inquiry ordered; and the committee may hold hearings at such places as it may decide upon, as well as in the city of Washington, pursuant to the purpose of this resolution, and shall have the power to report at any time.

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object——

Mr. KITCHIN. I will ask the gentleman from Wisconsin to withhold that and bring it up to-morrow.

Mr. GARRETT of Tennessee. Let it go to the committee.

Mr. HARRISON of Mississippi. There will be no objection to it.

Mr. FREAR. I am perfectly willing, Mr. Speaker, and I withdraw my request. It was offered, as stated, at the suggestion of several Members during the last few moments. I would prefer to have it regularly acted upon by a committee.

I append two brief statements, in which a personal request was first based.

Letter from the Security League of New York given to the press, as follows:

SEPTEMBER 23, 1918.

Hon. CHAMP CLARK,
Speaker of the House of Representatives,
Washington, D. C.

DEAR SIR: Representative FREAR, of Wisconsin, on the floor of the House has to-day asked for an investigation of the National Security League by the House Judiciary Committee. We welcome any investigation deemed proper by your honorable body and will gladly supply the fullest information.

As to the source of the demand for this investigation, it is only necessary at the present moment for me to call attention to the fact that Mr. FREAR voted against the declaration of war, against the Kahn amendment, which made possible the selective-draft system, and for the McLemore and Cooper amendments, which, it is now admitted, voiced the essence of pacificism, if nothing worse.

Yours, very truly,

CHARLES E. LYDECKER, *President.*

Also a brief editorial:

[Extract from New York Tribune of Oct. 1, 1918.]

It is true that the National Security League has been denounced in Congress. This was done by Representative FREAR, of Wisconsin, whom the league opposed for reelection because he had voted against the declaration of war and against the Kahn amendment, which was essential to the selective draft, and for the notorious McLemore and Cooper amendments, thereby failing to stand the "acid test" stipulated for by President Wilson. So much for FREAR.

Hearst attacks the National Security League for a similar reason, namely, that it has denounced his disloyalty.

I also append a brief analysis of the eight test votes submitted by the Security League, in which Representative MCCULLOCH on October 2 last gives a complete demonstration of the falsity and misrepresentations contained in the league's public chart. This chart was given to the press and used as a basis for the charge of disloyalty against Representatives, which I have discussed:

I shall analyze the eight propositions in the order in which they are mentioned in the circular.

"No. 1. The circular says: 'McLemore resolution, March 7, 1916. This resolution was to the effect that American citizens should forego their natural, legal, and constitutional rights to travel on the high seas.'"

The McLemore resolution came before the House of Representatives about one year and one month before the declaration of war. The circular marks me as voting "wrong" on the McLemore resolution. It does not say what is meant by voting "wrong," but attempts by the language used to leave the inference that I favored the McLemore resolution. The facts are, as I announced at the time, that I would not vote for the McLemore resolution under any circumstances, because I was opposed to its provisions. I did not vote for it, but I voted not to table it, in order that a full and complete discussion of the subject of warning American citizens of the dangers of traveling on armed vessels of belligerent countries should have been had, as the President requested. Had the McLemore resolution not been tabled, and had it come to a direct vote without amendment, I would have voted against it, and I so stated at the time, as the CONGRESSIONAL RECORD will show, and I so stated in every speech I made during my last campaign.

"No. 2. The circular says: 'Kahn amendment to the Hay Army bill, March 23, 1916. This amendment sought to increase the Regular Army to 178,000 or more, nearly approaching the recommendation of the General Staff of the Army.'"

No such amendment was ever introduced by Mr. KAHN or anyone else. The circular marks me as voting "wrong" on such an amendment, which it says was considered over a year before the declaration of war. The Committee on Military Affairs reported the Hay Army bill unanimously from the committee, which provided for increasing the Regular Army to 140,000, as recommended by the Secretary of War. During the consideration of the bill Mr. KAHN, of California, a Republican, offered an amendment increasing the number to 220,000, which amendment was defeated by a vote of 82 to 155, by tellers, in the committee. Before voting on the bill, Mr. MANN, of Illinois, asked unanimous consent for a record vote on the Kahn amendment, which is no doubt the amendment the circular is trying to refer to, and the vote was taken on the amendment, and it was defeated by 213 to 191.

The circular evidently approves voting for this amendment. Such a vote was an antiadministration vote, as the administration approved the bill as reported and was opposed to the amendment, which, it was argued on the floor, would hopelessly complicate the Army bill. I voted against the amendment, as it was my policy to support the committee, which had investigated the requirements and which was backed by the War Department and its experts.

"No. 3. The circular says I voted 'wrong' on the 'Brandegee amendment to the Hay-Chamberlain Army bill, April 18, 1916. This amendment provided for an Army of 250,000 as against 140,000.'"

When the Hay Army bill was returned to the House from the Senate on May 8, 1916, almost a year before the declaration of war, objection was made to this increase because it was contrary to the recommendation of the War Department and the Committee on Military Affairs of the House. It was claimed that its language would provide for a large number of very high promotions for Army officers. The amendment was defeated by a vote of 222 to 141. I voted against the amendment. The circular approves voting for the amendment, which was voting against the administration and the recommendation of the War Department.

"No. 4. The circular says I voted 'wrong' on 'section 56,' providing for a volunteer reserve army wholly under Federal control, April 18, 1916."

This amendment was considered almost a year before the declaration of war, and was an amendment intended to destroy the National Guard and State Militia by substituting a volunteer army, composed of not to exceed 600 officers and men from each congressional district. I was appealed to by the National Guard of the State of Ohio to oppose this amendment. It was contended that our State had spent millions of dollars developing the National Guard in Ohio. A large proportion of the National Guard of the United States, including the Ohio National Guard, was on the Mexican border at the time this amendment was considered. It was claimed that if this amendment, known as section 56, were adopted, it would complicate the military situation. The President vigorously opposed this amendment, and it was known as an antiadministration amendment. I voted against the amendment, and the circular approves a vote for the amendment.

The amendment was defeated by a vote of 251 to 109 on May 8, 1916 (CONGRESSIONAL RECORD, p. 7691). The National Guards of the various States have furnished close to 500,000 men in the present crisis, trained and experienced, and after the splendid record of the Rainbow Division, the soldiers of which represent almost every State in the Union and which is on the battle front at this very hour rendering conspicuous service, of which the whole Nation is proud, I do not believe that anyone need apologize for opposing the destruction of the National Guard.

"No. 5. The circular says I voted 'wrong' on a 'motion to recommit the naval appropriation bill June 2, 1916.' This motion was designed to instruct an increase in the Navy beyond what was provided in the original bill."

The naval appropriation bill of 1916 was taken up by the House on May 27, 1916, almost a year before the declaration of war (CONGRESSIONAL RECORD, p. 8783), providing for increased appropriations for the Navy. The bill was reported with the approval of the Navy Department after extended investigations by the Committee on Naval Affairs. This committee had spent weeks on the bill with the assistance of the Navy officers and experts. The House, in Committee of the Whole, had been considering the bill for days, and just as the House was ready to vote on its final passage Mr. BROWNING, of New Jersey, moved to recommit the bill with instructions to increase the amounts of the various items approximately $56,000,000, which meant asking the House to accept without consideration or explanation changes in the bill, the effect of which would have been to destroy the work of the committee and the Navy Department. The chairman of the Committee on Naval Affairs vigorously opposed the motion. It was distinctly an antiadministration motion, and so understood by everybody, and it was defeated. I voted against it. The circular approves voting for it.

"No. 6. The circular says I voted 'wrong' on the 'Cooper amendment, March 1, 1917.' This amendment was designed to prohibit to American ships their legal right to carry arms or ammunition in their cargoes."

The statements in the circular as to the provisions of the Cooper amendment are entirely contrary to the facts. The Cooper amendment was as follows:

"*Provided*, That no ship of American registry, armed in the manner aforesaid, shall carry cargo consisting in whole or in part of arms or ammunition consigned to a belligerent country or to a citizen thereof."

This amendment was offered to the armed-neutrality bill, for which bill I voted. The armed-neutrality bill was intended, according to statements made by the President, as the last step toward keeping this country out of war. The Cooper amendment proposed that we should not arm ships to carry munitions of war to belligerent countries. He argued that to arm ships for such a purpose was an act of war. Mr. FLOOD, chairman of the Committee on Foreign Affairs, while the Cooper amendment was being considered, said:

"I do not believe that the President intends to convoy merchant vessels that carry munitions of war or to supply guns and ammunition to such vessels. Good international lawyers contend that to convoy a vessel loaded with arms and ammunition is an unlawful act; that it is an act of war."

Under the circumstances I voted for the amendment. The amendment was defeated, and I then voted for the armed-neutrality bill.

"No. 7. The circular says I voted 'right' on the declaration of war against Germany, April 5, 1917."

I voted for the declaration of war.

No. 8. The circular says I voted "wrong" on the "Kahn amendment to the conscription act, April 23, 1917. This provided for the raising by conscription of the necessary army to give effect to the declaration of war."

There never was a more false or misleading statement made than this statement, attempting to define the terms of the Kahn amendment. The Kahn amendment proposed to strike out the provisions of the conscription bill authorizing the President to call for volunteers. The conscription bill, reported by the Military Affairs Committee of the House, and which was being considered in Committee of the Whole, when the Kahn amendment was proposed, authorized the raising of an army both by conscription and by volunteers. Had the volunteer provisions not been struck out of the bill we still would have had conscription and the President would have had the additional authority to call for volunteers, which the War Department did in fact, under the law. There was no proposal to my knowledge at any time made to eliminate the conscription provisions of the bill. This vicious circular would have people believe that those who voted not to strike out the volunteer provisions of the bill were against the necessary army "to give effect to the declaration of war." In other words, everyone who had an idea contrary to that of the National Security League is disloyal.

I voted for conscription, and I also voted for the provision authorizing Roosevelt to organize and utilize the hundreds of thousands of volunteers he had already enrolled who were ready for active service. I believed that the President should have the power to call for volunteers if he saw fit to do so, and I therefore voted against the Kahn amendment, which took that power from him; but it is interesting to note that in spite of the hostility of the National Security League to volunteers that volunteers have been accepted by the War Department right along in all of the various branches of the service, and that there are now in the service thousands upon thousands of men who were volunteers and accepted as such.

Mr. GARRETT of Tennessee. Mr. Speaker, may I ask to what committee the resolution put by the gentleman from Wisconsin was referred?

The SPEAKER. The Chair directed the gentleman to put the resolution in the basket, and the Chair will refer it to the Committee on Rules.

PROPERTY OF UNITED STATES IN CHARGE OF THE DOORKEEPER (H. DOC. NO. 1532).

The SPEAKER laid before the House a letter transmitting an inventory of all property belonging to the United States in charge of the Doorkeeper of the House, which was ordered printed and referred to the Committee on Accounts.

LEAVE OF ABSENCE.

Mr. WINGO, by unanimous consent, was given leave of absence for the day, on account of illness.

SANATORIUM FOR DISCHARGED SOLDIERS AND SAILORS.

Mr. CLARK of Florida. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12917.

The SPEAKER. The gentleman from Florida moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of House bill 12917.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. FOSTER in the chair.

The CHAIRMAN. When the committee rose last evening general debate had been concluded. The Clerk will now read the bill for amendment.

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRAHAM of Illinois. I observe that this bill is not divided into sections. Will it be considered by paragraphs, or what will be the method in considering it?

Mr. CLARK of Florida. I was going to ask unanimous consent that the bill be read and considered by paragraphs.

The CHAIRMAN. The gentleman from Florida asks unanimous consent that the bill be considered by paragraphs and not by sections. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the United States is authorized to acquire by gift a tract of land suitable for the purpose, of not less than 1,000 acres, in or adjacent to the city of Dawson Springs, Hopkins County, Ky., or in Caldwell County, Ky., adjacent to the city of Dawson Springs, Ky., or in Christian County, Ky., adjacent to the city of Dawson Springs, Ky., for the purpose of erecting a sanatorium for the treatment of persons discharged from the military and naval forces of the United States and persons who are now or hereafter may be beneficiaries of the United States Public Health Service; such sanatorium to be of a capacity of not less than 500 beds. There is hereby appropriated the sum of $1,500,000, out of any moneys in the Treasury not otherwise appropriated, for the construction of such sanatorium, including the necessary buildings with their appropriate mechanical equipment and approach work and roads leading thereto, for the accommodation of patients, officers, nurses, attendants, storage, laundries, and live stock, with all necessary furniture and equipment for the above; and an additional sum of $350,000 is hereby appropriated for operation and maintenance of the same for the fiscal year ending June 30, 1920.

The following committee amendments were read:

Amendment No. 1: In lines 4 and 5, on page 2, strike out the words "there is hereby appropriated."

Amendment No. 2: In line 4, on page 2, capitalize the letter "t" in the word "the."

Amendment No. 3: In the lines 5 and 6, on page 2, strike out the words "out of any moneys in the Treasury not otherwise appropriated" and insert in lieu thereof the words "is hereby authorized."

Amendment No. 4: In line 13, on page 2, strike out the word "appropriated" and insert the word "authorized."

The committee amendments were agreed to.

Mr. DOWELL. Mr. Chairman, I offer the amendment I send to the desk.

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRAHAM of Illinois. I have an amendment to strike out the enacting clause of this bill. Does not that have precedence over any other amendments?

The CHAIRMAN. That is true. The Chair is under the impression that the rule is—though the Chair has not looked it up lately—where a bill is being considered by special rule under an order of the House a motion to strike out the enacting clause is not in order. The Chair would be glad to hear any argument or suggestion on the question.

Mr. GRAHAM of Illinois. I think it is in order at any time. However, I have not the precedents, but will look them up. My idea in proposing the matter at this time was that if such a motion was proper, and if carried, there would be no necessity in discussing further amendments.

The CHAIRMAN. The gentleman would be correct about that.

Mr. MANN. The Chair will recollect that the rule does not provide for the consideration of this bill. The rule only provides that it shall be in order to move in the House to go into Committee of the Whole House on the state of the Union for the consideration of the bill. Of course, that places the bill in the position that any bill would occupy where a motion was made at any time for its consideration in Committee of the Whole.

The CHAIRMAN. The rule provides for the consideration of the bill in Committee of the Whole, but the House must first decide to go into the Committee of the Whole by vote.

Mr. MANN. The rule as printed was amended, and I do not know whether the Chair has the rule as adopted. The rule printed was not the rule adopted by the House.

The CHAIRMAN. The rule provides for the consideration of the bill in Committee of the Whole under the five-minute rule for amendment. The Chair finds in volume 4 of Hinds' Precedents, page 219, section 3215, this statement:

A special order providing that a bill should be open to amendments in Committee of the Whole was held to prevent a motion to strike out the enacting clause. On March 26, 1897, the House was in Committee of the Whole House on the state of the Union considering the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States, under the terms of a special order, which provided:

That general debate shall continue on said bill during each day until 5 o'clock p. m., and at evening sessions, to which a recess shall be taken, to be held from 8 o'clock till 11 o'clock p. m., int'l and including Thursday, the 25th of March, unless sooner concluded; that from the conclusion of general debate until the 31st day of March there shall be debate upon the said bill by paragraphs, and during this time the bill shall be open to amendment as each paragraph is read, but committee amendments to any part of the bill shall be in order at any time.

Before the Clerk began the reading of the bill Mr. Samuel W. T. Lanham, of Texas, proposed to make the motion to strike out the enacting words of the bill, as provided in Rule XXIII, section 7.

After debate the Chairman held:

The Chair would like to call the attention of the gentleman from Texas to the reading of the special order under which we are operating. * * * The Chair will hold that under the provisions of the special rule under which the committee is now operating the motion of the gentleman is not now in order.

That was the ruling of the Chairman at that time under the special rule.

Mr. MANN. Mr. Chairman, I think that ruling was absolutely correct but that is not the situation before the committee now.

The CHAIRMAN. Of course——

Mr. MANN. There was a rule specifically providing for a certain length of time for amendments. Now, this rule we are operating under provided first that it should be in order to go into the Committee of the Whole House on the state of the Union. That motion has been carried, and we are in the Committee of the Whole House on the state of the Union. The rule provides that at the conclusion of such general debate the bill shall be considered for amendment under the five-minute rule. As a matter of fact, the motion referred to by the Chair under the ruling cited apparently was made before the bill was read for amendment. Now the bill is being read for amendment, and the motion to strike out the enacting clause is an amendment.

The CHAIRMAN. May the Chair ask the gentleman this question? This rule provides that this bill shall be considered under the five-minute rule for amendment. Now, if the motion which the gentleman from Illinois proposes to make, to strike out the enacting clause, should prevail, would that give an opportunity to consider the bill under the five-minute rule as completely as intended by the rule adopted by the House? The Chair would like to have the judgment of the gentleman.

Mr. MANN. It does not say anything about that. It is being considered for amendment, and if the committee should agree to that amendment of course that ends it so far as the committee is concerned at the time, unless the House should decide on its being reported back to the House that it would not agree to the amendment; but the bill is now being read for amendment under the rule, and the motion to strike out the enacting clause is an amendment like any other amendment, except it takes precedence over other amendments.

Mr. SAUNDERS of Virginia. Mr. Chairman, with respect to the point of order that has been raised I would like to say a few words. It is perfectly competent for a special rule to provide for the abrogation or modification of any existing rule or rules with respect to consideration of a bill in the Committee of the Whole. Hence with respect to the consideration of any particular bill, if it is insisted that the rule abrogates any existing rule, we should look to the rule itself to ascertain whether any such provision of abrogation is found therein. The effect of the rule in this case is simply to expedite consideration by the Committee of the Whole of this particular bill. The rule merely operates to put this bill into the Committee of the Whole for the purpose of consideration under the five-minute rule. The motion to strike out the enacting clause, so far as its par-

liamentary effect is concerned, is action. It is a preferential amendment. If this committee chooses to vote favorably upon the motion, then that is action on the part of the committee. It is for the committee to say whether it will take that action. The bill is before us. It has been expedited in its passage to the Committee of the Whole by the force of the rule, and yet the rule does not by its terms abrogate any existing rule for the consideration of this particular bill in the Committee of the Whole. It is still subject to the general rules provided for the consideration of a measure of this character in the Committee of the Whole. Hence it seems to me that the motion of the gentleman is in order whatever may be the action by the committee on the motion itself. The precedent cited by the Chair construed the rule affecting the consideration of that particular bill. That precedent does not establish any general rule. It merely holds that under the rule in that case the motion to strike out the enacting clause was not in order at the time it was sought to be made. The Chair distinctly declined to say that the motion would not be in order at a later stage of the consideration of the bill before the committee.

Mr. DOWELL. Mr. Chairman, I was recognized for an amendment which I desired to have read. I had the floor and submitted an amendment to the Clerk, and he was just about to read the amendment before the question was raised. I ask to have that amendment read.

Mr. GRAHAM of Illinois. Mr. Chairman, the gentleman is wrong—the parliamentary inquiry is still pending.

Mr. DOWELL. But the gentleman can not take me off my feet to make that inquiry. I was in the act of presenting the amendment.

The CHAIRMAN. The Chair thinks really the gentleman offered a preferential amendment, and, of course, on a parliamentary inquiry he would be entitled to have the amendment considered first.

Mr. MANN. He would not be entitled unless he got recognition.

The CHAIRMAN. The gentleman is correct. The Chair thinks that he did recognize the gentleman from Iowa, and the gentleman from Illinois rose to a parliamentary inquiry, and the Chair submitted this statement as found in Hinds' Precedents, and the Chair thinks, in fairness to the gentleman——

Mr. GRAHAM of Illinois. Mr. Chairman——

Mr. GARRETT of Tennessee. Mr. Chairman, does the gentleman from Illinois desire to offer his amendment?

Mr. MANN. I did not offer an amendment.

Mr. GARRETT of Tennessee. Well, the motion to strike out the enacting clause, Mr. Chairman, is in order. There is no doubt about it.

Mr. DOWELL. Is it in order while I have the floor to present an amendment?

Mr. MANN. It has not been presented.

Mr. GARRETT of Tennessee. Then who threw the monkey wrench into the machinery?

Mr. MANN. That is the question.

Mr. GRAHAM of Illinois. Mr. Chairman, as I understand, the parliamentary inquiry has been answered, and I now offer a preferential amendment——

The CHAIRMAN. But the gentleman has not the floor yet.

Mr. GRAHAM of Illinois. I understood I had.

The CHAIRMAN. The gentleman offered a parliamentary inquiry.

Mr. DOWELL. Mr. Chairman, I ask to have my amendment read, and then I will yield the floor to the gentleman from Illinois.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWELL. Page 1, line 3, strike out all of lines 3, 4, 5, 6, 7, 8, and line 9 down to and including the word "Kentucky," and insert in lieu thereof the following: "That the United States is authorized to acquire by purchase or otherwise a tract of land to be selected by the Secretary of the Treasury in either of the States of Colorado, New Mexico, Arizona, or Texas suitable."

Mr. GARRETT of Tennessee. I make the point of order on that amendment.

Mr. GILLETT. What is the point of order?

Mr. GARRETT of Tennessee. The bill provides they shall acquire by gift. The amendment provides the Government shall acquire by purchase.

Mr. DOWELL. Mr. Chairman, the point of order is not good for the reason that the amendment provides that it may be acquired by purchase or otherwise. It may be by gift and it may be by purchase.

Mr. WALSH. Will the gentleman yield?

Mr. DOWELL. And that is not the question that is to be determined here. It is a question here of establishing a sanatorium. That is the question. And the amendment merely relates to the location of a sanatorium. That is all that the amendment undertakes to change.

Mr. WALSH. Will the gentleman from Tennessee yield?

Mr. GARRETT of Tennessee. Yes.

Mr. WALSH. Does the gentleman contend that the House is powerless to strike out in line 1 the word "gift" and insert the word "purchase"?

Mr. GARRETT of Tennessee. Yes; I think so.

Mr. WALSH. I notice that the gentleman has difficulty in keeping his countenance straight in answering that.

Mr. GARRETT of Tennessee. I think any germane amendment is in order.

Mr. DOWELL. Does the gentleman think that purchase is not germane to the question involved in this paragraph?

Mr. GARRETT of Tennessee. I think when the Government can acquire a thing by gift it ought to take it in that way.

Mr. DOWELL. It is not a question of order?

Mr. GARRETT of Tennessee. Now, I want to talk seriously for a moment to the gentleman. The only purpose that the Committee on Rules had in presenting this rule was to make this bill in order under the general rules of the House. The bill provides that the Government may acquire by gift. I do not think that a proposition to purchase or to authorize the Government to purchase is germane to a bill that provides for the acquirement by gift. Have I answered the gentleman or not?

Mr. GOOD. Will the gentleman yield there?

Mr. DOWELL. You have not answered the question, because this bill has for its purpose the securing of land for the purpose of establishing a sanatorium. That is the purpose of the bill. It has no other and different purpose. Now, the Government can establish whatever method it sees fit to secure the land wherever it may secure it and in a different place from that suggested in the bill if it so desires.

Mr. GARRETT of Tennessee. Oh, surely; any place can be named.

Mr. DOWELL. Does the gentleman contend that because a proposition is presented that a tract of land may be secured by gift that the Congress would be powerless to amend the bill and provide for the purchase of a tract of land in another place for the purpose for which the bill was introduced?

Mr. GARRETT of Tennessee. Yes, sir.

Mr. SAUNDERS of Virginia. In addition to the point of order raised by the gentleman from Tennessee [Mr. GARRETT], I would like to suggest that this amendment comes within a number of precedents to the effect that when there is a single distinct proposition before the House, that proposition may not be amended by the addition of other distinct propositions.

The gentleman from Iowa [Mr. DOWELL] stated that this was a proposition to acquire property by gift or purchase. I do not find that language in the bill. This is a proposition to acquire certain indicated property by gift.

Mr. WALSH. Will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. WALSH. Does not the gentleman see that this does not add to but simply enlarges the field for selection?

Mr. SAUNDERS of Virginia. But you can not enlarge the field for selection without making an addition to the bill. That is what I am objecting to.

Mr. WALSH. If the gentleman would think about it seriously, he would not make that contention.

Mr. SAUNDERS of Virginia. I have been thinking about it seriously. This is a proposition to which you can not add other distinct propositions. It is competent to amend this proposition, but not in the fashion proposed. When it is proposed to bring in additional States, you are providing for additional action to that proposed in the bill. You are not modifying the distinct proposition submitted. You are adding other and alternative propositions. It is the same thing as if it was proposed by amendment to acquire by gift another site in another State.

Mr. Chairman, this is a matter that has been ruled upon so often that I do not think it calls for elaborate discussion. I simply desire to call the attention of the Chair to a time when he was presiding, and when he announced precisely the proposition that one individual proposition may not be amended by another individual proposition even though the two belong to the same class.

Various other chairmen have announced the same principle on other occasions. It is not a question of the amendments that we would like to propose to this bill, but it is a question of what under the precedents we can do in a parliamentary way. The inquiry whether the rule precludes consideration of the proposed amendment is the only inquiry that we need pursue. We have established the boundaries on our power of action in the House, and in the Committee of the Whole by the rules, and the decisions expounding those rules. There are many prece-

dents in point. It has been held that to a bill proposing to admit one Territory into the Union, an amendment admitting another Territory is not germane. To a bill for the relief of one individual, an amendment proposing similar relief for another is not in order. To a resolution providing a special order for one bill, an amendment to include another is not in order. To a provision for the extermination of the boll weevil, an amendment including the gypsy moth was excluded on a point of order. To a provision for a clerk for one committee, an amendment for a clerk to another committee was held out of order. To a bill prohibiting transportation of messages relating to dealing in cotton futures, an amendment adding wheat, corn, and so forth was held out of order. See as to above Manual of Rules, section 778. There are many other and more recent decisions all to the same effect, and grounded upon the principle that the amendments proposed are not germane. A specific subject may not be amended by a provision general in its nature, even when of the class of the specific subject. See section 778, (b).

This is a proposition to acquire for the Government "by gift a tract of land suitable for the purpose of not less than 1,000 acres in or adjacent to the city of Dawson Springs, Hopkins County, Ky., or in Caldwell County, Ky., adjacent to the city of Dawson Springs, Ky., or in Christian County, Ky., adjacent to the city of Dawson Springs, for the purpose of erecting a sanatorium." It is a distinct proposition to acquire by gift certain territory adjacent to Dawson Springs, in the State of Kentucky. Whenever you propose to bring in Virginia, or Iowa, or any other of the States, what is that but an effort to bring in a new, distinct proposition?

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS of Virginia. Certainly.

Mr. WALSH. I think the gentleman from Virginia was a Member of the House at the time a ruling was made to the effect that a bill providing for an interoceanic canal by one route could be amended by providing a different route.

Mr. SAUNDERS of Virginia. I am familiar with that ruling, and I have used that precedent time and time again.

Mr. WALSH. Is not that the ruling here in point?

Mr. SAUNDERS of Virginia. No. That was a case of stress in which a ruling was made for a particular situation, and contrary to the precedents. It has never been followed, so far as I am aware. I have cited that precedent on this floor time and time again, in the effort to liberalize the rule of the precedents on the matter of germaneness. In my contention that this rule should be enlarged and liberalized I have used the very precedent that the gentleman has cited, but the Chair has uniformly disregarded it. There is a great body of precedents confirming and supporting the position that I have taken. Some of these have been cited. I will refer to another, namely, the ruling as to germaneness made in connection with a bill relating to grains that was reported by the committee of which the gentleman from South Carolina is chairman. In that ruling the Chair cited a great body of precedents, and did not regard the precedent cited by the gentleman from Massachusetts [Mr. WALSH].

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS of Virginia. Certainly.

Mr. McKENZIE. I do not want to discuss the parliamentary phases of the question, but I would like to ask the question: Suppose we passed this bill and the people of this territory adjacent to the city of Dawson Springs, Ky., failed to make the gift to the Government of the United States——

Mr. SAUNDERS of Virginia. Yes.

Mr. McKENZIE. Failed to make the gift of the land necessary on which to construct the sanatorium. Then could the Government of the United States proceed with the building of this sanatorium?

Mr. SAUNDERS of Virginia. Decidedly it could not.

Mr. McKENZIE. Is it not a fact that the whole sum and substance of this bill is wrapped up in the one proposition of enacting legislation in order to enable the Government of the United States to accept a gift?

Mr. SAUNDERS of Virginia. To do that specific thing, as a condition precedent to building a sanatorium. If we can not secure that land by gift, then the whole effort to establish this particular enterprise fails. That is all there is to this proposition.

As I have said, this is purely a question of parliamentary law and of precedent, a question of keeping our precedents straight. The principle controlling the decision of the point of order raised against this amendment is supported by a great volume of uniform and accordant decisions.

Mr. BANKHEAD. Mr. Chairman, it may not be deemed desirable to call the Chair's attention to the proposition just discussed by the gentleman from Virginia [Mr. SAUNDERS], but if the Chair will refer to section 778 of the Manual he will find there a precedent on this proposition:

"One individual proposition may not be amended by another individual proposition, even though the two belong to the same class."

It seems to me right there is probably a precedent clearly in point.

Mr. WALSH. Mr. Chairman, of course the gentleman from Alabama [Mr. BANKHEAD] is in error in contending that the amendment offered by the gentleman from Iowa is attempting to substitute another individual proposition, and if he will read the amendment offered he will see that there is no such intention or purpose in the gentleman's amendment. This amendment does not add anything, but it simply provides that instead of taking one site at Dawson Springs, in Kentucky, this one sanatorium shall be established at one point in one of four different States.

Now, it seems to me that the decision in Hinds' Precedents, section 5909, is on all fours with the situation presented here. In that case, as the gentleman from Virginia admitted, it was held that to a bill to provide for a canal by one route an amendment could be offered to construct a canal at another place by another route. He states that that precedent has not been followed. He will find that it has been followed in several different instances, and in one instance in particular, where a bill was offered to amend a general law in specific instances, and an amendment proposing to repeal the whole law was held germane.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. WALSH. Yes; I will yield.

Mr. BANKHEAD. Does not the gentleman think this is somewhat analogous to a situation that might arise if we had under consideration a public-building bill, and moved to amend the bill by providing for another public building in some other State?

Mr. WALSH. Oh, of course not.

Mr. BANKHEAD. The same principle would apply.

Mr. WALSH. Oh, no.

Mr. DOWELL. I can answer the gentleman's question. You can amend the bill by providing that the building shall be erected in another place than that designated in the bill. This is not for the establishment of another sanatorium, but it is for the establishment of the sanatorium provided for in this bill at a different place than that designated in the bill, and that is all there is to this amendment.

Mr. BANKHEAD. An entirely different location, in a different State?

Mr. DOWELL. Yes.

Mr. WALSH. But that was the canal proposition. It was the same canal in a different location, and that was held to be germane. I imagine the same water would pass through it. I simply want to direct the attention of the House to the fact that that ruling has been followed several times; and knowing the disposition of the present occupant of the chair, I know that he will not be at all bewildered by an argument that the precedent has been established but has not been followed.

Mr. GREEN of Iowa. Mr. Chairman, my friend from Virginia [Mr. SAUNDERS] is almost always logical and accurate, but in this particular case it would seem to me that he is neither. He has talked about the precedents that he could produce. Unfortunately he has not produced any. I should be glad to have him furnish them, and I have the book of rules in my hand. If he cites any of them, I am quite confident I can show a clear and plain distinction, which will be recognized even by my friend. Having started out wrong, I hope he will not finish wrong. The logic of his argument would be that if it had been provided in the first place in this bill that the building was to be made of brick and somebody should offer an amendment that it should be made of wood instead, or that it should be made of brick and wood, the amendment would not be germane, and therefore would be inadmissible. That would be exactly where we would come out. I know of no such precedent. I looked over these precedents some time ago. I have not had an opportunity to look over them recently, but if there is anything that would exclude the amendment of my colleague I do not know what it is, and I do not think there is any such precedent.

The CHAIRMAN. The Chair begs to state that this bill now before the committee provides for the building of a sanatorium at Dawson Springs, Ky., and the land can only be secured at Dawson Springs, Ky., by gift. There is no provision in the bill saying that this land can be purchased; so that if the people of Dawson Springs, Ky., should conclude after the bill has become a law that they would not give the Government this land, then, in the opinion of the Chair, it would not be possible

to establish the sanatorium there without further legislation, because it says that it must be acquired by gift and that the land can only be secured in that way. The amendment proposed by the gentleman from Iowa says that this sanatorium may be established in either the State of Colorado, New Mexico, Arizona, or Texas by purchase or otherwise. The Chair begs to state that so far as he has been able to ascertain from a brief time spent in looking up the precedents this is the only one where it was proposed to offer an amendment to give away public land, and the Chair at that time held that that was not in order. That decision is found in Volume V of Hinds' Precedents, paragraph 5877. The point of order was made on January 20, 1859, by Mr. Cobb, of Alabama, and the decision was rendered by Speaker Orr, of South Carolina.

The Chair believes that the citation made by the gentleman from Alabama [Mr. BANKHEAD] in reference to an amendment adding another territory to a bill providing for one territory was not in order applies only indirectly to this amendment.

Mr. WALSH. Will the Chair permit an inquiry?

The CHAIRMAN. Yes.

Mr. WALSH. Would the Chair hold that because this provides for acquiring title by gift a motion to strike out the first paragraph would not be in order?

The CHAIRMAN. The Chair would not hold that a motion to strike out the first paragraph would not be in order. The Chair begs to state that, however foolish it may seem, before a bill is completed it is not out of order to move to strike out anything in the bill. The Chair believes, in the view he takes of this amendment, that if this bill should pass with this amendment in it the Secretary of the Treasury might go to either one of these States and if he was unable to secure the land otherwise than by purchase the sanatorium would not be built, and then that would compel the purchase of ground upon which to place the sanatorium, so that it would change the entire scope of the bill as now proposed, which is specifically to provide for the establishment of the sanatorium by gift. Under these circumstances, the Chair thinks that the amendment of the gentleman from Iowa would not be in order.

Mr. DOWELL. Mr. Chairman, I desire to offer another amendment.

Mr. STEENERSON. Mr. Chairman, I should like to offer an amendment.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. DOWELL. I move to strike out all after the word "acres," in line 5, on page 1, down to and including the word "Kentucky," in line 9.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. DOWELL moves to amend by striking out, on page 1, line 5, all after the word "acres" down to and including the word "Kentucky," in line 9.

Mr. GRAHAM of Illinois. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. GRAHAM of Illinois. As I understand it, the amendment which I have mentioned, and which has been discussed—to strike out the enacting clause—will be in order at any time while the bill is open to amendment.

The CHAIRMAN. The Chair will state that it is in order at any time up to the time the bill is completed.

Mr. STEENERSON. Mr. Chairman, I offer my amendment as a substitute for the amendment of the gentleman from Iowa.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 1, strike out all of lines 5, 6, 7, and 8 and the first three words of line 9 and insert in lieu thereof the following: "100,000 acres of the national forest bordering on Tuck Lake and Cass Lake and Lake Winnibegoshish, in Minnesota, or so much thereof as may be required, be set aside.

Mr. CLARK of Florida. Mr. Chairman, I make a point of order against the substitute.

Mr. DOWELL. Mr. Chairman, I want my amendment read as I desire to have it. I have put it in writing and I have sent it to the desk.

The Clerk read as follows:

Amendment offered by Mr. DOWELL——

Mr. STEENERSON. Mr. Chairman, I object to changing the amendment after I have offered a substitute to it.

The Clerk continued the reading:

Page 1, line 5, after the word "acres," strike out all of the words following down to and including the word "Kentucky," line 9, and insert in lieu thereof the words "in either of the States of Colorado, New Mexico, Nevada, or Texas."

Mr. CLARK of Florida. Mr. Chairman, I make a point of order against that amendment.

Mr. STEENERSON. I make the point of order that he can not amend it after he has offered it and after I have offered a substitute. It is now a new proposition.

Mr. CLARK of Florida. I have the floor, and I make a point of order against that amendment which has just been ruled out by the Chair. It is substantially the same amendment. I made the point of order, the Chair heard arguments on it, and held that it was not in order.

Mr. STEENERSON. Will the gentleman yield?

Mr. CLARK of Florida. For a question.

Mr. STEENERSON. The gentleman from Iowa is trying to amend his amendment to which I have offered a substitute.

Mr. GARD. Mr. Chairman, is there a point of order made against the substitute offered by the gentleman from Minnesota?

The CHAIRMAN. The gentleman from Iowa offers an additional amendment. The gentleman from Iowa offered his amendment verbally from the floor, and then the gentleman from Minnesota asked recognition and offered a substitute for that amendment. Then the gentleman from Iowa having reduced his amendment to writing sent it to the Clerk's desk, which modifies his former amendment. The Chair understands that the gentleman from Minnesota objected to the modification of the amendment, and the Chair holds that the amendment can not be modified except by unanimous consent.

Mr. CLARK of Florida. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLARK of Florida. What right has the gentleman from Iowa to recall his amendment and change it?

The CHAIRMAN. He has not the right without unanimous consent.

Mr. CLARK of Florida. Then I object.

The CHAIRMAN. The gentleman from Minnesota has already objected.

Mr. CLARK of Florida. I am raising the question now that the gentleman can not modify his amendment.

The CHAIRMAN. The Chair has so stated.

Mr. CLARK of Florida. And I make the point of order further against the amendment as originally offered and also against the substitute.

Mr. STEENERSON. On the question of the substitute I desire to address the Chair.

Mr. CANNON. Mr. Chairman, I understand this to be the practice of the House: The gentleman from Iowa offered an amendment. A point of order, I believe, was made on that amendment and sustained. Then the Chair recognized the gentleman from Iowa to offer another amendment. The gentleman from Iowa was entitled to the floor. The gentleman from Minnesota comes in and offers a substitute for that amendment. It seems to me that the gentleman from Iowa is entitled to the floor until he addresses the committee on his substitute. I am not aware that he yielded the floor, and therefore the gentleman from Minnesota is not in order.

Mr. STEENERSON. The gentleman from Iowa abandoned his first proposition and offered a new one.

Mr. CANNON. Yes; but in offering the new proposition he is entitled to withdraw the first.

Mr. CLARK of Florida. Not without unanimous consent.

Mr. CANNON. Yes; he can withdraw it without unanimous consent.

The CHAIRMAN. The Chair begs to state, as he understands it, that the gentleman from Iowa was recognized to offer an amendment, which he did verbally. Then the gentleman from Minnesota gained the floor and offered a substitute. A point of order was made against both the amendment and the substitute. The gentleman from Iowa had taken his seat and then again sought recognition for the purpose of modifying his amendment, and sent a written amendment to the Clerk's desk, which was read, and the gentleman from Minnesota objected to the modification. So, under the rule, the gentleman from Iowa was not permitted to modify his amendment, as that can not be done except by unanimous consent.

Mr. CANNON. If the Chair will indulge me, the first amendment of the gentleman from Iowa, being subject to a point of order, disappeared.

Mr. STEENERSON. It was subject to a point of order and was struck out.

Mr. SAUNDERS of Virginia. Mr. Chairman, the amendment which the gentleman from Iowa offered in the first instance was not subject to a point of order, because it was a simple motion to strike out. The gentleman from Iowa then sought to modify this amendment, and to this action on his part, objection was

made. Hence so far as the gentleman from Iowa is concerned, all that is before the House is his motion to strike out, which is in order, and upon which a vote can be taken in due course. The gentleman from Minnesota then obtained the floor and offered a substitute for the motion to strike out.

Mr. STEENERSON. And it includes the striking out and insertion of new matter.

Mr. SAUNDERS of Virginia. To this substitute of the gentleman from Minnesota the gentleman from Florida [Mr. CLARK] made a point of order. The matter immediately in hand, therefore, is the determination by the Chair of the point of order raised by the gentleman from Florida.

The CHAIRMAN. The gentleman from Virginia is correct about that.

Mr. STEENERSON. Mr. Chairman, I would like to address the Chair on the subject of the point of order. The gentleman from Florida has made a point of order against the substitute. I do not believe he knows what the substitute is. The amendment offered by the gentleman from Iowa simply struck out certain lines describing the location of this proposed hospital and my substitute strikes out the same lines and inserts in lieu of the matter stricken out another location in the State of Minnesota. Now, that is clearly a motion to strike out and insert, and the proposition already decided does not come in here at all, because the United States Government has 300,000 acres in this location that it owns in its own right and could put up any hospital there that it wants to and use as much land there as it wants to without gift or purchase. Now that, I contend, is a motion to strike out and insert and clearly in order upon this bill and I would like to discuss it.

Mr. WALSH. Mr. Chairman, the motion was to strike out. You can not offer a motion to strike out and insert for a motion to strike out. You can vote on the motion to strike out, and then offer a motion to strike out and insert, but you can not substitute a motion to strike out and insert for a motion to strike out.

Mr. LAZARO. Mr. Chairman, is it in order to move to strike out the last word and get five minutes?

The CHAIRMAN. It is not.

Mr. LAZARO. While the Chair is making up his mind.

The CHAIRMAN. The Chair is ready to make up his mind. The Chair begs to state that the amendment offered by the gentleman from Minnesota proposes to strike out all of lines 5, 6, 7, and 8 and the first three words of line 9 and insert in lieu thereof the following: "One hundred thousand acres of the national forest bordering on Tuck Lake and Cass Lake and Lake Winnibigoshish, in Minnesota, or so much thereof as may be required, be set aside." Now, the Chair thinks this bill provides for the location of a sanatorium at Dawson Springs. That is a particular point. The Chair thinks it would be in order to change the location of the same sanatorium and believes that this provides only for a change of location, not for the buying of any land but that it shall be established where the Government buys no land, and the Chair begs to call the attention of the committee to the fact that in the case of the canal decision, which has been quoted here many times, that it was in order to change the location of a canal, and therefore believes this amendment is in order and overrules the point of order.

Mr. CLARK of Florida. Mr. Chairman, one thing, if the Chair will permit me. I want to call the attention of the Chair to the fact that this amendment proposes, if the Chair will read it carefully, to strike out all of lines 5, 6, 7, 8, and to and including the word "Kentucky," in line 9. Now, at the end of line 4 is the word "one." Then it proposes to insert "100,000 acres," which would make it read "one 100,000 acres," and which is a proposition to have the Government buy land already owned by the Government. It is an absolutely impossible amendment, and that was my idea in making the point of order.

Mr. STEENERSON. That is going to the merits of the proposition.

Mr. CLARK of Florida. This is an amendment which is utterly impossible, not only not germane, but impossible of performance, because there can not be——

Mr. STEENERSON. But the Chair has ruled upon the question.

Mr. CLARK of Florida. But the Chair permitted me to say a word. I would not have undertaken to do it without the Chair's consent. I asked the permission of the Chair, and I want to say that was the main purpose I had in making the point of order, that it was an amendment which was perfectly impossible. Why, it is an amendment, Mr. Chairman, that would be absolutely impossible of performance, because it provides that the Government of the United States, if it should be written into this act, should acquire by gift a tract of land suitable for the purpose of not less than one 100,000 acres of land, whatever that means, already belonging to the Government. Now, how can the Government acquire by gift property which it already owns? The thing would be nonsensical, would be utterly impossible to carry out. For that reason I had insisted, Mr. Chairman, and do insist that the amendment is absolutely out of order upon the ground, if for nothing else——

Mr. STEENERSON. But that goes to the merits of the proposition, the correctness of the language.

Mr. CLARK of Florida. It does not.

Mr. STEENERSON. I desire to say in answer to the gentleman from Florida——

The CHAIRMAN. The Chair thinks the amendment is in order and overrules the point of order.

Mr. STEENERSON. Mr. Chairman, the report of this bill sets out that the main reason for its location in Kentucky at this place is that there is a mineral spring there and that that water is very similar to that water at Carlsbad, in Bohemia; that it is good for Bright's disease and disease of the kidneys, and that is the main reason. Here is what they said at the hearings:

Mr. CANTRILL. In further answer to the question asked by the chairman of the committee as to why this sanatorium is recommended to be located at Dawson Springs, as I understand it, it is not only because of the location of the land and the fact that it is suitable for buildings and all that sort of thing but because of the peculiar curative powers of the springs located there. That is one of the main reasons, is it not?

Dr. BANKS. That is one of them; yes, sir.

Mr. BURNETT. For diseases other than tuberculosis?

Dr. BANKS. Yes.

Mr. CANTRILL. Which would make this particular place appeal to your department above other locations?

Dr. BANKS. We have a great many of the organic diseases like Bright's disease coming out of the Army, and rheumatic affections, and the water there at Dawson Springs, Ky., is practically the same as the Carlsbad water in Bohemia, is very efficacious as a steady drink in cases of that kind.

* * * * * * *

Mr. CANTRILL. And the chemical composition of this water at Dawson Springs is identical with the Carlsbad Springs, as I understand it?

Dr. BANKS. Yes; practically so.

Mr. MANSFIELD. It is not warm water, is it?

Dr. BANKS. No; it is not specially warm. It is drinkable or potable water, and very pleasant, so far as the temperature goes.

Now, everybody knows the location of this place that is familiar with geography. It is only about 600 or 700 feet above sea level, not very far distant from the Ohio and Mississippi Rivers, and it is subject to malaria and miasma. True, it is on a ridge, but swamps and sloughs are all around it. It is a wild country. Now, who in the world ever thought that soldiers acquire kidney trouble while in the service of the Government? Kidney trouble is a sickness that comes from sedentary habits. It might affect swivel-chair officers here in Washington, but it would not affect the men in the trenches. The soldiers who have been in active service and contracted tuberculosis are not troubled with kidney disease.

And the fact that Carlsbad is a place resorted to by the aristocracy of Europe when they drink too much or eat too much or take too little exercise affords no argument for our putting a sanatorium for tuberculosis at this point. The State of Minnesota has the most salubrious climate in the world. You can see in the Statistical Abstract that the death rate in Minnesota is lower, both in the rural population and urban population, than in any other place. The death rate in 1912 in Kentucky was 17 to the thousand, where it was only 9 or 10 in Minnesota.

The State of Minnesota, in cooperation with the university and the health service of the State, has located a tuberculosis hospital near Leech Lake, at Walker. It has been in operation for several years. It was selected and located there under the advice of the State board of health and the medical staff of the university, including Drs. Mayo, of Rochester. It was selected because it is the best place in the world for the treatment of that disease. There is a pine forest all around for miles and miles. The United States Government owns there 300,000 acres of national forest. It has not parted with the title. The tuberculosis sanatorium of the State of Minnesota is right near the Minnesota National Forest. This large tract of land, covered with virgin pine, is located right near Cass Lake, Lake Winnibigoshish, and Leech Lake. The patients, if they recover, will have an opportunity to work in that region. We propose to build roads there, and we have to use men there as forest rangers in the great pine forests of that region.

I believe you can not find a better place in the United States or on the American continent for a tuberculosis hospital than right there in that region where Minnesota has placed this one. They have 200 patients and in the neighborhood of 800 acres of land. If you provide for as many patients as proposed in this bill, in the neighborhood of 15,000 or 20,000 acres will

be needed. You want land enough where they can enjoy the advantages of a park. The proposed location is right in the vicinity of the celebrated State park of Minnesota, at the headwaters of the Mississippi, including Lake Itasca. The Government has the land for the site, the location is the best, and we could not do better than adopt the amendment.

Mr. CLARK of Florida. Mr. Chairman, I am willing that there may be a little hilarity now and then, but I sincerely hope gentlemen will not vote for an amendment of this character. It will simply mean to destroy the bill. There is absolutely no evidence here that this place has ever been examined with a view to locating a hospital there of this character. There is abundant evidence here by the medical authorities of the Government that this place has been examined—Dawson Springs—and has been determined upon by them as the best location for the character of hospital which they propose to establish.

Now, if gentlemen desire to defeat the bill——

Mr. GILLETT. Will the gentleman yield?

Mr. CLARK of Florida. For a question only.

Mr. GILLETT. Can the gentleman cite us to any report of the medical board he speaks of that will say that this is the best place?

Mr. CLARK of Florida. I can cite the gentleman to the testimony of Col. Banks. It is in the hearings. I cited it yesterday.

Mr. GILLETT. That it is the best place in the country?

Mr. CLARK of Florida. The best place they have been able to find, and they have been looking for places all over the country. They visited a number of them, and this was the best they have been able to find for this kind of hospital. That is the testimony in the record, and the gentleman can read it.

Mr. STAFFORD. Will the gentleman point out where there is such testimony? I have not been able to find it.

Mr. CLARK of Florida. There is such testimony.

Mr. STAFFORD. Will he point it out?

Mr. CLARK of Florida. No. You can find it in the record. But I am not going to have my time taken up——

Mr. MADDEN. Will the gentleman yield?

Mr. CLARK of Florida. I decline to yield.

Mr. MADDEN. It is a matter for information.

Mr. CLARK of Florida. I absolutely decline to yield at this time.

Mr. MADDEN. All right.

Mr. CLARK of Florida. Now, Mr. Chairman, the importance of this matter was set forth in the letter which I shall ask to have put in later; but I want to call attention to one or two extracts from the Assistant Secretary of the Treasury. When we called upon him to know something of the urgency of this matter, he said this:

> It is noted that you request information as to the necessity for the early passage of this bill, and you are advised that the facilities furnished by the various marine hospitals for the accommodation of beneficiaries of the Government entitled to treatment therein are very nearly exhausted and very few empty beds are now available for these patients.
>
> The number of men already discharged from the Army for tuberculosis alone is over 14,000, and the necessity for additional hospital accommodations is therefore evident.

Mr. CANNON. What is the date of that letter?

Mr. CLARK of Florida. September 24, nearly two months and a half ago, and they have been increasing all the time.

Now, I want to appeal to gentlemen on the other side to drop this petty political play. The boys are suffering for lack of hospital accommodations, and I am appealing to you as Representatives upon the floor of the American Congress to play no politics in so sacred a matter as this. Let us pass the bill.

Another bill is coming. If you succeed in striking out Dawson Springs, and if a bill is passed appropriating a few million dollars to build hospitals, as is contemplated, I want to tell you that the department intends, if they get the power, to put this hospital at Dawson Springs; and you will accomplish nothing if you do succeed in striking it out of this particular bill, because if we carry out our policy to appropriate money to build hospitals over the country, as is intended to be done, one of these hospitals, if the medical authorities have anything to do with their location, will be at Dawson Springs, Ky. There is not any question about it; and I beg gentlemen to vote down this amendment and let this bill be passed as it has been reported by the committee.

Mr. LAZARO. Mr. Chairman, I move to strike out the last word.

Mr. GRAHAM of Illinois. Mr. Chairman——

Mr. LAZARO. I have the floor, I think, Mr. Chairman.

The CHAIRMAN. The Chair has recognized the gentleman from Louisiana.

Mr. LAZARO. Mr. Chairman, I shall vote for this bill.

The purpose of this bill is to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes.

Now that the war is over, it is nothing but right that we should bring these boys who have rendered such valuable service to our country back home as soon as possible and take the best care of them until they have had time to readjust themselves to their surroundings. It is certainly our duty to see that those who have contracted disease in the service shall receive the very best medical attention that the country can afford.

We know that the place in which tuberculosis cases can be taken care of in an intelligent way is in a sanatorium. A sanatorium would not only offer a chance of recovery to these victims, but would naturally furnish a place for the observation and study of this dreadful malady, and thereby save thousands of lives annually. It would also be an institution for the education of the people. The knowledge there obtained by the patients would not only be a benefit to themselves and their families, but to all the people.

It is unnecessary for me to take much of your time in picturing the fearful havoc wrought by tuberculosis. The story has been told often before, and to many of us has a personal bearing. It is a satisfaction to know that after many years of indifference the general public is awakening to the right conception of disease and of the great economic importance of intelligent and systematic measures to control it. It is only in the last few years that the methods of transmission have been well understood. Experience proves that upon popular education we must ultimately rely for the prevention and cure of tuberculosis in this country. Of course, the people can be educated to a certain extent by teachers, publications, and exhibitions; but here, as elsewhere, a pound of practice is worth a ton of theory, and it is in the sanatorium only that the theory is applied in practice.

We are confronted with the plain fact that consumption exists in every city and State in America, and in every country and clime, and that it is no respecter of persons, race, age, or class—that none can claim to be immune. It is a merciless destroyer and may invade any home.

When we recall the fact that millions of dollars are appropriated annually for the health of plants and cattle, and very little in proportion for the conservation of human life, we should pause and think. It is only by prevention that consumption can be controlled, and mainly by hygienic measures that it can be cured. We are spending money freely to bring strangers among us; let us spend a little to save our own people.

The private sanatoria now in operation are doing splendid work, but they are costly and the poor can not enter them. Therefore I hope the day will come when all of our poor consumptives will be offered a place where they can be treated intelligently and cured.

Climate is not an essential or even the most important factor in its treatment. Dr. Norman Bridge, an expert of wide experience and observation, once said that he would rather have a patient under proper conditions in a sanatorium in an eastern city than to send him to some better climate to shift for himself.

Fresh air, rest, and nourishing food in abundance are necessary, and the patient must be faithful and regular in all his habits. We all know that it is practically impossible for him to be so outside of a sanatorium. The fight to cure consumption is a long one in which the carelessness of one day may undo all the benefits of care of the preceding 30 days. When you tell a man to do a thing, you are just half done; the next thing is to see that he does it. We must have competent medical supervision, men of force and intelligence, selected not on account of pull, but strictly on merit.

In conclusion, Mr. Chairman, I wish to repeat that I shall vote for this bill. I think it could be improved upon if we had the time. For instance, my idea is that the location of a sanatorium of this character could be left to a commission composed of experts on tuberculosis to study and report on the construction, cost, equipment, maintenance, and location of a sanatorium before the money is spent. I do not think it is exactly right to locate the sanatorium in the bill carrying the appropriation merely because some community in a Member's district offers to donate the ground. Our Government is not a pauper, and should establish a sanatorium of this kind on the very best ground that can be selected by experts, even if we have to buy this ground. Being that we are pressed for time and that something must be done for these tubercular patients right away, and being that this bill is a step in the right direction, I hope that it will be passed. [Applause.]

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. KNUTSON and Mr. WALSH rose.

The CHAIRMAN. The Chair will recognize the gentleman from Minnesota [Mr. KNUTSON].

Mr. CLARK of Florida. Mr. Chairman, I would like to find out if we can not get some agreement as to time. Of course, under the rule I understand there is one five minutes allotted to a side, but I do not want to be at all unfair. I want to see if we can not reach some agreement for debate on this amendment.

The CHAIRMAN. The gentleman proposes a time agreement in the discussion of this substitute?

Mr. CLARK of Florida. On this amendment.

Mr. CANNON. This is the amendment of the gentleman from Minnesota [Mr. STEENERSON]?

Mr. CLARK of Florida. Yes, sir.

Mr. CANNON. Very well.

Mr. CLARK of Florida. How much time would the gentleman like to be heard on it?

Mr. CANNON. I will be entirely frank with the gentleman. I would like to have 15 minutes, but not all upon this amendment.

Mr. CLARK of Florida. I would like to make some agreement by which we can dispose of the bill.

Mr. REAVIS. Mr. Chairman, will the gentleman from Florida yield to me for a moment?

Mr. CLARK of Florida. Yes.

Mr. REAVIS. The suggestion I intended to make to the gentleman from Florida is that there is a prospective amendment to strike out the enacting clause of the bill. If liberal debate could be had on that amendment, it would probably shut off a good deal of debate on other amendments that would probably be offered. Would the gentleman agree to an hour to a side on the motion to strike out the enacting clause?

Mr. CLARK of Florida. I would with the understanding that no other amendments will be offered and the vote be taken finally on the bill.

Mr. CANNON. Oh, no.

Mr. CLARK of Florida. I am going to invoke the rule as strongly as I can if we can not get an agreement.

Mr. MONDELL. I have an amendment that I want to offer, but which would be precluded if the amendment is made to strike out the enacting clause.

The CHAIRMAN. In the absence of an agreement, the Chair will recognize the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, in my opinion there is no necessity for this legislation. I called up the Surgeon General's Office a few minutes ago and was informed that there are to-day in this country 3,410 tubercular soldiers in Government hospitals. There are not to exceed 300 who are not receiving treatment in Government hospitals. The number of tubercular soldiers abroad is estimated at not above 5,000. The Surgeon General's Office proposes to take over Camp Pike, Ark., and turn that into a base hospital for the treatment of tubercular soldier patients. There is nothing to show that the Surgeon General's Office is in favor of this measure, and I desire to call attention to the fact that there are two tuberculosis sanatoriums within 250 miles of the place where it is proposed to locate this sanatorium, namely, Asheville, N. C.

It looks to me as though some one is trying to take home a piece of "pork." This is no time to squander the people's money. We ought to start retrenching at once. We expended, as has been said on the floor of this House, over $50,000,000,000, or, in other words, $50 for every minute since the time of Christ, in the war through which we have just passed, and it is now time that we should pare to the bone.

I contend that the location proposed is not a good one. The altitude is only 600 feet above sea level. It is admitted by the friends of the bill that the sunshine there throughout the entire year is only 70 per cent. Why not locate this sanatorium, if one is needed—and I will not concede that one is needed, because the Surgeon General's Office does not—at a point where the altitude is 5,000 or 6,000 feet, and where they have 90 or 100 per cent of sunshine, and where the afflicted soldiers may live in tents? At this place you must erect expensive barracks. At Fort Bayard, N. Mex., they are treating a good many tubercular soldiers at the present time, and many of them live in tents. Under the plan proposed by the gentleman from Kentucky [Mr. KINCHELOE] it will cost $5,000 per bed——

A MEMBER. Three thousand dollars——

Mr. KNUTSON. To take care of tubercular soldiers. If you care for the soldiers in tents, you can do so for about $50 or $75 per bed. Now, we have no right to squander the public money in this way.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. KINCHELOE. Where do you get that information about its costing $5,000 per bed?

Mr. CANNON. I understand it is $3,000.

Mr. KNUTSON. It is $3,000 per bed. Does the gentleman mean to tell this House that it is going to cost $3,000 per bed to take care of tubercular soldiers where they live in tents?

Mr. KINCHELOE. Are you opposed to spending the money, if necessary?

Mr. KNUTSON. No; but I am opposed to throwing it away. I am in favor of cutting out the "pork."

Mr. KINCHELOE. Then your opinion is not in harmony with the medical opinion of Gen. Blue and Dr. Banks.

Mr. KNUTSON. Oh, I have reason to fear that some of these experts were probably appointed for their political affiliations and not on account of their knowledge or experience.

Mr. KINCHELOE. I will say to the gentleman that he is a good Republican.

Mr. KNUTSON. Oh, he may be one of those "Progressive" Republicans who vote for Wilson every time he runs. [Laughter.]

Mr. KINCHELOE. The Progressive Republicans were greatly in the majority in 1912.

Mr. KNUTSON. Does the gentleman contend that there is need for three tuberculosis sanatoriums within a distance of 250 miles?

Mr. KINCHELOE. Is the gentleman asking that question of me?

Mr. KNUTSON. Yes; I am.

Mr. KINCHELOE. The hearings and the testimony show that there are no available hospitals in any part of that country for discharged soldiers of the Army or men of the Navy.

Mr. KNUTSON. Very well. If the gentleman will introduce a bill to amend the law so that we can take care of tubercular soldiers at Asheville, N. C., and in other Government sanatoriums, I will gladly support it.

Mr. CLARK of Florida. Mr. Chairman, I make the point of order that debate on this amendment is exhausted.

Mr. JONES of Texas. Mr. Chairman, I have an amendment by way of a substitute.

The CHAIRMAN. The gentleman from Florida makes the point of order that debate on this amendment is exhausted.

Mr. WALSH. I move to strike out the last two words.

Mr. CLARK of Florida. There have been 20 minutes of debate on this amendment.

The CHAIRMAN. The gentleman has a right to move to strike out the last two words.

Mr. CLARK of Florida. Yes, Mr. Chairman; but I should like to have a ruling on my point of order.

The CHAIRMAN. The gentleman's point is correct, but amendments are in order.

Mr. WALSH. Mr. Chairman, I want to direct the attention of the committee to the statement of the chairman of the Committee on Public Buildings and Grounds [Mr. CLARK of Florida] a few moments ago to the effect that Dr. Banks said that this was the best location in the United States——

Mr. CLARK of Florida. Mr. Chairman, I make the point of order that the gentleman from Massachusetts is not discussing his amendment.

Mr. WALSH. Mr. Chairman, if the gentleman will permit me to complete at least one sentence, he will perhaps see the connection between my motion to strike out the last two words and the pending amendment.

Mr. CLARK of Florida. I will, if the gentleman will discuss his amendment.

Mr. DOWELL. Mr. Chairman——

Mr. CLARK of Florida. I want the Chair to rule on the point of order.

The CHAIRMAN. The gentleman from Massachusetts will proceed to discuss his amendment.

Mr. DOWELL. Mr. Chairman, a parliamentary inquiry.

Mr. WALSH. I decline to yield.

The CHAIRMAN. The gentleman from Massachusetts declines to yield, and he can not be taken off his feet.

Mr. WALSH. I call attention to the fact that the gentleman from Florida [Mr. CLARK] stated that Dr. Banks said this was the best location in the United States. What was actually said was as follows:

Dr. BANKS. I consider it a first-class proposition.

Mr. CANTRILL. You consider it a strictly first-class proposition, and the best one that has been presented to your department?

Dr. BANKS. Well, I will not say the best one, because I have only investigated two or three others. We have had other offers from California and northern New York and one from Minnesota.

Mr. CLARK of Florida. Mr. Chairman, I make the point of order that the gentleman is not discussing his amendment.

The CHAIRMAN. The gentleman from Massachusetts will suspend. The gentleman from Florida makes the point of order that the gentleman is not discussing his amendment.

Mr. DOWELL. Mr. Chairman——

The CHAIRMAN. If the gentleman from Iowa will permit the Chair——

Mr. DOWELL. A parliamentary inquiry.

The CHAIRMAN. The gentleman can not make a parliamentary inquiry now. The gentleman from Massachusetts has moved to strike out the last two words. Of course, under the rule he must speak to his amendment.

Mr. DOWELL. Mr. Chairman, I desire to make an inquiry on that one question.

The CHAIRMAN. The gentleman can not make a parliamentary inquiry now.

Mr. WALSH. Mr. Chairman, I move to strike out the section.

Mr. CLARK of Florida. I make the point of order that that motion is not in order when an amendment is pending to perfect the section.

The CHAIRMAN. There is an amendment already pending.

Mr. WALSH. I offer a substitute to the amendment pending, to strike out the words "Dawson Springs" and insert in place thereof the words "Colorado Springs."

The CHAIRMAN. The Chair begs to state that there is a substitute pending.

Mr. CANNON. It is amendable in one degree.

Mr. WALSH. May I ask what the substitute is?

The CHAIRMAN. The amendment of the gentleman from Minnesota [Mr. STEENERSON].

Mr. WALSH. May I ask what that is a substitute to?

The CHAIRMAN. A substitute for the amendment offered to the amendment of the gentleman from Iowa.

Mr. WALSH. What is the substitute of the gentleman from Minnesota?

The CHAIRMAN. The substitute of the gentleman from Minnesota is to strike out "Dawson Springs" and to provide for the acquiring of land in Minnesota.

Mr. WALSH. May I ask the Chair to advise me what are the last two words in the substitute of the gentleman from Minnesota?

The CHAIRMAN. The last two words are "set aside."

Mr. WALSH. Mr. Chairman, if we are going to take land out in Minnesota I see no reason why it should be set aside. Neither do I think if we should set that aside, or if we should decide not to set it aside, that the land in Dawson Springs is the best site in the country for this particular purpose. I am wondering if the interest of the gentlemen in Dawson Springs who wish to have this sanatorium established there is at all dependent upon the fact that last summer a hotel in or near Dawson Springs, Ky., was burned and partially or completely destroyed. And I am wondering if the setting aside of this tract in Minnesota in place of this site in Dawson Springs, Ky., is at all connected up with the fact that it is rumored that a New York syndicate has been formed for the purpose of establishing at Dawson Springs, Ky., and setting aside and locating there a certain proportion of that land as a site for a hotel where their friends and stockholders and their neighbors and those whom they can induce may be persuaded to visit that hotel and spend some of their money, and if this site at Dawson Springs is set aside for a Government sanatorium they could advertise that fact to the country.

Mr. KINCHELOE. Will the gentleman yield?

Mr. WALSH. Certainly.

Mr. KINCHELOE. I know the gentleman does not want to make any misstatement.

Mr. WALSH. I certainly do not.

Mr. KINCHELOE. I will say to the gentleman that there has been no hotel at Dawson Springs burned. There is a corporation there that is undertaking to build a fine hotel, but it has nothing on earth to do with this proposition. No corporation has any option on this land to be devoted to Government purposes. Those who propose to give the land are not incorporated. They are doing it individually and separately, and those who own stock in this hotel have no more to do with it than the gentleman from Massachusetts.

Mr. WALSH. It will be noticed from the phraseology of the bill that Dawson Springs is "some springs." It wanders about the great Blue Grass State of Kentucky, and apparently is adjacent or appurtenant to three counties in that State, namely, Hopkins County, Caldwell County, and Christian County. I am advised that not in the immediate vicinity of Dawson Springs, perhaps, but somewhere in that neighborhood, a hotel was destroyed partly or completely by fire last summer, or within the past 18 months, and that a New York syndicate is to replace that hotel, or rebuild it, or to construct another one to take the place of the one that has been destroyed, within hailing distance of where this sanatorium is to be established. Therefore I think the words "set aside" ought to be taken out of the substitute and we ought to set aside the Dawson Springs site.

Mr. JONES. Mr. Chairman, I offer the following amendment to the substitute.

The CHAIRMAN. Does the gentleman from Massachusetts withdraw his pro forma amendment?

Mr. WALSH. Yes, Mr. Chairman; I am willing that my pro forma amendment shall be set aside. [Laughter.]

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas [Mr. JONES].

The Clerk read as follows:

Page 1, line 5, after the word "of," strike out the remaining portion of line 5, all of lines 6, 7, 8, and all of line 9 down to and including the word "Kentucky," and insert in lieu thereof the words "Amarillo, Potter County, Tex., or in Randall County, Tex."

[Applause.]

Mr. CLARK of Florida. Oh, yes; you gentlemen are in favor of anything that will beat this bill. Mr. Chairman, I make the point of order against the amendment on the ground that there is an amendment as a substitute now pending and on the further ground that it is not germane to the bill.

The CHAIRMAN. The Chair thinks that the amendment is in order.

Mr. POWERS. Mr. Chairman, I make the point of order that two amendments are already pending—the Dowell amendment and the Steenerson substitute.

The CHAIRMAN. The Chair begs to state to the gentleman from Kentucky that under the rules of the House there can be an amendment and a substitute with an amendment to the amendment and amendment to the substitute pending at one time. So the gentleman from Texas offers this amendment to the substitute.

Mr. POWERS. A further parliamentary inquiry. This amendment by way of substitute is merely an amendment, and you can not have more than two amendments pending at the same time.

The CHAIRMAN. The rules provide that you can have an amendment and a substitute to the amendment and then there can be an amendment to the original amendment and an amendment to the substitute all pending at one time. The gentleman from Texas will proceed.

Mr. JONES. Mr. Chairman, there has been so much eloquence wasted on the bill that I do not propose to make a long speech, but simply to state a few facts that ought to be considered. I have read thoroughly the report on the bill, and if I gather the import and purpose of the measure, it is to take care of those who have been injured in the military and naval service of the United States. The sole question should be the securing of the best possible location. [Applause.] The northwestern part of Texas is an elevated table-land 3,640 feet high. Here the amendment proposes to locate this institution. There are many tubercular patients and people afflicted with all manner of physical ailments who go to west Texas every year, regardless of hospital locations. The State of Texas has recently located a tuberculosis hospital in western Texas and in the same character and class of country where I am seeking to have this general sanatorium located. Here hundreds are treated every year. The climate is ideal. It is a land of almost cloudless skies, and is a natural climate for the treatment of injuries and diseases covered by this bill. Amarillo is witnin 200 miles of the geographical center of the United States. It has three trunk lines of railway and the finest water you can find anywhere in the world. Good health is catching instead of disease. In fact, Potter County, Tex., is the only county with 20,000 people in the United States that has no cemetery. [Laughter and applause.]

Mr. STEVENSON. Do the inhabitants decline to be buried there or do they go away before they die [Laughter.]

Mr. JONES. But very few die, and we take those into an adjoining county.

Mr. BURNETT. Does anybody live there?

Mr. JONES. There are 20,000 people living there according to the census. It is a good town, centrally located. No finer climate can be found anywhere in the country from the standpoint of health. I think the Lord must have created the rest of the world and then created the Panhandle of Texas; and Amarillo is its metropolis.

Mr. JOHNSON of Washington. Are the people of that locality willing to contribute the land for this institution?

Mr. JONES. Yes; I can assure the House that if you will locate the institution there we can secure a gift of anywhere from 1 to 3,000 acres.

Mr. KNUTSON. What is the altitude of that place?

Mr. JONES. From 3,000 to 4,000 feet. The particular place has an elevation of 3,600 feet.

Mr. KNUTSON. That is high enough. [Laughter.]

Mr. JONES. It is table-land, with a magnificent canyon running right along through it. For some years there has been a bill pending to make a national park out of this canyon. I will assure Congress that I can secure by telegraphic communication before the sun goes down an offer of 1,000 acres or more as a gift to the United States for the location of this institution. [Applause.]

Therefore I submit to you, if you are going to locate a hospital for the treatment of the wounded soldiers and sailors of the United States it should be located at the best place for the treatment of these diseases that you intend to treat. The right of the soldier is a paramount issue and should be the paramount purpose. I submit that inasmuch as the State of Texas has seen fit to locate a great institution of this character in that section of the country, and inasmuch as at the particular place where we offer to locate the institution there are hundreds and hundreds of patients from all over the country who go even though there is no hospital, and some of them live in tents and sleep on cots, that it is a better place to locate this institution than the other places proposed, and that this institution should not be located or operated from the standpoint of anything except the interests of those who have been fighting the Nation's battles.

Mr. REAVIS. Will the gentleman yield?

Mr. JONES. Yes.

Mr. REAVIS. What is the average temperature there in winter?

Mr. JONES. I do not know that I can give the gentleman that information, but the Weather Bureau can give it to you. It is not exceedingly cold; it is an elevated table-land and has sunshine nearly all winter. The temperature is perhaps colder than other sections of Texas.

Mr. REAVIS. Does it get so cold that the patients would not be able to sleep in tents?

Mr. JONES. No; if you were in Amarillo to-day, I could show you numbers of tents occupied by tubercular patients who sleep there all the winter on cots. It is an ideal location for the treatment of this kind of patients, and in the hospital which the State of Texas has located less than 200 miles from Amarillo, in the same character of country, there are many patients who sleep in screened porches or in tents during the winter. This is not a party question; it is a unanimous report of the committee, both Democratic and Republican. There should be a hospital, and it should be properly located. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Florida. Mr. Chairman—— [Cries of "Vote!"] Just hold your horses and be patient; you may not vote before midnight. Mr. Chairman, no medical authority, so far as this House knows, has investigated this place in Texas. We have the statement of the gentleman who represents that district that it is a good place for a tuberculosis hospital. I am not advised that the gentleman is a physician or a surgeon and not advised that he is a specialist in tubercular matters, not advised that he knows any more about it than I do or any other average Member of this House.

Mr. JONES. Will the gentleman yield?

Mr. CLARK of Florida. No; I will not yield now.

The CHAIRMAN. The gentleman declines to yield.

Mr. CLARK of Florida. Mr. Chairman, so far as this place in Kentucky is concerned, the Public Health Service, I want to state again, and the Medical Department of the Bureau of War Risk Insurance have examined places in Minnesota, in California, in the State of New York, and they have selected this as the place where this hospital ought to be located. Now, unless Congress can rely upon the testimony of men of that character in settling these questions, which are technical or professional in their nature, I can not understand what kind of testimony we would act upon. I have brought this in——

Mr. JONES. Will the gentleman yield?

Mr. CLARK of Florida. No.

Mr. JONES. Will the gentleman take the word of the State medical officer, of the State medical association, if I show him the letter?

Mr. CLARK of Florida. The gentleman did not say anything about that, and I would rather take the testimony of the Public Health Service of the United States—yes; I will take that. I want to say, Mr. Chairman, I brought this bill in here in the utmost of good faith, backed by the unanimous committee, Republicans and Democrats, backed by the unanimous vote of that committee to get a rule to consider it, so urgent was it deemed by the committee, and when these boys are suffering for this treatment we are met by a jocular treatment of it. It almost reminds me of the time when they say "Nero fiddled while Rome burned." The soldiers of this country are suffering, and men upon the floor of the American Congress laugh when it is proposed in real seriousness to provide something in order that they may be taken care of. Mr. Chairman, I demand a vote on the amendment offered by the gentleman from Texas.

The CHAIRMAN. The question is on the amendment offered to the substitute.

Mr. GARRETT of Tennessee. Mr. Chairman, has debate been exhausted? I would like to debate it if debate has not been exhausted. [Cries of "Vote!"]

The CHAIRMAN. Debate is exhausted.

Mr. GARRETT of Tennessee. I will take my time under the rule. [Cries of "Vote!"]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the Chair announced the ayes seemed to have it.

On a division (demanded by Mr. CLARK of Florida and Mr. BURNETT) there were—ayes 75, noes 64.

Mr. CLARK of Florida. Tellers, Mr. Chairman.

Tellers were ordered.

The committee again divided, and the tellers (Mr. CLARK of Florida and Mr. JONES) reported that there were—ayes 80, noes 71.

So the amendment to the substitute was agreed to.

Mr. GARRETT of Tennessee. Mr. Chairman, is the amendment carried?

The CHAIRMAN. The amendment is carried.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent to address the committee for five minutes.

Mr. MONDELL. Mr. Chairman, I have an amendment——

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to address the committee for five minutes. Is there objection?

Mr. WALSH. What about?

Mr. GILLETT. On what subject?

Mr. GARRETT of Tennessee. On the bill.

Mr. MONDELL. Mr. Chairman, I should like to have my amendment submitted and read for the information of the committee and then I have no objection——

The CHAIRMAN. After this request is granted.

Mr. WALSH. Mr. Chairman, reserving the right to object, I should like to ask the gentleman from Tennessee upon what topic he wants to address the committee.

Mr. GARRETT of Tennessee. Upon the bill.

Mr. GOOD. Mr. Chairman, reserving the right to object——

Mr. GARRETT of Tennessee. Mr. Chairman, I withdraw the request.

Mr. CANNON. Mr. Chairman, I hope the gentleman will not object. The gentleman wants to talk on the bill.

Mr. GARRETT of Tennessee. Mr. Chairman, I withdraw the request.

The CHAIRMAN. The question now recurs upon the substitute as amended.

The question was taken, and the Chair announced the noes seemed to have it.

On a division (demanded by Mr. MANN) there were—ayes 75, noes 78.

Mr. MANN. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided; and the tellers (Mr. STEENERSON and Mr. CLARK of Florida) reported there were—ayes 91, noes 84.

So the substitute as amended was adopted.

The CHAIRMAN. The question now recurs upon the amendment of the gentleman from Iowa as amended by the substitute.

Mr. ROBBINS. Mr. Chairman, may we have that stated again?

The CHAIRMAN. Without objection——

Mr. BARKLEY. Mr. Chairman, I object.

Mr. ROBBINS. All right.

The question was taken, and the Chair announced the ayes seemed to have it.

Mr. CLARK of Florida. Mr. Chairman, I demand a division.

Mr. MANN. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided; and the tellers (Mr. DOWELL and Mr. CLARK of Florida) reported that there were—ayes 95, noes 91.

So the amendment as amended was adopted.

Mr. CANNON. Mr. Chairman, I desire to make a motion to strike out all of this paragraph after the enacting clause. I

do not desire to move to strike out the enacting clause, but all of the paragraph after the enacting clause.

Mr. MONDELL. Mr. Chairman——

The CHAIRMAN. Let the motion be stated from the Clerk's desk.

The Clerk read as follows:

Mr. CANNON moves to strike out, beginning on line 3, page 1, the remainder of the paragraph, down to and including line 15, on page 2.

Mr. MONDELL. Mr. Chairman, will the gentleman from Illinois yield for the purpose of offering an amendment, for the information of the House, as a substitute to be considered after his amendment has been discussed? I desire to have it pending.

Mr. CANNON. I have no objection, provided I do not lose the floor.

The CHAIRMAN. It is a matter for unanimous consent.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to do so.

Mr. CLARK of Florida. I object, Mr. Chairman.

Mr. CANNON. Now, Mr. Chairman, I have not taken any of the time of the committee on this bill. I have had no opportunity, nor has there been opportunity, to address the committee upon the necessity for this legislation at this time, except as it has been presented by those who are friendly to the bill. And I will be glad, and I hope, although perhaps I am vain, that I may have 20 minutes of time now to talk about the necessity for this legislation, giving facts, which are official, and with no captious desire to take up time unnecessarily.

Mr. CLARK of Florida. Mr. Chairman——

The CHAIRMAN. Will the gentleman yield?

Mr. CANNON. Certainly.

Mr. CLARK of Florida. I do not want to object to the gentleman from Illinois, certainly, but, Mr. Chairman, everybody has seen how this bill has been managed, the fight that has been made upon it, and the time that has been killed upon it. Now, if we can reach some agreement and vote on striking out the enacting clause, or something that will test the House as to the bill itself, I am perfectly willing to agree, so far as I am concerned, to reasonable time on both sides to discuss it. But I do not think I would be justified, in view of everything here, in consenting to individual gentlemen spending the time—10, 15, or 20 minutes. We would never get through. Now, if we can reach some such agreement as that, I would be very glad to enter into it. I would be very glad if the gentleman from Illinois [Mr. CANNON] could have the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. CANNON]?

Mr. CLARK of Florida. Reserving the right to object, Mr. Chairman——

Mr. MANN. Mr. Chairman, it is quarter to 4 o'clock. The announcement last night was that the House might adjourn until Saturday. I apprehend that no one has made definite arrangements about to-morrow. It seems to me it might be more convenient to the membership of the House not to run too long to-night and to continue with the bill to-morrow. There is nothing else that is urging that I know of that would come up to-morrow.

Mr. BURNETT. Mr. Chairman, the leader is not in, but my recollection is to-day that he told me that some gentlemen on both sides had gone under the impression that there would be no session to-morrow. I do not speak that authoritatively, but that is my recollection.

Mr. MANN. If they have gone, they are away now. So far as I am concerned, I am willing to vote on the bill or amendments or any of them at any time. I would be glad to have my colleague heard. Several gentlemen have been waiting to be heard, and my friend from Iowa knows that nearly always at the beginning of the session of Congress we waste a good deal of time on a bill like this with little parliamentary propositions.

Mr. CLARK of Florida. If the gentleman will permit me, I want to say that I am just as anxious as he can be to give the distinguished gentleman from Illinois all the time he wants.

Mr. MANN. I understand, and I think that is the sentiment of every Member in the House.

Mr. CLARK of Florida. But I do not want to do it if this performance is to continue.

Mr. MANN. I will say to the gentleman from Florida that probably there will be a motion offered very soon, by way of amendment, to strike out the enacting clause.

Mr. CLARK of Florida. Why could we not have that now and agree upon the time to debate it and close the matter up one way or the other?

Mr. BURNETT. May I ask if that is not the effect of the motion of the gentleman from Illinois [Mr. CANNON]?

Mr. SAUNDERS of Virginia. As I understand it, there would be nothing left if his motion was agreed to.

Mr. MANN. If other Members are agreeable, I am perfectly willing, if my colleague will yield for that purpose, to have my other colleague [Mr. GRAHAM] make the motion of which he gave notice, to strike out the enacting clause and agree to debate.

Mr. MONDELL. Mr. Chairman, I have a substantive proposition which will provide and care for the men that have been discharged from the military service of the United States in hospitals that we now have. And I desire before the debate closes to have an opportunity to present that amendment and to debate it, not to exceed five minutes.

Mr. GRAHAM of Illinois. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Illinois [Mr. CANNON] yield?

Mr. CANNON. I do. I hope it is not to be taken out of my time.

The CHAIRMAN. This is all by unanimous consent.

Mr. GRAHAM of Illinois. Mr. Chairman, I have given notice of a motion to strike out the enacting clause, and it has been understood probably, between the chairman of the committee and the gentleman from Nebraska and myself, that some time would be allowed for debate on that matter. And I suggest, if my colleague from Illinois will yield, that I present my motion now to strike out the enacting clause, with the agreement that time be divided in some way between the gentleman from Florida [Mr. CLARK] and whoever controls it on this side, and let the gentleman from Illinois [Mr. CANNON] and the gentleman from Wyoming [Mr. MONDELL] have all the time they desire. I myself would like a little time on the motion.

Mr. CLARK of Florida. I am perfectly willing to do that if we can get rid of everything else and settle the question as to whether we are going to have the legislation or not.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. GRAHAM of Illinois. Yes.

Mr. BANKHEAD. Why does not the gentleman offer an amendment to the amendment of the gentleman from Illinois [Mr. CANNON] to strike out the enacting clause?

Mr. GRAHAM of Illinois. No; it is to——

Mr. MANN. That would not be in order.

The CHAIRMAN. This can be offered to the amendment that is pending.

Mr. CANNON. I am perfectly willing.

Mr. CLARK of Florida. I would like to make a unanimous-consent request, if it is agreeable to the gentleman from Illinois.

Mr. CANNON. Precisely; by unanimous consent.

Mr. CLARK of Florida. It is that the colleague of the gentleman from Illinois [Mr. GRAHAM] be allowed to offer the amendment to strike out the enacting clause and that there be two hours of debate upon that proposition, one hour to be controlled on this side and one hour on that side, and then no other amendment be offered and a vote be taken.

The CHAIRMAN. The gentleman from Florida asks unanimous consent that the gentleman from Illinois [Mr. GRAHAM] be permitted to offer his amendment to strike out the enacting clause and that there shall be two hours' debate on the proposition, one hour to be controlled by the gentleman from Florida and one hour by the gentleman in opposition, Mr SMITH of Michigan, if he is present——

Mr. CANNON. One hour on a side——

The CHAIRMAN. And at the expiration of that time the vote be taken. Is there objection?

Mr. MADDEN. Reserving the right to object, Mr. Chairman, I would suggest it be an hour and a quarter.

Mr. CANNON. Two hours is the proposition.

Mr. MADDEN. That would keep us here until 6 o'clock and after.

Mr. CLARK of Florida. I have in mind a statement made by the minority leader from Illinois [Mr. MANN], and I thought that possibly he and the majority leader [Mr. KITCHIN] could reach some conclusion about to-morrow.

Mr. MADDEN. Very well; if you are not going to dispose of this matter to-night, I object.

Mr. KITCHIN. Would there be objection to an hour to a side on the motion of the gentleman from Illinois [Mr. GRAHAM] to strike out the enacting clause?

Mr. CANNON. I would like 20 minutes.

Mr. KITCHIN. After the gentleman from Illinois has completed, an hour to a side.

Mr. GRAHAM of Illinois. No; I do not think so. I think the proposition of the gentleman from Florida is a proper one. There is a great demand for time over here.

The CHAIRMAN. Is there objection?

Mr. MADDEN. Reserving the right to object, Mr. Chairman, unless there is some understanding that this matter is not going to be disposed of to-night, I shall object to two hours' general debate on this motion.

Mr. CLARK of Florida. Let me make this request, then, Mr. Chairman, that we have an hour and a half of general debate, 35 minutes of it to be controlled by myself and the balance to be controlled by some gentleman on the other side, and that we do not vote until to-morrow, and that this agreement means the withholding of any other amendment.

The CHAIRMAN. The gentleman from Florida modifies his request by asking that 35 minutes be controlled by himself in the debate on the motion to strike out the enacting clause and 55 minutes, or the remainder of an hour and a half, to be controlled by the gentleman from Michigan [Mr. SMITH], if he is present, or some one opposed to the bill, and that the vote to strike out the enacting clause be taken to-morrow. Is there objection?

Mr. MADDEN. That is an hour and a half?

The CHAIRMAN. Yes.

Mr. REAVIS. Mr. Chairman, reserving the right to object, Is this hour and a half to be taken from the time of the gentleman from Illinois [Mr. CANNON], who has been recognized?

Mr. CLARK of Florida. I understood the gentleman from Illinois would get his 20 minutes.

Mr. GARRETT of Tennessee. Well, Mr. Chairman, you can not make an agreement in the Committee of the Whole to take a vote to-morrow. That agreement can only be made in the House. I do not care to interpose any objection to it, but you can not agree in the Committee of the Whole to take a vote in the House.

Mr. GILLETT. But if the gentleman from Florida says he will not take it in the House——

Mr. MANN. A vote is to be taken in the House.

Mr. GARRETT of Tennessee. It was stated that a vote would be had before the vote on the motion to strike out the enacting clause would be taken.

Mr. MANN. No; a vote on the motion striking out the enacting clause.

Mr. MONDELL. Mr. Chairman, reserving the right to object, from the beginning of the debate I have been intending to offer a substantive amendment which would make provision for the men discharged from the military forces of the United States needing hospital care. I have not had an opportunity to present that amendment. I shall not agree to any unanimous-consent arrangement that will cut me off from the opportunity of offering that amendment. I shall object.

The CHAIRMAN. The gentleman from Wyoming objects unless he can get opportunity to offer his amendment.

Mr. CLARK of Florida. Mr. Chairman, I wish to couple with the request already made the further agreement that the gentleman from Wyoming be allowed to offer his amendment and that there shall be five minutes' debate on either side on it.

Mr. MANN. Then the request should be made that after the motion to strike out the enacting clause is made and pending a vote upon that, the gentleman from Wyoming be permitted to offer an amendment, and that his amendment be voted upon before the vote is taken to strike out the enacting clause. I do not think it is necessary to increase the time any.

The CHAIRMAN. Does the gentleman understand that the gentleman from Florida makes that modification?

Mr. GARRETT of Tennessee. We would not know how we should vote on the motion to strike out the enacting clause unless the gentleman's amendment is voted on first.

Mr. MANN. It could be voted on first.

Mr. HASTINGS. Mr. Chairman, I think the time should be equally divided, and therefore I object unless the time is equally divided on either side. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Oklahoma objects.

Mr. CANNON. I understand that the time is equally divided.

Mr. MANN. Just a moment, Mr. Chairman. Let us make the time an hour on each side, unless Members have other engagements for to-morrow, because even under this the vote would not be taken until to-morrow, and the few minutes used in debate to-morrow will not make any difference if we adjourn a little earlier to-night. I hope the gentleman will make his request, then, the same as it was, except that the time for debate be two hours, one hour on a side.

Mr. CLARK of Florida. I will do that.

The CHAIRMAN. The gentleman from Florida now modifies his request by making it two hours' debate on the motion to strike out the enacting clause, to be made by the gentleman from Illinois [Mr. GRAHAM].

Mr. SAUNDERS of Virginia. Reserving the right to object, Mr. Chairman, as that was stated, it seemed to omit the request of the gentleman from Wyoming.

Mr. MANN. I understand the Chair has stated just one change, increasing the time for debate. The other provisions go as stated before.

The CHAIRMAN. That is the Chair's understanding.

Mr. SAUNDERS of Virginia. And part of the request is that at the expiration of the two hours' debate on the motion to strike out the enacting clause, the gentleman from Wyoming is to be recognized to offer his amendment.

Mr. MANN. Pending the two hours' debate, and that debate on his motion be had before the vote to strike out the enacting clause.

Mr. SAUNDERS of Virginia. Why pending?

Mr. MANN. So that, as Members suggest, they have a chance to vote on a substantive proposition before voting on the motion to strike out the enacting clause. It is perfectly apparent that if the enacting clause were stricken out the gentleman could not offer his amendment.

Mr. SAUNDERS of Virginia. That is precisely what I stated, that after the debate was concluded on the motion to strike out, the gentleman from Wyoming should then be recognized to offer his amendment, after which there should be 10 minutes debate, 5 minutes on a side.

Mr. MANN. Or at any time within the two hours.

Mr. MONDELL. I desire that my amendment shall be before the House during the debate. If it is offered at the close of the debate, after Members have made up their minds, there will be no opportunity. All the time I want on my amendment is five minutes, but I desire to have it pending during the debate.

Mr. SAUNDERS of Virginia. Then the gentleman wants to have it stated as a part of the request that he shall have the right, pending the two hours' debate, to submit his amendment for information.

Mr. MONDELL. To be voted on at the close of the debate.

Mr. SAUNDERS of Virginia. To be voted on at the close of the two hours' debate, and the gentleman is to have five minutes additional——

Mr. MONDELL. I do not ask any additional time beyond the two hours.

Mr. SAUNDERS of Virginia. The gentleman's five minutes will be taken out of the two hours.

Mr. MONDELL. Yes.

Mr. SAUNDERS of Virginia. I want to get the facts straight as to the agreement.

The CHAIRMAN. Let the Chair state the request. It is that the gentleman from Illinois [Mr. GRAHAM] may offer his amendment to strike out the enacting clause. Upon that motion there shall be two hours of debate, to be equally divided between the gentleman from Florida [Mr. CLARK] and the gentleman from Michigan [Mr. SMITH], and that before the debate begins the gentleman from Wyoming [Mr. MONDELL] shall have an opportunity to offer an amendment, and that that amendment shall be voted on prior to voting on the motion to strike out the enacting clause. Is that correct?

Mr. CLARK of Florida. That is correct, and that no other amendments be offered.

The CHAIRMAN. No other amendments can be offered.

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRAHAM of Illinois. I notice that the time on our side is to be controlled by the gentleman from Michigan [Mr. SMITH], which is entirely satisfactory to me, as far as I am concerned; but I assume that if I offer my motion now, and then yield to my colleague, I can hereafter debate my motion.

Mr. MANN. The gentleman will get time from the gentleman from Michigan [Mr. SMITH]. There will be no trouble about that.

The CHAIRMAN. The Chair has no power over that. That will be in the control of the gentleman from Michigan [Mr. SMITH]. Is there objection? The Chair hears none.

Mr. POWERS. Reserving the right to object, I have been trying all day to get in my amendment for Middleboro or Harlan, Ky. Unless my amendment can come in under the same head as that of the gentleman from Wyoming, I shall be compelled to object.

The CHAIRMAN. What does the gentleman from Florida say to that?

Mr. CLARK of Florida. I can not include all the amendments. I am trying to get rid of them.

SEVERAL MEMBERS. Regular order!

The CHAIRMAN. Is there objection?

Mr. POWERS. I withdraw my objection.

The CHAIRMAN. The Chair hears no objection, and it is so ordered.

Mr. CANNON. As I understand it, Mr. Chairman, the agreement is as follows: That I withdraw my motion, and that my colleague [Mr. GRAHAM of Illinois] shall move to strike out the enacting clause, whereupon the committee will rise and there will be an hour on a side to-morrow, and then the gentleman from Wyoming——

Mr. MONDELL. I wish to have my amendment read to-night.

Mr. CANNON. That the amendment of the gentleman from Wyoming [Mr. MONDELL] be now read, and that then he shall have five minutes to-morrow.

Mr. MANN. The first thing is that my colleague [Mr. GRAHAM of Illinois] shall offer a motion to strike out the enacting clause.

Mr. CANNON. Yes. Unanimous consent having been given to this, I withdraw my amendment.

The CHAIRMAN. Without objection it is so ordered. Now, let the Chair state further that the understanding is that the gentleman from Wyoming [Mr. MONDELL] is to offer his amendment, and that it be pending.

Mr. CANNON. Yes.

The CHAIRMAN. The Chair simply makes this suggestion.

Mr. MANN. The first thing is the motion to strike out the enacting clause.

The CHAIRMAN. Yes; but under the unanimous-consent agreement we must also have the amendment of the gentleman from Wyoming pending. The Chair wonders if it would not be more proper for the gentleman from Wyoming to offer his amendment first.

Mr. MANN. It would not make any difference about the voting, except for the unanimous-consent agreement.

Mr. GRAHAM of Illinois. Mr. Chairman, I offer an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Page 1, lines 1 and 2, strike out the enacting clause.

The CHAIRMAN. The Clerk will now report the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The Clerk read as follows:

Amendment offered by Mr. MONDELL: Strike out all after the enacting clause and insert the following:

"The Secretary of War is hereby authorized and directed to designate such general hospitals and hospitals at camps and cantonments, now under the jurisdiction of the War Department, for the treatment of persons discharged from the military and naval forces of the United States as in his opinion can advantageously be utilized for such purposes, and are not needed for those in the military and naval forces, and the said Secretary shall within 30 days after the passage of this act report to Congress as to the character, location, and capacity of the hospitals designated by him as available for the treatment of those discharged from the military and naval forces."

Mr. CLARK of Florida. I want to reserve a point of order against that amendment on the ground that it is not germane.

Mr. SMITH of Michigan. Mr. Chairman, I yield to the gentleman from Illinois [Mr. CANNON] 20 minutes.

Mr. CLARK of Florida. Will the gentleman from Illinois yield to me for a moment?

Mr. CANNON. I will.

Mr. CLARK of Florida. Mr. Chairman, with the consent of the gentleman from Illinois, I move that the committee do now rise.

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Florida for that purpose?

Mr. CANNON. I do.

The CHAIRMAN. The gentleman from Florida moves that the committee do now rise.

The motion was agreed to.

Accordingly, the committee determined to rise, and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 12917, and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 13153. An act extending the time for the construction of a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 9 minutes p. m.) the House adjourned until to-morrow, Thursday, December 5, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Clerk of the House of Representatives, transmitting report for the period from July 1, 1917, to June 30, 1918, both inclusive, showing names of all clerks and other persons employed, and detailed statement of the manner in which the contingent fund of the House has been expended (H. Doc. No. 1359); to the Committee on Accounts and ordered to be printed.

2. A letter from the Clerk of the House of Representatives, transmitting list of reports to be made to Congress by public officers during the Sixty-fifth Congress (H. Doc. No. 1526); to the Committee on Accounts and ordered to be printed.

3. A letter from the Librarian of Congress, transmitting statement showing in detail what officers and employees have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year 1918 (H. Doc. No. 1527); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting statement of expenditures of the Coast Guard for the fiscal year ended June 30, 1918 (H. Doc. No. 1528); to the Committee on Expenditures in the Treasury Department and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting estimates for receipts of Indian tribal funds, expenditures recommended therefrom by the Secretary of the Interior for the benefit of the Indians, and estimates of amounts required to be expended under treaty stipulations and agreements for the fiscal year ending June 30, 1920 (H. Doc. No. 1529); to the Committee on Indian Affairs and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting a statement of the proceeds of all sales of old material, condemned stores, supplies, and other public property for the fiscal year ended June 30, 1918 (H. Doc. No. 1530); to the Committee on Appropriations and ordered to be printed.

7. A letter from the acting chairman of the Federal Board for Vocational Education, transmitting a statement showing in detail the travel from Washington to points outside of the District of Columbia performed by officers and employees during the fiscal year 1918 (H. Doc. No. 1531); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Doorkeeper of the House of Representatives, transmitting an inventory of all property under his charge belonging to the United States (H. Doc. No. 1532); to the Committee on Accounts and ordered to be printed.

9. A letter from the president of the United States Civil Service Commission, transmitting a statement showing in detail what officers and employees of the commission have traveled on official business from Washington to points outside the District of Columbia during the fiscal year ended June 30, 1918 (H. Doc. No. 1533); to the Committee on Appropriations and ordered to be printed.

10. A letter from the president of the United States Civil Service Commission, transmitting a report for the first four months of the fiscal year 1919, showing the average number of employees of the commission receiving the increased compensation at the rate of $120 per annum (H. Doc. No. 1534); to the Committee on Appropriations and ordered to be printed.

11. A letter from the chairman of the National Advisory Committee for Aeronautics, transmitting a report showing number of employees of this committee who have received the increase of compensation at the rate of $120 per annum for the first four months of the fiscal year 1919 (H. Doc. No. 1535); to the Committee on Appropriations and ordered to be printed.

12. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Postmaster General, submitting supplemental estimates of appropriation required by the Postal Service and payable from postal revenues for the fiscal year 1919 (H. Doc. No. 1536); to the Committee on Appropriations and ordered to be printed.

13. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of State submitting an estimate of appropriation for the relief of Mr. Ross Hazeltine, consul at Fort Antonio, Jamaica (H. Doc. No. 1537); to the Committee on Claims and ordered to be printed.

14. A letter from the Secretary of the Treasury, transmitting copy of communication from the Commissioners of the District of Columbia submitting supplemental estimates of appropriation required for the service of the District of Columbia for the fiscal year 1919 (H. Doc. No. 1538); to the Committee on Appropriations and ordered to be printed.

15. A letter from the Secretary of the Treasury, transmitting information and recommendations relative to deficiency estimate of appropriation for the conservation of public health, transmitted October 29, 1918 (H. Doc. No. 1539); to the Committee on Appropriations and ordered to be printed.

16. A letter from the Secretary of the Interior, transmitting statements showing for the first four months of the current fiscal year the average number of employees in the Secretary's office, the solicitor's office, and the various bureaus and offices of this department receiving increased compensation at the rate of $120 per annum (H. Doc. No. 1540); to the Committee on Appropriations and ordered to be printed.

17. A letter from the Secretary of the Interior, transmitting an itemized statement of expenditures made by this department and charged to the appropriation "Repairs of buildings, Department of the Interior, 1918," for the fiscal year 1918 (H. Doc. No. 1541); to the Committee on Expenditures in the Interior Department and ordered to be printed.

18. A letter from the Secretary of the Interior, transmitting an itemized statement of expenditures made by this department and charged to the appropriation "Contingent expenses, Department of the Interior, 1918," for the fiscal year ended June 30, 1918 (H. Doc. No. 1542); to the Committee on Expenditures in the Interior Department and ordered to be printed.

19. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, furnishing statements of moneys arising from the proceeds of public property received by the War Department during the fiscal year ended June 30, 1918 (H. Doc. No. 1543); to the Committee on Military Affairs and ordered to be printed.

20. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, submitting supplemental estimates of appropriation for increase of salaries of officers and employees of the War Department for the fiscal year 1920 (H. Doc. No. 1544); to the Committee on Appropriations and ordered to be printed.

21. A letter from the Postmaster General, transmitting a tabular statement showing in detail the claims for postmasters for reimbursement for losses of postal, money order, and other funds and stamps, resulting from burglary, fire, or other unavoidable casualty, which have been acted on by the Postmaster General during the fiscal year ended June 30, 1918 (H. Doc. No. 1545); to the Committee on the Post Office and Post Roads and ordered to be printed.

22. A letter from the Secretary of the Treasury, transmitting annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1918 (H. Doc. No. 1451); to the Committee on Ways and Means and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. WINGO, from the Committee on Mines and Mining, to which was referred the bill (S. 3220) authorizing the Secretary of the Interior to make investigations, through the Bureau of Mines, of lignite coals and peat, to determine the practicability of their utilization as a fuel and in producing commercial products, reported the same with amendment, accompanied by a report (No. 840), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 13229) to reclassify the salaries of employees above the clerical grades in post offices of the first and second class; to the Committee on the Post Office and Post Roads.

By Mr. HARRISON of Mississippi: A bill (H. R. 13230) providing for the employment by the United States Government of disabled soldiers and sailors of the United States, and prescribing the preference to be extended them in filling clerical and other vacancies; to the Committee on Reform in the Civil Service.

By Mr. JONES: A bill (H. R. 13231) to provide for the retention of all uniforms issued to soldiers and sailors of the United States who have been honorably discharged, and providing also for privilege of using same for a stated period of time; to the Committee on Military Affairs.

By Mr. STEENERSON: A bill (H. R. 13232) granting the consent of Congress to Traill County, N. Dak., and to Polk County, Minn., to construct a bridge across the Red River of the North; to the Committee on Interstate and Foreign Commerce.

By Mr. GLYNN: A bill (H. R. 13233) to provide for the purchase of an additional site and the erection of an addition to the present post office thereon at Waterbury, in the State of Connecticut; to the Committee on Public Buildings and Grounds.

By Mr. CANDLER of Mississippi: A bill (H. R. 13234) providing for the local commemoration in his home county of the service rendered and sacrifice made by each soldier, sailor, marine, and aviator who lost his life while in the service of the United States during the present war; to the Committee on Appropriations.

Also, a bill (H. R. 13235) to provide for the retention of all uniforms issued to soldiers and sailors of the United States who have been honorably discharged, and providing also for privilege of using same for a stated period of time, and for one month's extra pay upon being discharged; to the Committee on Military Affairs.

By Mr. NEELY: A bill (H. R. 13236) for the relief of certain noncommissioned officers of the United States Army, who were recalled to active service during the recent war and commissioned as officers; to the Committee on Military Affairs.

By Mr. WHITE of Maine: A bill (H. R. 13237) to prohibit the transportation of illegally caught lobsters, also the importation, bringing into, or landing in the United States of any lobsters less than a certain size taken or obtained outside of territorial limits of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. WEBB: A bill (H. R. 13238) fixing a limitation of time for bringing suits against the United States in certain cases; to the Committee on the Judiciary.

By Mr. SNYDER: A bill (H. R. 13239) for the relief of commissioned officers and noncommissioned men of the Army recommended for promotion; to the Committee on Military Affairs.

By Mr. AYRES: A bill (H. R. 13240) to give to every soldier and sailor in the Army and Navy of the United States the uniform he is wearing at time of his honorable discharge; to the Committee on Military Affairs.

By Mr. FREAR: Resolution (H. Res. 464) for the appointment of a committee to investigate the National Security League, and for other purposes; to the Committee on Rules.

By Mr. RIORDAN: Resolution (H. Res. 465) providing for the consideration of House bill 12001; to the Committee on Rules.

By Mr. SLAYDEN: Resolution (H. Res. 466) to set aside a date to receive vases given by the Republic of France to the House of Representatives; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 13241) granting an increase of pension to John M. Hughes; to the Committee on Invalid Pensions.

By Mr. BLANTON: A bill (H. R. 13242) granting a pension to M. S. Wyman; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 13243) granting an increase of pension to John Reis; to the Committee on Invalid Pensions.

By Mr. DALLINGER: A bill (H. R. 13244) granting a pension to Sarah P. Carroll; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13245) granting a pension to Georgiana L. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13246) granting an increase of pension to Henry Davis; to the Committee on Invalid Pensions.

By Mr. DENT: A bill (H. R. 13247) granting a gratuity to members of the United States Army; to the Committee on Military Affairs.

By Mr. GARD: A bill (H. R. 13248) granting a pension to Gustave Stellar; to the Committee on Pensions.

Also, a bill (H. R. 13249) granting a pension to John A. Gaut; to the Committee on Pensions.

By Mr. McKINLEY: A bill (H. R. 13250) granting a pension to Isabella Gruver; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 13251) granting a pension to Mary E. Finch; to the Committee on Invalid Pensions.

By Mr. REAVIS: A bill (H. R. 13252) granting an increase of pension to Sarah E. Mowrey; to the Committee on Invalid Pensions.

By Mr. WALDOW: A bill (H. R. 13253) granting an increase of pension to James Hawkins; to the Committee on Invalid Pensions.

By Mr. ESSEN: Resolution (H. Res. 467) to pay E. Niedner, clerk to the late Jacob E. Meeker, a Representative in Congress, $166.66; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DALE of New York: Petition urging Smith-Bankhead bill (S. 4922 and H. R. 12880), rehabilitating through vocational training workmen disabled by industrial accidents; to the Committee on Education.

By Mr. ELSTON: Petition signed by citizens of Alameda County, Cal., that all privileges given osteopaths in House bill 5118 be extended to chiropractors; to the Committee on Military Affairs.

By Mr. GRAHAM of Illinois: Petition of Mrs. O. E. Carlstrom, Aledo, Ill., and divers other citizens of Mercer County, Ill., who are relatives or friends of men in the military service, for favorable consideration of House bill 5407 and Senate bill 4919, in order that the services of osteopathic physicians may be available to them while in the service of their country; to the Committee on Military Affairs.

By Mr. HADLEY: Memorial to Congress from Port Commission of the Port of Seattle, relative to accidents on the Alaskan coast; to the Committee on the Merchant Marine and Fisheries.

By Mr. OSBORNE: Petition of Dr. Hester L. Abbott and other friends and relatives of men in the service of the United States, requesting of the Congress favorable action respecting Senate bill 4914 and House bill 5407, in order that the services of osteopathic physicians may be available to such men; to the Committee on Military Affairs.

SENATE.

THURSDAY, *December 5, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee that by Thy grace and leadership we have come out of a great struggle with clean hands and pure hearts. And now as we gather the fruits of a great victory and seek to adjust the relationships of men, we pray that we may be guided by the Divine Spirit, that as in all our history of the past so to-day we may build upon the sure foundations of the gospel of Thy Son the Lord and Savior, Jesus Christ. We pray to this end that Thou wilt guide us in our deliberations. Give us that unity of counsel which can only come out of the common origin and source of truth, Thy Word. May success attend our efforts to bring universal peace and brotherhood to the earth. We ask it for Christ's sake. Amen.

THOMAS W. HARDWICK, a Senator from the State of Georgia, appeared in his seat to-day.

The Journal of yesterday's proceedings was read and approved.

FOREIGN POLICY OF SPAIN.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of State, which will be read and referred to the Committee on Foreign Relations.

The communication is as follows:

DEPARTMENT OF STATE,
Washington, December 3, 1918.

Hon. THOMAS R. MARSHALL,
Vice President of the United States,
United States Senate.

SIR: I have the honor to inform you that a note has been received from the ambassador of Spain at this Capital, in which he states that when the new Spanish Government, presided over by Marquis de Alhucemas, presented itself before the Congress of Deputies the president of the council of ministers declared that the foreign policy of the Government over which it presided was steered in intimate understanding with the western powers of Europe and the United States. The ambassador also states that two incidental motions, differently worded but to the same effect, were introduced offering congratulations on the termination of hostilities and on the dawning of justice over force, the basis of liberty and fraternity among the peoples. The second of these two motions was passed with only two dissenting votes. In conclusion, the ambassador states that his Government desires the particularly unanimous sentiment of the Spanish Congress, which has given by its vote evidence of the earnest sympathy it cherishes toward the allied people and Governments, made known to the Congress of the United States.

A similar letter has been addressed to the Speaker of the House of Representatives.

I have the honor to be, sir, your obedient servant,

ROBERT LANSING.

SENATOR FROM LOUISIANA.

The VICE PRESIDENT. The Chair lays before the Senate the certificate of the governor of Louisiana certifying to the election of Hon. JOSEPH EUGENE RANSDELL as a Senator from the State of Louisiana, which will be read and placed on the file.

The credentials are as follows:

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, JOSEPH EUGENE RANSDELL was duly chosen by the qualified electors of the State of Louisiana a Senator to represent said State in the Senate of the United States for a term of six years, beginning on the 4th day of March, 1919.

Witness, his excellency our governor, Ruffin G. Pleasant, and our seal hereto affixed at Baton Rouge, this 26th day of November in the year of our Lord 1918.

By the governor:

RUFFIN G. PLEASANT,
Governor.

[SEAL.]

JAMES J. BURLEY,
Secretary of State.

STATEMENT BY EX-PRESIDENT TAFT.

Mr. PITTMAN. I ask unanimous consent that the statement by former President William Howard Taft, published in the Washington Post of December 5, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TAFT DEFENDS WILSON'S TRIP; SAYS ADVANTAGES ARE CLEAR; CONSTITUTION CONFERS THE RIGHT—BELIEVES PRESIDENT'S PRESENCE AT PEACE CONFERENCE WILL GIVE IT A DEMOCRATIC STAMP—PROPER FOR HIM TO ASPIRE TO BE HEAD OF LEAGUE OF NATIONS—IGNORING OF SENATE DOES NOT JUSTIFY RETALIATORY ACTION, FORMER PRESIDENT THINKS.

(By William Howard Taft.)

"If one can judge from the serious doubts of the wisdom of the President's going in person to the Paris conference expressed in friendly Democratic newspapers, it is not popular. What the political effect of his trip will be it is idle to discuss so far in advance of the next presidential election. Much is to happen in the domestic field in the next two years.

"The advantages of the President's going seem clear. His presence in the conference will stamp upon it a democratic character in the eyes of all but the wild bolsheviki. This will be a real aid in allaying the unrest among the peoples of the allies. The conference between Mr. Wilson, Lloyd George, M. Clemenceau, and Sr. Orlando must be useful to the world. What is of the utmost importance is that the four great allies shall work in harmony in the great task before them. In these four men we shall have the men of real power in the four great nations.

HIS POWER LIKE PREMIER.

"King George, President Poincare, and King Victor Emmanuel are not the actual wielders of power in their respective countries as Mr. Wilson is in this. His powers are more analogous to those of the three premiers, except that he adds to his the titular headship of the American Nation as well. The personal contact of the real leaders, the intimacies of their informal conversations, and the human touch of it all should rub off angles and corners and make for sympathetic aims and harmony. Those who have projected plans for the league of nations have always insisted that the members of its executive councils should be the premiers and actual executives, in order that the council should be truly representative and have power to act.

PROPER HEAD FOR NATION'S LEAGUE.

"It has been said that Mr. Wilson aspires to be president of the league of nations. If so, it is a proper aspiration. No one could fill that place better than the President of the United States, if such a league is formed. It should attach to the office and not to the person, of course, so that when Mr. Wilson retires he should give way to his successor. The disinterestedness of this country in respect to most questions arising for the decision and action of the league would make the American President a most fitting head.

"Again, it will help President Wilson to go to the conference. He will learn much of the European situation at first hand. He will have an unusual opportunity to study the possibilities of a league of nations, its practical difficulties and their solution. There is nothing like oral intimate discussion to winnow out real differences and to remove disagreements due to misunderstanding. Of course these views are predicated on all these national leaders having open minds, a willingness to consult, and a desire to agree. If any one of them holds himself aloof from the discussion and deliberation with fixed views on every topic, he would as well stay at home.

NO CONSTITUTIONAL OBJECTION.

"There is no constitutional inhibition, express or implied, to prevent the President's going abroad to discharge a function

clearly given him by the Constitution. That instrument says that he shall make treaties by and with the consent of two-thirds of the Senate. It is a curious error to assume that the President himself may not attend a conference to which he can send a delegate.

"King George would hardly sit in the conference, because he has not the real power to make treaties or to appoint a delegate. Those powers are exercised by the premier, Mr. Lloyd George, who will be in person a member of the conference. It therefore comes down to the question whether the President may not in person perform a duty imposed upon him by law when it is to be performed out of the country. There is certainly no express restriction of this sort in the Constitution, and it is difficult to see why it should be implied.

"The President is the Commander in Chief of the Army and Navy. If we had a military genius in the Presidency like Foch or Napoleon is it possible that the country could not avail itself of his services in a critical campaign, even though that took him out of the United States when Congress is not in session?

CAN PERFORM DUTIES IN PARIS.

"The President can by cable perform all his executive duties from Paris. If his duty abroad is more important than his duty here in connection with a session of Congress, Congress may well wait until his return, or, if the public exigency requires, may invite the Vice President to do these things as Acting President which the absence of the President on foreign duty prevents his doing.

"Our Constitution is great in its elastic character and in its adapting itself to the changing and varying needs of the unseen future. No other executive is forbidden to leave the country. Kings do it, premiers do it, why should we infer such a restriction when it is not expressed? Its expediency, of course, is a question for the President. Were he to abuse his discretion and leave the country the people would condemn it at the polls or it might even become a subject for impeachment. But when the duty which he is to perform is of such an importance as the present one his decision to perform it in person the Houses of Congress may well respect.

SENATE RESENTS BEING IGNORED.

"The President's persistence in ignoring the Senate by appointing no Senator to the commission and in ignoring Congress by giving no real exposition of his present view of the peace terms created a resentful feeling, which was unfortunately manifested in the reception of his message on Monday last. The disposition of some to nag the President, however, by urging the adoption of resolutions inviting the Vice President to act for the President meets with no popular favor.

"If the fact or the manner of the President's going is a mistake, and it is unpopular with the American people, that may be made a legitimate ground for criticism in a political campaign. But those who would now seek to create an embarrassment out of the present situation will not commend themselves as engaged in a patriotic purpose. If it be true that the President has acted without due consideration to the Senate or to Congress, the people will not justify the Senate or Congress in a retaliatory action. For the Republicans it is the poorest kind of politics. The President goes to represent the United States, and the setting up of a backfire here will not help the country or its success in the conference, and from a political standpoint it will react upon those who set it. Mr. MANN'S position in this respect is a wise one and all Republicans should approve it."

REPORT OF SERGEANT AT ARMS (S. DOC. NO. 312).

The VICE PRESIDENT laid before the Senate a communication from the Sergeant at Arms of the Senate, transmitting, pursuant to law, a statement showing the sale of property and the proceeds thereof which was referred to the Committee on Appropriations and ordered to be printed.

ANNUAL REPORT OF SECRETARY OF THE TREASURY.

The VICE PRESIDENT laid before the Senate the annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1918, which was referred to the Committee on Finance and ordered to be printed.

LIBERTY BOND ACTS (H. DOC. NO. 1474).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, statements of expenditures under the various liberty-bond acts, which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed.

INTERSTATE COMMERCE COMMISSION (H. DOC. NO. 1396).

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission; transmitting, pursuant to law, a report showing the number of persons, the grades and character of positions, the original rates of compensation, and the increased rates of compensation provided by the act of June 12, 1917, which was referred to the Committee on Appropriations and ordered to be printed.

COURT OF CUSTOMS APPEALS (H. DOC. NO. 1366).

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, pursuant to law, a statement of the expenditures of the appropriations for the United States Court of Customs Appeals for the fiscal year ended June 30, 1918, which was referred to the Committee on Appropriations and ordered to be printed.

ADDITIONAL WAR DEPARTMENT FORCE (H. DOC. NO. 1496).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, a statement showing by bureaus and offices the number and designation of the persons employed under the appropriations for the temporary employment of the additional force in the War Department and the annual rate of compensation paid to each, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

VALUATION OF CARRIERS (H. DOC. NO. 1388).

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, transmitting, pursuant to law, a statement showing the employment under appropriation for the valuation of carriers for the fiscal year ended June 30, 1918, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CENSORSHIP EMPLOYEES (H. DOC. NO. 1473).

The VICE PRESIDENT laid before the Senate a communication from the Postmaster General, transmitting, pursuant to law, a detailed statement of censorship employees and the compensation allowed each, which, with the accompanying papers, was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

LIST OF JUDGMENTS (H. DOC. NO. 1491).

The VICE PRESIDENT laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting, pursuant to law, a statement of all judgments rendered by the court for the year ended November 30, 1918, etc., which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

SUPPORT OF INDIAN SCHOOLS (H. DOC. NO. 1502).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report for the fiscal year 1918 relating to the appropriation "Indian schools, support, 1918," which, with the accompanying paper, was referred to the Committee on Indian Affairs and ordered to be printed.

SIOUX INDIAN FUND (H. DOC. NO. 1505).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, report of expenditures from the permanent fund of the Sioux Indians during the fiscal year 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

TONGUE RIVER RESERVATION, MONT. (H. DOC. NO. 1507).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of expenditures made for the purpose of encouraging industry and support among the Indians on the Tongue River Reservation, Mont., during the fiscal year 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

DISEASE AMONG INDIANS (H. DOC. NO. 1524).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, stating, pursuant to law, that no expenditures were made during the fiscal year 1918 for the construction of hospitals from the appropriation "Relieving distress and prevention, etc., of disease among Indians, 1918," which was referred to the Committee on Indian Affairs and ordered to be printed.

INDIAN APPROPRIATIONS (H. DOC. NO. 1501).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, stating, pursuant to law, that no diversion of expenditures were made during the fiscal year 1918 under the act approved March 1, 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

HEIRS OF DECEASED INDIANS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of all moneys collected and deposited during the fiscal year 1918 under the appropriation "Determining heirs of deceased Indian allottees, 1918," which, with the accompanying paper, was referred to the Committee on Indian Affairs and ordered to be printed.

INDIAN HOSTILITIES (H. DOC. NO. 1522).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, stating, pursuant to law, that no act of hostility by any Indian tribe with which the United States has treaty stipulations has been committed during the fiscal year 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

INDUSTRIES AMONG THE INDIANS (H. DOC. NO. 1510).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the expenditures made for the purpose of encouraging industry among the Indians of the various reservations during the fiscal year 1918, which, with the accompanying papers, was referred to the Committee on Indian Affairs and ordered to be printed.

CHIPPEWA INDIAN FUNDS (H. DOC. NO. 1493).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement of expenditures from the tribal funds of the Chippewa Indians of Minnesota, which, with the accompanying paper, was referred to the Committee on Indian Affairs and ordered to be printed.

INDIAN SCHOOLS (H. DOC. NO. 1492).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report showing the amounts expended at each Indian school and agency from the appropriation for construction, lease, purchase, and repair and improvement of school and agency buildings, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

INDIAN IRRIGATION PROJECTS (H. DOC. NO. 1494).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement showing the cost and other data with respect to Indian irrigation projects as compiled to the end of the fiscal year 1918, which, with the accompanying paper, was referred to the Committee on Indian Affairs and ordered to be printed.

CARE OF TIMBER (H. DOC. NO. 1501).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement of expenditures on account of the Indian Service for the fiscal year 1918 from the appropriation commonly known as "Industrial work and care of timber," which, with the accompanying papers, was referred to the Committee on Indian Affairs and ordered to be printed.

INDIAN MONEYS (H. DOC. NO. 1509).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement of the expenditures for the fiscal year 1918 of moneys carried on the books of the department under the caption "Indian moneys and proceeds of labor," which, with the accompanying papers, was referred to the Committee on Indian Affairs and ordered to be printed.

SURVEYS OF INDIAN LANDS (H. DOC. NO. 1508).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement of the cost of all survey and allotment work on Indian reservations for the fiscal year 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

EMPLOYEES IN THE INDIAN SERVICE (H. DOC. NO. 1506).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report showing the diversion of appropriations for the pay of specified employees in the Indian Service during the fiscal year 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

CONFEDERATED BANDS OF UTE INDIANS (H. DOC. NO. 1487).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the expenditures made from the tribal funds of the Confederated Bands of Utes during the fiscal year 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

APACHE, KIOWA, AND COMANCHE INDIANS (H. DOC. NO. 1486).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the expenditures made in per capita payments to the Apache, Kiowa, and Comanche Indians during the fiscal year 1918, which was referred to the Committee on Indian Affairs and ordered to be printed.

NORTHERN CHEYENNE INDIANS (H. DOC. NO. 1504).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of expenditures made for the purchase of cattle for the Northern Cheyenne Indians on the Tongue River Reservation, Mont., which was referred to the Committee on Indian Affairs and ordered to be printed.

REPAIRS OF BUILDINGS, INTERIOR DEPARTMENT (H. DOC. NO. 1541).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, an itemized statement of expenditures made by the Interior Department and charged to the appropriation "Repairs of buildings, Department of the Interior, 1918," which was referred to the Committee on Appropriations and ordered to be printed.

CONTINGENT EXPENSES, INTERIOR DEPARTMENT (H. DOC. NO. 1543).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, an itemized statement of expenditures made by the Interior Department and charged to the appropriation "Contingent expenses, Department of the Interior, 1918," which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

ST. ELIZABETHS HOSPITAL (H. DOC. NO. 1515).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a letter from the superintendent of the St. Elizabeths Hospital submitting the financial report of that institution for the fiscal year 1918, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SALE OF OBSOLETE MATERIAL (H. DOC. NO. 1519).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report showing the proceeds of the sale of supplies and obsolete material and equipment during the fiscal year ended June 30, 1918, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

BLACKFEET INDIAN FUNDS (H. DOC. NO. 1488).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement of expenditures from the tribal funds of the Blackfeet Indians of Montana, for the fiscal year 1918, which, with the accompanying paper, was referred to the Committee on Indian Affairs and ordered to be printed.

STANDING ROCK INDIAN RESERVATION (H. DOC. NO. 1489).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of expenditures made for the purchase of cattle for the benefit of the Indians on the Standing Rock Reservation, in North Dakota and South Dakota, for the fiscal year 1918, which, with the accompanying papers, was referred to the Committee on Indian Affairs and ordered to be printed.

SUPPORT OF AGRICULTURAL COLLEGES (H. DOC. NO. 1523).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the disbursements for the fiscal year ending June 30, 1919, under the act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and mechanic arts, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

FREEDMAN'S HOSPITAL.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the surgeon in chief of the Freedman's Hospital, submitting a detailed statement of expenditures for professional and other services for the fiscal year 1918 (H. Doc.

No. 1518), which was referred to the Committee on the District of Columbia and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a letter from the surgeon in chief of the Freedman's Hospital submitting statements of receipts and expenditures on account of pay patients during the fiscal year 1918 (H. Doc. No. 1516), which, with the accompanying paper, was referred to the Committee on the District of Columbia and ordered to be printed.

PURCHASE OF TYPEWRITERS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement of typewriters and other labor-saving devices purchased and exchanged during the fiscal year 1918 (H. Doc. No. 1525), which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Interstate Commerce Commission, transmitting, pursuant to law, statement of typewriters and other labor-saving devices purchased and exchanged during the fiscal year 1918 (H. Doc. No. 1372), which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Civil Service Commission, transmitting, pursuant to law, a statement of typewriters and other labor-saving devices purchased and exchanged during the fiscal year 1918 (H. Doc. No. 1382), which was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Federal Trade Commission, transmitting, pursuant to law, a statement of the number of typewriters and other labor-saving devices purchased and exchanged during the fiscal year 1918 (H. Doc. No. 1383), which was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Superintendent of Library Building and Grounds, transmitting, pursuant to law, a statement of the number of typewriters and other labor-saving devices purchased and exchanged during the fiscal year 1918, which was referred to the Committee on Appropriations and ordered to be printed.

TRAVEL OF EMPLOYEES.

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, transmitting, pursuant to law, a statement showing in detail what officers or employees have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year 1918 (H. Doc. No. 1397), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a statement from the Librarian of Congress showing in detail what officers or employees have traveled on official business from Washington to points outside of the District of Columbia for the fiscal year 1918 (H. Doc. No. 1527), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the chairman of the Federal Board for Vocational Education, transmitting, pursuant to law, a statement showing in detail what officers or employees have traveled on official business to points outside the District of Columbia during the fiscal year 1918 (H. Doc. No. 1531), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Superintendent of the United States Botanic Gardens, transmitting, pursuant to law, a statement showing in detail what officers or employees have traveled on official business to points outside the District of Columbia during the fiscal year 1918 (H. Doc. No. 5511), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Superintendent of Library Buildings and Grounds, transmitting, pursuant to law, a statement showing in detail the travel of employees from Washington to points outside the District of Columbia during the fiscal year 1918 (H. Doc. No. 1499), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

COMPENSATION OF GOVERNMENT EMPLOYEES.

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, pursuant to law, a report of the average number of employees receiving increased compensation under the act approved July 3, 1918 (H. Doc. No. 1377), which was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the average number of employees receiving increased compensation under the act approved July 3, 1918 (H. Doc. No. 1540), which was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Superintendent of the United States Botanic Gardens, transmitting, pursuant to law, a report of the average number of employees receiving increased compensation under the act approved July 3, 1918 (H. Doc. No. 1483), which was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Librarian of Congress, transmitting, pursuant to law, a report of the average number of employees receiving increased compensation during the fiscal year 1918 (H. Doc. No. 1479), which was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Superintendent of Library Building and Grounds, transmitting, pursuant to law, a report of the average number of employees receiving increased compensation during the fiscal year 1918, (H. Doc. No. 1468), which was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA (H. DOC. NO. 1431).

The VICE PRESIDENT laid before the Senate the annual report of the Commissioners of the District of Columbia for the fiscal year ended June 30, 1918, which was referred to the Committee on the District of Columbia and ordered to be printed.

REPORT ON RESALE PRICE MAINTENANCE (H. DOC. NO. 1480).

The VICE PRESIDENT laid before the Senate a communication from the Federal Trade Commission, transmitting, pursuant to law, a special report dealing with the subject of resale price maintenance, which, with the accompanying papers, was referred to the Committee on Interstate Commerce and ordered to be printed.

REPORT ON LIBRARY BUILDING AND GROUNDS (H. DOC. NO. 1434).

The VICE PRESIDENT laid before the Senate the annual report of the Superintendent of Library Building and Grounds for the fiscal year ended June 30, 1918, which was referred to the Committee on the Library and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a House joint resolution (H. J. Res. 356) authorizing payment of the salaries of officers and employees of Congress for December, 1918, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 13153) extending the time for the construction of a bridge across the Arkansas River at the foot of Garrison Avenue, at Fort Smith, Ark., and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. JONES of Washington. I present resolutions of Local Union, No. 38–A–2, Shipyard Laborers, Riggers, and Fasteners, of Seattle, Wash., representing about 4,000 members, urging the establishment of another national holiday to be known as "Liberty Day," and to be the 11th of November. I move that it be referred to the proper committee. I will say to the Chair that I do not know to what committee it ought to go.

The VICE PRESIDENT. Several similar resolutions have gone to the Judiciary Committee.

Mr. JONES of Washington. That reference is satisfactory. I move that it be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. LODGE presented a petition of the National Academy of Sciences, praying for the establishment of a league of nations for the maintenance of peace, which was referred to the Committee on Foreign Relations.

Mr. NELSON presented a memorial of the Strong-Scott Manufacturing Co., of Minneapolis, Minn., remonstrating against the proposed tax of 80 per cent of the earnings in excess of 10 per cent of the invested capital in the pending revenue bill, which was referred to the Committee on Finance.

He also presented a memorial from the Minneapolis Automobile Trade Association of Minnesota, remonstrating against the increased rate of taxation on automobiles in the pending revenue bill, which was referred to the Committee on Finance.

He also presented a memorial of the Marshall-Wells Co., of Duluth, Minn., remonstrating against the 10 per cent tax on

ammunition and sporting goods in the pending revenue bill, which was referred to the Committee on Finance.

MANUFACTURE OF MUNITIONS AND CONSTRUCTION OF SHIPS.

Mr. FLETCHER. I am directed by the Committee on Commerce to move that the joint resolution (S. J. Res. 181) to authorize and empower the War Industries Board to aid in equipping and expanding power plants to carry on the manufacture of munitions and construction of ships during the war, advance moneys for that purpose to owners and operators of private plants, etc., be recommitted to the Committee on Commerce.

The motion was agreed to.

COMMITTEE TO ATTEND PEACE CONFERENCE.

Mr. HITCHCOCK. From the Committee on Foreign Relations I report back Senate resolution 358 to create a committee of eight Senators, which shall be charged with the duty of proceeding to Paris at the proper time to be present during the peace conference, and I submit a report (No. 616) to accompany the resolution, which I ask to have read.

The VICE PRESIDENT. The report will be read.

The Secretary read the report, as follows:

The Committee on Foreign Relations having considered Senate resolution 358, to create a committee of eight Senators which shall be charged with the duty of proceeding to Paris at the proper time in order to be present during the peace conference, unanimously report it back to the Senate adversely, with the recommendation that it be not passed.

—

Mr. PITTMAN, from the Committee on Foreign Relations, submitted the following additional views:

I make this separate report by reason of the fact that I offered an amendment to the resolution on the floor of the Senate, proposing that the number of the committee be increased from 8 to 96, which would include the entire membership of the Senate. That my position may not be misunderstood, I desire that it be known that I at all times opposed the sending of any committee of Senators to Paris, and so voted as a member of the Foreign Relations Committee, for the following reasons:

Section 2 of Article II of the Constitution of the United States empowers the President of the United States, and the President solely, "to make treaties." The Senate may advise with regard to a treaty, but it may not participate in nor interfere with the President in the initiation and negotiation of a treaty. It is true that the treaty does not become operative until concurred in by two-thirds of the Senate. This, however, is an act to be performed subsequent to the making of the treaty. The President has undertaken in person to perform this great constitutional duty. He has called to his assistance an efficient corps of statesmen, experts, and statisticians.

The proposed committee could perform no constitutional function imposed upon the Senate with relation to treaties. It would have no legal status in connection with the negotiation or making of the treaty. Its methods of obtaining information would, in the nature of the circumstances, be vagrant, uncertain, and unreliable. The report of such a committee to the Senate would be based chiefly upon hearsay and would constitute but the individual conclusions of the members of the committee and would have little force and effect with the Senate.

Such committee would neither have the information nor the power to advise on behalf of the Senate. This fact, unfortunately, might not be known to all of the foreign members of the peace council and expressions made by the members of such committee might be taken as an expression of the sentiment or a pronouncement of the position of the United States Senate with regard to questions under consideration before the peace council and in such way might embarrass and interfere with the President in the performance of his constitutional duties in the making of the treaty.

All facts bearing upon the negotiations must be presented to the peace council, and the President will undoubtedly report such facts fully to the Senate of the United States and to the country. He has already made this promise to Congress.

Mr. CUMMINS. I ask that the resolution go to the calendar.

The VICE PRESIDENT. The resolution will be placed on the calendar.

Mr. PITTMAN subsequently said: Mr. President, I ask unanimous consent to file a separate report in connection with Senate resolution 358, and I ask to have it printed in the RECORD, together with the report of the committee, submitted by the Senator from Nebraska [Mr. HITCHCOCK] this morning.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FERNALD:

A bill (S. 5091) granting a pension to Jennie L. Barrows (with accompanying papers); to the Committee on Pensions.

By Mr. HARDWICK:

A bill (S. 5092) to repeal the act approved June 15, 1917; and

A bill (S. 5093) to repeal the act approved May 16, 1918; to the Committee on the Judiciary.

A bill (S. 5094) to repeal the act approved August 10, 1917; to the Committee on Agriculture and Forestry.

A bill (S. 5095) to repeal the act approved May 22, 1918; to the Committee on Foreign Relations.

A bill (S. 5096) to repeal the act approved July 16, 1918; and

A bill (S. 5097) to amend section 14 of the act entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," approved March 21, 1918, by providing that such control shall continue for a period not greater than six months from the passage of this act; to the Committee on Interstate Commerce.

By Mr. SWANSON:

A bill (S. 5098) to amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes"; and

A bill (S. 5099) providing for road construction and improvement out of the funds derived from the operation of motor trucks engaged in carrying parcel post under section 7 of the act making appropriations for the Post Office Department and the Postal Service for the fiscal year 1919, approved July 8, 1918; to the Committee on Post Offices and Post Roads.

By Mr. SHEPPARD:

A bill (S. 5100) for the relief of Anna M. Tobin, independent executrix of the estate of Frank R. Tobin, deceased (with accompanying papers); to the Committee on Claims.

By Mr. HARDING:

A bill (S. 5102) to authorize the change of name of the steamer *Charlotte Gravcraet Breitung* to *T. K. Maher*; to the Committee on Commerce.

A bill (S. 5103 granting a pension to Mary M. Hood;

A bill (S. 5104) granting a pension to Adelphia L. Weaver;

A bill (S. 5105) granting a pension to Sylva Tarvin; and

A bill (S. 5106) granting an increase of pension to Amos L. Hood; to the Committee on Pensions.

By Mr. NELSON:

A bill (S. 5107) granting an increase of pension to Henry H. Hering; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 5108) to amend section 126 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes; to the Committee on Military Affairs.

By Mr. CHAMBERLAIN:

A bill (S. 5109) to provide relief where formal contracts have not been made in the manner required by law; to the Committee on Military Affairs.

By Mr. THOMPSON:

A bill (S. 5110) granting a pension to Lily D. Murphy; to the Committee on Pensions.

By Mr. BECKHAM:

A bill (S. 5111) granting an increase of pension to Albert L. Newlands; to the Committee on Pensions.

By Mr. NEW (by request):

A bill (S. 5112) to provide for paying claims to depositors of the Freedman's Savings & Trust Co., and for the establishment of a national home; to the Committee on Appropriations.

By Mr. KING:

A joint resolution (S. J. Res. 192) to stop work upon Government housing propositions; to the Committee on Public Buildings and Grounds.

RELIEF OF CERTAIN NONCOMMISSIONED OFFICERS.

Mr. POINDEXTER. Mr. President, I introduce the bill which I send to the desk and ask that it be referred to the Committee on Military Affairs. I ask that the bill be printed in the RECORD, and in connection with it I ask that an explanation of its purport be printed to follow the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 5101) for the relief of certain noncommissioned officers of the United States Army who were recalled to active service during the recent war and commissioned as officers was read twice by its title and referred to the Committee on Military Affairs and, with the accompanying statement, ordered to be printed in the RECORD, as follows:

A bill (S. 5101) for the relief of certain noncommissioned officers of the United States Army who were recalled to active service during the recent war and commissioned as officers.

Be it enacted, etc., That retired enlisted men of the Regular Army who were called to active service by orders of the War Department during the war with Germany and commissioned in the armies of the United States, and who will again revert to a retired status when their services are no longer required, be allowed to retain the rank held by them when mustered out of or discharged from active service and given the pay of a first lieutenant on the retired list, provided that muster out or discharge was not due to incompetency or misconduct.

—

MEMORANDUM.

There have been called into active service and commissioned during the present war some one hundred and fifty enlisted men from the retired list. Practically all of these men were of the highest noncommissioned grade at date of retirement, having held those grades for a long time, in many cases from 20 to 25 years.

It will be observed that the men who attained the highest noncommissioned grades and thus retired were men who on account of the strenuous life of the period in which they served must necessarily have possessed physical, mental, and moral qualifications of the highest degree, having been so retired when the country deemed it necessary that these particularly qualified experts should be brought in for the service of the country they were looked over and selected, not by

guesswork, but by their records, their qualifications, their reliability and efficiency, and on these accounts only were they sought for by the country and offered commissions. The fact was they were the only people that could "deliver the goods" along this line, the only people capable of performing these duties, in fact, the only living experts in existence.

The mere fact that patriotic, intelligent, expert officers of the United States Army turned their attention at once to this particular class of men, and having weighed them and judged them by records, qualifications, and past records, and on these offered them commissions as captains, majors and higher ranks, is sufficient guaranty of their high standard, rendering them deserving of consideration.

Their records during this war have justified the fact that their selection did not come by political or other outward influence; when they accepted the commissions they performed the duties assigned them as they did in the old Army, in all good faith, without asking for choice of stations or for any other consideration, simply giving up civic duties and abandoning business pursuits which they had established after retirement and which netted them a comfortable living, and which can not be rebuilt after the war is over; on this account they are entitled to any consideration you can give them.

Retired Army officers up to the grade of colonel recalled to active service have already been provided for, inasmuch as they will attain a higher grade upon again reverting to a retired status.

If this allowance is granted it affects but a small number of men, and as these men die the list will be lessened and in time entirely eliminated.

In justice to these men it is therefore proposed that a bill be introduced in Congress providing:

That retired enlisted men who have been returned to active service and commissioned in the armies of the United States during the present war and who again revert to a retired status be given the rank they then held, with the pay of a first lieutenant, provided they have not been returned to a retired status due to their own incompetency or misconduct.

THE PRESIDENTIAL OFFICE—PAPER BY HENRY E. DAVIS (S. DOC. 308).

Mr. SMITH of Arizona. I offer the following Senate resolution and ask unanimous consent to have it considered at this time. It proposes to print as a Senate document a monograph by a distinguished member of the District bar, Mr. Henry E. Davis. It was written some thirty years ago, at the time of the wounding of President Garfield. It is entitled "Inability of the President—What Constitutes and Who Decides?" It will save the Senate, I think, and those who are interested in the question a large amount of investigation if this monograph can be printed as a Senate document.

The resolution (S. Res. 366) was read, considered by unanimous consent, and agreed to, as follows:

Senate resolution 366.

Resolved, That the manuscript entitled "Inability of the President—What Constitutes and Who Decides?" a monograph by Henry E. Davis, be printed as a Senate document.

MONROE DOCTRINE.

Mr. BORAH. I offer a resolution, which I ask may be read and lie on the table.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 370) was read and ordered to lie on the table, as follows:

Senate resolution 370.

Whereas in September, 1796, George Washington, then President of the United States, declared, "The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little political connection as possible * * *." And that "Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friendships or enmities"; and

Whereas in response to a letter addressed to him by James Monroe, then President of the United States, concerning the policy afterwards declared by President Monroe and since then known as the Monroe doctrine, Thomas Jefferson said in reply: "The question presented by the letters you have sent me is the most momentous which has ever been offered to my contemplation since that of independence. That made us a Nation. This sets our compass and points the course which we are to steer through the ocean of time opening on us. And never could we embark upon it under the circumstances more auspicious. Our first and fundamental maxim should be never to entangle ourselves in the broils of Europe; our second, never to suffer Europe to intermeddle with cis-Atlantic affairs. America, North and South, has a set of interests distinct from those of Europe and particularly her own. She should therefore have a system of her own separate and apart from that of Europe"; and

Whereas James Monroe, President of the United States, afterwards amplified this policy, incorporating it in a message to the Congress of the United States, declaring in effect that any attempt on the part of foreign Governments to extend their system to any portion of this hemisphere as dangerous to our peace and safety, and setting forth in full the policy which was afterwards and ever since has been known as the Monroe doctrine; and

Whereas the policies thus early announced by Washington, Jefferson, and Monroe, and ever since adhered to by this country, regardless of political parties, have contributed greatly to the peace and happiness of the people of the United States; and

Whereas we believe any material departure from these policies would be fraught with danger to the peace and happiness of the people of the United States, involving us, in all probability, in the controversies of other nations: Therefore be it

Resolved, That the Senate of the United States reaffirm its faith and confidence in the permanent worth and wisdom of these policies and shall seek in all matters coming before it touching the interests or affairs of foreign countries to conform its acts to these time-honored principles so long and so happily a part of our own policy.

ABROGATION OF TREATIES.

Mr. JONES of Washington submitted the following resolution (S. Res. 367), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary of State be, and he is hereby, directed to furnish the Senate the following information:

1. What countries, if any, have notified the United States of their intention to abrogate any treaties with the United States; and what treaties are to be abrogated and the reason therefor, if any are given.

2. The countries with which the United States has treaties which prevent us from giving preferences to Americans or American ships in the carrying of imports or exports, and what is necessary to be done to abrogate such treaties, and what, if any, steps our Government has taken to secure the abrogation of the same.

THE MERCHANT MARINE.

Mr. JONES of Washington submitted the following resolution (S. Res. 368), which was read, considered by unanimous consent, and agreed to:

Resolved, That the United States Shipping Board be, and it is hereby, directed to report to the Senate as soon as practicable what legislation, in its judgment, should be enacted by Congress to promote, continue, and insure the maintenance, development, and operation of a merchant marine under the American flag.

INVESTIGATION OF SPRUCE PRODUCTION.

Mr. POINDEXTER submitted the following resolution (S. Res. 369), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary of War is hereby requested to inform the Senate what steps, if any, have been taken upon the recommendation of Hon. Charles E. Hughes for an investigation of the spruce production section of the Aeroplane Division of the Signal Corps of the United States Army.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. REED submitted the following resolution (S. Res. 371), which was referred to the Committee to Audit and Control the Contingent Fund of the Senate:

Resolved, That the Committee on Public Buildings and Grounds or any subcommittee thereof be directed to inquire into the costs, construction, operation, maintenance, and future disposition of the public buildings of the Government of every nature, kind, and location, and the program and contracts of the various departments of the Government with reference to future costs, construction, operation, maintenance, and disposition of the Government buildings of every nature, kind, and location, and report to the Senate thereon, together with their recommendation of any steps which they may deem advisable to take with a view to remedying conditions.

That the Committee on Public Buildings and Grounds, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-fifth Congress to send for persons, books, and papers; to administer oaths, and to employ a stenographer, at a cost not exceeding $1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recess of the Senate.

HOUSING OF GOVERNMENT EMPLOYEES.

Mr. KING submitted the following resolution (S. Res. 372), which was referred to the Committee on Public Buildings and Grounds:

Resolved, That every official and agency of the Government, having had in charge any work, operations, construction, or expenditures authorized by the act entitled "An act to authorize the President to provide housing for war needs," approved May 16, 1918, shall and is hereby required to make a full report and account of the same to the Senate; and be it further

Resolved, That the Committee on Public Buildings and Grounds of the Senate be, and is hereby, authorized and directed to make an investigation of all work, operations, and construction, and of all expenditures made under said act, and report its findings to the Senate.

UNIFORMS OF DISCHARGED SOLDIERS.

Mr. POMERENE. I send to the desk a joint resolution and ask that it may be read.

The joint resolution (S. J. Res. 191) providing that soldiers, sailors, and marines may retain uniforms and apparel worn by them in the military service of the United States as their personal property and permitting them to wear the same under regulations to be prescribed by the War Department, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That soldiers, sailors, and marines, whether in the service at home or abroad, be and they are hereby permitted to retain as their own property the uniforms, including overcoats and other articles of wearing apparel furnished them by the Government and severally worn by them at the time of their demobilization and discharge, and that they shall be permitted to wear the same under such reasonable regulations to be prescribed by the War Department as will distinguish the said soldiers, sailors, and marines so demobilized and discharged from the service and wearing the same from those who may be continued in the actual military, naval, or marine service of the country.

Mr. POMERENE. Mr. President, with the consent of the Senate, I should like, in a word, to give a brief explanation of the joint resolution.

The War Department gave out a statement sometime ago, as I learned through the press, to the effect that the soldiers after their demobilization and discharge would be permitted to wear

their uniforms for a period of 30 days. Since I prepared the joint resolution I have been advised that the Senator from Arizona [Mr. ASHURST] introduced the other day a similar resolution.

I think this is a matter of the very greatest importance to the soldiers, marines, and sailors themselves, because of the very high price of wearing apparel now. Many of these boys, I am told, not knowing how long they would be away from their homes, gave away or otherwise disposed of their clothing, and they would be put to very large expense to get new clothes if they were not permitted to wear their uniforms more than 30 days after demobilization. Certainly these uniforms and wearing apparel are of very much more value to them as individuals than they would be to the Government.

In addition to that, we are all admonished that there is a scarcity of wools and woolen, and I think common business prudence would suggest that the soldiers, sailors, and marines be permitted to wear their uniforms after they have severed their connection with the service.

I ask that the joint resolution be referred to the Committee on Military Affairs.

Mr. GRONNA. May I ask the Senator a question?

Mr. POMERENE. I yield to the Senator.

Mr. GRONNA. I have only heard the joint resolution as it was hastily read. Does it provide for any additional pay, or simply permit the soldiers to wear their uniforms?

Mr. POMERENE. It applies only to their uniforms and their clothing.

Mr. BORAH. Is the joint resolution which the Senator from Ohio introduced to go to a committee?

Mr. POMERENE. I asked that it go to the Committee on Military Affairs.

Mr. BORAH. I only want to say, Mr. President, that I hope the joint resolution will be reported out in a reasonable time and favorably. It occurred to me that it is of such merit it could be disposed of without going to a committee.

Mr. POMERENE. I have no objection to the disposition of it now. I may say, I think with propriety, I spoke to the chairman of the Committee on Military Affairs yesterday, and I know he favors the general principle. I have not submitted to him the joint resolution as it has been drawn.

Mr. JONES of Washington and Mr. FLETCHER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Ohio yield; and if so, to whom?

Mr. POMERENE. I yield to the Senator from Washington, who first rose.

Mr. JONES of Washington. I am heartily in favor of the joint resolution the Senator from Ohio has introduced, but I think it would also be well to add to it a provision that when the soldiers are discharged they shall be entitled to the same transportation pay to their homes that members of the Navy are entitled to receive. I noticed in the papers sometime ago that these men were not getting sufficient to cover their transportation expenses home. That ought to be provided for.

I remember when the reorganization bill was up I endeavored to get a provision in that bill that would put the soldiers of the Army on exactly the same basis as members of the Navy upon their discharge. Apparently we could not get that done. We did get some additional compensation provided. Something of that sort ought to be done, and it would be well to put in such a provision in connection with the measure of the Senator.

Mr. POMERENE. I have rather assumed that something of that kind would be done; at least, I hope it shall be done, but my attention has been specially called to the question of the uniforms and clothing, and with that thought in mind I prepared the joint resolution.

Mr. JONES of Washington. I know that, but I think the two can very well be covered together.

Mr. POMERENE. I yield to the Senator from Florida.

Mr. FLETCHER. I was going to say that I think an arrangement has been made to carry out the suggestion of the Senator from Washington, and the matter raised by the Senator from Ohio has also been under consideration. I think it would be well to have the joint resolution go to the committee, as there are some technical questions involved, and a general policy may be outlined in the committee so that there can be no confusion. The committee meets to-morrow, and there will be no delay.

Mr. POMERENE. I may state that in the latter part of the joint resolution I have provided that the uniforms should be worn under some rule or regulation to be adopted by the War Department, so as to distinguish, perhaps, those who had been in the service but were discharged, from those who were actually in the service. I can understand how it might be possible to abuse the privilege of wearing the uniforms under certain circumstances. I think the Committee on Military Affairs would work that out so as to guard every interest.

Mr. HITCHCOCK. I think the difficulty has already arisen. Some men are wearing uniforms and refusing to salute officers. It is a matter which ought to be considered by the committee so as to avoid any difficulty of that sort.

Mr. POMERENE. I have no doubt the committee will arrange proper safeguards.

Mr. JONES of Washington and Mr. CUMMINS addressed the Chair.

Mr. POMERENE. I yield first to the Senator from Washington.

Mr. JONES of Washington. In reference to the suggestion of the Senator from Florida, that the matter of travel pay had been arranged for, I do not see how it can be done within the law unless we pass some legislation, because the reorganization act fixed the specific amount which should be paid for this purpose. I hope it has been possible to arrange it, but I think it will require legislation. I understand a bill has already been introduced covering the matter. I am glad that is true, and I hope if the joint resolution of the Senator from Ohio is to be acted upon such a provision may be put in it so as to get them through together.

Mr. POMERENE. I yield to the Senator from Iowa.

Mr. CUMMINS. For the information of the Senator from Ohio I wish to say that two or three weeks ago I introduced a bill to give soldiers and sailors the uniforms they are wearing at the time of their discharge. It was referred to the Committee on Military Affairs, and I have the promise of the chairman of that committee and several members of the committee that the subject will be taken up on Friday morning at the regular meeting of the committee for the purpose of considering the bill.

Mr. POMERENE. I was not aware that the Senator from Iowa had introduced the bill. I wish to say that I have no pride of authorship, and I shall be glad to have any disposition of the subject which will meet the situation.

Mr. POINDEXTER. Mr. President, there are two or three matters affecting the allowances made to discharged soldiers which it seems to me might be taken up by the Committee on Military Affairs together, and in the consideration of the bill the Senator from Iowa has introduced there would be no objection to attaching as a part of that measure the matter of travel pay and the matter which has been recommended by the War Department, allowing one month's extra pay to discharged soldiers. Most of the soldiers are discharged without any money at all, and they are allowed 3½ cents a mile travel pay. That is not sufficient to pay for their expenses, for their meals en route and their railroad fare, to say nothing of sleeping apartments on the train. It seems to me there ought to be some provision made so that the reasonable actual expenses of these men should be allowed.

There is another matter that I hope the Committee on Military Affairs will consider in the same connection. Under the present law the men are allowed travel pay to the place of their enlistment. They ought to be allowed travel pay to their homes. There are many cases where men enlisted at some place very far removed from their homes. I have had my attention called to cases where men whose homes were on the Pacific coast enlisted in Chicago because they happened to be in Chicago at the time they were called for enlistment, and as a matter of saving time and of convenience they enlisted at that point. When they are discharged from the Army they want to return to their permanent homes. It seems to me, therefore, nothing but fair that they should be allowed travel pay to their actual bona fide permanent place of residence to which they want to return.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Military Affairs.

Mr. JONES of Washington subsequently said:

I introduce a bill for reference to the Military Affairs Committee. I will simply say that it relates to the matters I referred to this morning in connection with the joint resolution introduced by the Senator from Ohio [Mr. POMERENE].

The bill (S. 5108) to amend section 126 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes, was read twice by its title and referred to the Committee on Military Affairs.

GOVERNMENT EXPENDITURES.

Mr. BORAH. Mr. President, before morning business is closed I want to make a suggestion in the way of seeking information of the able leader of the majority, the Senator from Virginia [Mr. MARTIN].

A month ago the Senator announced that we were to begin retrenchment at once, and a few days thereafter a letter was read into the RECORD showing to what a remarkable extent retrenchment had already progressed. I read from yesterday morning's Post that "Government expenditures in November reached the new high record of $1,935,249,000"—the highest figures we have reached since the war began. This is the first month of retrenchment. If the Senator has any explanation as to the progress of retrenchment, I should be delighted to hear it.

Mr. President, as I said sometime ago in discussing this matter, there will be a thousand reasons given for maintaining every expenditure which has been made during the war and every avenue of expenditure which has been authorized. I call attention to this matter this morning that we may understand that unless legislation is had and emergency bureaus and organizations are abolished and disposed of, the expenditures will continue just the same as they have during the war time. The Appropriations Committee must recommend the conservation of funds. It is the only way we can really make progress.

Mr. MARTIN of Virginia. Mr. President, since the Senator has appealed to me for some explanation about these expenditures I feel sure that he realizes that none of us can accomplish much along that line until some appropriation bills are ready for consideration. I have appealed for retrenchment as strongly as I could; I have been to the War Department repeatedly; I have written letters, and have endeavored in every way I could to induce a more economical administration of Government affairs.

Mr. BORAH. Mr. President, may I ask the Senator what, if anything, has been done toward stopping the building of and expenditures with reference to Army cantonments?

Mr. MARTIN of Virginia. I will say that the Secretary of War wrote me a letter that most of those contracts had been canceled. The enlargement of cantonments which was in contemplation, and for which in some instances contracts had been let, has been discontinued, with perhaps one exception. I do not know that the Secretary has stopped the construction of the project at Columbus, Ga., although I made a special visit to the War Department and inquired about it, and appealed to him, because I could not think it possible that we needed additional accommodations in cantonments when a million and a half soldiers would soon vacate the cantonments that we now have.

Mr. HARDWICK. Mr. President, will the Senator from Virginia yield to me?

Mr. MARTIN of Virginia. I yield.

Mr. HARDWICK. The Senator has referred to the project at Columbus, Ga. The information that the people of that section of the country have had is that that is a permanent improvement and is intended for a war-instruction cantonment permanently for the instruction of officers of the Army. We are now informed down there that some $13,000,000 is to be expended on that project.

Mr. MARTIN of Virginia. I hope the Senator's information is incorrect. The Secretary of War told me that he was going to cut most of that out. He would not promise me absolutely to cancel the whole matter, but he said it would involve a very small expense.

Mr. HARDWICK. I do not know myself——

The VICE PRESIDENT. The Chair hopes that the conversation is not a private one. The rest of us would like to hear it.

Mr. HARDWICK. I got permission of the Senator from Virginia, and I thought also of the Chair, to interrupt.

The VICE PRESIDENT. Certainly; but it is impossible to hear the Senator.

Mr. HARDWICK. What I want to say to the Senator is that publication has been made in the papers down there that that project is to be carried forward to completion. I have no information of an official character as to whether it is true or not; but the people down there whose lands are about to be condemned or who have had notice that their lands are to be condemned have got to have some knowledge of a reliable character, so that they will know how to conduct their private affairs. Probably 4,000 acres of land, involving farming lands in two counties, are embraced in this project, and the papers down there are publishing the statement that the Columbus, Ga., project is to be carried out in its entirety, regardless of the fact that the war is over.

Mr. BORAH. Mr. President, may I ask the Senator what amount is supposed to be expended upon that project?

Mr. HARDWICK. It was stated in a rough way that $13,000,000 would be expended upon it.

Mr. BORAH. That is the initial expenditure?

Mr. HARDWICK. Yes.

Mr. BORAH. Then how much more will have to be expended upon it before we get through with it? And above all, what is the necessity of going ahead with any further expenditures?

Mr. SMITH of Georgia. Mr. President, I think I can give some information in regard to this matter.

Mr. HARDWICK. I will be glad if anybody can.

Mr. SMITH of Georgia. The original project adopted by the War Department was to provide an Infantry training school, and it was intended to instruct 25,000 officers at a time. That was begun and worked out months ago. It was a consolidation and enlargement of training schools for Infantry, but when the armistice was declared at once steps were taken to reduce the scope of the project to a peace basis. It was contemplated from the first to provide space to train 2,500, I think, and this is a permanent part of the military system. The enlargement of the project to accommodate 25,000 was incident to the war. Immediately after the armistice was declared steps were taken to abandon the larger enterprise formed in connection with the war and to complete only the small enterprise which from the first was to be a permanent part of the Military Establishment. This was generally the plan.

Mr. VARDAMAN. Mr. President, will the Senator permit me to ask him if he knows of any statute under which a permanent improvement of this character might be provided for?

Mr. SMITH of Georgia. There was a permanent school at Fort Sill, which was subsequently devoted to instruction exclusively in some other line, as I understand. I have not looked into the provision for the permanent school but think there has been such authority for some time.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. SMITH of Georgia. Yes.

Mr. McKELLAR. I am quite sure that there is no special statute authorizing a permanent school of infantry and technical instruction.

Mr. SMITH of Georgia. The Senator says there is such a statute?

Mr. McKELLAR. I say there is no special statute, but the work is being done under a statute which we enacted for war purposes. I understand there is no permanent statute authorizing the work, and while I am not sure I do not think that the plan can be carried out when peace is declared.

Mr. LENROOT. Mr. President, if the Senator from Virginia will allow me, I should like to ask him whether he has any information as to whether the War Department is going ahead with expenditures for permanent purposes under appropriations made for war purposes alone?

Mr. MARTIN of Virginia. Does the Senator address the question to me?

Mr. LENROOT. Yes, sir.

Mr. MARTIN of Virginia. I have no information on that subject. I will say that I have had several conversations with the Secretary of War on the subject of economizing on war expenditures, and he assured me that he was in full sympathy with that purpose and wrote me a letter, which I put in the RECORD, showing that he had cut off a billion and a third of dollars of contracts. He assured me further that he intended to pursue that policy and cut off expenditures as far as possible.

In addition to that, I will say, Mr. President, that I had a talk with him later on about the Columbus, Ga., expenditure, and he insisted that it would be necessary to expend some money there, but that he was going to curtail the project very greatly. I differed with him, and told him so, and I desire to express now my difference. I do not believe there ought to be one dollar expended there. If these expenditures for war purposes are to go on in time of peace, this country will be brought to bankruptcy. I protest against it as strongly as I can; and when the bills appropriating money come before the committee of which I have the honor to be chairman, the Senate may rest assured that the pruning knife will be applied as rigidly as possible.

Mr. CURTIS. Mr. President, may I ask the Senator a question? In the last deficiency bill considered by the Congress there were two items asked for appropriations to buy target ranges—one, I think, in Florida, and the other in North Carolina. The committee, after a hearing, refused to make the appropriation.

Mr. FLETCHER. May I correct the Senator by saying that neither of those ranges was located in Florida? I think one was in West Virginia.

Mr. MARTIN of Virginia. One was in Kentucky and the other in North Carolina.

Mr. FLETCHER. Yes.

Mr. CURTIS. I thank the Senator for giving the correction as to the location. I have since been informed that the War De-

partment, notwithstanding the action of the committee, have purchased one of those sites, and I should like to know if that is so.

Mr. MARTIN of Virginia. I have no information on the subject except a newspaper paragraph which stated that they had bought the site in North Carolina at a cost of $2,000,000. They asked for a million and a half, and the Committee on Appropriations struck it from the bill. The bill passed the House with that item in it. The Senate committee struck it out; the Senate sustained the committee, and the conference struck it out. So that if the War Department have expended $2,000,000 for the purchase of that site they must have gotten it out of some general appropriation, some lump-sum appropriation made by the Committee on Military Affairs, and with full knowledge of the fact that the Congress had protested against it by refusing to appropriate it.

Mr. BORAH. Mr. President, I have a letter in regard to the purchase of this site in North Carolina. The only reason why I do not insert the letter in the RECORD is because it reflects so severely upon those who had to do with it that I would not want to insert it until I had made a thorough investigation; but it is written by a business man who lives near the place. Now, if they have purchased this site in defiance of the action of the Appropriations Committee, and at the same time have purchased it at the figures which are given in proportion to the value as stated by this gentleman, the matter ought to be investigated.

Mr. HARDWICK. Mr. President, if the Senator will pardon me, if that is true, why not investigate the purchase of this old hotel property here in Washington, where exactly the same thing happened? The committee refused to authorize it; it was struck out of the bill, and the President bought it out of his war fund—a building in the city of Washington—within 48 hours after we acted adversely on it.

Mr. BORAH. I can imagine that good use could be made of the Arlington Hotel property. Of course, that perhaps would not excuse the purchase of it after the Appropriations Committee refused to appropriate for it; but there is a different story connected with this other purchase, and that is the price paid in comparison to the value of the property.

Mr. MARTIN of Virginia. With reference to the Arlington Hotel site, I will say that the committee did not act on it. When it was first presented to the Committee on Appropriations of the Senate the Committee on Public Buildings and Grounds of the House had it under advisement; and we did not feel that it was expedient or wise for us to take it up under the circumstances. We did not pass judgment on it at all, because another committee, which had jurisdiction of the subject, had under consideration a bill providing for its purchase.

Mr. HARDWICK. Mr. President, if the Senator from Virginia will yield, while that is true in one way, yet from another standpoint it is not exactly a fair statement—and, of course, the Senator does not intend to be unfair—as to what happened.

The Secretary of the Treasury came before the committee and asked to have the item included. After some investigation of the proposition, on a vote of the committee we voted not to include it and not to give him this power and authority, and within 48 hours after that action was taken it was bought from the President's $100,000,000 war fund. That is the fact.

Mr. MARTIN of Virginia. Mr. President, I do not think I am mistaken in saying that the Committee on Appropriations of the Senate did not consider it, for the reason that it was already under consideration by the Committee on Public Buildings and Grounds of the House.

Mr. HARDWICK. That is true.

Mr. MARTIN of Virginia. We expressed no opinion whatever about it. Personally I believe that if it had come before the Senate committee, if the House committee had not had it under consideration, the Senate committee would have included it, as I believe it was a wise purchase. The President purchased it, paid for it out of his emergency fund, and I believe under the conditions as they then existed it was a wise purchase. He got it at a fair price, and it is a much-needed building; it is a very valuable fireproof building that will be of permanent use to the Government work in the city of Washington.

Getting back, however, to this North Carolina purchase that the newspapers refer to, I know nothing whatever about it. I do not know whether the site has been purchased or not; but it was intended as a training ground for artillery. They told me up at the War Department that they expected to have a brigade of artillery in training there. It was not purchased for a target range. They have other places for that purpose. They have been very generously expending the public money about matters of this kind, and it was not pretended that they needed this as a place for testing artillery or for target practice, but it was for training artillery soldiers.

I can not conceive of a reason now for putting $2,000,000 into the purchase of mountainous lands in North Carolina on which to train artillery for this Government. I hope the War Department has not done it. I most seriously protest against it; and if there is any way to stop it, if it has not gone so far that it can not be stopped, I will endeavor to stop it now.

Some members of the Military Affairs Committee told me that they would take up the matter at the War Department and get the facts. It was a matter that came more especially from them, for if the officials of the department have purchased it with any money they got the money from the Military Affairs Committee. They did not get it from the Committee on Appropriations.

Mr. SMOOT. They may have gotten it out of a lump sum.

Mr. MARTIN of Virginia. Not from the Appropriations Committee. That committee has made no lump-sum appropriations that could have been properly used for the purchase of that land in North Carolina. There was another similar tract of land that the War Department was talking about purchasing, and the department had in the bill a million and a half additional for the purchase of land in Kentucky for a similar purpose.

I think, Mr. President, that the time has come when these war expenditures must stop. We need all of our money and all of our energy and all of our resources to rehabilitate the industrial condition of this country, and we ought to cease expending money for war purposes. In all probability we will not have another war in 50 years. Certainly there is no occasion at this particular time to be expending millions and hundreds of millions in preparation for war.

Mr. BORAH, Mr. JONES of New Mexico, and Mr. KENYON addressed the Chair.

The VICE PRESIDENT. The Chair has lost track of who has the floor.

Mr. BORAH. The Senator from Virginia was answering a question which I propounded to him.

Mr. MARTIN of Virginia. That fact had escaped my notice. I thought the Senator was through and had yielded the floor.

Mr. BORAH. I am very glad to have had the Senator occupy the time. I know the Senator is acting in the utmost good faith in seeking to cut down expenditures.

Mr. MARTIN of Virginia. I thought the Senator had yielded the floor; otherwise I would not have consumed as much time as I have.

Mr. KENYON. Mr. President, will the Senator from Idaho yield in order that I may ask the Senator from Virginia a question?

Mr. BORAH. I yield.

Mr. KENYON. I should like to ask the Senator from Virginia if it is not a feasible matter to call together the Committee on Appropriations, take up these different appropriation bills, find out what remains to be spent and what can be cut out of these bills, and get down to brass tacks, instead of simply talking about it all of the time?

Mr. MARTIN of Virginia. Mr. President, in answer to that question, I will say that I am in constant touch and communication with Mr. SHERLEY, the very able chairman of the House Committee on Appropriations; and he has under way now an investigation for that purpose and expects to repeal laws appropriating billions of dollars which have not been expended. He has called on all of the departments of the Government to make a statement as to what amounts that have been appropriated remain unexpended; and he expects to incorporate in the next bill that he brings in, which will be in a very few weeks, provisions repealing these appropriations that are no longer necessary, in view of the peace that has now been practically proclaimed.

For instance, there was over a billion dollars appropriated for heavy artillery, which it would take more than 12 months to manufacture. The House incorporated that in the last deficiency bill. I sent for the Secretary of War, and he appeared before the Senate committee. Peace was then being talked about, but nothing tangible had developed. He said, "If peace is attained, I will not spend that money," and I have no idea that he will. He assured the committee that he would not; but we did not feel that we could strike it out at that time, because the war was on, and we felt that it would put the country in a false position. We did not want it to go forth to our enemies that we were letting up in preparing to meet their attacks.

Mr. KENYON. Would it not be advantageous to bring in the heads of these bureaus and find out how many of this army of clerks can be spared, and spared now?

Mr. MARTIN of Virginia. I agree with the Senator.

Mr. KENYON. I appeal to the chairman of the committee to do that.

Mr. MARTIN of Virginia. I shall certainly pursue that policy, but I did not think it was necessary to do it until we had an appropriation bill before us. We will certainly take it up at that time.

Mr. McKELLAR. Mr. President, if the Senator will yield——

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New Mexico? He has been standing for half an hour.

Mr. BORAH. I yield.

Mr. JONES of New Mexico. I did not understand the inquiry made by the Senator from Idaho to invite discussion of particular transactions. I rather assumed that the Senator from Idaho was seeking some light upon the general subject of the reduction of expenses.

It may be enlightening to the Senator and to the Senate to know that this morning the Secretary of War and Gen. Ward appeared before the Finance Committee and made a statement upon that subject; and without going into matters of detail at all, the estimate was submitted to the Finance Commitee that after caring for all authorizations in excess of appropriations, and after paying all of the bills for the fiscal year, there would remain a saving out of the actual appropriation of about seven and a quarter billion dollars. I believe it is that information that the Senator from Idaho was seeking. That is an indication of what the War Department is doing. It was quite evident from the testimony of the Secretary this morning that every effort is being made to reduce these expenses; and as the sum total of the information which he gave to the committee, he estimated that all of the expenses would be paid for the fiscal year 1919, all of the authorizations and contracts made could be cared for, and result in a net saving out of the actual appropriations of something like seven and a quarter billion dollars.

Mr. BORAH. Mr. President, before the Senator takes his seat, may I ask the Senator in that connection whether the Secretary of War has made any statement to the Military Affairs Committee, to the Finance Committee, or to any other committee of which the Senator has knowledge, as to how rapidly the soldiers in Europe are to be brought home?

Mr. JONES of New Mexico. The Secretary stated to the committee this morning that arrangements are being made to have the soldiers brought home as rapidly as possible; that is, all that will not be needed, under the arrangement with our allies, to perform certain duties in Europe for some months to come.

Mr. BORAH. I saw the statement in the press that it is contemplated to keep a million and a quarter soldiers practically permanently in Europe. I should like to know if there is any such idea as that in the mind of anybody who has any connection with this Government. I shall take an interest in any program like that.

Mr. KIRBY. Mr. President, I can answer the Senator's question.

Mr. WILLIAMS. Perhaps the President means until the signing of peace.

Mr. BORAH. The press did not so limit the statement.

Mr. KIRBY. Mr. President, I will answer the question of the Senator, if permitted.

The VICE PRESIDENT. The Senator from Idaho has the floor.

Mr. BORAH. I yield to the Senator from Arkansas. He is a member of the Military Affairs Committee, and I shall be glad to have him answer the question.

Mr. KIRBY. Mr. President, the statement made to the Military Affairs Committee by the Secretary of War on yesterday or day before yesterday was that 1,250,000 men, practically 30 divisions, would remain in Europe; that the rest of them would be brought home and demobilized and mustered out as rapidly as transportation facilities could be obtained. As to how long these 30 divisions would remain in Europe, or what particular purpose was to be accomplished by their remaining there, any further than could be gathered generally by everybody, there was no statement made by the Secretary of War. That is the condition as far as it has been disclosed to the Military Affairs Committee. As I understand, we have not yet asked for any more specific information, but we expect to do so.

Mr. SMITH of Georgia. Mr. President——

Mr. BORAH. I yield to the Senator.

Mr. SMITH of Georgia. In view of this statement, I desire to call attention to the provision attached by unanimous consent to the appropriation bill of last year which limits the retention of the reserve army to four months after the proclamation of peace; and without additional legislation none of the reserve army can be kept in the Army longer than four months after the declaration of peace. That provision is clearly and emphatically carried in the appropriation bill in a provision passed subsequently to the original military bill, which used the term "the present emergency." Desiring to get away from that indefinite language, "the present emergency," we put in the express language "four months after the proclamation of peace" in legislation passed subsequently to the bill which carried "the present emergency," and that four-months limitation stands as the law to-day.

Mr. BORAH. When does the four-months limitation begin to run?

Mr. SMITH of Georgia. From the proclamation of peace, the declaration of peace.

Mr. BORAH. I see.

Mr. SMITH of Georgia. But I only mentioned it to show that unless legislation is had there can be no million of men kept indefinitely in Europe by any kind of agreement.

Mr. BORAH. I can understand the necessity of retaining men in Europe, though not in large numbers, until the treaty of peace is signed; but these publications to the effect that they are to remain there indefinitely naturally lead to inquiry as to what "indefinitely" means.

The Senator from Massachusetts [Mr. WEEKS] suggests that it is impossible to get them home. We got them over there at the rate of about 300,000 a month. When we get ready we can perhaps get them home with reasonable speed.

Mr. MARTIN of Virginia. Mr. President, if the Senator will excuse me, I simply want to add one word to what the Senator from Georgia stated. The law that limits their retention in the service to four months has also a provision, reading, in substance, "and such additional time as may be necessary to get transportation and bring them home."

Mr. NEW. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. NEW. Referring to the point the Senator from Georgia has just made, I call attention to the fact that it is provided by the law that all of the conscriptions and all of the enlistments in the Regular Army made subsequently to the passage of that law expire within four months after the signing of the declaration of peace. The enlistments in the Regular Army that were made prior to that date were for a longer term, and I suppose those men will stay in the Army until the expiration of the period for which they enlisted.

In making the statement that 30 divisions were to be kept on the other side, the Chief of Staff said that they were to be Regular Army divisions; that there were to be replacements; that the divisions were to be so arranged that as finally constituted they would be composed of soldiers in the Regular Army; and that all others of the National Army, the National Guard, and all that, were to be returned home. As a matter of fact, it is my understanding that there are only about 40,000 men left in the Regular Army who were enlisted prior to the passage of the act limiting the period of their service to four months after the signing of the declaration of peace. Now, I am interested in knowing how we are to make up the difference between that forty or fifty thousand, possibly, who are left in and the 1,200,000 who are to be kept over there.

Mr. BORAH. May I ask the Senator did he inquire of the Chief of Staff in regard to that matter?

Mr. NEW. No; I did not; but that question presented itself, and it would be interesting to know if anyone has any information on the subject, so that this discrepancy may be provided for.

Mr. BORAH. Mr. President, I believe I shall defer this matter for a season. But the subject shall not be permitted to die. I have no desire to criticize nor find fault, but I am going to do as I promised the Senator from Virginia [Mr. MARTIN]—give him my persistent and vigilant support in pulling down these enormous expenditures.

DELBERT JAMES HAFF.

Mr. WILLIAMS. Mr. President, upon yesterday a species of debate arose between the Senator from Missouri [Mr. REED] and me concerning a phrase in a letter from a man by the name of Haff, as I understand it, addressed to the Senator from Missouri. This morning I received a letter from a friend of mine at the other wing of the Capitol, which is a personal letter, the conclusion of which is—

> Don't forget that this conspicuous Republican may not be entirely unprejudiced politically in his criticism. More strength to your right arm.

And with this he sends me a transcript from Who's Who, giving the history and the corporate and Mexican connections of Haff. I ask that the transcript from Who's Who be inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none. It is so ordered.

The matter referred to is as follows:

[Who's Who (1916–1917), p. 1027.]

Haff, Delbert James, lawyer; b. Oakland Co., Mich., Feb. 19, 1859; admitted to Michigan bar 1885; practiced alone, Kansas City, 1886–9; member of firm Haff & Van Valkenburg, 1889–96; practiced alone, 1896–1900; practiced with William C. Michaels, 1900–11; practiced with firm of Haff, Meservey, German, and Michaels; general counsel Nacozari R. R. Co., Mexico; also of Montezuma Copper Company, Cananea Consolidated Copper Co., Lucky Tiger Combination Gold Mining Co. Director and general attorney, Kansas City, of the Mexico & Orient Railroad Co. Director Commerce Trust Company. President Board Park Commissioners, Kansas City, 1910–12. * * * Republican. Life member American Unitarian Association; trustee All Souls' Church. Member Mexican Academy Jurisprudence and Legislation (only American member); American Society International Law; American Society for Judicial Settlement of International Disputes; American Economic Association; National Municipal League; American Civic Association; Phi Beta Kappa, etc. Scottish Rite Mason (32d degree). Clubs: American (City of Mexico), University, Kansas City, Blue Hills Country, Midday, Commercial, City, etc. Home, 416 East 36th Street; office, 906 Commerce Building, Kansas City, Mo.

STRUCTURES ON UNION STATION PLAZA.

Mr. WALSH. Mr. President, I should like to have some information from the chairman of the Committee on Public Buildings and Grounds as to why the temporary structures occupying the park between the Capitol and the Union Station, originally designed for housing war workers who came to the city in large numbers, are being continued, and continued at large expense, and for any purpose other than that for which they were originally designed to be used.

Mr. SWANSON. I will say to the Senator that I was absent from the city until about 10 days ago, and as soon as I came back I took up the matter. I was informed by those in charge of the housing proposition, not only in Washington but elsewhere, that only those buildings which have gone beyond the process of commencement and which could be utilized were being constructed, as it would cost less to complete those buildings in a reasonable time than to stop the construction now. I understand that it is the purpose of the Housing Commission not to start any new buildings, and that the program outlined is to complete only those in process of construction where the cost would be less to complete them than if left uncompleted. I am not the chairman of the Committee on Public Buildings and Grounds and have not been for nearly three months. Consequently I am not acquainted with all the details of the various propositions which were included in the housing act.

Mr. VARDAMAN. Will the Senator yield for a question?

Mr. SWANSON. I will.

Mr. VARDAMAN. Does the Senator understand that one or two of the buildings now in the course of construction on the Capitol Plaza are to be used for picture shows? The one with the gilded dome is to be devoted to that patriotic purpose. The Government has gone to enormous expense to build these houses, which presumably will be torn down in a few months. There was no necessity for the picture-show houses even if the war had gone on for years. There were plenty of places of amusement for these patriotic war workers. It is horrible to think that this expense should have been incurred by the Government for the purpose of giving somebody profits on the construction.

Mr. SWANSON. I am not familiar with that. All the buildings were needed for war workers at the time when they were commenced. I see no occasion for completing any of the buildings, except where the loss would be greater not to complete them than it would be to discontinue work upon them.

Mr. WALSH. The question I desire to ask the Senator is how there could be any loss in stopping that would be greater than the loss of completion.

Mr. SWANSON. If we had a building half completed and made arrangements to rent it, and it could be completed in three or four weeks, under those circumstances I think it would be cheaper to complete it.

Mr. WALSH. I agree with the Senator about that, but that is not the question. To what use is it proposed now to put these buildings that were constructed for the purpose of housing war workers?

Mr. SWANSON. The departments, I understand, will be overcrowded for some time. I understand it is the purpose to rent these buildings by authority of the Government and to collect the rent.

Mr. KIRBY. May I ask the Senator a question on the rent proposition?

Mr. SWANSON. That is my understanding. I will say I do not know definitely, because I was away from the city for two months on account of illness in my family. I am not acquainted with the facts, and I have not been chairman of the committee for over three months. I yield to the Senator from Arkansas.

Mr. KIRBY. It is my information that the Housing Commission have put a price on its accommodations furnished in the houses built by the Government that is as high as that charged by the people of Washington, and that was done, I suppose, to keep up the price to something like what the real estate men in Washington thought would furnish them a reasonable compensation. I understand the buildings were to be erected for the accommodation of war workers and to reduce the exorbitant price that had been charged on the outside. I have stated what has been my information as to the price fixed for people who have made arrangements to take possession of the buildings. Does the Senator know anything about it?

Mr. SWANSON. I understood the buildings were to be rented at a rate by which the Government would get about 5 or 6 per cent on the money invested. I feel that that is justified as a rental from any class of citizens. It was impossible to get buildings constructed here to take care of the war workers from various sections of the country, and the Government contemplated putting up these buildings and renting them, getting about 5 or 6 per cent return for the money invested. As to whether that has been executed or not, I am not prepared to say, nor as to what the charges are to be.

Mr. WEEKS. Mr. President——

Mr. SWANSON. I yield to the Senator from Massachusetts.

Mr. WEEKS. I am glad the Senator from Montana has brought up this question. These buildings very largely are being erected on public parks in Washington. They are being erected for a specific purpose. That purpose will disappear as soon as the urgency of the war pressure is removed and there will immediately be a pressure to pull the buildings down. If one will take a paper and pencil and figure up a moment or two, even based on the explanation which the Senator from Virginia has made, he will be able to determine that there will not be any reasonable return on the money, because the buildings have cost excessive amounts, and, in my judgment, work on those buildings should be stopped at once; it does not make any difference if they are seven-eighths completed.

Mr. SWANSON. The idea was that the Government could recoup itself for some of its expenditures. Of course the removal is finally to be determined by Congress. If Congress wants to remove them next week or a year or two years hence, Congress will determine as to whether the buildings put on these parks shall be removed or whether the Government shall obtain rent enough to get a reasonable compensation for the expenditure made or not.

Mr. KING. Will the Senator yield that I may put this proposition to him? It is obvious that after the completion of the buildings hundreds of thousands of dollars—at any rate, a very large sum—will be necessary to furnish them.

Mr. VARDAMAN. That is being done now. They are putting the furniture in now.

Mr. SWANSON. I see that the chairman of the committee, Mr. REED, is present. I am satisfied that it is his purpose to make a thorough investigation of the entire expenditures in connection with housing all over the United States. I am not acquainted with it either here or elsewhere, but the amount of money spent elsewhere exceeds that in Washington. Of course the condition all over the country should be investigated and a policy outlined.

Mr. KING. I believe every dollar spent on those buildings now will be wasted, and it is a crime to continue any work on the buildings.

Mr. SWANSON. I am not prepared to say as to what would be the wiser course to pursue.

Mr. WALSH. Mr. President, I wish to say just a word. I do not understand that the primary purpose of constructing the buildings was to bring down the price of the rent of apartments in Washington, but the primary purpose, as I understand it, was to provide accommodations for war workers who could not find accommodations in the city, and the Government very properly undertook to provide accommodations. Up to the time that the armistice was declared the war workers were housed somewhere, and as a matter of course the number would be immediately diminished thereafter rather than increased. So it occurs to me that there never will be any occasion whatever for the use of these buildings for the purpose for which they were erected—to take care of war workers who could not find accommodations anywhere else. It occurs to me, therefore, that that is one of the things that should have been stopped the day after the armistice was declared, taking whatever loss was occasioned by reason of the construction already made. But I have observed day by day that the work goes on. I observe that the buildings are being fitted out with furniture, curtains are put at the windows, the grounds are being very nicely graded, and I presume probably lawns will be cultivated and all the attractions of the home will be attendant upon them.

They are very costly buildings that are in process of construction upon the Plaza; they are quite artistic in the style of architecture. I do not know to what purpose they could be

devoted, but that ground was acquired for park purposes, and consequently the buildings there erected are going to be razed in the course of a very short time. As suggested by the Senator from Massachusetts [Mr. WEEKS], I can not conceive how the Government can ever get back the money that it is even now expending in the construction of the buildings.

Mr. SWANSON. I could not express a definite opinion on the subject unless I knew what is the program outlined after the completion of the buildings and the rent expected and what would be saved out of the appropriation. I understand the policy is to complete the buildings, except where it is better for the Government to abandon them. Of course, the Committee on Public Buildings and Grounds, of which the Senator from Missouri is the chairman, will think over this matter and ascertain the expenditures. We can rely upon the energy of the Senator from Missouri to pursue the matter to the fullest extent.

Mr. SMITH of Georgia. If the Senator will yield, I want to ask him who is managing the construction of the buildings and furnishing them down on the Plaza? It does seem to me we ought to get hold of whoever is doing it and choke them off from buying furniture and putting it into those buildings now. It is simply an inexcusable waste of public money, and the person responsible ought to be named and pilloried for it.

Mr. SWANSON. When the housing bill was before the Senate authority was given to the President to control the expenditure of the money. A Housing Commission was provided for under the bill as originally passed by the House. It was amended in the Senate by putting the President in control of it.

Mr. SMITH of Georgia. That is legislation that I am glad I voted against. I insisted that we ought to name some responsible person to do work of this kind, an officer of the United States Government on whom we could put our hands and have some influence over.

NEWS CABLE SERVICE IN PARIS.

Mr. JOHNSON of California. Mr. President, we have heard very much of late about the mode of communication between Paris and this country of the peace conference proceedings, and we have been told that there would be no restriction upon the news which would come to us respecting those proceedings. I am very glad indeed that we have thus been told, and I take it that that will be the fact. But in order that the Senate may be informed, for perhaps some have not read the particular dispatch, I wish to read a dispatch appearing this morning in the Washington Post from Paris upon this subject:

NEEDS OF 500 WRITERS EXCEED CABLE CAPACITY; 28,000 WORDS IS LIMIT.

PARIS, *December 4*.

With the arrival to-day from England of Edgar Sisson, accompanied by 5 assistants and 30 clerks, the advance guard of the Creel committee established itself here in anticipation of President Wilson's visit to Paris. They are quartered in a handsome 20-room house at 58 Avenue Montaigne, in the vicinity of the Champs Elysees. A housekeeper and a corps of servants had been provided in advance for the party.

It was explained to-night by a member of the party that every American official communication to the press must pass Mr. Creel.

Mr. Sisson in a talk with American correspondents here defined the objects of the committee during the peace negotiations.

The mission's function, said Mr. Sisson, would be solely to issue authentic statements on behalf of the American negotiators, designed to prevent mistakes that might creep into the American and foreign press if such a centralized system of authentic outgivings were not devised.

With the approach of President Wilson's arrival and the coming of the various peace delegates a unique situation in the history of telegraphic communication is expected to present itself. The cables between England and America are capable of transmitting 28,000 news words daily—positively no more, officials state. When it was reported the *Orizaba* would bring 500 writers, those here familiar with the capacity of the telegraph and cable connections expressed pessimism as to the possibility of giving every member of the huge army of correspondents a fair chance. There are only three cables supplying England, America, and Canada.

Already a plan has been set afoot for "rationing" wire space among the various news associations and individual reporters.

Mr. President, I am not concerned with the legal aspects of the President's trip. He determined to take it and we make the best of his determination. I am concerned with what may come to America of the proceedings of the peace conference, and I am concerned with whether the news that comes to us shall be "rationed" or whether it shall be censored.

I wanted to call the attention of my colleagues to this news item sent by cable from Paris so that they might, with me, if their views be similar to mine, protest against Mr. Creel "rationing" news from Paris or exercising censorship over that which shall come to us from the peace conference.

Mr. WATSON. Mr. President, I had intended myself to read the article which has just been read by the distinguished Senator from California. I am very glad that he has called the attention of the Senate and of the country to this particular censorship. The article that he has read and the information it gives is in striking contrast with the language used by the President in the address that he delivered to Congress the other day, in which he said:

I shall be in close touch with you and with affairs on this side the water, and you will know all that I do. At my request, the French and English Governments have absolutely removed the censorship of cable news which until within a fortnight they had maintained and there is now no censorship whatever exercised at this end except upon attempted trade communications with enemy countries. It has been necessary to keep an open wire constantly available between Paris and the Department of State and another between France and the Department of War. In order that this might be done with the least possible interference with the other uses of the cables, I have temporarily taken over the control of both cables in order that they may be used as a single system. I did so at the advice of the most experienced cable officials, and I hope that the results will justify my hope that the news of the next few months may pass with the utmost freedom and with the least possible delay from each side of the sea to the other.

And is also strikingly inconsistent with a statement issued by the Postmaster General, as published in the Official Bulletin of the 3d of December, in which he says:

An understanding has been had with those who have the immediate direction of the trans-Atlantic cable service that every facility commensurate with its importance will be given the news associations and representatives of individual newspapers for handling press matter during the period of the peace conference. It is hoped that these agencies may be given the fullest opportunities for handling the development of the peace deliberation. No discrimination will be permitted; and press matter at press rates will, where possible to do so, not be shunted aside but handled promptly so as not to impair its value as news.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Montana?

Mr. WATSON. Certainly.

Mr. WALSH. I know the Senator from Indiana has given very careful consideration to the subject of the cables, and I ask him to advise the Senate what is the daily capacity of the cables?

Mr. WATSON. I think that this article correctly states the capacity allotted to the press. I have not much doubt about that. I am not complaining about that.

Mr. WALSH. Then let me inquire of the Senator if some system of rationing will not be absolutely necessary?

Mr. WATSON. I want to say to the Senator from Montana that I am not complaining so much about the system of rationing as I am about the man who is to do the rationing; in other words, here is the proposition:

It was explained to-night by a member of the party that every American official communication to the press must pass Mr. Creel.

Who is to determine what is an "official communication"?

Mr. WALSH. Mr. President, I did not intend to interrupt any animadversion that the Senator from Indiana might care to make with respect to that feature of it, but I merely desired to get the information myself as to whether, if the cables are limited in their capacity—and, of course, they are—some system of rationing will not be necessary.

Mr. NEW. Mr. President, will my colleague permit me to make a suggestion?

Mr. WATSON. Certainly.

Mr. NEW. I think, in answer to the inquiry of the Senator from Montana, that it is fair to say that the total capacity of the cables between this country and Europe is much in excess of 28,000 words a day, but those 28,000 words referred to are already that portion of the capacity of the cables which has been rationed to the American press for their purposes.

Mr. WATSON. That is what I understand this article to mean.

Mr. NEW. It has been rationed to the American press for news purposes, and those 28,000 words are in turn to be paceled out by Mr. Creel in the capacity in which he is to act over there, as I understand.

Mr. WALSH. That is the information which I was desirous of getting. I should assume that, as a matter of course, some portion of the total capacity of the cables will necessarily be assigned by some one for the transmission of commercial and other general news.

Mr. NEW. Certainly.

Mr. WALSH. So that if the demands upon the cables are greater than their ability to meet them some system of rationing must be put in force by some one in order to meet the situation.

Mr. WATSON. Mr. President, if the Senator from Montana has concluded, I desire to say that my contention was at the time I made the remarks I made upon this floor when the cables were taken over that George Creel was to be taken to France in order that he might censor all the news that came to this country regarding the deliberations at the peace council. That is exactly what I believed then, and it is precisely what I believe now. This article simply confirms me in that opinion. I am not disturbed about the rationing; I am not disturbed about the capacity of the cables; but I am disturbed about the fact

that the man who is to have absolute charge of every word that comes to this country respecting the deliberations of the peace council is George Creel and that George Creel was taken there for the express purpose of censoring it all and having charge of it all. That is what I complain of; and I again want to warn the American people that if George Creel is to send the words here and is to transmit the news here and if nothing is to be put on the wire except the things which he approves they should make very great allowance for their truthfulness and for their authenticity. It is for that purpose that I rose, and that only.

Mr. SHERMAN. Mr. President, the Senator from California [Mr. JOHNSON] and the Senator from Indiana [Mr. WATSON] I think have performed a needed public service in calling attention to the press reports referred to, as well as to a paragraph in the recent message just before the departure of the Executive in relation to the same subject.

I am not at all surprised at the exercise of the power, now that it has been assumed by Mr. Creel, having first been delegated and made possible by affirmative action in Congress. Congress has very largely been derelict in permitting such power to be delegated. I expected it to be unwisely exercised, and I fear I shall not be disappointed. I would be very glad to know otherwise, but the press report cabled from Paris under the date line read by the Senator from California and referred to by the Senator from Indiana only confirms what every Senator in this body believes, what every well-informed man in the press gallery knows, and what the general public who have given attention to the matter believe and know to be the purpose of the power so delegated. It was to muzzle the press, and for no other purpose, and I again call the public's attention to the fact that it will be exercised in that way.

I saw evidence of the purpose for which this power was to be used when the resolution was introduced which made possible the taking of the cables. After the belated action, the armistice having been signed, the cables were taken over. It was only cumulative evidence of the intent with which power was originally sought and was finally obtained. It is now being used in the way that every person here who gave the matter thought expected it to be used.

The very great array of clerical and other help taken by the head of the Committee on Public Information would betoken some expense to be paid out of the $1,250,000 heretofore appropriated by Congress for the support of this agency. I have no doubt there will be additional appropriations sought at the hands of Congress before it shall have completed its purposes. The conditions under which they render this service and the particular accommodations required—all of which are heralded in the very liberal arrangements made—would warrant the belief that other appropriations will be needed. The article here speaks of the "20-room house." Of course, the commissary must go along with that. Such needed help as would support in befitting state a representative of a public department of this Government would naturally occasion considerable expense. I have heretofore called attention to the very liberal arrangements that were made for the entertainment and support of this party abroad, of which Mr. Creel is only a portion. Such luxuries come high, but the administration must have them, and the people must foot the bills.

The expense of the cable service to the fathers and the mothers of the soldiers in the service has not been reduced since the Government acquired the cables.

Mr. NEW. Mr. President, will the Senator from Illinois yield?

Mr. SHERMAN. Yes, sir; I yield.

Mr. NEW. Before the Senator leaves that subject, I have heard it reported that among the other accessories provided and which were taken over on the *George Washington* were 12 new automobiles, just recently purchased. Does the Senator include them in the articles for which appropriations will probably be asked?

Mr. SHERMAN. I have no doubt, Mr. President, that appropriations will be necessary. Of course, what is necessary to support a mission of this kind is discretionary and depends upon the liberal ideas of those in authority and their desire to entertain and to give such eclât to the thing as might be considered essential, and a large number of automobiles might be thought necessary to that end. I am glad to have the Senator from Indiana call attention to this particular item of expenditure, which no doubt in due season will be before this body. It will furnish at least the foundation for appropriate comments in the absence of a majority vote against appropriations of that kind, if a seasonable statement is had, as the Senator from Indiana has already made it. It comes fitly, indeed, at a time when we have been for months admonished to save and diet and give. Advice in abundance but no example by those in authority.

Before leaving this matter, I was about to refer to the fact that when the cables were in private hands a special 6-cent rate per word was made possible by the private management of the cables to the parents of soldiers who desired to communicate with the capitals of the belligerent nations with which we are associated for the purpose of finding the latest news of their boys in the service. Since the Government has taken over the cables the old rate of 28 cents a word is now applicable to every father and mother who desires to cable to Europe to find out where their boys are. That is the old general rate. The 6-cent rate was a special rate made by the alleged "grasping private concerns" that owned the cables before the Government took them over. So much for promoting publicity and reasonable charges when they affect the sons of families, many of whom have not been heard from for months.

I have a neighbor in my home city who has three boys and one son-in-law in the service. All of them are enlisted men; they did not wait for the draft. One of the boys has not been heard of for more than three months, and the department is now cabling across trying to locate the whereabouts of this absent member. Some of the boys have been heard from, but as to this one about whom there is anxiety more than three months have elapsed without a word. It costs 28 cents a word to cable to London or to any other quarter reached by cable line under the beneficent management of the lines by Mr. Burleson, Postmaster General. I wish to add that to the benefits accruing from the cable seizure along with those Mr. Creel has already furnished.

I alluded, Mr. President, the other day to the fact that a good deal of expense would be incurred. I have here six Hoover menus prepared for Thanksgiving Day, which have just about as much to do with real benefit to the public as Mr. Creel's direction of the publicity service. They tell us what to eat; the Government reached those details long ago. These menus have been published since the armistice has been signed, and they provide six bills of fare for six days in the week, directing us how to subsist, running all the way from roast turkey and sweet potatoes down to roast goose and apple sauce—I am quoting literally from the bill of fare. So long as we are engaged in directing the individual what to do I should like to add that to the information the Senator from California has given on the sort of mental pabulum that should go along with physical nourishment. I ask that the menus referred to may be incorporated in the RECORD without reading as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

SIX HOOVER MENUS ISSUED—"HOME-GROWN" THANKSGIVING DINNER URGED BY FOOD BOARD.

WASHINGTON, *November 26, 1918.*

Thanksgiving dinners of "extreme simplicity" are advocated by the Food Administration, which calls to mind that more than 300,000,000 people in the Eastern Hemisphere need food. The Food Administration says that a "home-grown" dinner is recommended, with simple menu, no waste, no imported food, and economy in the use of fats. "Feasting" during the holiday season is discouraged.

"Even with the armistice in effect the need for food saving with a view to world relief is greater than ever," says an announcement to-day.

The Food Administration suggests any one of these six simple menus as "appropriate and patriotic":

1. Roast turkey, potato stuffing, glazed sweet potatoes, string beans, pickles, turnips, onions, pumpkin pie.
2. Roast chicken, potato and celery stuffing, cranberry jelly, steamed squash, oyster plant, nuts, celery and apple salad (use locally grown nuts), plum pudding.
3. Roast pork, baked apples, cranberry jelly, squash, turnips, tomato salad (home canned tomatoes), marshmallow pudding.
4. Roast rabbit, creole stuffing, glazed sweet potatoes, cranberry sauce, head lettuce salad with mayonaise, celery, locally grown nuts, Indian pudding with raisins.
5. Roast goose, potato and walnut stuffing, apply sauce, giblet gravy, fried carrots, canned peas, fruit salad, sweet-potato pie.
6. Roast wild duck stuffed with apples, Belgian baked potatoes, stuffed olives, fried tomatoes, escalloped egg plant, cabbage salad, cranberry and apple pudding with cranberry pudding sauce.

Mr. SHERMAN. Mr. President, in addition to that, to show the latest activities of Mr. Creel before he left our shores, I wish to read from the Official Bulletin under date of November 22, 1918.

> Full many a gem of purest ray serene
> The dark, unfathom'd caves of ocean bear;
> Full many a flower is born to blush unseen
> And waste its sweetness on the desert air.

And, Mr. President, here is one of them. An imperative sense of public duty prompts me to rescue from the oblivion of the Official Bulletin of November 22, 1918, this Kohinoor of food conservation:

MORE THAN THREE MEALS WASTEFUL, FOOD ADMINISTRATION SAYS.

The real work—

This refers to farm life. The gentleman who will censor all of the news that may come to the public from Paris, having reached

there with his vanguard of custodians of public information, prints this for the edification of the public—

The real work of farm life leaves little time or appetite for afternoon teas and late suppers. Nevertheless the request of the Food Administration that the fourth meal be discontinued until food conditions are less serious suggests to all people simple hospitality. Company for dinner or supper should mean to the earnest woman a real chance to teach conservation in an agreeable form. The church supper or community dinner, too, presents an opportunity to demonstrate how good is a dinner of simple home products and when well cooked should be a substitute for one of the three regular meals.

The extra meal and lavishness in food ought to be considered an offense against humanity and good taste so long as war-torn Europe needs to be comforted and fed.

The genius who discovered this priceless gem, Mr. President, ought not to be suffered to languish in obscurity. Here is something real satisfying to the farmer. Many of us from the western section of the country have constituents in the farming communities, and I know that they will welcome with hilarious delight the information furnished them in the Official Bulletin of November 22, 1918. The farmer is solemnly warned to abstain from pink teas and after-the-theater late suppers. I have not known any among my rural constituency who have recently been giving any teas of a winter or summer afternoon. I lately visited my home and many other of the Western States, and I know none of them who are engaged in that practice. Most of them have all of the members of their families out from dawn until dark trying to keep the food resources of this country from going to waste, in order that the starving ones of the world may be fed. I have seen children eight years of age kept out of school to take the places of the boys who are in the Army. They are not wasting food, and they need no advice from these self-constituted custodians of conservation, who do not know the first principles of production and whose entire lives, Mr. President, have been those of ultimate consumers, usually without any production on their part to be credited at any time to any of their activities.

I know of nothing that Mr. Creel ever produced in his life. He never even rolled a cigar that he smokes. He never produced a pound of cereals. He never milled any of them. He never raised a pound of meat of any kind. He does not know where the sources of production are in this country; and yet he not only censors our news from abroad but he undertakes to tell us how to live, how to produce, to eat, and even how to furnish our tables. For one, I am weary, and I shall seasonably protest here at all times and take the necessary course in the Senate to call the attention of the public generally to the expenditure of money to support a public officer for such superfluous service.

Ah, but this is a seasonable and thrice-blessed admonition, Mr. President, indeed! If it were not for this, the farmer by this time would be shucking corn in a silk tile and dress suit, with a caddie to attend him, to carry his husking gloves and swear at the mules; the Government must intervene to make him abstain from such luxuries by giving him this admonition in the Official Bulletin. His wife would be out with an 8 or 10 foot train, Mr. President, milking the cows, sitting on a mahogany stool with ebony legs, unless the Official Bulletin had thrown itself into the deadly breach.

The basement church supper is referred to here—a very necessary institution, and one with which we are all entirely familiar, both in the city and in the country towns. It is to be utilized as a substitute for one of the three regular meals. The other meal can be saved for the Hun, who may otherwise starve, since he has quit robbing others for his daily bread. This suggestion of Mr. Creel's possesses both novelty and utility. My information from "dry" headquarters is that the country will soon be in that condition. Free-lunch belts are rapidly fading from metropolitan centers. The church meal will furnish the nourishment without the alcoholic excitement. The degenerate rural gourmand, who yearns for caviare and nine kinds of liquor while he shovels potatoes into the root house, must be rebuked. "Simple home products" are the thing. Yes, indeed! He refers to them in the Official Bulletin. Well, let us begin at home. That is a good place, like charity. Let it begin there, but let it not remain there forever, of course. Let the presidential party that has now sailed fill its commissary with turnips, corn meal, and cabbages. Practice what you preach. Besides, it is popularly supposed that a simple diet of that kind and of such well-known articles will ward off seasickness. It will set a salutary example in high official life for the gourmandizing farmer who is now working 18 hours a day and helping feed the world. Lavish consumption of food at sea is often not assimilated or kept in the digestive tract for any great length of time; and if simplicity in diet were followed on the articles mentioned a great saving would result not only in comfort but to feed war-torn Europe, as well as recommending the simple life as a great public example.

I shall await further information on this subject with consuming impatience from the majority side of this Chamber, and from the press report from time to time by wireless, as it flashes on its way across the sea the news of this cavalcade to the peace council.

Rear Admiral Dr. Grayson and Creel both are of this retinue, as I have been informed. The admiral is a little late, wherever he is, to lend his presence to the imposing pageant of the German Navy's surrender. He ought to have been present. The world knows how much he contributed to breaking down Germany's sea power. Creel is the editor of the Official Bulletin, advising the farmer how to eat. With two such eminent authorities at the command of the country, the medical aspect of the balanced ration and a news report of the distinguished party in the act of taking nourishment are anxiously awaited.

I wish to say something, Mr. President, somewhat connected with this subject, addressed to the claim that every time some criticism is made it is an embarrassment or a heckling of the Executive or of the administration. We would have said the same things if he had stayed here; and why, in the language of the Senator from Mississippi [Mr. WILLIAMS], is it to be taken as heaping things upon his defenseless head when he is gone? If a Senator, knowing that another one is to make some remarks about him, absents himself from his seat, the Senator remaining and still making the remarks is at liberty to say what he will in the Senator's absence. He can be present or not, as he likes.

At the other end of the Capitol, and among those who are impatient to mount the seat of power, there are interviews now anticipating the time when he shall rule. Edicts are issued from time to time, one in yesterday morning's press, saying that nothing should be said to interfere with the President's mission abroad. He must be immune in Congress and Creel must save him from a free press by censored cables. The gentleman seems to be impatient. He delivers his pronunciamento with the air of finality and the authority of a sultan; his ukase is made and published before he has even ascended the throne of power. He is much more powerful in Washington than he is at home. Upon two several occasions he has been seized with an unappeasable desire to have the delegates from his own State in a national convention. He never even nosed in under the starter's wire and got a delegate in his life. I shall be indifferent to instructions from this self-constituted dictator of the Republican Party hailing from Illinois, even if he does presume to have absorbed the Republican Party and be intent upon delivering orders to his future subjects. I am mentioning no names, as it would be a breach of the parliamentary rules to do so.

The VICE PRESIDENT. The occupants of the galleries must preserve order.

Mr. SHERMAN. But I have not accepted his leadership, except when I was reconciled to defeat and expected the party to go into the ditch, and I never have been disappointed. He possesses no elements of leadership in the West, and none in his own State, outside of Hyde Park in South Chicago.

This is all I care to say at the present time; but I give due and timely warning that even if he be Speaker of the House his premature decrees do not bind the junior Senator from that State, nor will be he heeded in Illinois. I have had my difficulties with him in days past, and few there have ever paid any attention to him, because ordinarily it is not required; but because of his putative speakership he seems to be impatiently anticipating the day when he can deliver orders. If he wishes to lead, he will have to find some constituents outside his own State. He has never led his own State, and is unlikely to do so, and I respectfully suggest to him to represent something before he begins to publish proclamations and bestride the Republican Party in anticipation of his reign. Nobody will address him as the Muskingum County, Ohio, Democrats spoke of President Wilson. He will be "His Majesty" to nobody, not even to his own constituents. It is only by forbearance that he ever gets to Congress. It speaks well for the pursuits of private life in his district that nobody wants the place. Everybody would rather stay in Hyde Park than contest his seat. He can be spared for exile in Washington, and so they bid him Godspeed.

At one time he affably referred to the Senator now having the floor as a "two spot." I replied that such limited familiarity as I had possessed of the game in which that was an element had taught me that it was something you could not lose, and we contested to see who had the highest card in the pack. He started his campaign, he had his headquarters, he issued his literature, and after a casual observation of the political landscape he retired, and his name was not heard of thereafter. I hope he will not give me an occasion for further remarks; but if he does I shall be very happy at all times to promote harmony of the kind indicated.

Mr. REED. Mr. President, before the Senator takes his seat I desire to ask if he is withdrawing the candidate for the speakership at this time? I want to know whether Champ Clark is to have an open field?

Mr. SHERMAN. Well, he is welcome to it as far as the Senator from Illinois is concerned. [Laughter.] I am cheerfully impartial, Mr. President. As between the two, I would not say even that I was "from Missouri." I would just as lief the honor would go to one as the other, personally. I suppose, politically, I ought to be loyal. We worked for the majority in the House; I contributed my drop in the bucket with the others; but I wish to warn the Republicans of the House and the Republicans of the United States, if they wish to dissipate their majority, let them choose such leaders and go into the ditch again. He belongs to that band of distinguished Tories who never learned anything and who never forgot anything, because they had not anything to forget.

The VICE PRESIDENT. The Sergeant at Arms and his assistants at different doors must warn the occupants of the galleries about the rules of the Senate. The Chair is tired of calling attention to the rules. The doorkeepers are put there to know something. Let them tell the occupants of the galleries what the rules are.

Mr. SHERMAN. So, if there is to be a leadership, it ought to garner the result of a campaign usefully; but this alleged leader has never led. His proclamations are received with tumultuous laughter and his efforts to manage the party are accepted as notice to prepare for its obsequies. He is suffering from an obsession that a parliamentary rule is of more consequence than a constitutional limitation or delegated power in that instrument. He has dwelt in the atmosphere of parliamentary ruts so long that he has never learned to distinguish between the one and the other; and I think it my duty to warn Republicans that if they are to learn by lessons beginning in 1912 and extending to the 5th of November, 1918, they might as well consider maturely, with him in the saddle, where they are headed for and what kind of a leader they are following.

Probably I ought to be a Member of the other body. I could have gone there 20 years ago from the Rock Island district if I had wished. I would enjoy life better there, no doubt. I have this to say of the House, however: They had better cast about to get a leader that has a constituency at home and his own State behind him; and this that putative candidate never had, and he never will.

The rest of it I will say upon due provocation at some other time, if it comes. [Laughter.]

The VICE PRESIDENT. Is there any further morning business? [A pause.] Is any Senator desirous of discussing anything? [Laughter.] If not, the morning business is closed. The calendar under Rule VIII is in order.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hardwick	Moses	Smith, Md.
Borah	Henderson	Myers	Smith, S. C.
Brandegee	Johnson, Cal.	Nelson	Smoot
Calder	Johnson, S. Dak.	New	Spencer
Chamberlain	Jones, N. Mex.	Norris	Sutherland
Cummins	Jones, Wash.	Page	Thompson
Curtis	Kellogg	Poindexter	Trammell
Dillingham	Kendrick	Pollock	Underwood
Fletcher	Kenyon	Pomerene	Vardaman
France	King	Reed	Walsh
Gay	La Follette	Saulsbury	Watson
Gerry	McKellar	Shafroth	Weeks
Gronna	McLean	Sheppard	Wolcott
Hale	Martin, Ky.	Sherman	
Harding	Martin, Va.	Smith, Ariz.	

Mr. GERRY. I desire to announce that the Senator from North Carolina [Mr. OVERMAN] is detained on official business.

Mr. CURTIS. I desire to announce the absence of the senior Senator from New Jersey [Mr. FRELINGHUYSEN] on official business. I will let this announcement stand for the day.

Mr. SUTHERLAND. I announce the absence of my colleague [Mr. GOFF] on account of illness.

Mr. CURTIS. I desire to announce the absence of the junior Senator from Michigan [Mr. TOWNSEND] on official business. I will let this announcement stand for the day.

Mr. McKELLAR. I wish to announce that the senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

The PRESIDING OFFICER (Mr. WALSH in the chair). Fifty-eight Senators having answered to their names, a quorum is present.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 356, joint resolution authorizing payment of the salaries of officers and employees of Congress for December, 1918, was read twice by its title and referred to the Committee on Appropriations.

CIVIL-SERVICE RETIREMENT.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which is Senate bill 4637.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4637) for the retirement of employees in the classified civil service.

Mr. POMERENE. Mr. President, on yesterday I was about to present an amendment in the nature of a substitute, of which I gave notice some days ago. I now move to strike out all after the enacting clause and to insert as a substitute therefor the amendment which I send to the desk. I ask that it may be read for the information of the Senate.

The Secretary proceeded to read the proposed substitute and read to the end of section 1.

Mr. GRONNA. Does the Senator from Ohio wish to have the entire amendment read now? Would he rather not have the reading interrupted before it has been concluded?

Mr. POMERENE. I do want to have the entire amendment read, for the information of the Senate. I realize that many Senators have been engaged on very important committee work and I should like to have it in the RECORD, so that they may know what it is.

Mr. GRONNA. I was going to call attention to a certain provision in the first section, but if the Senator would rather have the amendment read through, I will defer it.

Mr. POMERENE. I would rather have it read through. Then I shall be glad to respond to any question I can.

The Secretary resumed and concluded the reading of Mr. POMERENE's amendment, which was to strike out all after the enacting clause of the bill and to insert:

That beginning with the 1st day of July next following the passage of this act there shall be deducted and withheld from the monthly salary, pay, or compensation of every officer or employee of the United States to whom this act applies an amount computed to the nearest tenth of a dollar that will be sufficient, with interest thereon at 4 per cent per annum, compounded annually, to purchase from the United States an annuity, payable quarterly throughout life, for every such employee on arrival at the age of retirement, as herein provided. The deductions herein provided for shall, in the case of employees who are in the service of the Government at the time this act goes into effect, not to exceed 8 per cent of the said salary, pay, or compensation; and shall be based on such annuity tables as the Secretary of the Treasury may direct, and interest at the rate of 4 per cent per annum, compounded annually, and shall be varied to correspond to any change in the rate of salary, pay, or compensation of the employee: *Provided, however,* That the deductions made from the salary, pay, or compensation of persons hereafter entering the service shall not exceed 8 per cent thereof, and such persons shall be entitled to such annuities only as said deductions with accumulations of interest thereon will purchase.

SEC. 2. That the amounts so deducted and withheld shall be deposited in the Treasury of the United States and credited, with interest thereon, to an individual account of the officer or employee from whose salary, pay, or compensation the deduction is made, and the Secretary of the Treasury is hereby directed to invest and reinvest such funds or any portion of such funds in any of the following securities, namely: Bonds of the United States, bonds issued under the provisions of the Federal farm-loan act, bonds or other interest-bearing obligations of any State of the United States, or any county or municipal bonds which may be approved by the board of investments hereinafter provided for.

The moneys deducted from salaries and the income derived therefrom shall be held and invested, as above described, by the Secretary of the Treasury until paid, as is hereafter provided. Any deficiency in the fund hereby created to carry out the provisions of this act shall be paid out of any money in the Treasury not otherwise appropriated.

For the purpose of aiding the Secretary of the Treasury in investing the funds and enforcing the provisions of this act, a board of investment is hereby created, composed of the Treasurer of the United States, one person to be appointed by the Secretary of the Treasury from his department, and one person to be designated by the President from among the employees of the classified civil service. The members of the board of investment shall be sworn and shall hold office until others are appointed and qualified in their stead.

SEC. 3. That all those engaged in the classified civil service shall be retired at 70 years of age and shall be entitled to the annuities and benefits herein defined: *Provided, however,* That if within 30 days before an officer or employee reaches the retirement age, the head of the department or independent office in which he is employed certifies to the Secretary of the Treasury that by reason of his efficiency and willingness to remain in the service the further continuance of such officer or employee would be advantageous to the public service, he may be retained for a further period not exceeding two years, and at the end of two years, by similar certification, he may be continued for another period not exceeding two years. Upon the failure of the head of the department or independent office to make the above-described certificates, it shall be the duty of the Secretary of the Treasury to place such employee upon the retired list.

SEC. 4. That upon absolute separation from the classified civil service prior to the age of 60 years, and only upon such separation, the officer or employee may withdraw his savings then credited to his account, with the accumulations thereon, in one sum. In case of the death of an officer or employee while in the service the amount of his savings and accumulations thereon, shall be paid to his legal representatives.

SEC. 5. That upon separation from the classified civil service at any time within 10 years prior to the age of retirement the officer or employee shall receive such life annuity as his accumulated earnings, including the interest credited thereon, may purchase: *Provided, however,* That if said employee shall die before receiving in annuities a sum equal to his accumulated savings, including the interest credited thereon, together with the compound interest thereon as herein provided, then the balance remaining to his credit over and above the annuities received by him shall be paid to his legal representatives.

SEC. 6. That in case of reinstatement in the classified civil service of any person who at the time of his separation therefrom received a refund under section 4 of this act, he shall be deemed to be a new entrant to the service, and the monthly deductions from his salary shall be computed from his age at the date of such reinstatement unless he shall within 90 days after reinstatement pay to the Treasurer of the United States the amount refunded to him, which shall be applied toward the purchase of the annuity herein provided for and the deductions from his salary thereafter shall be only for such sums as may be necessary to pay for the balance of said annuity.

SEC. 7. That beginning with the 1st day of July next following the passage of this act every officer or employee then or thereafter in the classified civil service who at that time or thereafter shall have reached the retirement age shall be retired, and if in the service of the United States for 20 years or more shall receive from the United States during the remainder of his life an annuity, payable quarterly, equal to one-half of the average annual salary, pay, or compensation received during his entire period of service after July 1, 1912, such annuity not to exceed a maximum of $600, and to cease at his death. Those who have served less than 20 years shall be entitled to one-twentieth of such annuity for each year of said service: *Provided, however,* That if such officer or employee at his death shall not have received annuities equal to the amount of the savings and deductions from his salary, pay, or compensation, with compound interest, as hereinbefore provided, the United States shall pay to his legal representatives the balance remaining to his credit.

SEC. 8. Upon the retirement of officers and employees as herein provided during any fiscal year, the funds appropriated for their salaries which remain unexpended shall be applied as follows:

First. To the payment of their annuities;

Second. Ten per cent thereof shall be covered back into the Treasury; and

Third. The balance shall be available in the department or independent office from which said employees are retired, for the appointment of other officers or employees in the lower grades. Except as herein provided, all annuities shall be paid out of appropriations specially made for that purpose.

SEC. 9. That every officer and employee in the classified civil service after this act takes effect shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt in full for the salary, pay, or compensation which may be paid monthly or at any other time, and such payment shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all services rendered by such person during the period covered by such payment, except his claim for the benefits to which he may be entitled under the provisions of this act, notwithstanding the provisions of sections 167, 168, and 169 of the Revised Statutes of the United States and of any other law, rule, or regulation affecting the salary, pay, or compensation of any person or persons employed in the classified civil service to whom this act applies.

SEC. 10. That the Secretary of the Treasury shall prepare and keep all needful tables, records, and accounts required for carrying out the provisions of this act, including data showing the mortality experience of the officers and employees in the service and the rate of withdrawal from such service, and any other information that may serve as a guide for future valuations and adjustments of the plan for the retirement of officers and employees. The Secretary of the Treasury shall make a detailed comparative report annually to Congress showing all receipts and disbursements, together with the total number of persons receiving annuities and the amounts paid them.

SEC. 11. That this act shall apply only to persons in the competitive classified civil service of the United States, including the District of Columbia, the Canal Zone, and the island possessions, whose salaries, pay, or compensation is paid from moneys of the United States and shall not apply to postmasters or to persons serving in positions excepted from examination, as defined in the civil-service rules. Whenever any person shall become separated from the classified civil service by reason of appointment in the unclassified service, such separation shall operate to take him out of the provisions of this act, except as to payment of any amount that may be due him. The President shall have power, in his discretion, to exclude from the operation of this act any group of employees whose tenure of office is intermittent or of uncertain duration.

SEC. 12. That none of the moneys mentioned by this act shall be assignable either in law or equity, or be subject to execution or levy by attachment, garnishment, or other legal process or to the payment of taxes, local, State, or Federal; nor shall any money paid to any employee or to the legal representatives of a deceased employee be subject to the payment of the debts of such employee.

SEC. 13. That for the clerical and other service and all other expenses necessary for carrying out the provisions of this act during the fiscal year 1917, including salaries and rent in the District of Columbia, there is hereby appropriated the sum of $20,000 out of any money in the Treasury not otherwise appropriated. No officer or employee receiving a regular salary or compensation from the Government shall receive any additional salary or compensation for any service rendered in connection with the system of retiring employees provided for by this act.

SEC. 14. That the Secretary of the Treasury is hereby authorized to perform or cause to be performed any or all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect; and his decision as to the amount to be deducted, the amount of interest to be credited, the amount of an annuity or refund to be paid, in any case, shall be final and conclusive and shall not be subject to review by any officer or authority.

Mr. McKELLAR. Mr. President, I merely wish to say that this amendment, if it is adopted, will destroy the bill that has been reported out by the committee. I think the committee's bill is the measure that should be adopted by the Senate.

I wish to state, further, that the proposed substitute would provide for the possible deduction of 8 per cent of the employee's salary, which in my judgment would be too unjust and unfair. I hope the Senate will vote down the amendment.

Mr. GRONNA. Mr. President, I am in favor of legislation that will give some aid to the employees of the Federal Government after they shall be too old to care for themselves. For many years I have advocated the passage of such a law. I must confess, however, Mr. President, that after reading both the bill reported by the Senator from Tennessee and also the amendment proposed by the distinguished Senator from Ohio I am not enthused over either measure. I do not believe that either one of them is scientifically drawn.

I confess, Mr. President, I have not had time to give it the study that a measure of this importance should be given. I know, however, that in the first section of the amendment proposed by the Senator from Ohio, which provides for an assessment up to 8 per cent of the salary of an employee receiving perhaps $900 or $1,000 a year, it would be a great burden to employees and it would be difficult to pay it. No such power should be given either to a department or to a board, because no employee could afford to pay 8 per cent of his salary when receiving only such a small amount as I have mentioned. If the Government of the United States is to be of any material help to the poor individuals who have been unable during their long service with the Federal Government to accumulate or lay aside any money we ought to be honest with them and enact legislation that will be of some substantial benefit to them.

The amendment proposed by the Senator from Ohio is in some respects better than the bill reported by the committee. For instance, in the matter of the investment of the funds I much prefer the amendment of the Senator from Ohio. It is more carefully drawn. It provides how the funds shall be invested. But I can not vote for the amendment of the Senator from Ohio making it possible for a superior officer or for a board which is to have this matter under control to levy an assessment of 8 per cent upon the people who are receiving such small wages.

Mr. KING. Will the Senator yield to me?

Mr. GRONNA. Yes; I am glad to yield to the Senator.

Mr. KING. The Senator appreciates, of course, that if any annuity is to be paid to these civil employees it must be purchased either by the employee or by the Government or by both the employee and the Government. Three systems, I understand, have been adopted in various countries; that is to say, some countries have adopted the contributory system, where the Government pays it all; in others the employees pay it; and in other countries there is a division of the amount which will be paid for the purchase of the annuity.

I am not sure whether I understand the Senator's position. At this time, not knowing the commitment of the future, with the period of reconstruction before us, with the uncertainties attending the taking over of the railroads, the telegraphs, the telephones, with the uncertainties of the number of employees who will be under the civil service in the future, is the Senator in favor of a proposition that the Government shall now, without further investigation, without having suggested, using the Senator's words, "a scientific system," embark the Government upon a plan by which it shall pay any portion of the amount?

Mr. GRONNA. Mr. President, I always have a great deal of respect for the judgment of the able Senator from Utah. I will say to him very frankly that it would perhaps be better to have this matter deferred, but the bill is before us now. These two measures are before us, and while I fully realize that they only provide for a few of the employees who are in the civil service, and we have reason to believe it will be enlarged upon so as to include more, as the Senator from Utah says, I am, however, in favor of a law under which the Government of the United States will pay a certain portion of the annuity. I believe that after an employee has worked for the Federal Government until he becomes 68 or 70 years old and is then unable to perform any work he should not be thrown upon the charity of the cold world, because the Government can well afford to take care of him. I also believe that it would be in the interest of economy to do so. I dislike even to use the words "superannuated clerks," but I know that there are a great many people holding positions now to whom it is a hardship, and also it is a loss to the Federal Government; it is impossible for them to perform their full day's work.

Mr. McKELLAR. Will the Senator allow an interruption?

Mr. GRONNA. I shall be glad to yield.

Mr. McKELLAR. The Senator understands that there are 4,000, as shown by the proofs, now in the service of the Government who are absolutely incapacitated for doing any work, and their average rate is about $1,500 a year, amounting to about a $6,000,000 tax on the Government now.

Mr. GRONNA. Yes; I have read the report quite carefully, and I understand there are a great number who are unable to perform a real day's work. Of course I will not admit that all the amount which is being paid to those people would be a saving, because we must select people to take their places, but it is reasonable to suppose that younger men and younger women could be had who would be able to do two times and perhaps three times as much work as those old people are now performing. So in that way there will be a great deal of saving to the Government, and for that reason the Government of the United States can well afford to pay a portion of this cost. We should not only consider it from an economic standpoint, but I think it is the moral duty of the Government of the United States to take care of these people if it is found that they are unable to take care of themselves.

Mr. President, I was about to ask the Senator from Ohio, if he will kindly give me his attention, whether he will be willing to reduce the percentage to be assessed against the employees from 8 per cent to 4 per cent?

Mr. POMERENE. Mr. President, I do not think that that could be done under this system. I fear from what the Senator has said that he does not quite understand the plan embraced in the amendment, may I say, in view of a criticism which the Senator made, and I am not finding fault with that at all.

Mr. GRONNA. I understand.

Mr. POMERENE. The general framework of this bill is the same as that contained in the bill which was prepared by the efficiency commission appointed by President Taft. They had worked upon the matter for a year or longer—I can not state exactly the time—and had various extensive hearings, and there is a masterly report upon the subject. Later on the senior Senator from Iowa [Mr. CUMMINS] was the chairman of the Committee on Civil Service and Retrenchment, and as he stated the other day in the Senate he prepared and the committee reported a bill to the Senate which is in substance the same as that which I have presented. When I became chairman of the committee I took up the matter and the committee with me. We had various hearings and heard a number of the experts who took part in the hearings of the efficiency commission appointed by President Taft. The bill in its present form is the result of the counsel and collaboration of the committee and of these various experts.

If I may say a word further with respect to the amount of the assessment, bear in mind 8 per cent is the maximum only, and that money, whatever is taken, is not taken by the Government for its own purposes, but the 8 per cent or any sum which may be assessed against the salaries is kept in an account by the Treasury with each individual employee, and it is invested at 4 per cent compound interest, compounded annually. These assessments are made in the first place based upon the salaries then paid, so that the amount derivable therefrom at the time the annuitants reach the retirement age will be sufficient to purchase an annuity of $600 or in no event not to exceed 50 per cent of the salary.

The 8 per cent can only apply to those who are in the advanced stages of life, and it may be said that they only have to pay it for a very much less length of time than do the other employees. The estimate which was given by Dr. Brown, who is now the chief of the Bureau of Efficiency, and I think one of the ablest students of this subject with whom I have come in contact, was that to those who were 20 years of age it would only cost 3 per cent. That is based upon what was believed to be an average salary of $1,138. I may say that I telephoned for these figures a little while ago, and the memorandum I have has been sent to me in a roundabout way, but I believe it to be practically correct.

Mr. GRONNA. Of course, the Senator from Ohio means by that that it would be only 3 per cent the first year. Undoubtedly, it would be more than 3 per cent later on, as the employees grow older.

Mr. POMERENE. No; if the salary remained the same, the assessment would be the same; if the salary was advanced, the assessment would be proportionately advanced; that is to say, assuming now, for the sake of argument, that it would take a 3 per cent assessment on a $1,200 salary, that would make the annual cost to the annuitant $36; but if he received a higher salary it would still be $36; so the per cent would be that much less.

The vice of the other system, as I conceive it, is this: In the bill as reported by the committee, which is known as the McKellar bill, there is made an assessment of 2½ per cent upon the salaries of all employees. I may say that the testimony shows that the cost of this system would not be 5 per cent, as the report indicates, but that it would be within a few tenths of 6 per cent, one-half of which would have to be paid by the Government and one-half, it is said, by the employee. But the difficulty is that that means, under the system that is adopted in the so-called McKellar plan, the maximum annuity which any employee can get being $600, that he must pay 2½ per cent for that annuity, whether he is old or young, whether he receives a salary of $1,000 or a salary of $5,000. So he is paying not only the cost of his own pension, but in part the cost of the pension of his fellow employee. In other words, if a man starts out with a salary of $1,200 his assessment is 2½ per cent, or $30 a year; but if, by reason of his attention to business, his talent, his development, he gets a position which pays him $5,000 a year—it may be in a few years—then he is required to pay 2½ per cent of his $5,000 salary, or $125 a year: and that will continue until he reaches the retirement age of 68 years; or, in the language of Dr. Maddrill, who was the expert actuary who appeared before the Committee on Civil Service and Retrenchment, with this limitation of 2½ per cent many of the employees will have to pay twice the cost of their insurance or annuity that they would have to pay if they went to a private insurance company and bought the same annuity.

Mr. GRONNA. Mr. President, if I understand the McKellar bill, it provides that whatever is paid by an annuitant will be set aside to his personal credit.

Mr. POMERENE. Yes.

Mr. GRONNA. Both bills provide for that. Am I correct in that statement?

Mr. POMERENE. The Senator from North Dakota is correct as to that; but bear in mind, please, that when they are figuring the cost of the entire system, they say that to pay one-half the cost of the entire system will require 2½ per cent of all salaries, so that while this money will be actually returned later, yet the Government is having the use of the 2½ per cent; and if the 2½ per cent exceeds the cost of the annuity of a given employee, the other employees get the benefit of that. That is the difficulty of it. In other words—and I say this with all due respect to those who stand sponsors for this bill—when it is said that it is based upon the half-and-half plan, it is a deception, for some employees will be paying on the half-and-half plan, while certain other employees will be paying twice what should be the cost of the annuity.

Mr. NORRIS. Mr. President, will the Senator from North Dakota allow me to ask the Senator from Ohio a question there?

Mr. GRONNA. I yield.

Mr. NORRIS. I was wondering if the Senator from Ohio understood the statement made by the Senator from North Dakota. I may have misunderstood the Senator from Ohio, but I merely intend to ask the question to clear the matter up.

Mr. POMERENE. I shall be very glad, if I have misstated anything, to correct it.

Mr. NORRIS. The Senator from Ohio stated that the Senator from North Dakota was right when he asked whether or not every employee, no matter what he paid, when he got his annuity would get back everything that he had paid. Is that true?

Mr. POMERENE. I am speaking now with reference to the substitute bill. Let me speak of that first.

Mr. NORRIS. The Senator from North Dakota was asking the question with reference to the other bill.

Mr. POMERENE. Well, there is such a provision. Can the Senator from Tennessee refer to that section?

Mr. McKELLAR. Certainly. Of course, it is so arranged on the books of the War-Risk Insurance Bureau of the Government that each employee of the Government is entitled at all times to have the entire amount that he pays in refunded to him if he quits the service, with interest at 4 per cent.

Mr. NORRIS. If that be true, then I should like to ask the Senator from Ohio why he says that the employee, under the committee bill, would in some cases have to pay more money than he should; in other words, that he would have to pay for the benefit of some other employee, if he is getting back everything which he has paid in?

Mr. POMERENE. Certainly. Perhaps, to speak more accurately, if the Senator from North Dakota will permit me, I should say that such employee is furnishing more money than is necessary.

Mr. KING. Mr. President, will the Senator allow me to make a suggestion?

Mr. POMERENE. Just allow me to answer the question, if I can.

Note that under the substitute the total cost of this insurance for an employee 20 years of age is 3 per cent. That was the estimate. If you had a system based upon the half-and-half plan, then this employee would only have to contribute to the Government one-half of 3 per cent, or 1½ per cent. That would

be the actual cost of one-half of the annuity which he is to get when he reaches the retirement age. But under the system proposed by the so-called McKellar bill they jump at the conclusion that half of the cost is to be 2½ per cent. Now, as a matter of fact, if the data which were furnished to our committee when I had the honor to preside over it are correct, then this 2½ per cent comes within one-half of 1 per cent of paying the entire cost of the annuity. Do I make myself clear?

Mr. GRONNA. I think I understand the Senator from Ohio. I think there is no substantial difference between the Senator from Ohio and myself. The only difference is that he can explain himself so much better than I can.

Mr. POMERENE. I am sure the Senator from North Dakota has no trouble in making himself understood.

Mr. GRONNA. I think I can make it clear, at least to some, that the employee who receives a higher salary and is assessed 2½ per cent makes a larger investment; but he also receives a larger return; in other words, he receives more interest for a larger annuity. That would be the way I should figure it from a banker's standpoint.

Mr. POMERENE. Mr. President, the difficulty is—and I will see if I can not make it a little clearer, perhaps—that if the 2½ per cent on the lower salaries, let us say of $1,200, amounts to $30 per year—and that is what it does amount to—under the so-called substitute plan, the cost of that insurance would be 3 per cent, or $36, while under the McKellar plan the 2½ per cent would amount to $30.

Now, let us go further. If the employee arrives at a point where he gets a salary of $5,000 a year, then he must pay 2½ per cent of that salary, or $125.

Mr. GRONNA. Why should he not pay more? He can afford to do so.

Mr. POMERENE. Will the Senator allow me to be personal?

Mr. GRONNA. Yes; I will allow the Senator to be personal.

Mr. POMERENE. I know, and I am very glad of it, that my good friend the Senator from North Dakota has been more prosperous in gathering together this world's goods than I have been, but is that any reason why he should get a less salary than I?

Mr. GRONNA. It is no reason why I should get a less salary, but it is a reason why I should pay more taxes. If I have more goods than has the Senator from Ohio, there is no reason in the world why I should not pay more taxes.

Mr. POMERENE. I think that is all true, so far as the public expense is concerned, but when it comes to the purchase of an annuity to make provision for some one else's family or to make provision for his maintenance in his later years——

Mr. GRONNA. Well, now——

Mr. POMERENE. Just one moment—does it appeal to the Senator's sense of fairness that a given employee should help to support another employee's family?

Mr. GRONNA. No; but——

Mr. POMERENE. Pardon me just a moment. In my judgment, if we are going to adopt a system of that kind, then I should prefer that this extra expense should be paid entirely out of the Public Treasury rather than to make one employee pay the expense of another.

Mr. GRONNA. I can agree with the Senator from Ohio, but I ask the Senator this question: Is the amount assessed for the employee credited to his account upon the books of the Government?

Mr. POMERENE. Oh, yes.

Mr. GRONNA. The Senator from Ohio answers "yes." Now, how could the employee paying a larger assessment be said to be discriminated against in favor of the employee who is receiving a smaller salary when every penny is credited to his account?

Mr. POMERENE. For this reason: If each employee was only paying one-half of the cost of his annuity, then it would be perfectly fair to have the system where one employee would be paying $30 a year and another employee paying $125 a year, and then out of the sum total of these payments that one one-half of the entire cost of the system is to be paid.

Mr. GRONNA. So that the Senator and I may not misunderstand each other, I understand that we agree upon the proposition that whatever the assessment may be against any employee it is credited to his personal account?

Mr. POMERENE. Oh, yes.

Mr. GRONNA. We agree upon that?

Mr. POMERENE. Oh, yes.

Mr. GRONNA. Is it not also true that the employee who is assessed a larger percentage, or I will say a larger amount, also receives a larger annuity than the one who is assessed a less amount?

Mr. POMERENE. No; the annuity is the same. Please let me state that accurately now, if I can. The highest annuity that any employee can get is $600.

Mr. GRONNA. Of course that is based upon the time the employee has served.

Mr. POMERENE. Yes; that is correct.

Mr. McKELLAR. Mr. President, if the Senator from North Dakota will yield to me, I wish to ask the Senator from Ohio a question.

The PRESIDING OFFICER (Mr. GAY in the chair). Does the Senator from North Dakota yield to the Senator from Tennessee?

Mr. GRONNA. I do.

Mr. McKELLAR. Is there any reason why any man in the civil service to-day can not buy an annuity without the amendment of the Senator from Ohio?

Mr. POMERENE. Anybody can do it either under the system proposed in the substitute or under the system proposed by the Senator from Tennessee.

Mr. McKELLAR. It does not take legislation to enable an employee to buy an annuity. The Senator's plan will simply compel each employee in the classified civil service to buy an annuity for his old age to which the Government contributes just a small proportion.

Mr. WILLIAMS. Mr. President——

Mr. POMERENE. Pardon me just a moment. Let us not confuse the idea. Both plans are compulsory.

Mr. McKELLAR. I know that.

Mr. POMERENE. Then, why does the Senator insist upon calling one system a compulsory plan and, by inference at least, saying that the other is not?

Mr. McKELLAR. One is compulsory——

Mr. WILLIAMS. Mr. President——

Mr. McKELLAR. Just one moment, if the Senator will permit me to answer the question. In one case the Government contributes half at the same time that the employee contributes half—and anyone can understand how the employee would be perfectly willing to have a system of that sort—while the other system merely makes it compulsory that he shall buy his own annuity. That is all there is to it.

Mr. WILLIAMS. Shall buy what?

Mr. McKELLAR. Shall buy his own annuity.

Mr. WILLIAMS. Yes. Now, Mr. President, I should like to ask both Senators a question and have the Senator on his feet respond to it. The Senator from Tennessee has just given an outburst to the effect that we are going to compel the employee to buy his own annuity.

Mr. McKELLAR. That is under the amendment of the Senator from Ohio, if the Senator from Mississippi will pardon me.

Mr. WILLIAMS. Under the Pomerene amendment we are going to compel him to buy his own annuity.

Mr. McKELLAR. I do not want that; I am opposed to that.

Mr. WILLIAMS. My question is this: Does not the average country blacksmith, the average State school-teacher, the average Methodist or Baptist preacher in the backwoods have to buy his own annuity if he gets it at all? And what particular reason is there to set apart as a favored clan the people who hold office from the Government by their own choice and in nine cases out of ten because they can not earn as much in any other walk of life? And now, Mr. President——

Mr. GRONNA. Mr. President, I will say to the Senator from Mississippi that I am not opposed to that plan. I believe it would be a help to those people to set aside a certain amount, but not a percentage which they could not afford to pay.

Mr. WILLIAMS. But the Senator from Tennessee has indulged in an outburst of eloquence because this particular class is forced to provide for itself. Other classes of men have to provide for themselves, or else in their old age they go naked and hungry.

Mr. President, I am willing to vote for an old-age pension on the model of the British law; I am willing to vote for any sort of a scheme that permits anybody, whether a blacksmith, a Government employee, a preacher, or a teacher to provide for himself or herself by his or her own contributions; but I am not willing to set aside this cohort of men who have special influence with Senators and Representatives as a special and favored bureaucracy, in order that they may be permitted to have, either under the half-and-half plan or any other plan, without material expense to themselves, provision for their old age, when the country blacksmith, the school-teacher, the preacher, and the ordinary one-mule farmer have not got it. After 25 years of this sort of thing you will have a worse bureaucracy than they have in Prussia, and after 25 years of this sort of thing none of you will dare disobey an order that you

get from the Letter Carriers' Association or from any other organization of employees; and very few of you dare do it now.

Mr. GRONNA. Mr. President, will the Senator from Mississippi permit me to ask him a question?

The PRESIDING OFFICER. The Senator from Ohio has the floor. Does the Senator yield the floor?

Mr. POMERENE. I think the floor belongs to the Senator from North Dakota.

Mr. GRONNA. It does not make any difference, Mr. President, but I think I have the floor.

Mr. WILLIAMS. Of course, the Senator will have to get permission of the Senator who has the floor.

Mr. POMERENE. The floor belongs to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. GRONNA. What is the necessity, may I ask the Senator from Mississippi, of having the Federal Government go into the insurance business if it is going to be a purely economic compulsory insurance system?

Mr. WILLIAMS. Mr. President, I would reply almost in the words of the marine-insurance act that we passed not long ago, if the Senator addresses me upon the economic side of the proposition, that we could do it cheaper and we could do it better and we could do it more satisfactorily to everybody; but I am not arguing that any man has any right at the expense of the other people of the United States to be taken care of in his old age. I am arguing that, if we are going to start a system of having people take care of themselves in their old age by compulsory contributions, it ought not to be confined merely to Government employees.

Mr. GRONNA. Of course all these employees have the privilege and the opportunity now of investing in life insurance without this proposed legislation.

Mr. WILLIAMS. Absolutely; and where they are worth a continental cent they will take care of themselves and they have got enough to do it; they have more than the average schoolteacher in Mississippi has. I do not know what the average school-teacher is paid in North Dakota; but the average schoolteacher in Mississippi, who is charged with the responsibility of enlightening the next generation, while these employees are charged with nothing in particular, receives from $40 to $100 a month during the school term.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. WILLIAMS. Yes.

Mr. McKELLAR. I heard the Senator from Mississippi just a few days ago say some very complimentary things about the English Government. Does the Senator know that the English Government established in 1834 and has maintained ever since, not on the half-and-half plan, as is proposed by this bill, but entirely at its own expense, a retirement system for its classified civil-service employees? I do not believe that the prediction of the Senator from Mississippi that the Government of the United States is going to the "demnition bow-wows" will come true if we pass this bill in the light of English history on the subject.

Mr. WILLIAMS. I never said that it would go to the "demnition bow-wows." I said you would become the mere obedient servants of the civil service——

Mr. McKELLAR. They have not become so in England.

Mr. WILLIAMS. And most of you are already.

Mr. McKELLAR. I think the Senator is mistaken in talking in that way.

Mr. WILLIAMS. I am not.

Mr. McKELLAR. I am quite sure that he is.

Mr. WILLIAMS. I remember the history of a distinguished Representative from the State of California who served with me in the other House, and I remember when the letter carriers declared war on him, as the Senator from North Dakota does—for the Senator was then a Member of the other House—they said his name was "Dennis"; that they were going to defeat him; and they found a Democrat mean enough to help do it. Why? Because he wanted to provide for the carriage of the mail at the cheapest rate for the Government that he could, instead of receiving his instructions from the letter carriers.

Now, Mr. President, in connection with the Senator's question, the English Government did, beginning about the time he says—I do not remember the date——

Mr. McKELLAR. It was 1834.

Mr. WILLIAMS. I presume the Senator is right about that. In 1834, or whenever it was, the English Government did inaugurate this sort of a system; but the English Government had the wisdom later on to see that if that sort of a system applied to Government employees it ought to apply to all the people in Great Britain who might reach old age naked and hungry; and so they passed a universal old-age pension law, which is in existence now. That is what we ought to do.

Mr. GRONNA. Mr. President, I shall yield the floor in just a moment or two. I simply wanted to ask a question or two of the Senator from Ohio, and he has very kindly given me the information for which I asked.

Mr. WILLIAMS. And I very obtrusively intruded; and I beg the Senator's pardon.

Mr. GRONNA. I am not complaining at all, and I will presently take my seat.

Mr. WILLIAMS. But I merely wished to bring to the attention of the Senator from North Dakota, the Senator from Ohio, and the Senator from Tennessee—all three—that while they were taking care of a particular class they were not paying much attention to protecting from the perils of old age a much more deserving part of the community.

Mr. GRONNA. I do not disagree with the Senator altogether; but I simply want to say, Mr. President, that I can see no earthly use of compulsory legislation requiring that every one of the Government's employees shall take a part of his salary and invest it in insurance; they are permitted to do so now.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. GRONNA. I yield.

Mr. CUMMINS. I think the Senator from North Dakota has misunderstood the answer given by the Senator from Ohio [Mr. POMERENE] to an inquiry of his. I bring it up because, if I do not properly understand it, I want to be informed. As I remember, the Senator from North Dakota understands that the Senator from Ohio said, affirmed by the Senator from Tennessee, that the employee got back all that he paid in, with 4 per cent interest.

Mr. GRONNA. That is the way I understand it.

Mr. CUMMINS. That is not true, as I understand it.

Mr. McKELLAR. If he disconnects himself from the service before the limitation provided when the pension shall begin, then he gets it all back. Thereafter he gets the pension itself. It is perfectly plain.

Mr. CUMMINS. It is one of the peculiarities of the bill—and I do not know what explanation the Senator from Tennessee has to offer for it—that there would be hundreds of instances in which if the employee could separate himself from the service before he attains the age of 68, he would get a great deal more than if he remained in the service until he was 68 and was retired under the provisions of the bill. Why that is I do not know.

Mr. McKELLAR. I am sure the Senator is mistaken; that is not correct. Those are not the terms of the bill.

Mr. GRONNA. Mr. President, I confess that before I asked the Senator from Ohio for the information he has already given I had not had the opportunity of giving this bill the study that I ought to have given to it. I realize that it is a measure of very great importance, but I know enough about financial affairs, Mr. President, and I know enough about how to figure percentages to know that if you are going to assess the employees 8 per cent of their salaries you do not have to ask for legislation here in order to give them an annuity in their old age. For 8 per cent paid to a private insurance company they can be taken care of fully as well as by what you are going to give them under the provisions of this bill. I make that statement without having given it very much study.

Mr. REED. Mr. President——

Mr. GRONNA. I yield to the Senator from Missouri.

Mr. REED. The Senator awhile ago asked what reason is there for compelling Government employees to contribute to a fund from which they are to draw pensions if they pay into that fund all they take out. That was, in substance, the Senator's question. I think I can answer it. Understand, I am not by this committing myself to a support of this bill.

The ordinary man who gets a position in this life holds it just as long as his employer wants him to hold the position. The Government employee, under a law which we foolishly passed years ago, has a permanent position given to him, and he can not be gotten rid of except for cause, so that the Government has fastened upon itself a permanent employee. That system has developed this state of affairs, that as these employees become superannuated and incapable of performing their work, while the Government might discharge them upon the ground of incompetency, it nevertheless seems to be a cruel thing to do under those circumstances. Therefore the Government is in that sense compelled to carry these superannuated and sometimes useless employees upon its rolls. Under those circumstances the Government has a perfect right to say to these people who come

here and seek permanent places under this law: "You shall contribute to a fund which will take care of you, so that when you do become superannuated we can let you go, and you will not stand here before us in the attitude of a person we are about to turn out to starve."

That is the reason why the Government has a perfect right to require these employees to pay for a pension. I think the Senator will see that there is a distinction.

Mr. GRONNA. I agree, Mr. President, that there is a distinction; but may I ask the Senator a question?

Mr. REED. Yes.

Mr. GRONNA. We will say that there are two persons, one of whom goes into the employ of the Federal Government while the other one stays in the country. He works in the field or on the farm or in the factory. Now, the one who remains at home is not taxed by the community, is he? That person is not taxed by that community, is he?

Mr. REED. The one who remains at home?

Mr. GRONNA. Yes.

Mr. REED. Why, certainly he is taxed.

Mr. GRONNA. How is he taxed if he has nothing to pay taxes on?

Mr. REED. Oh, I can demonstrate to the Senator's satisfaction that there is not a man living who produces more than he absolutely eats up who is not taxed, and even then he pays it as he goes along and as he is eating. I shall try to make that clear, if the Senator will pardon me for a moment.

Mr. GRONNA. Certainly; I shall be glad to hear the Senator.

Mr. REED. Let me assume that I have not a dollar in the world, that I work for $9 a week, and that I rent a furnished room. When I rent that furnished room the landlord takes into account, first, the investment that he has in that property, or its value; second, the expense of keeping up that property, which includes the taxation. All of those expenses, in the aggregate, are taken out of the tenant; and I, as the $9-a-week laborer, occupying one of those rooms, pay my proportion of the taxes upon that property. Again, if the shoe manufacturer has to pay taxes—income, corporate taxes, or direct taxes upon his factory—that cost of taxation is carried into the hobnailed shoes that I buy at the store. Again, the profits that the wholesaler and the retailer were obliged to charge me included, as a part of their costs, the taxes and burdens that they pay.

Mr. GRONNA. Of course, that would apply to both.

Mr. REED. So that this applies now throughout. There is no person in the United States who is a consumer who does not pay taxes. There is no person in the United States who has a house to live in or a room to abide in who does not pay taxes. Therefore, when you propose to pay, out of the fund gathered from all of the taxpayers of this country, an annuity to a particular class of people in this country you are taxing one part of the people of this country for the benefit of that class or portion of the community. There is no escape from the logic of that situation.

If the Senator votes for this bill, or if I vote for it, we must do it with our eyes open to the fact that we are voting to tax the hired man on the farms of our States in order to create a fund to pension ladies and gentlemen in the city of Washington who hold better jobs than he can ever hope to hold in his life.

Mr. GRONNA. Let me say to the Senator from Missouri that the laboring man in my State received as high as $7 a day and board last summer and last fall, so I believe that he can afford to pay a little tax.

Mr. McKELLAR. And if the Senator will excuse me a minute, only a very small portion of the civil-service employees are in Washington. The greater proportion, by far, is outside.

Mr. REED. Well, now, let us see. You never get anywhere by getting a special instance that is outside of the ordinary rule. The Senator knows that the ordinary hired hand in his State before these war conditions arose received on an average of from $18 to $25 a month and his board, and at the same time that he was receiving that the salaried employees in the city of Washington were receiving on the average approximately $100 to $125 a month, some of them much more, and the day laborers in the city of Washington—I do not mean the unskilled labor, but the ones who work in these departments—were receiving a wage of—I must use my recollection on this—approximately, I think, $4 to $5 a day.

So if we pass this bill we do it with our eyes open. Let it be understood that there is no old-age pension provided for the hired men on the farms of our States, the miners in the mines of our States, or, as the Senator from Mississippi [Mr. VARDAMAN] said, the school-teachers of our States, the clerks working in stores in our States, the underpaid girls who work in the department stores and other places in our States; that there is no old-age pension for the factory employee who has labored in the sweatshops under unhealthful conditions; and that it is proposed to tax these people, and from their taxation, wrung from them, to create a fund to take care of people in the city of Washington who hold jobs so desirable that there is a constant struggle to obtain them from every part of the United States.

Now, that is the proposition. That is the cold, unvarnished, naked truth of this matter. The men who vote for this bill vote to tax these people for the benefit of other people who hold jobs so much better than the other people have that they fight to maintain them and insist upon every right that they have under the civil-service law.

The Senator from North Dakota—who usually gets right when he gets to thinking about these things, and generally starts out right, too—might as well face that. It does not answer it to say, "Oh, labor has been getting $6 or $7 a day in my State this year." That is abnormal—just as abnormal as the war. It is simply a part of the war.

Mr. GRONNA. The Senator knows that the employees who were working for the Federal Government have been receiving very little more. That is true; is it not?

Mr. REED. The fact is, and it is always true, that salaries—especially the salaries fixed by law, and indeed some other salaries, but especially those fixed by law—do not go up or go down with the rapid fluctuations of values. For instance, there was a time a few years ago when money was at a very great value, when its purchasing power was very great, when wages all over the country were very low, when the salary of a Congressman was most lucrative. Then he was in clover. Then there came the period of high valuations and high wages that we are going through now. The Congressman to-day does not receive as much as many a head clerk does. He does not receive very much more than some people who are only skilled laborers. But when values get readjusted the salaried man gets back to a position of equity; and if he does not, if that does not come in a short time, then comes the cry to raise his wages, a cry that always is heard in the end.

Now, I appeal to the Senator's judgment on this matter. There is no use arguing questions for the simple sake of arguing. You would not need any civil-service law in order to keep people in their positions down here if it were not that the positions are desirable. They are desirable to-day. I have not any doubt that there are 30,000 clerks to-day in the city of Washington, brought in here by these war conditions, over half of whom would be glad to stay here and take these permanent positions. When I use the expression "thirty thousand," that is a guess. There are so many of them that I have no idea what the number is.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. GRONNA. I do.

Mr. KING. Apropos of the statement just made by the Senator from Missouri, I have had more than 100 clerks who have come to Washington for war work appeal to me to try to get them under the civil service and keep them here in these Government positions, rather than go home, they are so enamored of the situations.

Mr. VARDAMAN. Mr. President, if the Senator will pardon an interruption, I wish to say that I have been called upon to-day by quite a number of clerks engaged in the service in Washington who have urged me to bring every possible influence to bear upon the heads of the departments in which they are now engaged to retain them permanently in the service. In the Government service they are receiving larger salaries than they enjoyed as school-teachers, farmers, clerks, and, in some instances, members of the bar. They really desire the work; all of which goes to show the esteem in which the average American citizen holds Government employment.

Mr. GRONNA. Mr. President, it is evident that my simple question has provoked a great deal of discussion. I want to get through. I have not yet said what I intended to say. I simply want to state my own position. I shall only take a minute or two of the Senate's time to say what I want to say upon this whole subject.

I realize that what all of the Senators have said is true. It is undoubtedly true that these employees are receiving, take it one year with the other, larger salaries than they receive in the country or in other employments. But, Mr. President, we must take the conditions as they are. There are different environments here. When I go into these departments and see these very old men and old women—and I know some of them—they have not been able to lay up a dollar for the future. They should have provided for their old age, of course; but that is a theory and not a condition. The actual condition is that we

have here more than 4,000 of these old people, superannuated, too old to perform a day's work, and unable to take care of themselves. What are you going to do? Are you going to throw them out upon the cold world?

Mr. REED. Mr. President, how will this bill help them?

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Mississippi?

Mr. GRONNA. I do.

Mr. VARDAMAN. I wish to ask my friend, the able Senator from North Dakota, if he does not find the same poverty, squalor, and want among the people who have devoted their lives to service in the factories, the houses of merchandise, the fields, and in the workshops—in other words, in all the vocations of life? Does he not find quite as much—really more—poverty, indigence, and suffering among the people of other vocations than he does among the employees here or elsewhere in the Government service?

Mr. GRONNA. No, Mr. President; I will say frankly to my good friend from Mississippi that we do not find it.

Mr. VARDAMAN. Do you not find quite as much?

Mr. GRONNA. I come from a State where there are no rich people. We are a new State; nobody is rich, but there is not a single poorhouse in my State—not one.

Mr. VARDAMAN. Then you must be rich, all of you. Your condition is Utopian, and I congratulate you upon it.

Mr. GRONNA. But if they were so poor, our counties, our municipalities, or our State would provide for those institutions.

Mr. VARDAMAN. But you do not want them to do that. You are fortunate that the condition of your people is such that your State is not called upon to provide for the improvident aged poor in institutions of charity. I agree with my good friend, the able Senator, that it is a wise economy; it is an act of great wisdom and of social providence on the part of the Commonwealth—it may be a little bit socialistic in principle—to induce the citizen, even in the form of a tax put upon his property in the days of his prosperity, to lay aside something for a "rainy day," to take care of the old and helpless in the evening of life. That is all right and I most heartily commend the end sought to be attained. I am not opposed to the main principle upon which this proposed legislation is based, but I am unalterably opposed to the principle of partiality. I can not give my consent to any measure that has for its purpose the selection of a certain class of laborers or employees to whom special favors are vouchsafed by law and all other branches of business and vocations are taxed for their especial benefit. I do not think it is fair; it is not just. In fact, I regard it as the most pernicious principle in legislation. It is violative of the very genius of American institutions. No man or class of men would ask for such legislation if they did not feel that they had behind it a coercive influence. So far as I am personally concerned I am going to be just, and when I can be just and at the same time be generous in the performance of the functions of my place it will afford me great pleasure to do so.

Mr. GRONNA. Now, Mr. President, I want to ask my good friend from Mississippi a question.

Mr. VARDAMAN. All right; I will answer it if I can.

Mr. GRONNA. In the State of Mississippi, and in the State which I have the honor in part to represent, our people are not compelled to employ any person when he becomes old and inefficient. Is not that true?

Mr. VARDAMAN. Yes; it is true.

Mr. GRONNA. Conditions are different here in the city of Washington.

Mr. VARDAMAN. Certainly you are not compelled to employ anybody in your private business. The Government is not compelled to employ any certain individual, nor can any certain individual compel the Government to employ him or her. The Government does not contract or undertake to support an employee until he or she dies. The Government hires a man or woman for the service they are expected to render the Government, and not for the primary purpose of giving the individual employment; and when that person ceases to render acceptable or efficient service to the Government the Government is under no obligations to retain him any more than the Senator is under moral obligations to retain one of his field hands after he has performed the service for which he was first employed.

Mr. McKELLAR. Mr. President——

Mr. GRONNA. I will let the chairman of the committee answer that.

Mr. McKELLAR. Mr. President, may I be indulged to ask a question of the Senator from Mississippi?

Mr. GRONNA. Yes; I shall be glad to have the Senator do so.

Mr. VARDAMAN. And I shall be glad to answer the Senator's question, if I can.

Mr. McKELLAR. There are 4,000 old people in the employ of the Government whose employers, under a system that has existed for generations, have permitted them to remain in the Government employ without doing any work, because they are so old they can not do any work, and none is required of them. Do I understand the Senator from Mississippi to say that if he had the power he would turn out these 4,000 old people to graze at this time?

Mr. VARDAMAN. Mr. President, I have great sympathy with the men and women who have spent their lives and reached the evening thereof who have never been able to lay up something for a rainy day. It is a misfortune which confronts many of us both in public and private life, and always to be regretted. I think it is the duty of the State to enact laws protecting each man and woman in the enjoyment of the products of their toil, and, as far as human ingenuity can do so, to see that justice is done to all alike. Now, I would make some provision for the poor, helpless people described by the able Senator from Tennessee; but I would not solve that problem by the adoption of a pernicious measure of the character of the one under consideration. I would rather make a donation outright, or pass a bill pensioning these 4,000 employees, and then notify the balance of the employees of the Government that they must provide for their own support and maintenance, just as people in other walks of life are expected to take care of themselves; or I would provide for the contingency of misfortune, accident, and improvidence which comes to fruition in old age by an old-age pension law, and I would make it apply to all the people of all vocations alike, playing no favorites.

Mr. McKELLAR. Has the Senator ever introduced such a bill?

Mr. VARDAMAN. No; I have not; but if I had introduced this bill or had anything to do with its preparation I would have made its benefactions apply equally to all classes of people.

Mr. McKELLAR. I am afraid the Senator from Mississippi does not understand this bill.

Mr. VARDAMAN. The Senator's judgment of me in this instance is the quintessence of charity, for which I am profoundly grateful.

Mr. GRONNA. Mr. President, I said at the outset when I rose and made my inquiry of the able Senator from Ohio [Mr. POMERENE], and he gave me the information I asked for, that neither of these measures is drawn on a scientific basis.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Tennessee?

Mr. GRONNA. I do.

Mr. McKELLAR. I am sure the Senator does not want to be put in exactly that attitude. The bill which has been recommended by the committee is a bill that has been in the hands of the Bureau of Efficiency for about two years, and it is reported out by a Government expert.

Mr. GRONNA. I do not doubt that at all.

Mr. McKELLAR. And that Government expert said that it is a proper bill and effects this purpose.

Mr. POMERENE. Mr. President, may I ask the name of that expert?

Mr. McKELLAR. Dr. Maddrill.

Mr. REED. What is he a doctor of?

Mr. McKELLAR. He is a doctor of letters.

Mr. KING. Mr. President, will the Senator yield?

Mr. GRONNA. I yield to the Senator from Utah.

Mr. KING. I find that Mr. Maddrill disapproves of the bill which the Senator from Tennessee has reported from the committee and favors a bill which imposes upon the employee the duty to make the contribution for his own annuity.

Mr. McKELLAR. Oh, quite the contrary. The Senator has not read what Dr. Maddrill—not at all.

Mr. KING. The Senator is wrong.

Mr. GRONNA. Well, Mr. President, I shall not find any fault with any of the gentlemen who have had this bill under consideration. Perhaps they are right and I am wrong; but I made the statement, and I am going to stick to it, that it is my opinion that neither of the bills is drawn upon a scientific basis. However, I am not going to discuss that now.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. GRONNA. Yes; I yield.

Mr. POMERENE. I think the Senator from North Dakota and I both have been very indulgent to one another, and I appreciate very much the Senator's courtesy in yielding; but in

view of the statement made by the Senator from Tennessee, I want to read from the hearings before his committee, on page 26. Let me read what the chairman says about this matter:

The CHAIRMAN. From such examination as I have been able to give to the amended proposition, as suggested by you—

That is, by Dr. Maddrill—

it introduces many complications that it will be very hard for the legislative mind to understand. In other words, it will take an expert explanation, and it is going to be very difficult to get that into the legislative mind under any circumstances.

[Laughter.]

Mr. McKELLAR. Mr. President, I will say to the Senator from Ohio that I was perhaps speaking of my own legislative mind, because I am frank to say that the figures that were then given to me were never able to penetrate my mind, and I do not think they can penetrate the mind of the Senator from Ohio.

Mr. POMERENE. I admit that the virtues of the Senator's bill do not penetrate my mind. [Laughter.] I read further from the statement of the chairman of the committee:

The present bill is absolutely so simple that anybody can understand it. Here the employees are going to contribute half and the Government is going to contribute half, and the pensions provided are fairly equitable. At any rate, all of the employees are willing to contribute on this system that they understand themselves; it has perfectly plain terms; they know exactly what they are going to get. It does not take an expert to explain what they are going to contribute, and it does not take an expert to explain what they are going to get. They can look at the terms of the bill and see what they are going to get and they can look at the terms of the bill and know exactly what they are going to contribute. Why is not that the best system in the world under the particular conditions that confront us?

Now, Dr. Maddrill said, speaking of the bill reported by the Senator from Tennessee:

May I suggest this, that there are several defects in the bill, which I have pointed out, that seem to me to be fatal?

That is the expert that my friend is quoting.

Mr. GRONNA. I thank the Senator from Ohio. It simply shows that my poor judgment is sustained by that expert.

Mr. REED. And that even the legislative mind can appreciate the statement.

Mr. GRONNA. Mr. President, I am going to vote for this bill, imperfect as I believe it to be, for the reason that I believe it is our moral duty to take care of these more than 4,000 people who seem to be unable to take care of themselves. There is no need in the world to enact legislation which will give an employee an opportunity to invest his money in life insurance. We have life insurance companies that are not run by the Federal Government; and I, for one, must confess that I do not believe we should enact this legislation, increasing the hardships upon these people who have hardly been able to live upon the salary paid them during the last two or three years. The salaries here in Washington may be high. They may be higher than they are in the country. As I said a moment ago, while we have no wealthy people in my State, we have no people there who are dependent upon the public. Poor as they may be, they have a home, humble though it may be. Most of them own a home, and we have not a single poorhouse in the State.

I believe, Mr. President, a measure of the kind I refer to is only fair in a great Government like ours, where so many people are overburdened with wealth. Look at the thousands of millionaires and billionaires. They have become so rich during these few years that they are being oppressed in taking care of their great fortunes. Yet, when it comes to a question of dividing a few thousand dollars among four thousand and a half of worthy old people who have done valiant service for the country, we hesitate to give it to them. Is that a democratic principle, I ask you? We have just gone through this tremendous war, promising not only our own people but the people of the world that we are going to take care of all the people, and here we are refusing to take care of at least four thousand and a half who we know are unable to take care of themselves.

The PRESIDING OFFICER (Mr. GAY in the chair). The question is on the amendment offered by the Senator from Ohio [Mr. POMERENE] as a substitute.

Mr. VARDAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Johnson, Cal.	Page	Spencer
Chamberlain	Johnson, S. Dak.	Phelan	Sutherland
Cummins	Jones, Wash.	Poindexter	Swanson
Curtis	King	Pollock	Trammell
Fletcher	Kirby	Pomerene	Underwood
France	McKellar	Ransdell	Vardaman
Gay	Martin, Ky.	Saulsbury	Walsh
Gronna	Martin, Va.	Shafroth	Warren
Harding	Moses	Sheppard	Weeks
Hardwick	Myers	Sherman	
Henderson	Norris	Smith, Mich.	

Mr. KING. I wish to announce that the Senator from North Carolina [Mr. OVERMAN], the Senator from Minnesota [Mr. NELSON], the Senator from North Dakota [Mr. STERLING], and the Senator from Delaware [Mr. WOLCOTT] are necessarily absent on official business.

Mr. PITTMAN. I desire to announce that the Senator from North Carolina [Mr. SIMMONS], the Senator from Arkansas [Mr. ROBINSON], the Senator from New Mexico [Mr. JONES], the Senator from Rhode Island [Mr. GERRY], and the Senator from Idaho [Mr. NUGENT] are necessarily detained in the Finance Committee.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on official business.

Mr. SUTHERLAND. I wish to announce that my colleague [Mr. GOFF] is absent owing to illness.

The PRESIDING OFFICER. Forty-two Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. FERNALD, Mr. KELLOGG, Mr. KENDRICK, Mr. KNOX, Mr. PITTMAN, Mr. REED, Mr. SMITH of Georgia, Mr. THOMPSON, and Mr. WILLIAMS answered to their names when called.

Mr. KENYON, Mr. NEW, Mr. LENROOT, Mr. HALE, and Mr. SMITH of South Carolina entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-six Senators have answered to their names. There is a quorum present. The question is on the amendment of the Senator from Ohio [Mr. POMERENE].

Mr. KING. Mr. President, I should like to ask the Senator from Ohio to amplify his explanation in respect to a number of the provisions in the measure under consideration, particularly that provision wherein it states in substance that one-half of the amount to be paid for the annuity shall be contributed by the employees and one-half by the Government. I understood the Senator to say, and his statement is borne out by the testimony of Dr. Maddrill, that it would cost more than 5 per cent of the employee's compensation or salary to purchase an annuity. It would seem under the testimony of Dr. Maddrill and under the statement of the Senator from Ohio that more than 50 per cent of the cost of the purchase of the annuity was being imposed upon the Government.

I should like to have the Senator explain that, and also explain the provision of his substitute with respect to the 8 per cent of the compensation; that is, the maximum being 8 per cent. I should like to ask the Senator also to state, if he can, from the investigation made and the report of experts, if any have been made, what would be approximately the amount that would be required to be paid by the employees where they make the full contribution for the annuity.

Mr. POMERENE. Mr. President, the question of the Senator from Utah is very comprehensive, and it will necessitate perhaps my repeating to some extent what I have already said on the floor of the Senate.

I did make a statement to the effect that under the committee bill it would cost more than 5 per cent, and I based that upon Dr. Maddrill's statement to the effect that 5 per cent would be within a few tenths of 1 per cent less than the actual cost; in other words, that the actual total cost of the bill would be a few tenths of 1 per cent less than 6 per cent.

I did in substance say that many of these employees, if the McKellar bill were adopted, would have to pay more than 50 per cent of their pension. The information which we gleaned when I was a member of the committee was to the effect that when the young man or the young woman was 20 years of age the total cost of his or her pension would be 3 per cent of the average salary, which is $1,132. If the salary was twice that sum, then the total cost would only be 1½ per cent of the salary. If three times that sum, it would only be one-third of that amount, or 1 per cent of the salary.

I made the further objection to the bill that if we adopted the 2½ per cent assessment a man might be required to pay $30 per year or $125 per year, and he would only get the same pension as the one who paid less. In other words, if you analyze the McKellar bill, you will find that instead of calling it a fifty-fifty bill many of the employees would be required to pay not only 50 per cent of the cost of their annuity but in many instances they will have to pay 200 per cent, or twice what their actual pension will cost. I referred to the testimony of the committee's expert, Dr. Maddrill, who sustained that position.

So you have a system here under which the Government is first paying 50 per cent of the cost, and, assuming now that it only costs 5 per cent, you will have the employee paying 50 per cent of the cost of that pension, and even less than that, as I shall point out in a moment, but an amount that is equal to 200

per cent and more of the cost of the pension, depending on the amount of his salary and his age. I say that because under this system if a man is 67 years of age and he has been in the employ of the Government in the unclassified service for 14 years, not intending to be permanently with the Government, and afterwards thinks it is going to be to his pecuniary advantage to get into the classified service, and he gets into the classified service and stays there one year only, and makes certain back payments represented by the 14 years of service which he has rendered in the unclassified service, he is entitled to a pension of $420 a year. When you call that a fifty-fifty plan it is camouflage.

While the statement has been made here that all those of higher salaries want to do this, I wish to see the credentials authorizing these statements, and they have not been produced by those who make them. It is an easy matter for a man who sits here in Washington representing certain interests and, coming to a certain conclusion, to say, "I represent the employees in 48 States." Senators have had experience in similar committees. Amendments may be offered here on the floor of the Senate to-night at 4 o'clock and through the manipulation of some people who are interested here in Washington send out telegrams and to-morrow morning Senators receive telegrams from people all over their State, and, for that matter, from all over the United States, saying we are in favor of your amendment or we are against it. That kind of telegrams never leads me anywhere, and they are not very persuasive in character.

Now, then, let me go to the other proposition. The Senator from North Dakota [Mr. GRONNA] speaks of the 8 per cent limitation in the substitute bill. I recognize the fact that if we were taking 8 per cent from all employees it would be an expensive proposition, but they fail to point to the fact that 8 per cent is the maximum that can be taken under all circumstances. This 8 per cent is the extreme amount that may be assessed, and it depends upon the age of the employee and the amount of his salary, and perhaps I ought to explain that preliminarily.

You will understand that the question of health does not enter into the annuity, or, in other words, the insurable character of the employee. The assessment will be based under the substitute plan on two facts which will be all-controlling. The one is the amount of the salary, the other is the age of the annuitant at the time the assessment is made. At the time when the actuary, Dr. Brown, made the estimate the average salary was $1,132; and assuming $1,132 to be the average salary, then on that salary, if he enters the service at the age of 20, the total cost of the annuity would be 3 per cent annually. If he enters at the age of 25, it would be 4 per cent annually. If at the age of 30, it would be 5 per cent annually. If at the age of 35, it would be 6.5 per cent annually. At the age of 40 it would be 8 per cent annually. At the age of 45, 11.5 per cent annually. At the age of 50, 16 per cent annually. At the age of 55, 23.5 per cent annually, and at the age of 60, 39 per cent annually. But his annuity, if he were 60 years of age, and was to pay the entire cost of it, would amount to 39 per cent of his salary. Under the plan that we have adopted the Government can only take 8 per cent and the other 31 per cent will be paid by the Government out of the public funds in the Treasury. Now, those figures are based upon a salary of $1,132. If the salary was twice that, or $2,264, then you would have to cut these estimates in two.

Mr. President, I wish I could get Senators to give this subject enough attention to understand the total cost of this system. We have the estimate under the substitute bill, which was furnished by Dr. Brown two years ago. I have it before me, and it will be found on page 39 of the CONGRESSIONAL RECORD of Tuesday. If all those who are 70 years of age are retired, their pension will cost the Government the first year $2,890,500. From year to year the number of the annuities will increase and the amount of the expense to the Government under this system will increase for a time, then decrease for a number of years, and ultimately be self-sustaining. In 21 years it will reach a maximum, or peak, as the actuary calls it, of $6,207,600, and then from that peak it runs down to the lowest point in 60 years from date, when it will cost the Government only $100 for the year. Then the entire system is self-sustaining, but the total cost to the Government during these 60 years until we get to a point where it will be self-sustaining will amount to $172,351,800. In other words, on the average it will cost the Government about $3,000,000 a year for 60 years, and then the plan will be self-sustaining.

Mr. KING. Will the Senator yield?

Mr. POMERENE. Yes.

Mr. KING. Would those figures be continued if the number of the employees of Government within the civil service should increase, as they will, of course?

Mr. POMERENE. Of course, it is very difficult for me to say, because the number of employees retired may increase beyond present estimates, and that would increase the cost. Under all circumstances the assessments are limited to 8 per cent. That is the maximum, understand. So it is possible that the total cost during these years might be more than the figures indicated it, but after that time it will be completely self-sustaining.

Now, let me assume the case of an individual who is getting a salary of $100 a month. Suppose the Government does take the 8 per cent, it is not taking the money from him. It is saying to him simply this: "You are in the service, and you have been here for a good many years. We want you to set aside $8 a month, or $96 a year, and leave it here in a savings bank, so to speak, and we are going to pay you 4 per cent interest per annum, compounded annually upon that amount." In no event is he deprived of a dollar. If, after he becomes 70 years of age and he has paid his 8 per cent, it may be for only one year, he is then retired, and if he lives to be 100 years old the Government is paying him $600 a year for the remainder of his days. Now, that is the situation. But what about the cost of the other bill? I attribute no fault to the chairman of the committee, but it is just a little remarkable when you take into consideration the fact that they have only attempted to give the cost of their bill for a matter of six years. They only attempt to give you the amount of the assessments for six years, and they estimate that this will show a net surplus in the Treasury over and above the annuities to be paid the first year and will leave a large balance. That is like a good many other half truths. They lead to the worst kind of deception. It will be very interesting to Senators to have a complete statement from their actuaries giving the total cost for each of these years for the full period—60 years. They take no account of the fact that when they claim to retire about 7,500 superannuated employees the Government must replace them with perhaps 3,750 new clerks and they must be paid.

Let me point it out a little more carefully if I can, and I take their own figures for this. I will read from page 7 of the committee's report:

> For instance, the estimated receipts from employees during the year 1920 will be $9,000,000.

But they are only taking, according to their own statement, from the employees one half of the cost of this system. The other half is to be paid by the Government. In other words, by promise of the Government and by contributions from the employees, they expect to get in one year $18,000,000. Of course, you and I know that the pay roll of the Government is going to increase from year to year by the natural increment of employees, but assuming for the sake of argument that it does not, then you have $18,000,000 as the cost to the Government and employees together for one year, and for 60 years it amounts to $1,080,000,000. In other words, the Government will pay one-half of that, or $540,000,000, in 60 years, whereas the plan in the substitute bill will cost the Government $172,351,800 for the same term of years. My belief is this: I do not think Government employees are any different from anybody else; and while it may be that some of these gentlemen who are receiving the lower salaries are willing to pay 2½ per cent of their salary for the first part of their term of service, suppose they are advanced from time to time until the salaries become twice their present pay, how long will it be before they come in here with their petitions complaining and saying, "My insurance cost me 2½ per cent when I was only getting a small salary; you are not increasing my annuity, but my salary has been doubled, and you are taking from me twice the amount that you took at first." Wonderfully fair, that is! Yet employees are led to believe that this is a half-and-half plan. They will find out some day that it is not if the McKellar bill is adopted.

Mr. President, just one further thought, and then I am going to conclude. Much is said about employees receiving lower salaries and that they can not afford to pay. I have explained that they are not paying, but simply that they are setting it aside under a compulsory system in a savings bank for a rainy day; that is all. But, on the other hand, let us admit—and I think it is true—that there are many employees who are not getting as much compensation as they ought to have. That, however, is not a reason why we should fit a pension or annuity system to meet their lower salaries. It is a reason why their salaries should be increased. In other words, my thought is that the pay system and the pension system are two separate and distinct things and that we ought either to be for a pension or against a pension, and we ought not to be for or against it

because a man is getting too much or too little pay, for some system of insurance has become a part of the system of the country. Every individual, with rare exceptions, carries a given amount of insurance. He does not carry it because he gets a high salary or a low salary, but he takes out his insurance because he wants some security against a rainy day. That is the situation here. If these salaries are not what they ought to be, then it is incumbent upon the Congress to increase salaries where they are too small and to lower them if any of them are too high.

Mr. President, I have occupied a good deal more time than I expected in this discussion, but I have gone into it so thoroughly in years gone by that I feel intensely the importance of the subject. I do not want the Government to adopt a system now that by later years of experience is going to be so offensive to the public that there will be a demand for its repeal.

I want to say to those employees who are here advocating this system that there are two steps to be taken and to be considered. One is, Shall we establish the retirement principle? The other is, After we shall have established the retirement principle, what shall the plan be? If they are a unit in desiring the retirement scheme, let us adopt a system here that will win to it the support of all. Then, after we have established a retirement system and it develops out of the abundance of experience that we shall have under it that there should be some changes, let us then make them.

If employees were drafted into the service, if they were compelled to remain in the service, then they could come with some grace and make their demands; but there is not one on the pay roll of the Government who was forced to come here. They have come into the departments, they have come into the public service, for the very reason that I am occupying the position I now have, namely, because I was ambitious to get into the Senate; they came into the Government service because they thought in the Government employ there was something of honor attached to it, and that it was a better-paying proposition than 95 per cent of them had before. Let us not forget that fact.

When people come to me and say the people back home are a unit for the system, I deny it. I say that in perfect candor. I know that those words are not welcome; but I am here as a public servant trying to do, as I have the light, that which will not only be rendering service to the employees of the Government but to the people back home as well.

Mr. President, I trust the substitute which I have offered will be adopted.

The PRESIDING OFFICER. The question is on the adoption of the substitute for the bill which has been proposed by the Senator from Ohio.

Mr. POMERENE. I ask for the yeas and nays on the amendment.

Mr. VARDAMAN. There does not seem to be a quorum present. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Johnson, Cal.	Moses	Shafroth
Calder	Johnson, S. Dak.	Myers	Sheppard
Chamberlain	Jones, Wash.	New	Sherman
Cummins	Kellogg	Norris	Smith, Mich.
Curtis	Kenyon	Page	Spencer
Fernald	King	Phelan	Sutherland
Fletcher	Kirby	Pittman	Swanson
France	Knox	Poindexter	Thompson
Gay	Lenroot	Pomerene	Trammell
Gronna	McKellar	Pollock	Underwood
Hale	McLean	Ransdell	Vardaman
Harding	Martin, Ky.	Reed	Walsh
Henderson	Martin, Va.	Saulsbury	Williams

Mr. SUTHERLAND. Mr. President, I desire to announce the absence of my colleague [Mr. GOFF] on account of illness.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. There is a quorum present. The Senator from Ohio asks for the yeas and nays on his amendment.

The yeas and nays were ordered.

Mr. REED. Mr. President, I ask the Senator from Tennessee to yield until I can have a resolution reported to the Senate.

Mr. McKELLAR. The yeas and nays have been ordered on the pending amendment. Let the roll be called, and then I shall yield to the Senator from Missouri with pleasure.

Mr. REED. But there may be further discussion. The fact is that I desire to ask some questions.

Mr. McKELLAR. I will yield immediately after the roll shall have been called on the pending Pomerene amendment.

Mr. REED. I want to ask a question or two about the amendment before it comes to a vote. The resolution which I desire reported I think will take but a moment for consideration.

Mr. McKELLAR. But the trouble about it is that the yeas and nays have already been ordered.

Mr. REED. That stands.

Mr. McKELLAR. Let the roll be called, and then I will yield to the Senator from Missouri.

Mr. REED. What I am trying to explain to the Senator is that the debate may yet go on for an hour.

Mr. McKELLAR. I am perfectly willing to yield to the Senator immediately after the calling of the roll on the Pomerene amendment.

Mr. REED. The Senator from Tennessee does not understand me. The yeas and nays have been ordered, but the roll call has not been started, and the Senator from Tennessee knows there may be further debate, which may last for a week.

Mr. McKELLAR. How long will the consideration of the resolution take which the Senator from Missouri desires reported?

Mr. REED. If the resolution requires any discussion I shall not ask that it be considered.

Mr. McKELLAR. With that understanding, I am perfectly willing to yield to the Senator.

Mr. REED. Very well.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. THOMPSON. I am directed by the Committee to Audit and Control the Contingent Expenses of the Senate to report back favorably without amendment Senate resolution 371, submitted by the Senator from Missouri [Mr. REED], and I call the attention of that Senator to the report.

The PRESIDING OFFICER. The resolution will be read.

The Secretary read the resolution, S. Res. 371, as follows:

Resolved, That the Committee on Public Buildings and Grounds or any subcommittee thereof be directed to inquire into the costs, construction, operation, maintenance, and future disposition of the public buildings of the Government of every nature, kind, and location and the program and contracts of the various departments of the Government with reference to future costs, construction, operation, maintenance, and disposition of the Government buildings of every nature, kind, and location, and report to the Senate thereon, together with their recommendation of any steps which they may deem advisable to take with a view to remedying conditions.

That the Committee on Public Buildings and Grounds, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-fifth Congress to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding $1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recess of the Senate.

Mr. REED. I ask unanimous consent for the present consideration of the resolution.

There being no objection, the Senate, by unanimous consent, proceeded to consider the resolution.

Mr. WILLIAMS. I do not understand precisely what that resolution is. I desire to ask the Senator from Missouri what is the purport of the resolution?

Mr. REED. I can answer the Senator from Mississippi if the Senator from Kansas will permit me.

Mr. THOMPSON. Certainly.

Mr. REED. This is merely a resolution to authorize an investigation as to the expenditure of money for the putting up of public buildings. It grows out of the debate here this morning when there was a request for the information asked for by the resolution. That is all there is to the resolution.

Mr. WILLIAMS. The expense to be paid out of the contingent fund of the Senate?

Mr. REED. The ordinary expenses of the investigation are to be paid just like those of any other investigation.

Mr. WILLIAMS. I do not think I have any objection to the resolution.

The resolution was considered by unanimous consent and agreed to.

CIVIL-SERVICE RETIREMENT.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4637) for the retirement of employees in the classified civil service.

The PRESIDING OFFICER. The question now is on the adoption of the amendment offered by the Senator from Ohio [Mr. POMERENE], on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CURTIS (when Mr. FRELINGHUYSEN's name was called). I am requested to announce the absence of the senior Senator from New Jersey [Mr. FRELINGHUYSEN] on official business. If he were present, he would vote for the so-called Pomerene amendment. I understand he is paired with the junior Senator from Montana [Mr. WALSH].

Mr. CURTIS (when Mr. NELSON's name was called). I am requested to announce the absence of the Senator from Minne-

sota [Mr. NELSON] on official business, and also to announce the absence on official business of the Senator from North Carolina [Mr. OVERMAN]. The two Senators are paired upon this question.

Mr. SAULSBURY (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. Not knowing how he would vote on this question, I withhold my vote. If at liberty to vote, I should vote "aye."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. STERLING (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. SHAFROTH (when the name of Mr. THOMAS was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of official business.

Mr. CURTIS (when Mr. TOWNSEND's name was called). I desire to announce the absence of the Senator from Michigan [Mr. TOWNSEND] on official business. Were he present he would vote against the Pomerene amendment.

Mr. VARDAMAN (when his name was called). I have a pair with the Senator from Michigan [Mr. TOWNSEND]. In his absence I withhold my vote.

Mr. WALSH (when his name was called). I am paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I transfer that pair to the Senator from New Hampshire [Mr. HOLLIS] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a standing pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the absence of the Senator from Indiana [Mr. WATSON] on official business. I understand he is paired with the junior Senator from Delaware [Mr. WOLCOTT], who is detained from the Senate because of attendance on a committee of the Senate.

Mr. KELLOGG (after having voted in the negative). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS]. I transfer that pair to the junior Senator from New Jersey [Mr. BAIRD], and will let my vote stand.

Mr. DILLINGHAM. May I inquire whether the Senator from Maryland [Mr. SMITH] has voted?

The PRESIDING OFFICER. He has not.

Mr. DILLINGHAM. I have a general pair with the Senator from Maryland, which I transfer to the Senator from Wyoming [Mr. WARREN] and vote "yea."

Mr. SWANSON. I desire to announce that the Senator from North Carolina [Mr. OVERMAN], the Senator from Delaware [Mr. WOLCOTT], and the Senator from Illinois [Mr. LEWIS] are detained on official business.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from New Mexico [Mr. FALL] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from North Dakota [Mr. MCCUMBER] with the Senator from Colorado [Mr. THOMAS].

The result was announced—yeas 31, nays 26, as follows:

YEAS—31.

Beckham	Kenyon	Page	Sterling
Cummins	King	Pollock	Sutherland
Dillingham	Knox	Pomerene	Swanson
Fernald	McLean	Reed	Thompson
Fletcher	Martin, Ky.	Sheppard	Underwood
Harding	Martin, Va.	Smith, Ariz.	Weeks
Hardwick	New	Smith, Ga.	Williams
Johnson, S. Dak.	Norris	Smith, Mich.	

NAYS—26.

Calder	Hale	McKellar	Shafroth
Chamberlain	Henderson	Moses	Sherman
Curtis	Johnson, Cal.	Myers	Spencer
France	Jones, Wash.	Phelan	Trammell
Gay	Kellogg	Pittman	Walsh
Gerry	Kirby	Poindexter	
Gronna	Lenroot	Ransdell	

NOT VOTING—39.

Ashurst	Culberson	Hollis	McCumber
Baird	Fall	Jones, N. Mex.	McNary
Bankhead	Frelinghuysen	Kendrick	Nelson
Borah	Goff	La Follette	Nugent
Brandegee	Gore	Lewis	Overman
Colt	Hitchcock	Lodge	Owen
Penrose	Simmons	Thomas	Warren
Robinson	Smith, Md.	Townsend	Watson
Saulsbury	Smith, S. C.	Vardaman	Wolcott
Shields	Smoot	Wadsworth	

So Mr. POMERENE's amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate, as in Committee of the Whole, and open to further amendment.

Mr. REED. Do I understand that the substitute offered by the Senator from Ohio [Mr. POMERENE] has been adopted?

The PRESIDING OFFICER. It has been.

Mr. REED. Mr. President, I hope this bill will not be forced to a vote to-night. While the question has been debated for a number of days it has been a broken debate, occasioned by many topics and subjects that thrust themselves upon the consideration of the Senate. I wish for my part to deal justly with the employees of the Government, but I do not want to see the employees of the Government singled out for special benefits, those benefits to be paid for by the other citizens of the Republic. There is reason, as I have already suggested, why the Government may rightfully insist that if it gives to employees permanent positions those employees should contribute to a fund which will be sufficient to retire them when they are no longer able to work. Such a law would seem to be a necessary concomitant of permanent Government employment, because otherwise the Government will find itself in the position of having superannuated or disqualified employees upon its hands and be put to the hard condition of either discharging them when they are impoverished and old or of retaining them in their places when they are worthless. But, Mr. President, when it is proposed to take from the taxpayers of the country, who have no pension provided for them, the money with which to pay the pensions of the favored Government employees that is a different proposition.

We have a peculiar condition here in Washington. A bill like the one I have just been discussing ought to have been passed at the same time that we passed the civil-service act, and thereby provided practically for permanent employees for life positions. We did not do it, however, and now we find that there are a large number of old men and old women in Washington who have worked many years for the Government. Many of these people, if discharged, would be without any means of subsistence. So the Government is carrying them upon its rolls, at full pay, although they are incompetent to do the work for which they are paid.

I think this bill ought to go back to the committee. I think the committee ought to report to the Senate a bill providing some means to take care of the present superannuated employees who are without means, and they ought to be retired. Whatever the necessary expense may be we should assume it, because no provision has been made for these people in the past; and while we are under no legal obligation so to do, we are under that kind of moral constraint which comes when the heartstrings are pulling in one direction and cold business in another. That is a very badly mixed metaphor, but I will let it stand. I think the committee ought to report a clean-cut compulsory pension bill, so that in the future we will never find ourselves with a large number of employees upon our hands who are incapable of doing work and who have nothing to live upon.

That sort of bill I will gladly support; but I do not propose, as far as I am concerned, to levy taxes upon the people of the United States who have no pension, who have nobody to look after them, and who, if they have annuities, must pay for them out of their own pocket, for the benefit of Government employees who are all their lives getting better salaries, better pay, better compensation than is generally paid for similar labor. It is not fair to the rest of the people to give a man a life job—and that is substantially what he has under the civil service—and give him a salary which is so attractive that people all over the United States are clamoring for the position he has acquired, and, having given him that benefit, then proceed to tax the rest of the people to take care of him after he quits work. This question ought to be settled on its merits. It ought not to be settled by agitation or by agitators. So far as I am concerned, I have tried to be fair with the Government employee all the time; but I am getting a little tired of a Government employee lobby constantly being around the offices, like Oliver Twist, demanding more and still more.

My heart bleeds for some of these old, decrepit creatures who are barely able to crawl around the departments. It is true that they ought to have saved something from their wages in the past, but I take it most of them have not. Nevertheless, in order to deal generously or kindly with them we ought not to fasten a permanent burden upon the people of the United States.

It is useless to deny that these Government positions are attractive. Because they are attractive, they are sought after on every hand. The wages paid in these positions are fully up to the wages paid outside under normal conditions in similar occupations, and a little better. So you find boys and girls, men and women all over the United States taking civil-service examinations and clamoring for the places, demanding to know why they do not get the places, and insisting that they are not being treated fairly because they have not received them. When they obtain one of the positions it suits them so well that they insist on their right to stay there. They do stay there in preference to entering the ordinary vocations of life.

That is sufficient to show that the position is a little better than the ordinary position they could get. We make that position permanent by virtue of the civil-service law, so that they are not like the general man, liable to be discharged at any moment, and under the disagreeable tension that the job may not exist the first of the next week or the first of the next month. Altogether the position is a desirable one for them. Now it is proposed to pay them a pension, and to pay it by taxing the rest of the people of the United States.

Let us see just how that will work. Who looks after the farmer in his old age? The poor master, unless the farmer has looked after himself. Who looks after the miner in his old age? The poor master, unless he has looked after himself. Who looks after the lawyer in his old age, if he has not saved money, if he has nothing put by? The poor master. Not often, perhaps, does this fall to the lot of the lawyer, and yet it does fall to him. Who looks after the poor girl who works in the department stores? She, again, must shift for her living. She has no permanent job, and if she grows old and superannuated, then God have pity upon her!

Mr. KING. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from Utah.

Mr. KING. I was interested in what the Senator said in regard to the lawyers. It may refresh the Senator's recollection when I state that the average earnings of the lawyers of the United States before the war, as shown by recent statistics, were approximately between $750 and $800 per year. The average earnings of school-teachers were considerably less; and the average earnings of the American people, wage earners, were somewhere between $500 and $600. So that the employees of the Government here in Washington and elsewhere under the civil service are getting very much more than the working people throughout the United States, and many of the professional classes, too.

Mr. REED. Under normal conditions.

Mr. KING. I mean, of course, under normal conditions.

Mr. REED. We might as well look at this question fairly. It is not to be settled, or ought not to be settled, by a resolution passed in some labor council. I have the utmost respect for those organizations, but I asked a member of one of them the other day if he thought it was right to tax the union carpenter who was working in Kansas City to pay an annuity to a civil-service gentleman who was working down here in the gun factory, when nobody took care of the carpenter out there. My friend could not answer the question. I ask the same question now. But, returning to my theme, take the school-teacher.

The school-teachers of the United States are paid on the average from one-half to one-third what is paid here to Government clerks. Who takes care of the school-teachers in their old age? Who pays them annuities? The Senator from Mississippi said that if we were going to provide an old-age pension or a disqualification pension for the employees of the United States Government, we ought to do it for all of the people of the United States at the same time and not single out the favorites of the Government. Is that not a just proposition?

Mr. McKELLAR. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. REED. Yes.

Mr. McKELLAR. The Senator from Mississippi cited as his authority the English Government, which I have previously cited, and said that they started with pensioning the civil employees in 1834, and added these two afterwards. If the Senator from Missouri and the Senator from Mississippi believe in the theory of old-age pensions, which I am frank to say I have not examined, is it possible that these distinguished Senators believe that it can be done all at one fell swoop; or would it be wise to follow the example of the English Government, which has had experience in it?

Mr. REED. Mr. President, there are three or four answers to that proposition. The first one is that it does not make a particle of difference to me what the English Government has done or what it has not done. It may have acted wisely, and it may have acted unwisely. The English Government used to sell, and for many years did sell, its commissions in the army. That would have afforded no reason for us to have ever done it in this country. The English Government has a titled aristocracy that constitutes the English House of Lords. That is no reason why we should have it here. The English Government has a King. That is no reason why we should have one here. The English Government has classes among its people. That is no reason why we should have them here. England has sovereigns and citizens; we have sovereign citizens.

Mr. McKELLAR. Mr. President, will the Senator pardon me?

Mr. REED. The English Government has a good many things that I would not have here if I had to start a rebellion to prevent it.

Mr. McKELLAR. If the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. REED. Yes.

Mr. McKELLAR. That may be all true; but every other government on earth except the United States Government and the Government of Turkey and perhaps the Government of Venezuela, in South America, has established a system of retirement for its civil-service employees. Is it possible that all other governments on earth are wrong and that only the Government of the United States and the Government of Turkey are right?

Mr. REED. Now, the Senator has emigrated from England and spread himself out over all the world. That is too big a territory for me to discuss; but I want to say to the Senator that it is not true that every government on earth has a civil-service system in its government.

Mr. McKELLAR. There may be some forms of government down in the South African countries that I do not know anything about.

Mr. REED. No; more than that. But I do not intend to follow this in detail. How much good does it do to know that some other Government has done something to a certain class of employees unless you know about the employees? Suppose that the German Government provided for its soldiers a pension of a certain amount, and you cited that as an example—would it help us out any? An American soldier gets a dollar a day. I understand that a German soldier gets about 4 cents a day. A man who gets 4 cents a day has to have a pension when he can not work any more or he would starve to death. The other man might or might not need a pension. Conditions of life make these differences. What about the salaries in these countries? Are they paid $100 a month? Are they paid $150 a month? Do they have the opportunity of promotion up to $3,000 or $4,000? Are they paid $6, $7, and $8 a day as wage earners? Is that the condition you find in England?

Mr. McKELLAR. Mr. President, if the question is addressed to me, I shall take a great deal of pleasure in answering it. The pensions granted to the civil-service employees are in proportion to the salaries paid by the Government.

Mr. REED. That is not the question I am raising.

Mr. McKELLAR. Yes; that is precisely the same question.

Mr. REED. No; it is not. The Senator does not understand my proposition.

Mr. McKELLAR. I think I do.

Mr. REED. Suppose in the United States we pay a clerk $2,000 a year. Suppose, merely for illustration, the same kind of a clerk in England gets but $300 a year. Manifestly there is more equity in pensioning the poor creature who has been starved all his life over there than there is pensioning the one who gets $2,000 a year here.

Mr. McKELLAR. Well, there might be.

Mr. REED. There might be? I should say there would be.

Mr. McKELLAR. There might be a case singled out in that way; but taking the general rule, the pensions accord with the salaries paid, just as we propose in this bill to make the pensions accord with the salaries paid.

Mr. REED. That is absolutely unjust. It proceeds upon the idea that if the Government has paid to one man good wages all his life it also will pay him a big pension after he quits work. But if the Government has paid another small wages all his life, it will dole out to him a meager pension after he can no longer work. Thus you give the man who never had a chance to lay by anything for a rainy day the little pension, while you give to the man who has had a chance to amass a competence a larger pension.

Mr. McKELLAR. The Senator manifestly has not read this bill. If he had read this bill he would know that that is not what this bill provides.

Mr. REED. That is just what the Senator said.

Mr. McKELLAR. Oh, no; not at all. The bill provides that they shall be divided into four classes, and paid $600 in

one class, $540 in another class, $480 in the next class, and $420 in the last class.

Mr. REED. Exactly. Well, I just took the Senator's own statement; that was all. I took the statement the Senator had just made, and I commented on it. I think his statement just made confirms me.

Now, Mr. President, I want to return to my theme. Who is going to pay the old man in the Senator's own State who has worked hard all his life at common labor? Who is taking care of him? Who is pensioning him?

Mr. McKELLAR. If he was a Federal soldier the Federal Government is pensioning him, and if he was a Confederate soldier the State of Tennessee is pensioning him. We are trying to protect them and care for them, just as we are trying to do in this bill.

Mr. REED. Suppose he was a soldier in neither army, but just a plain, ordinary citizen. The soldier, of course, stands in a class by himself. He has been pensioned because of his heroic sacrifice of the richest and best years of his life.

Mr. McKELLAR. Sometimes he has and sometimes he has not. Sometimes he has been put on the roll by Congress when he has never been in the Army.

Mr. REED. Oh, well, the Senator is merely dodging the question.

Mr. McKELLAR. No; I am not.

Mr. REED. The Senator is trying to take an exception to a general rule and is arguing from that. The Senator can not put up the soldier pension roll as an argument. The soldiers have been pensioned for different reasons than the one that is being assigned here. They will be pensioned, some of these boys that come back from France, not because of the reasons assigned for this bill, not upon that basis, but upon the basis that they imperiled their lives and their health in defense of their country while others escaped that ordeal.

Let me tell you why foreign countries do not furnish a very good example on the question of old-age pensions. The old-age pension proposition in European countries grows out of conditions that are a disgrace to those countries. Men are born substantially to one place in life. They have little opportunity given to them. They are often compelled to work for a wage that does not permit the gathering of a competence. Although they have pinched and starved throughout their entire lives, when the shadows of old age engulf them, when they are groping and staggering toward the tomb and no longer able to support themselves, they become public charges. It is because of those conditions which obtain in Europe that they have the old-age pensions.

In this country we have had a different theory. We have contended that a man ought to be taught to take care of himself, that he ought to have a chance to make a living, a chance to save something, to take care of himself in old age, so that he would not be a public charge, so that he would not be a pauper, so that he would not require the crutch of government to hobble through the world upon. That has been our theory of government—a theory upon which we have prospered beyond every other nation on earth—a theory that has developed a manhood in this country that I unhesitatingly pronounce superior to the manhood of any other country under the sun.

Mr. McKELLAR. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. REED. I will yield for a question, of course.

Mr. McKELLAR. What does the Senator do in his own State with the helpless and superannuated? Does not the State take care of them in the State of Missouri?

Mr. REED. Oh, no, Mr. President; not in the sense that the Senator employs.

Mr. McKELLAR. I was honest in that. They do in my State.

Mr. REED. The Senator is discussing something that I did not say. I was asking the Senator who provided a pension for these people in the respective States, trying to make it plain to the Senator that while this bill proposes to single out the Government employee and take care of him nobody proposes to pension the faithful servants and laborers of the States, but, on the other hand, it is intended to tax them for the benefit of the Government employees.

Mr. McKELLAR. Mr. President, I want to make a suggestion to the Senator. In his own State the government of the State of Missouri singles out the old people in that State, and not only pensions them in the truest sense of the word, but it furnishes houses for them, it furnishes help for them, it furnishes clothes for them. After all, it is just a question of the method, whether you furnish poorhouses for them or whether you furnish pensions for them. The principle is precisely the same.

Mr. VARDAMAN. There are poorhouses and palaces; that is the difference.

Mr. McKELLAR. Quite the contrary.

Mr. REED. The Senator is talking about my State and making an assertion about it that does not exist at all.

Mr. McKELLAR. Have you no poorhouses in the State of Missouri?

Mr. REED. Yes; we have a few; but the Senator has been talking about the State of Missouri pensioning the old people of Missouri. The Senator insists on arguing everything but the case at issue. The alternative for pensions is not poorhouses.

Mr. McKELLAR. That is the practical alternative.

Mr. REED. If that be true, then your bill ought to provide for pensions for all the old people of the United States, and not leave the poorhouses to take care of everybody except the favored Government employees. Why should you send the unfortunates of Tennessee to the poorhouses of Tennessee and pension the employees in Washington, who have been paid more money all the years they have worked here than similar employments pay in your own State?

Why have you got poorhouses in Tennessee, if you want to make that kind of a comparison? You have them because it is better to keep unfortunates in poorhouses than to let them starve. But that is not the question we are discussing. We are not discussing the question whether people, when they are impoverished and in want, shall be allowed to starve. We are discussing the question whether a few people out of all the people of the United States shall be singled out, and, first, be given a better salary than is paid in similar private employments; second, be given jobs for life; third, be given pensions. We are asking whether these pensions should be paid for by taxes wrung from people who have neither a Government job nor a Government pension. We are inquiring whether the Government employee should have a pension even though he possess a competence and the citizen who never had a Government job should in old age, if helpless and poor, be given a ticket to the poorhouse? That is what we are discussing. You may wiggle and twist, and twist and wiggle, and squirm from now until eternity shall dawn, and you have got to come back to that proposition. You can not get away from it.

Let us see. Somebody said here this afternoon the poor people, the laborers in the States, did not have to pay any taxes. I answered that then, but I want to answer it now in connection with what I am saying. There was never a bigger fallacy in the world than that. The man who sleeps in a rented furnished room when he pays his rent pays the taxes upon that room. The man who wears a pair of hobnailed shoes when he buys them pays a part of the taxes of the retail dealer, of the jobber, of the manufacturer, of the tanner who tanned the skin, and of the farmer who raised the cattle. In the last analysis everybody in the world who is not a pauper is a taxpayer. The burden rests upon all. So when it is proposed to pension the $150 a month clerk in Washington and pay that pension out of taxes, let it be understood that the $50 a month country schoolteacher in Tennessee pays her part of the pension and has no pension provided her. The $50 a month clerk——

Mr. GRONNA. Mr. President——

Mr. REED. One moment. The $50 a month clerk in the bank in Tennessee or North Dakota pays a part of that pension and has none provided for himself.

Mr. McKELLAR. Mr. President——

Mr. REED. In just a moment. Let it be understood that the $2 a day laboring man working on the section pays a part of that pension and nobody provides a pension for him. The farmer in his field in Tennessee or North Dakota or Missouri pays a part of that pension, but if anybody furnishes an annuity for him it is after he has paid for it in coin of the realm taken from his own pocket. The blacksmith, the groceryman, the carpenter, all classes of men in all the States you must acknowledge will be taxed for the purpose of paying the pension of the clerk in Washington. But there is no pension provided for these ordinary citizens. In their old age and poverty you propose to send them to the poor farm. Mr. President, gentlemen may seek to justify that, but it is favoritism, pure and simple.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. I yield.

Mr. GRONNA. I would not disturb the Senator, but in discussing the question he does me an injustice in the few remarks which I made. It was said by some Senators that these clerks paid no taxes. I think I made the statement that neither does the laboring man on the farm pay taxes. I know as well as the Senator from Missouri, at least I know to a certain extent, that every man pays a consumption tax.

Mr. REED. The clerk pays just the same as these other people.

Mr. GRONNA. But the Senator will admit, I am sure, that these clerks do not buy hobnailed shoes, they buy some other kind of shoes, and they pay proportionately the same tax that the people on the farm pay.

Mr. REED. Let me answer that. It is true the clerk in Washington who consumes, who has rent to pay, pays taxes just the same as these other people similarly situated pay taxes, and those taxes go into the Government Treasury. Now, all having contributed to a common fund, you propose to have one class take out of the common fund certain benefits you deny to all others. One class is to get back a part of that tax and the other class is not.

Mr. GRONNA. If the Senator will permit another interruption——

Mr. REED. Certainly.

Mr. GRONNA. I think the Senator and I quite agree, or we are not very far apart. I stated at the outset, in the few remarks I made, that my sympathy is for the 4,500 superannuated clerks who are not performing efficient service, who have no way of taking care of themselves. We ought to make some provision for them. I think the Senator from Missouri agrees that that ought to be done.

Mr. REED. I am willing to do that as an act of grace.

Mr. GRONNA. I made the further statement that I believe both these measures were unscientifically drawn.

Mr. REED. I agree with that.

Mr. GRONNA. I think the Senator from Ohio, whose amendment I opposed, read from the hearings or from some document where some expert supported that statement. I am perfectly willing, and I take it from the course on which the Senator from Missouri has set out, knowing him as well as I do, that he is willing to support some legislation that will help out the 4,500 people who are here at the expense of the Government, unable to perform efficient service. However, they are here, and we ought to take care of them. Is it not true that we ought to have some legislation for their relief?

Mr. REED. Exactly so. I say that this bill ought to go back to the committee, and a bill should be brought in with a provision to take care of these superannuated clerks, carefully guarded of course, so that we will not find ourselves taking care of people who do not need help, and then there ought to be, if you desire——

Mr. McKELLAR. And let the Government bear it all?

Mr. REED. Yes; that part of it.

Mr. McKELLAR. That is very much more than we propose.

Mr. REED. Oh, no. Then let the other people be provided for out of funds to be paid by the employees themselves.

Mr. McKELLAR. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. REED. Yes, sir.

Mr. McKELLAR. There is no man in the Senate for whom I have greater admiration, especially for his ability as a debater and a reasoner, than the Senator from Missouri, and I wish to ask him this question: When he labors so carefully and in such detail as to the laboring man, as to the schoolteacher, as to the man on the farm, the man in the shop, who has the great burden of taxation, does not the Senator think he is just a little unfair in his argument, because he has not mentioned that other great body of people who pay the real income of this Government and from whose taxes this annuity is to be most largely obtained? I have not heard the Senator say anything about those who pay the income taxes of the country, the wealth of the great corporations of the country, that pays almost seven-eighths of the taxes of the country.

Mr. REED. If the Senator had followed my line of reasoning a little more carefully, he would have found that I had absolutely included them.

Mr. McKELLAR. I did not so understand. I thought the Senator was laying very little stress on the capitalistic classes.

Mr. REED. I am going to make it so plain that the Senator will understand. I said that the man who rented a room, who did not have a dollar on earth except his daily wage, paid the taxes upon that building proportionately; that the man who wears shoes paid the taxes proportionately with the retail dealer, the wholesale dealer, and the manufacturer. I in effect said that in the end the burdens of government, no matter how you may seek to avoid or obscure it, must at last fall upon the great producing classes. It is true that when men have gathered enormous profits the tax upon those profits is primarily collected from them, so that apparently the taxes are largely collected from the capitalistic classes, but the capitalistic classes, if we may use the term "classes," and I do not say it offensively, transfer that tax right down the line, as I have shown, to the ultimate consumer. This they do without the least "variation or shadow of turning." It is practically the universal rule. So while I did not name capitalists specifically, they were nevertheless covered in my illustration.

EXECUTIVE SESSION.

Mr. McKELLAR. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened and (at 5 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Friday, December 6, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate December 5, 1918.

SECRETARY OF THE TREASURY.

Carter Glass, of Virginia, to be Secretary of the Treasury of the United States.

UNITED STATES DISTRICT JUDGE.

Charles E. Bunnell, of Fairbanks, Alaska, to be United States district judge, District of Alaska, division No. 4. A reappointment, his term expiring January 5, 1919.

UNITED STATES ATTORNEYS.

Rinehart F. Roth, of Fairbanks, Alaska, to be United States attorney, District of Alaska, division No. 4. A reappointment, his term having expired.

Julian P. Alexander, of Jackson, Miss., to be United States attorney, southern district of Mississippi, vice Joseph W. George, resigned, effective December 31, 1918.

HOUSE OF REPRESENTATIVES.

THURSDAY, *December 5, 1918.*

The House met at 12 o'clock noon.

Representative TEMPLE offered the following prayer:

Our Father who art in heaven, we thank Thee for Thy goodness which Thou hast revealed to us. We recognize Thee as the King of Kings, the Governor among the nations, and we pray that Thy blessings may be upon this Nation. Guide the deliberations of those who attempt wise laws. Hold us and keep us in Thy way. Amen.

The Journal of the proceedings of yesterday was read and approved.

SANATORIUM FOR DISCHARGED SOLDIERS AND SAILORS.

Mr. CLARK of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12917.

Mr. FORDNEY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Florida moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12917, and the gentleman from Michigan [Mr. FORDNEY] makes the point of order that there is no quorum present, and evidently there is not, and the Doorkeeper will close the doors and the Clerk will call the roll.

Mr. MANN. Mr. Speaker, it takes a call of the House.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The SPEAKER. Those in favor of going into the Committee of the Whole House on the state of the Union will say aye——

Mr. MANN. But the point of no quorum was made before that motion was put and the Chair decided there was no quorum present and the Chair can not now put the motion.

The SPEAKER. The Chair can not understand the gentleman.

Mr. MANN. The Chair had decided there was no quorum present. The Chair can not now put a motion before the House except a call of the House.

The SPEAKER. That is true.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to respond to their names:

Anderson	Blanton	Caldwell	Carter, Mass.
Anthony	Bowers	Campbell, Kans.	Carter, Okla.
Bland, Ind.	Brumbaugh	Carlin	Church

Collier	Garland	McClintic	Shouse
Connally, Tex.	Garrett, Tex.	McCormick	Siegel
Connelly, Kans.	Good	Maher	Sims
Costello	Gould	Mansfield	Small
Cox	Graham, Pa.	Mason	Smith, C. B.
Crisp	Gray, N. J.	Montague	Smith, T. F.
Curry, Cal.	Gregg	Morin	Stedman
Dale, N. Y.	Hamill	Nelson, J. M.	Stephens, Nebr.
Dale, Vt.	Hamilton, N. Y.	Nicholls, S. C.	Stiness
Decker.	Harrison, Va.	Nolan	Sullivan
Delaney	Haugen	Norton	Swift
Dies	Hayden	O'Shaunessy	Templeton
Donovan	Hayes	Phelan	Thomas
Dooling	Heintz	Porter	Vare
Dupré	Helm	Powers	Venable
Eagan	Helvering	Pratt	Voigt
Edmonds	Hensley	Ragsdale	Waldow
Ellsworth	Hood	Raker	Walker
Emerson	Howard	Riordan	Ward
Estopinal	Hull, Iowa	Roberts	Wason
Fairchild, G. W.	James	Rose	Watson, Va.
Farr	Johnson, S. Dak.	Rowe	Welling
Ferris	Juul	Rowland	Wilson, Tex.
Flynn	Kehoe	Russell	Wingo
Focht	Kiess, Pa.	Sanders, La.	Woods, Iowa
Francis	Kreider	Scott, Mich.	Woodyard
Fuller, Mass.	Langley	Scott, Pa.	Young, N. Dak.
Gallivan	Larsen	Sears	
Gandy	Littlepage	Sells	

The SPEAKER. On this roll call 307 gentlemen answered to their names—a quorum.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

The question was taken, and the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12917, with Mr. FOSTER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12917, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 12917) to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes.

The CHAIRMAN. According to previous arrangement made, the gentleman from Illinois [Mr. CANNON] is now recognized for 20 minutes.

Mr. CANNON. Mr. Chairman, this is an important bill sought to be connected with an important service. I do not believe there is a single man on either side of this House, under existing conditions, who desires to vote for something that ought not to be voted for. I have no attack to make upon Dawson Springs. I never was there. I know nothing of it, except as I have made a little inquiry, but let us talk a minute about the present situation. Unprepared when this war began, preparation had to be in haste, and it was so enormous from every standpoint that there was much effort that did not bear fruit, and it would have been impossible to have had the expenditure of every dollar bring a dollar's worth. The Army, the Navy, the Public Health Service, volunteers without pay or nominal pay, great masses of people were called into the public service. The draft came. We sent 2,000,000 people to the other side, to be reenforced by a million and a half if the war did not close. It has been an expensive war. The man power has been seriously impaired. A great debt has been created. The suffering in man power is not to be compared with dollars; yet it is over and done, and for one, as a Representative—and I think I speak for every man on both sides of the House—we will legislate and the people will approve legislation that will make good every pledge that was made in laws hastily passed to care for the people who went into the military and naval service. [Applause.] And so I will drop it right there. The question is, How can we best prepare? I said the expenditure had been extraordinary. There will be paid in round numbers interest on a public debt in the fiscal year 1920, commencing on the 30th of June next, a billion dollars.

What will be paid for compensation, what will be paid all along the line, remains to be seen. But, thank God, we are rich enough and patriotic enough so that we will meet it all by taxation. But that does not mean that with peace we are going to throw away money, and we should remember that in addition to caring for those we are obliged to care for 100,000,000 people who pay the taxes. It is quite one thing to pay taxes when we have 30 to 50 cent cotton, $2 wheat, $1.50 corn, and other things in proportion. But the time will come, and is to come rapidly, when you will have 8 to 10 cent cotton, when you will have 75 cents to $1 wheat, when you will have pork at, instead of 18 to 20 cents a pound gross, you will have it from 5 to 6 cents. And everything will be along that line. It is coming and it will come rapidly.

Am I saying this for the purpose of intimating that we are avoiding our pledges? No; I am not.

Now, let me get right down to "brass tacks." This is a provision to locate a tuberculosis hospital at Dawson Springs, a place at which there is no spring, but all wells, better, no doubt, for other diseases than tuberculosis. But let us see what we have now to care for the people in the hospitals, and what we have got to do with the situation. I will hastily, with a hop, skip, and jump, try to get to the meat of it. For general hospitals for the Army, apart from camps and cantonments, we have spent $54,000,000, for all camp and cantonment hospitals we have spent $99,500,000, making a total expenditure of $153,000,000 for construction and furnishing only. The number of beds in Army hospitals in camps and cantonments is 50,000, the number of beds in general hospitals and Army hospitals 25,000, or a total of 75,000. Now, these camp and cantonment beds are in hospitals mostly temporary in nature, but which I find, after inquiry, are good for service for 20 years. They will never be occupied, all of them. And they are scattered all over the country. And I do believe, as I stand here, after the best inquiry I can make, to say the least of it, that all of them are as good locations for tuberculosis hospitals as is Dawson Springs, the place sought to be acquired by this bill. I do not say that Dawson Springs may not be utilized, but let us use that which we have. Let us halt before we commence to make new locations for tuberculosis or other hospitals, utilizing those facilities which we have, the 75,000 beds that we have in the Army hospitals alone.

Let me go a little further. It is believed that the full capacity of these 75,000 beds has never been utilized. And I trust to God, so far as the future is concerned, that they never will be occupied. But we can amply care for those soldiers and ex-soldiers who desire hospital care with a greatly less number of beds than the 75,000 we now have.

Now, I want to speak a little further. These Army hospitals which are permanent are 37, the number of hospitals in camps and cantonments is 38, making 75 altogether. What else have we? There is a general Army and Navy hospital at Hot Springs, Ark. We all know about Hot Springs. There is a hospital there for many diseases. I suppose there is no place in the United States, or on earth, to equal Hot Springs. As my former colleague, John Allen, from Mississippi, in his closing speech, when he located the fish hatchery down there at Tupelo, said, "It is the center of the earth; that you might climb the highest tree; and that it was equally distinct to the eye as far as the eye would reach." For the purposes of a hospital, Hot Springs is a very good place. They have one there now and you can build more if it is necessary.

The Army has a tuberculosis hospital at Fort Bayard, N. Mex. My impression is, although I have not been able to fully verify it, that this is an abandoned post of the Army; that it is well located for tuberculosis treatment; and that there is already, and has been for years, a tuberculosis hospital there.

The Navy has a tuberculosis hospital in Colorado, at Las Animas, with over 600 acres, and supposed to be a good place for a tuberculosis hospital, which was established in time of peace. Now, there is a hospital that the Public Health Service has, in Fort Stanton, N. Mex. I am not sure exactly, but my belief is, from the best information I can get, that the whole area there is available for the extension of a tuberculosis hospital.

There are others that I might speak of. There is one criticism I want to make about this service in the future and what we ought to do, in my judgment. And in making it I have no reason to attack anybody. Take the Public Health Service, for illustration, and at its head is Surg. Gen. Blue, a man of extraordinary equipment for the public service, with a large staff. They have a tuberculosis hospital in New Mexico. Let us see what is proposed to be done and what has been done in peace and war for this service.

The Army bill passed on the 30th of June, I believe. I hold it in my hand, and if you will turn to page 47 of that bill, Chapter XV, you will see to what I refer. The chapter is too long for me to read, but I will read a short extract from it:

SEC. 4. That the duties of the Division of Venereal Diseases shall be in accordance with rules and regulations prescribed by the Secretary of the Treasury (1) to study and investigate the cause, treatment, and prevention of venereal diseases; (2) to cooperate with State boards or departments of health for the prevention and control of such diseases within the States; and (3) to control and prevent the spread of these diseases in interstate traffic: *Provided*, That nothing in this chapter shall be construed as limiting the functions and activities of other departments or bureaus in the prevention, control, and treatment of venereal diseases and in the expenditure of moneys therefor.

This is scattered. There are four or five departments of the Government working at this particular disease. I want to call

your attention to a provision in this bill which we have under consideration. God knows, if it passes at all, it ought to be seriously amended.

If you will turn to the bottom of page 1 and then turn over to page 2 you will find these words touching this location. What for?

For the treatment of persons discharged from the military and naval forces of the United States and persons who are now or hereafter may be beneficiaries of the United States Public Health Service.

What does that mean? Why, this Public Health Service treats all sorts of men at the public expense in this country, including people in civil life. Here is a further grant of power in this Army bill, and the first thing we know, unless we amend and limit this legislation through careful consideration later on by provisions to be proposed when we get outside of the necessity for legislation, when we will cut off many men who are duplicating work and many departments which are duplicating work, here we will have a law under which you can go into interstate commerce and take anybody that may be treated by this Public Health Service, and under their direction, with or without cooperating with the States; and here is a large appropriation to carry that out, and do what? You can fill them up from civil life—the whole 75,000 beds—and probably you might have to multiply that number by two or three.

I am here to care for and keep our pledges, whatever it costs; pledges that we made in behalf of the boys in blue or in khaki, wherever they are, when they come out of the service. But I am not ready to pick up the civilian population and include it. Mr. Chairman, how much time have I left?

The CHAIRMAN. The gentleman has two minutes left.

Mr. CANNON. Two minutes. Why, I have hardly commenced. [Laughter.] I am for the amendment that was offered by the gentleman from Wyoming [Mr. MONDELL]. Let us defeat this bill. Let us adopt that amendment, and let us find out how many of these Army and Navy hospitals will be needed, how many of them have locations that are favorable, with beds—75,000 beds—furnished and good for 20 years. I want to say, measuring my words, that this legislation as proposed is indefensible. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, I would like to inquire if the gentleman used all of his time?

The CHAIRMAN. The gentleman used all but half a minute.

Mr. SMITH of Michigan. The gentleman yields back that half minute?

Mr. CANNON. I do.

The CHAIRMAN. The gentleman from Illinois yields back half a minute.

Mr. CLARK of Florida. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, the distinguished gentleman from Illinois [Mr. CANNON] concluded his very interesting remarks to the House by the statement that this legislation was absolutely indefensible. I challenge that statement, Mr. Chairman. I challenge it for the reason that in the orderly process of legislation a committee of this House, charged with the duty and responsibility of considering legislation, had this bill up for consideration and heard the evidence upon it; and in reporting this bill to the House it was simply carrying out the mandate of the law already passed by the Congress with reference to those who are entitled under the war-risk insurance act to hospital treatment after they had been discharged from the naval and military service of the United States.

Now, the question is, gentlemen, Do we owe an imperative and solemn duty to these men who have enlisted in the Army and Navy of the United States and who in the course of that service have contracted these insidious and in many cases what will prove mortal maladies in the discharge of their duty under the flag? No man will dispute the proposition that there can be no higher class of moral obligation that we owe to any of our citizens than that which we owe to these men.

What is the evidence that is produced by the committee and by the hearings? The evidence shows that the hospital accommodations required under the law for the treatment of these men is absolutely inadequate at this time, or apparently in the immediate future, to take care of these soldiers and sailors who are entitled under the provisions of the war-risk act to hospital treatment if they desire it.

There is talk about "haphazard legislation" and about picking out one particular place for the construction of this proposed hospital, and it is said that the matter ought to be left to those experts who are in authority to arrange a definite and permanent program. Now, gentlemen, who has made the recommendation for the establishment of this particular hospital at this particular place? Why, the executive officers of the medical department of the War Risk and Public Health Service Bureaus, the very men under whose jurisdiction and responsibility the carrying into operation of this legislative duty rests, and they have come and made a recommendation that, after an investigation of the conditions surrounding this particular place, it presents practically an ideal location for one of the units of this great system, which we all admit must later on be established in full.

Now, it must not be overlooked, gentlemen of the committee, that under the law, as testified to by Dr. Banks, the senior Surgeon General of the United States Public Health Service and the chief medical adviser of the War-Risk Insurance Bureau—and surely those positions ought to entitle Dr. Banks to some consideration at the hands of this committee—there are only at the present time, as he states in his testimony, two classes of hospitals to which they can send discharged soldiers and sailors for treatment under the provisions of the existing law. He further states that the present hospital and medical facilities are not sufficient to take care of these civilians. Bear in mind, gentlemen, that that is the status of these men that we are now seeking to take care of. They are not still in the service of the Army and Navy, but they are men who have been discharged from that service because of physical disability, and they occupy now the status of civilians, and, under the law which we passed and which we all approve of, it is the duty of the Government to provide hospital and sanatorium treatment for these men.

Now, an effort has been made to inject local issues into this fight. An amendment was proposed by the gentleman from Texas [Mr. JONES] and adopted here yesterday to move this sanatorium out to Amarillo, Tex. A large number of the gentlemen on the other side of the House said at first that they were opposed to this proposition in toto; that they were opposed to this piecemeal legislation to locate this hospital, under the terms of this bill, at any particular site. Yet it seems, gentlemen, that you took a rather inconsistent position on that proposition when you unanimously voted to waive that objection and cast an affirmative vote for that amendment locating it at another site than that proposed. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Florida. I yield eight minutes to the gentleman from Kentucky [Mr. KINCHELOE].

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, of course we all understand that there is a motion pending to strike out the enacting clause of this bill, which, if carried, will kill the bill.

It has not been my good fortune to have been a Member of this House many years, but during the time I have been here I have tried to take an interest in legislation, and I am candid to say that in the discussion of this bill there have been more wild, irresponsible remarks made, more innuendoes and insinuations, than I have ever seen with reference to any legislation that has ever been before the House. The gentleman from Massachusetts [Mr. WALSH] yesterday in his speech stated that his information was that a big hotel at Dawson Springs had been burned and that some New York syndicate were trying either to enhance their property or to sell bonds on the strength of getting this sanatorium here. The gentleman surely got that from some source or he would not have said it.

Mr. WALSH. The gentleman did not say it.

Mr. KINCHELOE. The gentleman said that, or in substance that, and I do not care what source it came from; there is absolutely no foundation for it in the world. At the beginning of this war there was a corporation formed to build another big hotel in Dawson Springs. Dawson Springs has 50 hotels. It is a great summer resort. The War Industries Board cut down the material. The stock had been sold. The land has been bought, and the place where it is to be located is 2 miles from the proposed location of this hospital, on the other side of the river, in another county, and the corporation at Dawson Springs which proposes to build this hotel has no more to do with this sanatorium or the furnishing of this land than I have or any other gentleman on this floor.

Why, it has been assumed here, by gentlemen on this side especially, that this is to be a sanatorium for tubercular patients altogether. The bill does not contemplate that. It does not say that. There are many men discharged from the Army with kidney trouble, many men with rheumatism. Enough men are discharged to-day as wards of this Government with these diseases, for whom there is no provision made to take care

of them, to fill two hospitals like this one which is contemplated. Col. Banks went down there at the solicitation of the department upon whose shoulders rests the responsibility of these hospitals. He testified in the hearings that the altitude had nothing to do with tuberculosis. The distinguished gentleman from Louisiana [Mr. LAZARO], who is a physician, said so in his speech yesterday. He says that the best medical science agrees to-day that you can come nearer to curing a tubercular case in the climate in which the patient lives and where he expects to live, if you want a permanent cure. Why, gentlemen talk about these hospitals down at these cantonments. I ask you gentlemen, if you had a son, would you want him to be placed at any of these various cantonments regardless of location and regardless of the accommodations? Or, after he has fought the battle and won it for the preservation of liberty and civilization, would you not want him to have the best hospital that money can buy and human brain and genius can construct? [Applause.] It is perfectly all right to go out and make broad assertions. Why, here is the statement that Col. Banks himself made. He said: "We have filled up all of the Marine hospitals to overflowing. We have rented buildings in Savannah and New York." This hospital is not to take care of wounded soldiers. It is to take care of soldiers of the Army and Navy that the War Department and the Navy Department will no longer have any jurisdiction over; and when we passed the war-risk insurance act practically unanimously in this House we said to these boys, "You go to the trenches of Europe; if you lose your health or lose your limb we guarantee you hospital treatment." [Applause.]

Are you going to say now, "We will put you out in some abandoned cantonment," after they have gone and paid the price? If you do, then take the responsibility. Do not take my word about locating this in Dawson Springs. You want to locate it in Dawson Springs or you want to send it out to Texas. Why, the gentleman who represents the Amarillo district [Mr. JONES of Texas] said yesterday that in that county there had not been any deaths for many years. I think he said there was no cemetery there. I know one of the most eminent physicians that Kentucky ever had was practically starving for a practice in Kentucky, and he went to Amarillo, Tex., and he is absolutely rich to-day. [Laughter.] If the statement of the gentleman from Texas is correct that there is no cemetery at Amarillo this physician who went from Kentucky down there is "some doctor," because he had lots of sick folks there. Of course, that is put in to kill the bill. What department of the Government said this hospital ought to go to Amarillo, Tex.? Where is there any report from any physician, or from the Bureau of Public Health, or the War-Risk Insurance Bureau, or the Secretary of the Treasury, under whose jurisdiction all of these departments are, saying that it ought to go to Amarillo, Tex.? Col. Banks, of the War-Risk Insurance Bureau, comes here and says that he went down to Dawson Springs. He does not say this is the only place for a hospital. He does not say it is for tubercular patients only. It is one of the chain of hospitals that he wants erected throughout the country in view of the dire need of them everywhere.

A bill before the Committee on Public Buildings and Grounds will be ready for your consideration in a few days appropriating $10,000,000 more, not for enlarging the hospital at Dawson Springs but constructing hospitals in your State, so that your boys can go there. I want to see them all over the country. This bill had a privileged status, and the Bureau of Public Health and the War-Risk Insurance wanted speed. They wanted to build the building immediately, because the testimony shows that there are 14,000 of these unfortunate boys to-day that Col. Banks and Dr. Simpson say have no place on earth to go.

Mr. KEATING. Will the gentleman yield?

Mr. KINCHELOE. I will.

Mr. KEATING. I wish to ask the gentleman a question, because the information I receive will determine how I shall vote. According to the gentleman from Illinois, the War Department has thousands of beds available. The Assistant Secretary of War to-day told me, not in reference to this bill, that they had 50,000 beds available. The gentleman says that there are thousands of discharged soldiers in the country without hospital conveniences.

Mr. KINCHELOE. Discharged soldiers.

Mr. KEATING. Would not the reasonable way be to pass a bill opening these available beds to discharged soldiers, so that we can take care of them at once? [Applause.]

Mr. KINCHELOE. I will say, first and foremost, that they can not be taken care of under the law.

Mr. KEATING. Why not change the law?

Mr. KINCHELOE. Suppose you change the law. Two-thirds of the hospitals at the various cantonments are on ground which the Government does not own; they are temporary. You are not able to take care of them.

Mr. LAZARO. Will the gentleman allow me to answer the gentleman from Colorado?

Mr. KINCHELOE. Yes.

Mr. LAZARO. For the simple reason that nearly all the hospitals at these cantonments are not suitable for the care of tubercular patients.

Mr. KEATING. We have at Denver a hospital in my district with 2,000 beds, and that hospital has not been occupied, and the gentleman from Illinois [Mr. CANNON] did not even mention that hospital.

Mr. KINCHELOE. Probably they could not utilize that; but I do know that the evidence all shows that they are not suitable for tubercular patients or for discharged soldiers. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, we are all of one mind in regard to the care of men discharged from the military service requiring hospital treatment. There is no difference in Congress in that regard. We will do our full duty toward these men. The question is, What is the thing to do at this time? The gentleman from Illinois [Mr. CANNON] has called attention to the fact that there are 75,000 hospital beds in camps and cantonments, 25,000 of them in the general hospitals. Seven of these general hospitals were established for the purpose of caring for tubercular patients. One of these hospitals, at West Baden, Ind., has now more than 600 empty beds. One of these hospitals is at New Haven, one of the finest in the land. Another is located near the city of New York. They are scattered all over the country. These hospitals are the best that can be built. Some of them were built for private use, and all as up to date and first class as such institutions can be. It is true that these hospitals are not now available for the treatment of men discharged from the service. It is necessary to have legislation designating these hospitals as available for such men. I have offered an amendment to this bill which calls upon the Secretary of War to designate such hospitals to be used for discharged soldiers and sailors. The Secretary of War can do that in 24 hours; he can open the doors to these splendid institutions, now fully equipped, and allow the men to go into them to-morrow, to enter them and have care and treatment. [Applause.]

What is it that is proposed? To build a hospital in a questionable location, which can not under any circumstances be ready for the admission of men inside of 18 months. How are these men to be provided for in the meantime? It is true my amendment is subject to a point of order. The gentleman in charge of the bill will probably make the point of order, but in doing that he puts himself in this position: He refuses to make immediately available for men discharged from the service the thousands of beds in the splendid institutions, now fully equipped and fully manned and ready for these men, in order that we may build somewhere in a questionable locality an institution that may be available in 18 months or two years for perhaps 500 men.

Mr. DEWALT. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. DEWALT. Does the gentleman know what the combined capacity of these institutions is?

Mr. MONDELL. The seven tuberculosis hospitals I do not know, but it is very considerable. There are 26,000 beds in these 37 general hospitals. Seven of them are hospitals specially adapted for the care of tubercular patients, and I have called attention to one splendid institution where there are 600 empty beds. The gentleman, if he makes the point of order, will refuse to allow the use of these splendid institutions now built and available in order that this scheme for building for the far distant future, for the benefit of a particular locality, may be carried forward. I appeal to the gentleman in charge of the bill, if he is really in earnest about the care of the men discharged from the service, to withdraw his point of order and thus allow us to bring immediate relief in institutions as fine as any ever built for such purposes. I appeal to the gentleman in charge of the bill to withhold the point of order and allow us to make immediate provision for the men needing this medical treatment—let us do something for the discharged soldiers rather than for Dawson Springs. [Applause.] I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back half a minute.

Mr. SMITH of Michigan. Mr. Chairman, I yield to the gentleman from Illinois [Mr. GRAHAM] eight minutes.

Mr. GRAHAM of Illinois. Mr. Chairman, I made this motion to strike out the enacting clause of this bill because I believe the bill ought not to pass. I am and every other Member of this House is in favor of doing everything that can be done to redeem our pledges to those who have suffered disease or wounds in this war. That goes without saying, that we are all for that, but this bill is not a good bill and ought not to pass for several reasons, a few of which only I shall have time to refer to. In the first place, gentlemen, there is absolutely no necessity shown in the hearings or by the facts for the establishment of this hospital at Dawson Springs or at any other place at this time. The gentleman from Illinois [Mr. CANNON] and the gentleman from Wyoming [Mr. MONDELL] have just referred to some of these reasons. I have taken the trouble to go to the Surgeon General's office this morning and get from him a list of all the hospitals in the United States, both general and in cantonments, and I have here that list, which shows not only the names of the hospitals, the number of beds already there, the number of beds that are vacant, but also the number of beds that are being built and added to the various hospitals. I want to incorporate that statement, which is not excessively long, into my remarks, and, Mr. Chairman, at this time I ask unanimous consent to extend my remarks by inserting this statement.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks by inserting the matter indicated. Is there objection?

Mr. CLARK of Florida. Mr. Chairman, what was the request?

The CHAIRMAN. The gentleman proffered certain matter which he wished to incorporate as an extension of remarks.

Mr. CLARK of Florida. From the Surgeon General?

Mr. GRAHAM of Illinois. Signed by the Surgeon General.

Mr. CLARK of Florida. Surgeon General of the Army or the Public Health Service?

Mr. GRAHAM of Illinois. Of the Army.

Mr. CLARK of Florida. I have no objection.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. TIMBERLAKE. Will the gentleman yield?

Mr. GRAHAM of Illinois. For a brief question only.

Mr. TIMBERLAKE. I just wanted to ask if these discharged soldiers mentioned in this bill can be admitted to these hospitals?

Mr. GRAHAM of Illinois. I will answer the question. In my judgment the discharged soldiers can not be admitted to these hospitals, but this can be done: These soldiers are brought back here and they are all incorporated in our Army under the selective-draft act, and under that act they are to serve "during the emergency." That emergency is not yet completed, nor will it be until peace is officially declared. During that time the Army authorities have absolute authority to keep these men in the service, and instead of discharging a man who comes back suffering with tuberculosis he can be placed in a hospital, one of the medical institutions of the Army or the Navy, and be there treated for his ailment until his Army service legitimately expires.

Mr. DEWALT. Will the gentleman yield?

Mr. GRAHAM of Illinois. For a question.

Mr. DEWALT. Is it not a fact the policy of the Army and Navy Department now is not to discharge men who are incapacitated either in whole or in part?

Mr. GRAHAM of Illinois. Absolutely. I was told at the office of the Surgeon General this morning it is their policy to keep these men in the service and see that they have medical treatment until they are well, and then turn them over for vocational education, and do all that before they are discharged.

Mr. DEWALT. Will the gentleman object to giving the totals?

Mr. GRAHAM of Illinois. I will give the totals; they are very interesting.

Mr. GARD. Will the gentleman yield for a question?

Mr. GRAHAM of Illinois. For a brief question; my time is short.

Mr. GARD. Did the gentleman get information about the time when these 14,000 soldiers were discharged—the 14,000 now claimed to be tubercular soldiers?

Mr. GRAHAM of Illinois. No, sir; I did not. He did not inform me about that, and, in fact, I did not ask. Gentlemen, this is not a partisan question. This is nothing but a matter of good common sense, and if we can economize here we ought to do it. We all feel the same way about that. In the general hospitals of the United States the standard capacity of all of them is 24,949 beds. Of those beds at this time 19,927 are occupied and 7,530 are unoccupied at this time, and are vacant. There are also proposed and now being added to these general hospitals 16,274 beds, which will be available at once. So you see, gentlemen, in the general hospitals of this country there are approximately a total of 23,000 vacant beds. These hospitals are not frail buildings, barracks temporarily constructed, but base hospitals in the United States, with the best medical attendants and the best physicians there in attendance. If it may be said that these men, even if discharged, can not be admitted there, I ask anybody how long it would take to pass a joint resolution through these two Houses to give the proper authority to the Army authorities to admit them there. I believe it can be done by Executive order, but whether it can or can not this and the other House could and would immediately act upon such a resolution, in my judgment.

Mr. CLARK of Florida. Will the gentleman yield for a question?

Mr. GRAHAM of Illinois. Yes.

Mr. CLARK of Florida. Has the gentleman a letter, or did I understand he has a letter, from the Surgeon General?

Mr. GRAHAM of Illinois. No; this is a list of the hospitals prepared by the Surgeon General's office, and giving the information relative to them as of November 30, 1918.

Mr. CLARK of Florida. I mean, is it an official document; is it signed by the Surgeon General?

Mr. GRAHAM of Illinois. It is signed, "By direction of the Surgeon General, Wilford H. Smith, colonel, Medical Corps, United States Army." I got it this morning. Now, let me hurry along, because my time is very brief.

Mr. CLARK of Florida. Does the gentleman know whether it embraces the $800,000 hospital on the banks of Lake Michigan which has been authorized?

Mr. GRAHAM of Illinois. I have not noticed. I notice that it embraces the following tuberculosis hospitals: Fort Bayard, N. Mex., that has at this time 200 vacant beds; Otisville, N. Y., which has now 18 beds vacant; New Haven, Conn., that is full; Markleton, Pa., that has 3 vacant beds; Waynesville, N. C., with 228 vacant beds; Azalea, N. C., that has 62 vacant beds; Whipple Barracks, Ariz., 10 vacant beds; one at Denver, Colo., with 173 vacant beds.

Now, these are all tuberculosis hospitals, and you will find by looking at this list that hundreds of beds are being added to those institutions.

Mr. SNYDER. Will the gentleman yield?

Mr. GRAHAM of Illinois. For a brief question.

Mr. SNYDER. If your proposition becomes effective, would it not mean also the continuation of his salary when a soldier is committed to one of these hospitals?

Mr. GRAHAM of Illinois. Absolutely.

Mr. SNYDER. That would be a further reason why your idea should be adopted.

Mr. GRAHAM of Illinois. He gets his salary and treatment, and he is not discharged until he has finished. Why discharge a man with tuberculosis?

Mr. SNYDER. If we are attempting to do the best thing we can with the soldiers, that would be another reason why we should do as you suggest.

Mr. GRAHAM of Illinois. Absolutely. As to the camp base hospitals——

The CHAIRMAN. The time of the gentleman has expired.

Mr. DEWALT. I ask unanimous consent that the gentleman be permitted to proceed for five minutes longer.

The CHAIRMAN. All time has been allotted, and the time is in control of the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. I yield to the gentleman three minutes more.

Mr. GRAHAM of Illinois. Let us take the camp base hospitals. It has been said that they are flimsy affairs, but I am told by the Surgeon General they are good hospitals, and that in every one there is a tuberculosis ward or department. Now, I have a complete list of them here in this same appendix to my remarks. I find the total capacity of these camp base hospitals is 51,666 beds, and of that number 28,875 only are occupied, and in the camp base hospitals of this country to-day are 34,010 vacant beds, and projected and in course of erection in these same camp base hospitals are 3,470 additional beds.

Mr. KNUTSON. Is it not a fact that all ailments are treated at these camp hospitals, as well as reconstruction work being conducted there?

Mr. GRAHAM of Illinois. Absolutely. There is one at Bowie, Tex., and one at Camp Cody, N. Mex. The one at Bowie, Tex., has 1,181 vacant beds; Cody, 410; Fremont, Cal., 1,054 vacant beds; Kearney, Cal., 750; Logan, Tex., 751; McClellan, Tex., 564; at Fort Sill, Okla., 870; at Travis, Tex., 608

vacant beds. All of these beds are vacant in institutions where tuberculosis may be well treated.

Mr. CLARK of Florida. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. CLARK of Florida. Does not the gentleman think, or has he made any investigation to find, if when these wounded or sick soldiers are brought back from Europe these beds will be occupied by them?

Mr. GRAHAM of Illinois. Whether they would consent to it?

Mr. CLARK of Florida. These that are in the Army and which the War Department must take care of. Has the gentleman made any investigation as to whether or not they would occupy these beds?

Mr. GRAHAM of Illinois. I may say in reply to that that they have not occupied them, and they were not occupied on the 30th of November.

Mr. REAVIS. Following the line of the argument of the gentleman from Florida [Mr. CLARK], what will we do with the 14,000 soldiers who now have tuberculosis? Shall we put them in these places or wait two years?

Mr. GRAHAM of Illinois. That is exactly the question. Will we wait a year and a half to build a hospital down at Dawson Springs, Ky., and let those boys die in the meantime, or will we put them in the institutions we have? And then, when we get this institution built at Dawson Springs, it will take only 500 of them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Michigan. I yield to the gentleman one minute more.

Mr. GRAHAM of Illinois. There are in all the hospitals of the United States at this time a total of 109,610 beds, and, gentlemen, of that number 50,520 are now vacant and unoccupied—in the general hospitals and in the camp base hospitals of this country. And in spite of that we are now asked to appropriate $1,850,000 for the erection of a hospital which we can not use for two years. And I say that the common sense and judgment of every man in this House will reject such an idea. [Applause.]

The following is the statement which I have received permission to print in the RECORD:

Hospital Division, Surgeon General's Office, Washington, Nov. 30, 1918.

[NOTE.—Those marked with an * are hospitals for the treatment of tuberculosis. Those marked with ** are for the insane. General Hospital 7 is for the blind. General Hospital 11 is for eye, ear, nose, and throat. General Hospital 30 is for neurosis. The others are general hospitals.]

	Standard capacity of hospital.	Bed situation.			Additional capacity by new construction or by lease of buildings.	
		Occupied.	Vacant.	Total.	Number.	Per cent.
General hospitals:						
Hot Springs, Ark.	266	159	131	290		
*Fort Bayard, N. Mex.	1,046	1,538	290	1,828		
Letterman General (Presidio), San Francisco, Cal.	1,368	768	529	1,297		
Walter Reed, Takoma Park, D. C.	2,093	1,660	527	2,187	432	95
1. Williams Bridge, N. Y. (under surgeon, port of embarkation, Hoboken, N. J.)						
2. Fort McHenry, Md. (Baltimore)	1,300	1,302		1,302	1,500	61
3. Colonia, N. J. (Rahway)	1,650	1,601	49	1,650		
4. Fort Porter, N. Y. (Buffalo)	322	282	40	322		
5. Fort Ontario, N. Y.	660	667	227	894	402	95
6. Fort McPherson, Ga.	2,000	1,401	488	1,889		
7. Roland Park, Md. (Blind).	102	31	71	102		
**8. Otisville, N. Y.	579	561	18	579	421	
9. Lakewood, N. J.	932	767	130	897		
10. Boston, Mass.					1,900	50
11. Cape May, N. J.	700	550	150	700		
12. Biltmore, N. C.	451	152	439	591		
**13. Dansville, N. Y.	288	104	184	288		
14. Oglethorpe, Ga.	1,300	1,339	421	1,760		
15. Corpus Christi, Tex.	252	111	146	257		
*16. New Haven, Conn.	500	500		500		
*17. Markleton, Pa.	130	205	3	208	36	70
*18. Waynesville, N. C.	200	372	228	600	108	40
*19. Azalea, N. C.	1,000	948	62	1,000	500	93
*20. Whipple Bks., Ariz.	328	331	10	341		
*21. Denver, Colo.	618	445	173	618	410	50
22. Richmond, Va.	900	218	682	900		
23. Hot Springs, N. C.	250	4	266	270	650	18
24. Parkview Sta., Pittsburgh, Pa.	200	11	189	200	1,000	80
**25. Fort Benjamin Harrison, Ind.		430	200	609		

Hospital Division, Surgeon General's Office, etc.—Continued.

	Standard capacity of hospital.	Bed situation.			Additional capacity by new construction or by lease of buildings.	
		Occupied.	Vacant.	Total.	Number.	Per cent.
General hospitals—Continued:						
26. Des Moines, Iowa	1,266	1,311		1,311		
27. Fort Douglas, Utah	176	195	102	297	783	
28. Fort Sheridan, Ill.	260	129	131	260	4,740	35
29. Fort Snelling, Minn.	820	579	241	820		
30. Plattsburg Bks., N. Y.	878	710	168	878	932	12
31. Carlisle, Pa.	15	5	10	15	500	50
33. Fort Logan H. Roots, Ark.	500	90	418	508		
**34. East Norfolk, Mass.	326	214	112	326	360	
35. West Baden, Ind.	650	133	517	650	350	
36. Detroit, Mich.					1,000	55
**37. Madison Bks., N. Y.	223	95	128	223	250	80
Total	24,949	19,927	7,530	27,457	16,274	
Camp base hospitals:						
Beauregard, La.	1,178	519	921	1,440		
Bowie, Tex.	1,486	315	1,181	1,496		
Cody, N. Mex.	1,342	788	410	1,198		
Custer, Mich.	1,858	501	1,357	1,858	270	50
Devens, Mass.	1,810	870	794	1,664		
Dix, N. J.	1,978	995	1,189	2,184		
Dodge, Iowa	1,954	1,041	891	1,932		
Edgewood Arsenal, Md.	314	229	172	401		
Eustis, Abraham, Va.	1,007	506	110	616	24	90
Fremont, Cal.	1,002	212	1,054	1,266		
Funston, Kans. (See Base Hospital, Fort Riley, Kans.)						
Gordon, Ga.	1,822	1,007	635	1,642		
Grant, Ill.	1,978	789	1,211	2,000	1,000	15
Greene, N. C.	1,563	505	1,079	1,584		
Hancock, Ga.	1,518	2,072	494	2,566		
Humphreys, A. A., Va.	613	591	179	770		
Jackson, S. C.	2,016	710	3,120	3,830		
Johnston, Jos. E., Fla.	833	605	388	993		
Kearny, Cal.	957	819	750	1,569		
Lee, Va.	1,953	963	1,177	2,140	876	6
Lewis, Wash.	1,997	1,826	2,374	4,200		
Logan, Tex.	799	649	751	1,400		
MacArthur, Tex.	1,370	803	2,130	2,933		
McClellan, Tex.	1,693	1,109	564	1,673		
Meade, Md.	1,930	874	1,056	1,930	238	75
Pike, Ark.	2,009	1,006	1,832	2,838		
Sevier, S. C.	1,238	577	856	1,433		
Shelby, Miss.	859	448	738	1,186		
Sheridan, Ala.	1,310	552	847	1,399		
Sherman, Ohio	1,833	1,156	677	1,833		
Sill, Fort, Okla.	894	364	870	1,234		
Taylor, Ky.	1,833	1,852	891	2,743		
Travis, Tex.	1,997	1,322	608	1,930		
Upton, Long Island, N. Y.	1,739	805	1,201	2,006		
Wadsworth, S. C.	1,634	901	791	1,692		
Wheeler, Ga.	1,248	594	712	1,306		
Total	51,665	28,875	34,010	62,885	3,470	
Under surgeon, port of embarkation, Hoboken, N. J.:						
G. H. 1. Williamsbridge, N. Y.	1,082	674	676	1,350		
B. H. Camp Merritt, N. J.	3,500	1,172	1,428	2,600		
B. H. Camp Mills, L. I., N. Y.	635	729	221	950		
AUX., H. Rockefeller Institute, New York, N. Y.	55	42	13	55		
E. H. 1. St. Mary's Hospital, Hoboken, N. J.	782	375	425	800		
E. H. 2. Secaucus, N. J.	270	183	206	389		
E. H. 3. Hoffman's Island, N. Y. H.	694	158	536	694		
E. H. 4. Polyclinic Hospital, New York, N. Y.					500	
D. H. 1. Ellis Island, N. Y.	1,075	648	377	1,025		
D. H. 2. Fox Hills, Staten Island, N. Y.	1,808	1,160	648	1,808		
D. H. 3. Greenhut Building, New York, N. Y.					3,139	
D. H. 4. Nassau Hotel, Long Beach, L. I., N. Y.					1,000	
D. H. 5. Grand Central Palace, New York, N. Y.					3,408	
Total	9,901	5,141	4,530	9,671	8,038	
Under surgeon, port of embarkation, Newport News, Va.:						
B. H. Stuart Camp, Va.	1,343	939	1,908	2,847	385	90
E. H. 51. Hampton, Va.	1,533	958	575	1,533		
Total	2,876	1,897	2,483	4,380	385	
Department base hospitals:						
Fort Bliss, Tex.	882	427	222	649		
Fort Riley, Kans.	3,068	1,937	1,131	3,068		
Fort Sam Houston, Tex.	1,655	886	614	1,500	400	0
Total	5,605	3,250	1,967	5,217	400	

Hospital Division, Surgeon General's Office, etc.—Continued.

	Standard capacity of hospital.	Bed situation.			Additional capacity by new construction or by lease of buildings.	
		Occupied.	Vacant.	Total.	Number.	Per cent.
RECAPITULATION.						
General hospitals	24,949	19,927	7,530	27,457	16,274	.....
Camp base hospitals	51,665	28,875	34,010	62,885	3,470	.....
Port of embarkation, Hoboken, N. J.	9,901	5,141	4,530	9,671	8,038	.....
Port of embarkation, Newport News, Va.	2,876	1,897	2,483	4,380	385	.....
Department base hospitals	5,605	3,250	1,967	5,217	400	.....
Grand total	94,996	59,090	50,520	109,610	28,567	.....

By direction of the Surgeon General.

WINFORD H. SMITH,
Colonel, Medical Corps, U. S. Army.

Mr. CLARK of Florida. Mr. Chairman, I yield seven minutes to the gentleman from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. Chairman and gentlemen of the committee, I have been surprised to see the unanimity that exists on the Republican side of the House in opposition to this measure. I do not know whether it is just a wearing off of the wire edge, felt because of your recent victory, that you are attacking in such savage fashion this very meritorious measure, or whether it is the general plan of opposition to all measures of real merit.

I recall, Mr. Chairman, when the war-risk insurance bill was up for consideration that it was opposed by many Republicans in both Houses, a bill that looked to the protection of these men sent by the country into the very jaws of death itself, when this Government, by suggestions from this side, wanted to protect these men and provide for their loved ones back at home, when they were there fighting and dying for us and humanity.

Now, I could not believe that when a measure came out from this side to provide a hospital at one of the most famous health resorts in the world, costing $1,500,000, for these poor sufferers from the white plague, that I would see the Republican Party in this House marshaled to a man in opposition to such a measure. But I have witnessed it, gentlemen; the country has witnessed it. For three days you have combated this great measure. Now, you come and the solemn proposition before this House is to strike out the enacting clause, to enact no law upon this subject. These men are coming back from the firing line in France, where they have been in the blasts of hell fire for weeks and months, driving back the murderous Huns, coming back with their lungs affected, suffering with tuberculosis, some of them, and the Government is saying, "We will open up a place for you at Dawson Springs, Ky.; medical testimony pronounces it one of the best places in the world; we will have it ready for you; we will put you there; we will take care of you; we will give you every treatment that human agency can provide," and I see the Republican Party marshaling all of its forces and fighting that bill to the death.

Gentlemen, do you think the sober, thinking people of America will indorse this peanut politics that you are playing here to-day at the cost and expense of the lives of those boys? If you do, you have got something to learn, and if you keep up this pace two years from now you will not be able, when these two million men return, who would have supported the Democratic ticket if they had been at home, you will not be able, I say, two years from now, even by the aid of the pro-German vote you got at the last election, nor with money furnished you by the whisky and profiteering interests of this country, to get enough seats to give you a majority in this House. [Laughter on the Republican side.]

Gentlemen, I am surprised at you. One of your great leaders and the greatest Republican now living, Mr. Taft, has at last seen the light, and he comes out and tells you that you have no business annoying and embarrassing the President, no business trying to belittle and discredit the President of the United States. The greatest man in this world to-day is our President, Woodrow Wilson. [Applause.] You are trying to embarrass him in another body. You are trying to heckle and embarrass him in every way you can as he goes over yonder to grapple with the greatest problems that have ever confronted the human race, and here at home is the poor old remnant of the Republican Party fighting to the death with a unanimity I have never seen before the establishment of a tuberculosis hospital for the boys coming back with injured lungs from France. My God! What a death the old Republican Party must finally die! [Applause.] Hanging around, nosing about, trying to kill such a meritorious measure. Is it not a glorious performance for the old party of Lincoln, just barking and howling and growling over the establishment of a tuberculosis hospital for the boys injured in their lungs in the war zone of France, fighting and dying to save our country and civilization, coming back as fast as ships can bring them, and the Government saying, "Establish this place, open it up, have it ready; we do not know how many such men will come," and here you are moving to shift it from one place to another, playing pusillanimous politics, and at last you make a motion to strike out the enacting clause, denying them a place anywhere in the country and saying you will put them in some swamp where we have already got a temporary cantonment, where we do not own the land, where we ought not to put them, where they have no business to be placed with weak lungs, instead of sending them down here where they can be treated for kidney troubles, stomach troubles, lung troubles, and everything.

Mr. KNUTSON. Who is responsible for placing the cantonments in the swamps?

Mr. HEFLIN. They are standing up here fighting the establishment of a tuberculosis hospital at any place. What a miserable performance. God pity the poor old Republican Party. [Laughter and applause.]

Mr. CLARK of Florida. Mr. Chairman, how much time did the gentleman use?

The CHAIRMAN. Seven minutes.

Mr. CLARK of Florida. Will the gentleman from Michigan use some of his time?

Mr. SMITH of Michigan. How much time have I, Mr. Chairman?

The CHAIRMAN. The gentleman from Michigan has 24 minutes and the gentleman from Florida has 40 minutes.

Mr. SMITH of Michigan. Will the gentleman from Florida use some of his time? He has 40 minutes and I have only 24.

Mr. CLARK of Florida. I thought we would alternate. We have had three speeches and the gentleman's side has had three. I thought it was probably better that way.

Mr. SMITH of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Maine [Mr. HERSEY].

The CHAIRMAN. The gentleman from Maine is recognized for five minutes.

Mr. HERSEY. Mr. Chairman, this question is not a political one, but it is a very practical one. The proposition is this, as I understand it: There is some claim made by the proponents of this bill that there have been discharged 14,000 American soldiers because they have tuberculosis, and that they have no place to treat them, and that there should be established a series of tuberculosis hospitals, of which this is one; that by making 500 beds in this hospital and putting two in a bed you would take care of a thousand, and therefore it would require 14 hospitals to take care of this emergency.

This is but the beginning. This hospital will be erected at an expense of about $2,000,000. There will be $28,000,000 to make a beginning, and the first one is to be at Dawson Springs, Ky. Reasons have been given why the first hospital should be placed there. They are silent as to where the others are to be located. If by a party division in this House the majority is able to carry this hospital down into Kentucky, then the other 13 can be placed in the other 13 Southern States.

There is a great deal of misinformation in the House as to the necessity of this hospital. If we believe the evidence so far adduced, there is no necessity for it.

I wish to say this: As you all know, the boys who come back from France with the disease of tuberculosis, discharged, are going to their homes first of all. They are going to see father and mother, sister, or sweetheart. They are going to the old homes, and I want to tell you very few of them will go to a distant part of the country—distant from the old home—to be treated for tuberculosis unless they are forced to do so.

Mr. GARRETT of Tennessee. Will the gentleman yield there?

Mr. HERSEY. I can not in five minutes. The mind of a tuberculous patient is a great factor in the healing of that disease to-day, according to the best medical testimony. I have here a book, Tuberculosis, Its Cause, Cure, and Prevention, by Edward O. Otis, M. D., professor of pulmonary diseases and climatology, Tufts College Medical School, late president of the Boston Tuberculosis Association, member of the National Tuberculosis Association, one of the best authorities in America. What does he say? On page 79 of this work he says:

Worry is still another predisposing cause, for it depresses the nervous system, which interferes with the healthy normal functions of the body, and this reduces its power of resistance. In the treatment of the disease in sanatoriums it has been found that patients fail to

improve or retrograde if their minds are not at ease, and they worry over the family left at home or some other real or imaginary trouble. Contentment of mind is an essential condition for the maintenance of a good bodily condition.

Up in my State we have two sanatoriums for the treatment of tuberculosis, maintained by the State. They have plenty of room. The beds are not all occupied. They are building in my home county another one, to be maintained by the State. Why? To bring the sanatorium home to the man, the woman, and the child afflicted with that disease in order that they may have surrounding them the environments of home and family while they are being treated and not go even to a distant part of the State.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. HERSEY. I will not yield.

Mr. GARRETT of Tennessee. I have the promise of some time, which I will give to the gentleman.

Mr. HERSEY. That does not make any difference. I have the time now, and I decline to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. HERSEY. The soldiers who come from France to Maine, the Maine boys, are not going to Kentucky.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Will the gentleman from Florida [Mr. CLARK] give me two minutes of the time that he promised me in order that I may yield it to the gentleman from Maine to answer a question?

The CHAIRMAN. Does the gentleman accept the gift of two minutes?

Mr. HERSEY. Why, I shall be very glad to have two minutes.

Mr. CLARK of Florida. Will the gentleman answer the question?

Mr. HERSEY. I do not yield for any question.

Mr. GARRETT of Tennessee. Oh, well, then—of course.

Mr. CLARK of Florida. I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, I would not be candid if I did not say that in the consideration of this bill many surprises have occurred. The Committee on Rules was largely induced to report the rule for the consideration of the bill by reason of the fact that it was stated that it was a unanimous report from the Committee on Public Buildings and Grounds. Of course, we expected some opposition on the part of Members on the floor, but we did not expect that organized, concentrated opposition that has been displayed here. We did not expect that this would be made a party proposition. To our surprise, however, it seems to have been made so. We expected opposition from the gentleman from Iowa [Mr. GREEN] and the gentleman from Indiana [Mr. WOODS], who, although they have known that the armistice was signed in the world war, seem never to have learned that the Civil War was over. Sometimes when those gentlemen were talking I have wondered whether they were akin to the fellows who came out of a swamp in Indiana or Iowa or somewhere a few years ago and threw away their guns, saying that this blamed Civil War might go on just as long as it pleased, but darned if they were going to fight any more. [Laughter.] We expected opposition from that source. We did not expect a general opposition from the Republican side of the House to the building of a hospital to take care of discharged soldiers.

Mr. DEWALT. Will the gentleman yield just for a moment?

Mr. GARRETT of Tennessee. I will.

Mr. DEWALT. If that opposition was sincere on the other side of the House, would they have ever consented to the establishment of this institution at another place, to wit, at Amarillo? Is not that of itself evidence of insincerity?

Mr. GARRETT of Tennessee. Well, yes. Now, strangely enough, although we expected only picket baiting, a bit of sniping, yet all the heavy field artillery, all the machine guns, everything except the big Bertha, have been called into operation here in the fight on this bill. We had cannon to the right of us, cannon to the left of us, and very much of CANNON in front of us. [Laughter.] Then we heard the put, put, put, put of the aviator as he blithely sailed over and dropped a bomb upon a southern hospital. [Laughter.] I wonder why it is that you gentlemen now oppose a proposition which has been investigated, the only proposition that has been investigated, so far as I know, to provide quarters where discharged soldiers may voluntarily go to be treated? Of course, the gentleman from Iowa does not want his son to go there. His son does not have to go there. It is all a voluntary proposition with the soldier, if he chooses to avail himself of the opportunity presented.

Mr. HUSTED. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. HUSTED. I am informed that the Surgeon General was offered a hotel at Dawson Springs for hospital purposes.

Mr. GARRETT of Tennessee. The Surgeon General of the Army or of the Navy?

Mr. HUSTED. Of the Army, and that he refused to accept it. I understand the statement is made at the Surgeon General's office that they would not have taken it for a gift. I should like to ask the gentleman whether he knows anything about it, and whether that property was refused on the ground that the location was not suitable for hospital purposes?

Mr. GARRETT of Tennessee. Let me ask the gentleman where he got his information?

Mr. HUSTED. From a Member of Congress, who said he was told it at the Surgeon General's office to-day.

Mr. GARRETT of Tennessee. That is three degrees removed.

Mr. HUSTED. It was the gentleman from Illinois [Mr. GRAHAM], who has spoken here to-day.

Mr. GARRETT of Tennessee. All the information that I have and all that has caused me to act on this proposition is the official report of these gentlemen who have been sent out from the Public Health Service to investigate the situation.

Mr. HUSTED. Was there any report from the Surgeon General's office of either the Army or the Navy?

Mr. GARRETT of Tennessee. I do not think so, because my friend understands that this is not a proposition to take care of men still enlisted. This proposition is to take care of those soldiers who have been honorably discharged from the Army and the Navy, and makes it voluntary on their part as to whether they will go to the place and accept treatment.

Mr. HUSTED. Not necessarily discharged.

Mr. GARRETT of Tennessee. That is this bill, and I am speaking of this bill.

Mr. KNUTSON. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. KNUTSON. The gentleman from Alabama protested against locating this hospital at some cantonment which is situated in a swamp. From that I infer that some cantonment is located in a swamp. If that is the case, who was responsible for it?

Mr. GARRETT of Tennessee. The gentleman from Minnesota ought not to ask anything of that kind——

Mr. KNUTSON. I admit that it is embarrassing.

Mr. GARRETT of Tennessee. Now, the gentleman adds to the offensiveness of his question.

Mr. KNUTSON. I withdraw it.

Mr. GARRETT of Tennessee. I answer every question that is put to me on the information honestly and intelligently. I do not know whether intelligently or not, but I answer it honestly. [Laughter.]

Mr. KNUTSON. The gentleman puts me in a false position. I feel that the House has a right to know——

Mr. GARRETT of Tennessee. I knew on yesterday the gentleman presented a proposition to take men from somewhere and put them in tents on land up in Minnesota.

Mr. KNUTSON. I beg the gentleman's pardon, I did not.

Mr. GARRETT of Tennessee. That is what the gentleman said; I do not know what he meant. Now, gentlemen, I do not, of course, know what is going to become of this bill; none of us can know. The gentleman from Texas I believe submarined it, and that added to the military character of it. [Laughter.] It would seem a strange thing that gentlemen are not willing upon all the reports that we have to create a hospital for the treatment not only of tubercular patients but of other diseases.

Mr. DENISON. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield.

Mr. DENISON. I want to ask the gentleman this question in all seriousness. Did the Rules Committee make any investigation whatever as to whether or not there were already hospital facilities sufficient to take care of these men?

Mr. GARRETT of Tennessee. The Rules Committee took the statement brought before it by the Committee on Public Buildings and Grounds, that it was a unanimous report, and relied upon their investigation.

Mr. DENISON. Is it the practice of the Rules Committee to report a special rule whenever there is a unanimous report from the committee reporting the bill?

Mr. GARRETT of Tennessee. That is a very persuasive thing; that has been the practice throughout this administration. I can not say what it will be in the next.

Mr. BURNETT. If the gentleman will yield, in addition to the testimony before the Committee on Public Buildings and Grounds the gentleman from Tennessee will remember that the same gentlemen who were before the Committee on Public Buildings and Grounds reiterated their statements before the Rules Committee.

Mr. GARRETT of Tennessee. Yes. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Florida. Mr. Chairman, how much time did the gentleman from Tennessee use?

The CHAIRMAN. The gentleman used all his time.

Mr. SMITH of Michigan. Mr. Chairman, I yield four minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, I did not want to inject anything personal into this discussion, and I have endeavored to keep anything political out of it as far as I am concerned. But the remarks that just preceded me have forced the issue upon me. I do not refer to the gentleman from Alabama who, I think, receives little or no attention from this side, and never ought to receive any.

Mr. HEFLIN. Let me say that I consider it a compliment to receive no attention from the gentleman from Iowa.

Mr. GREEN of Iowa. The gentleman is well known for missing his mark very widely. He never shoots accurately, but always hits something he did not intend to. He is welcome to the compliment.

Mr. HEFLIN. I know that I did not hit very much on that side.

Mr. WALSH. Mr. Chairman, I ask for order.

Mr. GREEN of Iowa. As far as my good friend from Tennessee, Mr. GARRETT, is concerned, I have only the highest respect and also an affectionate regard for him, and I am surprised at the tone of his remarks. I have been in Congress a few years. In any charges that have been made against me heretofore I have escaped the charge of sectionalism. The claim has never been made that I have raised that issue, and I have not in discussing this bill. But when it is claimed by the gentleman from Tennessee that I am making an argument against bills solely on the ground of politics, and that I do not want to aid the soldiers of the Army, the gentleman is forgetting or has overlooked that a year ago the 14th of this month I introduced a bill providing that the discharged soldiers might be received into any hospital or sanatorium of this Government which has been constructed for that purpose. Nearly a year ago this month I went before the Military Committee and had an extended hearing on the bill, it having been referred to that committee. I was received with the utmost courtesy by the gentlemen who are in control of it, a courtesy so profuse that I feared it was to make easy the place upon which I was to fall. They listened courteously to my statement that already many of the discharged soldiers were afflicted with tuberculosis, and that the experience of England and France showed that we would have many more. I explained that we had and would have abundant room to care for all in the Government hospitals for treatment of that disease which were already constructed. But all was to no avail and the bill was buried.

It was not reported against because gentlemen could not afford to do anything of that kind. It was not reported on favorably because of what? I had not intended to mention it, but the attitude of the gentleman from Tennessee has forced me to do so. I might have said when I spoke before on this bill, I might have said then, as I did not say, that my bill was rejected because it was introduced by a Republican and did not call for any appropriation and because it did not put a million and a half in hospital buildings located in the South. I did not say it then; I do not say it now. I leave it simply with the House to draw their own conclusion from the situation which we have before us. The bill which I offered would have taken care of every one of these soldiers who are sought to be relieved by this bill, and it would have taken care of them now, while this bill will afford no relief for a year. It would have opened these hospitals which were already constructed, with extensive buildings and grounds having every facility possible for the treatment of tuberculosis, located in favorable situations in various parts of the country—it would have opened those hospitals to the discharged soldiers. That was the special provision in my bill. It was for the discharged soldiers which gentlemen say we are unwilling to care for, but it received the fate of a bill offered by a Republican, and now they say we are talking politics when we offered a bill of that kind, which would have provided for all of these men without costing a cent to the Government, and it was rejected without a report by the Committee on Military Affairs. Now, who has brought politics into this discussion? Where has small politics—petty politics, if you please—been played when we on this side are unable to get reported a bill providing completely for cases of this kind and it sleeps the sleep of death in committee until a bill is brought forward which appropriates a million and a half dollars for the construction of a sanatorium in the South? [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Florida. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BURNETT].

Mr. BURNETT. Mr. Chairman, I do not think I care to use over three minutes. I want to say one thing in regard to the statement made as to the opinion of the Surgeon General's Office. There can be no more unfair method of trying to defeat a just measure than by that kind of hearsay testimony. Surgeon General Ireland is not yet in this country, I think, and Gen. Gorgas has been out some time; therefore the surgeons themselves could not be responsible for any such statement, and if any responsible official in the Surgeon General's Office made such a statement, then the gentleman who repeats it owes it to this House to tell who it was and to whom he said it, and ought not to resort to that kind of indirection when human life is at stake. As I said yesterday, the purpose of this bill was not to take advantage of anybody or any place. Investigation was made as to this place, investigation by the Public Health Bureau, men in official position, and by the Bureau of War-Risk Insurance. They investigated other places. They stated so before the committee—before both committees—the Committee on Rules and the Committee on Public Grounds. This one was selected, as they thought, on account of its special adaptedness to the treatment of pulmonary troubles. Why, the gentleman from Minnesota [Mr. STEENERSON] yesterday ridiculed the idea of soldiers having kidney trouble and troubles of a like character, setting up his judgment against the positive statement of Army officials that there were many cases of the kind, and told of the beneficial effect of that water upon that class of diseases and that it was a most admirable place for the location of a sanatorium. Mr. Chairman, it is opposed here because political leaders on that side or somebody wants to do something to defeat this measure, either from sectionalism or something else. It looks like gentlemen are trying to make a partisan measure now when the lives of American soldiers or those who have been soldiers will be involved. [Applause on the Democratic side.] There ought to be some humanitarian consideration given in this case, considerations of sympathy for those who have risked their lives and lost their health following the Stars and Stripes.

There is a bill, as has been stated repeatedly, before the Committee on Public Buildings and Grounds, of which I am a member, that proposes a comprehensive system for the establishment of this kind of hospitals; but, Mr. Chairman, when that bill is passed then there will have to be commissions appointed, investigations and examinations made, that will necessarily cause delay because different places all over the country will be presenting their merits and insisting upon locations there, and if this is delayed one week, or even one day, and a single soldier loses his life by reason of failure to secure the treatment he should get, you gentlemen who defeat this bill will be responsible for the murder of that man. Now, we ought not to quibble over these questions. Why, men have talked about altitude being necessary, of a dry atmosphere being necessary, and gentlemen before the committee stated that along the seacoast many sanatoriums of this kind were being established, and private sanatoriums have been established for the cure of tuberculosis everywhere, and they say it is not necessary about their having to be given a certain elevation. It is dry atmosphere there, it is a sunshiny atmosphere there, it is surrounded by agricultural lands adapted to the growing of cattle, and cattle are being grown there and everybody knows, and even a layman knows, that as a matter of common knowledge milk is one of the necessary things in the treatment of pulmonary troubles and troubles of that kind. These eminent doctors have investigated it and if there has been a contrary statement made by the Surgeon General's office the man who reports that statement here ought to be fair enough to the House to tell what official of that bureau stated it [applause on the Democratic side], and if that official made a misstatement his chief, the superiors in his department, ought to know it. But it has never been brought to the attention of the Public Buildings Committee and is not in the hearings before the Rules Committee, and there is no intimation that there has been any objection to it by anybody from the War or Navy Departments or the Surgeon General's office, but now, right on the eve of the passage or defeat of this important measure, gentlemen bring up third-hand hearsay testimony for the purpose of trying to throw a doubt over this meritorious proposition. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, I yield six minutes to the gentleman from Colorado [Mr. TIMBERLAKE].

Mr. TIMBERLAKE. Mr. Chairman and gentlemen of the committee, I have listened with much interest for the last three days to the wide range of discussion that has been indulged in with reference to the provisions of this bill. To begin with, I was vitally interested in assisting any plan to provide a proper treatment for our discharged soldiers, especially those who have been discharged by reason of their having contracted tuberculosis while in the service. I have been led to this by reason of

personal appeals that have been made to me from parties within my own district that have been discharged upon this ground. They have been returned to their homes, and not being able to get the kind of treatment that they should have they were desirous of being placed in some institution where they could receive proper treatment.

I have been advised by the War Department that there was not at this time any place under control of the Government where they could be assigned for such treatment. Many reasons have been urged here why Dawson Springs, Ky., is a proper place for the location of an institution of this kind. I have not objected seriously to this place. I have objected more seriously to the fact that this place should have been selected for the consideration of this Congress upon terms which have been presented to it, principal among which are that it has been promised a large donation of land in order to induce its location there and the medicinal qualities of the waters of the springs in that locality. Now, we have many other localities that in my judgment are better calculated for a location of this kind by reason of the altitude, dry and pure air, and bright sunshine surrounding them, and at the same time they have access to all of the very best mineral waters that can be found in any part of the country, and the famous Manitou water in the locality of the place I shall suggest is known the world over and equals, if not excels, even Carlsbad.

I have felt I would support the motion to strike out the enacting clause of the pending bill for the reason that I believed the proper proceeding would be for the health department to work out a comprehensive plan for the building of such of these institutions as might in the judgment of the department be found necessary after a careful examination of the circumstances and the demands that will be made upon the Government for this care for our brave discharged soldiers and sailors affected by this disease, which thus early are reported to be about 14,000. In that event, I expected to bring to the consideration of the Committee on Public Buildings and Grounds, which will have such a bill in charge, a location within my own State and congressional district, which I believe is one of the best places, everything considered, that could be selected for a recuperating sanatorium for tuberculosis. I refer to Colorado Springs, Colo., than which, in my judgment, there is in this country none better adapted for the location of such an institution, and, time permitting, I shall mention some of the reasons for this conclusion.

It has been suggested by one of the speakers here that it would be an improper act to send our soldiers down to occupy any of the hospitals that have been erected in our cantonments, which, as has been suggested by several speakers, might be used for this purpose temporarily, for the reason that they are on swampy ground. I hold in my hand the photograph of a place that was recently desired by the people of Colorado to be selected by the department for a cantonment, from which you can see that had this site been selected there could have been no charge about the swampy condition of that cantonment. We were unable, however, to secure a cantonment site in Colorado.

Now, then, in my time I just want to call attention to Colorado Springs briefly and why it should be taken into consideration when the subject of a location for an institution of this kind is mentioned. It is at the foot of Pike's Peak, halfway from coast to coast, connected by six lines of railway with every part of the continent—to San Francisco, 66 hours; to New York, 50 hours; to Chicago, 26 hours; to Galveston, 32 hours; altitude, 6,030 feet; Pike's Peak, 14,109 feet; 310 days of actual sunshine; mean annual temperature, 46 degrees; and among other things I could mention why this would be a most desirable place, Colorado Springs is a city of 35,000 people, progressive in every way.

I want to call attention to one feature of it that makes it desirable for a location of this kind. The fact that we have so much sunshine; the fact that the air there is so dry and pure, is said by those who have tried its efficacy to be the best means for restoring one to health who is suffering from this malady. There are persons who have spoken to me on the floor of this House and Members of our body who can testify to its efficacy in this connection.

Mr. SHERWOOD. Will the gentleman give us the highest temperature and the lowest? He gave the mean temperature. Give us the highest and the lowest temperatures.

Mr. TIMBERLAKE. I do not think that I can give the exact figures in answer to this question. The mercury may drop low on a winter day but the air is so void of moisture and the sunshine so warm that the cold is not felt as in lower altitudes. These conditions make both heat and cold scarcely objectionable in either direction.

Now, as before stated, I will give you a few of the reasons why, in my judgment, the Health Department should take into consideration Colorado Springs when considering locations for institutions of this character.

The fame of the Colorado Springs climate has spread to every quarter of the globe because it has been known from the earliest days that there at the foot of Pike's Peak is the climate that gives new life and energy, building up, invigorating, and restoring to health and vitality. The factors entering into and making this climate ideal in every respect for an institution of this kind, then, I would say, are pure air, sunshine, altitude, restful and picturesque surroundings.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. TIMBERLAKE. Mr. Chairman, I would like to ask leave to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Colorado asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. CLARK of Florida. Mr. Chairman, I yield seven minutes to the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS of Virginia. Mr. Chairman, this proposition has been assailed on several grounds, any one of which, if sustained, would be sufficient to defeat it. If there is any taint, or suggestion of graft in this proposition, we would all agree that it should go out. If it is a wasteful, or extravagant proposition, we are at one that it ought to be defeated. If it is an unnecessary proposition, as suggested by the gentleman from Illinois, then as a matter of course it should be rejected by this body. But the critics have failed to tender to this committee any evidence to support any one of the various objections that have been made to this bill.

No one in this body will have the temerity to say that he is opposed, to the concrete proposition, that the Government should provide curative treatment for discharged soldiers suffering from tubercular trouble. It is one of the pathetic incidents of this war that service in the trenches will afford a constantly increasing number of victims of this particular malady. We know in my State, and in many other States that training in the camps has sent home a number of tuberculous patients. In Virginia we are trying to provide treatment for these men in our State sanatorium. The deadly blight of tuberculosis has fallen upon countless thousands of allied soldiers who have served in the trenches in France in the four long years of tragical war, now so happily ended. Much of that tuberculosis supervened immediately upon service. In other cases it developed at a later period. We have every reason to believe from the medical history of this war, that for many long years to come there will be an increasing number of tuberculous cases among the discharged soldiers of this country. That being so, the problem of adequately caring for them is a large proposition. I do not undertake to say that Dawson Springs is the only proper site in the United States for a sanatorium for tuberculous soldiers.

Doubtless there are many desirable locations. They may be found practically in every State. But I do call the attention of this body to the fact that there is not one single criticism of this site that is worth considering. I do call the attention of this body to the fact that the medical experts who have testified in connection with the Dawson Springs location are all agreed, in spite of what the medical experts on this floor have stated in the way of criticism, that this is a first-class proposition.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. SAUNDERS of Virginia. Yes; I yield.

Mr. MADDEN. I would just like to ask the gentleman if he will not be kind enough to say what he thinks about the propriety of providing for only 500 patients when, as a matter of fact, it is said that there are 30,000 tubercular cases? Why do we not provide for all?

Mr. SAUNDERS of Virginia. As I said a moment ago, I do not undertake to say that this will be the only plant of this character. I agree that we should provide for the 30,000, or 40,000, or possibly even 100,000 patients, that in the years to come may afford. I agree heartily with the proposition that we should provide for these unfortunates. But we must make a beginning somewhere and at some time, and this is a beginning. Are you opposed to beginning this work? Are you prepared to say, are you willing to say, that you are opposed to giving those 500 men the benefit of this legislation, simply because there are others who will be cared for by later legislation?

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS of Virginia. Certainly.

Mr. LAZARO. Is it not a fact that if we are going to do anything at all for these tubercular patients they must be treated in the very beginning?

Mr. SAUNDERS of Virginia. Certainly. I maintain that we should make a beginning.

Mr. MADDEN. Will that beginning interfere with the treatment of the 29,500 other cases?

Mr. SAUNDERS of Virginia. Not at all. But if we wait on that compendious investigation to which the gentleman refers it will postpone the treatment that would be provided for the patients that will be accommodated in this particular hospital.

Mr. MADDEN. If you would give the Public Health Service the means to provide for them all, that would not happen.

Mr. SAUNDERS of Virginia. There is nothing to prevent the Public Health Service from suggesting a most compendious scheme of hospital treatment of this character.

Some ridicule has been cast upon this site by a few of the participants in this debate. They can hardly pose as qualified experts. Whatever may be the extent of their medical wisdom it can hardly be regarded as so accurate or extensive as that of Col. Banks, of the Bureau of War-Risk Insurance, or of Dr. Stimpson, assistant to Gen. Blue. These gentlemen in the most positive and unequivocal fashion have announced that as a site for a sanatorium for tuberculous patients, Dawson Springs is a first-class proposition.

Of course it is idle to suggest that, if we authorize the expenditure proposed for this particular hospital, only five, or six, or seven hundred men will be treated therein. This will be only the beginning of work at this point, and with the plant once established and the enlargement that will inevitably come thousands of men will be treated in a few years at Dawson Springs. The cost will not be $3,000 per man, once this becomes a going establishment. Not a bit of it. Counting in the cost of the plant and operating expenses the cost per bed will be $3,000 per bed for a few hundred patients, but with the enlargement of the plant the cost per patient will rapidly decline.

If this proposition is meritorious, it should be accepted, particularly in view of the fact that this action will hasten the day of benefit for hundreds of deserving soldiers, and it will in no wise jeopard the interests, or postpone the treatment of other, and equally deserving beneficiaries of an enlarged scheme of national benefaction. The larger scheme may be undertaken at once, but at least accept the offer that comes from the great hearted men who tender this magnificent location at Dawson Springs.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CLARK of Florida. Mr. Chairman, how many more speakers has the gentleman from Michigan?

Mr. SMITH of Michigan. Two more.

Mr. CLARK of Florida. I yield three minutes to the gentleman from Pennsylvania [Mr. DEWALT].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for three minutes.

Mr. DEWALT. Mr. Chairman, I have approached the consideration of this question with an entirely open mind. I have listened with a great deal of care and strict attention to all the arguments that have been presented pro and con. In other words, I was trying to place myself in the position of being a juryman, sworn to try the case according to the evidence presented.

I have heard objections made to this site by reason of the fact that certain people said it was unfitted for the cure of tubercular patients. Every line of the testimony presented, so far as my judgment goes as a lawyer and occupying, as I say, the position of a juryman, has been purely and strictly hearsay testimony.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. DEWALT. I certainly will.

Mr. MADDEN. Without respect to the advisability and propriety of the site, what does the gentleman think of the propriety of providing for only 500 men out of 30,000 men?

Mr. DEWALT. As to that I would respond in this way: The life of one soldier who fought for his country in the late war is to me of greater moment than the consideration of even $1,500,000, wherever the location may be. [Applause.]

I had some portion, some little part, in the discussion and in the consideration of the war-risk insurance act. I recollect distinctly that in the discussion and in the framing of that bill the committee and this House pledged itself that if these boys came back and were suffering from any disease, or from wounds incurred in the line of their duty, or if they were deprived, by inability, of the opportunity of pursuing their usual vocations, the United States Government guaranteed, and does guarantee in that bill, that they will be taken care of by reason of such illness and by reason of such incapacity.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Now, gentlemen, "consistency is a jewel."

Mr. MADDEN. Does this bill do that?

Mr. DEWALT. It does it in part. It is the commencing of a program. Now, gentlemen of the opposition—because I call you that for the reason that you have stood solidly in opposition to this bill—I repeat that somewhere it is said by the great poet, "Consistency, thou art a jewel." I ask you now, frankly, how you explain your inconsistency in opposition to this bill by saying that you are in favor of a general program and are against this location because it is not included in a general program, and yet in the same breath you vote for a location in Texas, at Amarillo? I am willing to follow oftentimes the advice of gentlemen on the other side as a fair-minded legislator. I am not bound to this party by bands which are indissoluble, because I recognize my duty as larger and greater than that, but I will never follow the lead of those who themselves prove to be inconsistent in their arguments. [Applause.]

Mr. GILLETT. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. DEWALT. I will yield if I can get any time.

Mr. GILLETT. I can explain that.

Mr. SMITH of Michigan. I yield four minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Chairman and gentlemen of the committee, this bill must be disposed of under the condition as it exists now, and not under the condition which existed at the time the bill was offered or at the time it was reported. At the time the bill was reported we were in a war, and there was no hope of an early cessation of that war. At that time the Congress and the Nation were both very apprehensive of a tremendous list of casualties and of illness for which provision would have to be made. The war came to a termination somewhat unexpectedly, and fortunately the list of those disabled soldiers is much smaller than we had feared previous to the armistice. I am quite sure in my own mind that practically all of the soldiers who are discharged by reason of disability, or all of those soldiers who are retained in the service and who are suffering from tuberculosis can be taken care of properly by the expenditure of a sum much less than is contemplated by this bill and the other bill that will shortly be presented to the House.

All at once there comes before the House the proposition to expend a million and a half of money for the erection of a permanent hospital at Dawson Springs, Ky., with the idea of treating tubercular soldiers. So far as these hearings disclose, that locality was unheard of as a locality where tuberculosis could be treated beneficially. All over this great Nation of ours there are certain localities especially favored by climatic conditions, as, for instance, the States of Colorado, New Mexico, and Arizona. I see by the report of Dr. Banks that practically 70 per cent of the days in Dawson Springs have sunshine. In other words, one day out of every four is a cloudy day. One of the beauties of Arizona, with reference to the treatment of this disease, is that in many portions of that State they have 100 per cent of sunshine. That State has a salubrious climate, where the nights in the winter are comparatively warm, where the patient is permitted to remain in the open air 24 hours a day for practically every day of the year. I doubt very much whether there is a Member of this House, whether his mind is committed to this bill or not, who would send one of his own to Dawson Springs for treatment in preference to either Colorado Springs, Arizona, or New Mexico, if that one of his own were suffering with tuberculosis.

I am not opposing this bill upon any sectional grounds. I am opposing it because I do not care to do with a tubercular soldier what I would not be willing to do with my own son under the same conditions. [Applause.] My opposition to this bill is founded upon a desire to be of benefit to that soldier even at the expense of Dawson Springs, while it seems to me that those who favor this bill are favoring Dawson Springs to the detriment of the soldier. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Florida. Mr. Chairman, I yield five minutes to the gentleman from Kentucky [Mr. CANTRILL].

Mr. CANTRILL. Mr. Chairman and gentlemen of the committee, it is not my purpose to say anything as to the merits of the bill, because yesterday I took up considerable of the time of the committee in debating the merits of the bill. In the few minutes that are allotted to me I simply want to absolve from some criticism that has come from this side of the House two distinguished members of the Committee on Public Buildings and Grounds on that side of the House. I refer principally to the distinguished gentleman from Tennessee [Mr. AUSTIN], with whom I have served 10 years on the Committee on Public Buildings and Grounds. I want to take this opportunity to publicly commend him for the great service which he has rendered on that committee. He is ardently in favor of this bill

and has been doing what he could to pass it. Strange to say, however, the distinguished gentleman from Tennessee, one of the most loyal Republicans in the United States, a man who has always been loyal to his party, was defeated, and you gentlemen permitted him to be defeated in the Republican primary, and my understanding is that the leading Republicans on the floor of this House undertook to bring about his defeat.

Another distinguished gentleman on the Committee on Public Buildings and Grounds is the distinguished gentleman from Ohio [Mr. HOLLINGSWORTH], who had gallant service in the Civil War. I am indeed pleased to note that he is standing solidly with us on this proposition.

Now, gentlemen on that side of the House, let me say to you that every Republican, every minority member on the Public Buildings and Grounds Committee, every minority member on the Rules Committee, was heartily in favor of this bill, and when you gentlemen on that side, with the two exceptions I have named, lined up against the passage of this bill as you did on times innumerable yesterday, you repudiated the action of the gentlemen on that side of the House who unanimously on these two committees were in favor of the proposition. [Applause.] Now, gentlemen, it is known to every man in this House that in the treatment of tubercular cases they should be separated from other people. It is folly to talk about putting tubercular patients in Army hospitals already established, with other people suffering from other diseases. It is a crime against humanity to do that, and you gentlemen know it, and you ought certainly to be abreast of the times in supporting this proposition, which will make a separate hospital for tubercular patients, where they can be put by themselves and treated in accordance with up-to-date methods.

Mr. LONGWORTH. If the gentleman will yield, I want to ask him in that connection if he will object to limiting this hospital to tubercular patients?

Mr. CANTRILL. I much prefer that it would be done, but I think it is unwise to put restrictions around the Public Health Service. They will use it largely for that purpose, but I do not think it wise to write it into the law now.

Mr. BURNETT. They have stated that they expect in this large area of land to have them segregated.

Mr. CANTRILL. That is the purpose. Now, I do not propose to discuss the merits of the bill, for I did that yesterday, and I do not want to take up much more time. There is one gentleman on that side to whom I always listen with great respect because of his long service, longer than any man in the American Congress, the distinguished ex-Speaker of this House; and although I did not see exactly how it affected the argument on this bill, yet the distinguished gentleman in his time undertook to serve notice on the country that the farmers of the country, when the next Congress comes in, should look for dollar wheat and six-cent hogs, and other things in proportion.

As I recall, one of the main things that contributed to our defeat, especially in the Western and Northwestern States, was the statement that the Democratic Party had placed the price of wheat at $2.20, and then by action of Congress raised it to $2.40, which bill was vetoed by the President of the United States, for which he gave excellent reasons. You gentlemen on that side of the House went to the people and said that the Democratic Party had reduced the price of wheat from $2.40 to $2.20, and therefore we ought to be voted out of power. In some localities in the wheat States we were voted out of power on that issue. Now, here comes a distinguished representative of the Republican Party in the House of Representatives, and he serves notice on the farmers and upon the laboring people of the country that under the next Congress, which will be under your control, the farmer can look for dollar wheat and six-cent hogs, and labor cheapened in proportion. Gentlemen, the proposition is up to you to maintain the prices where we have maintained them, and if you do not do it, after the next election there will not be a handful of you left on that side of the House. [Applause on the Democratic side.]

Mr. SMITH of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. Chairman, the gentleman from Alabama [Mr. HEFLIN], with his usual unintentional inaccuracy, stated that many Republicans in the House voted against this war-risk insurance bill, which provided for the hospital treatment. If the distinguished gentleman will refer to the CONGRESSIONAL RECORD of September 13, 1917, when the final vote was taken on that measure, he will find that there were 319 voted in favor of the measure, none voted against it, and five answered "present."

Mr. RAYBURN. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. RAYBURN. Has the gentleman investigated the RECORD to find how many Republicans spoke against it?

Mr. WALSH. I have investigated only the statement which the gentleman from Alabama [Mr. HEFLIN] made, and that was as to the vote. The gentleman sought to lay on this side of the aisle the responsibility for the defeat of this legislation, and as usual he interspersed his remarks with a most glowing and fulsome eulogy of the Chief Executive, now on the high seas. I wonder if, perchance, the Chief Executive, now on his way across the mighty deep, may not experience a deep sense of loneliness from the fact that he is not accompanied on the expedition by his champion on the floor, the gentleman from Alabama. How much it would add to the assemblage upon foreign soil if the Member from Alabama, who has the great advantage over the rest of us in that he looks apparently like what his people think a Member of the House of Representatives ought to look like, was with that expedition. [Laughter and applause.] But if the Chief Executive is deprived of that noble presence, how fortunate, indeed, are we to have him in our midst to rise upon occasions and indulge in partisan speeches, with that noble brow, that manly bosom always encompassed in snowy white.

Gentlemen of the committee, the gentleman from Alabama was present yesterday; and if he has read this measure, which I doubt, he will know that the amendment which is proposed was offered by a Member upon his side of the House who but a few days ago wore the uniform of a soldier of the Republic. [Applause.] That gentleman made a speech to his colleagues here and convinced many of them that, as far as sites go, at least, Amarillo was to be preferred to Dawson Springs, in the Blue Grass State of Kentucky. It can not be said that the gentleman from Texas [Mr. JONES] seeks to deprive his former comrades in the Army of the Republic of any benefit that might accrue as the result of this piece of legislation. He it was that offered the amendment that substituted the site. Gentlemen, the fact is that now peace times are approaching you are seeking to return to your old inefficient methods for providing for the administrative functions of the Government. You were inefficient before the war, and you were inefficient in many respects in legislating for the war; you are inefficient in seeking to provide for this great work by piecemeal, and attempting to locate a site and let all but 500 soldiers wait until further provision is made. I assert, sir, that it is just as easy to enact the measure which is pending before the committee, which has not been reported, which leaves the selection of all these sites to the duly constituted authorities, and let them begin the work upon all of these hospitals, as it is to pass this legislation, and not compel them to wait two years for the completion of a sanatorium that will only accommodate 500 people. [Applause.]

Mr. CLARK of Florida. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 10 minutes.

Mr. CLARK of Florida. Mr. Chairman, there have been more misunderstandings and more misstatements about this bill the past three days than upon any bill that has ever been in the House during my service of 14 years.

I am going to try, if I may in the short time I have, to clear these away. Now, I want to say in the beginning that this bill is the result in part of the work of a committee appointed by the Public Health Service, the War Department, and the Navy Department, and all this talk about the Surgeon General of the Army and about there being thousands of unused beds is simply all stuff; there is not anything in it. Now, I call attention here to an official document, or rather to the men who served upon the committee and who formulated this plan which includes this hospital at Dawson Springs, Ky., and a number of other hospitals which are to be enlarged and added to—at Boston, Mass.; Chicago, Ill.; Cleveland, Ohio.; Detroit, Mich.; Evansville, Ind.; Louisville, Ky.; Norfolk, Va.; New Orleans, La.; San Francisco, Cal.; Seattle, Wash.; St. Louis, Mo.; Wilmington, N. C.; Fort Stanton, N. Mex.; Berkshire Hills; and in North Carolina—and the names of those officers are as follows: Earl H. Bruns, lieutenant colonel, Medical Corps, United States Army; W. E. Eaton, lieutenant commander, Medical Corps, United States Navy; and W. G. Stimpson, Assistant Surgeon General, United States Public Health Service. And in this document, made after this committee had made its report, Surg. Gen. Blue, of the Public Health Service, under date of September 17 last, says this, among other things:

> It should be stated that this bureau has, in an effort to supply accommodations for the greatest possible number, filled many of its hospitals to overflowing by placing beds in hallways and verandas, and even in tents scattered about the reservation, and has already rented private dwellings to be converted into temporary hospitals in order to relieve the demand for hospital treatment arising from this source, from the

increased merchant marine service, and the constantly growing work incident to caring for injured civil employees of the Government under the compensation act—

And so forth.

That is signed by Gen. Blue.

Mr. SABATH. Will the gentleman yield?

Mr. CLARK of Florida. I do.

Mr. SABATH. When was this report submitted?

Mr. CLARK of Florida. The 17th of September.

Mr. SABATH. Of this year?

Mr. CLARK of Florida. Yes, sir. Here is a letter of the Secretary of the Treasury on November 18, this past month, in which he states, among other things:

In my letter of September 20, transmitting a tentative draft of legislation, which has since been given H. R. 13026—

That is the ten-million-dollar proposition—

there was also transmitted a report from a committee appointed by the Secretary of War, the Secretary of the Navy, and myself, in which the statement was made that 13,000 beds would be required for these patients, and that the War and Navy Departments had made no provision for patients other than those of active forces, and therefore the War and Navy Departments had no beds available for patients of the War-Risk Insurance Bureau, and in addition thereto a memorandum from the Surgeon General of the Public Health Service of this department, in which the statement is made that these beds would not be for temporary purposes, but would be needed for years to come—

And so forth.

Now, Mr. Chairman, there is the official record from an official source, and I submit it to this House in opposition to the statement of a gentleman who says he went to the War Department and talked with some employee and got some information which he undertakes by the use of to defeat this bill.

Mr. BURNETT. And this is one of the very places selected by the War Department?

Mr. CLARK of Florida. One of the very places selected; yes. Now, let me say this: The evidence here in the hearings shows beyond all question that this place was selected by the sworn officers of the Government dealing with this very question. The Public Health Service and the War-Risk Insurance Bureau—they are the people who will have charge of discharged soldiers and sailors—have selected this spot, and they ask us to place a hospital there. There is not any graft in it, there is not any politics in it, and there is not anything in it except an honest effort to comply with the recommendation of the medical authorities having the matter in charge. Ah, Mr. Chairman, the gentlemen on the other side make all sorts of arguments, but when it comes to the test every one of them lined up and went through tellers and voted for Amarillo, Tex., and against locating this hospital at Dawson Springs, in Kentucky, which the Medical Department says is the proper place. They voted for Amarillo, where, I understand, there is not water enough to keep a jack rabbit alive for 30 days, and yet, without any evidence of its fitness, knowing its total unfitness, every one of them voted for it, and I dare say that if the bill should come to a vote on final passage with Amarillo, Tex., as the location for the hospital, not one of you would vote for it, and you know it, and therefore you are simply playing with a proposition here involving the health and the treatment of these soldiers and sailors who have been discharged. Your vote for Amarillo shows this beyond the shadow of a doubt.

Mr. JONES. Will the gentleman yield?

Mr. CLARK of Florida. For a question only. Mr. Chairman, how much time have I?

Mr. JONES. I would like to ask the gentleman——

The CHAIRMAN. Two minutes.

Mr. CLARK of Florida. Then I can not yield. [Laughter.] This hospital is not limited to tubercular patients. Tubercular patients, those suffering from kidney disease, those suffering from rheumatism and diseases of that kind, and there are thousands of them; it is intended for them. Gentlemen then say you can not build it in two years. I deny that, because the evidence in this record shows they are to put up narrow, long buildings that can be constructed rapidly, and which will be constructed rapidly, and the evidence in this case shows that buildings have been rented in New York, buildings rented in Savannah, residences have been fitted up, and tents have been used to try to take care of these boys satisfactorily until a proper place can be constructed where these men can go and get what we are in duty bound under our oaths to give them—the very best treatment that money, science, and intelligence can supply. You agreed to do that in the law when you passed it. You are under your solemn oath to give them this treatment, and I am appealing to you, gentlemen, for God's sake, drop your political stuff now because it happens to be on the border line, not even in the South, but happens to be on the border line, and you do not want it to go there. Why? Is it because the gentleman who represents the district is a Democrat, or is it because you think they may be tinctured with a little southernism down there? Which is it? It is bound to be one or the other. The place is testified to as the best they inspected. The officers of the departments are asking for it. The War Department, the Navy Department, the Public Health Service, and the War-Risk Bureau, all of them, are asking that the hospital be located there, and you have not a single word of testimony against it. What moves you? Politics? It is sectional alone, and you can not get around it. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that I may be allowed five minutes.

I wish to correct a misrepresentation of facts as to the water there and as to the location.

Mr. CLARK of Florida. I object.

The CHAIRMAN. All time has expired.

Mr. JONES. I was just asking for unanimous consent.

The CHAIRMAN. The gentleman from Florida [Mr. CLARK] objects.

The question is on the amendment of the gentleman from Wyoming [Mr. MONDELL].

Mr. MANN. Mr. Chairman, I would like to have the amendment reported.

Mr. CLARK of Florida. I make the point of order on the ground that the amendment is not germane.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MONDELL: Strike out all after the enacting clause and insert the following:

"The Secretary of War is hereby authorized and directed to designate such general hospitals and hospitals at camps and cantonments, now under the jurisdiction of the War Department, for the treatment of persons discharged from the military and naval forces of the United States as in his opinion can advantageously be utilized for such purposes, and are not needed for those in the military and naval forces, and the said Secretary shall within 30 days after the passage of this act report to Congress as to the character, location, and capacity of the hospitals designated by him as available for the treatment of those discharged from the military and naval forces."

The CHAIRMAN. To this amendment the gentleman from Florida makes the point of order that it is not germane.

Mr. MONDELL. Does the gentleman insist on his point of order?

Mr. CLARK of Florida. I certainly do.

Mr. MONDELL. I trust the gentleman will withdraw the point of order and do something for the discharged soldiers.

Mr. CLARK of Florida. When did the gentleman get it into his mind that he wanted to do something for the soldiers, when he has been fighting a proposition for three days here to do something?

Mr. MONDELL. I am proposing something that will furnish something.

The CHAIRMAN. Does the gentleman from Wyoming [Mr. MONDELL] desire to be heard on the point of order?

Mr. MONDELL. Why, Mr. Chairman, the amendment is subject to a point of order beyond question. I was in hopes the gentleman would not insist on the point of order, as the amendment would bring about the establishment of conditions under which discharged men could be immediately provided for in hospitals.

The CHAIRMAN. The Chair sustains the point of order. The next question is on the amendment of the gentleman from Illinois [Mr. GRAHAM] to strike out the enacting clause. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Page 1, lines 1 and 2, strike out the enacting clause.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. GRAHAM].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. GRAHAM of Illinois. Division, Mr. Chairman!

The committee divided, and there were—ayes 95, noes 99.

Mr. GRAHAM of Illinois. Mr. Chairman, I ask for tellers.

Tellers were ordered.

Mr. GRAHAM of Illinois and Mr. CLARK of Florida took their places as tellers.

The committee again divided, and the tellers reported—ayes 116, noes 106.

So the amendment was agreed to.

Mr. CLARK of Florida. Mr. Chairman, I move that the committee do now rise and report the bill.

The CHAIRMAN. The gentleman from Florida moves that the committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 12917, had directed him to report the same to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on striking out the enacting clause.

Mr. CLARK of Florida. I demand the yeas and nays, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—yeas 153, nays 157, answered "present" 8, not voting 115, as follows:

YEAS—153

Anderson	Fordney	McArthur	Sanders, N. Y.
Anthony	Foss	McCulloch	Sanford
Baer	Frear	McFadden	Schall
Birch	Freeman	McKenzie	Scott, Iowa
Bland, Ind.	French	McKinley	Sinnott
Britten	Fuller, Ill.	McLaughlin, Mich.	Sloan
Browne	Gillett	McLaughlin, Pa.	Smith, Idaho
Browning	Glynn	Madden	Smith, Mich.
Burroughs	Goodall	Magee	Sneli
Butler	Graham, Ill.	Mann	Snyder
Cannon	Green, Iowa	Mapes	Stafford
Chandler, Okla.	Greene, Mass.	Merritt	Steenerson
Clark, Pa.	Greene, Vt.	Miller, Minn.	Stiness
Classon	Griest	Miller, Wash.	Strong
Cooper, Ohio	Hadley	Mondell	Sweet
Cooper, W. Va.	Hamilton, Mich.	Moore, Pa.	Switzer
Cooper, Wis.	Hamilton, N. Y.	Moores, Ind.	Temple
Copley	Haskell	Mott	Tilson
Cramton	Hawley	Nelson, A. P.	Timberlake
Currie, Mich.	Heaton	Nichols, Mich.	Tinkham
Curry, Cal.	Hersey	Osborne	Towner
Dallinger	Hicks	Paige	Treadway
Darrow	Hull, Iowa	Parker, N. J.	Vestal
Davis	Husted	Parker, N. Y.	Volstead
Dempsey	Hutchinson	Peters	Walsh
Denison	Ireland	Platt	Ward
Dillon	Kahn	Powers	Wason
Dowell	Kearns	Purnell	Watson, Pa.
Drukker	Kelley, Mich.	Ramsey	Wheeler
Dunn	Kennedy, Iowa.	Ramseyer	White, Me.
Dyer	Knutson	Rankin	Williams
Elliott	Kraus	Reavis	Wilson, Ill.
Elston	La Follette	Reed	Winslow
Esch	LaGuardia	Robbins	Wood, Ind.
Essen	Lampert	Rodenberg	Young, N. Dak.
Fairchild, B. L.	Lehlbach	Rogers	Zihlman
Fairfield	Little	Rose	
Farr	Longworth	Rowland	
Fess	Lufkin	Sanders, Ind.	

NAYS—157.

Alexander	Dickinson	Jones	Riordan
Almon	Dixon	Kelly, Pa.	Robinson
Ashbrook	Dominick	Kincheloe	Romjue
Aswell	Doolittle	Kitchin	Rouse
Austin	Doremus	Larsen	Rubey
Bankhead	Doughton	Lazaro	Rucker
Barkley	Drane	Lee, Ga.	Sabath
Barnhart	Eagan	Lesher	Saunders, Va.
Beakes	Eagle	Lever	Shallenberger
Bell	Fields	Linthicum	Sims
Benson	Fisher	Lobeck	Sisson
Beshlin	Flood	London	Slayden
Black	Foster	Lonergan	Snook
Blackmon	Gallagher	Lundeen	Steagall
Bland, Va.	Gallivan	Lunn	Steele
Booher	Gard	McAndrews	Stephens, Miss.
Borland	Garner	McKeown	Stephens, Nebr.
Brand	Garrett, Tenn.	McLemore	Sterling
Brodbeck	Glass	Mansfield	Stevenson
Brumbaugh	Godwin, N. C.	Martin	Sumners
Buchanan	Goodwin, Ark.	Mays	Tague
Burnett	Gordon	Moon	Taylor, Ark.
Byrnes, S. C.	Gray, Ala.	Morgan	Thompson
Byrns, Tenn.	Gregg	Neely	Tillman
Caldwell	Griffin	Oldfield	Van Dyke
Campbell, Pa.	Hamlin	Oliver, Ala.	Vinson
Candler, Miss.	Hardy	Oliver, N. Y.	Watkins
Cantrill	Harrison, Miss.	Olney	Weaver
Caraway	Hastings	Overmyer	Webb
Carew	Heflin	Overstreet	Welty
Clark, Fla.	Helvering	Padgett	Whaley
Claypool	Hilliard	Park	White, Ohio
Cleary	Hollingsworth	Phelan	Wilson, La.
Coady	Houston	Polk	Wingo
Collier	Hull, Tenn.	Pou	Wise
Cox	Humphreys	Quin	Wright
Crosser	Igoe	Rainey, H. T.	Young, Tex.
Davey	Jacoway	Rainey, J. W.	
Denton	James	Randall	
Dewalt	Johnson, Ky.	Rayburn	

ANSWERED "PRESENT"—8.

Dill	Huddleston	Keating	Shackleford
Evans	Johnson, Wash.	Kinkaid	Sherwood

NOT VOTING—115.

Ayres	Carter, Mass.	Connelly, Kans.	Decker
Bacharach	Carter, Okla.	Costello	Delaney
Blanton	Cary	Crago	Dent
Bowers	Chandler, N. Y.	Crisp	Dies
Campbell, Kans.	Church	Dale, N. Y.	Donovan
Carlin	Connally, Tex.	Dale, Vt.	Dooling
Dupré	Heintz	Morin	Siegel
Edmonds	Helm	Mudd	Slemp
Ellsworth	Hensley	Nelson, J. M.	Small
Emerson	Holland	Nicholls, S. C.	Smith, C. B.
Estopinal	Hood	Nolan	Smith, T. F.
Fairchild, G. W.	Howard	Norton	Stedman
Ferris	Johnson, S. Dak.	O'Shaunessy	Sullivan
Flynn	Juul	Porter	Swift
Focht	Kehoe	Pratt	Taylor, Colo.
Francis	Kennedy, R. I.	Price	Templeton
Fuller, Mass.	Kettner	Ragsdale	Thomas
Gandy	Key, Ohio	Raker	Vare
Garland	Kiess, Pa.	Roberts	Venable
Garrett, Tex.	King	Rowe	Voigt
Good	Kreider	Russell	Waldow
Gould	Langley	Sanders, La.	Walker
Graham, Pa.	Lea, Cal.	Scott, Mich	Walton
Gray, N. J.	Littlepage	Scott, Pa.	Watson, Va.
Hamill	McClintic	Scully	Welling
Harrison, Va.	McCormick	Sears	Wilson, Tex.
Haugen	Maher	Sells	Woods, Iowa
Hayden	Mason	Sherley	Woodyard
Hayes	Montague	Shouse	

So the motion was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. SWIFT (for) with Mr. DUPRÉ (against).

Mr. HILLIARD (for) with Mr. SLEMP (against).

Mr. DALE of Vermont (for) with Mr. HELM (against).

Mr. MUDD (for) with Mr. PRICE (against).

Mr. ROWE (for) with Mr. BACHARACH (against).

Until further notice:

Mr. McCLINTIC with Mr. GARLAND.

Mr. SMALL with Mr. EMERSON.

Mr. DENT with Mr. CRAGO.

Mr. BLANTON with Mr. COSTELLO.

Mr. HAMILL with Mr. HAYES.

Mr. EVANS with Mr. GOOD.

Mr. CARTER of Oklahoma with Mr. KINKAID.

Mr. CONNALLY of Texas with Mr. JOHNSON of Washington.

Mr. SANDERS of Louisiana with Mr. GRAY of New Jersey.

Mr. FERRIS with Mr. SIEGEL.

Mr. SCULLY with Mr. SCOTT of Michigan.

Mr. KINKAID. Mr. Speaker, I voted "present," and I am paired with Mr. CARTER of Oklahoma. If I voted, I would vote "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The motion is not agreed to. The bill stands recommitted to the Committee of the Whole House on the state of the Union.

Mr. CLARK of Florida. I was just going to make that motion.

The SPEAKER. The gentleman does not have to make it.

Mr. MANN. Oh, yes; you have to make a motion. It has been recommitted, but that is where it is now. Are we ready to adjourn?

The SPEAKER. The bill is recommitted to the Committee of the Whole House on the state of the Union. If the gentleman wants to make a motion to go into the Committee of the Whole House on the state of the Union, that is in order.

Mr. CLARK of Florida. That is exactly what I was trying to do. I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 12917.

The SPEAKER. The gentleman from Florida moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 12917.

The question being taken, the Speaker announced that the ayes appeared to have it.

Mr. MANN. I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 155, nays 153, answered "present" 7, not voting 118, as follows:

YEAS—155.

Almon	Buchanan	Dewalt	Gard
Ashbrook	Burnett	Dickinson	Garner
Aswell	Brynes, S. C.	Dies	Garrett, Tenn.
Austin	Byrns, Tenn.	Dill	Glass
Bankhead	Caldwell	Dixon	Godwin, N. C.
Barkley	Campbell, Pa.	Dominick	Goodwin, Ark.
Barnhart	Candler, Miss.	Donovan	Gordon
Beakes	Cantrill	Doolittle	Gray, Ala.
Bell	Caraway	Doremus	Gregg
Benson	Carew	Doughton	Griffin
Beshlin	Clark, Fla.	Drane	Hardy
Black	Claypool	Eagan	Harrison, Miss.
Blackmon	Cleary	Eagle	Hastings
Bland, Va.	Coady	Fields	Heflin
Booher	Collier	Fisher	Helvering
Borland	Cox	Flood	Hilliard
Brand	Crosser	Foster	Hollingsworth
Brodbeck	Davey	Gallagher	Houston
Brumbaugh	Denton	Gallivan	Hull, Tenn.

Humphreys	Lunn	Rainey, H. T.	Stevenson
Igoe	McAndrews	Rainey, J. W.	Sumners
Jacoway	McKeown	Randall	Tague
James	McLemore	Rayburn	Taylor, Ark.
Johnson, Ky.	Mansfield	Riordan	Thompson
Jones	Martin	Robinson	Tillman
Keating	Moon	Romjue	Van Dyke
Kelly, Pa.	Morgan	Rubey	Vinson
Kincheloe	Neely	Rucker	Watkins
Kitchin	Oldfield	Sabath	Weaver
Larsen	Oliver, Ala.	Saunders, Va.	Webb
Lazaro	Oliver, N. Y.	Shallenberger	Welty
Lee, Ga.	Olney	Sherwood	Whaley
Lesher	Overmyer	Sims	White, Ohio
Lever	Overstreet	Snook	Wilson, La.
Linthicum	Padgett	Steagall	Wingo
Lobeck	Park	Steele	Wise
London	Polk	Stephens, Miss.	Wright
Lonergan	Pou	Stephens, Nebr.	Young, Tex.
Lundeen	Quin	Sterling	

NAYS—153.

Anderson	Fess	Lufkin	Sanders, Ind.
Anthony	Fordney	McArthur	Sanders, N. Y.
Baer	Foss	McCulloch	Sanford
Birch	Frear	McFadden	Schall
Bland, Ind.	Freeman	McKenzie	Scott, Iowa
Britten	French	McKinley	Sinnott
Browne	Fuller, Ill.	McLaughlin, Mich.	Sloan
Browning	Gillett	McLaughlin, Pa.	Smith, Idaho
Burroughs	Glynn	Madden	Smith, Mich.
Butler	Goodall	Magee	Snell
Cannon	Graham, Ill.	Mann	Snyder
Chandler, N. Y.	Green, Iowa	Mapes	Stafford
Chandler, Okla.	Greene, Mass.	Merritt	Steenerson
Clark, Pa.	Greene, Vt.	Miller, Minn.	Stiness
Classon	Griest	Miller, Wash.	Strong
Cooper, Ohio	Hadley	Mondell	Sweet
Cooper, W. Va.	Hamilton, Mich.	Moore, Pa.	Switzer
Cooper, Wis.	Hamilton, N. Y.	Moores, Ind.	Temple
Copley	Haskell	Mott	Tilson
Cramton	Hawley	Nelson, A. P.	Timberlake
Currie, Mich.	Heaton	Nichols, Mich.	Tinkham
Curry, Cal.	Hersey	Osborne	Towner
Dallinger	Hicks	Paige	Treadway
Darrow	Hull, Iowa	Parker, N. J.	Vestal
Davis	Husted	Parker, N. Y.	Volstead
Dempsey	Hutchinson	Peters	Walsh
Denison	Ireland	Platt	Ward
Dillon	Kahn	Powers	Wason
Dowell	Kearns	Purnell	Watson, Pa.
Drukker	Kelley, Mich.	Ramsey	Wheeler
Dunn	Kennedy, Iowa	Ramseyer	White, Me.
Dyer	Knutson	Rankin	Williams
Elliott	Kraus	Reavis	Wilson, Ill.
Elston	La Follette	Reed	Winslow
Esch	LaGuardia	Robbins	Young, N. Dak.
Essen	Lampert	Rodenberg	Zihlman
Fairchild, B. L.	Lehlbach	Rogers	
Fairfield	Little	Rose	
Farr	Longworth	Rowland	

ANSWERED "PRESENT"—7.

Alexander	Evans	Johnson, Wash.	Shackleford
Cary	Huddleston	Kinkaid	

NOT VOTING—118.

Ayres	Fuller, Mass.	Lea, Cal.	Sells
Bacharach	Gandy	Littlepage	Sherley
Blanton	Garland	McClintic	Shouse
Bowers	Garrett, Tex.	McCormick	Siegel
Campbell, Kans.	Good	Maher	Sisson
Carlin	Gould	Mason	Slayden
Carter, Mass.	Graham, Pa.	Mays	Slemp
Carter, Okla.	Gray, N. J.	Montague	Small
Church	Hamill	Morin	Smith, C. B.
Connally, Tex.	Hamlin	Mudd	Smith, T. F.
Connelly, Kans.	Harrison, Va.	Nelson, J. M.	Stedman
Costello	Haugen	Nicholls, S. C.	Sullivan
Crago	Hayden	Nolan	Swift
Crisp	Hayes	Norton	Taylor, Colo.
Dale, N. Y.	Heintz	O'Shaunessy	Templeton
Dale, Vt.	Helm	Phelan	Thomas
Decker	Hensley	Porter	Vare
Delaney	Holland	Pratt	Venable
Dent	Hood	Price	Voigt
Dooling	Howard	Ragsdale	Waldow
Dupré	Johnson, S. Dak.	Raker	Walker
Edmonds	Juul	Roberts	Walton
Ellsworth	Kehoe	Rouse	Watson, Va.
Emerson	Kennedy, R. I.	Rowe	Welling
Estopinal	Kettner	Russell	Wilson, Tex.
Fairchild, G. W.	Key, Ohio	Sanders, La.	Wood, Ind.
Ferris	Kiess, Pa.	Scott, Mich.	Woods, Iowa
Flynn	King	Scott, Pa.	Woodyard
Focht	Kreider	Scully	
Francis	Langley	Sear	

So the motion was agreed to.

Mr. KINKAID. Mr. Speaker, I am paired with the gentleman from Oklahoma [Mr. CARTER]. If I were permitted I should vote "no."

Mr. SISSON. Mr. Speaker, I vote "aye."

The SPEAKER. Was the gentleman in the room listening when his name should have been called?

Mr. SISSON. I was in the Committee on Appropriations.

The SPEAKER. Then the gentleman can not vote.

The Clerk announced the following additional pairs:

Until further notice:

Mr. HELM with Mr. DALE of Vermont.

Mr. PRICE with Mr. MUDD.

Mr. DUPRÉ with Mr. SWIFT.

Mr. HOWARD with Mr. ROWE.

Mr. SEARS with Mr. BACHARACH.

The result of the vote was then announced as above recorded.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. FOSTER in the chair.

Mr. MANN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 5, after the word "acres," strike out the language down to the word "for," line 9 of page 1. On page 2, line 4, after the word "beds" insert the following:

"The location of such sanatorium under the terms of this act shall be determined by a commission of suitable size, to be appointed by the President, and such commission shall certify that the site accepted is the most desirable site tendered and is a proper site for such sanatorium."

Mr. GARRETT of Tennessee. Mr. Chairman, I make a point of order on the amendment. I understood that an agreement was entered into yesterday afternoon that after the amendment proposed by the gentleman from Wyoming was disposed of and the amendment proposed by the gentleman from Illinois [Mr. GRAHAM] was voted upon that no other amendment should be in order.

Mr. MANN. The gentleman is under a misapprehension, I think. At least I took a minor part in coming to the agreement, and that was not my understanding, and that was not the language used. We did agree to have a vote on the motion to strike out the enacting clause, and, of course, if that had prevailed there would be no other amendment offered. But there was no agreement not to offer amendments if the vote to strike out the enacting clause was not agreed to, either in the committee or in the House.

Mr. GARRETT of Tennessee. Of course, it is impossible to tell what was in the mind of the gentleman when the agreement was made.

Mr. MANN. I tried to be very careful that the request was stated in that way, and I think the RECORD will show it.

Mr. GARRETT of Tennessee. Of course, if the gentleman understood it differently, I would not try to interpose an objection to the amendment, except on the question of whether it is germane or not, and I will reserve the point of order outside the statement I have made.

Mr. CLARK of Florida. Mr. Chairman, while they are looking up the question, I think, possibly, we can settle this whole disturbance. I think the gentleman from Illinois has offered his amendment in good faith, as he always does, and if the gentleman will support the bill, if his amendment is adopted, I think we are prepared to accept it.

Mr. MANN. I will say very candidly, Mr. Chairman, that while I have not consulted with many Members on this side of the House concerning this matter, if the amendment is agreed to, I propose to vote for the bill.

Mr. CLARK of Florida. We will accept the amendment.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, I withdraw the point of order.

Mr. SAUNDERS of Virginia. Mr. Chairman, I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk reported the amendment again.

Mr. GARRETT of Tennessee. Will the gentleman from Illinois explain what is going to become of the Amarillo proposition under this amendment?

Mr. MANN. Mr. Chairman, we have all heard the debate on this bill and the varying positions it has occupied at different times. There is no division of sentiment in this House or in the country upon the proposition as to whether the General Government shall make ample provision for the care and restoration to health, if possible, of any and all of the boys who went to the front in behalf of the American Republic. [Applause.]

There was a proposition to locate the site of a sanatorium, said to be in the main for the treatment of tuberculosis, at a particular place, and the Committee of the Whole on a vote substituted another place. A majority of the committee in the vote indicated their belief that western Texas was probably a better location for a tuberculosis sanatorium than any place selected in Kentucky, without any reflection upon Kentucky. But after all we do not know just where this or any other sanatorium is best located. We must trust either our own judgment, which we know is weak, or trust the judgment of some of the administrative officials or of some one appointed to select a location. The proposition which I have offered strikes out the selection of any particular place and will authorize any locality to tender to the United States a thousand acres

of land. If it had not been subject to a point of order, I would not have left it to be tendered to the Government; but this permits a commission to be appointed by the President to investigate all of these circumstances and locate this sanatorium at the best place, whether it be Dawson Springs, Amarillo, Colorado Springs, the Adirondacks, or wherever it may be.

And I have had occasion to know that it may not always be easy to tell the best location for the treatment of tuberculosis, but I think we can afford at this time to take the judgment of a commission, and it may be that the commission will report in favor of some existing hospital which the Government now owns. I do not know whether under the strict terms of the bill that could be done, but I apprehend that if a commission were appointed and found that the Government had a hospital already constructed which was not needed in the future for the Army, it might properly recommend that a sanatorium under the Public Health Service should be located at that point. We can afford to spend all the money that may be necessary, and we can not afford to lose sight of the fact that Congress must begin to recognize enconomy in the administration of its own affairs and appropriations. [Applause.]

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, of course I do not indorse this amendment, because I think, in view of the investigation that has already been made by those who are in authority, that this bill should pass in its original form, yet I am ready to submit to the majority of this House on any proposition, especially when any proposition has been so thoroughly discussed as this has; yet, nevertheless and despite the things that may have been said in the heat of debate, I am ready, so far as the adaptability of Dawson Springs is concerned, to submit it along with any other part of the United States, in view of its splendid climate, the medicinal qualities of its water, its central location, and its railroad facilities, and in view of that, so far as I am concerned, I shall vote for this bill as amended by the amendment offered by the gentleman from Illinois. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, I, of course, have no interest in the bill, except that I have been trying to do the best I could to provide a place for the treatment of injured soldiers, but I do want to say this, that in the future unanimous reports from committees coming to the Committee on Rules will not be so persuasive as they have been in the past. The Committee on Rules is a committee of procedure, not a legislative committee. It has been, or has tried to be, the servant of the House. Whenever a report from a committee has come before the Rules Committee as a unanimous report, the committee has given great consideration to that, and it has been extremely persuasive. I do not know how it will be in the future, but for the rest of this term unanimous reports of committees, unless they display some vision, will not, so far as I am personally concerned, have the effect they have had heretofore. The gentleman is throwing away everything that was involved in this bill. It was not made a straight party proposition when it was brought in here the day before yesterday. Every Republican opposed it——

Mr. DENISON. No; not every one.

Mr. GARRETT of Tennessee. Now, in order to avoid the possibility of placing themselves in the position of not trying to take care of discharged soldiers, you propose this amendment, which the gentleman from Florida has seen fit to accept. [Applause on the Democratic side.] There is no mistake about it. This was not brought in as a proposition except to serve the honorably discharged soldiers. The foundations of this hospital would have been built by now except for the objection upon the Republican side. Through two days you have maneuvered in an effort to defeat this proposition. Why? You know why. Then finally, when you found that you can not afford to go to the country upon the proposition——

Mr. WILSON of Illinois. We just came back.

Mr. GARRETT of Tennessee. Oh, surely, the gentleman from Illinois believes that the election of Republicans will cure tuberculosis and restore a limb to a wounded man! I have heard many things claimed for the Republican Party, but I never heard that claimed before. [Applause on the Democratic side.] You now are not willing to go to the country upon a straight opposition to this bill.

Mr. WILSON of Illinois. We are.

Mr. GARRETT of Tennessee. You are?

Mr. WILSON of Illinois. Yes.

Mr. GARRETT of Tennessee. Then vote down the bill.

Mr. WILSON of Illinois. We can not; you will not help us. There is not enough of us, but there will be enough of us two years from now to vote it down.

Mr. GARRETT of Tennessee. There will be enough two years from now to destroy the lives of many soldiers who are waiting for help. Oh, gentlemen, gentlemen! I have through many years seen gentlemen who have insisted upon giving pensions, service pensions, to men, not with respect to their contracting disability in the line of duty, not with respect to their financial need, but because of their service. We have been denounced as treasonable because we insisted, some of us, that there should be at least a disability or a financial need. I have seen gentlemen who have run fast to the support of that proposition stand here now and fight this thing to make a hospital for the treatment of tuberculosis.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Has my time expired?

The CHAIRMAN. It has.

Mr. GARRETT of Tennessee. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. I have seen these gentlemen who are always running to that proposition stand up and fight every movement here toward taking care of the soldiers of a united country. [Applause on the Democratic side.] Why is it? The matter is very plain and simple. Hospitals will be constructed throughout the different sections of the country for the treatment of diseased men, and the gentleman from Illinois [Mr. CANNON], I think, made some reference to unpreparedness. The Bureau of Public Health sent its representative out to look over this place, and he reported upon it favorably.

Gentlemen, many soldiers will be discharged down in Kentucky, Tennessee, Mississippi, and southern Illinois who can take advantage of this service if it is given. It is not an exclusive proposition. Gentlemen seem to have proceeded upon the theory that this was to be an exclusive hospital. It is not. Of course, the son of the gentleman from Iowa would not have to go there. But why is it that you object, gentlemen, to soldiers, men who went to the colors, having the opportunity to go to a place near by in order to be treated for whatever it may be? I understand, of course, I am entirely helpless about the matter now. I have no interest in the world in Dawson Springs. I have been there occasionally. I do not know whether it is a better place than any other place, but I do know this, that it is the only place that the Public Health Service has reported favorably upon. And I resent the idea that the Public Health Service has not been considering this proposition, and that it has failed to prepare for it.

The gentleman from Florida [Mr. CLARK] accepts the amendment. Of course, there is nothing further that I can do; there is nothing further that I desire to do. All that I have desired to do from the beginning has been to try to bring about a situation under which these men could be treated.

Mr. DENISON. What objection has the gentleman from Tennessee to a commission appointed by the President selecting the most available site?

Mr. GARRETT of Tennessee. None in the world.

Mr. DENISON. Then what are you talking about if you have no objection to that?

Mr. GARRETT of Tennessee. That is a very intelligent question, may I say? I do not know whether I can say anything to the gentleman from Illinois that would enlighten him or not. The only place that the Public Health Service has reported upon, after many investigations, is this particular proposition at Dawson Springs. I have predicated my support of this bill upon the thought that the Public Health Service, charged with the responsibility and the duty of administering the law that was provided by Congress, had investigated and favorably recommended this particular site.

Mr. POWERS. Will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Kentucky?

Mr. GARRETT of Tennessee. I do.

Mr. POWERS. Is it not true that Dawson Springs is the only place that has been examined by the Public Health Service; and do not the hearings show that?

Mr. GARRETT of Tennessee. No; that is not true. Does the gentleman care to ask anything further?

Mr. POWERS. I think the hearings show that.

Mr. FESS. Will the gentleman yield for a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. FESS. I understood the gentleman to say that the Committee on Rules was unanimous in the report on this measure.

Mr. GARRETT of Tennessee. I did not state such a thing. And I knew that the gentleman from Ohio, who hates everything

from the South, was opposed to it. What I stated was that it was stated before the Committee on Rules that the Committee on Public Buildings and Grounds was unanimous in favor of the report.

Does the gentleman from Ohio desire to ask anything further?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GILLETT and Mr. GREEN of Iowa rose.

The CHAIRMAN. The gentleman from Massachusetts [Mr. GILLETT] is recognized.

Mr. GILLETT. Mr. Chairman, I see that the House is anxious to vote. I just wish to say a word.

I have great respect for the gentleman and for his ordinary fairness, but he undertakes to read a lecture to this side of the House, and I presume he referred to me personally, for I remember when this bill came up at the last session I was one of those who said I thought the bill ought not then to be considered, and the reason I then gave was the reason which is covered by this very amendment, that we ought not to pick out without thorough medical investigation one locality in the country and place the hospital there, but that we ought to undertake a comprehensive survey and be sure that we placed it not only in a good place but in the best place.

And I wish to suggest to the gentleman that this side of the House has for the last year and a half not been critical. We have thrown away many opportunities where we thought we ought to criticize. We have allowed many bills to go through of which we did not approve and which we thought had in them favoritism and sectionalism and politics, because when the war was in progress we did not propose to raise any obstruction. We lost sight of all minor issues in the earnest support of everything which tended to win the war. And although we often thought that under the guise of a war purpose many selfish and political ends were attained, particularly by the executive departments, yet we did not yield to the temptation to criticize and oppose them, because we feared that we might retard the war.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GILLETT. I will yield to the gentleman.

Mr. GARRETT of Tennessee. Did the gentleman vote for the Amarillo proposition yesterday?

Mr. GILLETT. I thought Amarillo was better than Dawson Springs. [Laughter and applause.] But, Mr. Chairman——

Mr. REAVIS. Mr. Chairman, will the gentleman yield to me?

Mr. GILLETT. Certainly.

Mr. REAVIS. Does not the gentleman know that this very morning the Surgeon General's office made the statement that Dawson Springs had been offered as a site, together with a hotel, if they would accept it, and they refused to do it because the location was unsuitable?

Mr. GILLETT. I was not aware of that. I am glad to be advised of that and to have that brought before the House.

Mr. BURNETT. I would like to know who in the Surgeon General's office stated that. We would like to have the authority.

Mr. REAVIS. It was stated this morning, but the gentleman's name was not given.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. GILLETT. I will.

Mr. FESS. When this matter came before the Committee on Rules I made the request to know if there had been any hearings of any sort of any representative of the Surgeon General's office or the Public Health Service, and because there had not been anyone before the Committee on Rules I said I would not vote for it; and although it passed in the Committee on Rules, it was decided later on not to report it until a subsequent meeting, about which I knew nothing. I was not at the other meeting. And I would like to state, if the gentleman from Massachusetts will permit, that the insinuation that I vote against this or that measure because it comes from any particular geographical location is hardly fair to this side of the House or to that side, either. What I object to is any party in power discriminating totally in favor of its own side and recognizing no rights on the other side. That is what I object to. [Applause on the Republican side.]

Mr. GILLETT. Mr. Chairman, while in the past we have put aside all these political and sectional thoughts, being wrapped up in the one purpose to win the war, now that the war is over I think it is but fair that that side should understand that there will be in the future more careful scrutiny of bills, and that while we stand always ready to provide for the returning soldiers whatever they may need, yet we want it done fairly. When we suspect that a bill is urged more because of some sectional or political advantage than for its ostensible purpose, when we suspect, as in this instance, that a hospital is located more for the advantage of the locality than the health of the soldiers, we are going to assert our opinion, and you know that the time is soon coming when those opinions will be put into force. [Applause on the Republican side, and cries of "Vote!"]

Mr. MANN. Mr. Chairman, I hope this side of the House will not be too tender about lectures directed to us from the other side of the House, because it is the only satisfaction they can get now.

Mr. GARRETT of Tennessee. Well, the Senate is operating somewhat.

Mr. MANN. Having been repudiated by the people at the last election—the Democratic majority of the House and the Democratic majority of the Senate—let us keep our good nature and our tempers on this side while they whine about it on that side, and let us dispose of this thing good-naturedly all the way through. [Cries of "Vote"!]

Mr. BURNETT. Mr. Chairman, I would like to have just three minutes.

The CHAIRMAN. Without objection, the gentleman from Alabama will be recognized for three minutes.

There was no objection.

Mr. BURNETT. Mr. Chairman, the only purpose that I had in view in trying to press this bill was on account of the expeditiousness of it. It was shown to be an urgent necessity by eminent physicians who were before our committee. If we delay about different sites proposed, that means months of postponement when this work could be going on.

It has been twice stated in this debate—and that is the main reason why I rose—that the Surgeon General's office, or some one in high authority there, had said that Dawson Springs was not a suitable place for the sanatorium. I want to give the gentleman who made that statement one minute of my time—whoever is responsible for it—in which to name the officer of the Surgeon General's office who made that statement. There ought not to be any hiding out. If any gentleman said he heard an official say that, and stated it on authority, the gentleman owes it to himself and to this House to state the name of the officer of the Surgeon General's office who made such a statement; and I now yield to the gentleman time to give it, whoever is responsible for that statement.

Mr. MANN. Mr. Chairman, I have not made the statement.

Mr. BURNETT. The gentleman has not.

Mr. MANN. The gentleman can see that a Member of this House who has received such information from the Surgeon General's office would be doing a very dirty trick—a very dirty trick, indeed—to disclose the name of the man who makes the statement in the Surgeon General's office here.

Mr. CLARK of Florida. Then he ought not to use it.

Mr. MANN. It certainly would be considered by the War Department as a violation of the rules, which permit no information being furnished to anybody outside, and it might result in the court-martialing of a very conspicuous officer in the Surgeon General's office.

Mr. BURNETT. Then, Mr. Chairman, I think it was certainly a very dirty statement to make when a man, for fear of compromising some official, should make the statement here and hide behind the fact that in some way it might compromise that official to name him, and therefore refuse to name him.

Mr. MANN. A great many rumors are stated on the floor of this House frequently. No gentleman has stated on the floor of this House that authoritatively such a statement was made by the Surgeon General's office.

Mr. BURNETT. If it was not made, I take that as an explanation; but I understood the gentleman to say that such a statement had been made to a Member of this House by a high official of the Surgeon General's office.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. REAVIS. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. REAVIS. Mr. Chairman, the statement I made on the floor of the House a few minutes ago was that I had been advised this morning by a Member of this House that one of the prominent officers in the Surgeon General's office had made the statement that the site of Dawson Springs, a thousand acres of its land, and the hotel situated thereon, had been offered to the Government for a tuberculosis hospital and had been refused by that department for the reason that the location was unsuitable. I have no doubt, knowing the character of the Member of this House who told me, that the statement was made to him. I do not know the name of the officer who made it to him, but it is certain in my mind not only that the statement was made

but that the officer related the fact to the Member. [Applause on the Republican side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

Mr. CLARK of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLARK of Florida. Does this amendment dispose of the question of Amarillo, Tex.?

The CHAIRMAN. It does. The Clerk will proceed with the reading of the bill.

The Clerk read as follows:

In carrying the foregoing appropriations into effect the Secretary of the Treasury may purchase materials and labor in open market or otherwise and employ laborers and mechanics for the construction of such buildings and their equipment as in his judgment shall best meet the public exigencies within the limits of this appropriation.

With the following committee amendment:

Strike out the paragraph, lines 16 to 21, inclusive, and insert the following:

"In carrying the foregoing authorizations into effect the Secretary of the Treasury is authorized to enter into contracts for such construction, equipment, etc., or to purchase materials and employ laborers and mechanics, and construct, equip, etc., said sanatorium, etc., as in his judgment shall best meet the public exigencies within the limits of this authorization."

Mr. WALSH. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. Will the gentleman from Florida state what the purpose is in including the phrase "and so forth" in the committee amendment which is inserted in lieu of the language stricken out? What does it apply to and what does it mean?

Mr. CLARK of Florida. The gentleman will notice that the language stricken out really prohibited the letting of the work by contract. It confined the Secretary of the Treasury to building it himself with his own force. That was one reason why the language was stricken out and the other was inserted, so that he might enter into a contract for the purchase of materials, and so forth.

Mr. WALSH. I understand the difference between the two phrases, but I want to know what the meaning of this particular phraseology is.

Mr. CLARK of Florida. That is the phraseology that the Superintending Architect has always used in paragraphs of this sort in all public-building bills—"for construction, equipment, and so forth." I suppose that is to cover something of a like character that might be left out.

Mr. WALSH. If the gentleman will permit, may I direct his attention to the effect of this phraseology? It says:

The Secretary of the Treasury is authorized to enter into contracts for such construction, equipment, etc., or to purchase materials and employ laborers and mechanics, and construct, equip, etc.

Mr. CLARK of Florida. I should say that the approaches and appurtenances to the sanatorium would be covered by that.

Mr. WALSH. That is intended to include all the appurtenances to the sanatorium?

Mr. CLARK of Florida. That is the idea.

Mr. WALSH. "To construct, equip, and so forth, said sanatorium"—what does that mean?

Mr. CLARK of Florida. I suppose that means anything incidental to it. I do not see that this can do any possible harm.

Mr. WALSH. Does the gentleman see any harm in striking out that phraseology?

Mr. CLARK of Florida. I prefer not to strike it out, because it is their peculiar method of drafting it. I do not think it will do any harm.

Mr. MONDELL. Mr. Chairman, I desire to be heard on the committee amendment. Mr. Chairman, at the time the original provision for which the committee amendment is a substitute was adopted we were in a condition of war. Labor conditions were very uncertain. The material market was very uncertain, and it was deemed necessary to have some provision under which the work could be done otherwise than by contract. There was some objection made to the original proposition, on the ground that it possibly authorized the letting of a contract under the so-called cost-plus contract, and I presume that the substitute was adopted in order to make it clear that no cost-plus contract could be made.

However, the amendment still provides for the construction of this building through the purchase of material and equipment and the employment of labor. Now we have returned to times of peace, and it occurs to me that with the return of peace conditions we should return to the usual practice of the Government and provide for construction under contract. Not only should the amendment go out, but the original provision should go out also. That having been accomplished, this sanatorium will then be constructed under contract in the usual way. There are no conditions in the country which seem to me to justify a provision authorizing the construction under force account and the purchase of material in the open market.

Mr. GREEN of Iowa. Mr. Chairman, I offer the following substitute.

The Clerk read as follows:

Page 2, strike out lines 16 to 21, inclusive.

The CHAIRMAN. That is already proposed to be stricken out by the committee amendment.

Mr. GREEN of Iowa. The committee amendment strikes out and inserts.

The CHAIRMAN. The Chair would suggest that the way to get at that is to vote down the committee amendment.

Mr. GREEN of Iowa. I ask for a division of the committee amendment.

The CHAIRMAN. The committee amendment, being a motion to strike out and insert, can not be divided.

Mr. GREEN of Iowa. If the Chair will hear me, I offered that as a substitute for the committee amendment. It is altogether a different proposition. The committee amendment is to strike out language and insert, and my amendment is to strike out and stop there.

Mr. MANN. Mr. Chairman, under the rules the motion to strike out and insert, if defeated, would not prevent a motion to strike out.

The CHAIRMAN. That is what the Chair was trying to explain.

Mr. MANN. But the gentleman can not get a division of the proposition. He can only give notice that if the motion to strike out and insert is defeated he will then move to strike out. Let us observe the rules, in any event.

The CHAIRMAN. The gentleman from Illinois is entirely correct. The gentleman from Iowa can then offer his amendment.

Mr. GREEN of Iowa. I object to the gentleman from Illinois calling what I have offered "an amendment." With all due deference to the gentleman from Illinois, it is a substitute.

Mr. MANN. A substitute is an amendment, and so provided in the rules.

The CHAIRMAN. Certainly; but the committee can vote down the committee amendment and then the gentleman from Iowa can offer his amendment.

Mr. GREEN of Iowa. Then I want to be heard on the committee amendment. The committee amendment ought not to prevail, for the reasons stated by the gentleman from Wyoming and for numerous other reasons. There is not the excuse now that we are engaged in war as a reason why we should have this kind of a provision. It would authorize the Secretary of the Treasury not only to enter into a cost-plus contract but any other kind of a contract that he wanted to enter into, without asking for bids or proceeding in the ordinary manner. There is no occasion for this. If we are to do it with this bill, we ought to do it with every other bill that is brought before us. This is simply a proposition to exempt this particular case from all rules that we have applied to contracts made by this Government. If this contract is let at all—I do not think it ever will be—it ought to be let by publishing a proposition to receive bids. This matter is already a subject of scandal and disgrace, and this will simply make it a subject of further scandal and disgrace. I regret that the gentleman from Tennessee is not here, but I wish to say to the gentleman from Tennessee that I am opposed to this whole proposition and that I intend to vote against it; and I hope that a number of the other Members on this side will vote against it, notwithstanding the amendment offered by the gentleman from Illinois.

I agree with all that the gentleman from Illinois has said as to the reasons why he should offer his amendment, but they do not militate against the reasons why this bill should be voted down in any event. There is not the slightest necessity for it. What the other side ought to do if they want to help the soldiers and help them immediately, if they want to give these men a chance to recover instead of having a chance to die, is to present a resolution here opening the Government hospitals, where there is an abundance of room for them and abundant opportunities to take care of them. But they have declined to do this. They refused to do it a year ago when I offered my bill, and they refuse to do it now. If they can not have this pet job they will have nothing, and in my judgment they will get nothing in the end.

I regret to see gentlemen on this side giving encouragement to a scheme in which I can see nothing but waste, pure and simple,

at a time when we should be seeking every opportunity to cut down expenses. This hospital ought not to be built, because we already have more hospitals of this kind than we can use. It ought not to be built because it will not be occupied when built and is not asked for by the soldiers. Nor is there any reason for appropriating half the money provided in the bill. As a result of legislation of this kind I can only see more liberty loans, without the slightest advantage or benefit to the soldiers. I would spare no expense where the soldiers can be benefited, but how are we to obtain the money for their needs if we squander it in this manner?

Mr. CLARK of Florida. Mr. Chairman, I want to say just a word. The gentleman from Iowa talks about his bill. He admits that he simply introduced it and went around to the Military Affairs Committee once. He knows that that is not the way to get a bill through here. He knows that when a gentleman introduces a bill he has got to follow it up. He has got to go around to the committees, he has got to keep it up. There is no evidence here that he did anything except introduce it and go there one time.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. CLARK of Florida. No. Now, the original bill forced the Secretary of the Treasury to let out the work by contract, and our committee thought that we ought to give him discretion to let it by contract or purchase the materials and build it with his own constructing force if he saw fit to do so; if it was for the better interests of the Government to go into the open market and buy materials and use his own force and put up this building, that he could do that, or he could let the contracts.

Now the war has not ended. There is simply an armistice. Peace has not been declared and all the conditions of war still exist. Certainly there has been no falling off in the price of labor. There has been no falling off in the price of materials. Conditions to-day are exactly what they were when this bill was reported, with the exception that an armistice is in force and that we are not actually fighting to-day. There is no telling but what we may be fighting within a month. The war is not ended. All the conditions are exactly the same as they were except that we are not actually fighting, and it seems to me that we ought to give the officers of the Government the power to exercise their judgment, letting it by contract or else doing the work themselves, and that is all this amendment amounts to. I ask for a vote.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

And the Secretary of the Treasury is hereby authorized, in his discretion, to employ for service within or without the District of Columbia, without regard to civil-service laws, rules, and regulations, and to pay from the sums hereby authorized at customary rates of compensation of such additional technical and clerical services as may be necessary exclusively to aid in the preparation of the drawings and specifications for the above-mentioned objects and the supervision of the execution thereof, and for traveling expenses incident thereto, at a total cost for such additional technical and clerical services and traveling expenses of not exceeding $33,000 of the above-mentioned limit of cost.

Mr. WALSH. Mr. Chairman, I move to strike out, in lines 6 and 7, on page 3, the words "without regard to civil-service laws, rules, and regulations," and, in line 8, strike out the word "of" where it last occurs.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. WALSH moves to amend, on page 3, lines 6 and 7, by striking out the words "without regard to civil-service laws, rules, and regulations," and, in line 8, strike out the word "of" where it last occurs in the line.

Mr. WALSH. Mr. Chairman, it would seem that in carrying on this work of construction and providing these walks, grounds, and parking, and so forth, in view of the greatly increased number of men upon the civil-service lists who have been drawn upon for various war activities, now that the need of men for war work is about to cease, we ought to permit the operation of the civil-service laws and regulations once more, and that we ought to require these men who are to be employed for this work, done under the supervision of the Secretary of the Treasury, to be drawn from the various eligible lists. Now, I wish to point out to the chairman of the committee the fact that the word "of" in line 8, where it last occurs, is evidently an error, because it does not make, I think, good sense.

Mr. CLARK of Florida. That ought to be stricken out.

Mr. PARKER of New Jersey. The word "of" ought to be "for."

Mr. WALSH. I have nothing further to submit, except I think we ought not to let down the civil-service bars on this proposition.

Mr. CLARK of Florida. Mr. Chairman, this provision refers to highly technical men, and sometimes they are over the age of civil service, beyond the age of 45. It is very hard to get them, and it has been customary in practically all the building bills we have passed here for a number of years in the days of peace as well as of war to have a provision of that character—bills for the construction of the great departmental buildings, and all that. In the construction of the great departmental buildings it has been customary to allow the Secretary, if it were necessary, to go outside and employ technical skill and to do so without regard to the rules of the civil service. I do not care anything personally about it one way or the other, except it has been customary here for a long series of years to include that kind of provision. It is really necessary if we are going to get the kind of service required.

Mr. WALSH. Of course this only applies to technical and clerical assistants?

Mr. CLARK of Florida. That is all.

Mr. WALSH. And as I understand it, the civil service does have an eligible list of technical and clerical assistants, architects, draftsmen, and so forth.

Mr. CLARK of Florida. They do have examinations, but I do not think you get many people through them. I know it has been customary in the construction of big departmental buildings always to have a provision of this character. They have always requested it.

Mr. KINCHELOE. Mr. Chairman, just an inquiry. Should not that amendment be divided? There is no objection to striking out the word "of" the last time, and it ought to go out; but there is objection to striking out the other part. I ask for information. Should not that amendment be divided?

The CHAIRMAN. It can.

Mr. KINCHELOE. I ask that it be divided.

Mr. CLARK of Florida. I accept the part striking out the word "of," which is, of course, obvious.

The CHAIRMAN. Without objection, the word "of" will be stricken out and the question is upon the other part of the amendment.

The question was taken, and the Chair announced the noes seemed to have it.

Mr. WALSH. I ask for a division, Mr. Chairman. I withdraw the request.

So the amendment was rejected.

Mr. ROBBINS. Mr. Chairman, I desire to offer the following amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 3, line 15, after the word "cost," insert "*Provided*, That no contract shall be awarded under this act under what is known as the cost-plus system of payment."

Mr. CLARK of Florida. We have no possible objection.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Said sanatorium shall be under the jurisdiction of the Secretary of the Treasury and operated under the direction of the Surgeon General of the United States Public Health Service.

Mr. SLOAN. Mr. Chairman, I move to strike out the last word. I do this, Mr. Chairman, just to make two or three brief observations. I am glad this bill is finally to pass, and pass with a somewhat national character. We have divided frequently in this House on the tariff and other questions, but the most remarkable exhibition that we have had in division in this House since I have been here has been on the subject of tuberculosis. This controversy is the second division we have had. The other occurred in the passage of the agricultural appropriation bill last winter, when it was sought to furnish the funds for the eradication of tuberculosis in food animals.

Now, this great plague has been carried more than three milleniums in man and brute and is communicable from one to the other. One of the great sources of infection or communication is from the food animals to the human being. I desire to recall for the benefit of those who have seen fit to criticize the partisanship in this division what occurred on February 1 of the present year. Look on page 1692, when a strong effort was made on this side of the House to make liberal appropriation for the work of eradication of tuberculosis. Milk from food animals is the source where human tuberculosis is obtained more than from other humans. The division in that case was practically as it has been during this contest for the past two days—divided almost strictly upon the political lines of the House. There were but six of those to my left who voted for the increased appropriation and only three on my right who voted against it. It pleases me especially to see this bill as it is about to pass take on a national character and not a sec-

tional one. In both cases the Republicans battled for construction and control in a national and nonsectional method.

Mr. CLARK of Florida. Mr. Chairman, just a word. I want to say this: Our committee brought this bill into the House, as has been often stated here, with an absolutely unanimous vote of the committee. There was not a breath of opposition to it of any kind on either side. Of course, I had the right to expect that we would have the active support certainly of every member of the committee, because no voice was raised against it. The committee was induced to report the bill, because the Public Health Service and the Bureau of War-Risk Insurance, the Medical Department of it, had investigated sites in New York, California, Minnesota, and Kentucky and had decided on this as the logical place to build this first hospital, and it is only the forerunner of a number to follow, which are to go in different sections of the country. That high medical authority after investigation spoke in favor of it, and it was brought in here by the unanimous report of the committee. We have been now here three days trying to get this bill through and there has been a stubborn fight against it for various alleged reasons. I want to say this, if gentlemen are willing to put themselves in the attitude of trying to defeat a bill of this character because they think the site ought not to be at some particular place, I do not want to put myself in the attitude and in the way of getting a hospital, no matter where it goes.

I do not care whether they put it in Maine or in California or anywhere else. It does not make a particle of difference to me. I want it put where those gentlemen in charge of the affair and who should know, say it ought to go, and for that reason I have stood for the place named in the bill. But when I saw, Mr. Chairman, that there was a determined effort upon the other side to defeat that proposition and the eminent gentleman from Illinois [Mr. MANN] made his proposition, which I considered fair, I immediately agreed to accept it, because it means a hospital; it means that this business will be taken care of, and I am satisfied when the President appoints his commission you will see the hospital located at Dawson Springs, because it has already been selected by the medical authorities. Mr. Chairman, under permission granted me to extend my remarks I shall print herewith House Documents 1294 and 1361, Sixty-fifth Congress, second session, as follows:

[H. Doc. No. 1294, 65th Cong., 2d sess.]

HOSPITAL AND SANATORIUM FOR TREATMENT OF SOLDIERS AND SAILORS BY PUBLIC HEALTH SERVICE.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, September 20, 1918.

THE SPEAKER,
House of Representatives, Washington, D. C.

SIR: I have the honor to submit herewith a tentative draft of legislation, with the request that the same be referred to the Committee on Public Buildings and Grounds for immediate consideration:

"*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to provide immediate additional hospital and sanatorium facilities for the care and treatment of discharged, sick, and disabled soldiers and sailors, patients of the War-Risk Insurance Bureau, and for others entitled to treatment by the Public Health Service, by lease or purchase of existing plants or the construction of new hospitals and sanatoria, to include the necessary buildings, with their appropriate mechanical equipment and approach work, including roads leading thereto, for the accommodation of patients, officers, nurses, attendants, storage, laundries, and live stock, on sites now owned by the Government, or on new sites to be acquired by purchase or otherwise at such places as he may elect, including the remodeling of such of the existing or authorized buildings and their equipment, owned by the United States, as may be necessary to economically adapt such facilities to those herein provided, at the sanatorium at Fort Stanton, N. Mex., and at such of the marine hospitals where increased facilities can be placed, at a limit of cost for sites and buildings, etc., as aforesaid, complete, of $9,700,000, or as much thereof as may be found necessary; for miscellaneous furniture and equipment for the above, $800,000; in all, $10,500,000; and the above amounts are hereby authorized, and when appropriated to be immediately available and remain available until expended.

"The Secretary of the Treasury, in securing additional sites herein provided for, may request the Secretary of War, the Secretary of the Navy, the Secretary of Agriculture, or the Secretary of the Interior to transfer to the Treasury Department such lands or parts of land under their control, not required for other purposes, as may be found suitable for this use, and they are hereby authorized to make such transfer as may be in the interest of the Government.

"In carrying the foregoing authorization into effect, the Secretary of the Treasury may enter into contracts for the lease or purchase of existing buildings, grounds, and equipment, or purchase materials and labor in open market, or otherwise, and employ laborers and mechanics for the construction of such buildings and their equipment as in his judgment shall best meet the public exigencies, within the limits of this authorization.

"And the Secretary of the Treasury is hereby authorized, in his discretion, to employ, for service within or without the District of Columbia, without regard to civil-service laws, rules, and regulations, and to pay from the sums hereby authorized, at customary rates of compensation, such additional technical and clerical services as may be necessary, exclusively to aid in the preparation of the drawings and specifications for the above-mentioned objects and the supervision of the execution thereof, for traveling expenses, and printing incident thereto at a total limit of cost for such additional technical and clerical services and traveling expenses, etc., of not exceeding $330,000 of the above-mentioned limit of cost."

Attached hereto are photostatic copies of certain reports and recommendations, which are self-explanatory and show the necessity for the above legislation.

Respectfully,
W. G. MCADOO, *Secretary.*

TREASURY DEPARTMENT,
BUREAU OF WAR-RISK INSURANCE,
Washington, July 30, 1918.

THE SECRETARY OF THE TREASURY.

Subject: Need of enlarged hospital facilities.

SIR: I have the honor to invite your attention to the care and treatment of men who have been discharged from the military and naval forces of the United States who are beneficiaries of the Bureau of War-Risk Insurance, and are in immediate need of sanatorium facilities.

2. Under the provisions of the amended act of October 6, 1917, defining the duties of this bureau it is provided in article 3, section 300, paragraph 3, that the sick or injured beneficiaries "shall be furnished by the United States such reasonable governmental medical, surgical, and hospital services and with such supplies, including artificial limbs, trusses, and similar appliances as the director may determine to be useful and reasonably necessary."

3. Section 303 provided that "as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the director."

4. At present the only "governmental" hospital services available for this work are the hospitals and relief stations of the United States Public Health Service, as the hospitals of the Army and Navy can not be used for the treatment of discharged soldiers and sailors under the law, because these men have resumed their civilian status, and for the further reason that these hospitals are entirely occupied with the sick and disabled who are now in active military and naval service. The chief medical advisor of this bureau is now making use of every hospital and relief station of the Public Health Service in all parts of the country, and as this hospitalization of discharged soldiers and sailors is increasing, the necessity of making increased provisions in the hospitals of this service will be more acute when the Army is numerically increased.

5. The great problem connected with this work is the caring for discharged soldiers and sailors suffering from tuberculosis, and as 10,000 have already been discharged and are eligible for compensation and sanatorium treatment, the chief medical advisor informs me that he has already filled the Government sanatorium at Fort Stanton, N. Mex., to its capacity, and that he is finding difficulty in procuring suitable bed space in local hospitals, where the cost of maintaining them is greater than in the Government institutions.

6. The experience of the allied nations should be our guide in making preparation for the cases which will inevitably become a charge upon this bureau in the near future, as both England and France have returned tens of thousands of cases from the front broken down by this disease.

7. It is therefore the desire of this bureau that this condition be represented to the Surgeon General of the United States Public Health Service directing his attention to the department's needs in this respect, and urging his cooperation in providing sufficient bed space, either by the enlargement of hospitals now existing or the construction of new buildings.

Respectfully,
WILLIAM C. DELANOY,
Director.

MEMORANDUM.

AUGUST 10, 1918.

THE SECRETARY: Referring to the attached letter from the Director of the Bureau of War-Risk Insurance, addressed to the Secretary of the Treasury, I beg to strongly approve the suggestion that the attention of the Surgeon General of the United States Public Health Service be directed to the needs of the medical work of the War-Risk Insurance Bureau, as pointed out in the letter of the director, and that he be urged to cooperate in providing the necessary facilities for taking care of this work with the least possible delay.

Sincerely,
THOS. B. LOVE,
Assistant Secretary.

To Surgeon General, United States Public Health Service, by direction of the Secretary.

Approved:
J. H. MOYLE,
Assistant Secretary.
AUGUST 14.

SEPTEMBER 11, 1918.

Report of the committee appointed by the chairman of the conference of officers of the Army, Navy, and Public Health Service to obtain data regarding the number of men discharged from the military forces and the percentage of these engaged who will become beneficiaries of the War-Risk Insurance Bureau; also to present conclusions, if any could be reached, regarding the accommodations which should be furnished to those patients.

This committee has the honor to make the following report:

The largest number of discharged soldiers requiring treatment will be cases of tuberculosis. Fourteen thousand men have already been discharged from the Army on account of this disease. During the remainder of the calendar year 1918 and during the year 1919 it is estimated that 20,000 men will be rejected on their primary examination at the camps after induction into the service.

The War-Risk Insurance Bureau of the Treasury Department would have to care for these patients. From its experience, three-fourths, or about 26,000, will avail themselves of sanatorium treatment.

It is estimated that the average length of time the patients will remain in a tuberculosis sanatorium is six months. Therefore 13,000 beds will be required for these patients.

The number of soldiers that will be discharged from the Army hereafter during the war will be small, as it is the policy of the War Department since May 21, 1918, not to discharge tuberculosis soldiers as long as they need sanatorium treatment. Practically the same policy is followed in the Navy Department.

The War and Navy Departments have made no provision for the treatment of patients other than those of the active forces, and therefore no beds are available for patients of the War-Risk Insurance Bureau.

The number of soldiers discharged for diseases other than tuberculosis that will require hospital accommodations will probably be small and can be taken care of in existing hospitals.

EARL H. BRUNS,
Lieutenant Colonel,
Medical Corps, United States Army.

W. E. EATON,
Lieutenant Commander,
Medical Corps, United States Navy.

W. G. STIMPSON,
Assistant Surgeon General,
United States Public Health Service.

TREASURY DEPARTMENT,
BUREAU OF THE PUBLIC HEALTH SERVICE,
OFFICE OF THE SURGEON GENERAL,
Washington, September 17, 1918.

Memorandum for the Secretary.

Report of the proceedings of a conference held at the office of the Surgeon General of the Army to consider what provision should be made for the hospital treatment of patients of the Bureau of War-Risk Insurance.

Officers of the Army, Navy, Public Health Service, and the chief medical advisor of the Bureau of War-Risk Insurance were present at this conference. A committee was appointed by the chairman to obtain data regarding the number of men discharged from the military forces and the number which would, in all probability, become beneficiaries of the War-Risk Insurance Bureau during the remainder of the year 1918 and the year 1919. A copy of the report of this committee is attached. This report shows that 13,000 beds should be provided for patients for the War-Risk Insurance Bureau suffering from tuberculosis, and the Army and Navy state that they have made no provision for the treatment of these patients, nor do they contemplate doing so. The number of patients suffering from tuberculosis for whom beds will be necessary is estimated to be 26,000, but only one-half of this number of beds will be needed, as it is improbable that any patient will remain at the sanatorium for more than six months at one time. These beds will not be for temporary purposes, however, but will be needed for years to come, because, with recurring breakdowns of tubercular soldiers, they will apply for reentrance and treatment, and will be entitled to receive it under provision of the war-risk insurance act. If new buildings are built for this purpose, at least six months will be required for their construction after authority is granted by Congress, at a cost of approximately $26,000,000.

It is recommended that the estimates for 5,000 beds only be approved at this time, at a cost of approximately $10,000,000, and the remaining beds be provided for in a supplementary estimate, to be submitted to Congress at a later date.

The draft of a bill attached to these estimates authorizes the Secretary of the Treasury to construct new buildings or rent existing buildings, if such can be found.

RUPERT BLUE,
Surgeon General.

TREASURY DEPARTMENT,
BUREAU OF THE PUBLIC HEALTH SERVICE,
OFFICE OF THE SURGEON GENERAL,
Washington, September 17, 1918.

THE SECRETARY OF THE TREASURY.

SIR: Complying with departmental instructions of August 10, accompanying a letter from the Director of the Bureau of War-Risk Insurance, dated July 30, 1918, a copy of which is hereto attached, there is submitted herewith for your consideration and approval estimates for the supply of hospital and sanitoria facilities for the care and treatment of beneficiaries of the War-Risk Insurance Bureau and others entitled to receive treatment by the Public Health Service of this department, which it is recommended be transmitted to Congress for their earliest possible consideration as an unusual necessity brought about by war conditions.

These estimates are based on careful calculations in collaboration with the medical advisor of the War-Risk Insurance Bureau for the supply of minimum facilities which, it is believed, will serve the country's needs in this direction along the lines set forth in the letter from the director of that bureau, above mentioned.

Attention is invited to the last paragraph in the letter above referred to, in which it is stated that 10,000 soldiers and sailors suffering from tuberculosis have already been discharged and are eligible for compensation and sanatorium treatment. It should be stated that this bureau has, in an effort to supply accommodations for the greatest possible number, filled many of its hospitals to overflowing by placing beds in hallways, on verandas, and even in tents scattered about the reservations, and has already rented private dwellings to be converted into temporary hospitals in order to relieve the demand for hospital treatment arising from this source, from the increased merchant-marine service, and the constantly growing work incident to caring for injured civil employees of the Government under the compensation act, and while further efforts are being made to locate and make use of privately owned hotels and other property that may be adaptive to this use this practice is neither satisfactory nor economical.

In providing these increased accommodations, it should be stated that our estimates are based on supplying facilities for caring for approximately 5,000 patients, as a minimum of the total number of patients entitled to receive treatment from these sources, who will require or demand same. It is not thought desirable, however, to limit the availability of the appropriation to accommodations for any specific number, as it may later on be found necessary to provide for a greater proportion than that above mentioned, if the same can be done within the limits of this appropriation.

One of the primary considerations in locating these sanatoria facilities is to have them in suitable climates and within economical travel and purveying areas and in such sections of the country that beneficiaries need not of necessity be widely separated from their native surroundings or homes.

In meeting these conditions it is thought that approximately 2,000 should be placed in quarters to be erected on marine hospital sites, indicated in the attached list; that a new hospital and sanatorium should be located at Norfolk, Va., with a capacity of approximately 300 patients; one at Seattle, Wash., with a capacity of 150 beds; and that the balance be distributed in new sanatoria, located as may be best suited to the needs of the service to be performed.

For your convenience there is submitted herewith a tentative draft for legislation which it is believed provides for all the necessary things to be done in supplying these additional facilities.

The estimated cost of the necessary sites and buildings, including miscellaneous furniture and equipment, is $10,549,000.

Respectfully,

RUPERT BLUE,
Surgeon General.

LIST OF PROPOSED HOSPITAL AND SANATORIA ADDITIONS.

Boston, Mass.; Chicago, Ill.; Cleveland, Ohio; Detroit, Mich.; Evansville, Ind.; Louisville, Ky.; Norfolk, Va.; New Orleans, La.; San Francisco, Cal.; Seattle, Wash.; St. Louis, Mo.; Wilmington, N. C.; Fort Stanton, N. Mex.; Berkshire Hills; North Carolina.

[H. Doc. No. 1361, 65th Cong., 3d sess.]

HOSPITAL ACCOMMODATIONS FOR DISCHARGED SICK AND DISABLED SOLDIERS AND SAILORS.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 18, 1918.

The SPEAKER,
House of Representatives, Washington, D. C.

SIR: Pressing necessity of the utmost gravity impels me to invite your attention to two bills pending in Congress to supply hospital accommodations for discharged sick and disabled soldiers and sailors, patients of the War Risk Insurance Bureau, and others entitled to treatment by the Public Health Service of this department, namely, H. R. 12917, to provide certain hospital facilities at Dawson Springs, Ky., on land to be donated to the Government, and H. R. 13026, to provide like hospital accommodations at various points throughout the country. The former bill was introduced in the House on September 11, and on investigation by the Public Buildings and Grounds Committee was reported out and subsequently made a special rule in Congress, that the greatest possible expedition might be given to the project, and at this writing I understand that the bill is only waiting for a quorum in the House to complete the legislation in that branch of Congress.

I my letter of September 20, transmitting a tentative draft of legislation, which has since been given H. R. 13026, there was also transmitted a report from a committee appointed by the Secretary of War, the Secretary of the Navy, and myself, in which the statement was made that 13,000 beds would be required for these patients, and that the War and Navy Departments had made no provision for patients other than those of active forces, and therefore the War and Navy Departments had no beds available for patients of the War Risk Insurance Bureau, and, in addition thereto, a memorandum from the Surgeon General of the Public Health Service of this department in which the statement is made that these beds would not be for temporary purposes, but will be needed for years to come, and that the estimated cost of supplying the number of beds required would be $26,000,000 for hospital accommodations for soldiers and sailors suffering from tuberculosis.

In addition to these patients, I am advised in a letter dated October 26, from the chief medical advisor of the War Risk Insurance Bureau, that the Surgeon General of the United States Army asked for some practical solution for supplying sanatoria for restorative or institutional treatment of persons discharged from the military and naval forces suffering from epilepsy, due to shell shock and other causes. The War Department is desirous of discharging these cases into the care of the War Risk Insurance Bureau. In connection with these cases it is estimated that accommodations for not less than 2,000 should be immediately provided for out of the funds carried in H. R. 13026.

The bills above referred to represent estmates for approximately 6,000 beds only, but it is of the utmost importance that this number be made available at the earliest possible moment. Since these estimates were transmitted to Congress an armistice has been declared and hostilities ceased, but while these are happy conditions it has, as a matter of fact, foreshortened the day and hour when hospital accommodations must be made available, and has pressed home to me the tremendous responsibility of supplying accomodations for the sick and disabled discharged soldiers and sailors who will soon return from overseas in overwhelming numbers, and I can not too strongly urge upon you to exercise all your influence to translate the proposed legislation into law, as one of utmost importance, in order that the Government may carry out its part of its contract with the soldiers and sailors who have so magnificently carried out their entire contract with the Government, and to this end request that this legislation be made a special rule in the House, in order that funds may be made immediately available for the purpose above stated.

Respectfully,

W. G. MCADOO, *Secretary.*

Mr. CLARK of Florida. Mr. Chairman, I now move that the committee do rise and report the bill and amendments to the House, with the recommendation that the amendments be adopted and the bill as amended do pass.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported having had under consideration the bill (H. R. 12917) to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes, had directed him to report the same to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is, Shall the bill pass?

The bill was passed.

Mr. CLARK of Florida. Mr. Speaker, I move to reconsider.

Mr. McARTHUR. Mr. Speaker, I ask for the yeas and nays.

Mr. MANN. Mr. Speaker, I agreed to ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois asks for the yeas and nays.

Mr. GARRETT of Tennessee. Mr. Speaker, the vote has been taken and the bill is passed. If this is done, I want a separate vote on some of the amendments.

Mr. CLARK of Florida. Mr. Speaker, I had addressed the Chair and made a motion to reconsider and lay that motion on the table.

The SPEAKER. The Chair is inclined to think that the demand of the gentleman from Illinois [Mr. MANN] for the yeas and nays comes too late, because the Chair had recognized the gentleman from Florida to reconsider and lay on the table.

Mr. MANN. Mr. Speaker, I move to reconsider the vote by which the bill was passed.

The SPEAKER. The gentleman from Illinois moves to reconsider the vote by which the bill was passed.

Mr. MANN. Now, Mr. Speaker, pending that matter, I ask unanimous consent. A number of gentlemen on this side of the House said that they would like to have a roll call. I talked with some gentlemen on that side of the House, and told them I was going to ask for a roll call. Somebody was talking to me or I was thinking of something else—I do not know which——

Mr. CLARK of Florida. There is not a quorum here if you get a roll call.

Mr. MANN. I think there is a quorum in the offices. I think it would be well to have the roll call.

Mr. LEVER. Why not take an adjournment and have the vote to-morrow? Many Members have gone, thinking there would be no roll call.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is to put the vote on the motion of the gentleman from Illinois to reconsider the vote by which the bill was passed.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. MANN. Mr. Speaker, I wanted to get a roll call. If they will not give us a roll call, I can not get a roll call on that very well.

The SPEAKER. The noes have it.

So the motion was rejected.

LEAVE OF ABSENCE.

Mr. CLARK of Florida. Mr. Speaker, I wanted to ask that my colleague, Mr. SEARS, be excused from attendance indefinitely on account of illness. And I would like to state that I had a telegram from Mr. SEARS two or three days ago asking me to do that, and it has been because of my neglect that I have not done it before.

The SPEAKER. The gentleman from Florida asks leave of absence for his colleague [Mr. SEARS] on account of illness. Is there objection? [After a pause.] The Chair hears none.

Mr. McARTHUR. Mr. Speaker, I wish to secure leave of absence for 10 days.

The SPEAKER. The gentleman from Oregon asks leave of absence for 10 days. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT OVER UNTIL SATURDAY.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Saturday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet next Saturday. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, awhile ago I understood that the House was to meet Saturday only for the purpose of receiving the District of Columbia appropriation bill, and that no other business was to be transacted.

Mr. KITCHIN. I was going to give that notice, that after we have met Saturday and the gentleman from Mississippi presented his report on the District bill I would move to adjourn over until Monday.

Mr. FOSTER. Why not get permission to do it?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SISSON. Mr. Speaker, reserving the right to object, the bill will be perfected to-morrow or to-morrow night. It is the District of Columbia bill. We finished marking up the bill just a moment ago. Some gentlemen on that side, as I understand, have applied to the ranking member of this subcommittee for time on general debate. The bill is ready to be printed now, and if it is printed Saturday and we can take the bill up I would like to have unanimous consent that the general debate only on the bill be completed on Saturday.

Mr. MANN. Well, Mr. Speaker, I hope the gentleman will not press that request, because I do not think the House ought to be required to go into consideration of any large appropriation bill before the Members have had a chance to see it.

Mr. SISSON. Oh, I will say this to the gentleman, that——

Mr. MANN. Well, I will say this to the gentleman, that I will not have a chance to see it. The gentleman may have a chance, but the House will not have a chance to see it, certainly before Saturday afternoon. It will not be released before that. That is the usual thing until after it has been reported to the House. Now the gentleman suggests that we immediately proceed to the consideration of it.

Mr. SISSON. Let us state the facts about it correctly.

Mr. MANN. The gentleman assumes that nobody ever considers the bill under general debate. That is not a correct assumption. The gentleman would close general debate on Saturday.

Mr. SISSON. Yes; close general debate on Saturday.

Mr. MANN. That means to make the precedent that anybody who wants to be heard on an appropriation bill can not be heard on it at all.

Mr. SISSON. Then the bill can not be taken up for consideration by sections until Monday, under that agreement.

The SPEAKER. Is there objection?

There was no objection.

Mr. SISSON. Mr. Speaker, I ask unanimous consent that I may have the District of Columbia appropriation bill printed to-morrow, so that I may present it to the House on Saturday.

Mr. GILLETT. Why do you need unanimous consent?

Mr. SISSON. To get my bill printed.

The SPEAKER. The gentleman asks unanimous consent to have the District of Columbia appropriation bill printed to-morrow night. Is there objection?

Mr. MANN. Reserving the right to object—and I do not wish to object to anything that the gentleman wants done—of course, the gentleman will have the bill printed anyway, whether the House gives consent to have the bill printed or not. The bill is printed for the use of the committee, I assume.

Mr. SISSON. Yes.

Mr. MANN. It can be at any time.

Mr. SISSON. But I want it printed also for the use of the House.

Mr. MANN. The gentleman wants it printed as if reported by the committee to the House?

Mr. SISSON. Yes.

Mr. MANN. It will be reported to the House Saturday noon.

Mr. SISSON. I want to have it printed so I can report it to the House on Saturday and then take it up on Monday.

Mr. GARNER. I understand the gentleman desires to occupy Saturday in the consideration of the District of Columbia appropriation bill?

Mr. MANN. Yes; but we do not think that ought to be done.

Mr. GILLETT. The gentleman does not need unanimous consent.

Mr. MANN. I am not sure whether the practice in the Government Printing Office has been changed, but heretofore it has been the practice, where a bill was ready to be reported, that the Government Printing Office at the request of the committee would print the bill as though it were reported, and release it only when the report was made.

Mr. SISSON. Of course, that is the committee print, as it is called.

Mr. MANN. Oh, no; I am not speaking about that. I have no objection to the gentleman having it printed.

Mr. SISSON. What I want to do is not to lose a day in presenting the bill to the House. I want to have the bill printed as if it were reported to the House from the committee, and I merely ask unanimous consent that it be printed.

Mr. WALSH. If this unanimous consent is not given, when will Members be able to get copies of the printed bill.

Mr. SISSON. I hope to have the printed bill ready on Saturday——

Mr. WALSH. If this consent is not given.

Mr. SISSON. Whether unanimous consent is given or not; but what I wanted to do was to let the RECORD show that the bill was presented to the House, so that it could be taken up on Monday.

Mr. WALSH. I do not see that you are going to gain anything by that.

Mr. GARNER. If the gentleman from Mississippi reports the bill on Saturday, he can take it up on Monday. He does not need unanimous consent.

Mr. WALSH. He is asking to have the bill printed before it is reported. I do not think that is the way it ought to be done.

The SPEAKER. Is there objection?

Mr. WALSH. I object.

The SPEAKER. The gentleman from Massachusetts objects.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the hospital bill which we have just passed.

The SPEAKER. The gentleman from Florida asks unanimous consent to revise and extend his remarks in the RECORD on the bill that the House has just passed. Is there objection?

There was no objection.

Mr. KITCHIN. The Chair put my request that when the House adjourns to-day it adjourn to meet on Saturday?

The SPEAKER. Yes. That has been agreed to.

Mr. KITCHIN. I now give notice that on Saturday after the gentleman from Mississippi [Mr. SISSON] presents his report on the District bill I shall ask that the House adjourn, so that it will be practically an adjournment until Monday, and if gentlemen desire to go home to-night and come back Monday they can do so.

Mr. PARKER of New Jersey. I want to say to the gentleman from Mississippi that I want to speak on a matter not connected with the bill.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED.

Under clause 2, Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 4272. An act for the relief of the Commissioner of Internal Revenue; to the Committee on Claims.

S. 4964. An act for the payment of claims for loss of private property on account of the loss of firearms and ammunition taken by the United States troops during the labor strikes in the State of Colorado in 1914; to the Committee on Claims.

S. J. Res. 164. Joint resolution requesting the President to commend by proclamation to the people of the United States observance of the practice of prayer at noon each day for victory in the war; to the Committee on the Library.

S. 4982. An act to amend section 3 of an act entitled "An act to save daylight and to provide standard time for the United States," approved March 19, 1918; to the Committee on Interstate and Foreign Commerce.

S. 4966. An act to extend the time for the construction by the Gulf Ports Terminal Railway Co., a corporation existing under the laws of the State of Florida, of a bridge or bridges and trestles over and across the headwaters of Mobile Bay, and such navigable channels as are between the east side of the bay and Blakeley Island, in Baldwin and Mobile Counties, Ala.; to the Committee on Interstate and Foreign Commerce.

S. 4945. An act to amend an act entitled "An act to give indemnity for damages caused by American forces abroad," approved April 18, 1918; to the Committee on Military Affairs.

S. 68. An act to amend section 269 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary"; to the Committee on the Judiciary.

S. 2171. An act to abolish the United States land office at Springfield, Mo.; to the Committee on the Public Lands.

S. 1661. An act for the relief of Albert H. Campbell; to the Committee on Military Affairs.

S. 3986. An act to acquire the manuscript of Charles Chaillé-Long, containing an account of the unveiling of the McClellan statue; to the Committee on the Library.

S. J. Res. 187. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; to the Committee on the Library.

S. J. Res. 186. Joint resolution authorizing the President of the United States to cause to be struck bronze medals commemorating the winning of the world's war and the valor of our military forces and to distribute and present such medals to the officers and men of our land, sea, and air forces; to the Committee on Military Affairs.

S. 1590. An act providing for an increase of salary for the United States marshal and district attorney for the western district and for the United States district attorney for the eastern district of Louisiana; to the Committee on the Judiciary.

S. 3944. An act for the relief of Emma H. Ridley; to the Committee on Claims.

S. 4858. An act to provide method of settlement for materials, stores, and supplies transferred between different bureaus, departments, or agencies of the Government, and for other purposes; to the Committee on Military Affairs.

S. 4271. An act for the relief of the Commissioner of Internal Revenue; to the Committee on Claims.

S. 4178. An act providing additional time for the payment of purchase money under homestead entries of lands within the former Fort Peck Indian Reservation, Mont.; to the Committee on the Public Lands.

LEAVE OF ABSENCE.

Mr. DRANE, by unanimous consent, was given leave of absence until Tuesday, on account of sickness in his family.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House, under its previous order, adjourned until Saturday, December 7, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Librarian of Congress, transmitting annual report as Librarian of Congress and the annual report of the superintendent of the Library Building and Grounds for the fiscal year ending June 30, 1918 (H. Doc. No. 1434); to the Committee on the Library and ordered to be printed.

2. A letter from the Office of the Attorney General, transmitting annual report as required by law for the year 1918 (H. Doc. No. 1439); to the Committee on the Judiciary and ordered to be printed.

3. A letter from the secretary of the Interstate Commerce Commission, transmitting thirty-second annual report of the Interstate Commerce Commission (H. Doc. No. 1456); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting the report of the Surgeon General of the Public Health Service for the fiscal year 1918 (H. Doc. No. 1457); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

5. A letter from the Secretary of Agriculture, transmitting a statement showing the exchange of typewriters, adding machines, and other similar labor-saving devices in the Department of Agriculture for the fiscal year 1918 (H. Doc. No. 1546); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Secretary of Agriculture, transmitting detailed statement showing the places, quantity, and price of seeds purchased, and the dates of purchase, as required by the act of March 4, 1917 (H. Doc. No. 1547); to the Committee on Expenditures in the Department of Agriculture and ordered to be printed.

7. A letter from the Secretary of Agriculture, transmitting detailed statement of the manner in which the appropriation "Miscellaneous expenses, Department of Agriculture, 1918," has been expended (H. Doc. No. 1548); to the Committee on Expenditures in the Department of Agriculture and ordered to be printed.

8. A letter from the Secretary of Agriculture, transmitting report of contributions on account of cooperative work with the Forest Service and the amount refunded to depositors on account of excess deposits, national forest fund, for the fiscal year 1918 (H. Doc. No. 1549); to the Committee on Agriculture and ordered to be printed.

9. A letter from the Secretary of Agriculture, transmitting a statement showing, for the fiscal year 1918, the motor-propelled and horse-drawn passenger-carrying vehicles and motor boats purchased by the Department of Agriculture for use outside of the District of Columbia, and the cost of maintenance, operation, and repair of all such vehicles and boats owned by the Department of Agriculture and operated outside of the District of Columbia (H. Doc. No. 1550); to the Committee of Expenditures in the Department of Agriculture and ordered to be printed.

10. A letter from the Secretary of Agriculture, transmitting statement showing sums paid from the appropriation of the Bureau of Chemistry during the fiscal year 1918 for the compensation of or payment of expenses of officers or other persons employed by State, county, or municipal governments (H. Doc. No. 1551); to the Committee on Expenditures in the Department of Agriculture and ordered to be printed.

11. A letter from the Secretary of Agriculture, transmitting a detailed report showing publications received and distributed by the Department of Agriculture during the fiscal year ending June 30, 1918 (H. Doc. No. 1552); to the Committee on Expenditures in the Department of Agriculture and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. WEBB, from the Committee on the Judiciary, to which was referred the bill (H. R. 13185) to amend paragraph 1 of section 200 of article 2 of the act entitled "An act to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war," approved March 8, 1918, reported the same with amendment, accompanied by a report (No. 841), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DENT: A bill (H. R. 13247) granting a gratuity to members of the United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 13254) to provide increased compensation for all candidates for commission in the Air Service (Aeronautics) while receiving instructions; to the Committee on Military Affairs.

By Mr. HUDDLESTON: A bill (H. R. 13255) for the relief of discharged soldiers and sailors; to the Committee on Appropriations.

By Mr. DAVEY: A bill (H. R. 13256) to increase limit of cost of a public building at Akron, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. DENT: A bill (H. R. 13257) to fix the mileage to be paid to officers of the Army, active and retired, including members of the Officers' Reserve Corps, contract surgeons, expert accountant of the Inspector General's Department, and others connected with the Army, and also providing for reimbursement for actual expenses of travel and a flat per diem in lieu thereof; to the Committee on Military Affairs.

By Mr. HICKS: A bill (H. R. 13258) to provide that every person receiving an honorable discharge from the Naval, Marine Corps, or Coast Guard services shall retain as his personal property without cost his uniform and other clothing, and be permitted to wear same; to the Committee on Naval Affairs.

By Mr. BROWNE: A bill (H. R. 13259) to amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September 2, 1914, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Idaho: A bill (H. R. 12260) to grant to every honorably discharged soldier, sailor, and marine the uniform he is wearing at the time of such discharge and to provide pay for 90 days after such discharge; to the Committee on Military Affairs.

By Mr. SHERLEY: A bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services are no longer required; to the Committee on Appropriations.

By Mr. KAHN: A bill (H. R. 13262) to amend an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917; to the Committee on Interstate and Foreign Commerce.

By Mr. GARD: Joint resolution (H. J. Res. 358) authorizing and directing the payment of the usual compensation of Representatives in Congress to those Members of the House who have been discharged from their military or naval duties; to the Committee on the Judiciary.

By Mr. DARROW: Joint resolution (H. J. Res. 359) to make "The Star-Spangled Banner" the national anthem of the United States of America; to the Committee on the Judiciary.

By Mr. OSBORNE: Joint resolution (H. J. Res. 360) directing the Secretary of State to invite to the United States of America certain military officers of the Governments allied with the United States of America in the late war against the German and Austro-Hungarian Governments; to the Committee on Foreign Affairs.

By Mr. DALLINGER: Joint resolution (H. J. Res. 361) proposing an amendment to the Constitution of the United States empowering Congress to enact uniform laws for the regulation of the hours and conditions of labor; to the Committee on the Judiciary.

My Mr. PARK: Resolution (H. Res. 468) authorizing the employment of clerks by certain committees during the third session of the Sixty-fifth Congress; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOOHER: A bill (H. R. 13263) granting a pension to Rhoda Button; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 13264) granting an increase of pension to Orville V. Kell; to the Committee on Pensions.

By Mr. GOOD: A bill (H. R. 13265) granting a pension to Ann Bullard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13266) granting a pension to Margaret Dexter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13267) granting a pension to Amel G. Johnson; to the Committee on Pensions.

Also, a bill (H. R. 13268) granting a pension to Frank A. Morton; to the Committee on Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 13269) granting a pension to Austin Daugherty; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 13270) granting an increase of pension to William Boone; to the Committee on Pensions.

By Mr. SNOOK: A bill (H. R. 13271) granting a pension to Anna E. Best; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13272) granting a pension to John B. Glick; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DALE of New York: Petition indorsing the McKellar-Keating bill, S. 4637 and H. R. 12352, for the retirement on annuities of all superannuated and disabled Federal service employees at a cost to be borne equally by Government and employees; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER of Illinois: Petition of Thomas J. McCarmack, principal of the La Salle-Peru Township high school, and of W. D. Waldrip, principal of the Streator Township high school, of Illinois, favoring Senate bill 4987, for the creation of a Federal department of education; to the Committee on Education.

Also, petition of North American Union, favoring S. 3475, concerning certificates of death of soldiers or sailors who were insured under the war-risk insurance act; to the Committee on Military Affairs.

By Mr. HOUSTON: Petition of citizens of Smithville, Tenn., in behalf of bill to provide pharmaceutical corps in the United States Army; to the Committee on Military Affairs.

By Mr. HUTCHINSON: Resolution adopted at a public meeting held in Bound Brook, N. J., October 9, 1918, urging a constitutional amendment prohibiting polygamy within the United States or any place subject to their jurisdiction; to the Committee on the Judiciary.

SENATE.

FRIDAY, *December 6, 1918.*

Rev. J. L. Kibler, of the city of Washington, offered the following prayer:

O Thou God of infinite mercy, we lift our hearts unto the hills from whence cometh our help. We look to Thee with grateful hearts at the thought of Thy goodness. We thank Thee for the abundant supplies of Thy grace; for answered prayer; for the cessation of hostilities; for the prospects of a speedy and an enduring peace; and for the final triumph of the cause of justice and righteousness. We pray that Thou wilt hasten the consummation of the glad day. To this end bless Thy servants in the Senate and in the House and all other agencies that are working in the interests of our Government. Bless our President in his absence and give him wisdom in the performance of the delicate and difficult tasks which are set before him. Grant to preserve his life amid the dangers of the way and give him a safe voyage and an early return to his native soil. We pray that Thou wilt rule and overrule all the affairs of our country for the honor of Thy great name, through Jesus Christ our Lord. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

SENATOR FROM VIRGINIA.

The VICE PRESIDENT. The Chair lays before the Senate the certificate of the governor of the State of Virginia certify-

ing to the election of Hon. THOMAS S. MARTIN as a Senator from that State, which will be read and placed on file:

The credentials are as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, THOMAS S. MARTIN was duly chosen by the qualified electors of the State of Virginia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1919.

Witness: His excellency our governor, Westmoreland Davis, and our seal hereto affixed at Richmond this 25th day of November, in the year of our Lord one thousand nine hundred and eighteen and in the one hundred and forty-third year of the Commonwealth.

WESTMORELAND DAVIS, *Governor.*

By the governor:
[SEAL.]

B. O. JAMES,
Secretary of the Commonwealth.

SENATOR FROM IDAHO.

Mr. BORAH. Mr. President, I send to the desk the certificate of election of Hon. JOHN F. NUGENT, Senator elect from the State of Idaho.

The VICE PRESIDENT. The credentials will be read.

The Secretary read the credentials, as follows:

STATE OF IDAHO—CERTIFICATE OF ELECTION.

To all to whom these presents shall come, greetings:

Whereas the board of canvassers of the State of Idaho, as provided in section 453 of the Revised Codes, having duly canvassed, declared, and certified on the 25th day of November, A. D. 1918, to the secretary of state that at a general election held in said State on the 5th day of November, A. D. 1918, JOHN F. NUGENT received the greatest number of legal votes cast at said election for the office of United States Senator, and is therefore elected to such office.

Now, therefore, I, W. T. Dougherty, secretary of state of the State of Idaho, do certify that JOHN F. NUGENT is elected to the office of United States Senator in and for the State of Idaho for the period commencing the — day of ———, A. D. 19—, and ending the 4th day of March, A. D. 1921, as appears by the records in my office.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Idaho.

Done at Boise, the capital of said State, this 25th day of November, in the year of our Lord one thousand nine hundred and eighteen and of the Independence of the United States of America the one hundred and forty-third.

[SEAL.]

W. T. DOUGHERTY,
Secretary of State.

The VICE PRESIDENT. Is there objection to the credentials? The Chair hears none, and they will be placed on file.

Mr. BORAH. The Senator elect is present and is ready to take the oath of office.

The VICE PRESIDENT. The Senator elect will present himself at the desk for that purpose.

Mr. NUGENT was escorted to the Vice President's desk by Mr. BORAH, and the oath prescribed by law having been administered to him he took his seat in the Senate.

THE PUBLIC HEALTH SERVICE (H. DOC. NO. 1437).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, the report of the Surgeon General of the Public Health Service for the fiscal year 1918, which was referred to the Committee on Public Health and National Quarantine and ordered to be printed.

NATIONAL FOREST RESERVATION COMMISSION (H. DOC. NO. 1495).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, the report of the National Forest Reservation Commission for the fiscal year 1918, which, with the accompanying papers, was referred to the Committee on Forest Reservations and the Protection of Game and ordered to be printed.

TRAVEL OF GOVERNMENT EMPLOYEES.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement showing the travel of officers and employees on official business from Washington to points outside the District of Columbia during the fiscal year 1918, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF THE ATTORNEY GENERAL (H. DOC. NO. 1439).

The VICE PRESIDENT laid before the Senate the annual report of the Attorney General of the United States for the fiscal year 1918, which was referred to the Committee on the Judiciary and ordered to be printed.

REPORT OF THE INTERSTATE COMMERCE COMMISSION (H. DOC. NO. 1356).

The VICE PRESIDENT laid before the Senate the thirty-second annual report of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce and ordered to be printed.

PURCHASE OF TYPEWRITERS (H. DOC. NO. 1546).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a statement showing the exchanges of typewriters, adding machines, and other labor-saving devices, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

NATIONAL FOREST FUND (H. DOC. NO. 1549).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a report of contributions on account of cooperative work with the Forest Service, and the amount refunded to depositors on account of excess deposits national forend fund, for the fiscal year 1918, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

BUREAU OF CHEMISTRY (H. DOC. 1551).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a statement showing sums paid from the appropriations for the Bureau of Chemistry during the fiscal year 1918 for the compensation of or payment of expenses of officers or other persons employed by State, county, or municipal governments, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

PURCHASE OF SEEDS (H. DOC. NO. 1547).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a statement showing the places, quantity, and price of seeds purchased by the department, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

MOTOR-PROPELLED VEHICLES (H. DOC. 1550).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a statement showing for the fiscal year 1918 the motor-propelled and horse-drawn passenger vehicles and motor boats purchased by the department for use outside the District of Columbia, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

MISCELLANEOUS EXPENSES, DEPARTMENT OF AGRICULTURE (H. DOC. NO. 1548).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a detailed statement of the manner in which the appropriation "Miscellaneous expenses, Department of Agriculture, 1918" has been expended, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

BUREAU OF ANIMAL INDUSTRY.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a report showing the names of all persons employed, their designations, and rates of pay in the Bureau of Animal Industry for the suppression of diseases of domestic animals during the fiscal year 1918, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. LODGE presented resolutions adopted by the Teachers' Organization of Lowell, Mass., and a resolution adopted by the suffragists of the third Suffolk representative district of Massachusetts, favoring the adoption of an amendment to the Constitution granting the right of suffrage to women, which were ordered to lie on the table.

He also presented resolutions adopted by the school board of Beverly, Mass., favoring the enactment of legislation for the establishment of a national department of education, which were referred to the Committee on Education and Labor.

Mr. KENYON presented a petition of sundry citizens of Iowa, praying for the independence of Luxemburg, which was referred to the Committee on Foreign Relations.

Mr. FLETCHER presented a memorial from sundry citizens of Petersburg, Fla., remonstrating against being called upon to make any sacrifice, whether of food, clothing, money, or other convenience or necessary of life, to aid, comfort, or sustain the Huns, which was referred to the Committee on Foreign Relations.

WATERS OF BRITISH COLUMBIA AND ALASKA.

Mr. JONES of Washington. Mr. President, a little over a month ago a vessel was wrecked in Alaskan waters and between 300 and 400 persons lost their lives. This no doubt has been called to the attention of the Senate and I will not go into details. I have here an editorial in the Railway and Marine News, in the nature of a petition to Congress, calling attention to the conditions there and urging legislation along certain lines to prevent disasters of this character, that I feel ought to be called to the attention of Congress. I wish to read a couple of paragraphs calling attention to the particular features of the situation, which ought to have attention. It says:

Let the world know why in the past month an American vessel, with nearly 300 on board, when in dire trouble in British Columbia waters, was compelled to receive permission of officials of that Province before her passengers could be transferred to another vessel of the same fleet.

Then—

Let it ascertain—

Referring to the commission or body that is suggested ought to be organized to investigate conditions there—

Let it ascertain if it is not a fact that in the more recent and heartrendering case, the wreck being in United States waters the Canadian owners would have to have permission of the United States before one of its own vessels could attach a line to the wreck or a Canadian salvage vessel could have performed its proper duties.

That question implies that that is the law; that in that case before a Canadian vessel could attach a line to an American vessel in danger and distress it would have to get permission from our authorities.

I ask that the entire editorial may be printed in the RECORD; it is not long, and I hope that Senators who are interested in matters of this kind will examine the suggestions made. I ask that it be referred to the Committee on Commerce.

There being no objection, the editorial was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

[From the Railway and Marine News.]

IN THE NAME OF HUMANITY—AN APPEAL TO THE PROPER OFFICIALS OF THE GOVERNMENTS OF CANADA AND THE UNITED STATES.

[By Kenneth C. Kerr.]

Another terrible marine casualty is reported from Alaska, where in the past years dozens of vessels, millions in property value, and numberless human lives have found a resting place in the icy waters of those sparsely lighted and poorly protected shores.

In the case of the *Princess Sophia* the loss of life is most appalling, making it the most serious wreck of record on the Pacific. The vessel struck and held for a time on the rocks, but later broke in two and sank without one survivor. In all 343 are said to have been lost, and the monument over their final resting place is the unlighted Vanderbilt Reef in United States waters.

A fairly new steel vessel of British build and registry, worth a million; possibly another million in gold dust, in addition to those precious human lives, mostly American, many Canadians, and others—all lost with not even a trace left. And possibly it could have been avoided.

Oh, the pity of it!

Without prejudice and lacking details, with no thought of suggesting criticism of the ship's officers, does not this teach a lesson? Is it not the opportune moment for insisting that something be done to at least minimize the risk of such tragedies in those waters of British Columbia and Alaska?

The route from Seattle to Skagway is, roundly, 1,150 miles. The vessels travel through waters of the State of Washington, then across the open Strait of Juan de Fuca, then for some 500 miles or more through British Columbia, and then for the balance of some 500 miles or more in the United States waters of Alaska.

For years Congress has been petitioned to build more and more lighthouses in Alaska. British Columbia is much better lighted, buf there is room for vast improvement.

Then the rules governing salvage operations are positively awful. Under existing laws, both of Canada and the United States, an American vessel can not salve a wreck in British Columbia waters, nor can a Canadian vessel do salvage work in American waters. Oftentimes it is extremely difficult to draw the line between what would be considered by either Government as work of humanity and what would infringe on salvage laws. The masters of foreign ships now place their owners in jeopardy every time they extend aid to a ship in distress on Canadian or American coasts. Laws should be changed, and at once, or another and even more horrible disaster will be recorded.

Railway and Marine News, in the name of humanity, calls upon the Governments of the United States and Canada to remedy this great wrong by at once appointing a joint commission to study and report upon—

The coastwise laws,
Lights and aids to navigation,
The rules of salvage,
The dangerous reefs,
Continuance of geodetic surveys,
Charting unknown waters
of and pertaining to the waters of the Inside Passage of British Columbia and Alaska.

Without prejudice to either Government, let all coastwise laws, in so far as they pertain to navigation and safety at sea, be so readjusted and made uniform as to meet the peculiar needs exclusively existing in the Inside Passage.

No such condition or territorial boundary lines exist in other sections, so the law should be made to cover this international route exclusively.

If the salvage rules are such that they are a menace rather than a help and promote money-making on either side of the boundary, then let this commission recommend a permanent international salvage bureau, with salvage or life-saving stations, six in number, between San Juan Islands and Admiralty Island, each station to have a powerful salvage craft to be operated by and for both Governments without unjust charges.

Let the world know why in the past month an American vessel, with nearly 300 on board, when in dire trouble in British Columbia waters, was compelled to receive permission of officials of that Province before her passengers could be transferred to another vessel of the same fleet.

Let it ascertain if it is not a fact that in the more recent and heartrending case, the wreck being in United States waters, the Canadian owners would have to have permission of the United States before one of its own vessels could attach a line to the wreck or a Canadian salvage vessel could have performed its proper duties.

Think of this, citizens of Canada and the United States. Let the two illustrations, each of occurrence in October, 1918, prove the case in point.

Nearly 700 human lives in peril in one week—half of them lost!

The existing coastwise laws should not in either case be allowed to apply to the route specified, and this should be the chief work of the commission in its suggested investigation. This refers to navigation and "safety first" only.

Let us forget all the years of salvage overcharges and graft. Let any ugly scandal of the past be buried in oblivion. But let the commission make it impossible for any future overcharge or salvage graft to be consummated.

Admit that the conditions of this route are unique and demand an exclusive law regulating the navigation of ships and their safety at sea and call for an international navigation or salvage bureau, without hardship or prejudice to the owners, the employees, the passengers, or the ships of either country. Do not allow politics to delay the move. Do not permit traffic, immigration, customs, or other important matters to be interjected into the argument, but hold it down absolutely to the protection of those who must travel back and forth incessantly between the States and the Canadian Territory of Yukon and the United States Territory of Alaska, the ill-treated stepchildren of those great Governments.

And in the name of God and humanity let us appeal to the proper authorities of each Government to show their promptness and patriotism in getting quick and favorable action.

Finally, may we not plead in behalf of the hundreds of dead men, women, and children, of the thousands sorrowing in desolate homes from the Arctic Circle to the coast of California—

"Let there be light."

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and by unanimous consent the second time, and referred as follows:

By Mr. WEEKS:

A bill (S. 5113) to authorize the President of the United States to appoint Charles A. Ranlett major of Infantry; to the Committee on Military Affairs.

A bill (S. 5114) to amend the laws relating to naturalization; to the Committee on Immigration.

By Mr. LA FOLLETTE:

A bill (S. 5115) to amend an act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, as amended by the act of May 16, 1918, and for other purposes; to the Committee on the Judiciary.

By Mr. SHAFROTH:

A bill (S. 5116) to provide for investigation of and plan for the drainage of the San Luis Valley, Colo.; to the Committee on Appropriations.

A bill (S. 5117) for the relief of A. J. Talbot; to the Committee on Claims.

By Mr. KENYON:

A bill (S. 5118) granting an increase of pension to Charles Blitz (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of South Carolina:

A bill (S. 5119) to amend the act known as the "United States cotton futures act," approved August 11, 1916, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. NEW:

A bill (S. 5120) granting an increase of pension to Lydia Louisa L. Darmer;

A bill (S. 5121) granting a pension to Clarence A. Murphy;

A bill (S. 5122) granting a pension to Herman Johnson;

A bill (S. 5123) granting an increase of pension to Allen W. Banks;

A bill (S. 5124) granting an increase of pension to George W. McMahan;

A bill (S. 5125) granting an increase of pension to William A. Downs;

A bill (S. 5126) granting an increase of pension to James E. Comstock;

A bill (S. 5127) granting an increase of pension to John M. Caulfield;

A bill (S. 5128) granting a pension to Samuel H. Frazer;

A bill (S. 5129) granting an increase of pension to Charles M. Dillen;

A bill (S. 5130) granting a pension to Frederica Carll;

A bill (S. 5131) granting a pension to Maranda E. McHaffie (with accompanying papers);

A bill (S. 5132) granting an increase of pension to Nicholas Borden (with accompanying papers);

A bill (S. 5133) granting an increase of pension to James Ohaver (with accompanying papers);

A bill (S. 5134) granting an increase of pension to William A. Greene (with accompanying papers); and

A bill (S. 5135) granting an increase of pension to Benjamin F. Carter (with accompanying papers); to the Committee on Pensions.

By Mr. BRANDEGEE:

A bill (S. 5136) granting a pension to William A. Hoyle; to the Committee on Pensions.

By Mr. WATSON:

A joint resolution (S. J. Res 193) authorizing and permitting enlisted men of the Army, Navy, and Marine Corps to retain their uniforms; to the Committee on Military Affairs.

RADIO COMMUNICATION.

Mr. WATSON submitted an amendment intended to be proposed by him to the bill (H. R. 13159) to further regulate radio communication, which was referred to the Committee on Commerce and ordered to be printed.

WITHDRAWAL OF PAPERS—PATRICK F. M'NAMARA.

On motion of Mr. WEEKS, it was

Ordered, That leave be granted to withdraw from the files of the Senate the papers accompanying the bill S. 561, Sixty-fourth Congress, first session, granting a pension to Patrick F. McNamara.

MEMORIAL ADDRESSES ON THE LATE SENATOR TILLMAN.

Mr. SMITH of South Carolina. Mr. President, I ask unanimous consent that the Senate hold a session on Sunday, December 15, for the purpose of eulogies on the life and character of my late colleague, Senator BENJAMIN RYAN TILLMAN.

The VICE PRESIDENT. At what hour?

Mr. SMITH of South Carolina. Beginning at 11 o'clock.

The VICE PRESIDENT Is there objection? The Chair hears none, and it is so ordered.

EVASION OF MILITARY SERVICE BY GERMANS.

Mr. JONES of Washington submitted the following resolution (S. Res. 373), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary of War be, and he is hereby, directed to inform the Senate as soon as possible about how many citizens and subjects of countries neutral during the war with Germany there are who have resided in this country and declared their intentions to become citizens of the United States but chose to withdraw their declarations of intention to become citizens in order to evade military service under our draft laws.

THE COAL SITUATION.

Mr. VARDAMAN submitted the following resolution (S. Res. 374), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Manufactures of the Senate be, and it hereby is, authorized and instructed to make inquiry into the coal situation, its production, transportation, and consumption.

Resolved further, That the said committee, or any subcommittee thereof, is hereby empowered to sit and act during the session or recess of Congress, or of either House thereof, at such time and place as it may deem necessary; to require, by subpœna or otherwise, the attendance of witnesses and the production of papers, books, and documents; to employ stenographers, at a cost not exceeding $1 per printed page, to take and make a record of all evidence taken and received by the committee and keep a record of its proceedings; to have such evidence, record, and other matter required by the committee printed; and to employ such other clerical assistance as may be necessary. The chairman of the committee, or any member thereof, may administer oaths to witnesses. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof.

Resolved further, That the expenses thereof shall be paid from the contingent fund of the Senate on vouchers ordered by said committee, signed by the chairman thereof, and approved by the Committee on Contingent Expenses.

UNITED STATES PEACE COMMISSIONERS (S. DOC. NO. 311).

Mr. LODGE. Mr. President, I ask to have printed in the RECORD and also as a public document a statement which has been prepared at the Library for me as to all peace commissioners appointed in the United States in the various wars in which we have been engaged, beginning with Algiers in 1795. It is a brief but complete statement, and I think Senators will find it very valuable for reference.

There being no objection, the statement was ordered to be printed as a public document and to be printed in the RECORD, as follows:

UNITED STATES PEACE COMMISSIONERS, 1795–1898.

1795. ALGIERS.

David Humphreys, resident minister at Lisbon.

"Commissioner plenipotentiary by letters patent under the signature and seal of the United States of America dated the 30th March, 1795."

(Commission does not appear in the Senate Executive Journal.)

1800. FRANCE.

Oliver Ellsworth, Chief Justice.
Patrick Henry, late governor of Virginia.
W. V. Murray, minister at The Hague.

"Envoys extraordinary and ministers plenipotentiary to the French Republic, with full powers to discuss and settle, by a treaty, all controversies between the United States and France."

Nominated February 25, 1799; confirmed by the Senate February 27, 1799.

Patrick Henry did not serve; William R. Davie, governor of North Carolina, was appointed June 1, 1799, vice Patrick Henry; confirmed December 6, 1799.

1805. TRIPOLI.

Tobias Lear, consul general at Algiers.

Nominated "a commissioner to treat of peace with the Bashaw of Tripoli, vice James Leander Cathcart, appointed to another place."

Nominated November 11, 1803; confirmed by Senate November 15, 1803.

1813–14. GREAT BRITAIN.

Albert Gallatin, Secretary of the Treasury.
John Quincy Adams, minister to Russia.
James A. Bayard, ex-Senator.
Henry Clay, Member of the House.
Jonathan Russell, minister to Norway and Sweden.

"Envoys extraordinary and ministers plenipotentiary."

The first three were nominated May 29, 1813. Gallatin's nomination rejected; Adams and Bayard confirmed July 19, 1813.

The first negotiations having fallen through, new appointments were required. Adams, Bayard, Clay, and Russell renominated January 14, 1814; confirmed January 18, 1814; Gallatin renominated February 8, 1814; confirmed February 9, 1814.

1816. ALGIERS.

William Shaler, consul general at Algiers.

Isaac Chauncey, commander in chief of the naval forces of the United States stationed in the Mediterranean.

"Appointed commissioners by letters patent under the signature of the President and seal of the United States of America, bearing date at the city of Washington the 24th day of August, A. D. 1816, for negotiating and concluding the renewal of a treaty of peace between the United States of America and the Bey and subjects of the Regency of Algiers."

(Commission does not appear in the Senate Executive Journal.)

1846. MEXICO.

N. P. Trist, chief clerk of the Department of State.
Appointed by President Polk.
(Commission does not appear in the Senate Executive Journal.)

1898. SPAIN.

"At an early date after the signing of this protocol the President appointed five American peace commissioners, his selections being heartily approved by the Nation. They were William R. Day, Secretary of State; William P. Frye, Senator from Maine and president pro tempore of the Senate; Cushman K. Davis, Senator from Minnesota and chairman of the Committee on Foreign Relations; George Gray, Senator from Delaware and the foremost member of the Democratic minority in that body; and Whitelaw Reid, editor of the New York Tribune and formerly minister to France and special ambassador to Great Britain. The secretary was John Bassett Moore, Assistant Secretary of State."

The commissions were issued the 13th of September, 1898. Day was appointed "Commissioner plenipotentiary of the United States." The other commissions read in a similar manner.

The nominations were not submitted to the Senate.

The commission to Mr. Day was as follows:

"Know ye! That, reposing special trust and confidence in the integrity and ability of William R. Day, of Ohio, I do appoint him a commissioner plenipotentiary of the United States, under the protocol signed at Washington of the 12th day August, 1898, to negotiate and conclude a treaty of peace between the United States and Spain, and do authorize and empower him to execute and fulfill the duties of this commission, with all the powers, privileges, and emoluments thereunto of right appertaining, during the pleasure of the President of the United States.

"In testimony whereof I have caused these letters to be made patent and the seal of the United States to be hereunto affixed.

"Given under my hand at the city of Washington the 13th day of September, in the year of our Lord one thousand eight hundred and ninety-eight, and the one hundred and twenty-third year of the Independence of the United States of America.

(Signed) "WILLIAM MCKINLEY."

The commissions of the other American plenipotentiaries were in the same form, their names being as follows: Cushman K. Davis, of Minnesota; George Gray, of Delaware; William P. Frye, of Maine; and Whitelaw Reid, of New York.

PROCEEDINGS IN THE SENATE UPON THE NOMINATION OF PEACE COMMISSIONERS.

EXTRACTS FROM SENATE EXECUTIVE JOURNAL, THIRTY-FIFTH SESSION, 1813.

Monday, May 31, 1813.

The four following-written messages were received from the President of the United States by Mr. Graham:

To the Senate of the United States:

Commissions having been granted during the recess of the Senate to the following persons, I now nominate them to the same offices respectively annexed to their names:

Albert Gallatin, John Quincy Adams, and James A. Bayard, to be jointly and severally envoys extraordinary and ministers plenipotentiary to negotiate and sign a treaty of peace with Great Britain, under the mediation of the Emperor of Russia; to negotiate and sign a treaty of commerce with Great Britain; and the said John Quincy Adams, Albert Gallatin, and James A. Bayard to be jointly and severally envoys extraordinary and ministers plenipotentiary to negotiate and sign a treaty of commerce with Russia.

Tuesday, June 1, 1813.

The Senate took into consideration the message of the President of the United States of yesterday, nominating Albert Gallatin and others to offices; and

Resolved, That they do advise and consent to the appointments of Mordecai Noah, Charles Harris, William J. McIntosh, and Nathaniel Pope, agreeably to their nominations, respectively.

Wednesday, June 2, 1813.

Mr. King submitted the following motions for consideration, which were read:

2. *Resolved*, That the President of the United States be requested to cause to be laid before the Senate copies of the commissions granted to Albert Gallatin, John Quincy Adams, and James A. Bayard, to negotiate treaties of peace and commerce with Great Britain and a treaty of commerce with Russia.

3. *Resolved*, That the President of the United States be requested to inform the Senate whether Albert Gallatin, commissioned as one of the envoys to treat of peace and commerce with Great Britain and of commerce with Russia, retains the office of Secretary of the Department of the Treasury; and in case of his so retaining the same to inform the Senate under what authority and by whom the powers and duties of the head of the Treasury Department are discharged during the absence of Albert Gallatin from the United States.

Monday, June 7, 1813.

The following written message was received from the President of the United States, by Mr. Graham:

To the Senate of the United States:

In compliance with their resolution of the 3d instant, the Senate are informed that the office of the Secretary of the Treasury is not vacated and that in the absence of Albert Gallatin, commissioned as one of the envoys to treat with Great Britain and Russia, the duties of that office are discharged by William Jones, Secretary of the Navy, authorized therefor according to the provisions of the act of Congress entitled "An act making alterations in the Treasury and War Department," passed May 8, 1792.

JAMES MADISON.

Monday, June 14, 1813.

Mr. Anderson, from the committee appointed the 10th instant on the nomination of Albert Gallatin, reported:

"That in obedience to the resolution authorizing the committee to inquire and report thereon he had addressed a letter to the President of the United States, inclosing a copy of the resolution under which the committee were appointed; that he afterwards called on the President of the United States, who informed him that he did not consider the authority given to the commitee by the resolution such as to authorize them to call on him in their official character; but that if they were especially instructed to call upon him, he would freely receive them and appoint a time for that purpose";

Mr. Anderson submitted the following resolutions for consideration, which were read:

"*Resolved*, That in the opinion of the Senate the powers and duties of the Secretary of the Department of the Treasury and of those of an envoy extraordinary to a foreign power are so incompatible that they ought not to be and remain united in the same person.

"*Resolved*, That the committee to whom was referred the nomination of Albert Gallatin (Secretary of the Department of the Treasury) as an envoy extraordinary to treat of peace and commerce with Great Britain and of commerce with Russia be instructed to communicate the foregoing resolution to the President of the United States and respectfully to confer with him upon the mater thereof."

Wednesday, June 16, 1813.

The Senate resumed the consideration of the resolutions submitted by Mr. Anderson on the 14th instant; and

On the question to agree to the first resolution,

It was determined in the affirmative—yeas 20, nays 14.

So it was

Resolved, That, in the opinion of the Senate, the powers and duties of the Secretary of the Department of the Treasury and those of an envoy extraordinary to a foreign power are so incompatible that they ought not to be and remain united in the same person.

On the question to agree to the second resolution,

It was determined in the affirmative—yeas 20, nays 14.

So it was

Resolved, That the committee to whom was referred the nomination of Albert Gallatin, Secretary of the Department of the Treasury, as an envoy extraordinary, to treat of peace and commerce with Great Britain and of commerce with Russia, be instructed to communicate the foregoing resolution to the President of the United States and respectfully to confer with him upon the matter thereof.

Monday, July 19, 1813.

Mr. Anderson, from the committee appointed the 10th instant, on the nomination of Albert Gallatin, reported:

"That in obedience to the resolution authorizing the committee to inquire and report thereon, he had addressed a letter to the President of the United States, a copy of which accompanies this report, inclosing a copy of the resolution under which the committee were appointed; that he afterwards called on the President of the United States, who informed him that he did not consider the authority given to the committee by the resolution such as to authorize them to call on him in their official character; but that if they were especially instructed to call upon him, and the specific object should be designated, he would freely receive them and appoint a time for that purpose."

Mr. Anderson then made this further report, to wit:

"The committee to whom was referred the nomination of Albert Gallatin to be one of the envoys extraordinary and ministers plenipotentiary to negotiate and sign a treaty of peace with Great Britain, under the mediation of the Emperor of Russia, to negotiate and sign a treaty of commerce with Great Britain, and to negotiate and sign a treaty of commerce with Russia, together with the message of the President of the United States of the 7th June—

"Report: That, according to the instructions of the Senate of the 16th June, the committee, through its chairman, addressed a note to the President of the United States on the 12th instant, which accompanies this report, and in reply thereto the President addressed a note to the chairman on the 14th instant, which note also accompanies this report, appointing Friday, the 16th instant, to receive the committee, to communicate the aforesaid resolution of the Senate, and apprising the committee of his late message to the Senate containing the grounds on which he would be obliged to decline the proposed conference with the committee. Upon due consideration of this reply the committee deemed it an incumbent duty to wait on the President, according to his appointment, and to present to him both the resolutions of the Senate in relation to the nomination referred to the committee; and did, accordingly wait on him and present them; when the President was pleased to observe to the committee, in substance, that he was sorry that the Senate had not taken the same view of the subject which he had done, and that he regretted that the measure had been taken under circumstances which deprived him of the aid or advice of the Senate. After the committee had remained a reasonable time for the President to make any other observations, if he thought proper to do so, and observing no disposition manifested by him to enter into further remarks, the committee retired without making any observation on the matter of the resolutions or in reply to those made by the President."

Whereupon,

The nominations of Albert Gallatin, John Q. Adams, and James A. Bayard, agreeable to the message of the President of the United States of the 31st May last, were resumed.

On the question, "Will the Senate advise and consent to the appointment of Albert Gallatin?"

It was determined in the negative—yeas 17, nays 18.

On the question, "Will the Senate advise and consent to the appointment of James A. Bayard?"

It was determined in the affirmative—yeas 27, nays 6.

So it was—

Resolved, That the Senate do advise and consent to the appointments of John Q. Adams and James A. Bayard, agreeable to their nominations, respectively; and

That they do not advise and consent to the appointment of Albert Gallatin.

Ordered, That the Secretary lay the foregoing resolution before the President of the United States.

Thursday, January 13, 1814.

The two following written messages were received from the President of the United States, by Mr. Coles, his secretary:

To the Senate of the United States:

I nominate John Quincy Adams, James A. Bayard, Henry Clay, and Jonathan Russell to be, jointly and severally, ministers plenipotentiary and extraordinary, to negotiate and sign a treaty of peace and a treaty of commerce with Great Britain.

I nominate Jonathan Russell to be minister plenipotentiary to Sweden.

JAMES MADISON.

Tuesday, January 18, 1814.

The Senate resumed the consideration of the message of the President of the United States of the 14th instant, nominating John Quincy Adams and others to offices; and

On motion by Mr. King, to postpone the further consideration thereof to Monday next,

It was determined in the negative—yeas 12, nays 20.

On the question, "Will the Senate advise and consent to the appointment of John Quincy Adams?"

It was determined in the affirmative—yeas 31, nays 2.

On the question, "Will the Senate advise and consent to the appointment of James A. Bayard?"

It was unanimously determined in the affirmative—yeas, 32.

On the question, "Will the Senate advise and consent to the appointment of Henry Clay?"

It was determined in the affirmative—yeas, 29; nays, 2.

On the question, "Will the Senate advise and consent to the appointment of Jonathan Russell?"

It was determined in the affirmative—yeas, 22; nays, 8.

So it was

Resolved, That the Senate do advise and consent to the appointments of John Quincy Adams, James A. Bayard, Henry Clay, and Jonathan Russell to be jointly and severally ministers plenipotentiary and extraordinary to negotiate and sign a treaty of peace and a treaty of commerce with Great Britain.

Tuesday, February 8, 1814.

The two following written messages were received from the President of the United States by Mr. Coles, his secretary:

To the Senate of the United States:

In consideration of the protracted absence of Albert Gallatin, Secretary of the Treasury, and the prospect of conveniently associating his services in the contemplated negotiations for a treaty of peace and a treaty of commerce with Great Britain I nominate George W. Campbell, of Tennessee, to be Secretary of the Treasury of the United States.

Albert Gallatin to be minister plenipotentiary and extraordinary, jointly and severally, with John Quincy Adams, James A. Bayard, Henry Clay, and Jonathan Russell, to negotiate and sign a treaty of peace and a treaty of commerce with Great Britain; Richard Rush, now Comptroller of the Treasury, to be Attorney General of the United States, in place of William Pinckney, resigned.

JAMES MADISON.

Wednesday, February 9, 1814.

On the question, "Will the Senate advise and consent to the appointment of Albert Gallatin?"

It was determined in the affirmative.

So it was

Resolved, That the Senate do advise and consent to the appointments of George W. Campbell and Albert Gallatin, agreeably to the nominations, respectively.

THE SECRETARY OF STATE TO THE AMERICAN COMMISSIONERS.

DEPARTMENT OF STATE,
August 5, 1813.

GENTLEMEN: I am very sorry to be under the necessity of communicating to you an event of which there was no anticipation when you left the United States.

The event to which I allude is the rejection by the Senate of the nomination of Mr. Gallatin on the idea that his mission to Russia was incompatible with the office of the Secretary of the Treasury.

After the appointment of Mr. Jay, when Chief Justice of the United State, by President Washington, and of Mr. Ellsworth, when holding the same office, by President Adams, by which a member of a separate branch of the Government was brought into an office under the Executive, and after the sanction given in practice as well as by law to the appointment of persons during the absence of a head of a department to perform its duties, it was presumed that there would not be any serious or substantial objection to the employment in a similar service of a member of the administration itself.

Although this nomination was opposed in the Senate as soon as it was acted on, yet it was not believed that it would be rejected until the vote was taken. At an early stage the President was called on by a resolution of the Senate to state whether Mr. Gallatin retained the office of Secretary of the Treasury; and in case he did, who performed the duties of that department in his absence. The President replied that the office of Secretary was not vacated by Mr. Gallatin's appointment to Russia and that the Secretary of the Navy performed its duties in his, Mr. Gallatin's, absence. After this reply, which was given in conformity with the President's own views of the subject, and with those of Mr. Gallatin when he left the United States, it was impossible for the President, without departing from his ideas of propriety in both respects, to have removed Mr. Gallatin from the Treasury to secure the confirmation of his nomination to Russia. It would have been still more improper to have taken that step after the rejection of the nomination. The President resolved, therefore, to leave the mission on the footing on which it was placed by the vote of the Senate, by which the nomination of Mr. Adams and Mr. Bayard was confirmed. Whatever has been done jointly under the commission, given to the three commissioners by the President when you left the United States, in compliance with your instructions will not be affected by this event. (From A Great Peacemaker. The Diary of James Gallatin, secretary to Albert Gallatin, 1813–1827. New York, Charles Scribner's Sons. 1914. Pp. 10–12.)

PROHIBITION IN THE DISTRICT OF COLUMBIA.

Mr. SHEPPARD. Mr. President, I hereby give notice that it is my intention to move within a few days that the Committee on Post Offices and Post Roads be discharged from further consideration of Senate bill 5052, to make section 5 of the Post Office appropriation act for the fiscal year ending June 30, 1918, as amended by section 1110 of the war revenue act of October 3, 1917, applicable to the District of Columbia, and that the bill be placed on the calendar.

Mr. President, the making of this motion will involve no reflection on the committee. I realize the extreme difficulty of securing a quorum in the committee under present conditions. A bill similar to this has been pending before the committee for several months. A subcommittee of the Committee on Post Offices and Post Roads has made a favorable report on the bill, but it seems that it will be impracticable to get a meeting of the full committee before the holidays. Therefore I take this action as the only course which offers promise of any definite development.

THE REVENUE.

Mr. SIMMONS. Mr. President, on behalf of the Finance Committee, to which was referred the bill (H. R. 12863) to provide revenue, and for other purposes, I present a favorable report (No. 617), with certain amendments, recommending that the bill be passed as amended.

When the bill was considered before the armistice, there was unanimous action on the part of the committee. As to some parts of the bill as now presented the committee was in disagreement. My understanding is that the minority desire to file a minority report as to that part of the bill.

The Finance Committee finished the consideration of the bill at a late hour yesterday afternoon. Neither the members of the minority nor myself, representing the majority, have had time to prepare a formal report. I ask the unanimous consent of the Senate to be allowed to file a report hereafter. I did not consider it advisable to hold the bill back until these reports were prepared. On account of the necessity for the prompt consideration and passage of this legislation, it was thought best to make the formal report this morning, so that Senators, if they desire, might have a day or two to examine the bill before it is taken up for consideration.

I should like very much to have some expression from Senators as to what length of time they would like to have to look at the bill before it is taken up.

Mr. PENROSE. Mr. President, I was called out of the Chamber to answer the telephone. I do not understand that the chairman of the committee has filed his report this morning.

Mr. SIMMONS. I have made a favorable report on the bill.

Mr. PENROSE. I understand that.

Mr. SIMMONS. I stated to the Senate that we only finished the consideration of the bill late yesterday evening; that the minority desire to file a minority report as to a certain part of the bill; and that I, as representing the majority, will prepare a formal written report.

Mr. PENROSE. Does the chairman expect to file that report this week?

Mr. SIMMONS. It is my purpose to file the report to-morrow if possible. It may be that I shall not be able to do so before Monday, but by next Monday at furthest.

Mr. PENROSE. The minority have under consideration the filing of a minority report, but of course that can not very well be done until the report of the chairman of the committee is submitted to the Senate. As far as the time to be consumed in the consideration of the bill is concerned, I think I can assure the chairman of the Finance Committee that there is absolutely no disposition to delay this measure. I take it that——

Mr. SIMMONS. That was not the question I asked, Mr. President. The question I asked was propounded with a view to invite an expression of opinion as to how soon we might take up this bill for consideration, assuming of course that Senators will desire some little time to look it over before we begin the discussion.

Mr. PENROSE. I should think a reasonable time ought to be permitted for all Senators to study this very complicated and encyclopedic measure. Some time toward the middle of next week, I would say, next Tuesday or Wednesday.

Mr. SIMMONS. I had hoped it might suit the views of the minority members of the committee and Senators generally to take up the bill on Monday.

Mr. PENROSE. We could hardly get the minority report ready in that time. I would suggest that the Senate adjourn to-day until next Tuesday and then proceed with the consideration of the bill.

Mr. SMITH of Michigan. Let me ask the Senator from North Carolina a question. If the bill is not passed soon, then the revenues will be collected under the present law? Am I right?

Mr. SIMMONS. I will say to the Senator that my information from the revenue department is to the effect that safety requires that they shall begin preparing their forms at least by the 1st day of January; that is, if the returns are to be required to be made on the 15th day of March.

Mr. SMITH of Michigan. You are speaking of the bill just reported?

Mr. SIMMONS. I am speaking generally. Now I am going to reply——

Mr. LODGE. Before the Senator begins again, if he will permit me, on the point of which he made inquiry about time for Senators to examine the bill, I think, to allow a day or two for the Members of the Senate at least to look over the bill would not be unreasonable, and I think it would probably expedite discussion. It is a bill of 275 pages, and it is riddled with amendments.

Mr. PENROSE. It took the committee nearly two months and one-half to consider the amendments.

Mr. LODGE. And it took the House four months to make up the bill. I think it would not be unreasonable that Senators who were not on the committee should have an opportunity to look over the bill a little before it is taken up. I think it would really help matters if they did.

Mr. SIMMONS. Senators will understand that I have not the slightest disposition to deny a reasonable time for that purpose. I should like to ask the Senator, if the bill goes over until Tuesday, allowing three whole days, including Sunday, and I believe Senators do examine such documents on the Sabbath, does he not think that would give ample time for the purpose?

Mr. LODGE. It depends a good deal upon the time when the bill can be put in the hands of Senators.

Mr. SIMMONS. The bill has already been printed, and I can furnish Senators copies of it to-day.

Mr. LODGE. Senators can get copies of the bill to-day?

Mr. SIMMONS. Yes; right away.

Mr. PENROSE. I do not think the suggestion of the Senator from North Carolina to take up the bill on Tuesday is unreasonable. It certainly ought not to be taken up a day earlier.

Mr. SIMMONS. Assuming that that will be satisfactory, I will give notice now that on Tuesday morning, as soon as I can do so, I shall ask the Senate to proceed to the consideration of the bill. I wish to say in this connection, Mr. President, that I regard the immediate passage of this bill as so vitally important that when once we have begun consideration of it I am going to do my utmost to proceed with it to the exclusion of other business until we have reached a final vote.

Mr. PENROSE. Will the Senator further consent at the proper time to move to adjourn the Senate until Tuesday?

Mr. SIMMONS. I have not charge of the matter which is the unfinished business. I presume——

Mr. PENROSE. I assume the Senator will be largely in charge of the business of the Senate while this bill is pending.

Mr. SIMMONS. I have not had any consultation with Senators as to the program for to-morrow, if there is any, and I would not like to commit myself without conferring with them.

Mr. McKELLAR. Mr. President, I should like to say that the pending measure which is the unfinished business ought to be disposed of very shortly. I hope that will be done, and after that I would have no objection to an adjournment until Tuesday. I hope the unfinished business will be disposed of before any agreement to adjourn for three days is made.

Mr. SMOOT. I should like to ask the Senator from Tennessee if he has concluded to press a vote upon the unfinished business as it stands to-day?

Mr. McKELLAR. Yes; I think there will be a vote after we reach the hour of 2 o'clock—I hope more than one vote—but I think we can easily dispose of the bill this afternoon.

Mr. SMOOT. The reason why I asked that question was because of a remark the Senator made me last evening after the close of the session of the Senate. At that time the Senator had not fully made up his mind as to whether he would ask a vote on the unfinished business, considering its condition at this time.

Mr. McKELLAR. I see no reason why we should not finish the bill this afternoon.

Mr. LODGE. Mr. President, if I may ask the Senator from North Carolina a question, he spoke about taking up the revenue bill to the exclusion of other business. I understand that in making it the unfinished business the Senator does not propose to exclude all morning business during the consideration of the bill.

Mr. SIMMONS. No; I did not mean that. Of course, there will be the morning hour. I meant to say that I would not yield the floor fc. some other measure.

Mr. LODGE. That is quite right, of course.

Mr. SMOOT. I hope the Senator will make an arrangement to adjourn over until Tuesday.

Mr. SIMMONS. My embarrassment is that my bill is not before the Senate and I am not in charge of the floor, but I will take up that question with Senators on this side.

Mr. SMOOT. The Senator from Tennessee expects the unfinished business to be disposed of to-day, and then the Senate could adjourn until Tuesday.

Mr. SIMMONS. Now, if I may, I will undertake to answer the inquiry made by the Senator from Michigan [Mr. SMITH] with reference to the urgency of the passage of this bill.

The Senator asked me when was the latest date the bill should be passed in order to afford ample time for putting this machinery into operation so as to secure returns on the date provided in the bill, which is the 15th of February. I am advised by the Commissioner of Internal Revenue that it will be necessary to begin the preparation of the forms by the 1st of January. He also stated that it would be exceedingly dangerous to delay the beginning of that preparation until the 15th day of January.

The forms have to be provided, and there is considerable difficulty in their preparation; the millions of copies of them have to be printed and circulated. It is also necessary to train many experts to go out in all the districts of the country for the purpose of explaining to taxpayers the methods of calculation, of computation, and so on, in order to facilitate the returns and to enable the taxpayers to prepare them in time to make them as provided by law.

The present law and also the pending bill each contain a provision which would authorize and enable the Commissioner of Internal Revenue to extend the time of filing the returns for one month. That was done, as Senators will recall, last year, when it was found practically impossible, after the present law had been passed, to prepare the forms in due time. The commissioner exercised the power to extend the time for making the returns to the 15th of April. He can this year do the same thing. That would, however, extend the time for the payment of the first installment of taxes, and it might be a little embarrassing to the Government not to be able to realize upon the first installment of such taxes on the 15th day of March. The calculations of the Secretary of the Treasury, I understand, in making his arrangements for issuing certain certificates of indebtedness against these installments have been made with a view to the first payment being made on the 15th day of March. That is a difficulty that is not insurmountable. It merely requires some readjustment and would involve some inconvenience and all that sort of thing, but it is possible that that can be done. If that is done and if the bill should pass by the 1st of February—not later than the 15th at the outside—it would be possible to collect taxes under the law. The Commissioner of Internal Revenue, however, stated that, to be on the safe side, he ought to be making preliminary arrangements and preparations with a view to collecting taxes under the present law, not spending more money than is absolutely necessary for him to have the work in proper condition in case we should not pass this bill by the 1st day of February.

Mr. SMITH of Michigan. Then, if I understand the Senator, if the bill passes by the middle of January the Commissioner of Internal Revenue can get out his forms and prepare for the returns under the act?

Mr. SIMMONS. I think so.

Mr. SMITH of Michigan. But does the Senator from North Carolina consider it necessary that this bill shall have executive approval or be returned by the Executive without his approval? Will the absence of the President necessarily interfere with the bill becoming a law?

Mr. SIMMONS. I should say, generally speaking, the fact that the bill is passed by the 1st of February would be sufficient for the purpose, for it could be reasonably assumed under the general conditions that it would have within the legal time the approval of the President. The intervening time would be occupied only in preparing forms and getting ready for the returns.

Mr. SMITH of Michigan. What prompted me to ask the question of the Senator was a statement recently made by the Commissioner of Internal Revenue that he was preparing to send out the forms under the present law.

Mr. SIMMONS. I do not think that was probably a correct statement. He is preparing the forms under the present law.

Mr. SMITH of Michigan. That statement was attributed to him.

Mr. SIMMONS. Well, my understanding is that the Commissioner of Internal Revenue is, in a limited way, getting ready, and that probably he will continue the work of the preparation of such forms. I do not mean that he has yet begun to any considerable extent, but his purpose, as I understand, is very shortly to begin to carry on the work of the preparation of the forms with a view to collecting the revenue under the present law, but not spending any more money than is absolutely necessary to be on the safe side, and not going any further with the work than is absolutely necessary for that purpose.

Mr. SMITH of Michigan. I noticed a statement the other day—and I am simply asking the Senator in order to fortify that—to the effect that the semizone system has been fixed by the bill at 200 miles.

Mr. SIMMONS. No; the committee changed that.

Mr. SMITH of Michigan. Or 150 miles?

Mr. SIMMONS. If the Senator will permit me, I desire to say that at first we did agree upon the 200-mile zone, but it was found that that would involve complications. The country is now divided up into postal zones, and no postal zone would fit in with that arrangement; so we changed that, and we apply the exemption from the increased poundage tax only to the circulation outside of the first and second zones, the first zone being 50 miles and the second being 100 miles.

Mr. SMOOT. Or a total of 150 miles.

Mr. SIMMONS. A total of 150 miles.

Mr. SMITH of Michigan. May I ask if the committee agreed on that part of the bill?

Mr. SIMMONS. I think so; I think they are unanimously agreed on that part of the bill.

Mr. PENROSE. Mr. President——

Mr. LA FOLLETTE. I beg the Senator's pardon, Mr. President.

Mr. SIMMONS. Then I am probably in error about that.

Mr. LA FOLLETTE. The vote was not unanimous.

Mr. SIMMONS. If the Senator will pardon me, I think, if we were to speak from the vote, that there were three votes cast against it, but I do not understand that any of the Senators casting those votes had any purpose to make any protest or to file any minority report as to that action of the committee. However, I do not know; I am not advised as to that.

Mr. LA FOLLETTE. I am not advised as to the purpose of other Senators as to that particular proposition.

But, Mr. President, I desire to say, if the Senator from North Carolina will permit me, that, while it is indicated by the Senator from Pennsylvania [Mr. PENROSE] that a dissenting report will be filed by Republican Members as to certain provisions of the bill as reported, I desire to reserve the right to file a special dissenting report. I am not certain whether or not it will be ready when the minority report is presented. It will be very brief, and I think I can have it ready by that time.

Mr. SIMMONS. I was not advised, Mr. President, of the purpose of the Senator from Wisconsin to file a separate report.

Mr. SMOOT. Mr. President, I wish to say to the Senator from North Carolina that I have also given notice that I desire to file a further report, expressing my own views and what provision I think ought to have been adopted in relation to the imposition of a war-profit tax instead of an excess and war-profit tax.

Mr. SIMMONS. Then, Mr. President, the minority report will be in the nature of several different reports.

Mr. SMOOT. There will be a minority report; but I think that all of the minority members of the committee will sign and agree to it, and these are only supplemental reports to that minority report.

Mr. SIMMONS. Yes.

Mr. PENROSE. Mr. President, as I understand, there is no disagreement amongst the minority. As the Senator from Utah [Mr. SMOOT] has explained, the minority has under considera-

tion the filing of a minority report, and, so far as I know, all the minority will sign it; and then individual Senators will have a perfect right to file additional views of their own.

Mr. President, I wish to suggest to the chairman of the committee to have the same number of additional copies of this bill printed, namely, 25,000, as were printed of the revenue bill last year.

Mr. SIMMONS. Before taking my seat I was going to make a motion to that effect.

Mr. PENROSE. There will be a great demand for the bill, and I think we ought to have that number to begin with.

Mr. SIMMONS. Mr. President, I ask unanimous consent for the printing of 25,000 additional copies of the bill for the use of the Senate.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

Mr. SMOOT subsequently said: Mr. President, I call the attention of the Senator from North Carolina [Mr. SIMMONS] to the fact that the unanimous-consent order for the printing of 25,000 additional copies of the revenue bill will cost more than the law allows the Government Printer to incur by direction of either House. The law provides that not more than $500 worth of printing can be done upon the request of either House of Congress. Therefore I am going to ask the Senator to modify his request so that the number to be printed will fall within the $500 limitation as provided by law.

Mr. SIMMONS. Mr. President, I ask leave to modify the order made for the printing of additional copies of the revenue bill so as to provide for the printing of as many copies within the $500 limitation as is prescribed by law.

The VICE PRESIDENT. Without objection, that order will be made.

ADJOURNMENT TO TUESDAY.

Mr. SIMMONS. Mr. President, after a consultation with Senators on both sides of the Chamber and with the senior Senator from Virginia [Mr. MARTIN], I move that when the Senate adjourns to-day it adjourn to meet at 12 o'clock noon on Tuesday next. I have been induced to make this motion by a wish expressed to me by a number of Senators that they might have more time in which to examine and consider the revenue bill before it is taken up on Tuesday for consideration.

The VICE PRESIDENT. The question is on the motion of the Senator from North Carolina.

The motion was agreed to.

VOCATIONAL EDUCATION.

Mr. SMITH of Georgia. From the Committee on Education and Labor, to which was referred the bill (S. 5038) extending the use of the special fund for vocational education provided by section 7 of the vocational rehabilitation act approved June 27, 1918, and authorizing the Federal Board for Vocational Education to accept gifts and donations for specific purposes, I report the bill favorably with an amendment and submit a report (No. 618) thereon.

Mr. President, the bill for vocational rehabilitation authorized the Federal Board for Vocational Education to accept gifts from private parties, to be used only as the fund appropriated by the Government could be used. The board have found that persons may desire to make gifts with a specific direction in the interest of the injured soldiers broader than the limited provision in the act of June 27, 1918, which required the national contribution to be applied toward their education. Let me illustrate: A fund may be tendered toward aiding injured soldiers who are mechanics to buy sets of tools and things of that kind. The board desire that authority to receive such gifts for the use of the soldiers be given to them.

That is the substance of what this bill provides. It is an amendment of the act of June 27, 1918, and is reported favorably from the Committee on Education and Labor, with a further provision that the board shall not only report any funds received but the names of the donors. As it is quite important that the bill should pass at once, I ask unanimous consent for its immediate consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Education and Labor with an amendment.

Mr. KING. Mr. President, I should like to ask the Senator from Georgia if the act of which the bill reported by him is amendatory is the one which was under consideration some time during the past year and to which there was opposition?

Mr. SMITH of Georgia. Not at all; the act of which the bill now reported is amendatory received the unanimous vote of the Senate. That act provided for rehabilitation work amongst injured soldiers. The Government made an appropriation, which was put in the hands of the Federal Board for Vocational Education, to aid in the rehabilitation of injured soldiers. That act carries a provision that the Federal board may receive donations from private sources to be used also toward the vocational rehabilitation of wounded soldiers, but it limits the outside donations to the uses designated in the act, which are entirely educational. The board find a desire in certain directions to make contributions to soldiers from private sources and to designate the purposes to which the contributions shall be devoted, as, for instance, a fund to those soldiers who are mechanics, to aid them in procuring the tools to enable them to set themselves up in work. The extent of the bill now reported is to permit donations from private sources, subject to the approval of the board, the money to be used in the interest of the soldiers in a somewhat broader way than is now authorized by the law. Nothing comes from the Treasury by this amendment.

Mr. KING. Then, as I understand the Senator, the pending bill does not increase the appropriation.

Mr. SMITH of Georgia. Not at all.

Mr. KING. Or permit the use of the appropriation heretofore made for other purposes than have been designated?

Mr. SMITH of Georgia. Not at all; but it will allow the board to accept donations from private citizens and act in a manner as trustee for injured soldiers for such funds where private citizens desire to designate some other use than that to which the appropriation is limited. For instance, a soldier may be in position to start in a small business if he has a little help. That is not a matter for national contribution, but private contribution is seeking to help him; and the Federal board asks the privilege of receiving such contributions in the interest of soldiers in a broad way.

The VICE PRESIDENT. The Secretary will state the amendment reported by the committee.

The SECRETARY. On page 2, line 17, after the words "report of all gifts and donations offered and accepted" it is proposed to insert "the names of all persons making the same," so as to make the bill read:

Be it enacted, etc., That the special fund for vocational education, authorized by section 7 of the vocational rehabilitation act, approved June 27, 1918, is hereby made available, in addition to the purposes therein prescribed, for such other expenses as in the discretion of the board is deemed necessary and proper in the performance of the duties imposed upon it by said act, including payment of necessary travel, lodging, subsistence, and other expenses of disabled men while under investigation by the board to determine their eligibility for training under the act, and the purchase of supplies, equipment, and clothing for disabled men when ready to enter employment, and the traveling expenses of such men to place of employment.

The said board is also authorized and empowered to receive gifts or donations, from either public or private sources, offered conditionally, provided the same may be used for a purpose or purposes which the board deems necessary and proper in connection with the care, training, or placement of disabled soldiers and sailors, including donations given on the condition that the same shall be used for the purpose of making gifts and advancements of money in necessary cases to disabled soldiers and sailors. All moneys received as gifts or donations for specific purposes shall be paid into the Treasury of the United States and shall constitute a fund to be used under the direction of the said board for the specific purpose for which made, and a full report of all gifts and donations offered and accepted, the names of all persons making the same, and all disbursements therefrom, shall be submitted annually to Congress by said board.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Georgia whether the change in the law appears upon the face of the bill? Is it indicated in the bill itself?

Mr. SMITH of Georgia. I do not understand the Senator.

Mr. LENROOT. This is an amendment to the existing law, to the vocational education act.

Mr. SMITH of Georgia. Yes.

Mr. LENROOT. I inquire whether a section of that act is reenacted or whether otherwise the change in existing law appears upon the face of the bill?

Mr. SMITH of Georgia. The amendment points out clearly the change.

Mr. LENROOT. I should like to ask the Secretary to read the bill. We have not had it read in full as yet.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Georgia to explain a litttle more fully what this special fund is. Most of us have forgotten.

Mr. SMITH of Georgia. The bill authorizes the Federal Board for Vocational Education to accept from private citizens donations, to be used, in addition to the appropriation made from the Treasury, in the interest of the vocational rehabilitation of injured soldiers. Under the bill as we originally passed it the fund must be placed in the Treasury and used solely for the purposes provided in the original bill, just as the $2,000,000 appropriated from the National Treasury may be used.

As I understand the request from the board, it is that they be permitted to receive funds for purposes other than simply the educational rehabilitation of the soldiers. I am advised that funds are probably within their reach to aid the soldier even after he finishes his rehabilitation training. The suggestion is made to me that there would be soldiers who would go into industrial lines who would need their own private sets of tools, their working apparatus, who would start a small business, who would need tools and perhaps a little funds to begin. The board is of the opinion that contributions may be made, to be handled through the board, in the interest of this still further contribution toward the active work of the soldiers after they have been rehabilitated, and their desire was that the limitation as to the use of the funds might be modified to the extent of permitting them to receive these contributions, to be used according to the wish of the giver, provided that wish receives the approval of the board.

Mr. LENROOT. Mr. President, I now have the bill before me, and I think it is very much broader in its scope than the Senator indicates. Under the language of the bill, as I read it, the board would have the authority to use all of its special fund for administrative purposes. In other words, Congress in the regular appropriation bill may appropriate for the administration of this board such an amount as Congress thinks is a sufficient amount for its administration; but under the language of the bill, in addition to that amount, the board is authorized to use the whole amount of any special fund for its administration. Does the Senator think that ought to be permitted?

Mr. SMITH of Georgia. I do not think that is the case.

Mr. LENROOT. Let me read:

That the special fund for vocational education, authorized by section 7 of the vocational rehabilitation act, approved June 27, 1918, is hereby made available, in addition to the purposes therein prescribed, for such other expenses as in the discretion of the board is deemed necessary and proper in the performance of the duties imposed upon it by said act.

I should like to ask what limitation there is upon the board with reference to the expenditure of this special fund, with that language?

Mr. SMITH of Georgia. Mr. President, I call the attention of the Senator from Wisconsin to the fact that section 7 of the original bill is limited to gifts. It does not apply to the appropriations made out of the Treasury. It applies to the gifts; and the object of that first provision was to permit these general gifts, where no purpose was specified, to be used to aid the soldiers as to their travel, lodging, subsistence, and expenses of that character not provided for by our national appropriations. It was to broaden the use of the gifts already made; and the balance of the act is to authorize broader gifts for specific purposes from citizens who desire to contribute toward the soldiers.

Mr. LENROOT. Yes; but the Senator does not get my point. While they are gifts, under the law as it now stands those gifts, I take it, can not be used for the general expenses of this board. One of the purposes of this amendment is to permit those gifts to be used for such expenses. In fact, there is no limitation upon the board, if the amendment is adopted, as to the purpose for which it may use these special gifts. Congress itself loses all control over the administration of the board and the amount that it may expend, if the gifts are large enough so that the board may use these special gifts to make up in administration that for which it feels Congress has not given it a sufficient amount.

Mr. SMITH of Georgia. Does the Senator desire to limit the provisions of this bill?

Mr. LENROOT. Certainly.

Mr. SMITH of Georgia. I shall be glad to hear what amendment or restriction the Senator would put on it.

Mr. LENROOT. The one that occurs to me now is that the words "such other expenses as in the discretion of the board is deemed necessary and proper in the performance of the duties upon it by said act, including" should be stricken out, leaving it:

In addition to the purposes therein prescribed, for payment of necessary travel, lodging, subsistence, and other expenses of disabled men.

That would permit the use of this special fund for the specific purpose named in the bill; but the board ought not to have the power to use these funds for purposes for which Congress ought to appropriate, and if Congress does not appropriate for it they ought not to use special funds for this purpose.

Mr. SMITH of Georgia. They can use the funds now for anything that Congress has provided. The present bill permits all of these donations to be used broadly for the purposes for which Congress appropriated the $2,000,000. The object is to give them a wider discretion and to permit private donations to be used for the benefit of the soldiers along lines for which Congress does not think the public money can with propriety be used.

Mr. LENROOT. Let me put a case to the Senator: Suppose an estimate comes in of $100,000 or $500,000 for the administrative expenses of this vocational board. Congress in its wisdom, and the Committees on Appropriations after investigation, conclude that $250,000 is sufficient for that purpose, and Congress makes the appropriation for that purpose and limits it to that purpose. Under this amendment, if it is enacted, if there is a special fund here of $250,000, they may expend $500,000 for administration, using the $250,000 of this special fund which Congress refused to give them. That is my objection.

Mr. SMITH of Georgia. But suppose it is given by private citizens to be used in that way. Is there any objection to it?

Mr. LENROOT. But it is not so limited. Here is a special fund that may be given unconditionally. This or any other board—and that has been the practice of Congress—ought not to receive special funds to be used for their own administration. Congress itself ought to appropriate, and ought to direct by appropriation, the amount that these boards should expend for administrative purposes.

Why, if the Senator will recollect, only a few years ago we had revolving funds for our national parks. Congress itself changed that, and in most cases required the funds to go into the Treasury and to be reappropriated. That was so that Congress might have some control over the expenditures of these departments. If this amendment should be adopted, Congress will have no control over the expenditures of the board. Every dollar of these special funds might be used, not for the benefit of a soldier, but for traveling expenses and for expenses of this board. Surely, the Senator can not intend that that shall be possible.

Mr. SMITH of Georgia. I do not think it includes any traveling expenses of the board.

Mr. LENROOT. It includes any expenses that the board deem necessary. It could not possibly be wider in its scope.

Mr. SMITH of Georgia. I do not agree with the Senator as to the meaning of the language; but if he desires additional language used to restrict the possible meaning that he thinks might be applied to it, and will offer an amendment carrying out his idea, I shall be very glad to consider it. It is quite important, if the effectiveness of this work is to go on, that a broader discretion shall be given as speedily as possible to the Federal board; and unless we can get this measure out of the Senate before the revenue bill comes up we will find difficulty in getting its consideration.

Mr. LENROOT. I certainly would have no objection to this special fund being used for the particular purpose that is named in the bill; but certainly this board ought not to have the authority, without any limitation, to use this special fund for any purpose that it may see fit. I have already suggested an amendment.

The VICE PRESIDENT. Is it offered?

Mr. LENROOT. I will offer it.

The VICE PRESIDENT. The Senator from Wisconsin will state the amendment.

Mr. SMITH of Georgia. Mr. President, as the bill seems to be about to take up considerable time, I think I ought to ask, in the interest of morning business generally, that we suspend its consideration until Senators have a chance to dispose of such morning business as they wish. I do not desire to obstruct the morning business.

Mr. LENROOT. I think we may be able to agree upon an amendment.

Mr. SMITH of Georgia. Of course, I have unanimous consent for its consideration now, and I dislike to lose this advantage; but I also dislike to obstruct Senators who have morning business they wish to present. I had not anticipated any objection to the measure.

The VICE PRESIDENT. What does the Senator desire to do?

Mr. SMITH of Georgia. I wish to obtain action on the bill this morning, but I do not wish to obstruct morning business. I should like to yield temporarily to Senators who have anything they desire to present in the morning business and then come back to this bill.

The VICE PRESIDENT. Is there any objection to that method of procedure? The Chair hears none, and the bill is temporarily laid aside.

PAYMENT TO HON. CHRISTIE BENET.

Mr. CURTIS. I desire to enter a motion to recommit Senate resolution 363, calendar No. 561, relative to the payment to Hon. Christie Benet. I call the attention of the senior Senator from Kansas [Mr. THOMPSON], who is the chairman of the Com-

mittee to Audit and Control the Contingent Expenses of the Senate.

Mr. THOMPSON. As chairman of the committee I will state that it is perfectly agreeable to me to have the resolution recommitted. Several members of the committee desire to have an opportunity to consider further certain features of the matter.

The VICE PRESIDENT. Without objection, the resolution will be recommitted.

VOCATIONAL EDUCATION.

Mr. SMITH of Georgia. If there is no other morning business, I ask the Senate to return to the bill S. 5038, that we considered by unanimous consent. I think we can dispose of it in a moment.

The VICE PRESIDENT. Is there objection now to return to the consideration of Senate bill 5038?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 5038) extending the use of the special fund for vocational education provided by section 7 of the vocation rehabilitation act, approved June 27, 1918, and authorizing the Federal Board for Vocational Education to accept gifts and donations for specific purposes.

Mr. SMITH of Georgia. I move to amend the bill by striking out, in lines 8 and 9, on page 1, the words "performance of the duties imposed upon it by said act," so that it will read:

For such other expenses as in the discretion of the board is deemed necessary and proper, including payment of necessary travel, lodging, subsistence, and other expenses of disabled men while under investigation, etc.

Mr. LENROOT. This amendment removes all the objection I made to the bill.

The amendment was agreed to.

Mr. KING. Pending the passage of the bill, I should like to ask the Senator from Georgia whether the board has filed with the Clerk of the House and the Secretary of the Senate, as required, the itemized account of expenditures, salaries, and so forth, as provided by section 9 of the act.

Mr. SMITH of Georgia. I do not know. I have not looked into that, but from my knowledge of the board if the time has come to make the report I feel sure they have made it.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRINTING OF REVENUE BILL (S. DOC. NO. 310).

Mr. JONES of New Mexico submitted the following resolution (S. Res. 375), which was read, considered by unanimous consent, and agreed to:

Resolved, That the bill (H. R. 12863) to provide revenue, and for other purposes, as reported to the Senate on December 6, 1918, be printed as a Senate document in 10-point type, and that 6,000 additional copies be printed for the use of the Senate.

CALLING OF THE ROLL.

Mr. LEWIS obtained the floor.

Mr. McKELLAR. Mr. President, I suggest the lack of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Jones, Wash.	Nugent	Smith, Ga.
Beckham	Kendrick	Overman	Smith, Md.
Borah	Kenyon	Page	Smith, Mich.
Chamberlain	King	Penrose	Smith, S. C.
Curtis	Kirby	Pittman	Smoot
Fletcher	La Follette	Poindexter	Spencer
France	Lenroot	Pollock	Sterling
Gay	Lewis	Pomerene	Sutherland
Gerry	Lodge	Ransdell	Swanson
Gronna	McCumber	Reed	Thompson
Hale	McKellar	Robinson	Townsend
Harding	McLean	Saulsbury	Trammell
Henderson	Martin, Ky.	Shafroth	Underwood
Hitchcock	Martin, Va.	Sheppard	Walsh
Johnson, Cal.	Moses	Sherman	Warren
Johnson, S. Dak.	New	Simmons	Watson
Jones, N. Mex.	Norris	Smith, Ariz.	Williams

Mr. CURTIS. I was requested to announce the absence of the senior Senator from New Jersey [Mr. FRELINGHUYSEN] on official business. I will let this announcement stand for the day.

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is still absent on account of illness.

Mr. SUTHERLAND. My colleague [Mr. GOFF] is absent on account of illness.

Mr. SHAFROTH. I desire to announce the absence of my colleague [Mr. THOMAS] on account of sickness in his family.

Mr. CURTIS. I desire to announce the necessary absence of the senior Senator from New York [Mr. WADSWORTH] and of the junior senator from New York [Mr. CALDER]. I will let this announcement stand for the day.

Mr. SHEPPARD. I desire to announce that the Senator from Mississippi [Mr. VARDAMAN] is detained on official business.

The VICE PRESIDENT. Sixty-eight Senators have answered to the roll call. There is a quorum present.

LEAGUE OF NATIONS FOR PEACE.

Mr. LEWIS. I gave notice a few days past, Mr. President, that I would on this morning address to the Senate some views touching the proposed league of nations for peace. A discussion of this kind necessarily is prosy. It will not justify my eminent colleagues remaining from their lunch or their several committee meetings to hear it so far as entertainment is concerned. Having to deal as it must with many features of history it must be more or less dreary in its recital, but, Mr. President, I have felt that it is very important that Senators early express whatever view they may have upon this very impending and serious problem.

To the mind of the ordinary American it may appear that it is rather a distant thing so far as the present Senate is likely to be called upon to act. Mr. President, it is here I greatly differ from all those whom I have heard express themselves as to this view. It is my judgment, Mr. President, that the very first move on the part of those who are called the peace commission will be to ascertain if there is a foundation sufficient upon which to build this construction of some league of peace. This will be entered upon with a view of ascertaining what nations are going to consent and what particular provisions they will urge as a condition precedent to their entering upon it. When that has been determined they will then take up such other questions as they deem ought to be determined between them, but they will first, in my opinion, sir, reach a decision as to whether there is a spirit on the part of these nations participating to establish the foundaton of an international peace. If there be no such disposition, contentions and demands at the peace table will take a different form and take on a spirit of more national self-service than if there should be disclosed both the capacity as well as the willingness to come to some understanding upon a general basis of amity and unity for all future relations. Should such be disclosed by established results, then there will be the spirit of a liberal form of contention and a more generous decision.

That brings me, sir, to address to you the thought that I expect to see this tribunal meet this question first, and when it is met to promptly send it to the different Governments interested to be either ratified or rejected by those Governments through such machinery or agency as is existing in those Governments for such purpose.

Mr. President, I expect to see this particular undertaking not only entered upon as the first undertaking but decision speedily arrived at in its negative or its affirmative. And, Mr. President, be not surprised if we shall find that by the 15th day of January there shall be presented to this body upon the return of the President of the United States some form of understanding upon this particular contention as one of the basic preliminaries essential to all other proceedings.

Mr. President, when the congress of Vienna assembled to settle the fate of the world in 1814 there were less nations by one-third than there are now engaged and whose fate hangs in the determination of this particular assemblage at Versailles. Mr. President, notwithstanding the fact that in those days there were no cables; there was no rapidity of mails such as we now have; there were no rapid steamships; these nations nevertheless began their discussion on the 9th of November and concluded their proceedings in the following June. If, sir, at that time, with the impending and important questions those nations had, they could conclude their proceedings within that limit, let it be reflected upon for a moment that with the flash of cable, with the haste of mails, and with the present wireless—as the Senator from Michigan [Mr. SMITH] kindly suggests to me—and with the other methods of communication this particular conclusion will not only be speeded because of these accommodations but hastened because of the world necessity. Therefore, Mr. President, I may be called upon to cast my vote yea or nay in the matter of the ratification of this particular and important document as to this particular and essential branch at an early date. For this reason, among others, Mr. President, I have found it agreeable to tender my views this morning that they may at least be promptly known to those of my constituency, as well as my country, for whom I may be called upon to speak in a more binding manner.

What is this thing that is suggested? It is some proposal by which the modern thought of the world may reach a conclusion

as to the future peace of mankind. Things are not to-day, sir, as they were on yesterdays. It may interest us to recall that romantic episode—reported as having transpired when there was a peace concluded in the conflict between France and Austria. Napoleon and his aids had assembled in a city in the Austrian dominions, together with the grand dukes of that land, to celebrate this peace. The soldiers of France and the soldiers of Austria commingled in one fête and one great display of triumph. The soldiers were marching by the reviewing stand, when, sir, Napoleon beheld his own soldiers rived in face with saber stroke, delimbed of arms, crippled and hobbled—their bodies deformed—and with a degree of pride turned to the grand dukes, saying, "What do you think, sires, of men who could bear scars such as these?" When one of the grand dukes who had commanded in the battles opposing these French said to the surprise of Napoleon, "And you, sire, what will you say of soldiers that could give scars like those?" For a moment Napoleon was benumbed for reply, when a little French sergeant, passing and overhearing the remark, cried out, "Tell him they are all dead, sire; that they are all dead."

Mr. President, we may well paraphrase that reply and when asked as to the kings who had gashed our Nation with their strokes of insolence and Emperors who struck our children to death with their slashes of murder, we answer—

"They are all fallen, sire—and, sire, all fleeing."

Mr. President, for more than a thousand years the striving of mankind has been for peace among all people. From Christ came the appeal to God for peace on earth—good will to men. It was the counsel of Paul to the Romans, "If it be possible, as much as lieth in you, live peaceably with all men."

Yet, it has been seen that it is only possible for men to have peace with all men when all men are moved to peace by the profit that it is to all men that they shall live in peace one with another. When nations are left alone—to pursue the objects of desire or of the profit of pride such nations fall to dispute, then to conflict. Then the land is darkened by swarms of soldiers, the fields are trampled down; mothers wail for the loss of the first-born, and strong men cry in their hearts for the sons who are fallen. The sky is clouded, the sun is hidden, blackness sets on the earth, and life bleeds out, while God's land perishes before the eyes of angels. Shall man know no end of this returning and ever-returning destruction?

Is there no covenant of men, or league of people, but that of a covenant with death, and league with hell? To-day the record of time—in the most perfect era of Christ and church, in the most advanced age of wisdom and civilization—is 20,000,000 of earth's mankind slain, dead or dying, hungering and perishing, their lands seared and bleeding, their homes crushed and fallen, their cities sacked and wasted, their possessions all ashes, and their days of happiness for their children gone forever—nothing but misery remains. In their prayers to God in Heaven for a future deliverance is their only hope. Is there no promise in men on earth? Is there no method of government that can promise peace and secure the future to preserve life, save governments, and perpetuate a Christian civilization? One device, one system of all others has had the thought of patriots, and the service of Christians. It is to band together the peoples of the nations into some common cause of mutual interest to preserve peace and by this reciprocal advantage, to those who engage with each other, create a bond that pledges for all.

As the peoples can not speak in their individual or collective voices, it is only through their organizations of society and government, called nation, that the authoritative counsels can be had and the binding decisions come forth. So it is that the thought of a council of peoples through their nations—termed a league for peace—has sprung forth. This consummation has been the expression of the statesman's wish, the patriot's dream, and the Christian's prayer for all the generations in which God has been accepted as Ruler of peoples and Christ as Savior of men. It is to this hope revived that the President of the United States has so imploringly confided. It is this as a solution of the problem of war that he brings to us as a solemn wish that we give it our earnest consideration and profound study. He asks for our cooperation in the construction of the enterprise and our indorsement of his efforts in this behalf.

Though promising fame and honor in the execution, the project is not presented by our President as new. The knowledge on his part that such design has been accepted and presented in seasons past from sincere sources of profoundest human wisdom strengthens his purpose with an approval of the world's mature reflection.

In De Monarchia the Ghibelline poet seeks to solve the riddle in saying, "In quietness the individual grows perfect in knowledge and in wisdom." Clearly, then, it is in the quiet or tranquillity of peace that security as a whole is best fitted for its proper work, which may be called "divine."

The first requisite for the attainment of the goal of human civilization is peace. How to evolve order out of chaos, how to make impossible for the future recurrence of the catastrophe, how to rebuild upon the ruins of a shattered civilization a more stately and more stable edifice—this is the problem upon which for many years to come the best thought of the best minds must now be concentrated. Ever since the break from isolated nationalism to fraternal internationalism, this question with its myriad replies has with obstinate recurrence presented itself.

I offer instances of individual effort as gathered from history. (I acknowledge debt to Mr. J. A. Marriott, of the English Parliament, and Mr. Thomas, of the French, for sources of information imparted to me when I was lately a guest of the cabinet of the countries of these statesmen.)

After the war periods of the sixteenth century, when the contest for supremacy lay between unified French and the Austro-Spanish empire of the Hapsburgs, Henry IV of France, under the guidance of his great war minister, Sully, drafted the famous "Design," which was not given to the world for a century later. This was presented by the Abbé of St. Pierre. Henry IV in this design advanced the thought of a western Europe as a peaceful confederacy of free states. There was provided a council to arbitrate in international disputes. It was to be composed of Catholic, Calvinist, and Lutheran. The supreme council or senate was to consist of 64 plenipotentiaries representing 15 confederate states of Europe and empowered to decide all disputes arising between the component states. These were to determine all matters of common import. It will be noted that before this project was published, Hugo Grotius, the Dutch lawgiver, in 1625, had issued his De jure pacis et belli. He was impressed by the havoc wrought by the wars of Spain in Holland. Sir James Mackintosh of Britain characterized this work as the most complete on the subject in his time. However, the weakness of the plan of Grotius was, as is pointed out by Mackintosh, the lack of any method for enforcement of the decree of those tribunals.

Therefore, we find that in the latter half of the seventeenth century, while Louis XIV—the arch disturber then of the world's peace—was ravaging people and despoiling lands, the Abbe St. Pierre and the Abbe de Polignac, at the conclusion of the treaty of Utrecht, published the famous *Project de traité pour rendre la paix perpétuelle*. The details are not dissimilar to the great design of Henry IV. The one noteworthy exception is that the abbe proposed that the congress was to act as the organ of European confederacy and that the powers should enter into a mutual compact to define the cases which would involve offending States. That these offending States should be put under a ban, and the States so banned to be punished by common action until the offender should have submitted to the common will. Kant, in his famous essay on perpetual peace—which was in 1795—laid down two definite articles of civil constitution for each State and the law of nations to be applied to the federation of free states, Kant asserting that nature brings about union not by awakening competitive forces, but through the equilibrium of these forces in active rivalry. This was but the acknowledgment of the theory of Aristotle saying: "Intimate union is achieved by common work for a beautiful cause."

When Kant published his perpetual peace, Europe was in the third year of the Napoleonic wars. Nine years later, in 1804, the Czar Alexander first dispatched his representative Nikolai Navosiltsar on special mission to England to lay before Pitt the Czar's scheme on the lines of a Christian republic for universal world's peace. This was afterwards perverted into the doctrines of the Holy Alliance. The object of the league was the maintenance of peace in Europe. This project failed, first in Italy (notwithstanding the approval of the King of Naples), because England, through her foreign minister, asserted her purpose to execute the principles of the Congress of Vienna.

Then followed the protocol of Troppau (1820). This was for a league of kings sent out to combat the proposed league of small nations for the support of republican form of government. Here our reflection brings us to note the advance of the idea of league government. We now recall the league of control of Egypt by France and England from 1876 to 1882—and that of the control of the Persian Provinces by England and Russia in 1907—and the Macedonian commission of 1908. These and each of them were governed by a joint court, whose members were named by the league—a joint military force under joint command and a joint board of administration in all civil affairs. Yet these leagues of peace for an oriental people who had become inane in the sloth of personal neglect of their human rights only

followed doctrines of the sentimental statesmen philosophizing on this basis. A half century past Victor Hugo, writing beautifully, said:

Dès à présent, dans nos misères
Germe l'hymen des peuples frères,
Volant sur nos sombres rameux,
Comme un frelon que l'aube éveille
Le progrès, ténébreuse abeille,
Fait du bonheur avec nos maux.

Or, if I may be permitted to translate—

Even now, in our desolation, the union of the brother nations is germinating, flying over our darksome state, like an insect awakened by the dawn. Progress, an obscure honeybee, transforms our misfortunes into good fortune.

The Roman Empire preserved peace under the Cæsars by a league of provinces, so long as it served the people of these provinces. When the peoples were absorbed by an Emperor and became subject to his imperial edict, the provinces were brought to wars for the aggrandizement of conquest—just as was the history of the German federation when absorbed and disposed of by a Prussian Cæsar, the Kaiser. Interesting it must be for you to know that the German custom zollverein and the British and English postal union were patterned after the form of these Roman provincial leagues—modernized by English and German Christian civilization. In England since 1841 to 1918 there have been 200 intergovernmental conferences, involving all nationalites and all questions for regulation and adjudication. It was after the order of these that the English representative at The Hague presented in 1897 and 1909 the project for a league of peace, the latter ratified by 35 votes and only 5 opposing—Germany, Austria-Hungary, Greece, Roumania, and Turkey; sad has been the lot of each as a consequence of their views and principles opposing this policy of communal peace—yet this opposition in face of the enjoyed results of a league of peace by the States of Austria and of the small kingdoms of Germany before confederation under military government dictated by the Kaiser.

We can now recur, Mr. President, to the support of the proposition of President Wilson carried in the indorsement and cooperating approval of Lord Grey for the lords of England, Lord Curzon seconding.

Mr. President, when the eminent Senator from Minnesota [Mr. KELLOGG] gave us, on a day past, a contribution on this subject worthy indeed of him, as it was worthy of the place; while the eminent Senator from Minnesota was presenting his views so attractively and insisting, as I understood him, that these eminent lords of England did not at that time see their way clear to suggest a final method, and did not give to the scheme their whole approval, but showed a spirit toward it, if it were impracticable, I asked the eminent Senator if it were not true that Lord Curzon, in that debate, did not specifically call attention to the fact that the success of the scheme would revolve around the mere fact of having the consent of all nations. The eminent Senator may recall such as being the basis of his theme, or, rather, what might be said to be the foundation of his view of what might or might not make success.

Seeing the eminent Senator in the Chamber, I call his attention to but an episode of that debate. Said Lord Curzon in his speech in the House of Lords, after other things which the eminent Senator has correctly quoted:

However, it is essential that there shall be a general agreement among the nations. All the nations on earth must become parties to it to obtain the useful result.

I think the eminent Senator will agree with me, therefore, that, of course, such would be essential. Otherwise we would have some nations staying out, and they would be charged with an inimical motive of remaining out—that is, of opposing the design.

Mr. KELLOGG rose.

Mr. LEWIS. Does the Senator wish to interrupt me?

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. LEWIS. Yes; if such is the desire of the Senator.

Mr. KELLOGG. I did not understand, however, that Lord Curzon placed his objection to a supergovernment whose decrees should be enforced by a military international force simply upon the position that all nations must agree to it. I understood him to state that it was his belief that such a scheme was not practicable.

Mr. LEWIS. Mr. President, upon that matter of enforcement, I will reach it shortly, but I was at this time particularly interested in calling attention to a verification of the view I expressed to the Senator when he allowed me to interrupt him during the debate. I was then reciting my memory of those debates of Parliament, having previously studied them, and since then having refreshed my mind to be sure that I was accurate. It is only to one point that I wish now to address myself in that connection, and that is the necessity of a concurrence of all nations with an object which will be seen in a moment very necessary to consider. I will reach later the point the eminent Senator has referred to and will, of course, reply to his suggestion, as it deserves notice.

Interesting to recall that after Lloyd George had given his approbation to the position of Wilson, Chancellor von Hertling, now deposed, broke from his Kaiser to proclaim his indorsement and his adoption of the policy as the most promising for any hope of future cessation of world wars. Sir Frederick Pollock and Lord Bryce followed with their affirmance. Then Mr. Asquith, for Britain, and Baron Sonino, for Italy, on February 23, 1918, each in their nation's parliament, gave their adherence to the policy and their encouragement to the undertaking of this commendable design. Now, for America we recall that President Roosevelt in 1907 called The Hague conference to adopt a league of peace. In this he was just ahead of the newly regenerated Czar of Russia, Nicholas II. It was attended by representatives of 44 of the world's then 57 States, double that of the first representation of the 1897 meeting, and for America the then Secretary of State, Mr. Root, said the work of the conference of 1897 made that of 1907 possible. Said he:

The achievements of the two conferences justify the belief that the world has entered upon an orderly process through which, step by step, there may be continual progress toward making the practice of civilized nations conform to their peaceful professions.

We now have the example of success of a league such as is sought in the leagues of arrangement of the British Empire, based on mutual reciprocity and contributing profit to each. Likewise in the Pan American Union of Southern and Central Americas. Formerly, as must be recalled, it was a monthly eruption for the Central American States or an annual event for the South American countries to war among themselves or against each other. Boundary questions or conflict of commercial interests had brought the peoples in strife with one another, to the event where the older nations solemnly charged these romantic sovereignties with inability for self-government. Now the interdependent relation balances all differences, and stimulating this disposition is pride in maintaining the high esteem of their central council, while the compensations from mutual concessions of advantages reward these lands for yielding up the privilege of personal insistence on claims and contentions heretofore the incentive to conflict.

Mr. H. G. Wells, the eminent sociologist of Britain, as was pointed out by the analytical résumé of the Senator from Montana [Mr. WALSH], has lately drawn attention to the compact between our States as an illustration of a successful league which he tenders as a parallel and precedent for a league of nations for the establishment of peace. The weakness in this illustration, so far as serving as complete parallel to the tasks and responsibilities involved in the creation of a world league of peace, is in the fact that as to the States we have a homogeneous people, the exceptions being only the foreign nationalities which have not yet absorbed our American customs or adopted wholly the use of the American language. There are no conflicts for territory or boundaries as between the States. These have yielded to the Supreme Court of the United States as a tribunal of settlement for such, this being the method provided by our Constitution and laws. Nevertheless, when one reflects upon the discordance of views when the federation of States was first established and revives to mind the bitterness to which this distraction reached, leading at length to the blood atonement between the States in the tragic Civil War, one is brought to note that it was only through the spirit of resignation to the concessions necessary for complete union that these States yielded their hostilities to harmonize in common object with a central authority and united general government. In all general respects the States of the American Union of the United States of America can be presented as a controlling parallel, inspiring to emulation those who would seek a basis for a league of nations to preserve peace and comity.

Now, Mr. President, we are met with an inner interrogation on the part of all hearers as to the method on which this league may be formed and through what measures it may execute its object. Without assuming to speak the method which the convocation of world delegates may present, I offer that which to my mind is feasible and adaptable. I tender to the American thought the figure of a national convention of our great political parties assembled to name a President and Vice President. I summon to their mind the platform which is ever adopted. Also I recall to their consideration the ever-present contest for seats, presented to the committee termed "committee on credentials." By these illustrations I invite them to reflect upon the similar

branches of the convention to indicate the many methods adopted for any uses of such national gathering.

We will assume that the invited States banded themselves into a league, had done nothing further than to agree to the league, and proceeded no further in execution than to become a party to the purpose. Each of these nations will send their delegates to the central point. When assembled they organize. This organization, by the method it may choose, selects first a certain number of delegates who would be the court having to do with the disputes between nations and between countries. These especial representatives will naturally present in themselves forms of qualifications, particularly addressed to ability and experience needful to this particular branch of dispute. Then, next, these delegates to form a body constituted from the convention for the hearing and settlement of disputes between citizens of different countries as to claims involving commercial rights and shipping. This body would be made up of men of attainments fitted to this line of duty. A third constituted for the purpose of hearing and disposing of contentions within each State where the parties choose to submit the personal conflict, where they may agree to do so in view of the fact that the conflict may be one growing out of race or religious disputations, which have long been the subject of honorable and conscientious dispute among many of our peoples of the earth.

We now have drawn in the three features that have heretofore disturbed nations and produced conflicts. The next step is that the whole body name the court of appeal in matters that shall be designated to a final tribunal made up from the convention. This shall sit for the purpose of appeal upon all the questions upon which appeal is allowed.

I propose that it is ever to be provided that in purely internal disputes in any country involving the mere form of government or matters of the claimed rights of citizens yielding allegiance to the constituted authorities within their government should never be the privilege of the tribunal nor ever be placed within the jurisdiction of this tribunal to enter upon or to have any supervision over in any wise whatever. This latter guaranty makes impossible that such matters as internal uprisings for the remedy of local hardships or change of form of governments from kingdoms to revolutions or similar aspects could ever be within the jurisdiction of this court unless, as is herein provided, those who are parties to the conflict internally shall elect among themselves to submit the question to the tribunal and choose to accept the arbitration as the disposition. In no other instance is the tribunal to assume any jurisdiction of any nature whatsoever of the internal or the purely personal matters of any state or its people. One of the fundamental provisions of the constitution of this assemblage must give this guaranty.

Mr. SMITH of Michigan. Will the Senator yield for a suggestion?

Mr. LEWIS. Surely; I am glad to yield.

Mr. SMITH of Michigan. I should like to ask the Senator what becomes of our territorial controversies. Take a State like the one in which I live, bordering upon Canada. Are we to pass over controversies arising between Canada and the State of Michigan to foreigners, for instance? Are we to be deprived of our voice in the Senate in protecting our State from incursions of that character? If so, we are deprived of a very great privilege and one that may become highly important to the States.

Since I have been here we have had many controversies over territory with Canada and rights in our abutting waterways. We can not afford to pass such matters over to strangers. They are local and yet they are international under the classification described by the Senator from Illinois, and the power to deal with them here is important to the State and must be protected.

Mr. LEWIS. Mr. President, there is great pertinency in the observation of the Senator from Michigan. He is merely putting his finger on some of the difficulties, without which it would never have been necessary to discuss this proposal, so universally would it have been accepted. Of course, there are many opposing suggestions to be made, one of which, for example, is the one the Senator has made. It is one that shows a difficulty. I reply to him that if Michigan shall have a dispute with Canada concerning her boundary, Michigan's dispute is only that of a part of the United States, Canada as only a part of the British Empire. Such from both has been met before. When one of our Territories called Alaska contributed serious dispute to us in its dispute as to boundaries with Canada, it was then submitted to a tribunal made up of officials of the Governments of Britain and of the United States, and was disposed of in a finding and in a manner just as I have assumed to describe to the Senate—one that avoided conflict and cemented the bonds of peace. So it would apply in similar matters throughout all the affairs that might arise from any other country represented by the league.

Mr. POINDEXTER rose.

Mr. LEWIS. There is this to be said, that in any matter such as the Senator from Michigan alluded to I can not conceive our country not having a representative from Michigan when such dispute should arise from the State of Michigan. Nor could I conceive how Britain would fail to choose in that case some one in that league who knew all the conditions and, to use the Senator's very appropriate words, the locus quo. Therefore I think that would solve the difficulty he has in mind.

Mr. SMITH of Michigan. Let me suggest to the Senator——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Michigan?

Mr. LEWIS. I yield.

Mr. SMITH of Michigan. I suggest that under the rule of the Senate a representative of my State could insist to the very point of defeating any proposition that his State regarded as unfortunate or unfair in a controversy with our friends on the north. The Senator will recall that this Chamber rejected the general arbitration treaty with Great Britain sent here by President Taft providing that all justiciable questions should be solved by an international tribunal. I think that treaty was signed by Lord Bryce in behalf of Great Britain, and Lord Bryce himself had said that the American Senate was absolutely unnecessary in the consideration of international problems and ought not to have any power to effect treaties. That is a doctrine so wide of the plan of the fathers of the Republic and so unwise in its effect upon our domestic independence, peace, and order that it seems to me anything calculated to delegate this controversy to a special select tribunal, losing touch with the local communities affected, would be very serious and would incur, as it ought to incur, great opposition.

Mr. LEWIS. Before I reply to the Senator from Michigan I will yield to the Senator from Washington, who desires to interrogate me.

Mr. POINDEXTER. I rose to interrupt the Senator at a point where he spoke of the settlement of the Alaskan boundary dispute, a very appropriate instance of international dispute, which was settled without war between Great Britain and the United States, with satisfaction to both parties to the controversy. The Senator cited that in response to the suggestion of the Senator from Michigan as to a possible boundary dispute between Canada and the United States as matters in which Michigan was peculiarly interested. Since we were so successful in adjusting the Alaskan boundary dispute without war and have had actual experience as to the feasibility and success of the adjustment of a dispute in that way without a league of nations and the surrender of all the privileges and powers that would be necessary for the United States to surrender if it entered into a league of nations, what is the object and what the necessity of such a league in view of the ease with which these disputes can be settled without it?

Mr. LEWIS. Mr. President, first replying to the Senator from Michigan, there is a great deal to be said in favor of the preservation of the right of the Senate and the representatives of the different States in this body to preserve their States according to the early theory upon which the Senate was constructed; and it may be, as Lord Bryce said, and to which the Senator made an allusion, I think, that the Senate would have to give up some of its prerogatives if this plan should be carried out. I am compelled to answer the Senator from Michigan first by saying that to every measure of advantage there is a measure of disadvantage. In other words, to each governmental policy of profit in one direction mankind must suffer some policy of loss in another. Here and there some individual will have to give up personal gain for the general good of any undertaking we devise for government. But this much I further reply to the Senator now—that his State, under the example he gave me, could lose nothing. The Senator here would still have a voice. Why? Because the person representing Michigan, whether it be a delegate appointed specifically or a member of the tribunal, would submit back again, of course, to this country his findings.

Mr. President, the appeal from that is provided for in my system. It is an appeal to the final tribunal. If the eminent Senator feels that in the construction of any tribunal there would come no justice, then we must pause and refrain from the construction of any kind of a human tribunal. But I have provided an appeal by a tribunal of revisory power to the trial branch of the league. Let us believe that in that plan that the Senate would have had in the exercise of the right of a Senator to object to a treaty it would still retain to express its views as to the conclusions of the league.

Mr. President, I have never insisted, and can not of course now insist, that any proposed new plans for a future will not disclose somewhere some opposition to some system, if one is going to insist at the same time on all the systems of yesterday being preserved in all the inventions and reformations of the to-morrow.

Now, the Senator from Washington [Mr. POINDEXTER] propounds this question, which I would later reach, anyhow: It is that if the settlement between this country and Britain over the Alaska boundary could have been so effected without a league of nations, why have one? I answer: In that instance it was successful because of the neighborly relation between Canada and our country, and thus there was every incentive to peace, every stimulus to tranquillity and none whatever to conflict; also because of a common tongue, common relationship, and like institutions. But I would also answer my friend, How about when we went to war with Spain? Had we then had a tribunal which other nationalities could have assembled to which we could have submitted disputes such as we are now alluding to, will it be conceived that we might not have avoided that war?

Mr. WALSH. Mr. President——

Mr. LEWIS. I yield to the Senator from Montana.

Mr. WALSH. I take the liberty of reminding the Senator from Washington also that the result of the system to which he alludes has not always been as happy as in the case of the settlement of the Alaskan boundary dispute. It will be recalled that the results of the Webster-Asburton treaty have never been accepted with any particular degree of satisfaction by a vast number of the people of this country, and that the controversy over the Nicaraguan Canal, to which the Clayton-Bulwer treaty related, was not settled in a way that was at all satisfactory to the people of this country, if one is to judge from the repeated denunciations of it on this floor and the subsequent action of our Government. So we have not always been uniformly successful in getting what we wanted under the existing system, and we might, as a matter of course, not get all we wanted in case of the submission to some other plan that might be devised in place of it.

Mr. LEWIS. Mr. President, I thank the Senator from Montana for his pertinent contribution, particularly to the Nicaraguan matter, to which I was about to allude. He has rendered that unnecessary by the suggestion that has comprehended it entirely.

Mr. President, I now come to the final feature that interests us all alike, the manner of the enforcement of the decree and judgment of this tribunal, assuming the tribunal to have been constituted after the manner to which I have alluded, and shall have been organized and performing the functions which I have described.

Mr. BORAH rose.

Mr. LEWIS. I yield to the Senator from Idaho.

Mr. BORAH. Before the Senator takes up the important question of the manner of enforcing the decree of the international tribunal, whatever it is, let me ask the Senator does his scheme contemplate any encroachment upon what is known as the Monroe doctrine?

Mr. LEWIS. Mr. President, I will advise my friend that in a few moments I had expected to discuss that.

Mr. BORAH. I am sorry I interrupted the Senator.

Mr. LEWIS. No; I welcome the interruption.

Mr. BORAH. I shall be very glad to wait until the Senator reaches it.

Mr. LEWIS. I had expected to make allusion to it later, unless the Senator prefers that I speak of it now.

We now approach what method can be suggested as to the enforcement of the decrees of the assemblage.

Each proceeding must be left to itself. The provision for enforcing the decree must leave to the particular tribunal's discretion and judgment steps most appropriate, under the particular circumstances, to be adopted as the method of enforcement or penalty for disobedience. This is what is done in every equity proceeding in any courts of English and American jurisprudence. It is the principle prevailing as to the French courts, even as to criminal law. This is the doctrine as to jurisprudence prevailing in Holland and in Italy in all matters of civil nature, with the exception of suits for specific money damages under specific terms of declared contract. One may see, therefore, that this is the best of all methods and most suitable to those countries enforcing our form of common law or the doctrines of the Napoleonic code or still clinging to the ancient doctrine of the civil law as propounded by Justinian and transmitted in the *corpus juris civilius*.

Let it be recalled that in many instances a provision prohibiting for a certain length of time commercial intercourse with a foreign people, qualified or unlimited, or an appropriation of the customs to be applied to the damages suffered by the injured, or any form of money judgment to be paid, to be collected by the usual methods by which a money judgment is collected from one nation due to another, could be appropriate as judgment.

As to the question of enforcing these judgments by army and navy, let it now be asserted by me that no judgment that is to be enforced by army or navy will ever be enforced. Wherever armies are to be called in and war is to follow, this is an announcement that the tribunal has failed and the purpose of it has fallen. The moment that any army is called in to execute a judgment of the league, the armies of the country or the people who are being assailed must resent it, and their friends sympathizing with their cause or having similar contentions or similar claims which they may present against other nations will surely come to the rescue for their own preservation in the future, and we will be confronted with another hemispherical or semihemispherical warfare. If this court in its method is not sustained in its procedure by public opinion because of the rightfulness of the decrees, they can never be enforced.

Mr. President, if a decree should be rendered which is so apparently unjust that it ought not to be enforced, no country would permit its armies or navies to attempt to enforce it; public opinion would not tolerate such. If it is a judgment that ought to be enforced, it is the public opinion of the day, enlightened by experiences from late events, which gives to it its force and enforcement. This disposition makes unnecessary the consideration by this league of nations of the question of the disarmament of armies and the dismantling of navies. That question of the limitation of navies and of armies is a matter to be left wholly to those nations which wish to league with each other as to that separate question, and these limitations should be based altogether upon the corresponding relations that the Governments of the large navies bear to each other and to the world, as well as being guided by consideration of how far navies are essential auxiliaries and aids to commerce and how far the navies are aided by commercial auxiliaries. It must be seen that the question of limitations of navies turns rather upon the commercial relationships of countries to each other and to themselves than to the matter of the military relation or the relation of conflicts over peoples or boundaries.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Indiana?

Mr. LEWIS. Of course, I yield to the Senator from Indiana.

Mr. WATSON. If the Senator believes in a scheme of international scope, without any international force to enforce its decrees, and with the privilege of each nation maintaining as large an army as it shall see fit or as its legislative body may deem necessary under the conditions of that nation, then how is peace to be kept?

Mr. LEWIS. The Senator from Indiana has just anticipated me in a matter on which I am about to enter.

I have therefore felt, sir, that instead of there being any provision as to the general armies to be controlled by the league I would adopt the following scheme and would propose it, and I now answer the Senator from Indiana: That if armies of any kind shall ever be found necessary and accepted by us as necessary, I would propose that when this tribunal has been created and any judgment reached on any controversy, I would leave it to that tribunal to decide in each case what kind of process or verdict would be fitting to the peculiar grievance before it which was then remedied. In each instance where it was necessary to pass a judgment, whether it should be the ostracism from commercial privileges of one, the levying of a penalty of money upon another, a judgment as to boundary lines or the taking of property as to a third, or the enforcement of peace against one who threatens to assail another by a force necessary to do so, I would in each instance leave it to the tribunal to be the judge. Then, sir, when it was adjudged, the popular opinion of those nations, with their representatives being a part of the tribunal, would maintain it. I would not lay down, if Senators may understand me, a general doctrine applicable to all circumstances. I would permit, sir, in each case the privilege of such a judgment as fitted the case that would call for it, and the amount of force then and there that would be essential.

Mr. WATSON rose.

Mr. LEWIS. I yield to the Senator from Indiana.

Mr. WATSON. Enforce it how? The Senator said that there should be no international army, no international navy. It is proposed to have a court without the power to enforce its decrees. How is a decree to be enforced?

Mr. LEWIS. No. The Senator must not assume that I said "without power to enforce its decrees." What I said was that I would make no provision granting such a league the power to

maintain an international army for the purpose of enforcing its decrees.

Mr. WATSON. Precisely. That is the question I am asking the Senator.

Mr. LEWIS. I answer the Senator from Indiana that, instead of maintaining general armies for that purpose, I would vest them with the power of invoking as to each judgment, as the particular circumstance may demand, a force which would be sufficient in order to execute the judgment. Then I would vest in them the power to call upon such nations as then were the subjects of their jurisdiction for such contributions of the kind and form of force as in their judgment was then essential.

Mr. WATSON. I think I am somewhat dull of apprehension, but——

Mr. LEWIS. No; it is not an easy question.

Mr. WATSON. But I can not understand how we are to have an international court without having an international army or an international navy to back up and enforce its decrees. Here are two nations, under the scheme as I understand it—and if I am in error the Senator will inform me—and under the Senator's scheme each nation is to be permitted to maintain an army as large as the legislative body of that nation may see fit to maintain, and there is to be no effort at disarmament, as I understand, by this international body, for I understood the Senator to say that he was not in favor of having an international body interfere with the domestic affairs of any nation so as to say how large an army it should maintain, but that it should rest exclusively with the legislative body as to how large an army such a nation should maintain. With each nation maintaining just as large an army as it wants to maintain and with an international court to announce decrees, and yet with no international army or navy to enforce such decrees, and with every nation having just as large an army as it wants, how in the world does the Senator propose to enforce peace under those conditions? The powers the Senator describes, it seems to me—and the Senator will understand that I mean it in no offensive sense to him—are somewhat nebulous and misty, and I do not see how two nations armed to the teeth could be prevented from plunging into war long before this international court of the kind the Senator describes could even begin to enforce its decree to prevent war.

Mr. LEWIS. Mr. President, the deductions of the Senator from Indiana from my argument are, of course, his; but the placing in my mouth statements which I assure him are quite apart from what I said I can not accept.

Mr. WATSON. I beg the Senator's pardon.

Mr. LEWIS. I realize they are misconstructions purely. I have never said that I was not in favor of an international tribunal placing a limitation upon armies and navies. I said that this particular league for the enforcement of peace should not be the one that should have vested in it the power of enforcing such agreement respecting these limitations, but that such subject should be submitted to a tribunal made up of nations of equal proportions who have navies and armies of fairly equal size.

Let me be specific, then. I should decline to give Nicaraugua and Haiti the judgment as to what should be the navy of Britain and of the United States, but I do recognize that Britain and also Germany—if she were in her former state in the pristine power of her navy—Italy, France, Japan, and the United States would then be fit equals in any court as between themselves to settle the question as to their navies. That is what I meant; that is, in this tribunal one must understand that if each nation has a single vote—if the big nations have a single vote and the small nations have a single vote—15 little nations would outvote the only 5 nations that have any navy at all, and would remove from them any expression of policy in naval matters when the lesser nations themselves might have no navy nor need of any whatever to be involved in the dispute. That is what I meant, sir.

Mr. BORAH. Mr. President——

Mr. LEWIS. Pardon me, but there is one other feature now as to which I desire to reply to my able friend from Indiana.

My able friend from Indiana misapprehends the theme. I say there must be power to enforce the judgment of such a court, but I deny that it is necessary that this league shall have the power of itself to maintain an international army; to the contrary, that it shall have power to make its decrees, and then, when necessary, to invoke of the countries which may have an army and navy, after they had settled upon the limitations, such power from them and such numbers from them and such force from them as would be necessary to enforce the judgment. The difference between my friend and myself is that I do not hold it essential that this league should maintain a standing international army, constituted in its entirety as such, but that from the armies or the navies of the different countries there may ever be drawn when the nations consent sufficient force whenever force shall be essential.

Mr. WATSON. Now, will my friend permit me to ask him a question?

Mr. LEWIS. Certainly. I shall yield next to the Senator from Idaho [Mr. BORAH].

Mr. WATSON. How would such an arrangement as the Senator from Illinois proposes have prevented the war out of which we have just emerged?

The nations in Europe under his arrangement having as large an army as each nation wanted, when the difficulty began between two nations, long before his league, without power to enforce its decrees, could get into action German troops would have been on their way through Belgium and down to France. If he had called on the other nations to withstand the onslaught of the Germans he would have called on no more nations than finally were arrayed against her, and the war would have been on with all its horrors and consequences. In other words, what I am trying to get at is that I do not see how the Senator is going to have the kind of scheme which he proposes—and to which I am opposed—without having behind it international force enough to enforce its decrees. In fact, the very title of the bill which, as I understand, the Senator from Illinois is espousing, is one providing for a league to enforce peace. How are you going to enforce peace without force?

Mr. LEWIS. Mr. President, I have tried to make my position plain, and I shall again attempt to do so. In the first place, sir, if this league were now constituted and given the complete sway for which the bill calls and Germany should attempt such a war as she has waged, we would have to call the very force to which the Senator alludes. But, Mr. President, what I wish to impress upon the Senator is this: Whenever a decree is issued by a court in Indiana giving a man property under a writ of ejectment, it is assumed that the sheriff will deliver him the property; but if, sir, the conditions were such that a posse of citizens should meet the process server and seek to obstruct the judgment, what would the court do? It would promptly give enough assistance of local force to that sheriff to enable him to carry out its order; and if, then, riot followed and it was necessary to call out the State guard, following in aid of the posse comitatus, that would follow. Then if the condition grew so menacing that the national Army had to be invoked, that would follow. That is the policy that would be followed by a United States court; that is the procedure that would be followed in the case of every court we have in civilization. Then, if my theory be at all practicable, this is the way it would operate: Instead of creating an international army that stands constantly on guard, drawn from different members of the league, we would have the power vested in the tribunal, according to its particular judgment, to put force behind it to execute it.

Then if that is met by force, I may say to the Senator, the kind of force which leads the judgment to oppose it is the only other thing that can commend itself to the mind of the court—a form of force that shall overcome the opposition. Is it possible that it will be contended that a court is to be constituted, backed by an army of vast numbers and a navy, which shall at once be invoked as the whole of the army and navy for the enforcement of a judgment before the slightest opposition arises, and which, if it should arise, would be so insignificant and meager that the very smallest force might cause it to be subdued? It is for that reason, Mr. President, that I can not adopt the theory. I hold that it is not at all an essential element of the scheme that there should absolutely exist under the jurisdiction of the league one great combined international army as an existing organization. I oppose such.

My able friend overlooks the fact that I have said that I not only thought there should be a limitation upon armaments and upon navies, but he will recall that I said I wanted that question submitted to a tribunal particularly called, an adjunct to or an auxiliary of the peace league, for that very object; not, as my eminent friend would assume, that I would have every country have as large an army as it chooses.

Mr. WATSON rose.

Mr. LEWIS. I yield to the Senator from Indiana.

Mr. WATSON. Mr. President, in what respect does the Senator's plan differ from the one that has been in existence for some time voluntarily—I refer to The Hague tribunal—where the representatives of a great many nations gathered—I do not know how many, but I think possibly——

Mr. LEWIS. Forty-five out of fifty-seven.

Mr. WATSON. Yes; and where they came to certain agreements, and where they were rapidly approaching, as we were led to believe, a stage where they were to agree to partial dis-

armament, at any rate, and perhaps to an international court or a tribunal of some kind that would be clothed with authority to try all justiciable cases and perhaps in some way to enforce its decrees, at least by moral suasion, if not by force. In what real respect does the Senator's scheme differ from that?

Mr. LEWIS. The Senator was probably not here at the time, but I alluded to The Hague tribunal, and called attention——

Mr. WATSON. I was called out of the Chamber. I desired to hear the Senator all the way through.

Mr. LEWIS. I called attention to how very parallel the proposal then presented was to that which is now presented, with the single exception that there was no public opinion behind it on the part of all of the agreeing nations such as we now have. I said in that connection, and now answer the Senator, which is to the point of his inquiry, that there was a lack of any method for the execution of its judgments, and there it was weak. My method, I answer, should it be accepted along the lines of that which is projected here, would provide for such a tribunal as could enforce its judgments, and I have presented the theory of how that force could be invoked and utilized.

Mr. McKELLAR. Mr. President——

Mr. LEWIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. I am greatly interested in what the Senator is so well portraying to the Senate; it is a most interesting subject; and surely the Senator is presenting his views splendidly; but at the same time there is just one feature of it in regard to which I should like to have the Senator's opinion. Is the scheme that is presented by the Senator to take away any of the sovereignty of the United States; and if so, in what particular would its sovereignty be interfered with?

Mr. LEWIS. Mr. President, I take it the Senator's question is one that has to linger constantly in the mind when we contemplate any of these arrangements. I must say to the able Senator that a certain form of our sovereignty is always yielded any time we agree to any kind of arbitration with any other country; otherwise the agreement would be, of course, of no validity and of no utility. I have to answer by saying: Yes, a form of sovereignty such as the settlement of our own questions among our States by the United States Supreme Court would be slightly abandoned, proportionately limited, and to some degree surrendered to the main tribunal at large, but we can not avoid that. I must say that the question submitted by the Senator from Tennessee will often confront us as we proceed as a very serious obstruction, particularly to those who feel that no part of any sovereignty of our country under any circumstances ought to be yielded in any particle or at any time whatever for anything.

Now, Mr. President, in connection with this matter of the enforcement of judgments, there is one thought I must bring to the attention of the body. Senators, I am of the judgment that, if public opinion has not now been educated by the events which have been transpiring through the earth of late to where it can accept judgments of this kind without revolting and using force to obstruct them, we have again learned nothing from the sad tragedy that has been placed before our eyes and recorded itself in the blood and wails of 20,000,000 human beings.

As to armies—the volume, size, or limitation—each question has to be determined by the relation the country may bear to its immediate neighbor, the feeling existing between them, and more particularly to what may be essential to maintain peace within the States in the matter of their internal difficulties. Therefore, it must be seen that not until the attempt to invoke the army or navy arises does this tribunal, to which we are alluding, enter upon its offices or need to be invoked.

This disclosure of method brings us at once to the only real process which can execute the judgments. It is the sense of right educated in the modern thought and directed from the cultivated sense of justice which the growth of civilization has impressed upon man. In the final analysis, it is the feeling of the individual of his duty to man and the sense of his own heart as to its obligation to its fellow man and to the religion which he professes in his responsibility to that which is God. This comprehension of what is the basis of a true composition of the conflicts of men in nations, and the fair adjustment of nations flowing from the conflicts of men, was expressed by Cardinal Fleury when the *Projet de paix perpétuelle* of the Abbe de St. Pierre was submitted. Cardinal Fleury exclaimed:

> Admirable, save for one omission. I find no provision for sending missionaries to convert the heart of princes.

Thus, we must see that all of the result turns upon the heart as it is regenerated, and upon that improved public opinion which senses now for the first time in civilization the duty of respecting the right of its fellows and the knowledge that it will suffer the scorn of men and the contumely of generations if it denies these rights or assails them to their destruction.

Here I impress upon all mankind the thought that it was not only armies and navies which won the war against Germany. It was the public opinion of the world. It was not alone cannon and sword; it was the indignation of Christianity and the aroused universal hostility of refined and improved mankind. These were so shocked at the atrocities and the blood brutalities of Prussia and her allies that they rose from every quarter of the earth to explode their resentment. It was this spirit that disheartened Prussia, weakened Germany, revived the allies, strengthened the heart and purpose of the opponents of Germany; and in the consciousness that they were right and in the knowledge as expressed from every quarter of the earth that Germany was wrong those who contested against Germany found their inspiration and their support, but, above all, their encouragement and approval, and from this obtained their spirit to conquer.

Let it be now known that had part of the world believed that Germany was right in whatever were her reasons for the war, and another part believed with the allies, the war would have been continuing to-day with well-matched sides and the result in doubt. It was the public opinion of Christendom which ended the war. It is that same public opinion that will preserve peace, and if we have not in this agency the assurance of the future peace of the world, all leagues will be useless in their formation, deceiving in their profession, and a failure in their undertaking.

However, it is necessary to organize the expression of this opinion and the league organizes it into execution and expresses it in a single voice, and through that method the result desired is assured, if by methods of men it can ever be obtained.

I now advance to the objections urged. I note particularly those expressed by the junior Senator from Missouri, Mr. REED, and the junior Senator from Washington, Mr. POINDEXTER, voicing that that has often been expressed in lesser weight from many quarters. First, the Senator from Missouri [Mr. REED], the commanding genius of the opposition on this side of the Chamber, asserts that the policy runs counter to the advice of the sage fathers, particularly that expressed by Hamilton, Jefferson, and Madison, reserved in their composite wisdom, contributing to George Washington in what he adopted and gave to the world as his "farewell address." This is also insisted upon by the master voice of the Senator from Idaho [Mr. BORAH], the leader of the opposition on the Republican side of the Chamber. I would have it known that none more than I respect this wisdom, born of experience as well as of comprehension. I recall the sacred admonition of the prophet to the sons, saying: "Remove not the ancient landmarks that thy fathers have set." But I wish to bring to the attention of those interested that these landmarks were set as to one condition that has no existence now and were to guide circumstances that in no wise enter into the present plan nor in any wise are comprehended in the design.

First let us make clear the statement of Washington as against entangling alliances and the effect of the allied friendship, with one awakening the jealousy from the other, of any foreign nation:

> Observe good faith and justice toward all nations; cultivate peace and harmony with all.
>
> Nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachment for others should be excluded; and that in place of them just and amicable feelings toward all should be cultivated. The nation which indulges toward another habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or its affection, either of which is sufficient to lead it astray from its duty and its interest.
>
> The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little political connection as possible.
>
> Europe has a set of primary interest, which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. . . . Our detached and distant situation invites and enables us to pursue a different course. . . . Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?
>
> It is our true policy to steer clear of permanent alliances with any portion of the foreign world. . . . Taking care always to keep ourselves, by suitable establishments, on a respectably defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Here, it will be observed, that which Washington opposed was a thing which no man in America I now know urges. He opposed our country entering an alliance with any one country of Europe in opposition to some other country in Europe. This would awaken the jealousies of the one and might not be offset by the advantage to the other, but in the final would lead us to where we had violated the object of the admonition to avoid favoritism. Above all else the admonition was to avoid political connection with any of the European countries. Here we take for consideration the distance that then existed between us and

Europe or the smallness of our size in comparison to European lands. We will put aside the consideration that in those days none were dependent upon us—that in these days all are. We will forego the reflection of the weakness we then endured and the great strength which we now enjoy, and we will treat the subject as though there had been no change in the geographical, political, commercial, or military strengths of our land. We will note that in the proposed plan no nation is omitted. Every nation is invited and each upon exact equality, and to all the equal opportunity of method in the arrangement of the court or tribunal also in the enjoyment of its advantages, and in the suffering of its judgments. It will be seen that the proposed purpose avoids the dangers suggested by Washington as to the particular matters related by him and serves to obey the invocation of Washington as to these very lands and people whose friendships were to be desired or whose animosities were justly to be avoided, for in the very same address he says:

> Harmony and a liberal intercourse with all nations are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand, neither seeking nor granting exclusive favors or preferences.

It must be clearly observed that we neither violate the admonition of Washington nor by our method run into any of the dangers which he feared.

Now, the Senator from Missouri, the Senator from Michigan [Mr. SMITH], and Mr. POINDEXTER, from Washington, as is urged in other places, say that treaties with separate countries could effect the same purpose. I reply that the moment we concede that we can make a treaty to the same purpose, we admit the justice of entering into the arrangement. We also admit its practicability and its compensations, or it would be folly to ask that we deal in treaties if we can not get by treaties with individual nations the same result we expect by an arrangement with the combined nations. The difference is this, that with treaties with each nation our relation is between ourselves and that particular nation, but which obtains nothing from the other nations as a consequence or compensation for the arrangement in the individual treaty. Other nations are under no obligation to enforce upon any foreign country having a separate treaty with us the compliance with the provisions of the treaty. To the contrary, it may be to the advantage of the foreign country to serve some interest of its own that our treaty be violated, and the violation be encouraged for the advantages that might come to some single foreign nation, such as granting favoritism and preference in certain matters of trade to a foreign nation that may have a large trade with the particular other foreign nation that wishes to avoid obligation to us.

Then the interdependence of one with the other and upon the other and the mutual obligations, all growing out of the same promises, the same assurances, the same purpose, the same benefits, give assurance of a general aid of all nations in the compact for the enforcement by any nation—such becomes an inducement to coerce any nation into obedience which would assume to disobey. In this way the purpose is constantly before every nation of self-preservation as well as self-compensation and national security.

I do not wish to say anything in this argument, or anywhere, that shall weaken the hopes of those who advocate this system in its entirety; but, Senators, I want you to know that I would be unfair to myself here in my place if I did not speak all the thoughts I have bearing heavily on this theme, since you have indulged me to such an extent as you have.

Mr. President, I now revive to recollection the last interrogatory of my distinguished and beloved friend, the Senator from Idaho [Mr. BORAH].

Now, I have set forth many of the advantages of the scheme. I wish now to express my only concern as to possible disadvantages. My fears are not that the league will fail. My fear is founded on its success. I mean that I have more to fear from its success than I have from its failure. If it fails we are but restored to ourselves in the security of our isolation and in the protection of our present strengths, and this has been proven where it can not be questioned in this hour by any source, however prejudiced in national pride or darkened in the ignorance of events. I express my fear to be that when the league has succeeded and any dispute or demand touching my country has been decided in my favor and I enjoy its results, that a claim from other countries of a reciprocity from our country based on demands which may run wholly counter to some of the fixed cardinal policies of the Government might exact so much that if yielded to could weaken the future link with the future years, however much it strengthen us with the present. If denied, it places us in the position where bad faith or hypocrisy could be charged to us as the inaugurator of the movement which we professed to be for universal concord and world harmony.

I now specify. In Asia, Japan, taking China in her guardianship, will demand of Britain and France to demand of us in her favor, as a faithful ally, the abolishment of the policy of exclusion of the Asiatic from our citizenship; and if these European allies decline, they become the victims of Japan's natural discrimination in trade and of her opposition to these nations longer holding spheres in the Asiatic land. If they consent and prevail successfully on us, promptly they will exact of Japan and her associates to command of us the taking down the bars of obstruction to Europe in South and Central America, called the Monroe doctrine. From all these our to-morrows are filled with perils and our to-days with a warning.

Then, sirs, is that other—the freedom of the seas——

VOICES OF SENATORS. What do you mean by your expression of "freedom of the seas"?

Mr. LEWIS. I answer the Senators: I mean that were I permitted the voice for America in the light of my convictions I would demand that all ports of all seas and all lanes of all oceans be open to the United States to the same extent as is enjoyed by the nation upon that sea or ocean to her own people, so long as we grant similar privileges to these nations in our ports and our seas. I would go even further. In the light of late events and their result and of our contribution to them, I would exact of Britain in the Suez Canal and of France in the Mediterranean the privileges in these waters to the same extent we are granting these nations in our Panama Canal and in Manila Bay. In making these demands we will run counter to a long self-serving policy of each of these lands and of their adjunct nations. We will be asking a surrender or division of benefits long held as a commercial preservation by these nations as against world competition. From these problems I recite and these demands we must present, confusion, maybe embarrassment, can follow, indeed friction, and as its ever offspring, conflict, of some nature.

I may not live to see the development of this anticipated danger and it may never arise. On the other hand, there are those in my country who feel that if these dangers which I apprehend should arise, that the conceding the demands which may be sought to avoid these dangers would be small in their loss compared to the great gains which through all the time proceeding we would enjoy from the policy inaugurated and established by this league. As to that, I must submit it to the consideration of men who weigh their to-day's action by the measure of their hopes or fears of the to-morrow's. I leave the suggestion of the dangers and embarrassments or of the success and advantages of the league, that it may not be thought that I disown or ignore them.

I express unhesitatingly here that other fear which, were I to suppress it, I would be guilty of injustice to those who honor me with an audience, as well as to my own sentiments that constantly urge for expression. With the present allies we will have no difficulty in reaching agreements to execute the best objects that the leaders of the present generations of these allies assume to be for the welfare or the general interests of the world; but after these agreements have been entered into and we come to execute them and the execution will disclose some loss in commercial prestige to one, some disadvantage in political position to another, some prospect of the diminution of prestige in some subject matter to a third, then will come the claim that the compact made by their forerunners was not intended to mean the thing which in its letter and recital it appears to. Then will arise, even as between ourselves and those called allies, frictions. From these frictions disputes; from these disputes conflicts; and in these conflicts we will be as Hamlet in the description of the after sleep, saying: "What dreams will come we know not."

Mr. MCKELLAR. Mr. President——

Mr. LEWIS. I now for a moment yield to the Senator from Tennessee. I have, however, something else on the same line.

Mr. MCKELLAR. I just wish to ask this question, which is going a little further than the Senator has already expressed his fear.

Suppose the international court determined that the Monroe doctrine should be abrogated, and suppose the political party then in power in this country should permit the decree of the court to be carried out so far as it was possible to do so, and suppose then that at the next ensuing election that question became the great burning political issue in this country, and the people of this country by vote selected a President and a Senate and a House in favor of maintaining the Monroe doctrine after the court had decided it. Would not that put us in a position where we would have to fight for it?

Mr. LEWIS. I answer the Senator from Tennessee that if, after we had accepted such a court, the nations of the world had adhered to our theory, and we had entered upon it, our country then should have an election and elect Representatives

disposed to repeal it, there is no power in the world that could prevent it. Now, sir, whether other nations, when they sought to have us abide by a decree that our people had repealed, would then visit war upon us is a matter as to which I can not say; but I must concede the right of the sovereignty of the people to repeal the tribunal, so far as it affects them, if they should choose Representatives who would not obey it.

Mr. REED. Mr. President——

Mr. LEWIS. I yield to the Senator from Missouri.

Mr. REED. Mr. President, I do not rise, as I do sometimes, and perhaps others, for the sake of controversial discussion, but to get the Senator's views on one or two matters in a concrete form.

I want to ask this question: Would the Senator be willing to enter into any league of nations or international agreement by which we would bind ourselves to submit the Monroe doctrine to any tribunal? Would the Senator be willing to do that?

Mr. LEWIS. I have just said, and I hoped by that to make clear, that so far as I am concerned, if left to me individually, I would put a limit upon the jurisdiction of this tribunal called a league of nations. Before the Senator came in I gave some limitation of that jurisdiction as to an army or a navy, and if the Senator asks me personally I will say that I would not submit the Monroe doctrine to that tribunal, nor to any other tribunal, to decide as to whether or not America shall no longer adhere to it. But one tribunal will I submit that to—America!

Mr. REED. Very well. I thank the Senator. That is a manly, straightforward, American statement.

Mr. LEWIS. What other would my dear friend from Missouri expect from me?

Mr. REED. I would not expect anything but a manly statement, but I have known the Senator to make many statements that were not quite so clear as that when we were having a controversy on the floor.

Mr. LEWIS. Sometimes one avoids a rock ahead of him, or endeavors so to do, as against those who may lurk around it.

Mr. REED. This is too serious a matter for us for a moment to seek to avoid or to cover up.

Mr. LEWIS. Correct you are.

Mr. REED. The Senator will not submit the Monroe doctrine to this court, and I can state his reason, if he has not done so, because I know what his reason must be. He regards it as a doctrine vital to America. Would the Senator be willing to submit to this tribunal any other vital right of America?

Mr. LEWIS. That opens a question as to what is meant by "vital."

Mr. REED. No; but I mean a matter that is vital. We do not discuss what is vital, but a matter that is vital.

Mr. LEWIS. Yes; I would say there are some things that might be vital and yet not vital to such an extent that they could not be submitted with confidence. Many things that would be vital ought to be submitted, because it is what is vital oftentimes that leads us to war. I answer, yes; there are many vital things which I would submit to the tribunal.

Mr. REED. I think we shall have to define "vital." I understand a thing to be vital only when it would involve the life of the Republic.

Mr. LEWIS. And I answer that clearly in this way, that war would involve the life of the Republic. If the force were superior to ours, it might involve wholly the life of our people. If the tribunal were constituted to avoid such war and such vital prospect and danger, I would submit it to the tribunal.

Mr. REED. I think the Senator is not pursuing now that broad path of plain statement that I had hoped we had entered upon.

Mr. LEWIS. That depends upon how the Senator views the reply.

Mr. REED. I do not want to have any misunderstanding about terms. Of course, you can imagine a condition where we might have to submit anything to save our lives. We might be forced to do it by war conditions, just as Germany, in order to save herself from utter annihilation, is now submitting to a most ignominious set of conditions—not half so ignominious as I wish they were, but I am not going to complain about that.

When I speak of the submission of vital matters, I mean this: Would the Senator be willing to bind the United States now to submit matters that are vital? I do not mean if war comes on and we have to do a thing; but is the Senator willing to submit any of the vital interests of this Nation to a tribunal the majority of whose members may be non-Americans?

Mr. LEWIS. I will answer the Senator and say that had he been here earlier he would have understood that I comprehended that by saying that the jurisdiction of the tribunal should be defined, and in defining the jurisdiction of the tribunal it would involve only those matters which could preserve peace. I answer the Senator, yes; I would submit to a tribunal made up in the form that we suggest matters vital to the country, because it would be within the limitations of the jurisdiction that had previously been made as the constitution of the tribunal.

Mr. REED. That is to say, the Senator, then, is willing to set up a court the majority of which are foreigners, and to that court submit matters which, if decided against us, may mean the death of this Republic?

Mr. LEWIS. No; such an assertion was never made by me nor such conclusions by the Senator justified. To the contrary.

Mr. REED. Then what did the Senator mean?

Mr. LEWIS. I said the thing I meant—that that which involved the life of this Republic was not a matter that could be in itself comprehended within the jurisdiction of the league, save as avoiding war.

Mr. REED. Then the Senator and I agree.

Mr. LEWIS. I think we do. I do not think there is any real difference between us when we really understand each other's position. This, however, I should like to have the Senator understand:

I see a danger, an ever-recurring danger, from the fact that a majority of the court is constituted of members from countries other than our own. I gave an illustration awhile ago respecting an attempt to make us dismantle our Navy or our Army. I pointed out that Nicaragua, Haiti, or smaller countries each would have a vote, and that for them to have the right to pass upon the question of what navy Britain, or Italy, or Japan, or my country should maintain would put each in a very serious position of minority. I say to the Senator, that he may understand my position, that I can not deny the right of foreign nations to decide the ordinary questions we have put into their jurisdiction by the constitution of this tribunal while I am asking them to decide against their countries and in behalf of my own country one that involves their ordinary situations and their interests.

Mr. REED. Exactly. The Senator is possessed of such wonderful powers of expression that it is difficult to keep right on the cold, hard rock that I am trying to get his feet on, so that we will understand and the country will understand. I do not say that in criticism; I say it in compliment. Now, the Senator has said he would not submit the Monroe doctrine, and the Senator has said he would not submit a doctrine vital to this Nation, except when we were in a position where we had to submit it in order to avoid a war and we had to choose between the destruction of war and the destruction of a bad decision. That is the equivalent of the Senator's statement.

Mr. LEWIS. No; I beg my friend's pardon. I meant to say this: I assure the Senator that what I literally said was that I would submit vital matters to the court, except those questions that involved the whole life of my Nation.

Mr. REED. Very well. The trouble is the Senator and I do not understand "vital" in the same way.

Mr. LEWIS. Possibly.

Mr. REED. The Senator seems to treat the word "vital" as meaning "important." I treat the word "vital" as embracing the idea of life and death.

Mr. LEWIS. Then I would not submit it.

Mr. REED. Very well. Now, of course the matter of what is vital is a matter of our opinion. Other nations would disagree upon that proposition. We would say that certain things were vital, and withhold them. If we withhold the Monroe doctrine, and if we withhold from this tribunal everything which we regard as vital, then would not we be obliged to concede a reciprocal right to all other nations? That is to say, they would be permitted to withhold from the league of nations or from the decision of the court those things which were vital to them, would they not?

Mr. BORAH. Mr. President——

Mr. LEWIS. I answer the Senator's question by saying that clearly that is true in every litigation that is ever submitted to any court. I say to my able friend, the moment that you submit a matter to a court you submit to the court the decision of a thing very vital to yourself. When the States have a matter within the jurisdiction of the Supreme Court of the United States, made up of foreign members, it may be, none of them from the States of the litigation, they submit a thing vital to them. The Senator is correct in saying that our difference lies in what, in each instance, would be regarded sufficiently vital to be within the exception.

Mr. REED. That is a good deal like saying "sufficiently round." A thing is vital or it is not. I am talking about vital matters, not important matters.

Now, then, the question I want to get answered—and then I have one more, and then I am through—is this: The Senator would withhold from this court matters vital to America?

Mr. LEWIS. No; I must again say to the Senator that he quotes me contrary to what I have said. I would not withhold from this court that which is vital to America. I would vest in this court that which is vital to America, but not a thing that is vital to the extent of involving its life.

Mr. REED. Oh, well, a thing that is vital must involve the life. We are going back now to that same definition.

Mr. LEWIS. I want to keep the RECORD straight. The Senator has a different version of the word "vital" than I have.

Mr. REED. When a thing is vital, it is something that has to do with life, and that is the sense in which I am using it. I am not using it in the sense of "important."

Mr. LEWIS. Let me ask the Senator, Does he want to be understood now when he uses the word "vital" as meaning a matter that really is one upon which the very life or death of the Nation would turn?

Mr. REED. Yes.

Mr. LEWIS. Then hereafter we understand each other.

Mr. REED. Yes; or so important to the Nation that it might amount to its practical destruction. Now, if we withhold matters which we regard as vital to us, would not all other nations have a reciprocal right; namely, would not they be entitled to withhold matters vital to them?

Mr. LEWIS. I answer the Senator again—that brings us back to the position which heretofore I have explained on the floor—that the constitution of this tribunal defines what particular matters it would have in its jurisdiction, and there we would settle that particular question. Now, if we never agree as to what things it should take jurisdiction of, then the league will never come into formation. If we do agree in a manner by which things such as the Senator refers to are excluded we will not have the question with us.

Mr. REED. But the Senator and I ought not to misunderstand each other about that. I am talking about forming this league, and in the process of the formation we are going to agree what kind of questions are to be submitted.

Mr. LEWIS. Correct.

Mr. REED. Now, at that time it is proposed by the Senator, as I understand, to withhold all those questions which are regarded by us as vital to America.

Mr. LEWIS. Involving its life or death.

Mr. REED. Yes. Would not that, therefore, compel us to concede a similar right to all other nations entering the league?

Mr. LEWIS. I answer the Senator, since now he has made it perfectly plain to me: Of course, if they demand equal exemption, it not only should be granted, but we could not ask the exemption for ourselves without correspondingly granting it to another in matters of such a nature. For this reason I say to the Senator that I do not assume that another nation would wish to give up its whole sovereignty to a tribunal of this nature. That is why, had the Senator been in earlier, he would have known that I discussed with great freedom that it should be limited to mere matters that would tend to maintain peace.

Mr. REED. Now, we have arrived at this point: The Senator concedes that the United States ought not to submit to this tribunal any matter vital to it, such as the Monroe doctrine or any other vital doctrine; that the same right must be conceded to the other nations; and that when we form this league it must be understood that we will withhold from the jurisdiction of the league all matters which each nation regards as vital. Now, that being the case, would it not necessarily follow that the nations of Europe would have the right to withhold, as we withhold the Monroe doctrine, the doctrine over there which they denominate "the balance of power"?

Mr. BORAH. Mr. President, may I suggest to the Senator from Missouri there, suppose we take an instance which illustrates the point of the Senator from Missouri. Some time ago, through the friendly arrangement of the Secretary of State of the United States and the Japanese Government, Japan established the Monroe doctrine for the Orient; that is to say, that those things of most vital interest to Japan should be under Japanese domination, direction, or control so far as the Orient was concerned, which is practically the Monroe doctrine. Now, if we should withhold the Monroe doctrine, of course Japan would withhold the Monroe doctrine so far as the Orient is concerned. That is to say, she would not submit to this tribunal anything which encroached upon her right to control the Orient, because that is what she proposes to do. So, on the other hand, England and the other nations would have their Monroe doctrine in a sense—that is to say, things which were vital to them—and they would withhold it. So the entire matter, it seems to me, goes to pieces at once when you refuse to submit those things which really are vital to a nation.

Mr. LEWIS. Mr. President, it seems to me that both Senators fail to catch the distinction which is intended to be preserved by the very constitution of this league. It is this: The league is proposed upon the theory of being a court to hear the grievances of individual nations as to matters that can be composed between them by arbitration, by money settlement, by harmony. There has never, as I have understood it, at any time been submitted the scheme that every nation should submit its sovereignty of its internal policies. I have specifically pointed out that that could never be comprehended, and I am not able to understand that Senators ought to fancy that such could exist, for the reason that if the constitution of the league as we first create it is such that it shall attempt to comprehend matters which the governments could not possibly submit to it it would end right there.

Mr. REED. Now, Mr. President, we are at a very interesting and crucial part. Of course, I have not said the Senator has intimated that the internal affairs of nations were to be submitted to the league of nations. It is understood——

Mr. LEWIS. That is what the question of the Senator from Idaho involved.

Mr. REED. I hardly think so; but we will not discuss that. The question I am getting at is this: If we withhold from this league questions vital to us, other nations must be permitted to withhold questions vital to them. If we withhold the Monroe doctrine, then does it not follow that the nations of Europe would be warranted in withholding the doctrine of the balance of power——

Mr. LEWIS. I answer the Senator——

Mr. REED. And similar great doctrines which affect, in their opinion, the life of their nation? Now, could you not just say whether you think that is the case or not?

Mr. LEWIS. The trouble is I can never take one of the Senator's questions and say yea or nay. It involves so many comprehensive questions previously asked in different forms that I am compelled to respond to him exactly in what I meant to say and have said before.

In the first place, the question of balance of power I can not realize at all as an international question of government. I may say the question of balance of power is that thing which nations seek to preserve as an adjunct of their defensive armament. This is sometimes done by alliances. If a policy is pointed out or to be followed by which some separate tribunal from the league should have the question of armament as between these nations there will remain a method for a complete adjustment.

Mr. REED. If the Senator will let me interrupt him, I do not understand the question of balance of power to be a question of balancing arms against each other.

Mr. LEWIS. Then the Senator and I differ as to what balance of power means. I illustrate: Italy, with 40,000,000 people and a great army and navy, is one of a balance of power; while China, with 400,000,000 and no army and navy, is not considered in the balances.

Mr. REED. Let me give an illustration. We do not differ. If we reserve from the decision of this tribunal matters which are vital to us in the sense I use the term vital, then, of course, the European nations have the same right. That the Senator concedes. Now, does the Senator know of very many wars that have not had for their fundamental reason not their immediate and irritating cause, but for their fundamental reason some great policy which has been regarded by the people of the governments of the States having the controversy as vital?

Mr. LEWIS. Mr. President——

Mr. REED. Let me finish my question. Have you not provided now that you will withhold from the decision of this tribunal the very thing that brings on the wars of the world?

Mr. LEWIS. That is a question that is answered by admission by some and a difference by others. When I was interrupted by the Senator I was about to follow my last statement as to freedom of the seas. When finished I shall then take up his query again, to which I had intended to allude. I then ask the Senator to excuse me from replying on that phase for a second.

Mr. President, I have defined what I mean to be the freedom of the seas within the meaning of my demand.

Mr. BORAH. Does the Senator refer to a time of peace or to a time of war?

Mr. LEWIS. I will tell the Senator in a moment. There is the beginning and end of what I feel satisfied is a completely full meaning of the term "the freedom of the seas" in time of peace.

In time of war, answering the eminent Senator from Idaho, there must arise a different rule. In time of war to me the freedom of the seas means that the neutral nations shall have the rights to go into the ports of the country at war as freely as in

time of peace as to all matters except contraband. That is the only exception I will make there.

Mr. JOHNSON of California. May I ask the Senator a question?

Mr. LEWIS. I yield.

Mr. JOHNSON of California. Does the Senator mean that there must be no blockade in time of war?

Mr. LEWIS. No; I feel that a blockade as invariably declared in a time of conflict is addressed to some particular thing, and that is, of course, a policy which each country reserves for its protection that it could under no condition waive.

Mr. JOHNSON of California. If the Senator would prefer it, I will not continue the interrogation.

Mr. LEWIS. I shall welcome it.

Mr. JOHNSON of California. If that be so, then there can not be a free entry of neutral countries into ports in time of war.

Mr. LEWIS. The Senator is quite correct, if the blockade is to be universal.

Mr. SMITH of Michigan. They have done it now.

Mr. LEWIS. What country now?

Mr. SMITH of Michigan. They have blockaded now the North Sea, and it has been applied to countries both neutral and belligerent.

Mr. LEWIS. Pardon me; the Senator is referring to the past. I am referring to future conditions; the demands that will be made upon us. I say there will arise what is far more important. So I say, sir, that only a very patient people, such as ours were, would have endured the seizing of our ships as they proceeded along in their peaceful course and were in instances taken into the prize court and in other instances confiscating their cargoes, only from the fact that we realized her condition and assumed she was right in her judgment, and our ships were on their way to convey products to a nation making war upon her, and we granted her that privilege, then fixed in international law. I am now speaking of a change in those ancient policies of international law, many of which, were I at the peace table, I would unhesitatingly demand the nullification of.

For myself—speaking wholly upon my own responsibility and asking that no other be credited with this utterance or charged with its result—I put before my country this warning, that in the past the great wars of the world have been conducted between those who were previously partners, and grew from the execution of the compacts of peace, so called, of those who were called the allies. This is the history of the Congress of Vienna, which though concluded between 11 nations, resulted in two years in four of them at war with each other, three again in conflict in five years opposed to each other, and a continuous conflict through life until it led to this last unparalleled war of worlds that has just inflicted the generation of man beyond excuse of civilization or the forgiveness of Christianity.

Let it be remembered that persons who come into negotiations in private life reach the negotiation and dismiss each other in the courteous salutation of peace at the conclusion of their contract. This whether it be an arrangement between corporate interests in the form of stock adjustments and proper distributions, or that between individuals for the payment of money or the delivery of property. When the time comes for the execution of the document then it is that the litigation which has divided these former friends into hostile foes has arisen, and all the bitterness which is the inheritance of such contentions has gushed forth as streams of hatred and rivers of blood. I will not be blind to this prospect even as between ourselves and those we now call allies. It is because of this that I can not go further—and will not assume that those in whose behalf I speak ever intended to go further—than to provide a method in the hope that should these things which I fear arise the consequences may be minimized to where the dangers of a war may be avoided and the harmony of the friction and the settlement of the disputes composed upon the basis of the religion for justice of civilized nations, and upon the virtue in humanity of a Christian people.

Yet it is of this situation that I would speak to our President and his associates going abroad in the words of the Lord's special command to Moses, when in the thirty-fourth chapter of Exodus we have him saying:

> Observe thou that which I command thee this day: Behold, I drive out before thee the Amorite, and the Canaanite, and the Hittite, and the Perizzite, and the Hivite, and the Jebusite. Take heed to thyself, lest thou make a covenant with the inhabitants of the land whither thou goest, lest it be for a snare in the midst of thee.

I want it known that I have been an advocate of a different system than that presented by the President, though with the same principle in view as now contended for. In frequent addresses I have put forth a policy which now again, if left to my preference, I would urge. It is continental compacts made within and by separate continents instead of a hope of a single one unanimous arrangement by the general world—the united nations of the earth. Out of my regard for the situation of my own country, and recognizing that fixed fact in history that alliances of men, people, or nations are never cemented so strongly as when on mutual common interests, I would for myself propose a continental alliance for peace and harmony among nations between the United States of America, Canada, and the Latin countries of North America joining with the countries of South America, and that all of the countries of the continent of America should in one compact or union for peace be brought together for the preservation of interests common to each and which will be held together by the consciousness that the assault of one must lead to the assault upon the other, while the preservation of the one by any system will operate as the preservation of the other.

I hold that any country assuming to assail any one of this American-continental compact would be menaced—certainly admonished—by the knowledge that an assault upon any portion of the continent would bring upon them the combined resentment of the consolidated and united peoples of the whole continent, with all of their force against them. When we reflect that none apart from these could assail except at the long distances that must be traversed and recall the difficulty to be overcome before the engines of assault could meet the doors of any part of our continent—the knowledge that it must meet the combined continent of America in the single purpose of resentment of any attack upon any part of the continent—would make impossible, as I view it, the prospect of such danger. Add to this the settlement as between ourselves in this compact of any dispute along the lines of the method I have pointed out for the general league of nations, we have that other inducement to the sure settlement by method of peace of the mutual advantages to be had by living in close unity with those whose neighbors we will become. We of this continent will have become as closely allied as States in this Union are, when we measure the New England coast with the Pacific coast of our own land.

But I forego the insistence of my policy to yield to the larger sphere suggested, that it may be tried in the hope that the compact may be the result that is dreamed and the relief from strife and conflict that all mankind prays for.

If you will not adopt this means, if you refuse the league proposed—the only one that time seems to have suggested from its wisdom, and necessities offered to avoid a recurrence of their miseries—what will be the result? We will be subject to assaults from each nation wherever it will be the profit of that nation to assail us; particularly will this follow wherever that nation can allure other nations to join it in the enterprise. We in retaliation will assail and invite other nations who will find it profitable to put us under obligation, and in cooperation with these will lead conflict. This perennial course, indeed, this perpetual policy of warfare, would mean the discouragement of commerce, the death of enterprise, the slaying of our children, the paralysis of all advance and improvement; the end of the thing for which a republic is presumed to have been established to achieve—liberty of man, peace and happiness of country. Have we not had enough of this experience of desolation of lands and decimation of humanity to justify us in assuming some method that might serve as a restraint and in its trial can produce no injury, but from which, if we only consider the association, nothing but good can follow? May we not say in the words of Paul to the Romans, "Let us therefore follow after the things which make for peace"?

Now, to those who oppose this policy I propound that test interrogation, What else do you offer? What thing do you tender to take the place of this? Is it possible that we stand still, making no effort, and are content to gravitate backward into the sloth of selfishness until our retreating course is stayed only by the trench in which we are again to be arrayed in death? Are we but to repeat the disasters of the past and the destructions of the present? Might I ask, Have all our sacrifices been in vain, and is America, that advancing Nation before the world, whose generosities have preserved mankind, whose bounties have recreated civilization and whose sacrifices of her children for a world's freedom have given the first hope of peace to mankind that the world ever knew—shall we confess that we "merely make the promise to the ear and break it to the hope?"

For myself, I picture our future as the mother of tranquillity, the guide of justice, and the director of the harmonies of the world. I am content to adopt the design upon the theory of acknowledging any enterprise which may make for peace of the world, but strengthened in the confidence that I have, that any adventure entered upon by this country, sponsored by the soul of her desire and sanctioned by her spirit of justice, can not fail. From the example of her past, wherein

she has known but success, as she has amazed the world with her achievements without parallel and without rival, I salute her in the confidence of one of her sons who beholds his majestic mother as the Lady Superior of earth, from her heart sending love to nations, from her hand showering incense of happiness to people, and with her prayer invoking Heaven for its perpetual blessings to mankind.

England's great commoner, John Bright, speaking in Birmingham, England, in 1862, apostrophized this our America. Said he:

I have a bright vision before my gaze. * * * I see one vast confederation, stretching from the frozen North to the glowing South and from the wild billows of the Atlantic westward to the calmer waters of the Pacific main. I see one people, one law, one language, and one faith, and all over that wide continent the home of freedom and the refuge for the oppressed of every race and of every clime. From this bright spot shall be proclaimed the peace that shall soften the world and assure happiness through the union of love to all God's people.

Sir, we, too, have our vision! And in it dream our dream. I behold our America enthroned in her virtues, presiding as the mistress of the fates of the world. She sits in the court of nations as mediator of their differences and arbiter of their grievances; this our country vanquishing force by scorning its use. In her brow glows the star of justice that will illumine where war has blackened. About her heart is the shield of honor, in her hands neither spear of power nor the scepter of authority. She will but sway her wand of love, and beneath this will arise the genii of trust and faith to lead the nations of the world to justice, liberty, and peace—the mission of America to mankind.

CIVIL-SERVICE RETIREMENT.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4637) for the retirement of employees in the classified civil service.

Mr. McKELLAR. Mr. President, it is a long step from the eloquent language to which we have just been listening to the prosaic subject of retirement legislation, but I want to take that step and to see, if possible, if we can not dispose of this legislation this afternoon.

Mr. BORAH. Was the Senator going to make remarks on this bill?

Mr. McKELLAR. I want to have the bill passed, if possible, this afternoon.

Mr. BORAH. I wish to submit some remarks on the subject which has been under consideration.

Mr. McKELLAR. Let us vote on the bill, and then the Senator can submit his remarks. I will forego making any remarks myself on the bill if we can have a vote on it.

Mr. BORAH. If the Senator can get a vote on the bill at once I will yield.

Mr. McKELLAR. I yield for a moment to the Senator from West Virginia [Mr. SUTHERLAND], who desires to make a motion.

Mr. SUTHERLAND. I wish to state that yesterday afternoon I voted under a misapprehension. I was called out of the Chamber by a constituent and came in just before the vote was taken and voted "yea." I thought I was voting on the McKellar bill when I was voting on the Pomerene amendment. I desire to enter a motion to reconsider the vote by which that amendment was agreed to.

Mr. SMOOT. May I suggest to the Senator that he merely enter the motion? The Senator from Tennessee does not desire a vote upon reconsideration now?

Mr. McKELLAR. Why not? Why not let us vote on it and get rid of the bill?

Mr. SMOOT. I will say to the Senator that a number of Senators are absent I know, and I do not think he should ask for a vote on the bill to-day.

Mr. McKELLAR. I am inclined to think that we have a quorum here.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). The Senator from West Virginia enters a motion to reconsider the vote by which the Pomerene amendment was agreed to.

Mr. SUTHERLAND. I have no desire to hurry a vote if other remarks are desired to be made at this time, but I wish to move to reconsider the vote. I should like to ask the Senator from Tennessee whether he desires now to proceed to a vote.

Mr. McKELLAR. I prefer to proceed to a vote this afternoon. We have a quorum here, and I see no reason in the world why we can not vote on the question and dispose of the bill finally. I ask for a vote on the motion of the Senator from West Virginia to reconsider. That will settle the matter.

The PRESIDING OFFICER. The Senator from West Virginia moves to reconsider the vote by which the amendment was agreed to.

Mr. McKELLAR. Upon that I ask for the yeas and nays.

Mr. BORAH. I will say to the Senator from Tennessee that it is not thought that there can be a vote upon this question this afternoon. I do not want to stand in the way of his proposition, but at the same time, if there is not going to be a vote and a final disposition of the bill, I wish to occupy the time of the Senate.

Mr. McKELLAR. I would be very glad to yield the floor to the Senator, but I think, after all the time we have spent in the consideration of this bill, the bill ought to be disposed of. As the Senator knows, when we adjourn this afternoon we will adjourn until next Tuesday, and on next Tuesday the revenue bill will come in, and of necessity will displace this bill. In all fairness does not the Senator think we ought to vote on the bill this afternoon, and dispose of it one way or the other? If it is to be defeated, well and good; if it is carried, well and good. Why not vote on it?

Mr. BORAH. I make it a universal rule never to make a speech when there is a possibility of having a vote. If the Senator is going to get a vote, I certainly will not take up the time of the Senate in debate, but I am told that Senators want to discuss this bill further. If that is true, then I want to discuss the other matter.

Mr. McKELLAR. I will yield to the Senator for that purpose.

LEAGUE OF NATIONS.

Mr. BORAH. Mr. President, the Senate has listened to a very able and remarkable speech upon a most important subject. I desire it to be understood that I do not rise to reply, nor even to engage in a debate with the very able Senator from Illinois [Mr. LEWIS] as to the position which he has taken in regard to this matter. I rise for the purpose of asking those who advocate a league of nations, Are you willing to follow your proposition to its logical conclusion? I have yet to hear or to read the discussion of anyone upon this subject of a league of nations in this country who is willing to follow it to where they themselves admit it must necessarily go if they follow it to its logical conclusion.

No graver or more far-reaching proposition has been proposed to the American people since the adoption of the Constitution. It may affect deeply the life of our people and impress itself upon our institutions for all time. It may be favorable, but it must be conceded that it may be most unfavorable in its effects. Certainly those who propose a scheme so fraught with possible changes in our national life, a proposition constituting so wide a departure from former practices, are under every obligation to take the people into their confidence. It is time to get away from generalities and deal with facts. It is time to say what you propose and what you do not propose. It is especially time that you should be willing to stand by the undoubted logic of your position. I have never read so much loose and general assertion and so little in the way of definite and specific plans as has crowded our literature on this subject for the last three years. Now, the people who must bear the burdens and suffer in case this experiment is not a success are entitled to know what you propose and what you do not propose.

The able Senator expressed his apprehension as to obstacles which would confront the President at the peace conference. I share with him that apprehension. I presume there are many of us who had the President consulted us would in all probability have advised against his personal attendance at the peace conference. But I doubt if there is anyone here or elsewhere who does not wish him the most eminent success in view of the fact that he has made up his mind to attend. Certainly no one would wish other than success for the President in the great enterprise upon which he has entered, notwithstanding that they have differed with him as to the wisdom of his going. We would have him achieve all that may be to the honor and security of his country.

But while I have some apprehension as to the difficulties which will confront the President at the peace conference with reference to this matter, I have greater apprehension with reference to the future of my country in case anything of the nature which has been proposed should be entered into upon the part of this Government. I am led more to that conclusion this afternoon than ever before after listening to the very able Senator who himself expressed the opinion in his concluding remarks that in all probability it was fraught with all kinds of difficulties and all kinds of troubles.

I am reminded by his concluding words of the words of another eminent statesman dealing with this subject matter about a century ago. At the conclusion of the Napoleonic wars they organized a league to enforce peace, which was known as

the Holy Alliance. It operated for a few years with a reasonable degree of success, degenerating, however, in the meantime from the high principles of a Christian purpose to that of a conspiracy to destroy free government and a free press. One of the most eminent statesmen of England of that day, after observing the workings of this league for a number of years, made this statement with regard to it, which, it seems to me, contains a great truth:

> There are extreme rights to which nations as well as individuals must have recourse for their preservation and for the exercise of which no legislature can provide. The extreme right of interference between nation and nation can never be made a matter of written stipulation or be assumed as the attribute of any alliance.

That was the statement of Lord Castlereagh, who had been active in connection with the organization of this league, or, at least, who had been active in its proceedings, and this he announced as the funeral eulogy of the organization.

So the able Senator from Illinois, in his concluding remarks, very fairly and frankly stated that vital issues which involve the integrity, the honor, or the rights of his Nation he would not submit to the judgment of such a league, because he knows, as we all know, that the rights of nations as between nation and nation are often of such a vital character that they can not be adjudicated by any tribunal or any alliance. It is only those incidental things or minor propositions, such as we may delegate to a board of arbitration or to a court of arbitration, that may go to an organization which is separate and apart from the organizations of the country itself. There are many questions—the great vital questions—which no nation will submit to and which can never be measured and circumscribed by any alliance or by any tribunal other than the sovereign voice of its own people.

Therefore I say that none are willing to follow this matter to the point where it would become effective and controlling, for the reason that those matters which are of vital concern no nation will ever submit to a tribunal which is composed in a large part or a majority of which are the representatives of the other nations.

The first proposition connected with the proposed league is that of a tribunal to settle the matters of controversy which may arise between the different nations. First, what is to be its jurisdiction and power? What kind of questions are you willing to submit to it? Secondly, after you have submitted such questions as are of vital concern to you, are you willing to give to that tribunal the sanction which will enable it to enforce its judgment? Are you going to organize a tribunal with the power to judge and also with the power to enforce, or are you simply going to organize an international debating society, without any power whatever to enforce its opinions? No man has yet been willing, according to my reading, to say that he is willing to give to such an international tribunal or to this superinternational court the power to render judgment and to furnish it the police power or the army to enforce it.

Will anyone advocate that those matters which are of vital importance to our people shall be submitted to a tribunal created other than by our own people and give it an international army, subject to its direction and control, to enforce its decrees? I doubt if anyone will advocate that; the able Senator from Illinois would not do so; and yet he is perhaps as earnest an advocate of this proposition as we shall be able to find. He was unwilling to give to this tribunal an army at its command. If you do not do so, Mr. President, what will your league amount to? If it renders a judgment, which judgment is for the purpose of preventing war, and can not enforce its judgment, what does it amount to?

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Missouri?

Mr. BORAH. I yield.

Mr. REED. If it does render a judgment for the purpose of preventing war and has the force to enforce its judgment, how is it going to enforce that judgment by force except by making war?

Mr. BORAH. Precisely so. In its last analysis the proposition is force to destroy force, conflict to prevent conflict, militarism to destroy militarism, war to prevent war. In its last analysis it must be that if it has any sanction behind its judgment at all. There is where the difficulty lies.

The distinguished ex-secretary of state for foreign affairs in England, Viscount Grey, has meet this matter very candidly in discussing the obstacles to this proposition. He was candid enough to say that without a superinternational tribunal and without an army at its command the league would be futile. Is that your program? Do you say that you propose that American citizens shall be called into military action at the bidding of a tribunal composed almost entirely of members from Europe and Asia and wholly beyond the selective or elective control of our people? Viscount Grey said:

> The economic pressure that such a league could use would in itself be very powerful, and the action of some of the smaller States composing the league could not perhaps go beyond the economic pressure, but those States that have the power must be ready to use all the force and all the economic and military and naval force that they possess. It must be clearly understood and accepted that the deflection from or violation of the agreement by one or more States does not absolve all or any of the others from the obligation to enforce these agreements.

Let us, therefore, be entirely candid with the people of this country to start with. It may be that we are at the point where we want to organize a league of nations and give it certain powers, but let us not hesitate to tell the people of the United States precisely what we propose to do. Let us be candid with them, because the day of reckoning will come, for the people of this country still vote. Let us say to them that, if we are to organize a league of any force or effect, we propose to place an army at the disposal of the court, and that the citizens of the United States shall constitute a part of that army.

What I object to, among other things, as to those who are advocating the league is that they refuse to alight, to come down to the concrete affairs of the world, to say to those who must fill the trenches and fight the battles in case the league calls for war that that is what is expected from them in the beginning. When we reach that point, however, not a single one seems willing to accept the proposition. It is explained or modified or, as in the case of the Senator from Illinois, rejected.

Mr. Balfour has been quoted time and time again as favoring a league of nations. I want to read a paragraph or two from the debate in which Mr. Balfour stated what he meant by "a league of nations," which seems to me, after he got through with it, was nothing more than an old lady's international quilting society. He said:

> It is quite easy to imagine a court representing all the nations—a court which would have the same relations to nations that the Supreme Court in America has to the States in America. But the Supreme Court of America, which my right honorable friend truly said was a court of as high authority as any court in the world, is a court whose decrees are enforced from one end of the United States to the other, and has behind it the organized police of the United States, and my right honorable friend forgot to tell us where an international police was to be found likely to enforce the contracts between one nation and another and to see that any default of public justice and international dealings should be forbidden. He must have felt, I think, himself, when he was developing this scheme of his for the enforcement of treaties, that it did want the basis on which all enforcement of contracts in a country rests; that is, it had not behind it the power of the law to enforce the decision of the court.

Then the speaker gives us clearly to understand that Great Britain will hardly turn over to a tribunal which Great Britain does not create the power to use her army and her navy to enforce the decrees of some other tribunal. He continues:

> Therefore, so far I agree that the economic weapon—the power of imposing tariffs in certain cases—may be so misused as to amount to a very great international outrage. But I do not think that any country will consent to abandon the idea of putting on tariffs if its own economic needs, honestly and modestly conceived, require that to be done. My right honorable friend is justly entitled to speak for the great organized industries of this country, but I do not believe in the long run that labor in this country would consent to give up its power of dealing, if necessary, by tariffs with the economic problems which may arise. If no doubt there was universal free trade enforced by some court of law, it might—it certainly would—add to the wealth of the world and might not greatly injure their populations. But I venture to think that that proposition is driving the abstract economic theory to impossible limits. However that may be, I think the plan which my right honorable friend indicates is one which he would not find communities would assent to. It would be impossible, among other things, because so many countries must have tariffs—

And so forth.

So he rejects also the enforcement of the decrees through economic processes. Then he says, further:

> He again told us that the league of nations could only succeed if there was general disarmament, if there was universal freedom of trade, if there was universal arbitration, and if everybody believed in the success of those methods. I thought that last proviso showed that my right honorable and gallant friend had clearly apprehended, as, indeed, his whole speech showed, what the difficulty of his scheme was. The scheme is based on universal disarmament. Universal disarmament can only be tolerated by states which believe that they are secure from invasion, and they will not believe that they are secure from invasion unless and until they feel confidence in the international arrangement which is to stop war. So that the whole scheme, I will not say moves in a circle, but depends upon people having a conviction that their scheme will succeed, and that conviction is based upon the fact that there is universal disarmament, while universal disarmament could only take place in the event of their being persuaded that the machinery for keeping the peace of the world is going to be successful.

So, Mr. President, the able gentleman who is quoted throughout the land as being in favor of a league to enforce peace, first, rejects a superinternational court with an army to enforce its decrees; second, he rejects the proposition of an economic enforcement of its decrees; third, he ridicules and rejects the proposition of universal disarmament; and, fourth—I will not take the time to read it—he rejects the proposition of universal arbitration. Now, what is there left to a league of nations? Here is

one of the ablest and most famous advocates of a league of nations, and what a toy it is after it has been sheared of its virility by his incisive and all-inclusive logic. He is another of the statesmen who wants a league but will neither give power nor even respectability. Who will stand up for this noble conception when Mr. Balfour fails us and the able Senator from Illinois refuses also to follow where logic and events would inevitably lead him?

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. WALSH. I just came into the Chamber a moment ago, and am interested in what the Senator is saying. Will he kindly let me know who the speaker is whom he has just quoted?

Mr. BORAH. Mr. Balfour.

Mr. WALSH. And what was the date and place of the address?

Mr. BORAH. The 1st day of August, 1918, in the House of Commons. This is the speech that is quoted throughout the United States to show that he is in favor of a league of nations.

Mr. LEWIS. Mr. President, may I be pardoned to state to the Senator, if he will tolerate me for a moment, that the remarks just made by him might lead to the conclusion that that speech of Mr. Balfour was quoted by me as favoring a league. I did not quote Mr. Balfour.

Mr. BORAH. Oh, no.

Mr. LEWIS. I especially eschewed it as an expression that means all things to all men.

Mr. BORAH. I did not mean to be understood as indicating that the Senator from Illinois had quoted it, but at the time the speech was delivered the press carried throughout the country from across the water, properly censored, I suppose, the statement that Mr. Balfour had come out in favor of the league. I am showing the ineffable beauty of the league which he favors.

Mr. President, it has been universally understood in this country that Mr. Bryce, formerly the popular ambassador from Great Britain to this country, was in favor of the league. Well, Mr. Bryce seems to be in favor of a league, but he does not seem to be enthusiastic concerning such a league as would have any power to execute its decrees or to enforce its judgments. He says:

> I do not for a moment underrate the difficulties which must be faced, and I think that we may dismiss all those grandiose notions of what has been called a federation of the world, an attempt to induce the great States to forego their sovereignty and to submit themselves to some superior authority, and to constitute an international army. All these schemes, if they ever are realizable, must belong to a very distant future; and I do not think we ought to contemplate any further limitation of sovereignty than is necessarily involved in the obligations undertaken by a treaty. But however limited and cautious our plans may be it is not to be denied that the difficulties in the way are very great, and that the questions to be solved are of the utmost complexity. I do not think anyone can appreciate how great those difficulties are unless he addresses himself to a close and long-continued study of the subject and to the various plans that have been advanced.

It may be that all this discussion under the fascinating and pleasing phrase of a league of peace means nothing more than extending and amplifying the field of arbitration. If so, there will be no opposition, I presume. I should be glad to see all questions which could be arbitrated submitted to arbitration. If that is all that is involved, we shall likely all agree in the end.

Earl Curzon, discussing the subject at the same time, said:

> On the other hand, my noble friend Lord Lansdowne pointed out the enormous difficulties that lie in the path. He thought that it would be impossible to ration the members of the league in respect to armaments. I venture respectfully to agree with him entirely. I ask this, How could you limit the number of soldiers, guns, ships, aeroplanes in the possession of the different States who would join your league? Are you to prohibit or are you merely to limit the use of the various dreadful instruments of war which have been developed to such a high degree in the present war—submarines, poison gases, armed aircraft attacking from the sky? Or are you to limit the money that is spent by the various members of your league upon these armaments? And if so, how are you to see that all these limitations are honestly observed and are not evaded?

Again, he says:

> How are you to provide—you must provide—for legitimate territorial expansion and rearrangement in the future? You can not stereotype the existing condition of affairs. You can not, to repeat a famous phrase, "set bounds to the march of a nation."

And here, Mr. President, I digress to comment. Suppose we had been a member of a league of nations immediately after the establishment of a form of government in this country, such a league of nations as had a constituted tribunal with power to pass upon the questions which are supposed to be submitted to it. In what position would we have been in 1845 and 1846, when we had our trouble with Mexico, and which resulted in our securing from Mexico some very valuable territory lying upon the south of the United States? It is generally believed by historians that there was not very much justification for our conflict with Mexico; and, had we been a member of the league of nations and had assailed Mexico for reasons which were not satisfactory to the league, but were satisfactory to us, we would have found ourselves in the position of having signed a treaty which invited all the nations of Europe here to fight us for having engaged in war with Mexico. Indeed, who will set bounds to the growth of a nation?

Mr. REED. Mr. President, if it will not interrupt the Senator——

Mr. BORAH. Not at all.

Mr. REED. I should like to direct his attention to this thought: We have had some difficulty with Mexico in recent years; that difficulty is far from settlement; it may at any time spring into a more aggravated condition. Would the Senator be willing to submit any controversy we might have with Mexico, involving the treatment of our people, of our rights as a nation, to a tribunal composed of European kings or bolsheviki or both?

Mr. BORAH. No, Mr. President; and I would not care whether they were kings or bolsheviki, or who or what they were; if they did not owe allegiance to this Government they could not certify to their character to such an extent that I would submit a proposition to them which involved the honor, the safety, or the vital interests of the United States. All these questions, for weal or woe, are now determinable before a tribunal composed of the American people, and there, for my part, I shall leave them. I think their sense of justice, their poise in the hour of threatened danger, and their wisdom at all times will be equal to that, and, indeed, vastly greater than that of any superinternational court.

Mr. WALSH. Mr. President——

Mr. BORAH. I yield.

Mr. WALSH. I should like to ask the Senator a question. I wish to know whether he wants to leave this country at liberty to make another territorial grab, such as resulted from the War with Mexico? That is what I understand from the argument of the Senator.

Mr. BORAH. The Senator understood me about right. In other words, I am perfectly willing to leave the policy of this country to be determined by the common sense of the great masses of the American people who cast the ballot. When the American people decide to make a move I shall content myself with the belief that while the people are not always right, they are seldom wrong. I would infinitely rather trust their judgment, their sense of right, and their sense of propriety than to trust to a superinternational court composed of people over whom they have no control whatever.

Mr. WALSH. Mr. President, let me remark that everybody who considers this country alone will, of course, agree with the Senator from Idaho; but we must allow every other country to exercise exactly the same liberty, and those countries exercising that liberty drew us into the present world conflict. Now, the question is, How are we going to avoid that in the future?

Mr. BORAH. I will only say that at the time this world conflict began we had two leagues to enforce peace. We had the league composed of the allied nations and we had the league composed of the Teutonic nations; in fact, it is no trouble to organize a league of nations, because whenever you get two nations to agree that they will not permit some other nation to do something that it wants to do, you have a league to enforce peace.

Mr. WALSH. That is just where the trouble arises. Some talk was had awhile ago about the balance of power. We have tried for centuries to preserve peace by balancing one nation or group of nations against another nation or another group of nations, and it has been a dismal failure.

Mr. BORAH. The Senator evidently believes that in order that the proposed league may be a success at all, all the nations of the earth must join it.

Mr. WALSH. Unquestionably.

Mr. BORAH. Very well. Let us so assume. These leagues have no inherent necromantic power. There seem to be those, and the Senator is one of them, who believe if the league is sufficiently formidable in membership and sufficiently exalted in declared purpose that its power of incantation will be sufficient to banish strife and discord from the earth. But suppose in its membership it comprised the whole world and upon its glittering dome of purpose were inscribed the creed which was given to the race centuries ago from Sinai, it would still be this world, vexed with the jealousies and ambitions, the schemes and machinations of the most masterful minds of each succeeding age. And if anything would stir to uncommon activity and fire with unwonted zeal a Richelieu, a Metternich, a Bismarck, it would be just such an engine of power as that which is to

mold and direct not alone a nation or a single people, but all nations and all peoples.

Furthermore, Mr. President, another proposition has been presented by the question of supreme interest to the people of the United States, and that is, do they want their interests determined by representatives coming from Turkey or from the Balkan States or from the countless nations of Europe—different in race, different in language, different in aspirations, different in ambitions, and different in conceptions of right and wrong—or do they prefer——

Mr. REED. And from Asia.

Mr. BORAH. And from Asia. Or do they prefer to try to do business upon the plan outlined by the fathers of our country—no entangling alliance with any European nation? If the two propositions are presented to me that I must go into copartnership with all the nations of the earth and submit the interests of the people of the United States to a tribunal composed of a majority of those nations, or submit questions of peace or war to the people of the United States, I prefer to leave it to the people of the United States.

Mr. SHAFROTH. Mr. President——

Mr. WALSH. Pardon me. That gets us back, Mr. President, to the original question. Of course, everybody would who considers the interests of the people of the United States alone; but the trouble is that every other nation will exercise exactly the same right; it will determine for itself when it will start a war, the same as we will determine when we will start a war, and then we will encounter the difficulty which we seek now to avoid.

Mr. BORAH. What the Senator from Montana is arguing for is that we turn over to a tribunal other than a tribunal constituted by our own people the question of whether we shall be at war or whether we shall be at peace upon a particular question.

Mr. SHAFROTH. Mr. President——

Mr. BORAH. Just a moment. The Senator assumes that if we do so that that will be likely to lead to peace. I can not conceive of anything more likely to arouse animosity upon the part of the people of the United States and to stir the people of the United States to conflict than to have a decision rendered concerning their vital interests by some tribunal constituted in its membership by those who are not responsive to the people of the United States. Besides, the Senator assumes this tribunal will always decide for peace; suppose it has a bent for war. The people of the United States will always decide for peace except when honor and security are involved.

Mr. WALSH. Mr. President, if the Senator will pardon me, I interrupted him merely to emphasize as much as I could that those who are opposing the league of nations always argue the proposition as if the United States were the only nation on the earth; that is to say, if whenever the question arises it is asked whether we desire to determine our own future or allow some other nations to determine it, there is no answer to be made. Of course, we will not bind ourselves; but the other nations of the world are equally at liberty to determine their own future. Germany was entirely at liberty under the existing system to determine her own future. She conceived that she would go out and conquer the world, and we were drawn into the controversy. We may be drawn into it again. That is the situation that, it seems to me, must present itself for the consideration of Senators, rather than the question as to what we should like. Of course, we should like to run our own future according to our own wishes and desires.

Mr. BORAH. And I venture to prophesy that we will.

Mr. SHAFROTH. Mr. President——

Mr. BORAH. Wait just a moment. I should like to dispose of the argument of the Senator from Montana first.

The Senator from Montana says that Germany was at liberty to pursue her own course. Now, Germany could not be bound more strictly and more in honor than she was at the time she entered into this war. She was one of the signatory powers to a treaty which bound her not to do what she did do, and she understood perfectly that these other nations with whom she was going into war were bound to prevent her from doing that thing; but notwithstanding this agreement, which was backed up by the most powerful nations of Europe, Germany conceived the proposition that she was able to disregard the treaty, and she did disregard the honor of it, and therefore proceeded.

Mr. WALSH. Quite so.

Mr. BORAH. Now, suppose that Germany was in a league of nations and that she was bound to submit her propositions to an arbitral tribunal; but suppose Germany conceived at the time that she was powerful enough to dominate the world, to disregard the tribunal, to disown the obligations of the league, would she be in any different position, as a matter of honor or as a matter of binding obligation, then she was at the time she entered the war?

Mr. WALSH. Why, certainly not.

Mr. BORAH. Certainly not.

Mr. WALSH. Certainly not. Germany disregarded her solemn treaties and obligations because she felt that she was sufficiently strong, militarily, to defy the world and to overcome the world.

Mr. BORAH. Precisely.

Mr. WALSH. And of course if you leave Germany with perfect liberty again to develop her marvelous military organization, at some other time, 50 or 75 or 100 years from now, she may entertain the idea that the time is ripe again.

Mr. BORAH. I see the angle of vision that I did not get. The Senator now proposes that this league of nations shall supervise all the different nations of the earth, and say how many soldiers they shall have, and what the size of their navy shall be. Would the Senator permit Nicaragua and Costa Rica and Bulgaria to determine how large an Army or how large a Navy we shall have? Are we to have our security determined by the 57 varieties of nations in Europe? Does the Senator think their judgment is better and wiser than the judgment of a homogeneous people imbued with a love of peace and a love of country?

Mr. WALSH. Mr. President, the Senator is now simply adverting to some of the difficulties of representation. Why, as a matter of course we could not submit to giving these little nations the same voice that the Government of the United States would have. Great Britain would not submit to giving them the same voice. The subject of representation is one of very, very great difficulty. It was when the United States was organized. But let me add, Mr. President, that Germany disregarded her obligations because she felt that she was strong enough from a military point of view to do so. As a matter of course, disarmament or a limitation of armaments is a necessary condition precedent to a league of nations. Everybody understands that. It is for the purpose of getting rid of armaments and military establishments that a league of nations is proposed.

Mr. BORAH. The Senator says that he would not be in favor of the small nations determining these questions. That reminds me of what one of the most eminent writers on international law has said with reference to leagues of nations. He says they have always been of great binding force and effect upon small nations, but never of any binding force or effect whatever upon large nations.

Mr. WALSH. We never have had an agreement under which there was a limitation of armaments; and, Mr. President, the idea of disarmament and limitation of armaments may go on without any league of nations at all.

Mr. BORAH. The Senator says we have never had a league that provided for disarmament. The Holy Alliance provided for the disarmament of France, and kept it disarmed until such time as it permitted it to arm.

Mr. WALSH. Yes; but they did not provide for their own disarmament.

Mr. BORAH. No; precisely; and the Senator has just said that he would not consent for the small nations to have any voice in reducing the armament of the large nations, and the large nations in all probability will not reduce it themselves.

Mr. LEWIS. Mr. President——

Mr. WALSH. Mr. President, that is another difficulty that confronts the thing at the outset. My understanding is that no one has ever proposed that the armaments shall be prescribed by the league of nations. That is an arrangement that will be entered into originally and form part of the original agreement. It will be a matter of treaty between the various nations entering into the league.

Mr. REED and Mr. LEWIS addressed the Chair.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Does the Senator from Idaho yield; and if so, to whom?

Mr. BORAH. I yield to the Senator from Missouri, and then I will yield to the Senator from Illinois.

Mr. REED. Since the question was raised as to what were the objects of the Holy Alliance let me read just four or five lines. In fact the entire agreement is so exalted in its tone that it might be read with interest by all, but these gentlemen disclaimed all selfishness. Let me read this:

> They solemnly declare that the present act has no other object than to publish in the face of the whole world their fixed resolution, both in the administration of their own States and in their political relations with every other government, to take for their sole guide the precepts of that holy religion, namely, the precepts of justice, Christian charity, and peace, which, far from being applicable only to private concerns, must have an immediate influence on the counsels of princes and guide all their steps, as being the only means of consolidating human institutions and remedying their imperfections.

Mr. President, the signers of this instrument—and finally all the world signed but England and the Turk and the Pole, the latter two being excluded, but England indorsed it later—all agreed to these terms; and the despots of Europe, several of

them, including the King of Prussia and the King of Austria, both promised constitutions to their people. I only cite it to show how exalted were the ideas of these potentates.

Mr. LEWIS. Mr. President, if the Senator will allow me, incidentally with the interrogation of the Senator from Montana, I ask the Senator from Idaho if he will assume a condition where such a league as is now proposed did exist, and assume that it had existed at the time that Germany started out upon her course of war. Does the Senator from Idaho assume that Germany would have emboldened herself in the undertaking that she did had she been conscious that there was a league of which she was a member that would have then ostracized her from commercial opportunity and punished her with such restrictions as they could apply, as well as met her with combined armies? In other words, if the purpose of this league, as he understands it, were really in existence and had been in existence at the time Germany started out, and she were a member, does the Senator assume that she would have presumed to do the things that she did in the face of the penalties that this league could have inflicted?

Mr. BORAH. Of course, Mr. President, had she entertained the same opinion under the conditions which the Senator names that she did entertain when she entered upon this war—that she could conquer and dominate the world—she undoubtedly would have utterly disregarded any league or any combination of people against her. It is all a question of a state of mind, of what the German people thought, and it would be so in every instance. Germany undoubtedly thought she was strong enough to win against all possible comers. So believing she would have disregarded the mandates of a league.

Mr. LEWIS. Is the Senator, however, of the judgment that if we had the organization in existence as he understands it is proposed from certain sources, Germany then would have felt herself able to meet and dominate it, when it had a concentrated organization that could confront her?

Mr. BORAH. Of course, if Germany had thought that there was an organization of sufficient strength to have prevented her from accomplishing her purposes, she undoubtedly would not have entered into it; but she did not think that at the time she entered into this war.

Mr. LEWIS. Truly.

Mr. BORAH. She thought she could control the situation. Now, if there had been a league of nations, instead of Germany preparing for this war as she did, it is said, for about 40 years, she might have taken 10 years longer, in order to make more thorough preparation to have met a larger combination against her, and, furthermore, she might have secretly had much support inside the league. You must bear in mind this proposition, if we interpret the situation correctly, that the German people, led by their leaders, not only believed that they were capable of dominating the world, but they believed that it was their duty to impose upon the world their theory and conception of civilization.

Mr. LEWIS. Yes.

Mr. BORAH. That being true, there is no league or combination of nations that you could conceive of that would put down such a nation; and let me tell you another thing: There we come to another very vital proposition.

Suppose a nation, as a member of this league, comes to the conclusion that it must accomplish a certain thing as a people—acquire larger liberty, greater freedom, expansion of territory—and that its life is involved in such a movement, and the league decides that it must not do it. What kind of a people but slaves would submit to the domination of another nation, prescribing and bounding their growth and their development? You propose to erect by this league a bureaucratic system beyond the conception of the human mind heretofore to determine when nations shall move, when they shall grow, how they shall prosper, and how they shall expand.

Mr. LEWIS. May I not ask the Senator if his very illustration does not demonstrate this: On that theory, then, the ruling of the Supreme Court of the United States that delimits the barrier between Costa Rica and her neighbor, lately in conflict, would be utterly useless, for they would then say, as self-respecting people, how could they consent to accept such fate that was against them? Would not that naturally follow?

Mr. BORAH. Just that might follow.

Mr. LEWIS. Does not my eminent friend admit that if it is applicable at all in one case it is applicable in the other?

Mr. BORAH. But this is absolutely certain: If the Supreme Court of the United States or any other tribunal renders a decree which interferes with the growth or development of a nation as it feels it must grow and develop, it is not going to pay any attention to it.

Mr. LEWIS. I concur.

Mr. BORAH. Now, let me call your attention to another thing. For 700 years Ireland has had over it a control and a domination infinitely stronger than any league that you will ever organize to control all of the nations of the world. Has it destroyed the national spirit? Has it destroyed the national purpose or the national ambitions of that little nation? And will you ever destroy it by mere domination, direction, and control of some superior force? We make a mistake, I will say to the Senator from Illinois, in not giving due weight to those passions for development and growth, for liberty as a people conceive it, which no power can control or dominate, and which you can not destroy.

Over a century ago a league of nations combined and separated, dismembered, and destroyed Poland. For a century and a half she has been a waif upon the face of the earth. There has hardly been a revolution in Europe in that time that has not been led by some Polish spirit, and to-day, after 150 years of dismemberment by a powerful league of nations, the strongest national spirit in Europe is the Polish spirit, and you can not dominate it or control it by a league of nations.

Mr. LEWIS. If the Senator will tolerate me, by the test of the very illustration he gives I ask his judgment. In the first place, as to Ireland, does not the Senator's observation finally lead to this conclusion, that everything turns upon that public opinion which surrounds the judgment and the sense of justice which accompanies it? Second, does not the Senator concede that a different atmosphere and life are now ours than a century ago, and that the selfishness which produced all the evils to which he alludes at least has been relieved from in part, and that the object of the league is to prevent the very things which he says were wrongfully done to these nations?

Mr. BORAH. The Senator presents a question which I should like to answer; but I do not feel that this is the time, perhaps, to dwell upon some facts which have developed since the armistice was signed between the different nations which carried on this war against Germany. There is no possible doubt but that this war leaves the situation just about as the Napoleonic wars left the situation, with a very strong feeling in favor of some understanding among the nations by which to prevent wars; but it is just as equally true that all of these separate nations have their ambitions, their commercial desires and appetites, and their jealousies, if you may say so, in a business way, which are going to lead to precisely the same national rivalry, the same national ambitions that have always characterized the different nations of the world; and I sincerely hope that the time will never come in the history of the world when there will not be that distinct national spirit and national ambition characterizing the different nations of the earth.

Mr. WILLIAMS. Mr. President, will the Senator from Idaho permit an interruption there?

Mr. BORAH. Yes.

Mr. WILLIAMS. Of course, everybody agrees with him that there ought to be among nations a very strong national spirit to carry forward the culture and the civilization of nations, just as there ought to be among individuals a very strong individualistic feeling to carry forward individual development; but we have long since agreed that individual development must submit itself to some tribunal of arbitration when it comes to a row between him and me or between any other two people. Now, the Senator from Missouri has read the high-sounding tones of the Holy Alliance declaration. There was not anything so wrong about the tone. What was wrong was that they never meant it, and never intended to keep it, and never did keep it, and the really civilized nations of the world never entered into the agreement, neither Great Britain nor ourselves.

Mr. BORAH. Great Britain did not actually sign the agreement, but she adhered to it nevertheless.

Mr. REED. And indorsed it.

Mr. BORAH. And she met with them at three separate congresses, and sat in with them, and decided their policies with them, and was one of the advisers of the Holy Alliance; and she never withdrew from the alliance and severed herself from the alliance until she found that the alliance was engaged in the destruction of free government, and then she separated.

Mr. WILLIAMS. There is no difference between the Senator and me about the historical facts. Great Britain did not enter into the agreement. She did let it go with an arrière pensée of her own; and at the final time, when she found what the holy alliance was trying to do, not in accordance with its previous agreement, but in violation of it—to wit, extinguish free government from the earth—she did then suggest to the United States what we now call the Monroe doctrine, and we adopted it in

order that the South American Republics might have their freedom.

There is no difference between us as regards the historical facts; but what I am talking about now is this: Suppose they had meant what they said; suppose they had done what they said they were going to do; and suppose that Great Britain and the United States had entered into it. Can the Senator have any doubt, or can I have any doubt, that there would have been much longer preserved peace of a much more just character than the world ever afterwards met with?

Now, then, suppose that at the end of this war we agree and Great Britain agrees, the two of us controlling the seas; Japan agrees, the only other power threatening the seas; and France agrees, the only other marine power—Germany being crippled—that we will not permit any civilized nation to go to war with another civilized nation unless it has first either consented or offered to leave the question in controversy to arbitration. Suppose we mean that, and suppose we do what we mean. Does the Senator suppose that anybody will ever defy the amphictyonic council of the civilized world and its opinion in that respect?

Suppose another thing. Suppose that as a result of this war we say that no nation shall keep over half a million men under arms. Let us just suppose that.

Mr. BORAH. It is a nice thing to suppose.

Mr. WILLIAMS. I want to suppose it, because I think it is a good thing, and the only thing I am leaving in doubt is the number; but suppose it was 500,000, half a million men. That is as much as Great Britain needs, even on her far-flung battle line. That is as much as the United States needs. That is as much as Russia or France would need. It is not beyond the power even of Belgium or Switzerland to provide. It does not take away from any great, strong nation its natural advantages, because they have the natural advantage of reserve force and resources and man power behind them. There is nothing unfair about it. Suppose that were agreed to—four hundred thousand or five hundred thousand—and suppose we entered into an agreement that if any nation dared arm itself any further she would become the enemy of the civilized world, and we would so declare her and so treat her. Does not the Senator think that that would lead to a greater hope, at any rate a more assured hope of permanent and just peace in the world?

Now, one more question, and then I am through.

Mr. BORAH. I hope the Senator will not take up my time, because I have got to close. It is near adjournment.

Mr. WILLIAMS. One more observation, one more sentence, and then I am through. Now, if the Senator will add this reflection to what has gone before—that the world in the meantime has become democratic, and that the faith expressed now by nations will not be the faith of the despots who happened to control them, like the King of Prussia, and the King of Austria, and the Czar of Russia in the old time, but the expression of the will of the people themselves in all these countries—does he not agree with me that it is much more apt to be carried out than if it were the mere will of despots, subject to a revolution at home?

Mr. BORAH. Yes, Mr. President. These people who have fought and won this war in the name of democracy are about to organize a tribunal, which tribunal is to have the power to decide upon great questions of national interest, and which tribunal shall have the say as to how that shall be enforced. Now, who is to control this tribunal? What say will the people of the United States have with reference to who shall control this tribunal? They could not have any say as to more than one of them at most, and they would have only a third or fourth time removed control over that particular one.

Is it proposed that this tribunal shall be in any way selected, elected, or confirmed by these people whom the Senator talks about? This scheme removes the power to declare war farther away from the people than it is now. I think it is already too far removed from those who fill the trenches and fight the battles; but now it is proposed to give it to a tribunal which is still farther removed, which is an appointive tribunal selected by the different nations, over whose judgment the people will have no control whatever—a fitting conclusion to a war waged and won in the name of democracy! If you will demonstrate to me how the masses of the people can control this tribunal, direct its decrees in case they are not satisfied with them, or make it unmistakably responsive to the people, you will present a question much more to my liking than the one we have now.

Mr. WILLIAMS. Mr. President, do I understand, then, that the Senator thinks it is absolutely hopeless to organize any system of civilization where each nation shall not be its own judge and its own jury and its own executioner?

Mr. BORAH. I do not think it is hopeless.

Mr. WILLIAMS. I should hate to believe that, and I think the Senator would hate to believe it.

Mr. BORAH. The trouble with the proposition of the Senator from Mississippi and all these gentlemen who are discussing the league to enforce peace is that they assume that the league to enforce peace will bring peace. We who are opposed to it think that instead of "a league to enforce peace" it ought to be named "a league to promote war," because we believe that is precisely what it will do.

Mr. WILLIAMS. But, Mr. President, I assume——

Mr. BORAH. Yes, you are assuming, but I am not.

Mr. WILLIAMS. I assume that any expressed will of humanity, through its organized agencies as nationalities, to do a certain thing shall at least have a bent toward that thing, and that it shall not have the opposite effect. I believe that the will to preserve peace goes a long way to preserve it, and that if it is expressed through the organized authorities of society in the world, representing humanity and the democracy of humanity, it must have at least a tendency toward the purpose.

Mr. BORAH. That is precisely what Alexander the First thought.

Mr. SHAFROTH. Mr. President——

Mr. WILLIAMS. In that connection let me say this, and then I will not disturb the Senator any more: Alexander the Czar did say about that, and he meant it, and he was the greatest one of the men around that council table; but he was subsequently overslaughed and overawed by a great many other forces.

Mr. BORAH. Precisely. The Senator has stated there the defect of the whole proposition.

Mr. WILLIAMS. There was but one man to deal with. Every man that wanted to fix Alexander just had to see Alexander. He did not have to see a whole lot of free countries; and Alexander finally became a slave to the orthodox church, and he finally went back on everything that he had ever advocated; but he was just one man. Now we are talking about a scheme of nations, and democratic nations, and we say that they would not be likely to be controlled by one man.

Mr. BORAH. Mr. President, I hope the Senator will permit me to proceed.

Mr. WILLIAMS. Yes; I beg the Senator's pardon.

Mr. BORAH. I must close, and therefore I have to ask the Senator to let me proceed.

Mr. WILLIAMS. By the way, I want to beg the Senator's pardon. I did not intend to make the last outburst.

Mr. BORAH. That is all right.

Mr. President, the Senator has referred to the fact that Alexander changed his mind. Indeed he did. He started out with a league based upon the principles of Christianity. He ended up as the most violent advocate of a conspiracy to destroy free government and a free press. The power, however, which had been lodged in him as a Christian was still in him as a barbarian; and that is one of the defects of this league. Who is going to keep it from under the control of a Metternich, as the holy alliance came under his control? Who is going to keep it from under the control of a Bismarck? If that is true, who is going to keep them, when they are once members of this tribunal, from changing their minds from the aim of a league to enforce peace to that of a league to promote war?

Mr. SHAFROTH. If the Senator will yield, I do not understand that there is any desire to have fixed judges for the determination of these matters. I understand it is advocated for a league of nations that certain persons shall be selected upon each side and the odd man determined by lot if he can not be agreed upon, and the matter is then submitted to them.

Mr. BORAH. Mr. President, of course I do not know whether the Senator has reduced his proposition to form or not, but the only forms I have seen so far are those for a tribunal of a permanent nature, with power to decide and power to enforce.

Mr. SHAFROTH. I understand they are not to be——

Mr. BORAH. The Senator says he understands. From whom does he understand?

Mr. SHAFROTH. That is the situation now at The Hague. It is the manner in which they are selected there.

Mr. BORAH. The Hague has been rejected and put aside, and we are now dealing with another proposition.

Mr. SHAFROTH. It is an advanced stage over what has been in the way of arbitrating matters. For instance, if you have a controversy between Belgium and the United States it seems to me that Belgium could select three judges of her own and the United States select three judges of her own, and let the six select the seventh. Surely that would be a fair tribunal, and it would not be subject to the decision of six judges. I recognize that there is great difficulty in getting judges of different nations who are to determine matters. I understand

that a decree made by a tribunal of this kind is a final decree subject to no change or modification whatever, and that being the case the little nation as well as the big nation is fairly treated. If you have as a basis justice and right, which will prevail in the case of a controversy of that kind, you are not going to have the incentive to war which it gives in ordinary times.

Mr. BORAH. Of course I do not know from whom the Senator understands this program. If it has official sanction back of it, of course it is an interesting proposition. But the proposition that has been submitted to the country does not contemplate that kind of a program at all.

Mr. President, we have seen in the discussion of this league to enforce peace that very few, if any, have been willing to say that they are willing to create a superinternational court with power to render judgment and a police force to enforce it. There are very few who are willing to say that they are willing to submit the vital matters, those matters which involve the life and death of a nation, to the court. Now, there come the other exceptions, and let us deal with them for a few moments, and I will close.

The able Senator from Illinois [Mr. LEWIS] says he does not understand that this league to enforce peace, the membership of which will be composed of all the nations of the earth, will in any way interfere with the doctrine which was announced by the Father of his Country in his Farewell Address, to wit, that there should be no entangling alliances on the part of this country with the governments of Europe, his idea being that Washington had in mind an entangling alliance with some particular one nation as against some other nation of Europe; that as this league will comprise all the nations of the world it will not be subject to the inhibition which was given to us by Washington in his Farewell Address. I have never understood that to be the construction of Washington's Farewell Address. I have never read it in that light. I do not know of anyone else except the able Senator from Illinois who has. Let us see if it will bear that construction. He says:

> The great rule of conduct for us in regard to foreign nations is in extending our commercial relations to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

To what did he refer? He referred to our treaty arrangements with France, the only treaty of alliance we ever had, and that was a treaty with one nation. He said, so far as this particular treaty was concerned, or so far as our former engagements are concerned, let them be fulfilled with perfect good faith. Here let us stop with all foreign nations. No alliances with foreign nations. Let there be commercial alliances, commercial understandings, and commercial agreements, but all political connections or all political arrangements or understandings are prohibited by the advice of the Father of his Country.

Now, how do you construe this?

> Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friendships or enmities.

Certainly, Mr. President, that can not be construed in any other light than that the Father of his Country, whatever his wisdom is worth to us now, was opposed to any foreign political combinations, arrangements, or understandings of any nature or kind whatsoever; that he excluded Europe from any political combination or understanding as a whole, because Europe had a set of primary interests of her own with which we had very little or no concern. This is the understanding of all men for more than a century. Not until the advocates of this league appeared has it ever been attempted to explain away or emasculate this doctrine. It is too late now to trifle with the last will and testament of him of whom it was said by a great Englishman, "He was the greatest man of our own or of any age."

While it is said that transportation has brought us closer to Europe than we were when Washington lived, Europe's primary interests are just as distinct in a multitude of the nations of Europe to-day as they were when Washington was upon the earth. There are some interests common to Great Britain and this country, interests common to France and this country.

These nations are advanced in the arts and in government and far progressed; but what is there in common between Bulgaria and Turkey and Asia and this Nation to-day different from what it was when Washington wrote his Farewell Address?

It is the proposition of this league that it shall include all these nations, the fifty-odd nations and perhaps one hundred and fifty when this matter shall be finally adjusted after the war, all of which are to be represented and all of which are to be members of the league. Politically we are just as far apart now as we were then, and if Washington were alive to-day he could announce his doctrine with the same accuracy, with the exception of two or three nations at most, just as emphatically and just as pertinently as he did when he bade farewell to his countrymen.

So, Mr. President, again I say, let us be candid.

I appeal to those who advance the doctrine of a league of nations to be candid with the American people and say whether it means the abandonment of the doctrine of Washington, that his Farewell Address has spent its force, has become antiquated, and should no longer have effect. It may be that the people of the United States are willing to abandon that doctrine. It may be that they are impressed with the proposition that we have entered upon a new era, but let us be candid with them and tell them that any practical league of nations means that we are to enter into entangling alliances in Europe, and all Europe, and all Asia, and all Africa.

We come now to the Monroe doctrine. I appreciate the candor and commend the Americanism of the Senator from Illinois when he says that the Monroe doctrine would have to be excepted from any league which he would indorse. But, Mr. President, a very distinguished educator at the head of one of our great educational institutions, an advocate of the league to enforce peace, has said that the league could have no more to do with the Monroe doctrine than it would have to do with the price of sugar; that he was not in favor of excepting it, because it does not affect it. Let us see whether it does or not.

The Monroe doctrine was based upon three propositions: No further colonization by European powers on the Western Continent, no extension of the European system to America, and no interference with established governments. It was called into existence by reason of the activities of the league of nations called the Holy Alliance, to which I have already referred. When this congress met at Verona in 1822 it took up the question of the Spanish-American colonies. The rising tide of democracy was sweeping away the Spanish possessions in South America. Spain was not able to control the situation, therefore this league to enforce peace had some business to attend to. Peace must be restored, and underneath the restoration were to be placed the crushed hopes and aspirations of people struggling to be free. And here let us remember that some wars are as holy as liberty itself. Peace when freedom is the price is fit only for slaves. Thus the Monroe doctrine was born. It was thrown up as a dyke against the threatened flood of foul inundation of this league of nations. It dedicated the western world to liberty. It was the new Republic's bold challenge to this unconscionable conspiracy bent upon the destruction of free governments. It is this doctrine which I contend any league of nations composed of foreign powers will destroy.

Let us illustrate. Why did we purchase the St. Thomas Islands? They were situated on one of the routes leading to the Panama Canal. It was known or feared that Germany wished to secure these islands. We would have no right to object to her securing them except the right which arises out of the Monroe doctrine. As a sovereign nation Denmark had a right to sell. As a sovereign nation Germany had a right to buy. Had she purchased and had we submitted to it, the Monroe doctrine would have been at an end. Suppose she had purchased the islands and had undertaken to take possession of them. Would we have consented for Germany to have those islands on the route to the Panama Canal? Would we have submitted to an international court the question of whether or not we should maintain the Monroe doctrine? Or if we had submitted it and it had been decided against us, would we have given up the Monroe doctrine and permitted Germany to acquire the islands? Suppose Germany had purchased them and started to take possession and we had moved our battleships to the waters in the neighborhood of these islands to prevent her taking possession. Under this league to enforce peace that would have put us in the wrong and we would have found ourselves a member of a league by the terms of which we invited all the nations of Europe to fight us because we refused to submit the Monroe doctrine to a tribunal or refused to give it up. Do you think we would have submitted any of these questions to an arbitral tribunal composed entirely of foreign nations? If it had been submitted, do you think the people of the United States would have sustained the treasonable administration that had done so? I repeat, Mr. President, I thank God the American people still vote and they will control the policy of this Nation in matters which touch their vital interests and involve the security of their country.

Take another proposition. A few years ago Germany made a move to purchase the Galapagos Islands near Ecuador. They, too, were not far from the Panama Canal. It was during the time Mr. Root was Secretary of State. Through correspondence we prevailed upon Ecuador to refuse to sell. But suppose

Ecuador had refused to accept Secretary Root's suggestion. As a sovereign nation she had a right to sell, and Germany had a right to buy.

Suppose she had purchased and undertaken to take possession and we had disputed her right to do so. Would not the Monroe doctrine again have been directly involved and would we have submitted the question of whether Germany should have these islands, which would involve the safety of our whole country, to an arbitral tribunal? But if we had refused to submit it according to the principles of the league of nations, all other members of the league would have had to send an army here to whip us into submission. We would have found ourselves the signer of a contract which would have invited every nation of Europe to take part in the affairs of the Western Continent. President Wilson once said most correctly: "The Monroe doctrine was proclaimed by the United States upon our own authority. It always has been and always will be maintained upon our own responsibility." No, indeed, we want no foreign powers settling the difficulties of the Western Continent. We have gotten along splendidly under the doctrine of Washington and Monroe without their aid or assistance.

Mr. LODGE. The Senator spoke about the Galapagos Islands a moment ago. The question came up under the McKinley administration, and Mr. Hay, then Secretary of State, served notice in form to Ecuador that there was but one purchaser for those islands if they were for sale. When it came to Mr. Root and the question arose again, Mr. Root said: "I did not propose that we should be in a position where we had to buy the islands, and I told Ecuador those islands were not to be sold to anyone."

Mr. BORAH. Precisely.

Mr. LODGE. That is the Monroe doctrine, and that would go to the winds if we had a league of peace with foreign powers.

Mr. BORAH. I thank the Senator. I have read somewhere this illustration which I make use of: A few months before the commencement of this war the President of the United States appeared before Congress and asked permission to use the armed forces of the United States to enforce the rights and protect the dignity of the United States in Mexico. Before the authority was actually given a clash of arms took place between the United States and Mexico, and some two hundred Mexicans were killed and perhaps 75 or 100 Americans killed. We gave the authority, and in due time our force in full appeared upon the scene. Suppose we had been a member of this league of nations, a league which provides that every nation before it proceeds to hostilities shall submit its question to arbitration or to the decision of an international court. Would we have submitted to European nations the question of whether we should protect the dignity and enforce the rights of Americans upon this continent? Would we have abandoned not only our rights, but abandoned the Monroe doctrine, by inviting foreign nations to settle it? And at the time that we appeared at Vera Cruz, under the conditions which existed we would have been subject to ostracism by this league of nations and would have, according to the very treaty which we would have signed, invited all the other members of the league in company with Mexico to fight us.

Not only that, Mr. President, but at the very time the President appeared before Congress and asked for this power we were in a solemn treaty with Mexico binding us in honor and good conscience in case of any controversy, before resorting to hostilities, we would undertake to arbitrate or settle it in some way in order to maintain the friendship between the two nations. It was not believed at the time that conditions permitted our adherence to this treaty. Would our honor or our conscience have been any more under the control of a treaty which was the basis of a league of nations? Would it have been any more binding upon our armies, unless it be assumed that we would refrain from fear and not from honor?

Yet these men who are advocating a league of nations, a league to enforce peace, with a court to decide difficulties, pretend to say to the American people that it would in no wise interfere with the Monroe doctrine. I repeat again, let us be candid with the people of this country and tell them what this scheme of a league to enforce peace means. Let us deal with them in the utmost candor. If anyone knows what it means, he should say so. If he does not know what it means or where it is going to lead, in Heaven's name let the people know that also.

Mr. President, let us be perfectly candid with the people of this country and tell them what this scheme of a league to enforce peace means. It means the creation of a superinternational court and turning the Army over to their direction if it has any virility. It means the abandonment of Washington's Farewell Address. It means the abandonment of the Monroe doctrine. It means that we will enter into entangling alliances with Europe. I am not in favor of it. I am not in favor of any league of nations which infringes in the least upon the sovereign power of the people of the United States to direct and control the destiny of this Nation.

Mr. President, I concede to the ideal its great place in human affairs. I am glad we have with us always the idealist. Life without its music and its poetry, the great, throbbing heart of humanity devoid of sentiment, and this world of struggle without its ideals would be the place that Byron in his gloom tells about, where all were "chilled into a selfish prayer for light." But while the ideal has its place, into that land of promise, like the patriarch of old, the legislator is not permitted to enter. He must deal with concrete things and things practical. If possible, he must know in advance to what results the plan proposed leads. He must seek to measure its effect upon those whose lot it is to tread the homely paths of life. His material is human nature as it is and as it always will be—struggling up and moving on, hoping, aspiring, but human nature still. If the uglier passions were dead and love of power were banished, if race prejudice and national rivalry and commercial hunger were at an end, if we could only realize in practice that the Creator made of one blood all nations to dwell upon the face of the earth, the task of the legislator would be easy.

But you and I are to deal with a world tortured and twisted by selfishness and greed, vexed and driven by rivalry and ambition as well as honored and ennobled by self-denial and self-sacrifice. We can no more in wisdom ignore the former than we should disregard the latter. And above all, the thing which seems to confound all purposes and frustrate the noblest schemes is that inscrutable and tantalizing fact written upon every page of human history, the fickle friendship of nations.

Six years ago had we formed a league Germany would have been welcomed and as a friend, though at that time she was preparing her war for world dominion. We would have had within the league, operating under cover of friendship, the secret forces of an avowed enemy of peace. Turkey, I presume, would have been admitted, as we never yet have felt the necessity of declaring war against her. Thirteen years ago Russia and Japan were at war. In 1917 they formed a most friendly alliance. In 1918 they are at war, or near war. It has not been long since Bulgaria and Serbia stood and fought together against the Turks, though they have since been engaged in deadly conflict against each other. Speaking again of the Turks, the most cruel and remorseless of nations, in the last hundred years, at different times, every Christian nation of Europe has been willing to enter into some kind of an alliance with her. Within the last decade Germany and Austria stood by and assisted while Italy seized Tripoli from Turkey. Since then Germany and Austria and Turkey have been at war with Italy. A powerful league was formed between France and Britain and Russia in 1914, to the effect that no peace should be made until it was made together. In a little over two years Russia had made a separate peace. Great Britain and France have been during the last century and a half more often enemies than friends. This Republic has friends now who were not our friends in former days. This is the story told from the beginning of history. There is no such thing as friendship between nations as we speak of friendship between individuals. Any plan based upon such a theory is built upon shifting sands. Equally futile are schemes to boycott in an economic way erring nations. People and nations will trade where interest and advantage invite them to trade. The Paris economic conference was a ridiculous affair, an affront to human experience. With deep insight the President disowned its purposes. Nations and peoples act from self-interest—buttressed and sustained by race rivalry and national pride, and also, thank God, by patriotism, which is love for your own country, your own government, and your own people before and above all other countries, governments, and peoples. Without that patriotism, that sacred passion, which reached its sublime heights at the Marne and at Chateau-Thierry, the world would not be fit to live in. Whatever plans we have, let us build them in the light and under the inspiration of the proud traditions of the Republic and the teachings of Washington and Jefferson, of Jackson and Lincoln.

You will read that on the night before Alexander started on his conquest of the world he visited his old tutor, Aristotle, for a last interview. The aged philosopher said to the youthful conqueror: "You are about to start upon an enterprise which will bring you into many lands and among many nations, some already celebrated in arts and in arms, and some savage and barbarian. But this last counsel I give you: Withersoever your victories lead you, never forget that you are a Greek." But Alexander did forget that he was a Greek. The self-restraint, the poise, the fine sense of justice, the philosophy of the Greek gave way to the unrestrained revelry and reckless debauchery

of the savage and the barbarian. Conscious of his great strength he tossed prudence to the wind. That which promised dominion and glory and power ended in a premature grave in a foreign land.

Sir, I fully understand that we have as a people come into a wider circle of influence and under graver responsibilities than we have known heretofore. I acknowledge in full our duty toward the peace of the world, our deep and vital interest in sustaining and extending and strengthening the domain of international law. I would shirk from no duty; I would meet every obligation. But as we are brought into contact with many nations, some advanced and enlightened in the ways of free government, some far below our standards and conception of right and justice, we should never forget that we are Americans. Through it all we should cling to our traditions, our principles and policies by means of which we have risen to leadership in the great struggle for free institutions. Americanism, the most vital principle in civilization to-day, the hope of the world, is not to be compromised, much less abandoned. The political creed under which we have attained unto greatness, the tenets of that faith which lighted this noble experiment on its way, are not to be disregarded simply because we are now victorious and strong. The simplicity, the justice, and the demonstrated wisdom of the two great underlying principles of our foreign policy are not to be bartered for the imaginary plans of an imaginary world. They harmonize with our tastes, they conform to our habits as a people, they fit into and buttress our free institutions, and for myself I do not want to give them up. "Observe justice and good faith toward all nations; have neither passionate hatreds nor passionate attachments to any, and be independent politically of all." That is the political chart with which we put out to sea over a century ago. It will be a fateful hour when overbold and too conscious of our strength we conclude that without this chart we can withstand the storms which we are bound soon to encounter. True to these principles, true to our teachings, we can still discharge every obligation toward peace and for the advancement of mankind.

Mr. WILLIAMS. Mr. President, I take it for granted that there is not an American in the world who will forget that he is an American. I take it for granted that the spirit is as widespread in Mississippi as it is in Idaho. Alexander ceased to be a Greek, as the Senator said, but for the very simple reason that he never was a Greek to start with; he was a Macedonian.

The whole sum and substance reduced to its last analysis of all the Senator said most eloquently is that he contends we have a right to be the judge in our own quarrels ourselves. That is all. If he were to announce that as a principle of philosophy among individuals the whole world would unite in putting him in a lunatic asylum or sending him to prison. It is absolutely wonderful that men who live in a state of civilization, where they leave to fair arbitrators quarrels between themselves, should contend that they lose independence and suffer indignity whenever as nations they agree to let justice and right prevail, instead of having each nation act as its own judge.

The Senator has drawn a picture of what might have happened in our quarrel with Mexico. What would have happened if we both had been members of a league of nations would have been this: In the first place, Mexico never would have fired upon the American flag. If she had fired upon the American flag—as she did fire upon it—then it would not have been we who had started the war, but Mexico. Then the league of nations would have made Mexico the common enemy of all mankind, instead of merely our enemy.

Mr. President, I believe in a God of justice and righteousness. I believe in the utterance of Tennyson, that a day will come when "the common sense of most will hold fretful realms in awe," and I do not believe that any nation has a right to say what the Senator has just said, assuming me to speak for this Nation, any more than any individual has a right to say what he has just said, if he spoke for an individual, whether himself or any other individual. I do not believe that any individual or any nation has a right to say: "I shall be the sole judge in my own quarrel; I shall try the case; I shall give judgment; and I shall execute the judgment."

There are two ways of keeping the peace of the world. One is by an amphictyonic council of the civilized world, which we are trying to secure; the other is by the domination of one great world power that shall make its will known to all the world. That is what Prussia and Germany attempted. At the bottom of the heart of the Senator from Idaho he seems to have the same idea, except that he would not have Germany do it, but he would have us do it. Of course, you can keep the peace of the world if you let one nation rule the world, and rule it with such force and such power that nobody else dares defy her. At the bottom of the Senator's heart is that notion; but it is not a right notion; it is not just; it is not fair; it is not civilized; it is not enlightened; it is not righteousness. You have no right in a dispute between me and you to be the sole judge of the controversy; and America has no right in a dispute between her and anybody else to be the sole judge of the controversy. The only reason why hitherto a nation has been the sole judge in a controversy is because it did not limit its own power to be so, if it thought it had the power. It is no less barbarous for a nation than it is for you or for me to say: "We will admit nobody else to stand in judgment; we will ourselves be the sole judge, the sole court, and the sole executioner of our own decrees."

If you are going to carry on this miserable mad world the way it has been carried on for a long while, why, go ahead with it; but it must result after a while, if you are going ahead that way, in one thing. It must result in the carrying out of the German idea by somebody else and not by Germany. Somebody must conquer the world and rule it and keep it in peace. If you want America to do it, all right, if you think you can, if you think the game is worth the candle. I do not. I would infinitely rather that the "common sense of most should hold fretful realms in awe."

When the Senator comes and tells me about what failed to be done under the Holy Alliance, with six despots gathered around a table, to agree upon things that they never intended to carry out, it has nothing to do with what we are proposing here to-day. There was only one of them that ever did intend to carry it out, and that was Alexander of Russia, and he forced it upon the council. He was an idealist, a sentimentalist, a fine fellow, except that later on he went all to pieces. But a democracy is not going to do that.

If you think we are the only democracy in the world, you are again mistaken. The Government of England is more democratic than is our own. The voice of the people of Great Britain is put upon the statute books within a few weeks after a general election, and the voice of ours may never be, and frequently has not been. France is as democratic as are you and I. Italy is almost as much so. Belgium is very nearly as much so.

If you want to carry on this mad, barbaric, insane business of any nation getting mad with another because a grand duke has been assassinated and declaring war, leading to a war of all the world, why, go ahead with it. But God will not bless you in it, whatever else you may say or do. I imagine that a different verb would suit the situation rather than the verb "bless."

The Senator from Idaho, under it all, is of the opinion that every man is in his quarrel, that he would like to settle it for himself; but we have long since agreed, in the interest of civilization, that we could not do that. It is better for a quarrel to be settled wrong now and then than it is to have both parties to a quarrel, each one to settle it for himself, the only upshot of which is that one must kill the other. So the Senator's philosophy, reduced to the ultimate analysis, is that, as between nations, each nation must be its own judge, and, in the long run, must proceed to murder all the inhabitants of the other nation.

The Senator from Idaho would say, "I am an American; I must not forget that I am an American and that I am all sovereign; I can not allow anybody else to interfere"; or, "I am a Frenchman; I must not forget that I am a Frenchman, and in all quarrels to which France is committed I alone must be the judge"; or, "I am a Briton; I look away back beyond a long line of ancestors; I am proud of them; and in any quarrel in which a Briton is engaged I alone must be the judge; the United States and France shall not have any voice at all." You had better just say, "I am a barbarian" and be done with it. "I insist, as the barbarian does, upon settling all my quarrels to suit myself." That is the only difference between a barbarian and a civilized man. A savage settles his own quarrel to suit himself, if he can, and if he can not the other fellow settles it to suit himself, and one of them dies on the spot.

Great Austria sends an ultimatum to little Serbia, saying: "One of my grand dukes has been killed, and you must kneel upon your knuckle bones and come in, and not only apologize but let me run your country for a while, while I settle this question to suit myself." Then Germany comes in and says to Russia: "Yes; you must let her settle this to suit herself; she is sovereign, and, being sovereign, she is the only judge of her own controversy."

There is a higher enlightenment coming to this world than the Senator from Idaho has thus far dreamt. It may not come now, but it will finally come. There will be a time when no

man will dare stand in any deliberative body and assert the doctrine which he has just asserted, when no man will dare stand up and say for a nation what no man now dare say for an individual, to wit, "You must not touch the sovereignty of the nation in the slightest degree, because unless each nation settles its controversy to suit itself it has lost its self-respect." Why, I do not lose my self-respect when I go to court with you or you with me.

Now, as to leaving controversies in which the United States are concerned to a biased and a partial arbitrament with separate interests of a European character, as the Senator says, that is not and never was involved in the proposition. Nobody ever said, except a few extremists who have never been listened to much, that every nation was to be represented in a council that was to settle all difficulties. The only question was that they must settle them, and that if they did not submit to fair and impartial arbitration, then the civilized world would taboo the country that did not.

Mr. President, you may talk all you please, you may say what you choose to, you may quote all the bad men and barbaric history that has ever been written—and there is lots of it that is quotable in favor of the position that the Senator from Idaho has just taken—all that is back there; all that is behind us so far is barbarism internationally; and we have got to get away from it somehow, at some time, now or hereafter. You may argue all you choose about it, but when you get through talking about it, it comes down to this: Are you fair? Are you just? Are you generous? Or, on the other hand, do you insist that you shall be the sole judge in your own quarrel? That is all; there is not anything else to it. Are you fair? Are you just? Are you honest? Have you that sense of honor that makes you give some consideration to the other man's assertion of his right, or do you stand like a savage and say, "I will be the sole judge of my own quarrel"? And when you say it as a citizen of a country or undertake to make your country say it, you are none the less criminal as an American, but you are a hundred million times more criminal than if you said it just for yourself, because you are undertaking to say it for a hundred million people.

I should like to be the judge of my own quarrel always in a way. I believe I would be generally right about it, and I reckon you think you would be, but that is not what civilization has decreed for me or for you, and that is not what civilization ought to decree for nations.

Oh, I wish the Senator from Idaho would think for just one moment about the men and the women and the children of Belgium and Serbia and Poland and of France, and what this barbarism has led to. Murder, robbery, rape, and everything else in the world; and why? Because of the absurd notion that every nation has to be the sole judge of its own quarrel, and that it was lacking in honor and lacking in self-respect and lacking in patriotism if anybody else was invoked to try and settle the controversy; that is all. Every murdered man and every ravished woman and every robbed bank or robbed household in all Europe to-day owes the guilty fact to the advocacy of the very theory that the Senator has just been talking for. The whole thing would have been avoided if, upon the suggestion of Earl Grey, Austria had been willing to leave it to arbitration. The whole thing would have been avoided if, upon his further suggestion, she had even been willing to leave it to The Hague court. It was put up to her trebly—leave it to arbitrators, to The Hague court, or leave it to the concert of Europe; and Great Britain, France, Italy, Germany, and Russia will meet and decide it. She refused all. Why? Not upon the plea, "I am an American, and I must never forget it," but upon the plea that "I am an Austrian and I must never forget that." And Germany refused to interfere upon the plea that Austria was Austria, that Germany was an ally of Austria, and that she could not even consider a proposition of having Austria submit to arbitration a question of honor, as the Kaiser called it. A question of honor—the killing of a grand duke! It amounted to no more than the killing of anybody else anywhere else, except they thought the idea of sovereignty was involved, because he was a member of a reigning house.

Mr. President, I have said upon this floor more than once in my time, I have repeated the language of Thomas Jefferson, my passion is peace, and I am so fond of peace that I will fight for it any day in the world whenever it is necessary or possible. My family has fought for it, and will continue to do so. I am so fond of peace that I do not believe that even my own country has the right to be the judge in its own quarrel, and to avoid peace when peace can be brought about with self-respect.

The Senator has instanced two or three cases in which he says, What would the American people have done under those circumstances if there had been a league of nations?

I will tell you what they would have done. The question in controversy would have been settled, and, if it had been settled either way we never would have been worse off. In all the cases that have been cited, my own opinion is that the controversy would have been settled in our favor. But suppose it had not been. Suppose that a Senator owes me $25 and denies it, and goes into court, and a jury takes his word for it, and I lose my $25, and he keeps it in his pocket. Is not that better than having me kill him or having him kill me? Is that not better than to have him come and invade my household and go into the house and take my silver in order to pay himself? I am assuming a case where I believe I was right.

Mr. BORAH. The Senator always is.

Mr. WILLIAMS. Is it not infinitely better that I should lose the $25 than that I should go into his house and take his silver pitcher and his silver cups and his spoons and carry them out and sell them in order to indemnify myself? Is not the Senator lawyer enough to know that it is infinitely better to have cessation of litigation than it is even to have every judgment absolutely correct?

If we can not appeal to the conscience of the civilized world to stop this miserable barbarism of murder and rape and arson, this insanity that we call war, which now and then, under the present system, the best people in the world must resort to, just as we did this time, then where is the faith in God and the hope for enlightenment? What is the use of living? What is the use of pretending to be civilized? If I have got to go out into the world and fight for everything that I want and need and ought to have, and nobody is to be a common judge of what is right and just between me and an antagonist, then what is the use of all this structure that we have built about us—libraries, and schools, and churches, and dreams of poets, and visions of prophets, and the balance of it? Had we not better just go back frankly and butcher one another whenever we feel like it?

Aristotle's last words to Alexander were: "Remember that you are a Greek." I would hate to tell any American that the last word I had to say to him was: "Remember that you are an American." I would infinitely rather say to him: "Remember that you are a human being and a creature of God, and that, whether you are an American or not, you must not set up to be the judge in your own quarrel. You must do justice; and, for fear that you will not, you must try to organize some power that will do it, somewhere—your own power, in which you have half say; fair arbitration."

I do not know what you think about it; I do not know what you will do; but during the whole time I was practicing law I had a positive contempt for any man who refused to leave to the arbitration of his neighbors a quarrel between him and another neighbor. I never knew one of them to be right.

Patriotism, yes; nationalism, yes. They are amongst the most sacred words in the world, because they lead to the extension of our culture—not German kultur, but real, civilized culture. The only reason why the Germans spelled it with a "k" was because Great Britain had all the "c's," as somebody said in a paragraph in Life, I believe, or some other funny paper.

I would have understood the speech the Senator from Idaho has made if some other Senator had made it; but, I declare, it does not sound like him. He is the sort of man upon whom I would place my hands and say: "If there is an American in the world, the product of enlightenment and civilization, that wants to open a new vista for humanity, a new hope for it, and do away with past barbarity, here is the man." You do not imagine you can do away with past barbarity as long as you keep the door open for every nation to settle its own quarrels to suit itself.

"Oh, but it may involve the Monroe doctrine"! Well, suppose it does, and suppose you can supplant the Monroe doctrine with a world Monroe doctrine. What was the Monroe doctrine? It was that no European country should by violence extend its conquest or its system of government upon this continent. Now, suppose we say to all the world that no government whatever shall by conquest extend itself or its system of government anywhere, not only in America but all over the world. Is that not merely an extended Monroe doctrine, much higher in its character and much more enlightened in its scope?

"Somebody might have gotten the Galapagos Islands"! What harm would it have done anybody if they had? It is like the fellow who after the Spanish-American War went around speaking as if we would have been ruined if we had not had the Philippines, when most people never knew where the Philippines were before. The only thing we had ever heard about them was that Manila hats came from there. Then they tried to work us all up to a feeling of strong patriotism that if we did not keep the Philippines somebody else would get them. We

had to buy the people at so much a head to subject them to American "kultur"—this time spelled with a "k"—loaded rifles. We would have been just as well off without them. We are just as well off without the Galapagos Islands as if we had them. We do not want them anyhow. What would you do with them if you had them? And what harm could anybody else do if they had them? I mean harm to us. Of course, if Germany had them she could have done a heap of harm to the natives in her barbarous way, as she did in South Africa; but she could not have harmed us.

Mr. President, I absolutely deprecate the doctrine that patriotism or loyalty or nationality demands that my people shall be the sole judge in any controversy arising between it and any other people; and so far as I am concerned, I am willing to accept all the disapproval that may come from people pretending to be more patriotic than I on account of that opinion. I would be ashamed of myself if you and I had a controversy, and I met you and said, "I will be the sole judge of this controversy"; and I would pretty nearly murder you if you told me you would be the sole judge.

Mr. President, there is no difference in the law of ethics and morals when applied to an individual and when applied to a nation. Germany has contended that there was. She has contended that the State was an independent sort of entity, and that you must do things for the State, and you must be the creature of the State, and you must, in a way, worship the State. That never has been the American doctrine. The American doctrine is that the State is the mere instrumentality of the will of the people, and that it is erected by them, and can be thrown down by them whenever they please. They not only have the right to overcome it, but the duty to do it, if the State fails them as an instrumentality. You can not take the position that a state—a government—must be the sole judge of its quarrel, unless you go a step farther—to state worship. The law of morals and of ethics is the same as between individuals. There must be mutual concessions, and there must be common and impartial arbitrament, and as between nations there ought to be the same thing.

Now, gentlemen may call this sentimentalism, they may call it idealism, but it is the highest form of practicalness. Everything else is theoretical except that. Everything else is not only sentimental but narrowly sentimental, except that; and that flag above all other flags on the surface of this earth has hitherto emblemized that idea. We have never carried it anywhere except with the idea in our minds, at any rate, that we were so nearly right that we would have left the question to arbitration if the other side had agreed.

Why, this American Union is a mere illustration, every star on that flag is a mere illustration, of the general principle. New Jersey was ready to go to war with New York; Rhode Island was holding out; North Carolina was saying that it could not come in because of its sovereignty; and yet we came in, and we had peace within our borders and interstate trade, guaranteed by a fair Federal arbitrament that we ourselves had erected. If there is any pattern for a league of nations in the world to-day, it is the American Republic, this Union of indestructible States, still remaining States, but giving up a certain degree of independence in order to accomplish a grander result.

PAY OF EMPLOYEES.

Mr. MARTIN of Virginia. Mr. President, a resolution came over from the House providing for the payment of the employees of the two Houses on the 21st of December. It was referred to the Committee on Appropriations. I ask unanimous consent that that committee be discharged from its consideration and that the Senate proceed to consider it.

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution (H. J. Res. 356) authorizing payment of the salaries of officers and employees of Congress for December, 1918.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SOUTHERN PORTS.

Mr. McKELLAR. Mr. President, I ask unanimous consent to insert in the RECORD two very short articles on southern ports as ports of export.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

SOUTHERN PORTS.

Secretary McAdoo, in the capacity of General Director of Railroads, has made a visit to the South to meet and confer with railroad officials in that section and incidentally he made a visit to Mobile and Pensacola. He has spoken since of the fine harbors of those Gulf ports, of the advantage that would come of their development, and the foreign trade that might be in that way conducted. Secretary McAdoo will give up control of the railroads January 1. It is to be hoped that his successor, or those on whom the work of railroad direction in the future may devolve, will continue of the same mind and show some zeal in behalf of this needed improvement.

It would be to the advantage of the Nation at large if the Gulf ports should become more important in the country's commerce and do a larger part in both importing and exporting than has appeared to be possible under old conditions.

As long as the railroad systems of the country were controlled mostly by the capital congested in the East, only the lateral lines leading to the Atlantic seaboard were important; all other railroads were mostly for "feeders" or for local convenience. It is not for the best interest of the country at large, certainly not for that of the great Middle West or the trans-Mississippi country, that it should be so. Government management of railroads should take care that there is no discrimination and that the country is served for the general public good and not for local advantage.

But it does not appear that the Government contemplates such a policy despite the interest manifested by Secretary McAdoo in Mobile and Pensacola. A short time ago a statement made of Government plans for new steamship routes included lines from New York only to Latin-American ports; some of them to Mexico and Central America in a comparatively short distance of our great ports. Possibly what Secretary McAdoo said about Mobile and Pensacola gave indication that the former plans may be amended or supplanted, giving greater advantage to the southern ports.

Not only the Gulf ports but the South Atlantic ports, Jacksonville, Savannah, Charleston, and Norfolk, could be used to better advantage than under present conditions. The Jacksonville Times-Union presents the fact that there is great waste of time and transportation in sending South American imports to New York to be reshipped over the continent. Nashville, for example, might get these imports from Jacksonville in a few hours, when much time and considerable freightage is added by sending them to New York and thence to Nashville by rail.

Now that the war is over the traffic through the Panama Canal should be greatly increased and through means of the canal an active trade with the Pacific coast of South America should be developed. This could be most effectively done through the Gulf ports.

Mexico, Central America, and the portion of South America bordering on the Caribbean Sea can also be easiest reached through southern ports.

As it was one time said that "all roads lead to Rome," all the railroads in America have a long time led to New York, or at least to the north Atlantic seaboard, and that fact furnished one reason for the great congestion of wealth and industry there. It would profit the country if there were a wider distribution of railroad termini and Government direction of railroads should lead to that end.

Nashville would profit by the development of the Gulf ports that would place it in the line of the new north and south trade that would be in that way established. Such development would add to the upbuilding of the South in general.

[From the Jacksonville (Fla.) Times-Union.]

SOUTHERN SEAPORTS.

A number of delegates from South American countries will attend the Florida State fair. They come to the fair here instead of going to others, because Florida is nearer to their countries than any other State is and they regard this State as the logical place of departure from the United States of commerce destined for Latin America.

Senator FLETCHER thinks this meeting is one of great importance to the State, and refers to the opportunity that Jacksonville and Florida have of reaching out after Latin-American trade. One would think from its geographical position that our ports would play an important part in the inter-American trade. That is the way it looks from the map.

But as a matter of fact, by the routes of commerce, Jacksonville is not quite as near to Latin America as Chicago or as Grand Rapids, Mich. Everything must go nearly a thousand miles northward before starting southward.

New York has practically monopolized the commerce of the Atlantic coast. She has had the money and the power and it is not strange that she used both for her own interest. But a few weeks ago a statement was made of the plans of the Government for new steamship lines. As announced, the lines were from New York to Buenos Aires, New York to Rio Janeiro, New York to Colombian and Venezuelan ports, New York to various ports of Central America, New York to Vera Cruz, New York to Tampico. Lines from the United States were to reach to all foreign countries, but they were to carry scarcely any American commerce that was not first hauled to New York. In some cases there were ports not one-fifth as far as New York from the foreign country to which the ships were to sail. In some cases the haul to New York was three or four times as long as the haul to the foreign port would have been, but for some reason the Government's plan seemed to contemplate New York as almost the only seaport.

Unquestionably it would be better for this country to have its commerce take the shortest possible route. Southern products shipped through Jacksonville, Savannah, or Charleston would have little more than a thousand miles to go to reach the ports of the northern coast of South America. By New York they would have 3,000 miles to go. By New York no part of the United States is nearer than 2,000 miles to the nearest part of South America. By according to New York a monopoly of our trade we push the South back as far from South America as the Great Lakes are.

We throw away our ability to supply the people of the South American countries over a line not one-third as long as the line to Europe and supply them over a line almost as long as that to Europe. In doing this we throw away our ability to sell cheaper than our rivals in South America because of lower freight charges. We throw away our opportunity to acquire commercial supremacy in the Latin-American markets and place ourselves on terms of equality with our rivals by using a route that is fully as long as the one they have to use. In fact, it is longer by the distance to New York for the products of the greater part of the country.

The man who says the South has not produce to sell sufficient in value to support direct trade with South America does not know what he is talking about. The South has iron and steel and textiles and varied industries. Of course, it does not sell much to South America, but this is because it is by trade routes so much farther from South America than the North and East are. Our factories and foundries have to send their goods from 600 to 1,000 miles to New York, while those of the North Atlantic States have to send theirs only 100, 200,

or 300 miles. Shoved in the background as we are we have no opportunity to trade with the nations that we could supply at less cost than any other section or country if we could send our products directly.

Every section of the country would be benefited by drawing off our surplus products toward South America. With the port of New York the only outlet, our products are forced into competition with the products of the northern and eastern factories. If everything is to go to New York, we are as near as the balance of the country to Europe. Our products compete with the products of the North and East in their home markets and in the foreign markets that they are located for supplying because all location is abolished by the exclusive use of the port of New York.

To the extent that the Government is controlling or influencing the shipping business it should endeavor to straighten out trade routes. We are in competition with foreigners and our success will depend on the ability to deliver a good quality of goods as promptly as possible and with as little cost as possible; in other words, our success will depend on the elimination as far as possible of waste in distance and cost of transportation.

EXECUTIVE SESSION.

Mr. MARTIN of Virginia. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock p. m.) the Senate adjourned until Tuesday, December 10, 1918, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 6, 1918.

SECRETARY OF THE TREASURY.

Carter Glass to be Secretary of the Treasury of the United States.

UNITED STATES SHIPPING BOARD.

Charles R. Page to be a member of the Shipping Board.

COLLECTOR OF CUSTOMS.

James L. McGovern to be collector of customs, customs collection district No. 6, at Bridgeport, Conn.

MISSISSIPPI RIVER COMMISSION.

Col. Curtis McDonald Townsend, Corps of Engineers, United States Army, to be a member of the Mississippi River Commission.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

John M. Hancock to be pay inspector, with rank of commander.

To be assistant naval constructors, with rank of lieutenant (junior grade):

Frederick W. Pennoyer, jr.,
Melville W. Powers,
Charles F. Osborn,
Claude O. Kell,
Howard L. Vickery,
Glenn H. Easton,
Russell S. Hitchcock,
Sidney E. Dudley,
Edmund E. Brady, jr.,
Theodore L. Shumacher,
Forrest P. Sherman,
Henry A. Hutchins, jr.,
Arthur C. Miles,
Harold M. Horne,
Andrew I. McKee,
Douglas W. Coe,
Joseph W. Fowler, and
John D. Crecca.

To be lieutenant commanders, retired:

William G. Hannum,
George W. Danforth,
Edison E. Scranton, and
Frederick W. Milner.

Eugene D. McCormick to be a lieutenant, retired.

Arnold H. Vanderhoof to be a lieutenant (junior grade), retired.

Henry A. Wiley to be a rear admiral, for temporary service.

Richard D. White to be a captain, for temporary service.

To be lieutenant commanders, for temporary service:

John L. V. Hill,
William W. Meek,
Justin McC. Miller,
Ellsworth Davis,
Harry R. Gellerstedt,
Charles J. Parrish, and
Oliver L. Downes.

To be lieutenants, for temporary service:

Thomas E. Flaherty,
Charles W. Classen,
John B. Cooke,
Allen R. Chandler,
Maurice M. Rodgers,
Frank Hannon,
Harry F. Gray,
Leonard W. Johnson,
John J. Arnaud,
Walter C. Haight,
Charles E. S. Lines,
John Sharpe,
James D. Rorabaugh,
Charles P. Porter,
Raymond S. Kaiser,
Loar Mansbach,
Milton E. Robison, and
Daniel F. Mulvihill.

To be lieutenants (junior grade), for temporary service:

Peter J. Riley,
Charles L. Bristol, jr.,
Henry W. Reding,
Elmo H. Conley,
James I. Boyce,
Robert D. Longyear,
Alfred M Gagneux,
Louis Etshokin,
Donald E. Montgomery,
John H. Fenton,
Ralph L. Colton,
Bruce Hoggson,
Herman Siefke, jr.,
Robert A. Skinner,
Henry A. Orrick, jr.,
Cecil L. Shockley,
Perry McK. Sturges,
John F. Kelsey,
Howard L. Seaton,
Samuel W. Morris,
Stuart L. Peck,
Harold M. Levy,
Donald McL. Day,
Ralph R. Brubaker,
Frank F. Walker,
Frederick S. Hodgman,
Robert C. McKean,
Albert L. Baker,
Vergil A. Davison,
Charles D. Ingersoll,
Robert R. Titus,
Alexander A. Cameron,
Frank N. Bolton,
Harold M. Kennedy,
Perry A. Howard, jr.,
Francis P. Baeyertz,
Chushing Phillips,
Edward R. Simpson,
Irving B. Levi,
William R. Brent,
John F. O'Rourke, jr.,
Otis R. Marston,
Allan C. Davis,
Freeman L. Curtis,
Frederick N. Worth,
Harold Edwards,
Henry S. Bothfeld,
Carlisle C. McIvor,
Caspar W. B. Townsend,
Russell C. Lewis,
Robert E. Christy,
Ralph C. Taylor,
Leonard M. Starbuck,
Raymond W. Smith,
Hoyt M. Leisure, and
David H. Hammer.

To be ensigns for temporary service:

Charles H. Gordon,
Otto Fuhrmann,
Harry D. Leininger,
Patrick T. Ryan,
William J. Leidy,
Guy H. Overlock,
Thomas J. Eggleston,
Flavel F. Law,
Jasper I. Ward,
John Richardson,
Harry D. Collins,

James E. Dougherty,
Patrick J. Keough,
Caesar Cooper,
Herman Ruhle,
Malcolm S. Brainerd,
Forest E. Frost,
Frank M. Mugford,
David L. Walters,
John E. Canoose,
Harry C. Francis,
Theron S. Hare,
David Porter,
Emry M. Sindledecker,
Albert A. Webb,
Sidney J. Brawner,
Chester A. Johnson,
Rudolph Oeser,
Mack Q. Wright,
Daniel L. Ertel,
Elmer Bergstrom,
Walter A. Seymour,
George A. Spedden, and
Milford McQuilkin.

Elwood A. Cobey to be a pay inspector, with rank of commander, for temporary service.

To be assistant paymasters, with rank of ensign, for temporary service:

Joseph Simon,
Letcher Pittman,
Thomas T. Taylor,
Crawford T. Folsom,
Robert H. Witaker,
Guy B. Falconer,
John E. Bonwell,
Walter S. Rockwell,
Frank Humbeutel,
Charles A. Young, and
Cheyney S. Evans.

To be assistant naval constructors with rank of lieutenant (junior grade), for temporary service:

Armand Mayville,
Joseph M. Kiernan,
William W. Hastings,
Frederick A. Johnson,
Joseph Timms,
William R. Bagger,
W. Ogden Johnson,
Noah W. Gokey,
James B. Welch,
Roy E. Brown,
Leopold R. Hussa,
Roland G. Mayer,
Joseph E. Roy,
Frank L. Butterworth,
William H. Balls,
Donald G. Maxson,
Emerson R. Bouvier,
George V. Whittle,
Anton Kauffman,
George W. Henderson,
Gerald W. Thomson,
Kenneth Reid, and
Roland P. Carr.

To be lieutenants (retired), for temporary service:

Michael J. J. Farley and
Daniel Mullan.

Roland W. Bell to be an assistant paymaster (retired) with rank of lieutenant, for temporary service.

Albert H. Gerbig to be an assistant paymaster with rank of ensign, for temporary service.

To be majors in the Marine Corps:

Emile P. Moses,
De Witt Peck, and
Archie F. Howard.

To be captains in the Marine Corps:

Edward D. Kalbfleisch,
Chaplain G. Hicks,
Gustav H. Knemmerling,
Colis Mitchum,
Leo D. Hermle, and
Frank R. Armstead.

To be first lieutenants in the Marine Corps:

John M. McGregor,
Clinton H. Wooten,
Henry A. Carr,
William T. Hutchinson,
William G. Olive,
Orvel A. Inman,
Henry N. Hale,
Harold Powell,
William S. Kelley, jr.,
John F. Ryan,
James E. Smith,
Albyn A. Wilcox,
Leonard S. Burns,
George C. Schleeter, and
Harold E. Kellogg.

POSTMASTERS.

ALABAMA.

Joseph H. Read, Bessemer.

ARKANSAS.

Alvin G. Stamps, Earl.
Isaac G. Ritchie, Hardy.
Thomas L. Smith, Lepanto.

CALIFORNIA.

Nelson R. Feirl, Portola.

CONNECTICUT.

Henrietta H. Burr, Baltic.
Raymond E. Allen, Danielson.

FLORIDA.

Alexander J. Burnham, Bushnell.
Edwin E. Williams, Passagrille.
Henry A. Drake, Port St. Joe.

GEORGIA.

Ellen White, Fort Screven.
Robert E. Barfield, Hahira.
Oscar O. Owens, Moultrie.
Julian E. Hart, Sylvania.
Wiley M. Rogers, Union City.

ILLINOIS.

Fannie E. Sheahan, Altona.
Peter C. Burrus, Bluffs.
Elmer T. Selby, Camp Point.
Charles T. Wilson, Eldorado.
George H. Franzen, Fairbury.
Inez M. Garrison, Flanagan.
Grace E. Tolle, Glasford.
William H. Rodebaugh, Greenup.
Owen C. McCartney, Hamilton.
Walter V. Berry, Irving.
Margaret E. Taylor, Keithsburg.
Blanche V. Anderson, Leland.
Irma C. Barlow, Loda.
Edward W. Childe, Martinsville.
Ernest C. Richter, Menard.
Tilson V. Worland, Neoga.
Harry C. Shales, North Crystal Lake.
William J. West, Odin.
David R. Bennett, Panama.
Benjamin R. Croxen, Peotone.
Edward S. Bray, Scales Mound.
John F. Mains, Stronghurst.
Frederick W. Hartbank, Tolono.
Charles C. Clymore, Vienna.
Noel V. Greathouse, West Frankfort.

IOWA.

Fred A. Gefke, Hawarden.
George A. Moss, Persia.
Edgar A. Greenway, Pleasantville.

KENTUCKY.

Isaac E. Newton, Earlington.

MISSISSIPPI.

William P. Wildberger, Clarksdale.
Lawson A. Hill, Cleveland.
Minnie O. Sharbrough, Reading Fork.
Henry B. Edwards, Shuqualak.

NEBRASKA.

Glenn C. Chadderdon, Cambridge.
Orris K. Jones, Lexington.
Edgar T. Lay, Seneca.
George W. Howe, Wisner.

NEW HAMPSHIRE.

Frank P. Hobbs, Wolfeboro.

NEW MEXICO.

Chester G. Parsons, Wagon Mound.

OHIO.

Orville F. Barcus, Sunbury.

TEXAS.

Allie R. Arnold, Trinity.

WASHINGTON.

Eugene E. Wood, Deer Park.
Isaac H. Jennings, Spangle.

HOUSE OF REPRESENTATIVES.

SATURDAY, *December 7, 1918.*

The House met at 12 o'clock noon.

Rev. Earle Wilfley, pastor Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

O Lord our God, we thank Thee for the multitude of blessings that Thou hast vouchsafed to us, and for this moment this morning we wait in Thy presence to ask for Thy blessing and Thy guidance.

We would remember this morning in our prayer and good wish the Chaplain of this House, who is ill. We pray that in Thy providence the hands that minister to him may minister wisely and to his restoration.

We pray this morning for Thy guidance upon the business of this day, upon each Member of this House, and may the business that shall be transacted and the great plans for our country have Thy divine blessing.

Be with the President upon the high seas, going as he is upon a mission of justice and peace. And to Thee, O God, will we give all the praise, through Jesus. Amen.

The Journal of the proceedings of Thursday was read and approved.

SPEAKER PRO TEMPORE NEXT MONDAY.

The SPEAKER. The Chair designates the gentleman from North Carolina [Mr. KITCHIN] to preside next Monday.

DISTRICT OF COLUMBIA APPROPRIATION BILL.

Mr. SISSON. Mr. Speaker, I desire to present a privileged report (No. 842) from the Committee on Appropriations, the District appropriation bill, and ask that it be printed under the rule.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 13277) making appropriations to provide for the expenses of the Government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes.

The SPEAKER. Ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. DAVIS. Mr. Speaker, I reserve all points of order on the bill.

Mr. SISSON. Mr. Speaker, I desire to give notice that I shall call up this bill the first thing on next Monday.

The SPEAKER. Well, the House will take notice.

EXTENSION OF REMARKS.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having inserted an article on farm land for returned soldiers.

The SPEAKER. The gentleman from Maryland asks leave to extend his remarks in the RECORD by printing an article on land for returned soldiers. Is there objection?

Mr. ROBBINS. Mr. Speaker, reserving the right to object, may I ask whose article it is?

Mr. PRICE. It is an article by Mr. George H. Stephenson, president of one of the farm-loan banks, who offers some very practical suggestions, using the Federal farm-loan banking system in connection with this project. It is a very able article, and I think will be interesting to all of us to read.

The SPEAKER. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

Mr. HICKS. Mr. Speaker, I ask unanimous consent to extend in the RECORD my remarks and observations on the battle front. They are my own remarks.

The SPEAKER. The gentleman from New York asks unanimous consent to extend in the RECORD his observations on the battle field. Is there objection? [After a pause.] The Chair hears none.

EULOGIES ON THE LATE SENATOR TILLMAN.

Mr. BYRNES of South Carolina. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from South Carolina rise?

Mr. BYRNES of South Carolina. I desire to ask unanimous consent that a session of the House be held on Sunday, December 15, in order that eulogies may be delivered upon the life, character, and public services of the late Senator TILLMAN, the session beginning at 12 o'clock.

The SPEAKER. The gentleman from South Carolina [Mr. BYRNES] asks unanimous consent that on Sunday, the 15th of December, there shall be a session of the House, beginning at 12 o'clock, for the purpose of memorializing Senator TILLMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNES of South Carolina. I ask leave of absence for my colleague, Mr. LEVER, on account of a death in his family.

The SPEAKER. The Chair designates Mr. LEVER, of South Carolina, to preside that day and wishes that he may be so notified. The gentleman also asks leave of absence for 10 days for his colleague, Mr. LEVER, on account of death in his family. Is there objection? [After a pause.] The Chair hears none.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 356. Joint resolution authorizing payment of the salaries of officers and employees of Congress for December, 1918.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5038. An act extending the use of the special fund for vocational education provided by section 7 of the vocational rehabilitation act, approved June 27, 1918, and authorizing the Federal Board for Vocational Education to accept gifts and donations for specific purposes.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 9 minutes p. m.) the House adjourned until Monday, December 9, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Interior, transmitting a statement showing in detail what officers or employees (other than special agents, inspectors, or employees who in the discharge of their regular duties are required to constantly travel) of the Department of the Interior have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year ended June 30, 1918 (H. Doc. No. 1553); to the Committee on Expenditures in the Interior Department and ordered to be printed.

2. A letter from the Secretary of Agriculture, transmitting a detailed report showing the names of all persons employed, their designations, and rates of pay in the Bureau of Animal Industry for the suppression of contagious, infectious, or communicable diseases of domestic animals during the fiscal year ended June 30, 1918 (H. Doc. No. 1554); to the Committee on Expenditures in the Department of Agriculture and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Interior submitting a supplemental estimate of appropriation for increase in statutory salaries of the mechanical, laboring, watch, and messenger forces of the Interior Department for the fiscal year 1920 (H. Doc. No. 1555); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Attorney General submitting a supplemental estimate of appropriation for additional clerical force in the office of the Attorney General for the fiscal year 1920 (H. Doc. No. 1556); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Interior, transmitting statement showing the documents received and distributed during the fiscal year ended June 30, 1918 (H. Doc. No. 1557); to the Committee on Expenditures in the Interior Department and ordered to be printed.

6. A letter from the Secretary of Agriculture, transmitting report showing for the first four months of the fiscal year 1919 the average number of employees in the Department of Agriculture who received compensation at the rate of $120 per annum, and the average number by grades who received increased compensation at each other rate (H. Doc. No. 1558); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Secretary of War, transmitting 1,352 reports of inspections of disbursements and transfers by officers of

the Army received in the office of the Inspector General during the past fiscal year (H. Doc. No. 1559); to the Committee on Expenditures in the War Department and ordered to be printed.

8. A letter from the Board of Managers, transmitting annual report of the Board of Managers of the National Home for Disabled Volunteer Soldiers for the fiscal year ended June 30, 1918 (H. Doc. No. 1560); to the Committee on Appropriations and ordered to be printed.

9. A letter from the Acting Secretary of Commerce, transmitting statement of expenditures in Department of Commerce for the fiscal year 1918 (H. Doc. No. 1561); to the Committee on Expenditures in the Department of Commerce and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SULZER, from the Committee on the Public Lands, to which was referred the bill (S. 95) to provide for agricultural entries on coal lands in Alaska, reported the same without amendment, accompanied by a report (No. 843), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. TREADWAY: A bill (H. R. 13273) to amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September 2, 1914, and an act in amendment thereto, approved October 6, 1917; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT: A bill (H. R. 13274) to provide relief where formal contracts have not been made in the manner required by law; to the Committee on Military Affairs.

By Mr. GREEN of Iowa: A bill (H. R. 13275) to amend section 1754 of title 19, of the Revised Statutes of the United States, 1878, giving preference to honorably discharged soldiers and sailors for appointments to civil positions; to the Committee on Reform in the Civil Service.

By Mr. HEFLIN: A bill (H. R. 13276) to amend the act known as the "United States cotton futures act," approved August 11, 1916, and for other purposes; to the Committee on Agriculture.

By Mr. SISSON: A bill (H. R. 13277) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. ROGERS: A bill (H. R. 13278) to amend the act of Congress of February 17, 1911, entitled "An act providing for the purchase or erection, within certain limits of cost, of embassy, legation, and consular buildings abroad"; to the Committee on Foreign Affairs.

By Mr. McKEOWN: A bill (H. R. 13279) granting a gratuity to every honorably discharged officer, soldier, and marine in the Navy of the United States; to the Committee on Military Affairs.

By Mr. KINKAID: A bill (H. R. 13280) to amend section 2 of an act enfitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported, or of which there is or may be an inadequate supply"; to the Committee on Ways and Means.

By Mr. McKEOWN: A bill (H. R. 13281) to grant to every honorably discharged soldier the uniform in his possession at the time of his discharge and granting a gratuity to the members of the United States Army; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 13282) granting a pension to George J. Bock; to the Committee on Pensions.

Also, a bill (H. R. 13283) granting an increase of pension to Joseph Myers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13284) granting an increase of pension to S. F. Fowler; to the Committee on Invalid Pensions.

By Mr. DARROW: A bill (H. R. 13285) granting a pension to Emma E. Brown; to the Committee on Invalid Pensions.

By Mr. GOULD: A bill (H. R. 13286) granting a pension to John Finnerty; to the Committee on Pensions.

By Mr. HASTINGS: A bill (H. R. 13287) for the relief of E. K. White; to the Committee on Military Affairs.

By Mr. KRAUS: A bill (H. R. 13288) granting an increase of pension to Thomas Petley; to the Committee on Invalid Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 13289) granting a pension to Mary V. Sterling; to the Committee on Invalid Pensions.

My Mr. MORGAN: A bill (H. R. 13290) granting an increase of pension to Noah Ruhl; to the Committee on Invalid Pensions.

By Mr. HENRY T. RAINEY: A bill (H. R. 13291) granting an increase of pension to John Read; to the Committee on Pensions.

By Mr. SNOOK: A bill (H. R. 13292) granting a pension to Michael Levi; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petition of members of Ruggles Grange, of New London, Ohio, protesting against the so-called zone system; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Resolution and suggestions of the Philadelphia Bourse, for the upbuilding of an American merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. DARROW: Resolutions and suggestions of the Philadelphia Bourse, for the upbuilding of an American merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. MOORES of Indiana: Petition of a mass meeting of citizens of Indianapolis, with regard to Irish emancipation; to the Committee on Foreign Affairs.

By Mr. McKINLEY: Resolutions by citizens of Decatur, Ill., relating to the anti-Jewish atrocities committed in Galicia, Roumania, and Poland; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES.

MONDAY, *December 9, 1918.*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. KITCHIN.

The Rev. Earle Wilfley, pastor of Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

Almighty God, Thou whose holiest and tenderest name to us is Father, before Thy throne this morning we come to make our peace with Thee and to win from Thee Thy guiding blessing. May this be a good day for truth and justice and right, and Thy holy spirit attend us. Make us think aright, plan, purpose, and act aright. Lord, we pray Thy blessing upon our country and all its holy interests, and in this day, fraught with so many possibilities, may we be true to our own better selves, true to our country's interests, and to Thy great cause.

We ask it for Thy name's sake. Amen.

The Journal of the proceedings of Saturday, December 7, 1918, was read and approved.

EULOGIES ON THE LATE SENATOR BROUSSARD.

Mr. MARTIN. Mr. Speaker, I ask unanimous consent that Sunday, January 26, 1919, be set aside by the House for the purpose of paying tribute to the life, character, and public services of the late Senator R. F. BROUSSARD, of Louisiana.

The SPEAKER pro tempore. The gentleman from Louisiana asks unanimous consent that Sunday, January 26, 1919, be set aside for eulogies on the late Senator BROUSSARD, of Louisiana, Is there objection? [After a pause.] The Chair hears none.

DAWSON SPRINGS SANATORIUM.

Mr. GRAHAM of Illinois. Mr. Speaker.

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. GRAHAM of Illinois. I ask unanimous consent that I may proceed for two minutes.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to proceed for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GRAHAM of Illinois. Mr. Speaker, on Thursday last I called at the office of the Surgeon General of the United States Army—and that was during the argument on the Dawson Springs Hospital—and was there informed that an offer of a hotel at Dawson Springs had been made to the Government for a hospital, and that the offer had been refused. I at that time told the officer who told me that I would not use his name. Afterwards, in conversation with the gentleman from Nebraska [Mr.

REAVIS], I told him of this circumstance, and he asked whether the information might be used. I told him it could, but the name of the officer could not be used, because I had given him my word it would not. Afterwards, in a controversy between the gentleman from Alabama [Mr. BURNETT] and the gentleman from Nebraska [Mr. REAVIS], a rather embarrassing situation was presented, which I think it proper to clear up. This morning I went to the Surgeon General's office and am at liberty now to give the information. I informed Mr. REAVIS of this fact, and at the Surgeon General's office this morning I was informed that on the 19th day of June last Theodore Troendle, president of the Dawson Hotel Corporation, came to the Surgeon General of the United States and offered him a hotel owned by this corporation at Dawson Springs for the purpose of turning it into a hospital, which offer was considered by the Government, and finally the project was rejected by the Surgeon General. The information relative to this can be obtained from Col. Winford Smith, in the office of the Surgeon General, and he is the gentleman from whom I obtained the information. He has told me that I might use it on the floor of the House. I make this statement out of deference to and in order to relieve the gentleman from Nebraska [Mr. REAVIS] of what is a somewhat embarrassing situation.

Mr. FOSTER. Will my colleague yield?

Mr. GRAHAM of Illinois. Yes.

Mr. FOSTER. Did they reject it on account of the location or on account of the building?

Mr. GRAHAM of Illinois. I am informed by Col. Smith, my only source of information, that about all the information he has is found in a card found in a card-index system in his office. I have given the facts as they substantially appear on this card. He says he does not remember the conversation accurately, though considerable material is filed in his office relative to the offer.

Mr. FOSTER. So he did not tell you he rejected it on account of the location at Dawson Springs or on account of the building?

Mr. GRAHAM of Illinois. He told me they considered it and rejected it.

Mr. FOSTER. It might be on account of the building?

Mr. GRAHAM of Illinois. It might be so.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. WOOD of Indiana, indefinitely, on account of illness (at the request of Mr. VESTAL).

To Mr. ALEXANDER, for one day, on account of illness.

DISTRICT OF COLUMBIA APPROPRIATIONS.

Mr. SISSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13277, the District of Columbia appropriation bill.

The SPEAKER pro tempore. The gentleman from Mississippi moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the District appropriation bill.

Mr. SISSON. And, Mr. Speaker, pending that I would like to ask the gentleman from Minnesota [Mr. DAVIS] if he has any suggestion to make as to general debate?

Mr. DAVIS. I have.

Mr. SISSON. How much time does the gentleman desire?

Mr. DAVIS. Thus far I have been approached for at least two hours and a half of general debate.

Mr. SISSON. Does not the gentleman think he might be able to cut that down a little?

Mr. DAVIS. And I am informed that they are still coming; but that is all up to date.

Mr. SISSON. Does not the gentleman believe that we might agree on three hours, an hour and a half on a side? Some of those gentlemen might cut their time.

Mr. DAVIS. I would like to agree on 30 minutes, so far as I am concerned, but the Members on this side of the House seem to want to do some talking, and objection has been made that they have not up to date had an opportunity to examine the printed bill. Hence they requested me to get as much time as possible in which to discuss it, and I am simply an organ through which to express their opinion at this time. I could not agree at this time to anything less than two hours and a half for my part of it.

Mr. SISSON. Would the gentleman agree to three hours, giving the gentleman's side two hours and our side having one hour?

Mr. HEFLIN. I will not agree to that.

Mr. DAVIS. I hardly think I can agree to less than two hours and a half. Perhaps some of the gentlemen will cut their time down. I cut one gentleman down 20 minutes.

Mr. SISSON. Mr. Speaker, I ask unanimous consent that general debate do not exceed five hours, two hours and a half to be controlled by the gentleman from Minnesota [Mr. DAVIS] and two hours and a half to be controlled by myself.

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent that general debate be limited to five hours, two and a half hours to be controlled by himself and two and a half hours by the gentleman from Minnesota [Mr. DAVIS]. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the District of Columbia appropriation bill.

The motion was agreed to.

The SPEAKER pro tempore. The gentleman from Texas [Mr. GARNER] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13277, the District of Columbia appropriation bill, with Mr. GARNER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13277, which the Clerk will report.

The Clerk read the title of the bill, as follows:

A bill (H. R. 13277) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes.

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. SISSON. Mr. Chairman, I desire to make a brief statement. Gentlemen of the committee, I do not know that I can add anything to what you will find in the report. The clerk has made quite a clear report of what the bill contains. In fact, I have always believed that when the reports are accurate they frequently shorten the debate. Every Member of the House then, by reading the report, is able to determine what the changes are.

This bill apparently carries less money than has heretofore been carried, but as a matter of fact it does not do so. If the committee will give me its attention, I want to explain to you how it is that the bill apparently carries a million dollars less than last year and something over a million dollars less than has been estimated for by the commissioners. In the first place, we appropriated last year $910,000 for public-school buildings, none of which has been expended. We appropriated in round figures something like a million dollars for streets. A good portion of that was for the repair of streets, and quite a good deal of that money has been expended, but none of the money to be expended for streets as original paving or to open up new streets, or, rather, to pave new streets where no pavement has been heretofore, has been used at all.

Now, your committee reappropriated all of the money for school buildings. As a matter of fact, that is not absolutely necessary, because under the law where the contracts are made they continue until completed. But in reference to streets we reappropriated all the money carried that is unexpended, so that for street purposes we shall have more money expended during the balance of this fiscal year and during the next fiscal year than has ever been expended in one year before in the city of Washington for streets.

I think that explanation is proper, because the streets have not been in good condition, first, because of the excessively heavy traffic. Heavy Army trucks have damaged the streets quite a good deal and the excessive use of the streets by traffic has caused a deterioration of the streets of Washington. No improvements could be made, because the District Commissioners could not get the necessary labor. The demand for labor in this market has been greater than ever before, and when the commissioners could get labor at all the cost was more than twice what it was before. Therefore as to building new streets and paving streets never paved before and tearing up the old streets which are badly worn, the commissioners did not do any of that work. The only thing they have tried to do was to keep in reasonable repair the streets of Washington so that they might be used, so that, as a matter of fact, you may add over $1,500,000 to the amount carried in the bill in order to get an accurate idea of what will be expended on streets during the year which this bill covers.

Now, I want also to call your attention to the fact that a statement is made on page 2 of the report giving the surplus of the District of Columbia revenues on June 30, 1918. The surplus is $3,280,685.46, to which is to be added the surplus for this year, so that on June 30, 1919, there will be a surplus of $5,429,220.57. I want to call your attention particularly to this, because it involves the first item that we have placed in this bill. Now, from the figures I have named you will have to deduct whatever may be carried in a deficiency bill. As I understand, there will probably be some deficiency, running up, it may be, to $200,000; but it is not at all probable that the deficiencies asked for will absorb the $429,000 referred to. Therefore you will have a surplus in the District treasury of $5,000,000 on that date.

Now, the taxation in the District of Columbia, upon a comparison of taxes in other cities, is very much less than the taxes paid in other cities. Take an amount of money invested in property in the city of Washington and the assessments placed upon that property and you will find that the rate is less than that in any city in the country of this size. All the cities throughout the United States, in addition to paying their municipal expenses proper—the only expenses that the District of Columbia pays—pay a State and county tax. Therefore, if you were to add to the city taxation in the various cities throughout the country the State and county taxes, you would find that in most cases they are more than double what the people of the District of Columbia pay.

Now, the proposition which we put in this bill is one which has repeatedly passed the House by overwhelming majorities. Every time it has been voted on in the House in the last number of years it has carried by about two votes to one. The proposition is, briefly, a perfectly simple one as carried in the bill. This proposition was prepared first by the gentleman who is now the chairman of the Committee on Appropriations [Mr. SHERLEY]. That matter was taken up by the Committee on Appropriations, and the then chairman requested the present chairman to put into concrete form what the committee then agreed upon. So the proposition is not a new one. Now, some have the idea that we are endeavoring to place upon the District of Columbia a burden which she ought not to bear. I do not believe it is in the heart of a single Member of Congress to do that; but we have reached the point where we prophesied some years ago we would reach, although we reached it a little earlier than was prophesied, when, in this bill as coming from the commissioners, there will be a request of the proper committee to reduce the rate of taxation in the District of Columbia, because it is bringing in more money than the District of Columbia needs plus the amount that is paid out of the Federal Treasury. It is well now to look just a moment into the history of this matter. It has been gone into repeatedly, but in order to refresh your memory it is well enough to go into it. For quite a while they discussed the present organic act, so called. It was under the control of Mr. Blackburn, who was then a Member of the House, afterwards a distinguished Senator from the State of Kentucky. They then worked out the present system, with some modifications since made, of the Federal Treasury responding for 50 per cent of the expenses of the District. But you must take into consideration the fact that at that time when it was done there were less than 100,000 people in the District of Columbia, and under the so-called local government at that time the indebtedness of the District of Columbia was over $40,000,000. Therefore, a city of that size could not shoulder the burden of that indebtedness and in addition keep up the city as it ought to be kept up as a capital city.

The bonds of the District were then considerably below par, and there was an effort being made to refund the bonds, but no purchasers could be had. Then it was that Congress took the matter up, went carefully into it, and as a gratuity to the District of Columbia undertook to refund in that organic act the bonds at 3.65, and they are what are now known as the 3.65 bonds. That bonded indebtedness has been paid off until it is now only about $3,000,000, in round figures. We are paying $900,000 a year on the bonds, so, I believe, in 1922 all these bonds will have been paid. The Federal Treasury has responded to 50 per cent of that indebtedness, which the Federal Government had nothing to do with creating. Not only that but the Federal Treasury has responded to the District for one-half of all the interest on these bonds during all these years. Not only that, the District gets a certain number of courts, and gets a certain amount of assistance from the Federal Treasury, where the activities are limited absolutely to the District of Columbia and her affairs but paid for wholly out of the Federal Treasury. But that perhaps is not different from the States, because you have the marshals and the Federal courts in the States. So, if anything is said about the relations of the States to the District of Columbia our judgment, so far as the local taxes are concerned, should be identical with that of the States with reference to the private activities in the District of Columbia.

Now, it has been contended, and justly so as to the maintenance of the streets, that when L'Enfant laid out the streets of the Capital City he made those streets immensely wider and put in numbers of circles and numbers of points of land, necessitating sidewalks and streets, which no city except Washington has to respond to. But we have recognized that fact, because the Federal Government has taken over nearly all these points of land. It will be only a few years when all these so-called points will be taken over and will be cared for out of the Federal Treasury.

In addition to that all of the sidewalks around most of the public buildings of the Federal Government are paid for by the Federal Government. We maintain out of our Treasury the Capitol Grounds, all the parkings and streets in the Capitol Grounds. And when you take the benefits that the citizens of the District of Columbia get out of the location of the Federal Government here, you will find that they are greater than the benefits of any other people in the world, because they have a pay roll which is not affected by the crop conditions of the country, not affected by business panics, not affected by epidemics, because every salary is paid promptly every 15 days in the District of Columbia, and the average salaries paid to the employees of the Federal Government are certainly, in time of peace, greater than the average salaries paid anywhere else in the country.

Now, to show the benefit that they get from the Treasury I have mentioned these things, but that would be true wherever the Capital might be located, and I do not begrudge these people that benefit. But what the subcommittee and practically the full committee have asked for repeatedly is not that the people of this District should give up any benefits that accrue to them by virtue of the location of the Capital here, but that every taxpayer in the District of Columbia shall pay a reasonable tax upon his property, reasonably assessed, and that that shall end the contribution of the taxpayer to the expenses of the District of Columbia, and that whatever amount Congress desires to appropriate for the beautification of the National Capital shall then be paid out of the Treasury of the United States. That being true, under this bill the Federal Government will contribute nearly $4,000,000 to the support of the District of Columbia, which I think is really more than its share, but I do not begrudge that. I call your attention to the fact that in the District of Columbia the taxpayers do not pay on a rate of taxation like that on which the people of the States pay, but this does not disturb that rate of taxation. This does not disturb the property valuation in the District of Columbia. During the next current year, and until legislation shall change it, the rate of taxation and the rule of assesment will be identically the same as now, and unless a man's property is increased in amount, no resident of the District of Columbia will pay a cent more next year under this bill than he pays now. It does not increase his taxes one dollar.

Mr. BLAND of Indiana. Along that line I want to know what the rate is here in the District of Columbia as compared with other tax rates?

Mr. SISSON. Of course it varies in the different States; but in the District of Columbia a tax of 1½ per cent is fixed upon a two-thirds valuation. That is to say, the 1 per cent rate is fixed on real property and upon what they call visible personal property; that is, they pay 1 per cent on a full valuation and 1½ per cent on a two-thirds valuation.

Mr. BLAND of Indiana. What is the tax on mortgages, bonds, stocks, and so forth?

Mr. SISSON. Choses in action, three-tenths of 1 per cent.

Mr. BLAND of Indiana. It is very much lower than in the States?

Mr. SISSON. Very much lower. In the States choses in action and solvent accounts, invisible personal property, as it is designated in this bill, have to pay a tax on a full valuation in most States. But in the District of Columbia they only pay one-third of 1 per cent. Now, I will say to the gentleman from Maryland that there are no such taxes in Baltimore. The taxes there are a little more in the city than they are here, and in addition they pay a State and county tax. A resident of the city of Baltimore pays on a dollar invested in Baltimore twice as much as they pay in this city.

Mr. LINTHICUM. We pay 15 mills as a city tax and then the State and county tax in addition.

Mr. SISSON. Baltimore and the county are practically the same.

Mr. LINTHICUM. No; Baltimore and St. Louis are the only cities that have an absolutely distinct corporation.

Mr. SISSON. But you do not have a county separate from the city; the city takes it all.

Mr. LINTHICUM. Absolutely.

Mr. TOWNER. Will the gentleman yield?

Mr. SISSON. Yes.

Mr. TOWNER. In addition to what the gentleman has said, we have, notwithstanding the lowest rate of taxation in the country, perhaps the largest surplus of any other city in the country.

Mr. SISSON. I do not know of a city that has as much surplus as they have in the city of Washington. We have so much, and it is growing so rapidly that, notwithstanding we have the lowest taxation of any city in the United States, notwithstanding the fact that by virtue of the half that we have contributed from the Federal Treasury that surplus is growing so rapidly that they are here now asking the Congress to reduce that low rate of taxation.

Mr. TOWNER. Certainly there is no excuse for any dereliction in the performance of the duties that the District is required to keep up the streets.

Mr. SISSON. No; nothing in the world.

Mr. TOWNER. Will the gentleman allow me to call attention to this fact, which I think can be proven by any Member of the House? I do not think there ever was a time, not since I have been in the city of Washington, when the streets were as dirty or when they were so dangerous as they are now. On yesterday—Sunday—with the streets full going up and down the Avenue, I drove from one end to the other, and I venture to say that there is not a principal street in any city of any size in the United States that was as dirty as Pennsylvania Avenue was on yesterday. It is a disgrace to the city of Washington, and it is a disgrace to the country.

And on every day, almost, from 5 o'clock until 7 o'clock it is unsafe for women or children to be on the streets of Washington because of the fact that almost everyone seems to be riding or driving with an automobile and driving at an excessive rate of speed, violating every day on every street in hundreds and thousands of instances the ordinances of the city. It certainly seems to me that these conditions ought to be remedied.

Mr. SISSON. I do not suppose the gentleman heard the statement which I made as to the streets in my opening remarks. I referred to the fact that we appropriated last year every dollar asked for streets. We did not appropriate for opening up out in the suburbs for certain real estate activities some of the streets asked for, but every dollar for laying new pavements where the old was worn out, every dollar asked for resurfacing all streets, laying new pavements, was granted. The statement is made by the commissioners, and we all know it to be true, that it was physically impossible to get labor.

Not only that, but you could not get the War Board to release the material, the raw material, and therefore none of the appropriation for new pavement has been expended. A great deal of the last year's appropriation bill is carried over and carried in this bill as a reappropriation. Therefore having given in this bill every dollar asked for by the commissioners, we reappropriate all the money carried in last year's bill not expended, all carried over because no new streets were laid. A great deal of resurfacing is carried over, and we also give them every dollar for resurfacing at this time. And by the way, the District Commissioners say that this is all that they can spend. We give them all they can spend in one year for streets.

Mr. LITTLE. Will the gentleman yield?

Mr. SISSON. Certainly.

Mr. LITTLE. Does the lack of labor extend to lack of policemen in checking the speed of automobiles?

Mr. SISSON. There has been a time when they had much difficulty in getting policemen because many were taken into the Army and Navy and into various war activities. The result was that when they tried to get men of proper physical strength and proper physical condition they were unable to do so. There have been hundreds of places vacant, and they will tell any of you that if you will bring a man they will be liberal of examination and would take him. Maj. Pullman says he has taken a number of policemen that he would not have taken in peace times. They have requested that a certain number of soldiers be taken to police the city and a certain number have been detailed.

Mr. DENISON. Will the gentleman yield?

Mr. SISSON. Yes.

Mr. DENISON. Has the full amount asked to keep the streets clean been given?

Mr. SISSON. Yes; every dollar. By the way, you know they had a strike in that class of labor of short duration, for cleaning the streets, and it has been very difficult to get sufficient labor to clean the streets of the District because the demand was so great that the District Commissioners, although they paid twice as much a day as they did formerly, could not get them. And that is one reason that that appropriation was not sufficient perhaps to carry on the street cleaning, and I think there is going to be a deficiency in that particular, but this bill does not cover deficiencies, of course. But the streets referred to a moment ago by my friend from Iowa, if they have not been as clean as they ought to be, it has been because it cost twice as much to get the labor, and I am afraid that we are getting about half as much labor out of each laborer.

Mr. DENISON. Does the gentleman know what pay these men now get for cleaning the streets?

Mr. SISSON. They pay, I think, about $3.20 to $3.40 for eight hours.

Mr. DENISON. When that question came up before the Committee on Labor, of which I was a member in the last session of Congress, it was shown that a great many of these men were working for $60 a month.

Mr. SISSON. Not for that class of labor, because they are paid on a per diem basis. They get from $1.60 as I recall—and I hope the gentleman will not bind me to the absolute figures, and members of the subcommittee will correct me—I think at that time they got from $1.60 to $1.70 a day, but their wages have been practically doubled, and these $60 kind were not the street-cleaning men.

Mr. WHEELER. If the gentleman will yield, on page 25 the appropriation for garbage is $621,000. That is a considerable increase over the last appropriation by about $200,000.

Mr. SISSON. I will show that in a moment. That is a matter of bookkeeping. It really costs less to take care of the garbage.

Mr. WHEELER. It seems to be an increase over the appropriation for last year.

Mr. SISSON. It cost about $75,000 to $80,000 the preceding year to take care of the garbage. We will get it this year for about $135,000 or $140,000. We take over the garbage plant, and this apparent increase is a bookkeeping matter. I want to call attention also to the fact that in this bill we increase the salaries of the District Commissioners from $5,000 to $6,000. They did not ask for any increase for the last two or three years. Part of that time, I do not know that the present commissioners have ever asked for an increase, but we looked this matter up and found that the salaries of the District Commissioners were fixed in 1878, when they had about 60,000 or 70,000 people in the District of Columbia. Since that time their duties have increased quadruple, and I do not know of any three gentlemen in Washington who have more arduous duties and more hard work than these District Commissioners, and while some members of the committee did not think perhaps we had increased them enough, we finally unanimously agreed to increase their salaries from $5,000 to $6,000 a year. Now, in addition to their duties as commissioners, they are a utility commission, too, and during the last three or four years they have had an enormous amount of work to do as a utility commission in valuing plants under that act which we passed by which we caused the valuation of railroads throughout the country.

Mr. WHEELER. Has there been any decrease in salaries in this bill, as, for instance, police drivers and patrolmen; did not they receive $120 more than what this bill provides?

Mr. SISSON. I will state when we get to that proposition. There are no decreases in salaries.

Mr. WHEELER. According to this bill, there must be decreases.

Mr. SISSON. No; not in salaries. We have not put the $120 in. I will explain that. Well, I had just as well get at it now. I want the committee to understand the situation which we found ourselves in. All the departments of the Government, including the District of Columbia, by executive order were required to submit estimates for increase in salaries to the Executive and through the Executive to come in one budget to the House. Now, as a matter of fact, that can not be done under the law, and the chairmen of the various committees, after consultation with the members of various subcommittees, agreed that it would perhaps not be fair to the Government at that time to undertake to fix the basic salary, and therefore we will endeavor to take care of any injustice that might be done by the so-called low salaries and take it up in a separate resolution as we did before the question of increase for the current year. That is how we got the $120, not in the bill, but in a separate resolution. So that matter has not been considered by your committee.

Mr. LITTLE. Have we lost any commissioners by reason of the size of the salaries or the character of the work?

Mr. SISSON. No; we have lost none of the commissioners. I do not think that either one of the commissioners would resign, if the gentleman wants to put it that way, on that account.

Mr. LITTLE. If the gentleman from Mississippi will permit, the salary is almost as large as that of a Member of Congress, and are not Members of Congress at much greater expense than these residents are?

Mr. SISSON. I do not think that they are.

Mr. LITTLE. Where does the gentleman board?

Mr. SISSON. It is a question of economy. If we economize, we do not spend as much. The gentleman and myself are economical, and we get along with our salaries and we do not spend carelessly, but still we get $7,500.

Mr. LITTLE. The gentleman is talking for himself in saying how well we get along on the salary in this town at this time.

Mr. SISSON. And in addition to the $7,500 we get the perquisites, such as mileage, stationery account, and so forth.

Mr. LITTLE. If the gentleman will permit, we are not all like him. He has only 4,000 votes cast, whereas in our district we have 85,000 and——

Mr. SISSON. I am afraid if we had to put the salaries so as to enable men to pay their campaign expenses that we would have to increase——

Mr. LITTLE. We spend a great deal of money in many ways besides campaigns. The gentleman has only 4,000 votes cast in his district, and he is not troubled very much with correspondence from people who do not take enough interest in public questions to vote. Eighty-five thousand people who vote and take an active interest in public affairs devolve on a Member twenty times as much correspondence and twenty times as great responsibilities as fall to one who is sent here by only 4,000.

Mr. SISSON. As a matter of fact, that is the vote that is cast in the general election. Come down to the primaries and I will show you a different story.

Now, all the other increases in salary have been for some minor places. For instance, we increased the salary of some nurses who were getting $1,000. Graduate nurses get $1,200 throughout the country, and your committee increased the salary of nurses here to that amount.

Now, just a word as to public schools. We gave last year every school-teacher asked for. We also gave them portable buildings, which are being constructed—and I presume a great many have been already constructed—to take care of the overflow of children. Now, we could not complete the school buildings in two or three years necessary to take care of the children. They could not get the material and could not get the labor. Therefore the Congress last year authorized the construction of portable buildings. This year in order to take care of the surplus children we have increased that appropriation $87,000 to erect portable buildings.

Mr. LINTHICUM. How much are you paying the school-teachers?

Mr. SISSON. We are paying the school-teachers now more than is paid in any city in the United States, even including Boston, which pays the highest salaries for teachers of any city in the United States.

Mr. LINTHICUM. I know; but they are not getting sufficient in most of the cities of the country, and I wanted to know how much they get here.

Mr. SISSON. The District of Columbia can not cure all the ills outside of the District.

Mr. LINTHICUM. With the great surplus you have on hand and the taxes so light, I was wondering why you did not pay your school-teachers sufficient salary.

Mr. SISSON. I will tell you. In the first place, we have the longevity law, which fixes it, and the Appropriation Committee undertook at one time to go into that matter, but it is one of the most difficult of all the tasks one could undertake to figure out the longevity law and exactly where you are at. Because under the longevity provision the teachers teaching five years have a certain amount added to their salary, and then when they go from a certain class to another, from A to B, or from B to A—I get it confused in my mind—where the base pay is higher than the base pay where they have been teaching five years, when they go up to that base pay they do not give up the longevity. If the original base pay plus the longevity is more than the base pay in the succeeding higher grade, the teachers get less. So you can not tell by looking at this bill or by looking at the longevity law what the school-teachers in the city of Washington are actually getting.

Mr. LINTHICUM. Who does know?

Mr. SISSON. It is figured out by the auditor and by the clerk of the board of education, who keeps the teachers' entire record. But you will find in this bill an item of something like $400,000 to care for longevity pay. So you can add $400,000 to what you see in the bill for teachers' salaries and see what they are actually getting.

Mr. LINTHICUM. Will the gentleman find out exactly the amount paid for teachers' salaries? I would like to know.

Mr. SISSON. That is quite a task.

Mr. LINTHICUM. There must be some base salary.

Mr. SISSON. If you go back to the base law, $720 is the lowest basic salary now paid in the District of Columbia. Then you can add to that whatever the longevity pay is. Up until your present subcommittee took the whole matter in hand some of the salaries of the minor teachers were as low as $500, and a great many $600. We have increased it so that the base pay is $720. But that does not tell the story. Because they begin on $720, plus the $120 we gave them, and that was taken into consideration last year, and it makes the lowest salary $840 for nine months' work.

Mr. LINTHICUM. Seventy dollars a month?

Mr. SISSON. You are taking 12 months. The gentleman must take into consideration the fact that that is the base pay of the teacher and does not include all the other. I agree with the gentleman that throughout the United States the teachers' salaries are very small, but the people back in the States—the people in your State—have not seen fit to increase their salaries as radically as they have been increased here.

Mr. LINTHICUM. We have increased our salaries very largely, but we have not this great surplus and this living under the eye of Uncle Sam that you have here.

Mr. SISSON. There is no great surplus, as the gentleman knows, in the Treasury of the United States.

Mr. LINTHICUM. I mean to the credit of the District of Columbia. There is over $5,000,000, is there not?

Mr. SISSON. As a matter of fact, that is a bookkeeping account, and the lawyers differ as to whether or not that is a claim that the District of Columbia may make against the Federal Treasury. Some lawyers claim that is collected and paid into the Treasury the same as the other and becomes a part of the funds of the Treasury. I am not expressing an opinion about it. I have some definite opinions, but do not care to encumber the RECORD about it, but that money paid into the Treasury does not represent the ability of the Federal Treasury to respond. And when I pay out the money of the Federal Treasury to the officials and to the employees of the Government, just as it is paid out to pay the employees in the city of Baltimore, I want it understood that the Federal Treasury ought not to bid against Baltimore and ought not to bid against all the communities throughout the United States, when you are bidding with their money. We have got to be fair; we have got to be just to the Treasury, and at the same time fair and just with the employees and with the school-teachers.

Now, I want to call your attention also to a provision that the committee put into the bill enabling the District of Columbia to avail itself of any property which the Government of the United States bought during the war which would become useless; for instance, typewriters, trucks, automobiles, where automobiles are used in the District of Columbia—in the fire department and in the water department—and the typewriters that may be used. We put in a provision here which authorizes the officials of the District government to buy from the Federal Government at a price not to exceed the price paid by the Government for these things, and, if they have been used, to pay not more than a reasonable price, taking into consideration their use. In that way we felt that the District of Columbia might get those things which it needs and which it has to buy very much more cheaply, and therefore when that is done they do not have to go into the open market or let bids for those matters, and they are not restricted by the regulations when they buy actually from the Government.

Then we also put a provision in the bill to the effect that the board of education should be selected by the District Commissioners. For many years the board of education has been selected by the Supreme Court of the District of Columbia. Every member of the Supreme Court of the District of Columbia says that he ought not to be burdened with that job. Every one of them says that. And, by the way, a gentleman formerly a Member of this House, and at one time one of the distinguished members of that court, makes a very strong argument as to why it should not be done. But it goes further than the fact that they never pay any attention to the schools. They have no way of going into the schools and no control of it except the mere selection of the board of education, and they would forget it but for the fact that some member of the school board calls their attention to it; and, not having given the school system any study and not knowing much about it, they must depend upon the recommendations made by the District Commissioners. With

the exception of the school board, all the other officials are selected by the District Commissioners.

This item was put in the bill once before and went out in the Senate, but at that time there was an organized fight made against it by the teachers of the District of Columbia. I understand now, however, that many members of the board of education openly express themselves as saying that the schools of the District would fare infinitely better if the appointing power of the board of education was the power that came before the congressional committee and made the statements with reference to the schools and looked after the financial statements, because the District Commissioners and the District officials have to look after all the financial statements of the schools and audit the accounts and everything of that sort. It is a peculiar history to get into as to why it was that the Supreme Court of the District of Columbia made the appointments. Perhaps it is better at this time not to go into that history. But we believe that that is proper, and we believe that almost all of the business activities of the District of Columbia believe that it is wise, so that your committee puts that in.

We also amended the law in reference to the construction of bridges across railroads so as to include the building of a bridge across the canal. Some of the bridges are necessary now to be built across the canal, and there is some doubt as to the authority to assess the canal company with the actual cost of the bridges across their physical property. I wanted to call your attention to that because that is a matter of legislation.

We also put a little amendment into the bill authorizing the District Commissioners to prescribe a schedule of fees for the examination of buildings, and so forth, but especially in reference to the inspection of elevators. There was some question raised as to the right to charge for the inspection of an elevator after it was installed.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. SISSON. In a moment. Most of the hotels and business houses that have had elevators to inspect have gone on and paid the fees without question, but some question has been raised as to the right to charge them anything except for the first installation inspection. We all know that we want the elevators inspected at stated intervals, and the District Commissioners think they should be examined at least once in a quarter, and they want to charge, as they have heretofore been doing, the cost of actual inspection, and we have given them authority. Now I yield to the gentleman.

Mr. WALSH. Referring to the appointment of the board of education, I understood the gentleman to say that he did not care to go into the reasons why the power to select them was conferred upon the Supreme Court of the District of Columbia. Now, if you are going to make a change, I should think we ought to know why.

Mr. SISSON. It is a good long history to tell you.

Mr. WALSH. I do not mean any long history, but could not the gentleman state it briefly?

Mr. SISSON. As a matter of fact, they once had a condition here where all the people of the District of Columbia voted, and they had what they called a "feather-duster legislature." That was prior to the time when the Federal Government took over the government of the District of Columbia. Then they thought that local politics entered into it entirely too much. Therefore they put the burden upon the supreme court judges simply of selecting the board of education.

Mr. WALSH. It is a relic of the old times?

Mr. SISSON. Yes; it is a relic of old times.

Now, I believe, gentlemen, that that about concludes the statement that I desired to make.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. SISSON. Yes.

Mr. LINTHICUM. You were speaking of the changes you recommended in the laws in certain matters. Do you not think there should be some change in reference to the automobile laws and regulations that you passed, by which you make every Marylander coming into town procure a license and pay the amount that the citizen in the District pays?

Mr. SISSON. Does not the citizen of the State of Maryland pay the same as in the District?

Mr. LINTHICUM. He does, and the State of Maryland has provided $24,000,000 worth of roads for the comfort of the people.

Mr. SISSON. The gentleman must know that it is not within the province of this body to change that law, and only in cases where, in consultation with the other committee and matters that intimately affect appropriations, has this committee undertaken to change the law.

Mr. LINTHICUM. This does affect the revenues of the District.

Mr. SISSON. Well, we are collecting the same revenues now from the issuance of automobile licenses as heretofore, but the license is very small in the District of Columbia as compared with other States.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. SISSON. Yes.

Mr. DENISON. Do I understand the gentleman to state that there was a time when the people voted here and that there was a legislature of some kind? Will the gentleman state when that was?

Mr. SISSON. The act of 1878 took over the government of the District. That was when that went into effect. Prior to that time they had a legislature. That is not a very inviting bit of the history of the District of Columbia. That was during the régime of Gov. Shepherd. Whether Gov. Shepherd was a good man or a bad man I do not know. There are two sides to that. There was quite a controversy about that.

When we had that government here the District of Columbia affairs got in very bad shape. They ran it $40,000,000 into debt, the bonds were sold very much below par; indeed the time was pretty near at hand when they would have to refund some of these bonds, and there was no sale for them. At that time Blackburn in the House and Blaine in the Senate are the names that I find intimately connected with this matter. They took it up and had this organic act passed, I think in 1878, and then that act was amended several times immediately after that. Prior to that time they had a vote in the District of Columbia, and the citizens of the District voted for the legislature of the District of Columbia, and that legislature, with a governor, controlled the city very much as a State is controlled.

Mr. DENISON. But prior to that law, briefly, what was the plan of taxation here? Did the Federal Government pay any part of it?

Mr. SISSON. No; nothing at all; not a dollar.

Mr. CANNON. Will my friend allow me just a word?

Mr. SISSON. Yes.

Mr. CANNON. The gentleman speaks of Gov. Shepherd and the debt of the District. I came here in the Forty-third Congress, and that was the time that Gov. Shepherd went out, as I recall. He went out seemingly under a cloud, but there was investigation after investigation, and they resulted in unanimous reports justifying Gov. Shepherd. Then came the legislation for the half-and-half proposition. Gov. Shepherd went to Mexico a bankrupt, lived down there for many years, and finally came back and had a great reception. He laid the foundation upon which was built the present city of Washington. Of course, those men are all dead and gone. When Shepherd became governor of this District Washington had the dry rot, and he inaugurated a new era, possibly with a waste of money here and there, and there was the devil to pay and no pitch hot, but finally, by the action of the people and with their approval, there was erected in honor of Gov. Shepherd the bronze statue down on Pennsylvania Avenue, which shows him standing there in his cutaway coat, and I have no doubt that he is entitled to much of the credit for the greater Washington of to-day and of the future.

Mr. SISSON. I am not endeavoring to take from Gov. Shepherd any of the credit that may be due him. I simply stated that there was quite a controversy. A great many people contended that Gov. Shepherd was a great benefactor to the District and a great many people contended otherwise. But there is this to be said about Gov. Shepherd: You know L'Enfant made the plan for the city of Washington. As I understand it, George Washington employed L'Enfant, a great architect and landscape gardener, and he laid off the District with an eye to its defense. These circles were intended to be the site of forts, and if you will study the map of the District you will find that by putting cannon in these circles they command every street, and you can not get out of a street into an avenue without coming under the range of the cannon. In that way he proposed to defend the Capitol and the White House from any invasion. But up until Shepherd's time, as I understand it, nothing had been done toward carrying out the L'Enfant plans, and Washington was growing up very much like Topsy.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. SISSON. Yes.

Mr. COOPER of Wisconsin. I think also history tells us that L'Enfant made the little squares and circles with radiating avenues to meet such emergencies as confronted the French Government during the French Revolution.

Mr. SISSON. During the French Revolution; yes, for the purpose of defending the city from a mob.

Mr. COOPER of Wisconsin. L'Enfant actually saw what happened over there in Paris at that time, he being there at the time of the French Revolution.

Mr. SISSON. Now, gentlemen of the committee, I have said all that I desire to say, because all other matters are simply matters of detail. They are mentioned in the report, and I want to congratulate the clerk of the committee, Mr. Shields, on the very splendid report he has gotten out, because Members may be assured of being informed what we have done, if they will read that report.

I want to say in conclusion that I believe it to be the duty of every Member of Congress now to help unscramble the eggs. It is a very easy matter to scramble eggs, but a very hard matter to unscramble them. Now, the task that lies immediately before us is to help the War Department and Navy Department cut off useless expenditures, and cut off those activities of the Government that ought not to be continued since the war is at an end. That is quite a task. There are going to be many people who will want to continue in their present employments. There will be many efforts made to justify their employment, and Congress desires to cut, but it ought to cut with the skill of the surgeon. We ought not to cut off necessary activities, but we ought to cut off wisely every unnecessary activity of the Government, and we must get back into our peaceful lines. We have surrendered into the hands of the Executive and the War and Navy Departments powers unheard of, and so far as I am individually concerned I want to get back to the peace times, if possible to get back where we were, and if any changes are necessary let them be made deliberately in time of peace and not under the spur of war. [Applause.]

Mr. DENISON. Will the gentleman yield for a question there?

Mr. SISSON. I will yield to the gentleman.

Mr. DENISON. I should like to ask the gentleman from Mississippi if he knows what is going to be done with these buildings and with this great, high smokestack down here on the Plaza between the Capitol and the Union Station? They are still working on those buildings. Can the gentleman give the House any information about them?

Mr. SISSON. I understand that the work has been abandoned there, except where a building was about completed. The gentleman asks me what they are going to do with them. I do not know. I have no idea what they are going to do with them. They might turn them over to the House Members of Congress at a small rental if they desire to do so. [Laughter.] They might also use those buildings down on the Plaza for the purpose of bringing down somewhat the rents and hotel rates which we are all paying here. At any rate, the buildings are there, and I can not tell you what they are going to use them for. The committee are not considering all of these matters, and I hope the Appropriations Committee, after they have gone carefully into the facts, will be able to help the gentleman find something to do with them. We are ready to take any suggestion from the gentleman from Illinois as to what ought to be done with them.

Mr. DENISON. I would be glad to give them at a later date, but I am interested in the gentleman's views on any question. He has mentioned about unscrambling the eggs. Can the gentleman give us his idea as to what should be done with the railroads?

Mr. SISSON. I do not desire to go into the proposition at this time, although I have some definite and positive views myself on the question. That has nothing to do with this bill. At the proper time I will be glad to deliver myself upon that subject.

Mr. LINTHICUM. Will the gentleman yield?

Mr. SISSON. Yes.

Mr. LINTHICUM. As long as the gentleman has given us his ideas upon some things, does not the gentleman think that something ought to be done with reference to the Saulsbury resolution by which so many people, not war workers, have taken advantage of? I know a number of cases where people not connected with war work have taken advantage of that resolution.

Mr. SISSON. I will say by way of explanation as to the reason I mentioned it at all is because every one of the war activities has been cut out of this bill. We have not left one, but have cut the bill down to a peace basis. I thank gentlemen for their attention. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield one hour to the gentleman from New Jersey [Mr. PARKER].

Mr. PARKER of New Jersey. Mr. Chairman, I have thought it right at this time to break my rule to speak only on the bill before the House. It seems to me at this time that it is my duty to bring before the House a dispassionate review of the question of a league of nations regarded simply in the light of the history of such a league.

When I say league of nations, Mr. Chairman, I desire not to be misunderstood. The league that has been proposed and urged lately is a definite thing, a general league of all nations for mutual defense, with the understanding that armament should be reduced, that trade conditions given by each to the other should be equal, and that there should be some sort of a general council meeting regularly and able to deal with the affairs of nations. Such a league is proposed in the message of the President of the United States of January 8 last. It is proposed definitely and it should not be confused with an entirely different sort of league of a few nations—that is to say, what is generally termed as an alliance. It has been said by President Taft in to-day's papers that he favors such an alliance or league between England, France, Italy, Japan, and America, as the five great powers, for the purpose of the settlement of conditions of peace. Such an alliance at the peace table is necessary. But I hope with Washington, in his Farewell Address, that we shall steer clear of permanent alliances anywhere, and, as he says, that temporary alliances will serve the purpose. Such a temporary alliance or understanding by which Japan and the United States back up the countries really interested in settling a peace in Europe upon proper terms will be supported by the people of the United States.

The President's address was made in January, before Russia was under the bolsheviki; before it could be said, as it is in the paper that came out this noon, that Russian red leaders are to head the Berlin extremists; before Austria had broken down so that it no longer can make any treaty; before questions of boundaries had come up which will disturb all Europe unless they are settled. Nations of central Europe are to be established, taking them away from Germany and Austria and from Russia wherever they consist of people who were not Germans or friendly to them, so as to make the map of Europe, as I hold it in my hand, almost a Chinese puzzle, with Finland, Livonia, Lithuania, Poland, Czecho-Slovaks, Greater Roumania, Ukrania, Jugo-Slovaks, Greater Bulgaria, and Roumania, all new nations in prospect, that have no connection with one another, no legislatures, no laws, and no government, and for whom governments must be established. These nations, proposed in the President's address of which I have spoken, can not be regarded now as realities who can join a league.

The great crisis is upon us by which the allies, as the leading nations, must settle the boundaries of government as best they can for these new nations and leave their fate to be taken care of by a wise Providence hereafter.

That address says that Germany is to be a part of the scheme for a league of nations. What, when the German Armies have gone home intact to be disbanded, but with an organization that can be called together within three days while we have to take nearly as many years to get overseas—are we to agree that all nations shall now disband? The allies must reserve power until the settlement of peace be made. We will talk about that afterwards.

When we tell Germany to cough up $40,000,000,000, or some sum of that sort, are we to leave her power by her army to say whether she will or not comply with this righteous demand to restore countries that have been wrongfully despoiled, or are we to see that the indemnity is paid, as Germany did with France in 1871, by keeping the Provinces of France until it was done?

In our newspapers to-day our great ex-President says that the only league now can be a small league of great nations, and that when a small league has restored peace it will expand into a great league. Do not let us confuse the two. The temporary league to do justice now is necessary. The general league of nations to abandon our self-government and our arms and ammunition, Navy, and diplomacy to treaty and an international council is another question. We desire to study in the light of experience whether this is something we ought to wish or to go for. One thing is perfectly certain. No matter what is to be in the future we know that in the past the central powers have been dangerous because of their ability to unite countries all around them together into a great moving military force, and no league that admits Germany to membership can be established which does not also carefully provide that she shall not be able to use the policy of peaceful penetration by her banks, her merchants, her men, her officers into Russia and Turkey and the whole country of the east, so as to get a much larger army than she had in the last war and to be able to throttle and take over the whole world. It is important that there shall not be perfect equality among nations in their trade conditions as long as that threat remains.

But I direct attention now only to the project of a general league of nations, which is admitted to be far in the future by our ex-President, although it has not been so admitted by the President of the United States. Conditions will make it certain

to him that a general equal league of nations is not possible now, impossible at the present moment.

Therefore I am considering the future possibility of such a general permanent alliance only in the light of the past. The form of such an association is defined in the President's address. It can be found and has been tried in an earlier league. In the fourteenth point it is defined as follows:

A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small States alike.

Such an association would begin by a declaration somewhat as was contained in the league of American States known as the Confederation, as follows: That the member States of the league "severally enter into a firm league of friendship with each other for their common defense, the security of their liberties, and their mutual and general welfare, binding themselves to assist each other against all force offered to or attacks made upon them or any of them." That is the essence of a league of peace. It would in terms protect each member against any other State in or out of the league.

The President in his address says also that in any such league trade conditions should be equal among the members. The words were:

The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

The words "the removal of all economic barriers" seem to go farther than equality of trade conditions, but it is explained by the President to mean only that each member of the league may impose what duties or other regulations it pleases provided, however, they be equal to all other members of the league. Now, it is interesting that the former league to which I have referred, our own Articles of Confederation, contains in its historic phraseology this:

The people of each State shall have free ingress and egress to and from the territory of any other State and shall enjoy therein all of the privileges of trade and commerce subject to the same duties, impositions, and restrictions as the inhabitants thereof, respectively.

While in a subsequent part of the paper, Article IX, it was provided that the league, the general league, should make no treaty "by which the several States shall be restrained from imposing such imposts and duties on foreigners as their own people are subject to, or from prohibiting the importation or exportation of any species of goods or commodities whatever."

It seems as if this article of 150 years ago had been drawn in order to carry out the President's suggestion.

Disarmament also seems to be a condition suggested by the President for such a league. He says, in the fourth point:

Adequate guaranties given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.

Our Articles of Confederation, the historic league to which I have referred, provided:

No vessel of war shall be kept up in time of peace by any State except such number as shall be deemed necessary by the United States in Congress assembled (the joint council hereafter mentioned) for the defense of such State or its trade, nor shall any military force be kept up by any State in time of peace except such number only as shall be deemed requisite by the United States in Congress assembled to guarantee the force necessary for the defense of such State, but every State shall always keep up a well regulated and disciplined militia, sufficiently armed and accoutered, and shall provide and constantly have ready for use in public stores a due number of fieldpieces and tents and a proper quantity of arms, ammunition, and camp equipage.

It goes without saying that under these conditions the consent of the congress as general council of the league would be necessary, also to any special embassy or treaties by any State, or to any treaties between them, or to their engaging in war unless there was actual invasion or imminent danger of invasion by pirates, and it was so provided as would be necessary in any such league now.

This being so, any disputes as to boundaries and jurisdictions would necessarily have to be arranged by the joint council or congress and not by any of the particular States. A very careful provision was contained in the articles of league to which I refer, by which the disputants should be summoned to select a court, and that, failing so to do, the joint council might name three persons out of each of the member States, and the disputants should strike out the names until the number was reduced to 13; a court of 7 or 9 was drawn therefrom by lot, and it was left to the court to decide.

In Mr. Taft's proposition he states carefully that we must have a general court of the nations in order to settle boundaries, appointed by the five great powers.

It is hard to see how any less power than those of our confederation could be granted to any general league of nations if it is to amount to anything. It must have some legislative, executive, and judicial powers to carry on business. And in order to do this the paper that I have spoken of—our Articles of Confederation—follows a plan for a congress or joint council that they would have to use in a league now, at least in substance. Article V provided that a congress should meet once a year, to be composed of several delegates from each member State, but which would have one vote only for each State, and that Congress (Article IX) should have sole power of determining on peace and war, of maintaining diplomatic relations and making treaties and governing the seas, to appoint an executive committee of one delegate from each member State to sit in recess to manage generally the affairs of the league, to estimate probable expenditures, to borrow and appropriate money, to build a navy, and to require each member State to furnish a quota of the army, according to its population or as the council might decide. Two-thirds of all the member States would have to agree to any resolution as to war, treaties, estimates, loans, or the raising of armies or a navy, and a majority of all the member States, or two-thirds of the executive committee, was required for everything else. Any charges for war and all other expenses that shall be incurred for the common defense or general welfare were to be defrayed out of the common treasury, which was to be supplied by the several members of the league in proportion to the value of property.

It is surprising how accurately and completely this historic league conforms to all the conditions suggested by the present proposers of a league of nations. It is surprising that its provisions have not been referred to in any of the discussions, because it ought to be familiar to us. This particular league was prepared with great care by our foremost statesmen in 1777. It is known as the Articles of Confederation of the United States of America when they were free and independent States and governments; and the only change I have made in phraseology has been in sometimes changing the word "congress" to "joint council" and the word "state" to "member of the league."

We have the precedent when the United States of America formed a league in 1777, which took effect in 1781, and which went down in absolute failure in 1787 to 1789 because it was found that the affairs of nations can not be carried on either by limiting the powers of the representatives of the various components of one people who ought to be one union, or by trying to tie together people who have nothing to do with one another, like tying Serbia and Bulgaria and the Balkan States to the United States of America.

The Articles of Confederation contain nothing else of importance, except declarations of rights already possessed or recognition of existing governmental agencies. At that time every man in every one of the former British Colonies had been a British citizen and able to go into every other colony with no restriction by immigration laws of his right to be regarded as a citizen there, and that same right was declared in the Articles of Confederation. But it was a mere declaration of what existed.

There was a provision for a general post office. We run one now without any difficulty all over the world by the postal union. It is not difficult to do. But it was only declaring what had existed before the Revolution under the British rule. We can not now agree, if we wish to maintain the purity of our citizenship, that citizens of any State in the world shall come here and be citizens because we happen to be in such a league. Think of the bolsheviki, the Russians, the Serbians, the Bulgarians, the Turks, and the Armenians being told they are all citizens of the United States! But because there was then a common British citizenship that league had a much better chance of getting along than any other that we can put up at the present time. And it seems dangerous, in view of our experience, to go into the question of promising that we will make a league, offensive and defensive, with all the world.

Mr. STEVENSON. Will the gentleman yield?

Mr. PARKER of New Jersey. If I have time. How much time have I left, Mr. Chairman.

The CHAIRMAN. The gentleman has 40 minutes remaining.

Mr. PARKER of New Jersey. I yield to the gentleman from South Carolina.

Mr. STEVENSON. I wanted to ask this: I notice in the league you are discussing that each power has an equal vote. Suppose we had a league in which Liberia is placed. Is it contemplated that Liberia shall have an equal vote with the United States, or what is the proposition to avoid that? I am just asking for information.

Mr. PARKER of New Jersey. I will say that I have seen various propositions. The last proposal of Mr. Taft, which appears in to-day's newspapers, is that only the five central great powers shall rule the whole question and that the others shall come in as a sort of adjunct, to be arranged as the great

powers please. A proposition I read before that, in a book edited by Theodore Marburg, was that each of the great powers should have three delegates each and the rest one. Representation was a very complicated question, as you will remember, in framing the Constitution of the United States. The convention compromised by allowing the Senate to have equal representation from the States, great and small, and the House of Representatives to have a representation according to the population, taking three-fifths of the slaves.

This league of the United States Confederation, although they were on the same continent and subject to the same dangers and in war against the common enemy, was powerless to enforce contributions of troops or of money. "It"—the articles—"gave to the Confederation the power of contracting debts and at the same time withheld from it the power of paying them" (Curtis Constitutional History, Vol. I, p. 121). What is more, prompt decisions could not be had from a council or Congress in case of emergency. The whole thing proved to be a rope of sand, even between people with the same interests. The league was dying when it was replaced, as it could be, by the union of the people of the States. But that establishment by the people of direct governmental control over persons and property would neither be possible or desirable in a world's league.

Now, this league did not work with us, and why? Are the reasons likely to apply to the new proposition for a world league? Let us begin with the last matter, of the court to settle boundaries, because it had chief consideration in forming the federation. The great western territory of the United States had just been acquired from Great Britain as far as the Mississippi. We had claims on the territory of Spain down toward the Gulf. Those territories were the wealth of the country. Connecticut claimed directly back to the Mississippi by her grant. New York claimed the great regions occupied by the Indians as belonging to her and running over the same territory. Virginia claimed that she owned the whole Northwest Territory, and if the question had been determined according to law by any court there would have been endless hatred of one State by another.

Fortunately they never got into the court of the Confederation, for before the articles of the league of firm friendship were signed Maryland said she would not sign at all unless all the western lands were thrown into a common holding and should belong to the General Government for the benefit of all the States, and for the establishment of new States as soon as might be. She had no right there herself. You might say she was a "dog in the manger"; but she achieved the greatness of the United States by seeing that the various States could not have boundary difficulties against one another.

How is it now? If we had a world league of various nations, could they settle boundary questions in the Balkans? Would the Balkans be willing to allow it? We were not willing to leave Alaska to the rest of the world, because we felt that the boundary of the world wished to have free access through the channels that run through Alaska, and that we should not have a strip of shore. We insisted upon settling this by agreement. Would we allow Mexican questions and our difficulties there to go to an assembly composed of Europeans for determination? Are we to break down the Monroe doctrine? Would not the same difficulties come in now, and would anybody agree to anything going before a world's court?

I can not learn that during the six or nine years of the Confederacy a single question was brought before any court appointed by Congress under the terms of the Confederation, and yet there were a great many boundary questions between the States which were settled.

This is by the by. The boundaries of France, Poland, Italy, Belgium, and of the East are too important to those countries concerned to be left to any world's court of distant and careless nations. They must be settled now before the peace, and not afterwards, in order to have firm government. One of the disputes between Peru, Bolivia, and Chile is as to the nitrate beds. Would we leave that to the nations in Europe, all of which are eager to get control of those nitrate beds? Would we allow Europe to interfere? The whole scheme of compulsory intervention will fail as voluntary arbitration has failed at The Hague because of the difficulty of agreeing upon judges.

Now, as to disarmament. There is a provision that no State should maintain more than its quota of troops or ships. That accurately expresses the idea of disarmament. It never had to be enforced in this country because no State tried to have an army or navy. It is different abroad. Germany always has wanted an army, and the world had an experience there. In the time of Napoleon it was provided that Prussia should keep under arms only 42,000 men, and Stein and other German ministers arranged a system of short enlistments and short intensive service like what we have given our officers, and they turned out when the war again broke out against Napoleon with over 500,000 thoroughly trained men in the field. A provision for disarmament acts in favor of Germany, the country that expects to use her soldiers at home. It acts against a country like our own, where we have no military system, and have to take men 3,000 miles. A provision for an enrolled and disciplined militia would be necessary for us. We should do little with it, but it would cover a whole German army. There can be no safety in any equality of provision for a power that has the advantage of a central position, and with its soldiers always at the place where troubles are to be expected, while others must send soldiers from afar, and America and England from oversea.

The provision that we had in the league that no State shall keep a navy is vital. It would be dangerous now to the world. The navies of England and America now secure the safety of the world. They must be strong enough to secure that result.

The scheme of the confederation was for a general army and navy sufficient for the common defense. The same scheme is now called in the proposition in the paper this morning "An international police." The confederation failed to get any such army or navy. During the Revolution Congress was only able to get out at the highest about one-tenth of our able-bodied men, while in the Civil War the North got out one-fifth of its able-bodied population and the South got a much larger proportion.

Under the confederation, calls for quotas failed, requisitions for men and money failed, and the men we had were unpaid. The league could not enforce these quotas of men and money, even in our dire necessity, and the only remedy of Congress would have been to make war upon the delinquent States. This was actually proposed by Madison. Six weeks after the ratification of the articles in 1781 he proposed an amendment to give the United States full authority to employ their forces as well by sea as by land to compel any delinquent State to fulfillment of its Federal engagements. Washington approved of this, saying that a knowledge that this power was lodged in Congress might prevent its ever being exercised. Indeed, said Washington, if Congress were unquestionably possessed of the power nothing could induce the display of it but absolute disobedience and urgency of the general welfare. Madison argued that in the very nature of the confederation such a right of coercion was necessarily implied, though not expressed in the articles. Fiske declares that much might be said in behalf of this opinion. "The confederation asserted itself to be perpetual, but how could it have perpetuated itself for a dozen years without the right to coerce its members? Practically, however, the remedy was one which never could have been applied without breaking the confederation into fragments. To use the Army or Navy in coercing a State meant civil war. The local yeomanry would have turned out against the Continental Army with as high a spirit as that in which they swarmed against the enemy at Lexington and Kings Mountain. A government which could not collect the taxes for its yearly budget without firing upon its citizens or blockading harbors would have been the absurdest anomaly imaginable." (Fiske, "The Critical Period of the Revolution," p. 118.)

Afterwards, when we came to the constitutional convention, there were two plans, one for a government and the other for strengthening the power of the league. The latter, the New Jersey plan, set forth in the Paterson resolutions, aimed at a like right for the league to enforce contributions of money and men. Congress was to have power to collect taxes in the States if requisitions were not complied with. The resolutions changed the proportion of the quotas from property to men, because Congress had never been able to have a valuation of property. But in the last resolution it was proposed that the acts of the United States in Congress should be the supreme law, and that the judiciary of the States should be bound thereby, and that if any State or any body of men in any State shall oppose or prevent the carrying into execution such acts or treaties, the Federal Executive shall be authorized to call for the power of the confederated States, or so much thereof as may be necessary, to enforce and compel obedience to such acts and the observance of such treaties. Madison Debates, Volume I, pages 164 and 166, say:

> 8. *Resolved*, That whenever requisitions shall be necessary, instead of the rule for making requisitions mentioned in the Articles of Confederation, the United States in Congress be authorized to make such requisitions in proportion to the whole number of white and other free citizens and inhabitants, of every age, sex, and condition, including those bound to servitude for a term of years, and three-fifths of all other persons not comprehended in the foregoing description, except Indians not paying taxes; that if such requisitions be not complied with in the time specified therein to direct the collection thereof in the noncomplying States; and for that purpose to devise and pass acts directing and authorizing the same: *Provided*, That none of the powers hereby vested in the United States and Congress shall be exercised without the consent of at least —— States; and in that proportion if the number of confederated States should hereafter be increased or diminished.

6. *Resolved*, That all acts of the United States in Congress, made by virtue and in pursuance of the powers hereby, and by the Articles of Confederation vested in them, and all treaties made and ratified under the authority of the United States, shall be the supreme law of the respective States, so far forth as those acts or treaties shall relate to the said States or their citizens; and that the judiciary of the several States shall be bound thereby in their decisions, anything in the respective laws of the individual States to the contrary notwithstanding; and that if any State or any body of men in any State shall oppose or prevent the carrying into execution of such acts or treaties the Federal Executive shall be authorized to call forth the power of the confederated States, or so much thereof as may be necessary, to enforce and compel an obedience to such acts, or an observance of such treaties.

Is the world league to make war on poor Poland if it fail to pay its quota of expenses? This would be tyranny, not government.

Mr. BORLAND. Will the gentleman yield?

Mr. PARKER of New Jersey. I yield to the gentleman from Missouri.

Mr. BORLAND. The gentleman has been pointing out the weakness of the Articles of Confederation—how they failed to secure the necessary unity. I want to ask the gentleman this, however: Does he believe that the final union of the States in the form that we now have it could have been accomplished immediately upon the completion of the Revolution without the intervening experiment of a confederation?

Mr. PARKER of New Jersey. No; I do not; and I will ask the gentleman in reply, does he want to have a union of all the people of the world, no matter how dissimilar?

Mr. BORLAND. I am not prepared to commit myself to such a union of all the people of the world.

Mr. PARKER of New Jersey. Neither am I; and I will say that it can not be done.

Mr. BORLAND. I regard it as entirely experimental; but does not the gentleman realize that the Articles of Confederation were good for the experimental stage of American Government and that we progressed from that to a more perfect union?

Mr. PARKER of New Jersey. I think we had a right to try experiments with our sister States who had been with us in the Revolution. I do not think we have a right to try experiments with the Bolsheviki of Russia or with the other people over there to see whether we can make a union with them.

Mr. BORLAND. That is exactly what I wanted to ask the gentleman. Does he not think it would be wiser for us to try the experiment to get a league rather than to go to the full extent, logically, as he makes it, of having legislative, executive, and judicial power?

Mr. PARKER of New Jersey. No; I would never go to that extent. It is not logical at all. The statement I have made is very clear, I believe. We need a temporary understanding. I like that word better than an alliance. We need a temporary understanding with the people who have fought with us in the war, and we will secure peace on proper terms. I do not want to go further than that.

Mr. BORLAND. But the understanding to expire when the peace is secured?

Mr. PARKER of New Jersey. Yes; except so far as we choose to go ahead. We carried on this war to a successful conclusion without anything in the way of writing to bind us to do it, because we thought it was for the good of the world. We can see that peace is obtained in the same way, by a similar understanding, and I hope, thank Heaven, we can do it without breaking Washington's orders and without entering into any permanent alliances.

Mr. BORLAND. It may be that these terms of peace are going to extend some years into the future and to require a great many affirmative acts to be performed by the central powers. Does not the gentleman think a close alliance with our allies is going to be necessary possibly for years to come?

Mr. PARKER of New Jersey. No; I do not. I think we should be able to put pledges in the hands of the allied powers in Europe and be able to secure their ends in that regard. I think we want to get out of Europe as soon as we possibly can.

Mr. BORLAND. With reference to this idea of using force against members of the league, the great powers, of course, could put down the little ones.

Mr. PARKER of New Jersey. Imagine the jealousy of the great powers if that were done. Imagine the jealousy if they had more than one vote, as suggested in the Marburg plan. Alexander Hamilton, in the debate on the Paterson amendment, made some remarks, and I ask to be allowed to put in an extract and to extend my remarks in the RECORD generally.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey that he extend his remarks? [After a pause.] The Chair hears none.

Mr. PARKER of New Jersey. At that time Shays' rebellion was going on in Massachusetts and Alexander Hamilton spoke on the proposition to use force to maintain the Government. He said that military force exercised on the States means war; and continued, as to the weakness of all leagues (Madison Debates, Vol. I, p. 178):

Force, by which may be understood a coercion of laws or coercion of arms. Congress has not the former, except in few cases. In particular States this coercion is nearly sufficient, though he held it, in most cases, not entirely so. A certain portion of military force is absolutely necessary in large communities. Massachusetts is now feeling this necessity and making provisions for it, but how can this force be exerted on the States collectively? It is possible. It amounts to a war between the two parties. Foreign powers also will not be idle spectators. They will interpose, the confusion will increase, and a dissolution of the Union will ensue.

Influence: He did not mean corruption, but a dispensation of those regular honors and emoluments which produce an attachment to the Government. Almost all the weight of these is on the side of the States, and must continue so as long as the States continue to exist. All the passions, then, we see, of avarice, ambition, interest, which govern most individuals and all public bodies, fall into the current of the States and do not flow into the stream of the General Government. The former, therefore, will generally be an overmatch for the General Government and render any confederacy in its very nature precarious. Theory is in this case fully confirmed by experience. The amphictyonic council had, it would seem, ample powers for general purposes. It had in particular the power of fining and using force against delinquent members. What was the consequence? Their decrees were mere signals of war. The Phocian war is a striking example of it. Philip, at length, taking advantage of their disunion and insinuating himself into their councils, made himself master of their fortunes. The German confederacy affords another lesson. The authority of Charlemagne seemed to be as great as could be necessary. The great feudal chiefs, however, exercising their local sovereignties, soon felt the spirit and found the means of encroachments, which reduced the imperial authority to a nominal sovereignty. The diet has succeeded, which, though aided by a prince at its head, of great authority independently of his imperial attributes, is a striking illustration of the weakness of confederated governments. Other examples instruct us in the same truth. The Swiss Cantons have scarce any union at all and have been more than once at war with one another.

We learn from those debates how hard it is to have anything like united action in a confederacy, even of people of the same blood like the Germans or the Swiss or ourselves, and how impossible it would be among scattered nations and peoples like those who are talked of for a world's league. Do we know anything about Russia? Do we know anything about the Balkans? Can any of us tell the difference between the governmental principles of the Serbians and Bulgarians? Does anyone know now exactly what government would suit the Armenians, who have been massacred for generations and never had any government at all? Can anyone tell me why the little Czar, regarded almost as a god by his people, was after a few months taken to prison and massacred? Can anyone tell us what became of the influence of the great Russian Church, which was supposed to govern the Russian people? Do we know what they will do from day to day? Do we know whether their representatives here really represent the Russian people or not? If we made all the leagues in the world, would we know whether the delegates to the convention represented the people or not? We are face to face with a strange emergency, in which we have to change the map of Europe, fit together what we consider the separate nations according to their language and supposed autonomous desires, and finally establish governments which will be recognized by the great powers of Europe and protected by them. In all this the allied forces must see and make sure that there is no power like Germany that shall disintegrate this scheme or add to the confusion which now exists. The United States can go no further. We ought not to try to decide details in Europe, because we know nothing about them.

The present propaganda for a "league of nations" all involve the proposition that the league shall intervene with its international forces in every dispute in Europe, Asia, Africa, or America in order to compel peace, and shall have power to make its member States contribute men and money to such forces and abide by the decisions of the league council and courts.

American soldiers abroad would cost more than those on the spot. America would fulfill her engagements at any cost, though she would not want to make war in the Balkans or in Russia, because they did not contribute to the cost of the world league or obey its mandates.

If this agreement be constitutional, it may be questioned whether it be sensible to obey a league of nations in our foreign policy and be their cat's-paw.

The great nations can be trusted. They have been for peace, with the sole exception of this military monster of modern times. They have prevented war when they could.

Egypt, India, and Morocco have obtained peace and prosperity under the control of England and France, and their people now acknowledge it with almost exaggerated loyalty. The great nations have more power than they used to have, and they likewise bear the white man's burden.

Now, there is one other thing which we learn from our American league called a confederation, and that is that it was in-

trinsically a sham—intrinsically. The Congress had to try to be President, legislature, and judge all at once, and they did nothing well. Washington had to enforce upon them his right to be Commander in Chief, and no one but Washington could have done so. They only learned that he had that right after years of warfare, just as the modern entente have learned by constant disasters that they had to have one man, Marshal Foch, at the head of the Army if they would not fail. The league and its Congress were always impotent. Any congress of nations under such a league always will be powerless against any united nation.

The American Confederation was a sham as a legislature also. The delegates, being mere delegates, consulted the welfare of their individual States and not the common good. In order to prevent hasty action by the union of the small States against large ones, it was required that a majority of two-thirds of all the States should vote in favor of any proposition, and the result was that a minority of five States was always easily found to defeat any important action. What is more, the mere absence of a few States would defeat action, and for the last three years of the Confederation there were seldom more than 20 delegates present representing seven States, barely enough to pass routine business and not enough to determine any important thing where nine was required. The great men of the country did not go to Congress. They found that business could not be transacted. Would not this be likely in any modern league? Think of the power that would be given, as some one said, to Liberia, or let us say to the hosts of Balkan and South American, Asiatic, and other States. They could unite to make us enter into their broils or to keep us from united action because they did not want to pay the expenses.

There is no plan that can be just between people of different interests that binds them to a majority or two-thirds vote. No plan is safe at all, because with interests drawn in different directions you can not have that harmony that exists here because we are one people.

Now, we must agree on peace terms that will make for peace. But they are not the terms of this league. Constantinople, for instance, must be held under the grasp of the allied powers so as to protect Russia and the East, and there is no other way to do this. Perhaps the same thing will have to be done to the Kiel Canal to give access to the Baltic and protect northern Russia. As for the payment of indemnity to the ruined countries, the German Navy and Rhine lands will have to be kept as a pledge until Germany really surrenders and pays here indemnity. Some of us think that in addition the surrender of her troops will be necessary as a pledge against war.

The United States must preserve and maintain stores of arms and munitions and a corps of officers that will enable us to arm our citizens in case of need and not have to wait three years for lack of arms and officers. Every schoolboy should learn obedience and marksmanship under well-trained officers in civil life, who would likewise make our militia a reality. Such preparedness by ourselves would be the best guaranty that no military power would again disturb the peace of the world.

I read again from Washington's Farewell Address:

> It is our true policy to steer clear of permanent alliance with any portion of the foreign world; * * *
>
> Taking care always to keep ourselves by suitable establishments on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Mr. SLOAN. Will the gentleman yield?

Mr. PARKER of New Jersey. Yes.

Mr. SLOAN. What other nation outside of the United States is talking seriously about a league of nations?

Mr. PARKER of New Jersey. I know none.

Mr. SLOAN. Who outside of a few officers and a few individuals throughout the United States is claiming that we can establish a practical, well-working league of nations?

Mr. PARKER of New Jersey. I do not know who the parties are that provide the means for broadside advertisements of a whole page in newspapers and issue all kinds of books and articles at great expense. They have some of the best names in the whole country in their societies. At one time a general league of nations was favored immediately, but Mr. Taft, our former President, now wants a small alliance of the great powers. He and others seem to think that the alliance of great States should look to a future general league for general peace, which, perhaps, if they attempt it, will only embroil us in every foreign dissension.

Mr. SLOAN. Have they formulated a correct basis for one of these leagues except that which is a good deal of a nebulous discussion?

Mr. PARKER of New Jersey. Yes; I have two or three little books or circulars that give formative plans. One is by Mr. Everett P. Wheeler.

Mr. SLOAN. Who is Mr. Wheeler?

Mr. PARKER of New Jersey. He is a very strong lawyer and a very good man.

Mr. SLOAN. What is his record? Has he had any experience in handling national affairs?

Mr. PARKER of New Jersey. He is a very good lawyer and a very sensible man. I do not know that experience makes us any better when we come to get at new things. One other has spoken, and that is the President of the United States. His proposition is clear as to that. There is no sort of doubt about it.

Mr. SLOAN. I was asking outside of officials.

Mr. PARKER of New Jersey. I was not including him as an official. He is President of the United States.

I fear this proposed general league. I fear that it may tie us up so much that these effete governments and new governments will make confusion worse confounded. I fear for the independence of the United States of America.

America has had her experience with leagues. We turned from that league, or confederation, to what Washington glorified in his Farewell Address. He found the completion of his work in the new birth of our Nation. He tells us that the love of liberty is but the beginning, and that the end is the Union, the State, the Constitution that our own hands had framed, giving to the people a government that mere allegiance could never give, realizing the name of American, which he says belongs to us in our national capacity, and "must always exalt the just pride of patriotism more than any appellation derived from local discriminations," as embodying our common struggles, battles, triumphs, dangers, sufferings, and success. He tells us that sentiment and interest alike bind us together—North, South, East, and West—and that union alone can support liberty. He exhorts us to look to that union as our "palladium of safety and prosperity," to speak and think of it with constant affection, to discourage amendment lest that should breed the spirit of change, to let the Constitution grow as all government must grow—from within—and so to work out the destiny of one Nation, whose Constitution, once adopted by the people, is "sacredly obligatory upon all" and can be changed only "by an explicit and authentic act of the whole people."

His courage calls it a crime to doubt the continuance of the Nation. He tells us that amid such prospects and such dangers as surround us the union is worth the trial. He tells us to be prepared for war, to deal fairly with all other nations, but to avoid hatred or fondness for any, and especially to guard against any passionate attachment for any one nation, and to steer clear of permanent alliances or even a permanent commercial policy with any nation of the world.

In the earnestness of the retiring chief we read an anxiety which only history can explain. Only two years after the Constitution had been adopted he had seen the French Revolution, with its constitutions of a day or of a year, the carmagnole of party strife, and the sudden destruction of the property, credit, and institutions of that nation. That revolution was still in the height of its power. Our chief says nothing of all this, but it is plainly in his thought, and he urges on his children reverence for law, union, peace, fear of party spirit, economy, religion, hatred of change, and strict maintenance of the public credit. Clearly he was thinking of the wild doctrines of the rights of man as an individual without regard to the rights of society, which characterized the French Revolution and are still a potent force even in the modern world.

I wrote this some years ago. Such a revolution as the French Revolution is going on now, certainly in Russia and possibly in other nations. It must work itself out in each case upon the spot. Each nation must learn for itself to govern itself. No others, certainly not we, can teach them how. No alliance could or should control what the President calls the autonomy of each people and their autonomous desires.

Mr. SLOAN. One other question, if you please.

Mr. PARKER of New Jersey. In just one minute.

America will intervene whenever it is necessary to save the world from robber conquest. But until that danger again arises America will mind her own business and keep her hands off while she holds up the light of liberty that will enlighten the earth after the allied armies have established a fair and business government in the various territories. [Applause.]

Mr. SLOAN. I am very much interested in the very able speech, but I did not hear all of it. I would like to know whether the gentleman attempts in any wise to square this talk for a league of nations with the Farewell Address of our first President?

Mr. PARKER of New Jersey. It can not be squared.

Mr. SLOAN. And you feel safer in following the address of George Washington than you do the distinguished passenger on the *George Washington*, do you?

Mr. PARKER of New Jersey. I am not making a comparison, sir. [Applause.]

Mr. GARD. Mr. Chairman, the gentleman from Mississippi [Mr. SISSON], in charge of the bill, wishes that 30 minutes' recognition be given to the gentleman from Missouri [Mr. BORLAND].

The CHAIRMAN. The gentleman from Missouri is recognized for 30 minutes.

Mr. BORLAND. Mr. Chairman, one of the imperative problems to be solved as a part of the reconstruction legislation of this war will be the creation of a budget system for the United States. This country, strange to say, has had nothing approaching a budget system, but the business interests of the country are now beginning to discuss with a very deep-seated earnestness the necessity for such a system. It may clarify the problem somewhat, and possibly lead to its solution, if we get some idea of what is meant by a budget system. To my mind a budget system means simply the two sides of the public ledger. It means that the Federal Government should gauge its expenditures by its income, or possibly, stated from the opposite angle, that it should provide its income in proportion to its necessary expenses, and that there should appear upon the open pages of the public ledger the exact statement of the governmental expense on the one side, balanced on the other by an exact statement of the sources of revenue out of which those expenses are to be paid.

This system is so simple and is so fundamental in all business enterprises, and its need is so clear to every man who has had the most elementary experience in business affairs, that it seems a matter of the greatest surprise that nothing of the kind has ever occurred in regard to our Federal expenlitures.

One reason for this has been that we have subsisted during our national life very largely upon a system of indirect taxation, raised from tariff duties and internal revenue, under which system it is absolutely impossible to tell what the national income is to be. Hence the expenditures could not be regulated in accordance with the income. In fact, we had as many surpluses in our Federal Treasury under that system as we had deficits. Now we have come to an era of direct taxation, in which the backbone of the fiscal system of this Government must be the income tax. Every man will see reflected in his annual tax bill the burdens of the Federal Government, and there will be no opportunity to camouflage or to juggle or to say that taxes are not borne by the citizen. There will be no opportunity to pretend that the foreigner pays the tax. There will be no chance to say that taxes are not a public burden, but in some mysterious way are the source of prosperity to the Nation. Once we eliminate that idea from the public mind there will be no difficulty in getting down to a system of a budget.

Mr. STEVENSON. Mr. Chairman, will the gentleman permit a question?

Mr. BORLAND. Certainly.

Mr. STEVENSON. How much nearer will there be certainty as to the Government's income when based upon income tax that has not already been earned than there is on the income which is based on the revenue derived from a tariff tax, which depends upon the amount of imports? I would like to find out where the greater certainty comes in.

Mr. BORLAND. There is a great deal more certainty. I am glad the gentleman asked that question. Tariff taxes are based upon the imports that chance to come in during a fiscal year. The imports are dependent upon world conditions of trade, which are absolutely out of the control of the country levying the tariff duty and which are impossible to foresee. We can only estimate them by what has occurred in the past, and we have never succeeded yet in hitting the amount even approximately. But an income tax is based upon the current income of persons and of corporations in the United States, whose volume of business for the current year is absolutely a matter of record. There is a certain margin according to which we can estimate the increase of business. We can not, of course, foresee any extraordinary matters that might increase or diminish these revenues, but we can hit approximately the revenues, and, as a matter of fact, our experience under an income tax shows that we are able approximately to estimate them.

Mr. STEVENSON. But does not income also depend largely upon the condition of business in the country, and does it not vary very largely? And when we make appropriations here in the early part of the year, based on the income that citizens are going to have that year, are we able to foretell what the conditions are going to be and what amount we are going to get?

Mr. BORLAND. We are better able to tell what the business is to be than what the tariff will produce. A man running a street car company does not know exactly how many people are going to ride on his cars next year, but he has an accurate idea of how many have ridden on them in the year before, and the prospects of an increase or a decrease, and he is able to make an accurate estimate within a few dollars of how much his fares will amount to. And exactly so as to any man's business. No merchant can tell certainly, when he puts a stock of goods on the shelves, what he will make out of that stock of goods, but nine times out of ten he can do it nearly enough to enable him to fix the prices properly. The very change of the fiscal system from the indirect to direct taxes is going to force a budget system. In my judgment that is one of two elements.

The other element is the enormous growth of the Federal expenditures. Heretofore while Federal expenditures have been comparatively little per capita in this country, little attention has been paid to them, but now they are tremendously heavy and bid fair during a course of years to be materially heavy; so materially heavy as to amount to an important factor in the earnings of every business man in the United States.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. LONGWORTH. Would the gentleman care to give to the House an estimate of what he thinks our expenditures will be in the year 1920?

Mr. BORLAND. No; I am utterly unable to tell closer than was given by the leader of the majority [Mr. KITCHIN].

Mr. LONGWORTH. Does the gentleman agree with the statement of the Secretary of the Treasury that they will be about $4,000,000,000?

Mr. BORLAND. Yes. That is my estimate. That would be approximately my estimate; at least $4,000,000,000 in 1920.

Mr. LONGWORTH. At least?

Mr. BORLAND. Yes; I say "at least" because I do not think that is an overstatement at all.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. FOCHT. Does the gentleman take into account any interest to be paid by the foreign countries who have secured these loans from the United States? Have you deducted that?

Mr. BORLAND. No. I do not think between now and 1920 we will collect a dollar of interest from any foreign country. On the contrary, I am quite convinced that we will continue to advance them money.

Mr. FOCHT. Under this theory, would you make provision for any payment of the public debt whatever?

Mr. BORLAND. No. That does not, in my judgment, embrace a sinking fund. That embraces the interest upon our accrued indebtedness and the cost of the upkeep of our present activities.

Mr. FOCHT. Under this budget system you would undertake to relieve the House and the country from all these difficulties that we have had with deficiency bills? We will have no more deficiency bills? Is that the idea?

Mr. BORLAND. That is a new idea, but possibly that is true.

Mr. FOCHT. Furthermore, do I understand you to absolutely abandon the old traditional policy of your party of a tariff for revenue only? [Laughter.]

Mr. BORLAND. If that is so traditional, then I abandon it, but it is not traditional, to my mind.

Mr. FOCHT. It is not?

Mr. BORLAND. No. Up to the time that an income tax was constitutional in this country—in fact, I thought it was constitutional in 1893—but up to the time that an income tax was constitutional in this country it was absolutely essential to rely upon a tariff for revenue. But the traditional policy of the Democratic Party, if I understand it aright, has always been for an income tax as the fairest and most democratic system of raising revenue. If a tariff exists the Democrats insist that it shall be so framed as to provide revenue, and not be prohibitive in character.

When we speak of a budget we understand, impliedly, the English system. Under the English system, as I understand it, the officers of the Crown, who are responsive to and practically chosen by the popular branch of the legislature, prepare both the estimates of expenditures and the tax proposal, and present them as one concrete plan to Parliament.

Under that system, if the people do not desire a certain activity of the government, then they can be assured that it will cause a certain definite reduction in the tax bill. If they insist upon a certain activity—for instance, old-age pensions—then they are confronted with the plain necessity of providing by a tax for the money necessary for that activity. If they do not want the activity, they can get along without the tax. If they want the activity, they must have the tax. They can balance the one against the other. As I understand it, the English Government must stand or fall upon its budget. It

goes before the country with its budget, which includes everything from the largest question of foreign policy and national defense down to the smallest road or bridge in the kingdom. The ministry, or the Government, as it is called, stands or falls upon the success of that budget in passing Parliament.

There is one particular feature about that system which does not prevail here. There the executive is absolutely the creature of the legislative branch. If the program of the executive is not accepted, it means political death, and a ministry must be formed which will command a proper majority in Parliament. In our Government we have an Executive chosen for a fixed term, who may lose the command of the legislative branch of the Government without being legislated out of office. It is not difficult to see why every civilized nation which has adopted parliamentary government has adopted the English system. There is no Government, outside of some unsuccessful Republics to the south of us, that has attempted to fix the tenure of executive power. The executive power in all parliamentary governments resides in a ministry responsive directly to the representatives of the people.

Under our system of government we not only have no budget system but our system is so chaotic that it is almost impossible to describe it in a few words or even in many. Under the theory of our Constitution Congress has the sole power of raising revenue and appropriating money. It has no control over the Executive; it has no control over the advisers of the Executive, who are the heads of the departments. After the Cabinet officers are once confirmed by the Senate their term of office is practically fixed. But, theoretically, Congress has absolute control over the public purse. It can raise such money as it sees fit and provide by law for the expenditure of the funds in such manner as it deems wise. The Executive is supposed to carry out those instructions. In practice that is not possible. As a matter of fact, the Executive must furnish the basis of the information upon which the appropriations are made. Under our practice that basis is the estimates. Those estimates are prepared annually by the chiefs of the bureaus and the heads of the departments. There is no correlation between them. There is no limit to them except the expansive force of the imagination of an ambitious politician who happens to be at the head of a particular bureau. Any executive officer can estimate for all kinds of activities that he thinks he would like to engage in and which might enlarge the importance of his particular work. Some of them might be good. All might be good. But there is nothing to indicate their relative value or importance. Those estimates go to the Secretary of the Treasury and as a purely clerical matter are put in the form of a compilation and are sent to Congress. Here they are distributed in fragments. A fragment is thrown to one committee and another fragment to another committee, according to the division of jurisdiction fixed by the rules of the House of Representatives. The appropriation bills are made up in those several committees absolutely without relation to the relative importance of any of the particular estimates.

It is true that there are men on all of these committees who by length of service and experience are familiar with the history of certain appropriations. It is true also that in the hearings had upon the question of granting a new appropriation it is possible in some way to have an accounting as to what was done with the previous appropriation for the same or similar purposes. But even if it were possible to have accurate information of the expenditure of previous appropriations Congress is perfectly powerless after it has got the information. In but few cases can it refuse a new appropriation for a meritorious purpose on account of the misappropriation or unwise use of a previous appropriation. It has not, except in the grossest cases of criminality, any possible control over the officer who may have been guilty of the unwise or unlawful use of the money. It can not control, except by legislative limitation, the use of the new funds. My experience is that the power of Congress to control by limitation the use of money in the hands of the executive is the feeblest power on earth. It is a power that any smart man can evade. It is a power that ties the hands only of the efficient. It is a power that adds to the delay and red tape and expense of government. It is impossible for Congress, under the form of limitation, to compel efficiency in the executive departments. We must rely upon the centralized responsibility of the executive departments themselves.

Mr. LONGWORTH. Will the gentleman yield?

Mr. BORLAND. I yield to the gentleman from Ohio.

Mr. LONGWORTH. Is not Congress under this additional disadvantage as compared with the House of Commons, that there, as I understand it, no public bill appropriating money can even be introduced in the House of Commons except through the ministry, whereas here any Member of Congress can offer any number of bills appropriating any number of millions?

Mr. BORLAND. The gentleman is entirely right.

Mr. FOCHT. That applies not only to appropriation bills, but it is well known that a member of Parliament has no right or option with relation to introducing any legislation. All legislation there is controlled by the ministry, which means the Crown.

Mr. BORLAND.. Oh, no; it does not mean the Crown.

Mr. ELSTON. The gentleman has made the point that there is no limitation on the amount of the appropriation bills that may be introduced in Congress, and that therefore a great flood of such bills can accumulate in the office of the President of the United States. Now, is it not true in every State of the Union that the governor of that State generally has before him appropriations amounting to probably five times the amount that the State taxation would bear according to the ruling rate, and does not every governor have to be a sort of a budget committee of his own, and prune the appropriations down to what the people will stand?

Mr. BORLAND. Undoubtedly that is in a measure true.

Mr. ELSTON. Now, why can not the President of the United States organize an advisory committee to supervise the bills that come to him, and exercise the right of veto, and in that way, to some extent, take the place of the budget system?

Mr. BORLAND. That has been suggested, I will say to the gentleman from California—that the President of the United States be given the right to veto specific items in appropriation bills. The gentleman from California realizes what an enormous burden that would be, even if the President did it only in the counsels of his own office; but if we were to turn loose on him all the people interested for and against a particular item it would be a very much larger burden. I do not think that is the real remedy. I know it is a remedy used in a great many States, and possibly it works in a satisfactory way.

Mr. ELSTON. I spoke of that as a mediating factor and not as a solution of the proposition.

Mr. STEVENSON. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. STEVENSON. That question of vetoing the specific items in an appropriation bill would involve calling the roll of the House on each item.

Mr. BORLAND. It might.

Mr. STEVENSON. In the State of South Carolina I have seen the governor veto 160 items in one appropriation bill, and it took four days to call the roll on a sufficient number of items to pass them over his vote, and they passed every one of them.

Mr. BORLAND. To resume my discussion, I say that not only are there a dozen committees with power to frame appropriation bills, but there are a number of committees that prepare and bring in bills that provide a charge on the Public Treasury which must afterwards be met by appropriations from the public funds.

Mr. McKENZIE. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. McKENZIE. I think I got a wrong conception of the meaning of the gentleman. Does he desire us to understand that the members of Parliament can not add an amendment to a supply bill or an appropriation bill?

Mr. BORLAND. I am going to convey that idea now, although I have not reached that point. It is a fact.

Mr. McKENZIE. Does the gentleman contend that we ought to have such a budget system that the Congress of the United States would not have the power to add to or take from an appropriation bill?

Mr. BORLAND. I am going to contend that Congress does not need the power to add to the estimates of the executive.

Mr. FOCHT. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. FOCHT. I am sure the gentleman is going to include this thought, just where he is going to lodge any power or authority or discretion or option in respect to limitation of appropriations, who is to have it, and how are they to exercise it?

Mr. BORLAND. A budget system implies necessarily a centralized responsibility of the executive. It abolishes the twilight zone by which the executive and Congress both escape the ultimate responsibility of increase of governmental expenses. If there has been any failure, in my judgment it has been perfectly plain that it has been the failure on the part of Congress to control the efficiency of the executive departments. That seems to be absolutely impossible under our system. We must look the budget system squarely in the face if we are to discuss it, and under such a system it is essential that the executive be permitted to control all estimates and expenditures and all proposals of taxes, and that they balance one another, so that the program can be presented as a whole upon the responsibility of the executive. That necessarily takes away from the legislative the power to add to that program. It does not take away

from the legislative the power to veto any or all the items of the program, but it does necessarily take away from the legislative the power to initiate appropriations.

What does the legislative department really lose by the loss of that power? All of us know that, as a matter of fact, the charge that Members of Congress have an undue appetite for pork is largely a matter of newspaper persiflage. The truth about the matter is that the real appetite for pork is back in the constituency. I have rarely seen the man elected to this House from any constituency, urban or rural, that did not come here the first day of his term pledged to make some kind of a raid on the Federal Treasury. I do not recall an exception to that rule. If a man wants to run for Congress anywhere in the United States, the first thing he does is to think up something he can ask the Federal Government to spend in that district and go out and campaign on that issue. If he wants to run against the sitting Member, the first charge he makes against him is that he did not bring home the bacon to that district, and he, the new aspirant, pledges himself to do better in that line than the man he hopes to succeed, who probably had a fine record himself as a pork hunter.

Mr. STEVENSON. Will the gentleman yield?

Mr. BORLAND. For a short question.

Mr. STEVENSON. If the budget can not be added to by Congress and is originated by the executive, have you not shifted the constitutional right to originate revenue and appropriate legislation in the House?

Mr. BORLAND. The Constitution says that no money shall be withdrawn from the Federal Treasury except by appropriations made in accordance with law. We are not shifting that right at all. The Constitution also says that bills that raise revenue shall originate in the House of Representatives. Of course the House of Representatives would have to adhere in a large measure to the whole program presented by the executive.

Now, what have we lost? We have lost, in my judgment, very little in losing the power to add items of appropriation on the floor, but we have gained much in the centralization of responsibility on the executive. This brings me to a point of very much more importance, in my judgment, and one that we ought to face fearlessly. If the executive has the sole power of laying out the program of revenue, the sole power of estimating for appropriations, and the sole responsibility of expenditure, as it does in fact now, then the legislative ought to reserve to itself the power of vetoing the program of the executive and ought to have the courage to veto it, if the plan does not commend itself to the popular judgment.

Men talk about the risk of starving the executive by withholding supply bills. Why, the whole history of free government rests on the power of the people to starve the Government until the policy of the executive conforms to the will of the people. Unless the people and their representatives have both the will and the courage to starve the executive until it complies with the popular will, then the lesson of parliamentary government has been learned in vain. If a plan be presented by an executive with a fixed tenure which does not meet the approval of the majority of the legislative body, it would be absolutely the right and the high moral duty of the legislative body to say so. Then the issue would be clearly presented to the people as to whether the legislature or the executive were right on that program.

Mr. FOCHT. The gentleman has answered the question I desired to ask as to where he would lodge the power. I understand it would be with the President?

Mr. BORLAND. Yes.

Mr. FOCHT. Is that the gentleman's judgment? Is that the common idea of those who favor the budget system, that the President should have this control?

Mr. BORLAND. I can not speak for others, and only for myself, and am only giving a few fragmentary views of my own.

Mr. FOCHT. I would also ask if the President of the United States had control of these vast appropriations, whether he means he should allow them to follow it up by having a tenure limited to one term or whether he would expect him to stay here for life, with all this money to spend?

Mr. BORLAND. I am speaking about our system, where the Executive has a fixed tenure of power. We can not throw the Executive out of office by failure to pass supply bills. I am saying Congress still reserves the right, by failure to give him the necessary money, to control the policy of the Executive if it has the courage to exercise it.

Mr. FOCHT. I want to ask: The gentleman is differentiating between the policy and system of government that we have and that in England, and seems to be exalting theirs and deprecating ours. Is it not possible the forefathers who framed this Constitution for us believed in their hearts there would be intelligence enough in the American Congress so to frame the laws as still to retain the power given to the people instead of delegating it all to one man? What is the gentleman's answer to that?

Mr. BORLAND. I will answer it.

Mr. FOCHT. If the gentleman pleases.

Mr. BORLAND. I will answer it in this way: At the time our Federal Government was formed in 1787 a budget system was not known in England or anywhere else on earth. Our Government is the oldest government in the world——

Mr. FOCHT. Of its kind.

Mr. BORLAND. Without exception. The English Government in its present form dates from 1830. The reform bill which gave control to the House of Commons rather than to the House of Lords and the whole budget system of England dates from that time. The other parliamentary governments are the same way.

Mr. MAPES. Will the gentleman yield?

Mr. BORLAND. I will.

Mr. MAPES. Does the gentleman think, to carry out his idea of a budget system, it will be necessary to amend the Constitution of the United States?

Mr. BORLAND. No; and I will discuss that in a minute. There is one other thing I want to add at this point. Now, gentlemen, besides centralizing on the executive the absolute responsibility for all items of appropriation we retain to Congress the right to reject the budget if we decide it is wrong. Then we come to the auditing——

Mr. MANN. Before the gentleman passes away from the budget system——

Mr. BORLAND. I am not passing away from it.

Mr. MANN. I thought the gentleman was going into the question of auditing. I think I can get the gentleman a little more time if necessary. I would like to say there has been a great deal of talk throughout the country about the advisability of Congress adopting what is referred to as the "budget" system. My own experience is that I have never met anyone before who knew what it was. As I understand the gentleman, if correctly, it is not what is known in other parts of the world as the budget system. The executive prepares a list of appropriations to be made, transmits that to the legislative body, which is not able to increase any item or add any new item?

Mr. BORLAND. It has power to reject any item or reduce it.

Mr. MANN. Has power to reject any item. Of course that is in all cases as now in operation in countries where they have a responsible ministry, where, of course, the ministry does not have the parliament with it it goes by the board anyhow. Now, as a matter of fact, do not we in this country come very close to a budget system now? Is it not a fact we rarely make an appropriation which is not estimated for by the Executive?

Mr. BORLAND. Very rarely.

Mr. MANN. Is it not a fact in most cases the committees on appropriation, instead of adding new items which are not estimated for, confine most of their attention to the consideration of bills for reducing items which are estimated for, or cutting out items entirely which are estimated for?

Mr. BORLAND. That is correct.

Mr. MANN. And under the existing law, is it not the duty of the executive branch of the Government in making these estimates to make what would practically be a budget?

Mr. BORLAND. It is. It is their duty to make up this compilation of estimates.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BORLAND. I shall want about 15 more minutes.

Mr. DAVIS. I will yield the gentleman 10 minutes more.

Mr. BORLAND. I thank the gentleman. I might want more time, as I desire to cover another point.

Mr. MANN. If the budget were to be made up under the so-called budget system, would it not be made up by precisely the same individuals and departments now making up the estimates?

Mr. BORLAND. No; not in that complete sense. The estimates which come in now are only a compilation——

Mr. MANN. Oh, well, the gentleman will recall that the law requires——

Mr. BORLAND. It requires it.

Mr. MANN. Well, now, if the gentleman means to say that people do not comply with the law, that is another thing. The law, as I understand, now requires all estimates shall be submitted to the President——

Mr. BORLAND. And to the Secretary of the Treasury.

Mr. MANN. To the Secretary and to the President, and that the President must send to Congress a recommendation, in case the estimates of appropriation exceed the estimated revenue,

how the additional revenue shall be raised. And I assume that the President will comply with those provisions of law. Now, how would it change the situation in the interest of economy to make a little more absolute the estimates now made by the departments which are constantly rejected by the committees and by Congress, in the form of a budget, giving them a little higher authority than they now have? How would that be in the interest of economy? By centralizing the responsibility? Is that the gentleman's idea?

Mr. BORLAND. That is exactly my idea. I am not at all positive, neither can any man be positive, that the change would result in economy. The appetite for "pork" might be transferred from the legislative to the executive department, and it is entirely possible that an administration might come into power conceiving the happy idea that by a proper distribution of appropriations it could maintain itself in power. That is not entirely impossible. There is no way to prevent that. But the responsibility would be clear, not confused. If the people wanted economy, they could get it, but if they wanted extravagance, they could get that. But the whole idea, as I understand, of the budget system is to centralize before public opinion both the power and the responsibility. Now, if we can accomplish that by simply waiving our right—our supposed right under the Constitution, which we rarely exercise, as the gentleman says—if we can waive that right to add to the budget and hold the executive strictly accountable for every item in the budget, we have accomplished at least that advantage of the budget system.

Mr. MANN. Well, the executive is now responsible for every item in the estimates.

Mr. BORLAND. The gentleman has failed to read the American press in his usual careful way, because it is the very common and widespread opinion of the people and the press that Congress is responsible for every extravagance.

Mr. MANN. I think the press is rather demanding a budget system.

Mr. BORLAND. What the gentleman says is correct. Congress very frequently cuts down the estimates of the departments.

Mr. MANN. Take, for instance, two bills that are sometimes referred to as "pork-barrel bills"—the river and harbor bill and the public-buildings bill—and is it not a fact that every year the estimates for public buildings and rivers and harbors vastly exceed the appropriations made by Congress?

Mr. BORLAND. Always, without exception, in my experience, the approved projects coming in for rivers and harbors and approved projects coming in for public buildings from the executive departments exceed what Congress is willing to grant, and yet Congress has been constantly attacked as the author and sole beneficiary of that system.

Mr. MANN. I am not seeking to defend the bills at this time. I endeavored to read something in reference to the budget system and ascertain such facts as I could. It seems to me, and I realize that we may need to do something—it seems to me the budget system as operated in other countries is mainly designed to leave to the voting power of the legislative branch free right to O. K. something which they can not refuse to do. And that it only adds to the executive power instead of taking away from it. It seems to me, while the press of the country is rather advocating the budget system, it is doing it on the theory that it will take away the executive power and add to the legislative to keep down appropriations.

Mr. BORLAND. I am very glad to have the expressed views of the gentleman from Illinois, and I do not feel that I have either the capacity or experience to answer all of the objections that he has implied and suggested. The only thing I can say is if we talk about a budget system at all we must still look the question squarely in the face and make up our mind what we mean by the budget system. I am trying to explain what it means to me; that is, definite responsibility both for revenue and expenditures.

Mr. CANNON. Will the gentleman yield?

Mr. BORLAND. I will yield to the gentleman.

Mr. CANNON. If I understand aright, a budget system is submitted by the executive, generally by the ministry. The Prime Minister in England, for instance, presents it, and if it is turned down the government changes. Then there is an election, and after an election the budget system is not worth three whoops, as I understand it.

Mr. BORLAND. I covered that a moment ago.

Mr. CANNON. I was not in, and I beg the gentleman's pardon.

Mr. BORLAND. I covered it in this way. I will say to the gentleman from Illinois: Our executive has a fixed tenure of office, but the party to which the executive belongs may lose the control of the legislative branch, without the executive going out of office. That differentiates us from all other parliamentary Governments in the world, practically. Now, what the gentleman says is true. The failure of the budget in any parliamentary Government of the world is the death of the ministry and necessitates usually a general election. With us it would not be so, we having an executive with a fixed tenure of office. With the power in Congress to provide or withhold the supplies for carrying out the orders of the executive, it would depend then upon a pure question of political courage between the legislative and the executive. If the legislative had the courage to refuse the supplies to the executive, the executive would be compelled to present a program which would be satisfactory to the legislature. That is the only answer I can see under our Constitution.

Mr. WALSH. Will the gentleman yield?

Mr. BORLAND. I yield.

Mr. WALSH. As a matter of fact, is not the budget system as it has been discussed rather a nebulous proposition, something like the freedom of the seas and the removal of economic barriers, and various other propositions?

Mr. BORLAND. It is a matter of taste.

There is one point I wanted to discuss further, and that is the question of audit. In my judgment, as I say, centralized responsibility for both pages of the ledger must rest with the Executive. And Congress must give up its nebulous power to add to the budget on the floor of the House—a power so rarely exercised that it is not worth contending over.

The third thing is true, that we must have a legislative control over the expenditures of funds that have once been granted. That is the thing that we do not now have. The audit which occurs now is what is known as the administrative audit. It is an audit only under control of the executive officer himself who spends the money, or rather it is under the same group of executive officers who expend the money. It is done by an auditor of the Treasury Department for the different departments of the Government. Of course there is an officer whose duty it is to pass upon the question whether a particular expenditure ought to be made out of one particular appropriation or out of another particular appropriation. His decision is more or less of a technical legal nature. Neither of these goes into the question of the wisdom, the efficiency, or the propriety of the expenditure of the money. Neither of them goes into the question whether the purpose the Congress had in mind could have been accomplished by a less expenditure of money or by an expenditure in a totally different way. In other words, the executive officers are in the habit of coming to Congress for all that they can possibly get and getting all they possibly can and then seeing to it that they spend it all, for fear that if they show an unexpended balance at the end of the fiscal year Congress may refuse further appropriations along the same line.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BORLAND. Can the gentleman from Mississippi yield me 10 minutes more?

Mr. SISSON. Can the gentleman get along with five?

Mr. BORLAND. I would rather have 10, but I will accommodate myself to the gentleman.

Mr. SISSON. I yield to the gentleman 10 minutes.

The CHAIRMAN. The gentleman from Missouri is recognized for 10 minutes more.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes; but I would like to have the gentleman make his question brief.

Mr. STEVENSON. I got the impression from the discussions I have heard here on the budget system that it also embraces the idea that all appropriations should be carried and handled by only one committee, instead of five or six, as they are now. Is there anything like that embraced in the gentleman's idea?

Mr. BORLAND. I do not think that is fundamental. I do think, however, it is fundamental that the legislative branch of the Government should control the audit of the expenditure of the money.

Mr. STEVENSON. I have no doubt that is a good idea.

Mr. BORLAND. I think that power to audit the expenditure of the money is more valuable than the power to add appropriations from the floor of the House. It is a notable fact, gentlemen, that under the English system the auditing committee of Parliament is in control of the party opposite to the party in power. It is never even under the control of the party in power, and it does seem to me that is one of the most wholesome features of the whole thing.

It is possible for experienced members of a committee, such as my distinguished friend from Illinois [Mr. CANNON], who was at the head of the Committee on Appropriations for years and is now a distinguished and hard-working member of it, a

man of intimate familiarity with the history of appropriations, to detect in many cases the unwise and improper expenditure of the funds, but the power of Congress when that is done is a small matter. Its power is feeble when it discovers those cases of incompetence or abuse. But it is not possible for the average Member to even discover them under the glittering generalities of the average testimony that is given in the average appropriation hearing. There must be somewhere a committee charged with the power of going through these expenditures to determine the wisdom and propriety of them, not simply to determine whether they have been honestly made. For we may correctly assume, I think, that in all parties that might be in power in our Government, in the main, our expenditures would be honest under the law. But whether they have been wisely and efficiently made is an entirely different matter, and that, after all, is the real matter of interest to the taxpayer. If the Congress can not by legislative limitation control, direct, or procure efficiency in the various departments of the Government, there is only one way, then, in which it can proceed. If it can not do so by legislation in advance, then it can certainly be done by an audit and a public record of the expenditure after it has been made.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. TILSON. The gentleman means for the legislature to control the expenditure of that money?

Mr. BORLAND. Yes; to require an accounting of its expenditure.

Mr. TILSON. Would he have a committee of Congress clothed with power and authority to change the expenditure in any way? What could they do more than make a formal audit to see whether it was correct or not?

Mr. BORLAND. The audit made under this system is more of a record for the public. It is not possible to recall the expenditures. In some cases, of course, it is possible to lead to the dismissal of officials, and frequently that might also be a wholesome result; but the main purpose accomplished is exactly what is done in every business house—to find out where the money has gone and whether those charged with the executive authority in that concern have wisely used the funds of the common purse.

Mr. TILSON. Then the gentleman speaks of its being in control of the minority. The gentleman, of course, means in that case that it would be opposed to the Executive? That is, in this case it would be a party in opposition to the White House?

Mr. BORLAND. That is true.

Mr. TILSON. Rather than to the majority in Congress?

Mr. BORLAND. That is true; opposition to the Executive.

Now, gentlemen, I realize what I am saying. You gentlemen on the Republican side are coming into power in the Sixty-sixth Congress. You will have your investigating committees of the executive departments anyway. They will be hit-or-miss concerns, possibly, or they may not be. It is a great deal better, in my judgment, that they should be general in their operations and have some logical and symmetrical plan than that they be simply smelling committees, as they might easily be. It is entirely possible to dig up some one item which might have some political significance without being of any service whatever to the taxpayer. But a full and genuine accounting is a very essential thing, I think, to the taxpayers, and I think it is a very essential thing to the budget. Of course, we understand that in parliamentary governments the ministers have access to the floor of the legislative branch.

Even that is not impossible under our Constitution. All that would be required would be a simple change in the rules of this House. In my judgment it would be a very highly desirable change. I think when a matter concerning the Post Office Department was before the House it would be entirely possible to have the Postmaster General given the freedom of debate. On a matter concerning the issuance of liberty bonds and the expenses of floating the loan it would be entirely possible to have the Secretary of the Treasury here to explain the matter. If it concerned an expenditure for agricultural purposes, it would be entirely possible and very much better to have the Secretary of Agriculture here to give us some definite knowledge of his plans. We are always told from some source what the executive wants, but it would be very much better to have the right to cross-examine the executive himself and ask him why he wants that rather than some other possible plan.

Mr. MANN. Will the gentleman yield?

Mr. BORLAND. I yield to the gentleman from Illinois.

Mr. MANN. Admitting that there would be certain advantages in having Cabinet officers appear and defend the items in their bills, would not the inevitable result be that the men on the committee, who now feel the responsibility of investigation, because they have to defend the items on the floor, would feel no further responsibility, and that no one in the House would know anything about any appropriations?

Mr. BORLAND. The gentleman is suggesting a possible difficulty there. The members of the committee do undertake to post themselves as to these questions which they think are going to arise and endeavor to give information to their fellow Members of the House. Sometimes they are able to do it. Sometimes, of course, they are unable to do it.

Mr. MANN. Of course, no one knows enough to know everything that can come up on an appropriation bill, but the man in charge of an appropriation bill on the floor of this House who comes in once without knowing his bill very thoroughly, never feels anxious to come before the House again under the same disadvantage.

Mr. BORLAND. Suppose the question to be one of personal responsibility for a policy. The members of the committee are not personally responsible for the policy of the member of the Cabinet. They give all the information that is available, but they are not responsible. Suppose Congress wants to know why a certain policy was adopted by a certain member of the Cabinet, as it has a right, in framing this legislation or granting its appropriations, to be satisfied on that point. Is it not very much better to get that information at first hand from the man who is responsible?

Mr. MANN. Do we not get it at first hand?

Mr. BORLAND. I do not know.

Mr. MANN. Is not the Cabinet officer or the subordinate under him asked those very identical questions in the committee during the hearings? And those hearings are printed so that all members have an opportunity to see them in cold print. Is not that a great deal more effective than it would be for some Cabinet officer to rise here, who would not know anything about the details of the subject, without having four or five or a dozen subordinates to coach him and give him the information on something that he is not posted on?

Mr. BORLAND. I think not.

Mr. MANN. I am not indicating my own attitude on the subject.

Mr. BORLAND. I know that, of course. The Cabinet officer may not be thoroughly posted. It is impossible for the chairman of the committee to be thoroughly posted, and the Cabinet officer may not be.

Mr. MANN. I am not reflecting on anybody.

Mr. BORLAND. It is not possible for a Cabinet officer to know all the questions of detail, but he would know the general questions of policy. I heard it suggested by a distinguished Member of this House that one effect of the rule permitting Cabinet officers to appear on the floor and be subjected to the interrogation of Members of the House would be the shattering of a number of large-sized political reputations. I am not sure about that. But whatever might be the result, I think it would be wholesome.

Mr. KINKAID. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. KINKAID. As a practical proposition, does not the gentleman believe that the committee would become better informed by having a Cabinet officer or his representatives, who are better informed than the Cabinet officer himself, probably—or take several of them together, their combined information would be more effective, perhaps, than that of the Cabinet officer—to have those assistants of the Cabinet officer come once or twice or three times or more before the committee, and thus ground the committee thoroughly by examining and cross-examining, and then that well-grounded, well-advised committee come before the House and inform the House thoroughly and answer all questions? Would not that be better, as a practical proposition?

Mr. BORLAND. No; I think not. I am sorry to say I would not agree to that. I think that if the Cabinet officer could not answer the questions in detail he would do exactly as he does now. He would say, "I will file that report later"; but I think upon the broad questions of his policy he could and should be able to answer all questions. [Applause.]

Mr. SISSON. I yield five minutes to the gentleman from Louisiana [Mr. LAZARO].

Mr. LAZARO. Mr. Chairman and gentlemen of the House, last week when the bill for a sanatorium for the treatment of tubercular patients was up for consideration we were told that the Committee on Public Buildings and Grounds were preparing a measure that would take care of all the men who had contracted tuberculosis in the service. I take it that every Member of this House, Democrat or Republican, feels that some-

thing ought to be done for the care of the men who have contracted tuberculosis in the service.

Now, I want to make a few suggestions for your consideration. First of all, if you are going to do anything for these tubercular patients it must be done right away, because any medical man will tell you that unless tuberculosis is treated in its beginning there is very little chance of effecting a cure. Second, I think we ought to find out as soon as possible the number of men who have contracted tuberculosis in the service. Third, I think we ought to appropriate a sum large enough to take care of all those men. Fourth, I think we ought to select a commission composed of experts on tuberculosis to locate these hospitals, and I think that this commission ought to be instructed to divide the country into districts—say three or four districts. I make this last suggestion for two reasons: First, because we know that climate is not considered essential, and that it is better to treat a patient in the climate to which he is accustomed and where he intends to live after he is cured; second, because if these hospitals are located in these different districts—east, west, south, and in the center—it will be possible for the parents of these boys to visit them from time to time, which will keep them more cheerful, and we know what effect the mind has on the body in the treatment of disease.

Now, gentlemen, I thought I would make these suggestions for your consideration, with the view of getting quick results. Bear this in mind: Talk will not cure tuberculosis. If this Congress is going to do anything at all for the men who contracted tuberculosis in the service, something must be done right away so that these men can be treated now. If you wait until they have large cavities in their lungs, it will do no good.

Mr. TILSON. Will the gentleman yield?

Mr. LAZARO. I will.

Mr. TILSON. Will the gentleman enlarge upon the point he made that we must treat the man in the same climate in which he is to live after he is cured? That appeals to me; but it seems to me that is usually disregarded in taking people and placing them in sanatoriums in some particular kind of a climate, without any regard to the place where they are to live afterwards.

Mr. LAZARO. We know to-day that it is best to treat them in the climate in which they are expected to live.

Mr. TILSON. Is it not a fact that a man can go into a very dry climate, say, and be cured, and then if he returns to some other country from which he came, with a different kind of climate from that which he left, he probably takes the disease again and dies?

Mr. LAZARO. That is often the case. I wish to make the suggestion that if we are going to do anything at all for the men who contracted tuberculosis in the service, if we mean what we say, we must do it at once, because the time to treat the tubercular patient is in the beginning of the disease.

Mr. REED. Will the gentleman yield? I think the gentleman is right, but this program for Congress to inaugurate will take time, and in the meantime would it not be feasible to gather the worst cases together and put them into tents until the other program is ready?

Mr. LAZARO. I think a commission composed of experts on tuberculosis could have these hospitals ready within a very short time, provided we get at it right away.

Mr. DAVIS. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, it was a very interesting speech that of the gentleman from Missouri [Mr. BORLAND], on the subject of the budget, and it drew forth some interrogatories that were equally interesting, particularly those in regard to the "pork-barrel" system as it is supposed to exist, and especially at this time, when the two bills referred to as being "pork-barrel" bills occupy so modest a place in the appropriations of Congress.

I have before me a statement made by the Hon. SWAGAR SHERLEY, of Kentucky, chairman of the Committee on Appropriations, summarizing the appropriations made for the present fiscal year. They mount up to more than $24,000,000,000. The public building and grounds bill, charged with being a "pork-barrel" bill, is not mentioned in this list at all, and the river and harbor bill, which gets a very great deal of undeserved criticism, is referred to as having been passed with a paltry appropriation of only $23,000,000.

But the purpose for which I took the floor, Mr. Chairman, is to discuss not the budget system, but passing events.

It may not be unconstitutional for the President of the United States to go abroad to personally attend to such important business as must be transacted at the peace conference, but his going will probably be more criticized than any other of his public acts disregarding American precedents and traditions. While the President may deserve popular acclaim abroad—he has certainly rendered great service to the allies—we may fairly ask, What is it that he can do that could not have been done by proper and accredited representatives of the United States, who do not owe to the more than 100,000,000 Americans the constant oversight that is expected of a President? In other words, why could the President not have remained at his post of duty in the United States, where his presence is required daily and hourly, leaving it to the loyalty, integrity, and patriotism of other Americans whom he might have appointed to transact the business that must be transacted at the peace conference?

AMERICAN ALTRUISM.

In many respects, gentlemen of the House, we have been drifting from our national moorings during the last six years. It has come to be a habit. A spirit of cosmopolitan altruism like unto which there has been nothing in the history of the world seems to pervade our national life. There seems to be nothing which other nations ask of us that we will not give. The United States is supposed to be rich and prosperous, and therefore it is easy for the people of the United States to give, even to the point of suffering, in order that others who are competitors, in a commercial sense, may have and hold. That which we would not do generations ago because we believed that "he who provideth not for his own household is worse than an infidel," we now seem to want to do without any regard to the consequences of the accounting we must make.

I pause parenthetically to say that though we hear much about what other nations have done in the great world war there will be an accounting that we all, from the President down, must make to the American people, and particularly to the American taxpayer, who does not yet know what burdens have been levied on him in the interest of our allies, and in order that our own arms might be strengthened in this war.

We built the Panama Canal thinking it to be an American enterprise, and the President, as a candidate for President, insisted that it was our canal, and that it should be used by our ships, and that they should have a preference, and that the promise made in that regard "was not molasses to catch flies." But after he had entered his high office his attitude changed toward that project, and we are now told that the canal is as much for the use of other nations as for our own. I do not object to other nations using the canal, but we are compelled under existing conditions, in spite of our effort and expenditure, to give them what is in effect a seeming preference over the United States in that their shipping, apart from canal tolls, may be more cheaply conducted than our own.

And again I pause to say there is a propaganda now on in the United States which is intended to teach our easy-minded and easy-going American people that the Panama Canal should be given over as a peace offering to the nations of the world, and particularly to those who are stronger upon the high seas than we are. We have been observing a little of this free and easy disposition of our property, paid for by the taxes of the American people, in Mr. Hurley's speeches concerning the American merchant marine. One would think, judging from some of his utterances, that the billions we are spending for ships, some of them to carry American troops abroad and to bring American troops back—troops that arrived in the nick of time to save Europe and to prevent the overthrow of the democracy for which we enlisted in this fight—were spent merely to aid our competitors for the world's trade; those whom we have helped in this war and who have been protecting their markets in South America and the Orient while we were providing the men and the money to make the war a success.

Credit may be given to the British Navy—only a day or two ago the people of the United States celebrated the glory of British arms—credit may be given the British Navy for helping us to get our troops to Europe—and we seem to have paid well for that service—but while we are giving credit, a credit that may well be deserved, we should not forget that we had a Navy of our own and that that Navy was supposed to be working while all this foreign fighting was going on. Where was our American Navy when all this glorious work was being done by the British Navy? Surely we were not inactive. I made some inquiries of the Navy Department when the American ships struck by German submarines were going down upon our own coast. I learned our Navy was largely abroad or convoying troopships. We were protecting others who were supposed to be protecting us, and we were giving to them our torpedo-boat destroyers, some we sorely needed along our own coast to save our own ships, some of which were sacrificed in order that our troops could go abroad to save the European situation. While we are celebrating other navies, therefore, we do not want to minimize our own. We were certainly not idle on the other side of the water when our naval vessels were needed there.

GOING AFTER TRADE.

Were we following up our trade routes all that time? Were our American ships sent down to South America and the Occident and the Orient? They were not. They were busy on this war business. And while they were busy were our competitors ignoring their opportunities in South America? Were they avoiding these channels of commerce? The testimony of American business men who ran up against all kinds of restrictions and limitations indicates they were not. They were looking after their business all the time, even when our coastwise trade was going down upon the Atlantic shores. Our business seems to have been war business exclusively, as much for the benefit of other nations as for ourselves. These are matters which the President may discuss with foreign nations when he arrives on the other side, but they certainly should not be settled to the disadvantage of American interests nor should we permit them to be so settled.

We have passed laws, like the seaman's law, which was sanctioned by the President, which would lead to the impression that our business is to dedicate ourselves and our resources to foreign nations, while they go about their business gobbling up the trade of the world. The President should watch that situation. In fact, there is a great deal about the President's foreign tour, with all the spectacular features that must necessarily accompany it, that may well give concern to old-line Americans who resent one-man power in the United States and who insist upon an old-fashioned democracy.

Our Government thus far has been conducted on a democratic basis, except as it came dangerously close to autocracy during the war period, and it is not altogether clear that the danger line has been passed even at the present moment. The President has gone abroad, leaving the White House vacant, and we must now await further developments.

Meanwhile we are told that the cables between the United States and Europe are to be put under Government control, and following that is the announcement that the President's Information Bureau, headed by Mr. Creel, who magnanimously announces that he will not ask Congress for any more money, since the President has enough in his special $100,000,000 fund to care for publicity, is to be the advance agent of the foreign expedition.

GETTING THE PRESIDENT'S APPROVAL.

Mr. LONGWORTH. Will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. Yes.

Mr. LONGWORTH. A practical question in legislation connected with the subject of the gentleman's discussion. The Constitution provides in section 7 of Article I that before a bill which has passed the House and Senate becomes a law it must be presented to the President of the United States for his signature, and so forth. I would like to know how the gentleman interprets the word "presentation" in that connection, whether in his judgment it means an actual physical presentation or whether there is such a thing as a constructive presentation of a bill?

Mr. MOORE of Pennsylvania. I am not a constitutional lawyer, but I understand the Constitution to require the actual physical presentation of a bill, because of the personal signature of the President. It must be signed, and therefore the President himself must see the bill.

Mr. LONGWORTH. I am thinking particularly of one piece of legislation which Congress has been urgently requested to pass by the Executive, and that is the revenue legislation. Suppose it were possible for the Senate to consider that bill in 10 days and send it to the House; that it was sent to conference, and it was actually passed by both Houses within two weeks from to-day. Would it be possible for that bill to become a law before the 1st of January?

Mr. MOORE of Pennsylvania. It might become a law without the President's signature in 10 days.

Mr. LONGWORTH. Ten days after presentation?

Mr. MOORE of Pennsylvania. I understand the gentleman. He presents a rather complicated proposition, which the constitutional lawyers now advising the President might very well answer.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield.

Mr. GARRETT of Tennessee. The matter of actual physical presentation is one of which I will be very glad to have a definition. Does it means that the person carrying it must go exactly to the President himself and put the bill before him, finding the way to his room and laying it down before him? What does he mean by physical presentation?

Mr. LONGWORTH. The provision goes on to say that if he approves it, he shall sign it. He can not sign it unless it is presented to him. If not, he shall return it with his objections to the House. He must have the bill in his hands.

Mr. GARRETT of Tennessee. Then the Clerk of the House or the Senate, as the case may be, must go through to the President himself, through all the rooms as they may be formed, and present the bill physically? Is that the gentleman's construction?

Mr. LONGWORTH. The gentleman concludes that the President can not sign the bill unless his hands are actually on the bill.

Mr. GARRETT of Tennessee. I am talking about the definition of physical presentation as the gentleman stated it.

Mr. MOORE of Pennsylvania. Will the gentleman from Ohio yield to me?

Mr. LONGWORTH. Yes.

Mr. MOORE of Pennsylvania. Does the gentleman think that a signature by wireless or through a spiritualistic medium would be a physical presentation?

Mr. LONGWORTH. Absent treatment, in other words, of a bill?

Mr. GARRETT of Tennessee. Then just exactly what is physical presentation?

Mr. MOORE of Pennsylvania. The handing of the bill to the President, who takes it in his own hand.

Mr. LONGWORTH. And takes a pen.

Mr. GARNER. The gentlemen know that that process has not been actually gone through in 25 years.

Mr. MOORE of Pennsylvania. That may be. Very many unprecedented things have been done in this administration.

DOUBT ABOUT THE REVENUE BILL.

Mr. GARNER. Under the administration of the gentleman's party no such thing ever happened.

Mr. MOORE of Pennsylvania. I think if I were President I would not go abroad under the circumstances, seeing my responsibility to the people of the United States.

Mr. GARNER. If the gentleman were President——

Mr. MOORE of Pennsylvania. We would have a fine Government then. [Laughter.]

Mr. LONGWORTH. May I ask the gentleman from Texas [Mr. GARNER] whether he believes a revenue bill can be passed before the 1st of January without the President's actual signature on the bill?

Mr. GARNER. If it were passed at this time I think the President's signature could be attached to it before the 1st of January.

Mr. LONGWORTH. How could it be done?

Mr. GARNER. It could be presented to him.

Mr. LONGWORTH. Precisely; and he would sign it.

Mr. GARNER. It is not necessary to fight your way to see the President. All you have to do is to give a bill to some one, who will hand it to the President, and that has been the policy for 25 years.

Mr. LONGWORTH. Has the gentleman been able to see the President lately without fighting his way?

Mr. MOORE of Pennsylvania. Could the gentleman from Texas, a distinguished member of the Ways and Means Committee, who is conversant with the methods of the other body and with the White House methods, inform the House whether there is any likelihood of the revenue bill passing another body so that it may be presented to the President of the United States?

Mr. GARNER. Apparently there is not much prospect before the 1st of January, with the disposition of certain elements in another body with which the gentleman is more familiar than I am.

Mr. MOORE of Pennsylvania. That is entirely nonpartisan?

Mr. GARNER. Entirely.

Mr. STEVENSON. As to the question of the presentation to the President, is the term "presentation" there anywise different from the general legal term of presentation which governs the presentation of all negotiable paper and things of that kind, where they present it to the general office and place the business and it becomes binding?

Mr. MOORE of Pennsylvania. I think there is a difference where a signature is required. The President can not sign by proxy.

Mr. STEVENSON. The acceptance of a paper?

Mr. MOORE of Pennsylvania. If he did sign by proxy and sent his check to a bank in which the gentleman from South Carolina has considerable interest, he would probably be arrested for forgery.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DAVIS. How much more time does the gentleman want?

Mr. MOORE of Pennsylvania. I would like to have 15 minutes more.

Mr. DAVIS. I yield 15 minutes more to the gentleman.

UNITED STATES NOT AN EASY MARK.

Mr. MOORE of Pennsylvania. Further, I would say, the Republicans in the Senate have already indicated their purpose to exercise the right conferred upon them by the people in the Constitution. Does this mean they fear the President of the United States in the course of his foreign pilgrimage may make agreements with foreign nations that would not be sanctioned by the representatives of the American people in Congress assembled, or does it mean that the Senate and the House of Representatives, which have yielded to many requests of the President during the war, have determined, now that the war is over, to demand an accounting in the name of the people for the expenditure of funds and the creation of commissions and bureaus, the continuation of which is being sought at the expense of the people?

These are question that may actuate another body. I do not know. Certainly they are questions that come directly home to the people and will, I trust, have due consideration when the people come to consider paying for the war, paying for the troops abroad, and paying for such agreements as may be made, which do not have the sanction of the representatives of the people in Congress assembled.

At any rate it was well that the people should have put a Republican Congress on guard at this particular juncture. We have been mighty generous under the Wilson administration to almost everybody on earth. We will have a big bill to pay, and we will pay it, but there seems no good reason why those who advocate a democracy should not now demand a halt upon that irritating tendency toward autocracy that has characterized many of the bureaucracies created under cover of war. Up to date the administration has refused the cooperation of Congress to check up expenditures and to prevent extravagance and waste. A Republican Congress should seek to protect the interests of the people of the United States and prevent their becoming an "easy mark" for competitive nations or for ambitious men who seem to regard our wonderful resources as a melon to be cut. There is plenty of room under the Constitution as it now stands for a restoration of trade and business on normal lines where every willing worker may have an equal opportunity to make the most of his labor and capital. The United States normal in trade and industry has generally been far in advance of that of any other nation, and with autocratic governmental restrictions removed and adequate protection assured it should never fall below the high standard we have set for it.

PRESIDENT'S ECONOMIC THEORIES.

When the President made his declaration to Congress, enumerating the 14 points which he intended should be submitted to the peace commissioners when appointed, he made a startling statement in point 3, which has been confusing to the minds of many people, particularly those engaged in the industries of the United States, and it will bear repeating at this time, particularly in view of the fact that in his farewell message to Congress the President failed to take the Congress or the people into his confidence in regard to what he meant by that particular point 3.

What was it? A condition for the peace delegates, when assembled, to consider, emanating from the President of the United States, by which apparently he intended to be bound as the President of the United States or through such representatives as he might send. I will read it:

3. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

I am frank to say that many Republicans, when the President read that point 3, were alarmed at his attitude in an international sense. They knew that the President was inclined toward free trade; that he believed in a leveling of the tariff barriers. He had said so. There was no doubt in their minds as to his theoretical position, but they did not believe that the President would seriously carry those theories of his against the wishes, certainly, of the greater half of the people of the United States into an international conference by which the United States was to be bound. The President said, on coming to Congress the first time, away back on April 8, 1913, when he first ascended this American "throne":

Our task is to square them with the actual facts. The sooner that is done the sooner we shall escape from suffering from the facts and the sooner our men of business will be free to thrive by the law of nature—the nature of free business—instead of by the law of legislation and artificial arrangement.

What did he mean? He meant that all business should be free from tariff restrictions, because further he said:

It is plain what those principles must be. We must abolish everything—

Observe, "abolish everything"—

that bears even the semblance of privilege of any kind or artificial advantage, and put our business men and producers under the stimulation of a constant necessity to be efficient, economical, and enterprising, masters of competitive supremacy, better workers and merchants than any in the world. Aside from the duties laid on articles which we do not, and probably can not, produce, therefore, and the duties laid upon luxuries and merely for the sake of the revenues they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

TREATING AMERICAN BUSINESS ROUGH.

"The whetting of American wits by contest with the wits of the rest of the world." Yes. There was no misunderstanding the President in 1913. Apparently he had not changed his position upon this point, although he may have changed it upon one hundred other points. He meant that we should break down all tariff barriers and set the business of the United States where it would be hopelessly in competition with all other industrial business in the world, where the Fiji Islander with his product should be on an equality with the producer of citrus fruits in Florida; where the Hindu who made his cotton bagging should be on an equality with the man who manufactured cotton products in Massachusetts or elsewhere in the New England States or in the Southern States as far down the line as Texas. It meant that the man who could work for a trifling wage in the mills or shipyards of Japan should be put in competition with the highly paid worker in the American mills and in the American shipyards.

We disputed this theory of the President then, and now that he has told us of his political preferences—I refer to the letter which he wrote 10 days before the election—we are privileged to refer to it again, even though he has voluntarily, and without telling us just the reason why, gone on a mission abroad of great import to the people of the United States, and consequently to the people of the world. Yes; the President has been consistent in his desire to overthrow the preference which the industries of the United States have had by virtue of wise Republican laws, even from the first enactment of Congress down to the present time. Therein lies our danger in the conferences that may take place in Europe.

But we are talking reconstruction now. We are all for reconstruction in the United States. The foreign nations are talking reconstruction also. Every one of our allies is talking reconstruction, and many of them are reconstructing with the help and assistance of the people of the United States. Our rivers and harbors got $23,000,000 in the bill passed by this House last year merely to keep our streams in order, that we might get our ships carrying troops out of our harbors into foreign ports; but we have sent over $8,000,000,000 of American money with which they have not only been improving their rivers and harbors and building railroads, but with which they have been constructing canals for purposes of war at present but for purposes of peace thereafter. That is the condition. So that when this peace arrangement is settled and we again begin to talk about improving something in the United States we may find that they have already "reconstructed" over there, with assistance we have given them, while we refused to spend in our own behalf over here even to the extent of a pittance.

OTHER NATIONS RECONSTRUCTING.

Mr. FOCHT. Does the gentleman believe there will be any way of ascertaining how much money America has advanced for the purpose of making improvements that will be used to compete with the United States after the close of the war?

Mr. MOORE of Pennsylvania. I voted for every loan, and I stand by the propriety of sending that money abroad. But there is not a foreign nation that was advantaged by these loans that has not been making internal improvements along with its war plans, while we have been forgetting to do that same thing here for ourselves.

I am going to read to you, not from the President of the United States, who is strong on theories and stands for them in the matter of leveling tariff barriers, but from the most recent report of the Bureau of Foreign and Domestic Commerce of the Department of Commerce. The chief of that bureau went abroad for the purpose of examining this question of reconstruction on the other side. And what does he say in this report, which is just fresh from Europe?

The outstanding fact under observation is the recognition in every land and by all statesmen of the problem called "economic reconstruction." But of more immediate importance is the fact that England, France, Italy, Germany, and Austria are making preparations to re-

sume their peaceful economic life with improved facilities for foreign trade, with a national supervision of the use of natural resources for the benefit of their own citizens, and with assistance from the State.

While I realize that many plans advocated or adopted in the foreign countries are unsuitable or even unnecessary for the United States, I feel impelled to point out that those plans might involve prejudice to the interests of the United States in foreign fields if they should be administered in a narrow spirit or if the United States should fail to make plain its own interest in them.

That is what England, France, Italy, Germany, and Austria are doing.

What are we doing? Well, for one thing we are still making loans to the allies. Is anybody worrying about a river and harbor "pork" bill just now? Why, we appropriated $23,000,000 for that purpose this year. Still some people worry over it and continue to grieve. Why, I venture to say that more than $23,000,000 was spent on canals in France alone during this war. And yet we have sent approximately $8,000,000,000 to the allies and are preparing to send more even after the war.

Mr. GARNER. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Texas.

Mr. GARNER. Has the gentleman looked at the make-up of the next Rivers and Harbors Committee? If you take seniority as the rule, has the gentleman looked to see who will be the active members of the majority in the Rivers and Harbors Committee in the next Congress?

Mr. MOORE of Pennsylvania. I have not looked at it specifically. I will say to the gentleman that the committee is now at work preparing a bill, which I assume will be reported to the House in the next two or three weeks.

Mr. GARNER. What I am speaking of is the make-up of the committee in the next Congress. If seniority rules, who will be on the conference committees and in charge of the work of that committee?

UNITED STATES SHOULD WAKE UP.

Mr. MOORE of Pennsylvania. I have not examined the personnel in particular. Of course it will be Republican next year, and if anything I have said will be of advantage to the Republicans I hope they will profit by it, just as I would expect my Democratic friends to do under like circumstances.

But this chief of the Bureau of Foreign and Domestic Commerce in the Department of Commerce goes on, in his report to the Secretary, as follows:

Although the various countries will, for a while, undoubtedly work toward economic self-sufficiency and toward the elimination of enemy interests in the exploitation of their resources, it is essential that each of the allied countries should frame its program and the administration of its program with full realization of the extent to which the interests of all the other allied countries are involved. We have no reason to anticipate a purely selfish spirit on the part of any of our allies. It is quite natural, inevitable really, that they should plan as soon as possible to recover their industrial, commercial, and financial equilibrium. It is for us, however, to stand ready to enter, at the proper moment, upon an understanding which will show our appreciation of the community of interest in the larger aspects of trade and economic intercourse after the war, and which will be in harmony with the motives underlying our participation in the war.

Mr. McFADDEN. Will the gentleman permit an interruption?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. Is the gentleman aware of the fact that five days after the signing of the armistice the English started practically all of their old steamship lines, running to all the ports of the world?

Mr. MOORE of Pennsylvania. I think that is correct. I know that from August, 1914, down to the present time American shipping has had to go through foreign influence in order to get anywhere. That condition still prevails. I have pending in the State Department now certain claims of American citizens who were wronged upon the high seas. I have been before the State Department in their behalf, but they have been advised to go and try their cases in the courts of London.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GREENE of Massachusetts. How much time does the gentleman want?

Mr. MOORE of Pennsylvania. May I have an indefinite time, not to take more than 10 minutes?

Mr. DAVIS. How much time does the gentleman want?

Mr. MOORE of Pennsylvania. May I have 10 minutes?

Mr. DAVIS. I will yield to the gentleman 10 minutes.

Mr. MOORE of Pennsylvania. I will cease quoting from the report of the Chief of the Bureau of Foreign and Domestic Commerce in the Department of Commerce, because it is conclusive. It differs from the President s "leveling" process, but nevertheless it is conclusive. It is in the nature of a warning to both sides of the House—a warning to Democrats of what might ensue if we follow literally the President's primary proposition to break down the tariff barriers, or his secondary proposition carried over to the peace conference, to effect a leveling of all economic barriers, which I take to mean the same thing. And I would suggest to the Republicans that unless we stand firm to our principles in this matter of reconstruction we may be found wanting by the majority of the people of the United States, who, in view of the recent election, expect that we will hold in check even the highest in the land upon this question of the removal of the economic barriers that have protected American industry and American labor. [Applause.]

FOREIGN COMPETITION TOO STRONG.

Here is a report from our Democratic Tariff Commission, the United States Tariff Commission appointed by President Wilson at a time and under circumstances which led many of us to believe that perhaps the Democrats might be coming over to a protective policy and were about to leave their false gods. The chairman of the board is Prof. Taussig, who has been quoted in many ways, a very able and learned man. It delights me to quote from this report the statements these eminent Democrats have made. The matter of the manufacture of surgical instruments is dealt with in this report. It is not a large industry in the United States, but we find on examining the report that when the Underwood law—that marvelous bit of legislation passed in October, 1913—was in effect we made only about 10 per cent of the surgical instruments used in the United States. The rest were made in Germany. Some of us on our side of the House knew of this condition, but it was a matter of no great concern to those who believed in the economic policies of the President. But here—and I am not desiring to quote the President's agents against him, although the Department of Commerce has been of some service in that regard—I recur to the report of the Tariff Commission on surgical instruments as at once reaching the crux of the whole argument. The report says:

The testimony of men familiar with German conditions, men who recently visited that country, indicates that the wages paid to German instrument makers in 1914 ranged from $7.30 to $10 a week, and the average was about $8.20.

The average shipyard worker has been getting that much per day in the United States, and yet these skilled surgical instrument makers in 1914 made $8.20 a week. The American wages at that time, as quoted in this same report, were $21 to $22; that was about the average pay in the United States.

Query for the Republicans and Democrats and for the President in conference with the crowned heads of Europe next week: How can the American manufacturer of surgical instruments survive if foreign labor is paid $8.20 and the American labor is paid $22 and more now, since these are the figures of 1914? Theorists may answer that question, but practical men can not.

Here is what the Tariff Commission say about the tariff bill—the Underwood tariff bill of October, 1913. Note that what they say is said so gently as to reduce the disastrous effects of the Underwood bill to a minimum:

The tariff reduction of 1913.—The duty on miscellaneous metal manufactures, the classification under which the bulk of surgical instruments are imported, was reduced by the act of 1913 from 45 per cent ad valorem to 20 per cent. Because of the lack of statistics showing separately the value of surgical instruments imported, it is impossible to determine the effect of the reduction in the duty upon the amount of forign instruments brought into this country. There are indications, however, that the prices of instruments of foreign manufacture were not correspondingly reduced. The wholesalers uniformly refused to make any reduction to retailers in the prices of the instruments imported under the act of 1909, on which they had paid the 45 per cent duty. They agreed, however, to give a discount on orders placed with them for import under the new tariff.

But the German manufacturers, meanwhile, had raised their prices, and consequently the prices the retailers eventually had to pay for the instruments imported under the new arrangement did not differ materially from the prices they had paid under the old tariff. The increase in the prices of German instruments had been contemplated for some time. For several years before 1913, the costs of manufacture in Germany had been rising, but the keen competition of producers had kept prices down. Finally, however, the German manufacturers succeeded in forming an effective organization and agreed upon a uniform price policy. It is possible that they chose the time of the reduction in the American tariff as an opportunity to put in force the price increase.

WAGES IN THE COTTON MILLS.

I was talking with New Bedford manufacturers a few days ago and with some of the great cotton manufacturers of Fall River, and I inquired as to the wages of weavers—men and women—in the cotton mills, where they fabricate the raw product that the South is raising, and where we would fabricate more if the South would encourage them a little more than they do foreign nations, and they said that while they were paying $24 a week they were now, since the war closed, beginning to anticipate the competition of Japan, where they are skillful in weaving and now pay the weavers 8 to 10 cents a day.

Gentlemen, I ask both sides of this House, I ask the President of the United States when he comes to "remove the economic barriers" over there in the peace conference, if that is his purpose, to consider whether we can pay $24 to the cotton weavers in America while they can weave cotton in Japan at 10 cents a day?

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. GRAHAM of Illinois. Before we went into this war men were going out to work all over the country, and we had an insufficient tariff law and insufficient protection. Does the gentleman know any plan that has been presented by the present administration or by the party in power that will protect us after the war is over from a similar condition on the signing of the peace treaty?

Mr. MOORE of Pennsylvania. I know of no other recourse to which they have resorted. They have stood by the Underwood bill even when that bill was bringing the country to financial disaster. The President, it will be recalled, had to come in and ask for $100,000,000 to save the situation; and then he came in and asked for another $100,000,000, and he kept on coming here and asking for more money, which we had to raise by direct taxation, until we got used to it. When the war broke out he did not have to come on economic grounds, because the war closed up German shipping and foreign competition, and gave us a protection which no law of the land could give.

Mr. STEVENSON. Will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. I yield to the gentleman from South Carolina.

Mr. STEVENSON. Did I understand the gentleman to say that preparations were being made to reduce the wages of the weavers in the cotton mills of New England?

Mr. MOORE of Pennsylvania. No; they desire to keep them up if possible.

Mr. STEVENSON. But they were expecting to have to reduce them?

Mr. MOORE of Pennsylvania. I said, and I will ask the gentleman to bear with me, that no American manufacturer could pay $24 a week to a weaver and remain in business in competition with a Japanese institution which paid 10 cents a day. Now, if the gentleman can show how that can be done——

Mr. STEVENSON. Then I misunderstood the gentleman's statement if he did not say that they expected to have to reduce the wages. I will ask the gentleman if he knew that they were selling their goods at prices fixed by the Government on a basis of 36-cent cotton and that they are paying 26 cents for the cotton? That is what they are doing, and if they are prepared to reduce the wages of their employees then they are simply taking it out of the employees.

Mr. MOORE of Pennsylvania. I do not know how the gentleman gets——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. Here I am stopped right in the middle of a sentence, and I must ask the gentleman from Minnesota to give me two or three minutes more.

Mr. DAVIS. Since one of the parties to whom I had apportioned time says he does not care to use his time, I will yield the gentleman 10 minutes more.

COTTON MILLS CAUTIOUS.

Mr. MOORE of Pennsylvania. I thank the gentleman from Minnesota. He is getting to be a very good chairman of the committee. [Laughter.] Answering the gentleman from South Carolina, I will say this: He is a cotton factor and better posted on the subject of raw material than I am. I do not know just what the actual price of cotton is to-day, but I do know that throughout the whole of this war, though cotton was ably defended and ably promoted on this floor by the gentleman from South Carolina and another gentleman, who comes, I think, from Alabama, if my memory serves me right——

Mr. STEVENSON. Possibly Texas.

Mr. MOORE of Pennsylvania. That they never could induce the President of the United States to fix a price on cotton, and somehow or other they never could get the President to include cotton in the embargo list. It just so happened with regard to cotton, by reason of the peculiar political complexion of this House about which I do not now complain, that the President seemed to be under some occult influence which kept cotton right side up all the way through.

Mr. STEVENSON. I know the gentleman intends to be correct——

Mr. MOORE of Pennsylvania. And to be frank with the gentleman, although I tried here several times in perfectly good faith in view of our vast financial obligations to impose a little bit of a tax on cotton—something like $3 a bale—I could not get it through. We did not have enough votes.

Mr. STEVENSON. The gentleman means to be correct, and the gentleman stated that cotton could not be embraced in the embargo. Does not the gentleman know there could not be a pound of cotton shipped without a license, and that in a very large part of the world it was not allowed to be shipped——

Mr. MOORE of Pennsylvania. I recall and the gentleman from South Carolina will remember distinctly that when the President issued his embargo proclamation including those things which should not go abroad, that for some reason or other—I could not just say whether due to influence on that side or not—it did not include cotton. You could find flour, beef, and things of one kind and another, but cotton was not to be found on the list, search as you please.

Mr. STEVENSON. The gentleman did not try to ship any cotton.

Mr. MOORE of Pennsylvania. At that time the attention of the House was called to the fact that cotton was going into Germany——

Mr. GREENE of Massachusetts. Will the gentleman yield?

Mr. MOORE of Pennsylvania. That cotton, though contraband, was still going into Germany, and we could not get head or tail of that. It was going to Germany and they were turning it into explosives to shoot us up. We could not stop it; cotton had full swing. I yield to the gentleman.

Mr. GREENE of Massachusetts. Does not the gentleman know that the New England manufacturers are having contracts canceled; in fact, that their business is disappearing at the present time and has been since the armistice was signed?

Mr. MOORE of Pennsylvania. I believe the gentleman is entirely correct. It is reported that several large mills have closed. On a recent trip to Fall River and New Bedford I found there was much concern, because they had large investments, and they began to feel that business was being taken away from them. They were not enthusiastic about the removal of these economical barriers to which the President referred before going to the peace conference.

WHAT AMERICA MUST PAY.

Now, I want to say something about reconstruction. Every foreign nation is prepared to reconstruct. Make no mistake about that. It is true, perhaps, we are going to sell them material with which to reconstruct, a great deal of material, but we will not sell a pound to any nation that can provide for itself; do not make any mistake about that. We have not only loaned them approximately $8,000,000,000, but this morning a request has come forward from the Secretary of the Treasury to increase the foreign loans in the sum of one and a half billion dollars. So when you say we are going to reconstruct and you talk of the United States as a great and rich and prosperous country, just bear in mind that we spent approximately $13,000,000,000 up to the end of last June, and have got most of it to pay back in some way or other.

Do not forget, when this spirit of cosmopolitan altruism overcomes your patriotic souls, that in addition to what we spent last year we have appropriated this year, 1919, upward of $24,000,000,000. We have authorized the expenditure of every cent of it. The chairman of the Appropriations Committee [Mr. SHERLEY] came here and gave us his statement and the Secretary of the Treasury confirmed it. Put that against your $13,000,000,000 already spent and up to the end of June, 1919, you will have spent, or have authorized to be spent, a total of $37,000,000,000, plus the deficiency bill appropriation. Of course, we are going to save some of this. Of the $8,000,000,000 to be raised by taxation it is announced that $2,000,000,000 can be saved. That remains to be seen.

But counting out the 1918 bill and dealing only with the authorizations of 1919, it will be remembered that after we had provided the $24,000,000,000 reported by Mr. SHERLEY we were obliged to report a deficiency bill for $7,000,000,000 additional. That made a 1919 total to date of $31,000,000,000, a staggering sum, but involving an indebtedness you will have to talk about back home in every district in this land when the tax and interest bills come along in due course. And they will keep on coming along for years and for generations, and it will be pay, pay, pay for us while the foreign trade is being picked up by many of our allies—God bless our allies! We hail their brave and patriotic work—but when our own people begin to realize the extent to which they have been involved in this war they will at least want to keep their mills open and their wheels turning under the shelter of reasonable economic barriers and without being forced "to whet their wits" and wages against the cheap industrial world abroad. [Applause.] I wanted to sound a little warning, because we have been a mighty easy people.

We are just as brave as any on the other side; we have as many courageous men; we stepped in when we were needed and

saved the day for our allies. Do not forget that when you praise the flags of other nations. We have not stinted ourselves in men or money, but we are not necessarily called to bear the whole burden nor to place it upon the backs of our children for generations to come. A great and glorious Nation is the United States, but she needs protection now as she never did before in her history. [Applause on the Republican side.]

We will get back to normal. Yes. We ought to get back to normal; but we have that one strange condition staring us in the face. Our spokesman, our sole representative, our overtowering personality in this great conference of the nations of the Old World, pledged to his economic theories, wedded to the destruction of every artificial barrier which heretofore protected the United States, has not taken the Congress or the people into his confidence.

Mr. SNYDER. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield.

Mr. SNYDER. After the one superior gentleman that you have been referring to returns from abroad, what position do you think the rest of our delegation will take on this same question?

Mr. MOORE of Pennsylvania. Those who have accompanied him?

Mr. SNYDER. Yes.

Mr. MOORE of Pennsylvania. The President appointed every one who went with him. Some of them we know, some of them we know not so well. But the gentleman from New York has the temerity to think that any one of the gentlemen appointed by the President will differ from him in view—no Member of the House or Senate being present—it seems to me he is going astray. No; those gentlemen accompanying him will stand with the President.

Our danger, then, is this: Holding these views, standing for the destruction of the artificial barriers of protection which have made the United States prosperous and strong, reiterating them in point 3 of his 14 points, so that England and other nations take free trade to be his meaning, we may find ourselves in disagreement when as a people and a Nation we might hope in such a crisis to stand together and as one man. It certainly can not be that the majority of the American people are ready to accept a free-trade policy. [Applause on the Republican side.]

Mr. DAVIS. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. YOUNG] such time as he may desire.

Mr. YOUNG of North Dakota. Mr. Chairman, there has been considerable misapprehension as to the price guaranteed for wheat for the year 1919. As you all know, there was no price guaranteed for the crop of 1917. That crop was handled on the price fixed by a committee named by the President for that purpose. As to the crop of 1918, while there was a guaranty in an act of Congress of $2 per bushel, the United States Grain Corporation handled that crop for a considerable margin over that sum. So that practically the crops of 1917 and 1918 were handled without regard to any guaranty made by Congress. Now, we are faced with the problem of the guaranty for 1919, and, as I have hinted, there is considerable misapprehension among the Members of Congress—and I might say outside of Congress—as to just what that guaranty means. I desire to have printed in the RECORD for the information of the Members certain documents issued by the Food Administration, the vice president of the Food Administration Grain Corporation, and the President of the United States, and I wish to call particular attention to the thoughtful letter of Vice President Crowell and the recommendations made by him.

The CHAIRMAN. The gentleman asks unanimous consent to insert in the RECORD the matter indicated. Is there objection?

There was no objection.

Mr. YOUNG of North Dakota. An examination of these documents, I think, will make it clear to the minds of all that while the guaranty for the wheat crop for 1919 is specific, no agency has been created to carry that guaranty into effect.

Mr. STEENERSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from North Dakota yield?

Mr. YOUNG of North Dakota. Yes; I do.

Mr. STEENERSON. Was not that the very purpose of the Food Administration's grain corporation, authorized under the authority of the proclamation of the President, under the laws of Delaware, first capitalized at $50,000,000 and the capital afterwards increased to $150,000,000, through which the Food Administration has been buying grain, especially wheat, for the Government and for the allies?

Mr. YOUNG of North Dakota. One of the documents that I will put into the RECORD is a letter from the Food Administration Grain Corporation of New York, in which it is stated that the corporation was organized for the specific purpose of handling the crops of 1917 and 1918, and there is nothing in the authority given to them up to this time which would warrant their handling the crop of 1919.

Mr. STEENERSON. Does the gentleman print the actual articles of incorporation and the proclamation under which that was done?

Mr. YOUNG of North Dakota. I am going to put in the RECORD the proclamation of the President.

Mr. STEENERSON. And the articles of incorporation?

Mr. YOUNG of North Dakota. I have not got those. If the gentleman has them I will be glad to put them in the RECORD.

Mr. STEENERSON. I have not got them here, but I have a copy at home. But I think the gentleman is mistaken, and the statement of the Food Administration was not well founded, that it was limited to any particular crop. It was limited to the period of the war. That was its whole scope and purpose.

Mr. YOUNG of North Dakota. I think the gentleman is referring now to the articles of incorporation issued by the State of Delaware.

Mr. STEENERSON. The President's proclamation authorized the Food Administration to incorporate under the laws of the State of Delaware. Its object was, as stated in those articles, to buy grain, and it was not limited. There is nothing in those articles that limits it to one crop.

Mr. YOUNG of North Dakota. As the gentleman knows, it frequently happens that when corporations are incorporated they are authorized to do many things that are perhaps contrary to the laws of the land, and in this case, of course, the incorporation in Delaware could not give the corporation any greater powers than had been already authorized by Congress.

Mr. STEENERSON. If the gentleman will yield further, I will say I do not think that is a matter that comes up in this consideration. I was simply referring to the letter of the Food Administration to the gentleman, in which they say they were limited to the one crop. I maintain that if you examine the law and the proclamation and the articles which were formed in pursuance of that law you will find it was not limited to that crop.

I would like to have the gentleman yield further in order to permit me to inquire if the gentleman has been able to get the report of the Food Administration for the last fiscal year?

Mr. YOUNG of North Dakota. I have not seen that report yet.

Mr. STEENERSON. I will say to the gentleman that I have inquired at the document room, and there has been no report since that for the year 1917.

Mr. YOUNG of North Dakota. Of course, the gentleman's question as to whether the Grain Corporation can extend its operations over another year is comparatively unimportant, because it would be an easy matter, anyway, to extend their authority. The real question, the real problem, is whether that corporation, if it is extended, will have sufficient funds to back up the guaranty that has been made, because I think it very clear that they can not pay the farmers for the wheat unless they have the money with which to pay it.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of North Dakota. Yes.

Mr. STEVENSON. I noticed what purported to be an interview with the gentleman from North Dakota a day or two ago in the newspapers, in which it was stated that the Government would probably lose a million dollars on account of its guaranty. Did the gentleman mean to confine it to one million, or was that a mistake?

Mr. YOUNG of North Dakota. As a matter of fact, I did not hand out a statement like that. I was incorrectly quoted in one of the papers here as saying there would be a million dollars lost.

Mr. STEVENSON. What loss will there be?

Mr. YOUNG of North Dakota. I would not want to state what it will be. It seems to me the amount of loss will be dependent on how we back the Food Administration Grain Corporation. The officers of that corporation are playing a pretty big game. They have in sight a wheat crop bigger than any raised before, so far as the acreage is concerned. Heretofore they have been selling to people in Europe who wanted the wheat and who were prepared to pay the cost price plus the expenses of handling. Now they are confronted with the problem of selling wheat to countries of Europe that have the opportunity of buying their wheat elsewhere and possibly at a lower price. It might at first blush look like a serious situation or we might be facing a big loss, but the fact is that some of this wheat that the papers are talking about which the allies and people of Europe can get is so far away that it takes about 115 days to make a round trip. That is so with respect to the wheat in Aus-

tralia. An ordinary freighter can make just one round trip in 115 days. The same boat can make the trip to Argentina and return in 81 days. It does not seem, with the great shortage they have in shipping now, that they could get their supply, considering the shortage of tonnage, from those countries, and yet it may be that if we do not back up the Food Administration Grain Corporation they may get enough of it from Argentia and Australia to break the market and then subject us to a heavy loss. That loss might run into very large sums.

Mr. YOUNG of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of North Dakota. Yes; certainly.

Mr. YOUNG of Texas. The gentleman comes from one of the large wheat-growing States, where there has been a good deal of criticism about the fixing of the price of wheat. They do not want the price removed from the next year's crop, do they?

Mr. YOUNG of North Dakota. I will say to the gentleman that our farmers did not ask for the fixing of a price of wheat at all. The fixing of wheat prices was imposed upon them. Now, so far as they are concerned, the price having been fixed and they having been compelled to accept prices much less than they would otherwise have received in an open market, the time has come, in their opinion, for it to operate.

Mr. YOUNG of Texas. They do not want that price removed, do they?

Mr. YOUNG of North Dakota. No; they do not.

Mr. YOUNG of Texas. I will state to the gentleman that I fought this whole price-fixing scheme.

Mr. YOUNG of North Dakota. I know that the gentleman from Texas has been a consistent opponent of all kinds of price fixing on farm products.

Mr. YOUNG of Texas. I know that we are up against a serious proposition. I agree with the gentleman. We have got to have some kind of legislation to make this guaranty good.

Mr. YOUNG of North Dakota. That is right.

Mr. YOUNG of Texas. I fought this price-fixing scheme, but in good faith to these wheat farmers I am going to do everything in my power to see that they get the guaranteed price fixed for next year's crop, because it has been promised them by legislation.

Mr. YOUNG of North Dakota. I appreciate that statement very much, particularly inasmuch as the gentleman is a member of the Committee on Agriculture, and in view of the fact that he while in the committee room and at all times has consistently opposed price fixing. He had the courage to oppose it at a time when it was very popular.

I want to say also that I have not discovered any disposition on the part of any of the officials connected with the Government at Washington to repudiate this guaranty. The only thing I can complain of is this, that some of the officials connected with the Government here, and practically all of them excepting the Food Administration Grain Corporation at New York, seem to think that the price guaranty will be self-executing, and that it will not take any money to back it up. Now, as to the amount of the loss that the gentleman from South Carolina [Mr. STEVENSON] was asking me about, it would look to me as though the more we give to the Food Administration Grain Corporation, the better support we give them, the more money we give them to make the guaranty good, the less it will cost them to make it good. The public officials of France and Italy and Great Britain are playing a big game. They are out to buy wheat anywhere in the world as cheaply as they can get it. If they can buy a little from Argentina or from Australia, enough to break the market and get the rest over here, of course that will suit them.

Mr. STEENERSON. Will the gentleman yield?

Mr. YOUNG of North Dakota. Certainly.

Mr. STEENERSON. Does the gentleman think that would be fair dealing on the part of those countries, that Mr. Hoover, the Food Administrator, should go over there and telegraph back to the United States farmer and the public that we must ship 20,000,000 tons of food, largely grain, to Europe; that we must advance large quantities, and then after they have encouraged this production and the exportation of 20,000,000 tons, that these countries which have been benefited shall then go and break the market by importing from Australia and the Argentine? Does the gentleman think that is fair play?

Mr. YOUNG of North Dakota. I do not impugn the motives of the officials connected with any other government. I am assuming that they are going to act for their own people.

Mr. BAER. I may say that it is the gentlemen in Minneapolis who break the market. The farmers of my State are glad that the price was fixed at $2.20 on their wheat, because if it had not been fixed they would only have gotten $1.25 this fall, compared to the price at which all the other products were sold.

Mr. BANKHEAD. I will ask the gentleman if his friends did not make an attack on the Democratic nominees in that section of the country on the proposition that this administration had fixed the price of wheat?

Mr. BAER. I did not. I upheld the administration, because the farmers up there realized that they would not have received over $1.25 for their wheat if the price had not been fixed.

Mr. BANKHEAD. I understood that generally that was an issue in the wheat-growing sections of the West. Was it not in Kansas and other wheat-growing sections?

Mr. BAER. I do not know anything about Kansas. The gamblers and speculators were robbing the farmers and the consumers. At Larimore, N. Dak., when wheat flour was $10.60 wholesale, barley flour was $14.60; on the same day wheat sold for $2.04 and barley was only 93 cents.

Mr. YOUNG of North Dakota. The point I was trying to make was this, that if we permit the Food Administration Grain Corporation to run along with the amount of money they have in their treasury now, or with a paltry sum, these fellows across the ocean, who are playing a clever game, will beat them. I think the men who are at the head of our Food Administration Grain Corporation at New York are thoroughly experienced, perhaps the most experienced men that could possibly have been found in the United States. They know the wheat business from the ground up. They are men who have been in the business for 25 or 30 years. They will protect us against loss, in so far as that is possible, if we will give them the necessary financial backing. The farmers have had serious losses on account of arbitrary, unjust, and unfair grading of their grain under grain grades established by the United States Bureau of Markets, but I think I am correct in saying that the farmers desire to see the Food Administration Grain Corporation given ample funds to make the 1919 wheat guaranty good.

Mr. HARDY. Will the gentleman yield for a question for information?

Mr. YOUNG of North Dakota. Yes.

Mr. HARDY. Does the gentleman know what the freight rate is on wheat from New York to Liverpool now?

Mr. YOUNG of North Dakota. Freight rates are up and down, and it is impossible to get any quotations on rates for any length of time in advance, but it stands to reason that the freight rates between here and Europe will be very much less at this time, when tonnage is short, than from the Argentine and Australia, and my proposition is this: I do not believe Europe can get enough wheat except from the United States, and if we have men at New York who have the money and have the backing of Congress they can hold that wheat until they can get a reasonable price for it.

Mr. HARDY. Exactly. The reason I asked the question was because the freight on cotton to-day is $32.50 per bale—that is, $6.50 a hundred pounds—and I wanted to know if they are knocking wheat anything like as much as they are cotton?

Mr. YOUNG of North Dakota. I think the big proposition we ought to keep in mind is this: That if we back our grain officials in New York—Mr. Barnes and Mr. Crowell, who know their business—they are not going to let those fellows in Europe get our wheat from us, where they must get it, for a price that they fix themselves by importing a little from the Argentine and from Australia to break the market. European buyers do not expect to get their wheat supplies from Argentina and Australia. They have not enough ship tonnage. What they want, I repeat, is to get enough from those countries to force a concession in price from us, then they expect to get the wheat from us.

Mr. HARDY. I agree with the gentleman in his contention, but what I wanted to know was whether our freight rates were enormously high on wheat?

Mr. YOUNG of North Dakota. They are high on everything. I can not give the gentleman the exact figures he desires.

Mr. SNYDER. Will the gentleman yield?

Mr. YOUNG of North Dakota. Yes.

Mr. SNYDER. The gentleman believes that by giving the wheat corporation a sufficient amount of money they can maintain the price on the prospective crop of next year of a billion bushels of wheat with this surplus of Argentina and other wheat-raising countries. Has the gentleman the slightest idea of what he thinks it would cost this Government to maintain the price and protect the farmers and carry out the guaranty to the Government for the ensuing year on the price of wheat as now fixed?

Mr. YOUNG of North Dakota. I think the gentleman will agree with me that it would be an impossible task to estimate what it would cost. It is impossible to say to what extent the Grain Corporation can overcome the present outlook. The loss will be measured by the difference between the price paid to the farmers and the price obtained upon a resale of the wheat.

Mr. SNYDER. I think the gentleman will find that by the time he gets ready to sell the next crop the sentiment in this matter will drop out and competition will prevail, and that the allies will buy wheat where they can buy it, in the cheapest market, without regard to fences put up by this country.

Mr. YOUNG of North Dakota. I do not blame them for buying where they can buy the cheapest, but I think it is up to Congress to see that our fellows are put in a condition to meet the competition in the best possible way.

Mr. SNYDER. I want to see the Government carry out its agreement, but it will cost the Government millions to do it.

Mr. YOUNG of North Dakota. Whatever it costs it is up to Congress to keep faith with the farmers. My contention is that if we act wisely we will place in the hands of the Food Administration Grain Corporation officials all the money they ask for, even if they ask for $1,000,000,000. Whatever is not needed will remain in the Treasury. If given ample funds our officials can foil the attempt of European buyers to force a low price upon our wheat. Let Congress put our officials in the position where they can fold their arms and say to the European gentlemen: We have the wheat; it is paid for and stored; you must have it; when you are ready to pay a reasonable price for it you may have it, but not before. [Applause.]

Here is a statement issued by the United States Food Administration, which is typical of a number of statements appearing in the press. It affirms that the guaranteed price for 1919 is to stand, but fails to take into account that it will require an appropriation of money to make it good. Now is the time to face this problem, and not after Congress has adjourned.

STATEMENT OF FOOD ADMINISTRATION.

[From the Official Bulletin, Dec. 4, 1918.]

The guaranteed price of wheat for the 1919 crop stands, by the terms of the Lever Act, under which the United States Food Administration is operating. This statement was made by the Food Administration.

The President's proclamation of September 2, 1918, stated that the "producers of wheat produced within the United States * * * for the crop of 1919" are guaranteed the prices therein set forth, $2.26 per bushel at Chicago, and the end of the war or the proclamation of peace does not in any way affect this guaranty.

Section 24 of the Lever Act provides "that the provisions of this act shall cease to be in effect when the existing state of war between the United States and Germany shall have terminated, and the fact and date of such termination shall be ascertained and proclaimed by the President; but the termination of this act shall not affect any act done, or any right or obligation accruing or accrued," etc. It further states that "all rights or liabilities under this act arising before its termination shall continue and may be enforced in the same manner as if the act had not terminated."

The guaranty for the 1919 wheat crop expires JULE 1, 1920.

THE PRESIDENT'S PROCLAMATION.

SEPTEMBER 2, 1918.

In issuing to-day the Government's guaranty of the same price for the 1919 wheat crop that was guaranteed for the 1918 crops I wish it to be understood that in the spring of 1919 I will appoint a disinterested commission, who will secure for me the facts by that time disclosed as to the increased cost of farm labor and supplies, using the three-year prewar average prices of wheat, of labor, and of supply costs as a basis, and that from this information I shall determine whether there should be an increase in price above the present level, and, if so, what advance, in order to maintain for the farmer a good return. Should it then appear that an increase is deserved over the present guaranty, however, it will be applied only to those who have by next harvest already marketed their 1918 wheat.

It is the desire and intention of all departments of the administration to give to the wheat grower a fair and stimulative return in order that the present acreage in wheat may be maintained.

I find a great conflict of opinion among various sections of the country as to the price that should be named as a minimum guaranty. It must be obvious to all, however, that the factors which will make for increased or decreased cost of production of next year's harvest can not be determined until the near approach to the harvest.

In giving a guaranteed price for wheat one year in advance (the only industry guaranteed by the Government) there is involved a considerable national risk. If there should be peace or increased shipping available before the middle of 1920, Europe will naturally supply itself from the large stores of much cheaper wheat now in the Southern Hemisphere; and therefore the Government is undertaking a risk which might in such an event result in a national loss of as much as $500,000,000 through an unsalable surplus; or, in any event, in maintaining a high level of price to our own people for a long period subsequent to freedom in the world's markets.

Despite this, the desirability of assuring a supply to the world of prime breadstuffs by insuring the farmer against the fluctuations in prices that would result from the uncertainties of the present situation and from the speculation those uncertainties entail, seems to me to make the continuation of the guaranty for another year desirable. On the other hand, it is clear that before increasing this liability by large sums with the risks set forth above, and before increasing the burden of the consumer, the matter should be subjected to searching inquiry at the appropriate time—the time when the pertinent facts will be known.

I feel confident that with this preliminary fixed guaranty, and with the assurance that justice will in any event be done to the grower, he will continue the fine patriotic effort by which he has served the country hitherto; that the Government will have acted prudently; and that the consumer will be satisfied that his interests are not unduly sacrificed, but just and exhaustive consideration given to every element of the matter at the proper time.

WOODROW WILSON.

STATEMENT OF F. G. CROWELL, VICE PRESIDENT OF FOOD ADMINISTRATION GRAIN CORPORATION.

UNITED STATES FOOD ADMINISTRATION,
FOOD ADMINISTRATION GRAIN CORPORATION,
New York, December 7, 1918.

Hon. GEORGE M. YOUNG,
House of Representatives, Washington, D. C.

MY DEAR MR. YOUNG: In further answer to your recent wire in reference to the United States guarantee on the price of the 1919 crop of wheat and the nonexistence of any agency or appropriation to carry the same into effect.

On September 2, 1918, the President of the United States, as provided by act of Congress, fixed the guaranteed price of wheat to be harvested in the United States during the year 1919 and offered for sale by the 1st of June, 1920, provided the producer complied with all the regulations which might be thereafter promulgated in regard to said guarantee by the President of the United States.

The President of the United States, by Executive order, provided, on August 14, 1917, for the creation of the Food Administration Grain Corporation in order to enable the United States Food Administration, acting under the direction of the President, to purchase, provide storage facilities for, and sell at reasonable prices for cash certain commodities, to wit, wheat, flour, meal, beans, and potatoes, and designated Mr. Herbert Hoover, of Washington, D. C.; Mr. Julius H. Barnes, of Duluth, Minn.; Mr. Gates W. McGarrah, of New York City; and Mr. Frank G. Crowell, of Kansas City, Mo., as directors of a corporation to be formed and to have a capital stock of $50,000,000, all the stock to be owned by the United States of America and to be paid for out of the appropriation of $150,000,000 made by Congress for the food, fuel, and other agencies created by the congressional act.

The Food Administration Grain Corporation was not ordered or requested to protect the 1918 crop guarantee by Congress, which was a congressional matter and not a Food Administration matter; but inasmuch as Congress had not passed any specific appropriation to protect its own guarantee, the President of the United States issued an Executive order on June 21, 1918, increasing the capital stock of the Food Administration Grain Corporation to $150,000,000, and ordered it to protect the 1918 price guarantee in addition to performing its other functions.

This the Food Administration Grain Corporation is now doing, and will continue to do until it has fulfilled its obligations as provided by the congressional act, even although it may necessitate its continuing in business until August or September of 1919, for it must continue to exist for this purpose—that is, protecting the 1918 guarantee and protecting its outside obligations—although the United States Food Administration ceases, under the food-control act, on the issuance of a peace proclamation by the President of the United States.

When the Food Administration Grain Corporation was formed it was required that the president, vice president, and 13 second vice presidents, and secretary, located in various parts of the United States, should serve without any remuneration, should give their entire time to the fulfillment of their duties, and should divorce themselves from the grain business by closing out their business, parting with all their stock, and if unable to do the latter that any dividends received from any grain business should be given to the Red Cross or some other national war agency. This was required in order that their policies or action might not be subject to any adverse comment. These 16 executives and heads have done this, and will continue to do this until their public service is ended by the closing up of the obligations of the Food Administration Grain Corporation, which, as I stated above, will be along in August or September of the year 1919.

In my opinion the Food Administration Grain Corporation should liquidate as soon as it has taken care of its obligations and has protected the 1918 crop and wind up its affairs and return to the President of the United States the capital intact intrusted to it, which the officers hope to do, with the feeling on their part that they have executed with a degree of efficiency this public trust.

The next question which will confront Congress is the creation of an agency, perhaps a new corporation, with a much enlarged capital and with the power to draw on the Treasury of the United States freely to meet its obligations, which will be very large in attempting to finance the 1919 crop. Under whose management or control this new agency or corporation shall be is up to Congress.

It has been intimated that some of the personnel connected with the Food Administration Grain Corporation should sacrifice their own interests further and continue to serve the United States Government in the marketing of the 1919 crop. Perhaps Mr. Barnes and some of the other executives or administrative officers will be willing to do this; I do not know. It is a tremendous problem.

If the wheat acreage is increased, as seems likely, to 75,000,000 acres, there is a possibility of the United States producing a crop of 1,200,000,000 bushels of wheat. In the marketing of this volume of wheat there is a possibility of the United States Government meeting a loss of about $1,000,000,000 in endeavoring to market the crop in competition with the crops of the world.

It is a very serious problem, and will demand your most careful study and consideration. I am of the opinion that any legislation that is enacted to carry into effect the 1919 guaranty must be drawn with the greatest care, and I am very sure that when Mr. Hoover and Mr. Barnes return from Europe some valuable suggestions might be given to you for your consideration regarding new legislation that undoubtedly will be necessary.

I am,
Cordially, yours,

F. G. CROWELL,
Vice President.

Mr. SISSON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. Chairman and gentlemen of the committee, it has not been my pleasure to hear the speech of the gentleman from Pennsylvania [Mr. MOORE]. I understand that he discussed the failure to fix the price on cotton and the failure to lay a tax upon cotton.

I recall, Mr. Chairman and gentlemen, that in 1914, when the war broke out in Europe, it so injuriously affected the price of cotton in the United States that the farmers lost 8 cents a pound. The price was 14 cents a pound when the war broke out, and it fell down to 6 cents a pound. Gentlemen, there was real suffering in the South that fall. Many a farmer had to sell

some of his live stock that he had made that crop with. He was unable then to pay his debts. Bankruptcy occurred in many instances in the South and our people suffered greatly.

I remember that the South stood here and through its representatives called upon the Government to do something to relieve that awful situation. We were only asking the Government to do something to prevent the loss that we were suffering on that crop. We argued that this condition was brought upon us not by any fault of our own, not by any natural economic cause, but that the war had an injurious effect, which reached into our country and destroyed the value of our cotton. The South lost millions of money that year. I remember my friend from Pennsylvania was one of those who said, "Gentlemen, it is unfortunate, but you will have to take your loss; it can not be helped. The Government has no business in interfering in the price of agricultural products." That was the high and holy ground the gentleman and others on that side took, as well as some gentlemen on this side.

Now this fall, when because Europe had turned her fields into food-producing lands and cotton no longer was produced in abundance in India and Egypt and Russia, and cotton was scarce and high, the gentleman wants to seize on it and keep down the price by legislative enactment. "Oh, consistency, thou art a jewel." When the farmer was crying out to us to save him from wreck and bankruptcy in 1914, caused by the war, you would not extend a helping hand to him, but then you permitted him to suffer while his cotton crop was sold below the cost of production. When the price commences to go up and he is getting back some of the losses that he sustained in 1914, these same gentlemen wanted to seize him by the throat and choke him down and destroy the value of his cotton by legislative enactment.

Let me say here that while the price is higher than in 1914 the profit on the present cotton crop is not large. When you consider the $250 and $300 that the cotton farmer has paid for plow mules, and the increased cost of fertilizers, agricultural implements, and labor, and, in fact, everything that enters into the cost of production, you will see that the producer is not getting a large profit when he receives 35 and 40 cents a pound for his cotton. And I want to say just here that the price of raw cotton never has been in keeping with the general run of prices on cotton goods. If cotton should bring the price to-day that the price of cotton goods generally justifies, cotton would now be selling for 75 and 80 cents per pound.

I want to say that I am opposed to the price fixing of agricultural products. We were told that it was necessary to fix the price of wheat because wheat was a food product that we had to supply our allies, and we were all together in fighting the greatest enemy of mankind. I voted to fix the price of wheat at $2.20 and later, as gentlemen will recall, I voted to increase it to $2.40, for I did not want the wheat producer to lose anything on his crop.

Now, in the fall elections I understand that the wheat growers in some places said you did not put it high enough, and voted against the Democratic Party for that reason. Since the Republicans have carried the House they seem to be well pleased with this price and want to hold onto it for another year, which presents a right interesting situation. Again, consistency, I say that thou art a jewel.

Mr. SNYDER. Will the gentleman yield?

Mr. HEFLIN. Just for a question.

Mr. SNYDER. Is it not a fact that the Democratic administration fixed this price on wheat for next year?

Mr. HEFLIN. Well, if Congress has done that, I am in favor of living up to the contract with the farmer.

Mr. SNYDER. So am I.

Mr. HEFLIN. Now, it will not do, gentlemen, to fix the price upon farm products generally. This was foodstuff deemed necessary as a war measure, but the gentleman from Pennsylvania could not with any degree of grace attempt price fixing upon cotton without favoring the fixing of a price upon the wool of those stalwart sheep in his State that climb those high and rugged hills; and in order to tax cotton, to be consistent, he must levy a tax upon the wool of the sheep, and if he does that he must put it on flax and silk—put himself in the attitude of desiring to tax all textile material. If you tax one farm product, if you are going into that business, you will tax wheat so much a bushel, corn so much a bushel; that is what you are coming to when you lay a tax on cotton—you open the way for laying a tax on every agricultural product. Of course you will. I hope the time will never come when this Government will lay a tax on farm products, and I do not think you will ever achieve that end, gentlemen, because there will always be enough men here from the grain-growing West and the cotton-producing South to prevent such a catastrophe and calamity to the farmers of the United States. [Applause.] So that you might just as well dismiss that from your minds. But, gentlemen, I want to get all prejudice regarding cotton out of your minds. Do you know that cotton brings gold to this country when all other products fail? Cotton renders to the country a great national service every year. Cotton is the only product that goes out of this country that will unlock the vaults of foreign countries and bring gold when other products fail, and it brings more gold every year into the United States than the world's annual output. America is already the greatest cotton-producing country in the world, and I want to see her lead every other country in the manufacture and sale of cotton goods. Let the time come speedily, then, when the people of this country—East, West, North, and South—will have no semblance of prejudice against an industry of another section, but when all will look upon it as a great American industry and all working together for the good of that industry which contributes to the common good of us all. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISSON. The Clerk will read; I have no other requests for time.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated out of the revenues of the District of Columbia to the extent that they are sufficient therefor and the remainder out of any money in the Treasury not otherwise appropriated, but the amount to be paid from the Treasury of the United States shall in no event be as much as one-half of said expenses, in full for the following expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, except amounts to pay the interest and sinking fund on the funded debt of said District, of which amounts one half is appropriated out of any money in the Treasury not otherwise appropriated and the other half out of the revenues of the District of Columbia, namely:

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph just read.

Mr. SNYDER. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I had intended to speak two or three minutes while the bill was under discussion. I want to say just a few words about this reconstruction that has been so much talked about, and particularly that which we hear so much in the newspapers about the distribution of those who are employed in the munition plants and those who are wearing the uniform in the various fighting branches of our country. It is my belief that so far as those who are in uniform are concerned that they will find the patriotism of their employers such that when they return home all their employers will not only be glad but anxious to see them and put them back at least on jobs equal to those that they had when they left. Of course, there is in the Army a considerable number of men who did not leave regular employment to go into the Army. Those men may have some difficulty in getting back, but in my section of the country I should feel that an employer, either little or big, who would refuse to reinstate the man who went to the colors, either as a volunteer or by conscription, would be almost fit for the rail or some other method of getting him out of the community, and I believe that they would practically ostracize in the community any man who would refuse to do that thing. So I feel that there is very little necessity for anxiety on our part with regard to placing in employment men who wear the uniform. I have the notion that a man who has gone to war for the purpose of making the supreme sacrifice if necessary will not feel that he should be appointed to a job or led to a job when he returns home. I believe that they will want to pick out and select their own places, and therefore I do not feel any great anxiety about the men who are returning from camps or those who are coming back from the other side.

One thing I think many men overlook with regard to the difficulty of distributing the men from our munition plants back into the ordinary economic activities of the country, and that is that practically every man who went to a munition plant went from some other job to it. And the natural thing for him to do will be to return to that job which he left. And my notion about conditions to-day and those that will prevail for the next few months, at least, is that industries that were considered nonessential during the period of the war will find it rather difficult to catch up with their requirements for many months to come, and those men who are turned out of munition plants, who desire to work for the concerns that they left, at wages such as they left or wages that have been increased since they left, which may not in every case be as high as they have been receiving in munition plants, will find very little difficulty in getting back to work. So that it is my belief that we will return to normal economic conditions during the period of reconstruction with very little financial or commercial difficulty.

The one other thing that I would like to speak about, if I had time enough, is the distribution or disposal promptly of merchandise that the various purchasing departments of the

Government find themselves to have on hand at the present time and that will come into their hands on account of contracts. I am told that there probably will not be less than a billion dollars' worth of competitive merchandise left on hand that the Government will have to find some method of disposing of. This, if thrown on the market in any one lot, or at any one time, would be, to my mind, the most destructive process of disposal that could possibly be found. And some way must be determined, in order to protect the industries of this country, for the distribution or disposal of such competitive commodities as the Government now has on hand.

Take, for instance, the question of knit underwear. I am told, and, in fact, I am nearly correct, that there are on hand to-day 125,000,000 shirts and drawers, both wool and cotton. If any such amount of goods as that were thrown on the market it would destroy the business in knit goods for at least 12 months.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes more.

Mr. SNYDER. I would like five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from New York may proceed for five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. SISSON. Mr. Chairman, I shall not object at this time, because many gentlemen did not have an opportunity to speak under general debate, but I want to serve notice now that I would like to have the gentlemen confine themselves to the subject matter of the bill, so we may have it passed as rapidly as possible.

Mr. SNYDER. I would be glad to do that, but I overlooked the fact that time on the bill had expired.

What applies to knit goods applies to almost everything we can think of. Take the general line of hardware. There is in the department to-day nearly $100,000,000 worth of hardware, such as shovels, hoes, picks, hammers, axes, monkey wrenches, and things of that sort, manufactured in all parts of the country; and if, as the Government must do, these goods are thrown on the market by auction or by some other terms of sale, without very careful consideration, it would disrupt the whole business community of this country.

Now, I am as anxious as any man can possibly be to see our economic conditions go on comfortably. Of course, we can not go along continuously at the high rate of speed we have been going on during the war period, but it will be a very simple matter to throw us into confusion as manufacturers and merchants in this country if due care is not taken to dispose of these tremendous amounts of competitive merchandise that the Government has on hand and will have on hand. Now, I have suggested from a business point of view a method, and I have introduced a bill to-day which I think would help the situation considerably. My idea is that if we should dispose of 20 per cent of any item of merchandise that we may have on hand during the period of any fiscal year it would not tend to disrupt to any extent the business of the country. And, like the wheat proposition, this is one that interests the whole country, and the country could assimilate and take up $200,000,000 of the several thousand various items that the Government will have to dispose of without interfering very much with any industry, and it would not be a great hardship for the Government to have to carry the balance for the other period of five years.

Mr. STEVENSON. Will the gentleman permit a question?

Mr. SNYDER. Yes, sir.

Mr. STEVENSON. Along that line, has the gentleman made any provision in his bill for compensation for cancellation of contracts?

Mr. SNYDER. I have not. I have simply tried to cover the question of the disposal of such goods as are on hand and those that the Government may have to take by reason of its inability to cancel contracts as quickly as they desire to do.

Mr. CRISP. Has the gentleman given any consideration to the fact that the goods kept would deteriorate?

Mr. SNYDER. Yes. My measure covers only items that are not perishable.

Mr. LONDON. How about placing these goods at the disposal of the desolated regions of France?

Mr. SNYDER. My bill covers that. It does not conflict with the Government disposing of it all to-morrow outside of the United States.

That is all I have to say, gentlemen.

Mr. HEFLIN. I would like to say to the gentleman that the cotton and woolen goods that the gentleman speaks of can be disposed of outside of the United States, I am sure, to advantage.

Mr. SNYDER. I will say to the gentleman that my bill has that very item in it. My bill only affects the sale within the boundaries of the United States.

Mr. STAFFORD. Mr. Chairman, I reserved a point of order on the item in the first paragraph of the bill in order to obtain some information. This is the item that has provoked considerable discussion on the floor of the House in years past. Points of order have been raised against it. I rise chiefly to inquire whether this is the identical phraseology that was carried in the last year's bill, and——

Mr. SISSON. It is.

Mr. STAFFORD. And though the House voted to adhere, the House conferees were forced by the exigencies of the occasion to finally recede from?

Mr. SISSON. Yes. This was the provision which was written by the chairman of the committee some years ago, with which the gentleman is familiar. He was not at that time the chairman of the committee, but Mr. Fitzgerald asked the present chairman of the committee, after we had agreed upon what was wanted, to draw the provision, and I will say that Mr. SHERLEY drafted this provision, which has been before the House on three different occasions.

Mr. STAFFORD. Does the gentleman in charge of the bill believe that he will meet with better success this year by reason of the other body having become better acquainted with the equity and merits of the proposition by reason of the bill having been in conference a long time last summer?

Mr. SISSON. Yes. We have made a statement which we could not have made before—that we are now demanding a reduction of the revenue because the surplus in the District treasury is becoming too great.

Mr. STAFFORD. That is, it is to the advantage of the taxpayers of the District to have this adopted?

Mr. SISSON. I do not know whether it will be to their advantage, but it will not be to their disadvantage.

Mr. STAFFORD. I withdraw the reservation of the point of order, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Personal tax board: Three assistant assessors of personal taxes, at $3,000 each; appraiser of personal property, $1,800; clerk, $1,400; assistant clerk, $1,000; two inspectors, at $1,200 each; extra clerk hire, $2,000; intangible personal property—two clerks at $1,500 each, five inspectors at $1,200 each, clerk to board of personal tax assessors, $1,800, two clerks at $1,200 each; in all, $30,800.

Mr. LONGWORTH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last word.

Mr. SISSON. What is the item?

Mr. LONGWORTH. It is on the personal tax paragraph. What are the duties of these five inspectors?

Mr. SISSON. The five inspectors go out and inspect the personal property of the District. The inspection is that which finally determines the valuation of the property where there is a controversy about its value.

Mr. LONGWORTH. This is the intangible property.

Mr. SISSON. That is true.

Mr. LONGWORTH. Are they authorized to inspect men's books and their personal belongings?

Mr. SISSON. No; they are not authorized to do that. They are simply authorized to make an inspection of the returns and go back to the taxpayer and make inquiry as to whether or not a mistake has been made, or to make such investigations of the records shown by the various deeds and trusts that secure the notes, and check up accurately as to whether any of that class of property has escaped taxation. They have no inquisitorial powers, I will say to the gentleman.

Mr. LONGWORTH. That was the question I wanted to ask the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For maintenance, repairs, fuel, lighting, fitting up buildings, lunchroom equipment; purchase, exchange, and maintenance of bicycles and motor delivery vehicles, and other contingent expenses, $11,000; in all, $29,500.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. STAFFORD. We are now coming to a very important subject, and this sparsely attended membership, I think, should not be burdened with the consideration of it.

Mr. SISSON. Where is that?

Mr. STAFFORD. On page 12.

Mr. SISSON. Very well. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. KITCHIN, as Speaker pro tempore, having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 13277) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes, and had come to no resolution thereon.

WITHDRAWAL OF PAPERS.

Mr. WELTY, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of George R. Gary (H. R. 1016, 63d Cong.), no adverse report having been made thereon.

LEAVE OF ABSENCE.

Mr. LARSEN, by unanimous consent, was granted leave of absence for 15 days on account of important business.

POST OFFICE APPROPRIATION BILL.

Mr. MOON, by direction of the Committee on the Post Office and Post Roads, reported the bill (H. R. 13303) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, which, with the report (No. 489) thereon, was ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. STEENERSON. Mr. Speaker, I reserve all points of order on the bill.

SALARIES OF REPRESENTATIVES DISCHARGED FROM MILITARY SERVICE.

Mr. GARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House joint resolution 358, discharge the committee to which it was referred from further action, and put it on its passage.

Mr. LONGWORTH. I suggest that the resolution be reported.

The SPEAKER pro tempore. Is the resolution referred to a Senate resolution?

Mr. GARD. It is a House resolution.

The SPEAKER pro tempore. The gentleman from Ohio asks unanimous consent to discharge the committee from further consideration of House joint resolution 358 and for the immediate consideration of the same. The Clerk will report the joint resolution by title.

The Clerk read the title of the joint resolution (H. J. Res. 358) authorizing and directing the payment of the usual compensation of Representatives in Congress to those Members of the House who have been discharged from their military or naval duties.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. STAFFORD. Let it be reported for information.

The SPEAKER. The Clerk will read it for information.

The joint resolution was read, as follows:

Resolved, etc., That the Sergeant at Arms of the House of Representatives be, and he is hereby, authorized and directed to pay to those Members of the House of Representatives of the Sixty-fifth Congress who have been serving with the military or naval forces of the United States in the recent war with Germany and her allies, compensation from and after the day of their discharge from military or naval duty at the rate provided by law for Representatives in Congress, upon the resumption and during the continuance of their duties as Representatives in Congress.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, as I understand from the reading of this joint resolution it merely provides for the compensation of those Members of the House who have joined the military service from the date of their discharge?

Mr. GARD. Yes. There are several Members of the House, as gentlemen know, who went into the military service, and they are now returning to service in this body. This resolution provides a means of protection to the Sergeant at Arms in paying them for their services as Members of the House of Representatives when they have secured their discharge from the military service and have resumed their duties in this House.

Mr. STAFFORD. It makes no provision whatsoever for paying back salaries to those Members who have joined the military service while they were in the service?

Mr. GARD. No.

Mr. HEFLIN. Mr. Speaker, I have heard that some gentlemen have not accepted pay while they were in the Army and have not drawn their salaries here. What provision is made for them?

Mr. GARD. None in this joint resolution.

Mr. STAFFORD. There can be no objection, as I see it, to this joint resolution, because it merely provides for the payment of their salaries from the time they resume their duties here.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LONDON. Mr. Speaker, may I suggest that the word "recent" be changed to the word "present," because the war is not over?

Mr. GARD. Possibly that would be better. I have no objection.

The SPEAKER pro tempore. Without objection, that change will be made.

There was no objection.

The joint resolution as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

ENROLLED JOINT RESOLUTION SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 356. Joint resolution authorizing the payment of the salaries of officers and employees of Congress for December, 1918.

ADJOURNMENT.

Mr. SISSON. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 10, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting a detailed report of the expenditures under the appropriation "Preventing the spread of epidemic diseases," for the fiscal year ended June 30, 1918 (H. Doc. No. 1562); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Alien Property Custodian, submitting a supplemental estimate of appropriation required for salaries and expenses of his office for the fiscal year 1919 (H. Doc. No. 1563); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting a supplemental estimate of appropriation for an increase in the salary of the principal bookkeeper of the office of the Treasurer of the United States for the fiscal year 1920 (H. Doc. No. 1564); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting statement showing the number of employees and their compensation in the Bureau of Engraving and Printing whose compensation is paid from "Compensation of employees," as carried in the sundry civil bill, but who are detailed for duty in connection with clerical work of the bureau (H. Doc. No. 1565); to the Committee on Expenditures in the Treasury Department and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting copy of communication from the Acting Secretary of Commerce, submitting supplemental estimate of appropriation required by the Department of Commerce for the fiscal year 1920 (H. Doc. No. 1566); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting copy of communication from the Acting Secretary of Commerce, submitting supplemental estimate of appropriation required by the Department of Commerce for the fiscal year 1919 (H. Doc. No. 1567); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Secretary of the Treasury, transmitting copy of communication from the Superintendent of the State, War, and Navy Department Building, submitting a supplemental estimate of appropriation for an assistant to the superintendent, and for increases in salaries of certain employees, for the period from December 1 to June 30, 1919 (H. Doc. No. 1568); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Northeast River, Duplin County, N. C. (H. Doc. No. 1569); to the Committee on Rivers and Harbors and ordered to be printed.

9. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary exami-

nation of Indian and Halifax Rivers, Fla. (H. Doc. No. 1570); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. POU, from the Committee on Rules, to which was referred the resolution (H. Res. 469) providing for an investigation of the National Security League, reported the same without amendment, accompanied by a report (No. 844), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SLAYDEN, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 187) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress, reported the same without amendment, accompanied by a report (No. 845), which said bill and report were referred to the House Calendar.

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (H. R. 13056) to grant to citizens of Modoc County, Cal., the right to cut timber in the State of Nevada for agricultural, mining, or other domestic purposes, and to remove such timber to Modoc County, Cal., reported the same without amendment, accompanied by a report (No. 846), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 13042) providing for the extension of time for the reclamation of certain lands in the State of Oregon under the Carey Act, reported the same with amendment, accompanied by a report (No. 847), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. COLLIER, from the Committee on Ways and Means, to which was referred the bill (H. R. 5999) for the establishment of Gulfport, Miss., as a port of entry and delivery for immediate transportation without appraisement of dutiable merchandise, reported the same without amendment, accompanied by a report (No. 848), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LOBECK: A bill (H. R. 13293) for the promotion of certain officers in the United States Army; to the Committee on Military Affairs.

By Mr. GARD: A bill (H. R. 13294) to amend an act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes, approved March 3, 1915; to the Committee on Military Affairs.

By Mr. GOULD: A bill (H. R. 13295) to provide that all enlisted men and noncommissioned officers in the military service shall retain, when honorably discharged, their uniform and other clothing; to the Committee on Military Affairs.

By Mr. LEVER: A bill (H. R. 13296) to authorize the Secretary of Agriculture to establish uniform standards of classification of fruits and vegetables; to provide for the use of such standards in interstate and foreign commerce; to prevent deception in reference thereto, and for other purposes; to the Committee on Agriculture.

By Mr. LAGUARDIA: A bill (H. R. 13297) for the retirement of employees of the United States; to the Committee on Reform in the Civil Service.

By Mr. GRAY of New Jersey: A bill (H. R. 13298) providing for the establishment of a national railway system to coordinate and protect the respective interests therein of the Government, the public, the investor, and the employee, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MERRITT: A bill (H. R. 13299) making an appropriation for the improvement of the Mianus River between the New York, New Haven & Hartford Railroad bridge and Mianus, Conn.; to the Committee on Rivers and Harbors.

By Mr. SNYDER: A bill (H. R. 13300) restricting the sale and disposal of certain Government supplies; to the Committee on Interstate and Foreign Commerce.

By Mr. NEELY: A bill (H. R. 13301) for the relief of certain noncommissioned officers of the United States Army who were recalled to active service during the recent war and commissioned as officers; to the Committee on Military Affairs.

By Mr. GALLAGHER: A bill (H. R. 13302) to increase the limit of cost for the new public-building site for the west side, Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. MONDELL: A bill (H. R. 13303) granting to persons honorably discharged from the military or naval forces of the United States one month's extra pay and the uniforms and apparel in their possession at the time of such discharge; to the Committee on Military Affairs.

By Mr. WATKINS: A bill (H. R. 13304) authorizing the appointment of a commission to codify, revise, double index, and annotate all of the laws of the United States of a permanent and general character; to the Committee on Revision of the Laws.

By Mr. DILLON: A bill (H. R. 13305) to permit soldiers and marines to retain the uniforms and clothing worn by them at the time of discharge and to pay them two months' extra wages; to the Committee on Military Affairs.

By Mr. SAUNDERS of Virginia: A bill (H. R. 13306) to authorize the payment of allotments out of the pay of enlisted men in certain cases in which these payments have been discontinued; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT: A bill (H. R. 13307) to deport to their native countries at the conclusion of peace all enemy aliens confined in internment camps in the United States; to the Committee on Military Affairs.

By Mr. MOON: A bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. BLAND of Indiana: Resolution (H. Res. 470) creating a committee on war-risk insurance, soldiers' and sailors' compensation and allowances, and defining its jurisdiction; to the Committee on Rules.

By Mr. IRELAND: Resolution (H. Res. 471) to pay Charlotte Sterling, clerk to the late John A. Sterling, Representative in Congress, $166.66; to the Committee on Accounts.

By Mr. RAKER: Resolution (H. Res. 472) authorizing clerks to certain committees of the House; to the Committee on Accounts.

Also, resolution (H. Res. 473) authorizing clerk for the Committee on Woman Suffrage; to the Committee on Accounts.

By Mr. MONDELL: Resolution (H. Res. 474) requesting of the Secretary of War certain information with regard to hospitals; to the Committee on Military Affairs.

By Mr. KENNEDY of Rhode Island: Joint resolution (H. J. Res. 362) requesting the plenipotentiaries of the United States at the peace conference to urge that the future government of the people of Ireland be settled by a vote of the people thereof; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 13309) granting an increase of pension to Asa Stewart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13310) granting a pension to Alice Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13311) granting a pension to Julia Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13312) granting an increase of pension to Mathias Berry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13313) granting a pension to Frank R. Wall; to the Committee on Pensions.

Also, a bill (H. R. 13314) granting an increase of pension to Jobe C. Walton; to the Committee on Pensions.

By Mr. CANNON: A bill (H. R. 13315) granting a pension to Adellan M. Fairchild; to the Committee on Pensions.

By Mr. HAMILTON of New York: A bill (H. R. 13316) granting an increase of pension to Katharine L. Cushing; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 13317) granting a pension to Charles Desmond; to the Committee on Pensions.

By Mr. TINKHAM: A bill (H. R. 13318) authorizing the Treasurer of the United States to pay to Rosamond Linnette the sum of $763.20; to the Committee on Claims.

By Mr. WEAVER: A bill (H. R. 13319) granting an increase of pension to John Early; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ESCH: Resolution of the California State Federation of Labor, in convention assembled at San Diego, Cal., October 9, 1918, indorsing the McKellar-Keating bill and urging its favorable consideration by Congress; to the Committee on Reform in the Civil Service.

By Mr. FULLER of Illinois: Petition of Dean L. Moberley, of Streator, Ill., and Robert L. McGuire, of Earlville, Ill., protesting against tax on brokers; to the Committee on Ways and Means.

Also, memorial adopted at a mass meeting of the citizens of Peru and La Salle, Ill., for the freedom and independence of Ireland; to the Committee on Foreign Affairs.

By Mr. GALLIVAN: Resolution of the Associated Industries of Massachusetts urging amendment of the Federal tax law; to the Committee on Ways and Means.

By Mr. TAGUE: Memorial of Division No. 72, Ancient Order of Hibernians in America, of Boston, Mass., regarding home rule for Ireland; to the Committee on Foreign Affairs.

By Mr. TINKHAM: Resolution of Division No. 72, Ancient Order of Hibernians in America, urging independence for Ireland; to the Committee on Foreign Affairs.

By Mr. VARE: Resolutions of Rotary Club of Philadelphia for retirement of superannuated civil Government employees; to the Committee on Reform in the Civil Service.

SENATE.

TUESDAY, *December 10, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, our great military leaders on the field of battle have recognized Thy grace to us as a people. Thy mighty arm has gained us victory, and in this place of political power, where we shape the policies of a nation, we would no less recognize Thy right to rule and our dependence upon Thy grace and Thy power. A mighty task, unspeakable in its greatness, the greatest that has ever faced, perhaps, organized society, lies just before us. Oh, do Thou give us grace, Almighty God, to meet the issues of our day and to triumph by our dependence upon Thee and by Thy divine guidance in all that pertains to the happiness and prosperity of the world. For Christ's sake. Amen.

The Journal of the proceedings of Friday, December 6, 1918, was read and approved.

SENATOR FROM OREGON.

Mr. CHAMBERLAIN. Mr. President, I present the credentials of my colleague, Hon. FRED W. MULKEY, who has been elected for the short term by the people of Oregon as Senator. I ask that the credentials may be read.

The VICE PRESIDENT. The credentials will be read.

The Secretary read as follows:

STATE OF OREGON,
EXECUTIVE DEPARTMENT.

CERTIFICATE OF ELECTION.

To all to whom these presents shall come, greeting:

Know ye, that it appearing from the official canvass of the vote cast at the general election held within and for the State of Oregon on Tuesday, the 5th day of November, A. D. 1918, that FRED W. MULKEY, of Multnomah County, State of Oregon, received the highest number of votes cast for the office of United States Senator in Congress at said general election:

Now, therefore, I, James Withycombe, governor of the State of Oregon, by virtue of the authority vested in me under the laws of the State of Oregon, do hereby grant this certificate of election and declare said FRED W. MULKEY, of Multnomah County, State of Oregon, to be duly elected to the office of United States Senator in Congress of the State of Oregon for the term of ------ to fill the vacancy in term ending March 4, 1919.

In testimony whereof I have hereunto set my hand and caused the seal of the State of Oregon to be hereunto affixed.

Done at the Capitol, at Salem, Oreg., this 30th day of November, A. D. 1918.

JAMES WITHYCOMBE, *Governor.*

By the governor:
[SEAL.]

BEN W. OLCOTT,
Secretary of State.

The VICE PRESIDENT. Is there any objection to the credentials? The Chair hears none, and they will be placed on file.

Mr. CHAMBERLAIN. I ask that the oath be administered to Mr. MULKEY, who is present.

The VICE PRESIDENT. The newly elected Senator will present himself at the desk for the purpose of taking the oath of office.

Mr. MULKEY was escorted to the Vice President's desk by Mr. CHAMBERLAIN, and the oath prescribed by law having been administered to him he took his seat in the Senate.

SENATOR FROM IDAHO.

Mr. NUGENT. Mr. President, I present the credentials of my colleague, Hon. WILLIAM E. BORAH, which I ask to have read and placed on file.

The credentials were read and ordered to be filed, as follows:

STATE OF IDAHO—CERTIFICATE OF ELECTION.

To all to whom these presents shall come, greeting:

Whereas the Board of Canvassers of the State of Idaho, as provided in section 453 of the Revised Codes, having duly canvassed, declared, and certified on the 25th day of November, A. D. 1918, to the secretary of state that at a general election held in said State on the 5th day of November, A. D. 1918, WILLIAM E. BORAH received the greatest number of legal votes cast at said election for the office of United States Senator and is therefore elected to such office.

Now, therefore, I, W. T. Dougherty, secretary of state of the State of Idaho, do certify that WILLIAM E. BORAH is elected to the office of United States Senator in and for the State of Idaho for the period of six years commencing the 4th day of March, A. D. 1919, and ending the 4th day of March, A. D. 1925, as appears by the records in my office.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Idaho. Done at Boise, the capital of said State, this 25th day of November, in the year of our Lord 1918, and of the independence of the United States of America the one hundred and forty-third.

[SEAL.]

W. T. DOUGHERTY,
Secretary of State.

PERSONAL EXPLANATION.

Mr. HITCHCOCK. Mr. President, I rise to a question of personal privilege.

The Judiciary Committee, by direction of the Senate, is investigating the subject of German propaganda work in this country during the war. On Saturday before that committee certain evidence was produced by Mr. Bielaski and my name was so referred to as to justify me in making a brief comment.

The evidence in question consisted of a letter dated July 22, 1915, signed "Reiswitz," and sent to some one whom he addressed as "Your Excellency." We are told that Reiswitz was then the German consul at Chicago. His letter appears to give the so-called "excellency" information concerning a German movement in this country to stop the export of arms and ammunition. This movement was known as the Embargo Conference. In this letter Reiswitz mentions my name in the following paragraph:

Among others, the following have agreed to cooperate: Senator HITCHCOCK, Congressman Buchanan, William Bayard Hale, of New York, and the well-known pulpit orator, Dr. Aked (born an Englishman), from San Francisco.

HITCHCOCK seems to be very strong for the plan. He told our representative at a conference in Omaha, "If this matter is organized in the right way, you will sweep the United States."

If his alleged "excellency" or Reiswitz himself had any intelligence, either or both of them must have known that I was myself the author of the bill to prohibit the export of arms and ammunition and that I had introduced it in the Senate more than eight months before the Reiswitz letter was written. They must have known that I had made a Senate speech upon it and that it had been debated in the Senate and discussed in the newspapers. They must have known that on February 17, 1915, I had offered my bill as an amendment to the shipping bill then pending and that my amendment had been defeated by a vote of 36 to 51. My position, therefore, in favor of prohibiting the export of arms and ammunition had been independently and publicly taken and was widely known months before Reiswitz discovered it and revealed it to his chief as a secret.

The part I took during 1914 and 1915 in favor of prohibiting the export of arms and ammunition during our neutrality has never been a subject of concealment or apology on my part. It became a campaign issue in 1916 when I ran for reelection, and the fact that I was reelected by a comfortable majority indicates that my course and my motives were understood and approved by the people of Nebraska.

My stand was taken in 1914 as an American for neutrality. The Germans in America took theirs by forming the Embargo Conference in 1915 as partisans of Germany. They were supporting my bill, but I declined to go to their conferences, conventions, or meetings, though I was often invited to appear as a speaker. I made my only speeches here in the Senate or in defending my course later before my constituents.

In those days, Mr. President, the country was under a pledge of neutrality by virtue of the President's proclamation made when the war broke out. We should, no doubt, have remained neutral, at least nominally and officially, if Germany had not by a series of outrages made our attitude first difficult and then impossible.

My attitude naturally changed with changing conditions.

I stood, first, for a strict, peaceful, and impartial neutrality even to the extent of selling no arms and ammunition and lending no money to either side.

Next, when Germany began a systematic attack on our commerce, I was ready to fight to protect our neutrality.

I supported the President's request that we authorize him to assert and protect our neutrality by arming our merchant ships, and I had charge in the Senate of what was known as the armed neutrality resolution, which died so dramatically here in the Senate at noon on March 4, 1917.

A month later, when the issue changed from armed neutrality to war, I had charge of the declaration of war, which was briefly debated and passed by the Senate April 4, 1917.

And so, Mr. President, like other Americans, I have passed from one phase of the situation to another—peaceful neutrality, armed neutrality, war. German conduct forced these changes not only in the case of public men as individuals but in the case of the country as a whole. This conduct was not wholly confined to the outrages perpetrated upon the high seas and in the war areas in Europe, but it included the criminal folly of German agents, whom Mr. Bielaski has been investigating. The latter exasperated American patience at home while German atrocities abroad aroused American resentment.

I have no disposition to criticize Mr. Bielaski for revealing all the secret correspondence of these German agents and conspirators with each other. It is evident, however, that they in correspondence with each other have used the names of a number of public men recklessly if not falsely. They reached the climax of absurdity when they recorded Prof. Albert B. Hart, of Harvard, as one of the public men of America who would cooperate with them.

In my case they knew that I had refused to join their organization, refused to speak at their meetings, or even to attend them, though they were camouflaged as American.

I supported in the days of our neutrality the embargo idea as a Senator, as the publisher of a large newspaper, and as an American, but I declined to associate myself with those who became partisans of Germany.

WOMAN SUFFRAGE.

Mr. SHERMAN. Mr. President, I shall send to the desk of the Secretary in a moment the press report of the street car strike in Cleveland, Ohio, references to the difficulty by the National War Labor Board, and certain comments of Mr. Morrison, of the American Federation of Labor, thereon. If the Senate will tolerate me for about three minutes, I should like to make a short statement. There is no objection, Mr. President? The woman suffrage joint resolution is pending and undisposed of in this body, coming over here from the House.

Last September, under stress of war conditions, in Cleveland women became street car conductors, taking the place of those who were in war service or had gone into the military or naval service. There not many days ago, Mr. President, a strike was instituted on the ground that the emergency having passed, the armistice having been signed some time ago, the unions of Cleveland would not tolerate longer the presence of women as car conductors in that city. The matter came before the National War Board. It was ruled by that board that the women conductors in the Cleveland street car system must go. Mr. Morrison, of the American Federation of Labor, its secretary, says:

> Organized labor has not suspended any of its rules; it has not held any of its fundamental laws in abeyance; it has simply acquiesced in certain things done by the Government because by such acquiescence it was believed the war could be more speedily brought to a successful termination. All rules which experience has shown are necessary to obtain for labor its just rights are still in full force and effect, and none has ever been abrogated or suspended.

Following this statement of Mr. Morrison, or, rather, preceding it, if I get the point of time correctly, was the ruling by the War Labor Board that the women conductors must be dispensed with in the city of Cleveland.

On the 6th day of December, 1918, here in the city of Washington a crowd of suffragettes were rotten-egged at Lafayette Park. They were in pursuance of a lawful right, holding an assembly. The purposes of that assembly I have no sympathy with. I have no sympathy with their picketing or with some of the remarks made at that assembly. I think the President has done as much to officially forward the passage of the joint resolution as any occupant of the President's office can well do, and I am not in sympathy with their criticism in this regard. Nevertheless if the women of Ohio or of the country had the same vote that men have they would not be rotten-egged in Washington, nor would they be discharged, with the approval of the secretary of the Federation of Labor and the finding of the National War Labor Board, from their service in Cleveland, Ohio, as street car conductors. If they were good enough to serve when the country was in the stress of a great emergency, they are good enough to continue that service until they see fit to voluntarily retire.

While the joint resolution is pending and undisposed of here, this disregard of the rights of women in this country probably will continue. Such exhibitions as the rotten-egging of women in Washington, whatever their conduct may be, whatever the cause which they represent may be, however much I may not be in sympathy with them, their discharge merely because they are women and not because they are not performing their duties correctly as conductors of street cars—those matters are a disgrace to Washington, they are a disgrace to the city of Cleveland, and they are a reflection upon the sense of fair play that belongs to the American male citizen.

I trust the joint resolution will come in due time to a vote again, that ultimately it will pass, and that woman may be clothed with the right of a ballot, so that she may protect herself against such discrimination both in occupation and in her right of lawful assembly and expressing her sentiments.

I ask that these matters, including a protest of the National Women's Trade Union League night before last here in Washington, in which Mrs. Robbins and others entered their protest on these matters, may be incorporated in the RECORD and printed at length. I do not ask that they be read, but I think they ought to be preserved to be used in connection with the suffrage resolution which is still pending.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

CLEVELAND STREET CAR STRIKE ENDS.

CLEVELAND, OHIO, *December 6.*

Following an all-day conference, 2,400 striking motormen and conductors of the Cleveland Railway Co., who quit work Tuesday morning, have voted to accept the proposition of President John J. Stanley, of the company, that he would dismiss 150 women conductors by March 1.

The company officials and representatives of employees met and signed the agreement which ended the strike. The women conductors have been employed since September 1. Cleveland was without car service for three days.

—

WOMEN START FIGHT FOR JOBS—NATIONAL TRADES UNION TO MAKE CLEVELAND CASE TEST FOR NATION.

The National Women's Trade Union League last night announced through its president, Mrs. Raymond Robbins, that it would support the women street car conductors in Cleveland in their fight to retain their positions, which the National War Labor Board recently decided should be given up to men to end a strike. It will be made a test of the economic independence of women and the right to jobs they now hold as a result of the war.

Mrs. Robbins telegraphed to the women that "the league is standing by you in your fight for the right to work," and urged them to enter a formal appeal from the decisions of the National War Labor Board.

"The Cleveland case," said an officer of the league, "is but a symptom of a serious industrial possibility which will manifest itself in other occupations if this decision by the National War Labor Board is allowed to stand. It is monstrous that the Government itself should establish a precedent like this at a time so critical to the history of the whole world. The women of the country will resist it, of course, and the National Women's Trade Union League is prepared to go the limit to fight an injustice like this. We call upon all the women of the country to join us."

—

WAR LABOR BOARD'S DECISION ON WOMAN CONDUCTORS, TOPIC—SECRETARY MORRISON, OF FEDERATION OF LABOR, REGARDS DECLARATION THAT THEIR EMPLOYMENT IS NOT ESSENTIAL TO ROADS' SUCCESS AS PRECEDENT.

Organized labor is taking especial interest in the decision of the War Labor Board declaring the employment of women on the street railways of Cleveland not essential to the successful operation of the roads. Frank Morrison, secretary of the American Federation of Labor, asserts that in the judgment of the organization the precedent established by the board is likely to be followed all over the country.

"Organized labor has not suspended any of its rules; it has not held any of its fundamental laws in abeyance; it has simply acquiesced in certain things done by the Government, because by such acquiescence it was believed the war could more speedily be brought to a successful termination," said Mr. Morrison. "All rules which experience has shown are necessary to obtain for labor its just rights are still in full force and effect, and none has either been abrogated or suspended."

RETICENT ON FEDERATION ATTITUDE.

Mr. Morrison refused to say what the attitude of the federation would be regarding what are known in munition factories and among shipbuilders as "mushroom mechanics." These are young men who have not served their time as apprentices, but have, in many cases, taken on tasks that under ordinary circumstances are not assigned to men until they have spent four years acquiring knowledge of their trade.

"This is a matter too complicated for me to discuss at the present time. It requires a great deal of thought and exhaustive treatment," Mr. Morrison said.

Mr. Morrison intimated that when the various departments employed "mushroom mechanics" organized labor did not protest, neither did it consent to the proceeding. But the exigencies of the war required that it acquiesce.

It was pointed out to Mr. Morrison that if organized labor, now that the war is over, declines longer to "acquiesce" many thousands of boys who did the work of men during the war must return to the activities usually assigned to boys or go back to school.

REGARDED AS DIFFICULT PROBLEM.

"I can't comment on that phase of the matter," Mr. Morrison said.

In another responsible quarter it was stated that the problems of disposing of the woman in overalls and in uniform will be even more

difficult of solution than the "mushroom-mechanic problem." Many thousands of women are working at lathes in factories, are employed as riveters by the Emergency Fleet Corporation, or are engaged in other fields which before the war were not open to women workers.

"Women mechanics will have to leave the Shipping Board," an official of that organization said. "They are war-emergency workers. The war having ended, the emergency ceases to exist, therefore the woman mechanic or helper can not expect much longer to remain in this field."

EGGS FIRED AT "SUFFS"—LAFAYETTE STATUE AN UNCOOKED OMELET AFTER FEW HOURS—YOUNG GIRLS START RUMPUS—TWO MAIDS FROM THE WEST TEAR DOWN BANNER UNCOMPLIMENTARY TO WILSON BORNE AT MILITANTS' MEETING—THEY AND TWO MALES, ALSO DISTURBERS, TAKEN BY POLICE.

Facing a hostile crowd, suffragettes who met in Lafayette Square last night were forced to dodge an occasional volley of eggs thrown by soldiers, who jeered and heckled the speakers from the time they began their meetings at 1 o'clock in the afternoon until the meetings ended at 9 o'clock last night. Although none of the suffragettes was hit, the statue of Lafayette resembled an uncooked omelet.

Two war workers, Miss Margaret Rose Botting and Miss Nell Louise Bowen, both or 2030 F Street NW., led a crowd shortly after 8 o'clock which tore down and destroyed the "suff" banner.

GIRLS PAY $25 COLLATERAL.

After an hour in the house of detention both girls, who came from Illinois to work for democracy, were released on $25 each collateral. Clayton West, 1796 Columbia Road, and John Rankin, 14 S Street NW., also were arrested.

The banner which was torn down read: "We protest! Wilson has sailed away to aid democracy in Europe, while he with his party is responsible for denying democracy to 20,000,000 citizens of America. An autocrat at home is a poor champion of liberty abroad. We want democracy here!"

POLICEMEN CALL FOR HELP.

That there would be trouble was apparent shortly after the suffragettes assembled at 1 o'clock. The two policemen on hand at the beginning of the meeting were forced to call for reinforcements to hold the crowd in check. Soldiers and sailors set up rival meetings, sang and shouted.

The meeting was one of a series, held in preparation for the big demonstration on December 16, when women from every State in the country will demand immediate passage of the Anthony amendment.

STRUCTURES ON UNION STATION PLAZA.

Mr. VARDAMAN. Mr. President, I send to the desk a very short editorial from the morning Herald of this city, in which is discussed the question of investigating the construction of the buildings now in course of completion upon the Union Station Plaza, which I ask to have read. It deals with a matter which Congress should take cognizance of immediately and stop the needless waste of public funds.

There being no objection, the editorial was read as follows:

UNION STATION PLAZA HOUSING FIZZLE.

The Housing Corporation wants to spend $400,000 more to complete the 90 per cent completed housing project on the Union Station Plaza. Of this sum $100,000 is to go for construction and the remainder for laundry, café, and furniture.

Questionnaires to determine the expediency of completing this housing operation in face of a probable exodus of war workers are being sent to all Government departments by the Senate Committee on Buildings and Grounds, which is investigating the United States Housing Bureau.

It would be far more desirable if the Senate committee would quiz certain Housing Corporation officials as to the delays of their building programs. Their work has been characterized by unfulfilled promises. It appears that the Housing Corporation, as far as its work locally is concerned, is the one Government department during the war which did not satisfactorily accomplish what it set out to do.

To the inconvenience of 2,000 women war workers the buildings on the Union Station Plaza have met with a series of delays in the course of their construction. Originally the plan, according to promises, was to have these houses ready for occupancy months ago. Now they are but 90 per cent completed and past performances of the Housing Corporation do not warrant the granting of another chance to finish construction.

It seems to be admitted by the testimony to the Senate committee that the buildings between the Capitol and Union Station would only be occupied for a year, if now completed, and then be removed.

If the immediate comfort of 2,000 tired women war workers were assured, we would say go ahead and spend $400,000 more after already wasting $1,800,000 on this work, from which not a cent's worth of benefit will be derived aside from those who received this public money for labor and material.

But if the Housing Corporation will act with the same speed and judgment in spending an additional $400,000 on this project as they did in spending nearly $2,000,000, the buildings will perhaps be completed in time to tear them down.

The improper housing of the thousands of war workers, the certain neglect of some one responsible for the providing of proper accommodations, will always be remembered over the entire country by those who suffered as the one black mark on Washington's otherwise glorious war record.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 12917. An act to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes; and

H. J. Res. 358. A joint resolution authorizing and directing the payment of the usual compensation of Representatives in Congress to those Members of the House who have been discharged from their military or naval duties.

ENROLLED JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the enrolled joint resolution (H. J. Res. 356) authorizing the payment of salaries of officers and employees of Congress for December, 1918.

PEACE TERMS.

Mr. LODGE. I present a statement from the executive board of the National Committee of Patriotic Societies, representing 46 leading patriotic war organizations. I ask that it may be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the statement was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *December 7, 1918.*

The executive board of the National Committee of Patriotic Societies, representing 46 leading patriotic organizations of the country, with an aggregate membership of more than 2,500,000 in all, has formulated, with the cooperation of experts in international affairs, "dictated peace" terms for adoption at Versailles, which include payment by the central powers of the full cost of the war, including reparation and indemnity for all damages and deaths, the former German colonies not to be returned, control of raw materials by the allies, and disarmament of Germany with exclusion from any league of nations until the discharge of all her obligations. It is the conclusion of the exhaustive study of the world peace question by the board. The terms are as follows:

Restitution and reparation:

1. Restitution of all indemnities levied and property taken by the central powers.

2. Reparation of all damage to property caused by the central powers, including depredations at sea.

3. Indemnities to cover civilians murdered or injured, including those (a) in invaded countries, and (b) on the high seas.

4. (a) The central powers to bear the cost of war to the allies—the war debts of Belgium, France, and Serbia to be paid first.

(b) Application of public and private resources of central powers to such payments and the control of the finances of the central powers until all restitution and reparation are carried out.

Territorial:

1. Alsace-Lorraine restored to France.

2. Italia Irredenta restored to Italy.

3. Lands under Turkish rule to be freed and their governments reorganized in conformity with racial conditions and under the protection of the allied powers.

4. Dardanelles to be under control of allied powers.

5. Serbia, Montenegro, Albania, Roumania, and Greece to receive territories rightfully theirs by racial, lingual, and national claims.

6. Independence of Poland, Czecho-Slovakia, and Jugo-Slavia, including all districts inhabited by Poles, Czecho-Slovaks, and Jugo-Slavs.

7. Schleswig-Holstein to determine whether it wishes to return to Denmark; Duchy of Luxemburg to be independent, or joined to Belgium or France if her people so desire.

8. Order to be restored in Russia and provisions made for freedom from all Teutonic encroachments.

9. German colonies not to be returned to Germany.

10. Kiel Canal and Heligoland to be under control of allied powers.

General:

1. Treaties of Bucharest and Brest-Litovsk to be abrogated.

2. Navies of the central powers surrendered to the allies.

3. Disarmament of the central powers.

4. Necessary enemy territory to be occupied until restitution and reparation are effected.

5. Punishment not only of the ex-Kaiser but of the others responsible for the war and for the violations of The Hague Conventions.

6. International arbitration and league of nations as complement of policy of national defense. The central powers not to be admitted into the league until full discharge of their obligations under the treaty and until they achieve permanent establishment of free institutions.

7. Control of raw materials by the allies until the central powers are admitted to the league of nations.

This is a correct statement regarding the attitude, conclusions, and wishes of the executive board of the National Committee of Patriotic Societies, which was organized February 21, 1917, to assist in the coordination of the work of national preparedness and patriotic service carried on by the various organizations in the United States.

The members of the executive board are: Edward Harding, chairman, Boy Scouts of America; Philip S. Post, committeeman at large; William S. Ellis, National Security League; Langdon P. Marvin, Military Training Comps Association of United States; Mrs. George Thacher Guernsey, Daughters of American Revolution; George Hewitt Myers, Army League of the United States; Edwin O. Holter, committeeman at large; Mrs. Lewis B. Stillwell, National League for Women's Service.

The represented societies are: Aeronautical Society of America, American Committee for Devastated France, American Defense Society (Inc.), American Rights League, Army League of the United States, Army Relief Society, Association of Military Colleges and Schools, America's Allies Cooperative Committee, Boys' Club Federation, Boy Scouts of America, Colonial Dames of the Seventeenth Century, Colonial Daughters of America, Daughters of American Revolution, Descendants of Signers of Declaration of Independence, Duryea War Relief (Inc.), General Society Daughters of the Revolution, High School Volunteers of the United States, International Lyceum Association, League to Enforce Peace, Military Order of Loyal Legion of United States, Military Order of Foreign Wars of United States, Military Training Camps Association, National Americanization Committee, National Association for Universal Military Training, National Civic Federation, National Committee of One Hundred, National League for Women's Service, National Security League, National Society of United States Daughters of 1812, National Society of Daughters of Founders and Patriots of America, Naval and Military Order Spanish-American War, Naval Training Association, Navy League of the United States, Order of Founders and Patriots of America, Patriotic Service League, Power-Craft Association, Society of American Wars, Sons of the Revolution, Sons of Veterans United States of America, Special Aid Society for

American Preparedness, Trench Packet Comfort Committee, United States Power Squadron, Universal Military Training League, Women's Department National Civic Federation, Women's Naval Service (Inc.), Affiliated Society Southern Commercial Congress.

EDWARD HARDING,
Chairman Executive Board.

PETITIONS AND MEMORIALS.

Mr. LODGE presented a petition of Local Division No. 72, Ancient Order of Hibernians, of Boston, Mass., praying for the freedom of Ireland, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Woman's Republican Club of New York City, N. Y., praying that the German nation be not fed by the United States, and that German goods of whatever description be not received, and that this country shall have no commercial relations with Germany, which was referred to the Committee on Foreign Relations.

Mr. NEW. I send to the desk resolutions adopted at a mass meeting of citizens of Indianapolis, Ind., by the friends of Ireland, held on one evening of last week, and I ask that they be printed in the RECORD without reading.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Memorial in favor of free government for Ireland, adopted at a mass meeting of citizens of Indiana at Tomlinson Hall, Indianapolis, Ind., Sunday, December 1.

As citizens of the United States, a Nation that has successfully battled for the ideals that stand for democracy and liberty of the world, we are interested in the welfare of all nations, including Ireland and England, and particularly so in Ireland, as she is our nearest European neighbor and as citizens of Irish blood constitute a very large proportion of our vast population.

We hold that there should be no hostility or antagonism between the Irish and English peoples; that, as neighboring States, they have many interests in common, and that the peace and welfare of these two peoples are essential to the tranquillity and progress of the world.

We hold with President Wilson "that no people should be forced under a sovereignty under which it does not wish to live," and that "all well-defined nationalities should have the right to choose their own form of government by free and untrammeled franchise, and decide by majority vote the form of government they desire," carrying into practice the time-honored American doctrine, "all governments derive their just powers from the consent of the governed."

We hold that Ireland, our nearest European neighbor, is a "well-defined nationality," both racially, historically, and geographically. For more than 700 years she has steadfastly refused to recognize the English Government as the rightful government of Ireland. She has demonstrated her opposition to alien rule by revolts and rebellions every 25 years of that period, in which struggles her best patriots have given their lives and her unarmed people have made every sacrifice in the cause of liberty. Apart from this she has constitutionally battled for the right of a native government, and even under a limited franchise she has for the last 40 years returned to Parliament 86 out of 101 parliamentary representatives pledged to legislative independence.

We point to the fact that within the last year, at a convention of Irish representatives, selected by the English Premier, Lloyd-George, and presided over by that eminent Protestant Irish leader, Sir Horace Plunkett, a scheme for an Irish government was adopted by a decisive majority vote of more than 85 per cent of the delegates; that this decision, in the form of an official report, was submitted as requested to the English Government, which had promised to act on the report of said convention, and that no action whatever has been taken, and that the people of Ireland are now held in subjection to a rule of militarism and force, their leaders imprisoned and deported without charge or trial, and all the rights and liberties of free men denied them.

We hold that this condition is contrary to the expressed ideals of the nations that fought "to free the world from autocracy," abhorrent to the American people and to all lovers of liberty and directly contrary to the declarations of our President at the time the United States entered the war, declarations which he has reiterated and emphasized as recently as September 27 of this year.

This being our conviction, and mindful of the devotion and loyalty of the Irish race to America from the days of the Revolution down to the present time, we citizens of Indianapolis, in mass meeting assembled, call upon our President on the eve of his momentous journey to the peace conference to insist that Ireland, like Belgium, Poland, Bohemia, Schleswig-Holstein, Finland, Serbia, and the Czecho and Jugo Slavs, shall have the right of self-determination.

Under whatever form of government the Irish people may establish, any minority of the Irish people can be fully protected by proper guaranty, and if any security for the good faith of the Irish nation be desired, as American citizens we urge the President of the United States to give that security or indorsement, to the end that Ireland's liberty and independence be secured by international agreement, and that the Irish and English peoples may enter "the new day of democracy" as friendly neighboring nations, their differences forever ended. The unhappy cause removed by the end of the domination of one of them by the other.

And that these resolutions be telegraphed to-night to the President and to our Representatives and Senators for introduction to-morrow in the Congress of the United States.

And, further, that our Representatives and Senators be, and they are hereby, requested to support in Congress this week the resolution introduced by Representative GALLAGHER, of Illinois, now before the Foreign Affairs Committee asking the United States to intervene at the peace council for self-determination for Ireland.

Mr. KELLOGG. I send to the desk a telegram in the nature of a petition to the Senate of the United States. If there be no objection, I should like to have the Secretary read the telegram, omitting the signatures thereto.

There being no objection, the telegram was read, as follows:

MINNEAPOLIS, MINN., *December 9.*

Hon. F. B. KELLOGG,
United States Senate, Washington, D. C.:

Resolution adopted at mass meeting held in Minneapolis December 8, 1918:

Whereas well-confirmed reports have reached us of terrible massacres of Jews in Poland and Galicia, where hundreds of innocent and helpless men, women, and children were murdered or burned to death by Polish soldiers; and

Whereas it is well known that certain influential elements in Poland not only connive at these atrocities against the Jews, but actually direct and encourage them; and

Whereas the rights to life, security, and the pursuit of happiness of 4,000,000 Jews, who have lived in Poland for hundreds of years and who have contributed to her industrial and commercial developments, are thus openly and flagrantly violated by the new Polish State, that has secured freedom as a result of the great sacrifices brought by America and the allies in the great war for democracy: Therefore be it

Resolved at a mass meeting of the Jewish community of Minneapolis assembled at the Kenneseth Israel Synagogue to protest against those outrages upon the Jewish people, That we appeal to the United States Congress to intervene on behalf of our persecuted people in Poland, and that this resolution be at once forwarded to both Houses of Congress in Washington.

Mr. NELSON presented memorials of O'Connor & Van Bergen, of St. Paul; of William L. Henderson & Co., of St. Paul; and of L. J. Buchanan and sundry other citizens of Minneapolis, all in the State of Minnesota, remonstrating against the proposed tax of 10 per cent on rentals of private wires in the pending revenue bill, which were ordered to lie on the table.

He also presented a telegram in the nature of a petition from Janney, Semple, Hill & Co. and sundry other citizens of Minneapolis, Minn., praying for the early passage of the pending revenue bill, which was ordered to lie on the table.

He also presented a resolution adopted by the Trades and Labor Council, of Winona, Minn., favoring the terms of peace as proposed by the President, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Pioneers of the Ancient Order of Hibernians, of Ramsey County, Minn., praying for the freedom of Ireland, which was referred to the Committee on Foreign Relations.

Mr. JONES of Washington presented a memorial of the Chamber of Commerce and Commercial Club of Seattle, Wash., relative to the deportation of aliens who have withdrawn their applications to become citizens in order to escape operations of the draft, which was referred to the Committee on Immigration.

He also presented a memorial of the Central Labor Council of Seattle, Wash., remonstrating against the forced sale by the Government of properties in the State of Washington under the jurisdiction of the Spruce Production Division of the United States Signal Corps, which was referred to the Committee on Military Affairs.

He also presented a memorial of the Sectional Central Labor Council of Spokane, Wash., remonstrating against the enactment of legislation throwing aside the restrictions against importation of Asiatic labor, which was referred to the Committee on Immigration.

He also presented a petition of the Chamber of Commerce and Commercial Club of Seattle, Wash., praying for the designation of November 11 as the proper day for national thanksgiving, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Chamber of Commerce and Commercial Club of Seattle, Wash., favoring the adoption of an amendment to section 202 of the pending war-revenue bill, which was ordered to lie on the table.

Mr. WARREN presented resolutions adopted by the Retail Grocers and Butchers' Association of Cheyenne, Wyo., favoring the adoption of an amendment to section 202 of the pending revenue bill, which were ordered to lie on the table.

Mr. FLETCHER. I present resolutions unanimously adopted by the Board of Trade of Orlando, Fla.; also resolutions from the war-tax advisory committee of the National Association of Credit Men, together with a telegram from the president of the Credit Men's Association and the president of the Wholesale Grocers' Association of Tampa, Fla., favoring the fixing of the amount of taxes to be assessed against the year 1918 at the earliest possible time, and praying for the speedy passage of the pending revenue bill. I ask that the resolutions lie on the table, the bill having been reported.

The VICE PRESIDENT. The resolutions will lie on the table.

Mr. TOWNSEND presented a petition of the Rotary Club of Battle Creek, Mich., praying for universal military training, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the Slavonic Workingman's Aid Union, of Detroit, Mich., relative to the terms of peace, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Board of Education of Niles, Mich., favoring the establishment of a national department of education, which was referred to the Committee on Education and Labor.

Mr. HALE presented a memorial of sundry citizens of Portland, Me., remonstrating against the enactment of legislation to prohibit amateur wireless installation, which was referred to the Committee on Interstate Commerce.

THE REVENUE.

Mr. THOMAS. Mr. President, I desire to offer a very brief minority report (Rept. No. 617, Part II), the minority consisting of myself, to the pending revenue bill.

The VICE PRESIDENT. The report will be received and printed.

Mr. PENROSE. Mr. President, if there is no objection, I desire to present at this time the views of the minority (Rept. No. 617, Part III) of the Committee on Finance on House bill 12863, known as the revenue bill of 1918, signed by all of the minority, with the exception of the senior Senator from Wisconsin [Mr. LA FOLLETTE], who, I am informed, will make a report expressing his own views.

The VICE PRESIDENT. The report will be received and printed.

Mr. SMOOT. Mr. President, in that connection I desire to state that I had the privilege of reading the report only a short time ago. Last Friday I reserved the right to offer further additional views prepared by myself upon the bill. I have not had the time to dictate my views since reading the reports which have just been presented, but I will do so within the next couple of hours; and I ask the privilege, when those views have been prepared, of handing them in at the desk and having them printed, if there be no objection.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LA FOLLETTE. Mr. President, I desire to say that after I have examined these several reports, if I find I am not able to subscribe to them I ask consent to submit my views upon the pending bill?

The VICE PRESIDENT. Without objection, permission is granted.

MISSOURI RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 5058) to authorize the counties of Morton and Burleigh, in the State of North Dakota, to construct a bridge across the Missouri River near Bismarck, N. Dak., and I submit a report (No. 619) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. LEWIS:

A bill (S. 5137) to amend section 79 of the Judicial Code; to the Committee on the Judiciary.

A bill (S. 5138) to provide for the erection of a Federal courthouse and public building at Bloomington, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. JONES of Washington:

A bill (S. 5139) to expel and exclude from the United States aliens who, to escape military service, have withdrawn their declaration of intention to become citizens; to the Committee on Immigration.

By Mr. SMOOT:

A bill (S. 5140) to forbid the payment of pensions to alien enemies;

A bill (S. 5141) granting an increase of pension to Walter C. Fairweather (with accompanying papers); and

A bill (S. 5142) granting an increase of pension to George F. Griffith (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 5143) granting an increase of pension to Peter Prock (with accompanying papers);

A bill (S. 5144) granting a pension to Lizzie E. Hinds (with accompanying paper); and

A bill (S. 5145) granting a pension to Carrie E. Hewett (with accompanying papers); to the Committee on Pensions.

By Mr. NEW:

A bill (S. 5146) granting an increase of pension to William Young;

A bill (S. 5147) granting an increase of pension to Anderson Ward;

A bill (S. 5148) granting an increase of pension to George W. Yocum;

A bill (S. 5149) granting an increase of pension to Andrew Wiend;

A bill (S. 5150) granting an increase of pension to John H. Welker;

A bill (S. 5151) granting a pension to Mary E. Hagerdorn (with accompanying papers); and

A bill (S. 5152) granting an increase of pension to John N. Jones; to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 5153) granting an increase of pension to Hiram F. Stover;

A bill (S. 5154) granting an increase of pension to Henry Wilton (with accompanying papers);

A bill (S. 5155) granting a pension to Charlotte M. Potterton (with accompanying papers);

A bill (S. 5156) granting a pension to Mary Kelly (with accompanying papers);

A bill (S. 5157) granting a pension to Louisa Leppla (with accompanying papers);

A bill (S. 5158) granting an increase of pension to Francis Straub (with accompanying papers);

A bill (S. 5159) granting an increase of pension to Peter C. Danforth (with accompanying papers);

A bill (S. 5160) granting a pension to Eliza A. Teters (with accompanying papers);

A bill (S. 5161) granting an increase of pension to Isobel M. Evans (with accompanying papers);

A bill (S. 5162) granting an increase of pension to Carthenia H. Moore (with accompanying papers);

A bill (S. 5163) granting an increase of pension to Smith Culler (with accompanying papers);

A bill (S. 5164) granting an increase of pension to Robert B. Patrick (with accompanying papers);

A bill (S. 5165) granting an increase of pension to George F. Hood (with accompanying papers);

A bill (S. 5166) granting an increase of pension to Stewart Orr (with accompanying papers); and

A bill (S. 5167) granting an increase of pension to Oliver P. Stumph (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 5168) for the relief of commissioned officers of the Army recommended for promotion; to the Committee on Military Affairs.

By Mr. CHAMBERLAIN:

A bill (S. 5169) to accept from the Southern Oregon Co., a corporation organized under the laws of the State of Oregon, a reconveyance of the lands granted to the State of Oregon by the act approved March 3, 1869, entitled "An act granting lands to the State of Oregon to aid in the construction of a military wagon road from the navigable waters of Coos Bay to Roseburg, in said State," commonly known as the Coos Bay wagon-road grant, to provide for the disposition of said lands, and for other purposes; to the Committee on Public Lands.

By Mr. SHERMAN:

A bill (S. 5170) granting a pension to John S. Dornblaser; to the Committee on Pensions.

EXCLUSION OF ALIENS.

Mr. JONES of Washington. Mr. President, the draft boards in our section of the country in the discharge of their duties found a great many individuals who had declared their intention to become citizens who, under the law that we passed subsequently, declared their intention to renounce their citizenship in order to avoid military service. Our draft boards, our chambers of commerce, and various other organizations have urged that such persons be deported from the country. In order to carry out that view, in which I very heartily concur, I introduce the bill which I send to the desk and ask that it be referred to the Committee on Immigration.

The bill (S. 5139) to expel and exclude from the United States aliens who, to escape military service, have withdrawn their declaration of intention to become citizens, was read twice by its title and referred to the Committee on Immigration.

CABLE SERVICE.

Mr. SPENCER submitted the following resolution (S. Res. 376), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Postmaster General be, and he is hereby, requested to inform the Senate, if not inconsistent with the public service, whether information can be promptly asked for and received by cable, at the request of the immediate relatives of any officer or soldier in the overseas service of the country, where no word has been received from such officers and soldiers for more than six weeks, as to whether such officer or soldier was, on November 11, 1918, dead or alive.

ORDNANCE AND QUARTERMASTER'S SUPPLIES.

Mr. POINDEXTER. I offer the resolution which I send to the desk providing for an investigation of the Bureau of Ordnance and the Quartermaster General's office by the Committee on Military Affairs. I ask that the resolution be read and referred to the Committee on Military Affairs.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 377) was read, as follows:

Resolved, That the Committee on Military Affairs shall proceed at once to investigate the Bureau of Ordnance and of the Quartermaster General of the War Department with particular reference to the manner in which funds appropriated by Congress for ordnance and supplies have been expended by those offices during the present war with Germany; and that said committee shall report to the Senate the number of 3-inch and other artillery shells, small-arms ammunition, rifles, automatic rifles, light and heavy machine guns, light and heavy field artillery, with the necessary carriages and other parts and appurtenances thereof, and the amount, kind, quality, cost, and disposition of food, clothing, and other necessary supplies and equipment procured by the said Ordnance Office and the office of the Quartermaster General, respectively, and supplied during the said war to the military forces of the United States in France, and what portion of the same were procured in the United States and what portion in France.

Said committee is directed to further inquire and report to the Senate the cost at which said guns, ammunition, supplies, food, clothing, and equipment, or other articles referred to above, was procured, whether or not the supply of the same was adequate or overabundant, and whether or not in each case the prices paid for the same by the officials of said offices was reasonable and just; and said committee shall further inquire into the system and method of organization of said offices and the number of employees therein during the present war, the methods of selection and commissioning of officers and appointment of employees therein, the reasonableness or unreasonableness of the compensation paid to employees, the efficiency or inefficiency of the conduct of the business assigned to said offices, bureaus, and the various subdivisions, branches, and agencies thereof.

Said committee is further directed to report to the Senate any failure to procure adequate supplies, ordnance, or equipment in the matters mentioned above and any misconduct or abuse in connection therewith, if any, and shall ascertain and report to the Senate the exact name and identity of the officer or employee of the United States responsible therefor in any degree; and in case there was any failure of procurement or supply in respect to the matters aforesaid said committee shall report the cause of such failure and whether or not agents of the German Government were in any way responsible therefor.

For the purposes of this resolution the said committee is authorized to draw, by its chairman, on the contingent fund of the Senate to pay all necessary expenses properly vouched for by its chairman, to subpœna witnesses and documents, to administer oaths, and to do all acts and things necessary to the carrying out of the purposes of this resolution.

Mr. POINDEXTER. Mr. President, as a reason for offering the resolution I submit, and ask to have printed in the RECORD, an article by a well-known newspaper correspondent of this city, Mr. P. H. Whaley. Among the statements made in that article is the following:

> The total shipment of 3-inch shells of all kinds sent from the United States to France during the whole period we were in the war was only about 3,000,000, and * * * this supply, under the intensive conditions prevailing, would hardly have met the requirements for a single month.

I beg leave to say just a word in that connection. In the case of a great manufacturing nation, such as the United States, whose manufacturers, mechanics, and scientists are noted for their efficiency, it would seem to be impossible that by mere inefficiency, by mere mistakes, such a tremendous failure as is alleged here could have occurred. The same failure occurred in the production and shipment to France of airplanes; and the same sort of mistakes were made in regard to the supplies which came under the activities of the Quartermaster General of the Army. So the query necessarily arises as to whether or not this colossal failure of a great and wealthy nation to supply its troops with essential ammunition, artillery, and ordnance was not caused intentionally, whether or not there were treasonable activities that were thwarting the efforts of the War Department. As a part of the resolution, I have asked the Committee on Military Affairs to inquire into that phase of the question.

I remark in passing that, in my judgment, if half a dozen or so of traitors and spies had been executed under the law applicable to criminals of that kind in the early stages of the war many lives of better men would have been saved. I ask leave to have printed in that connection a brief statement purporting to give an inventory of the kind and character of clothing and other equipment now on hand, procured by the Quartermaster General's office.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The matter referred to is as follows:

MUNITION OUTPUT SERIOUS FAILURE—NEGLECT TO SUPPLY ARMY OVERSEAS WITH GUNS AND MUNITIONS SHARPLY CRITICIZED—HARBORD SAVES DAY—SUPPLY OF 3-INCH SHELLS SENT DURING WHOLE WAR TIME NOT ENOUGH FOR A MONTH.

P. H. Whaley writes from Washington to the Chicago Tribune on the failure of the United States to furnish guns and munitions in sufficient quantities to our armies in France. He says:

In October the Ordnance Department began to be seriously disturbed about its failure to supply the Army in France with guns and munitions. Not only were the cables bringing complaints and urgent demands, but returning officers had begun to talk rather boldly.

Get-together plans were therefore discussed by Ordnance officers, many of whom were former civilians, and an effort was made to bring some sort of order out of the existing chaos. It was also proposed to take some measures to anticipate a probable investigation by Congress.

Under date of November 21 an Associated Press dispatch came through from France which filled most American citizens with pride and satisfaction. Those who knew the truth and had reason to fear an investigation did not know what to make of it. They did not know whether it was a first coat of whitewash or an indication of more trouble.

The dispatch contained a message of thanks sent by Lieut. Gen. Liggett, in command of the First Army, to Gen. Harbord, in command of the supply service, as follows:

LIGGETT PRAISES HARBORD.

"The First Army of the American Expeditionary Forces desires to convey its full appreciation for the great assistance afforded by the officers and soldiers of the service of supply during its recent battles.

"The battles of the Argonne and the Meuse were hard and continuous for nearly two months. During this period you never failed us. Food, ammunition, clothing, medical attendance, and other supplies always were at hand. Our confidence in your efforts was well repaid. The First Army of the American Expeditionary Forces congratulates the service of supply on its share in the great American success.

"Without your energy and push back of us our efforts would not have succeeded. You share with us the glory of our deeds."

INDEFATIGABLE EFFORTS NEEDED.

The significance of that dispatch was probably not lost on Gen. Harbord. He had, in truth, supplied the front-line troops with the artillery ammunition absolutely needed, but by what indefatigable efforts only he and the men associated with him and the commanding generals knew.

It was altogether proper that Gen. Liggett, on behalf of the First Army, should have thanked the supply service, because it was well known to Gen. Liggett that Gen. Harbord had been compelled to get ammunition from anywhere to compensate for that which he was expecting, but not getting, from America.

While the front-line ammunition that Gen. Liggett was so thankful for was flowing forward from the supply service, cables from that same service were also going forward to Washington urging that as French resources were being strained to the utmost America must deliver munitions at once or the proper volume of flow to the front could not be maintained. And there was no reserve.

SUPPLY WOEFULLY SHORT.

When it is known that the total shipment of 3-inch shells of all kinds send from the United States to France during the whole period we were in the war was only about 3,000,000 and that this supply, under the intensive conditions prevailing, would hardly have met the requirements for a single month, some idea of the alarming conditions which Gen. Pershing faced may be gained.

It will be said that "we got by," so what's the difference?

Pass the credit to Gen. Harbord and the supply service, as Gen. Liggett did. They "made good" when Washington fell down. Pass the credit to the French, who strained their resources to help out. But do not deceive the public by making it think that American ammunition was winning the momentous victories which led to the signing of the armistice. It was not true. It was humiliatingly untrue.

RUSSIAN SHELLS NOT SHIPPED.

Yet all this time there were thousands, even millions, of fully loaded shells on this sid of the water waiting to be shipped. Most of them, it is true, lacked some essential part. Others which had been manufactured for Russia were in perfect condition, but the ownership of them was in question. The use of them might have offended Lenine.

All this time, too, the Ordnance Department of the Navy was working under high speed. Perhaps it was because the Navy never made a specialty of efficiency experts and systems.

Consider, for instance, the 20,000,000 or more small-caliber shell orders which were placed in Canada. No deliveries were ever made. The Canadian manufacturers seemed to be in doubt as to whether they were to manufacture the shells complete or simply build them in part and ship them to the United States to be finished. A great deal of dependence was placed on these Canadian orders.

COULD NOT PASS INSPECTION.

A firm in Indiana had a contract for some 10,000,000 small parts. It was expected to be producing about 20,000 of these parts a day, beginning months ago. After some thousands had been finished it was discovered that they were made wrong. They did not pass inspection and were worthless. More delay followed until the faults could be corrected.

This required days and even weeks. Finally production was begun again, just before the end of the war. Meantime otherwise perfectly good shells were waiting for the aforesaid parts.

There was a failure to coordinate. The production program was distributed among a number of firms all over the country. Under a perfect system of industrial organization and perfect shipments by railroad assembly might have been accomplished without unreasonable delay. But as a matter of fact, in an ordinary world the success of the program as outlined would have been a miracle. It was foredoomed to failure.

ALLIES KEPT ARMY SUPPLIED.

It is true that arrangements had been made with England and France to keep our Army provided with artillery and artillery ammunition for a certain period. Cargo space was required for things more vital at the moment than heavy artillery.

But both France and England had taxed their resources severely to supply ammunition for their own armies. France, in particular, had changed even her shipyards into munition factories. England was putting her young women into the loading plants. A year ago it was understood that America would soon be sending ammunition in quantities, possibly even supplementing the supplies of the allies.

Twenty months after the opening of the war England was producing shrapnel shells in vast quantities, millions a month. The complaint of Lord Northcliffe was not as to the quantity of production, but as to the policy which insisted on shrapnel instead of high-explosive shells.

PLANS CALLED FOR PRODUCTION.

The United States 18 months after entering the war, although dozens of factories had been making munitions for the allies during the preceding years, was actually delivering virtually no ammunition at all at the front. It is almost inconceivable. If the plans had not called for any production it would have been a different matter. But they did call for production. They called for deliveries which should have been made months ago. There was simply a collapse.

The chameleon had nothing on the Ordnance Department. It had a positive genius for changing its designs. No sooner would a big plant get its equipment and tools together and begin quantity production than orders would come from Washington to hold up operations. In a day or two some officer would arrive with new drawings.

WORK WAS EXPENSIVE.

The workmen would sit in the yard and wait until the tools and machinery could be changed. It was expensive work, but the Government paid the bills.

Indeed, the changing of plans was carried on to such an extent that some factories actually spent more time readjusting their machinery than they employed in production. Others simply threw up their hands and their contracts.

Some firms that had promised complete deliveries by June were hardly beginning deliveries in September, although they were manufacturing vital parts.

Ordnance production has become a sort of picture-puzzle game, which must have been amazingly interesting to some of the experts, but which daily became more and more of a threat to American lives and American success in battle.

When it became apparent that the facts were likely to become known the lid was clamped down closer than ever. The censorship at least was in working order. But with the signing of the armistice it became clear that the facts would eventually get out.

PLANNED DEFENSE IN ADVANCE.

There is evidence to show that it was hoped by carefully prepared publications to build up a defense in advance, and thus belittle the final exposure. The publication of these articles will prevent that. Also there are men in the Capitol who are acquainted with the startling conditions which have existed, and they will resist any attempt at whitewashing.

"I am not worried now," Secretary of War Baker said, "about any possibility that may have existed regarding a shortage of shells."

"The whole ordnance program," he added, "was in progress of development and had not reached the peak of delivery. It was rapidly progressing, making marked improvement, in delivery and transportation every week."

WAR DEPARTMENT'S RESERVE SUPPLIES ON HAND IN UNITED STATES AND FRANCE.

The War Department has these reserve stocks of supplies here and in France, it became known to-day:

Cotton coats	5,039,907
Denim coats	5,410,518
Wool coats	6,282,536
Jerkins	2,449,018
Mackinaws	19,660
Overcoats	4,167,841
Raincoats	2,170,220
Flannel shirts	9,742,824
Denim trousers	5,212,708
Cotton trousers and breeches	8,879,393
Wool trousers and breeches	8,581,829
Summer drawers	24,285,815
Winter drawers	21,050,798
Summer undershirts	27,075,892
Winter undershirts	17,437,280
Rubber hip boots	1,271,135
Rubber knee boots	859,211
Canvas leggings	7,268,419
Arctic overshoes	1,510,894
Woolen and spiral puttees	8,586,830
Russet marching shoes	3,548,660
Welt field shoes	3,314,783
Metallic fastened field shoes	4,018,636
Heavy wool stockings	25,042,752
Light wool stockings	21,070,492
Overseas caps	3,718,678
Service hats	3,120,946
Canton flannel gloves	1,599,527
Heavy leather gloves	3,084,565
Jersey knit gloves, pairs	5,968,015
Wool gloves, pairs	6,415,846
Leather mittens, pairs	3,733,779
Canton flannel mittens, pairs	2,125,907
Water sterilizing bags	38,592
Barracks bags	4,315,307
Bed sacks	4,180,861
Commercial blankets	1,035,822
Three-pound blankets	1,413,492
Two-pound blankets	2,963,287
Large paulins	38,442
Small paulins	20,134
Shelter-tent halves	1,147,205
Pyramidal tents	111,559

Stocks of materials for clothing and equipage as of November 1, consisting of stock on hand, in transit to depots, and in the hands of contractors follow:

O. D. cotton cloth, yards	12,804,655
Denim, yards	19,295,371
Duck for shelter tents, yards	4,081,894
Duck for paulins, yards	2,625,839
16 and 20 ounce melton, yards	10,688,130
30 and 32 ounce melton, yards	3,242,982
Flannel for shirts, yard	9,192,272

INDEPENDENCE OF ARMENIA.

Mr. LODGE. I offer the resolution which I send to the desk, which, with the accompanying paper, I ask may be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 378), as follows:

Resolved, That in the opinion of the Senate, Armenia, including the six vilayets of Turkish Armenia and Cilicia, Russian Armenia, and the northern part of the Province of Azerbaijan, Persian Armenia, should be independent, and that it is the hope of the Senate that the peace conference will make arrangements for helping Armenia to establish an independent republic.

It is also the opinion of the Senate that provision should be made for the Syrians and other Christian populations of Asia Minor, and that those portions of Asia Minor where the Greeks are predominant should be placed under the control of the Government of Greece.

INDEPENDENCE OF COUNTRIES ON THE BALTIC COAST.

Mr. LODGE submitted the following resolution (S. Res. 379), which was read and referred to the Committee on Foreign Relations:

Resolved, That in the opinion of the Senate, Lithuania should be separated from Russia and given independence, and that the same right should be extended to the Letts and to Esthonia. All these people should have liberty and independence and their possessions on the Baltic coast make their independence a condition of great importance for the future freedom and peace of the world.

INDIAN GRAZING LANDS IN UTAH.

Mr. KING submitted the following resolution (S. Res. 381), which was read and referred to the Committee on Indian Affairs:

Whereas in the counties of Duchesne and Uinta, in the State of Utah, there is a large body of Indians lands known as Indian grazing lands, which has not been allotted in severalty to the Indians of the Ute Tribe, which lands adjoin the Ashley National Forest in the State of Utah; and

Whereas said lands are valuable for grazing purposes and contain areas which are also specially adapted to agricultural use and occupation; and

Whereas said lands are not being utilized for any beneficial purpose and are excluded from the use of the white settlers in said counties; and

Whereas the said Indians for whose use said lands have ostensibly been set apart are unable to occupy or make any economic or beneficial use of the same; and

Whereas said Indians for whose use said lands have been segregated and set apart are not making an economic or adequate use of said lands, and will not in the future be able to make an economic or adequate use of said lands: Now, therefore, be it

Resolved, That the Secretary of the Interior be, and he is hereby, directed to report to the Senate the present status of the so-called Indian grazing lands in Duchesne and Uinta Counties, Utah, and what means may be taken to extinguish the Indian title to said lands and open the same to use, settlement, and occupation, and whether it is convenient and advantageous to add said lands, or any part thereof, to the Uinta National Forest.

ADDRESS BY SENATOR THOMAS.

Mr. SHAFROTH. Mr. President, my colleague, the Senator from Colorado [Mr. THOMAS], in New York City, delivered an address to the National Association of Life Insurance Societies, on the 5th of December last, which was very learned, and which I think is a great contribution to those who are studying the problems which will arise after the war. Therefore, I ask unanimous consent that the address be printed in the RECORD.

The PRESIDING OFFICER (Mr. LEWIS in the chair). The Chair hears no objection, and it is so ordered.

The address referred to is as follows:

AN ADDRESS DELIVERED BY SENATOR THOMAS DECEMBER 5, 1918, TO THE NATIONAL ASSOCIATION OF PRESIDENTS OF LIFE INSURANCE SOCIETIES AT NEW YORK CITY.

"The swift and dramatic close of the great war is justly celebrated as the mightiest military achievement of the centuries. Peace has come to the afflicted nations with a suddenness they never dreamed of. We rejoice that the great conflict has ended with victory and that our appalling sacrifice of blood and treasure was not made in vain.

"Our triumph is over Imperial Germany and all that she arrogantly typified. Her conquest makes the world safe for democracy. A greater task now confronts us. We must make democracy safe for the world. This task has long been obvious, but it was visioned upon the horizon of a remote future. The mighty force of recent events has thrust it in our very faces. We shall have prevailed with the struggle for self-government only when we shall have thoroughly performed this added duty.

"We expected that ample time would be given to prepare for the larger task. But the unexpected happened. Germany broke with her first great disaster. What seemed a mighty

engine of military power, strong beyond imagination, lacked the cohesive force of a lofty national morale, and crumbled into dust before the battle shock of a unified alliance.

"We were not prepared for war with Germany, but we overcame her. We are not prepared for the new contest, but we shall conquer again. Democracy's last external peril disappeared with the despotism of the Kaiser. Her remaining ones are internal. They inhere in her theories of government and thrive by her toleration. They ran riot in her dominions before the war. They raised their sinister heads during its prosecution. They are now before us and around us. America, the greatest of democracies, must safeguard its fundamental principles. Her Statue of Liberty enlightening the world is more than symbolic. It is actual. It typifies the America of the twentieth century.

"What is democracy? The term can not be defined with exactness. It can best be comprehended by the process of elimination, by asserting what it is not. Democracy is not militarism nor anarchy. It is not socialism nor lawlessness. It does not confer absolute freedom, for that is inconsistent with equality of right. It does not require a republic; for the development of its principles are strangers to many of them, while its blessings are enjoyed by the subjects of many monarchies.

"Democracy is synonymous with ordered liberty, which respects and safeguards the rights of all. Its congenial structure is republican, and Elihu Root has finally said that republican government is organized self-control. Henry Ward Beecher declared the real democratic idea to be not that every man should be on a level with every other, but that everyone shall have liberty without hindrance to be what God made him. Any condition interfering with this conception is an unhealthy one. It may be deemed essential to class interest, but it is not democratic.

"I can not in the limited time at my disposal present more than a bare outline of some of the actual and potential problems surrounding and confronting the United States, upon whose solution its welfare and integrity largely depend. Some of these are of prewar birth, some forged in the red furnace of war.

"Democracy finds its natural expansion in social, economic, and political development. From the friction thus engendered come the ills which threaten its integrity. These lines of development must now pass through a period of readjustment before they again become normal. It is in this interval that we should ascertain our condition and set our national house in order, that other nations may guide their future by the lamp of our experience.

"Perhaps the most insidious danger to republican institutions is the indifference of the citizen to his public duties. The beneficiaries of free government become indulgent and comfortable; their responsibilities grow irksome and annoying. Their vigilance relaxes in their struggle for material things. Their time is absorbed in the pursuit of gain. The diversion of their energies from the needs of government is the opportunity of privilege, and privilege undermines democracy. The ills of the body politic will continue until the people awake to a full sense of civic obligation and realize that theirs is the business of government. To bring about this condition is a fundamental factor in the public equation.

"The war leaves us the legacy of a stupendous debt. It will reach, if it does not exceed, $55,000,000,000, or twice as much as the combined debt of the allied nations, including Russia, when the war began. The annual interest upon this stupendous sum will be $1,400,000,000, nearly twice the net total of the Nation's annual prewar expenditure. This means a vastly increased rate and radius of taxation. The people must bear the burden, for Germany can not make indemnity. They will bear it willingly if economy in public administration and the application of every dollar to the public needs shall become the policy of the Government. They will not and should not be content if the gross extravagances of the past continue. In 1910 Senator Aldrich declared that ordinary efficiency in public administration would annually save the people $300,000,000. It would now save twice that sum. If the taxpayers of America will unite in demanding a radical revision of our public service, a consolidation of duplicating bureaus, and the institution of the budget system in appropriations, it will be done. If they will also rigidly supervise public expenditures, taxation can be largely reduced. If they fail to do this, our appropriations will keep increasing, for every demand made upon the Treasury is complied with when political or organized force is behind it, and everything in these days is organized except the man who pays the taxes. Moreover, the huge debts of the nations, however well their revenues are managed and applied, will always be a fruitful source of disaffection. To those possessing none of it, yet paying taxes to meet its fixed requirements, the impulse toward repudiation may ripen into an insistent clamor. Once begun, it may spread like the virus of influenza, from nation to nation and from public to private obligations. Nothing could be more disastrous to a people than the success of such a movement, which will inevitably arise, whatever our policy. It is certain to materialize if in our financial administration we do not at all times apply sound principles to taxation and exercise a wise and frugal economy in expenditures. Nothing is more difficult in a republic than this if public interest is lax or nonexistent.

"Readjustments toward normal conditions must inevitably react on war prices and wages. The first will not be disturbing, the last may prove alarmingly so. Lowering of salaries and wages, though absolutely essential to a falling market, is always opposed by the wage earner and frequently to the extremes of violence. The higher these have risen the more bitter the opposition to their diminution becomes. This inevitable situation should be promptly recognized and every effort made to prepare against it. Labor should be urged to acquaint itself with the economic laws which compel the change and with its compensation in lowered cost of living. And the change should come as gradually and as universally as possible. These precautions may be taken without difficulty, with little trouble and with less expense. Their importance is self-evident. The most prejudiced and sometimes the most ignorant of men will listen to the persuasive influence of sympathetic discussion if interposed before their resentment becomes inflamed by a sense of injustice.

"Our immigration laws have been largely molded by political and economic considerations. The same is true of those relating to naturalization. Much of our immigration has represented the best of Europe. These have been of inestimable value to the country. They have cast their lot in America for all time, sharing our burdens and responsibilities and aiding in the great task of building a new nation upon a virgin continent.

"But the demand for labor and the need for ballots have flooded our shores with a mass of humanity apparently unassimilable. Politics bars only the Asiatic from our ports. Others are herded by trans-Atlantic steamship lines and delivered to our clamoring industries, which exploit their labor and neglect their souls. Their moral, material, and educational welfare receive scant consideration. They find no companionship beyond their own ranks, form themselves into racial groups, adhere to their national customs and language, learn nothing of American life or policies. They are as strangers within our gates, despised of employers and the public, doomed to the exactions of toil without lot or part in the land of their adoption. They measure our institutions, if they think of them at all, by the limited range of their unhappy experiences. Their conceptions of freedom and of citizenship can not be higher than their contact with the boss and the paymaster. They may at times inspire our curiosity or excite our distrust, but our sympathy and comradeship not at all. They attract the notice of political machines which encourage their naturalization to obtain their votes. This stamps the right to cast them as an asset of money value. They supply a rich and inviting soil for every social and economic fungus growth which hatred or ignorance may seek to propagate. Their colonies have become national plague spots, breeding places for all the ugly disorders of the century. They are dupes of the designing and the criminal, enemies of the established order ripening for revolt or revolution. They perceive all too easily the inequalities of society, the chasm between the very rich and the very poor, the power of combined wealth and the helplessness of the laws. Envy, hatred, neglect, the disdain of the community, and a blind sense of injustice, combine to inflame their animosities and expose their passions to suggestions of the torch and the sword as the sole arbiters of social and economic injustice.

"The disruption of the central powers, followed by the establishment of popular government for their liberated peoples, will doubtless remove all restrictions upon their continued emigration. The burden of debt, coupled with unsettled economic conditions, will encourage the western movement of their population. The added stimulus of the great steamship companies, eager for their old steerage traffic, may rapidly reestablish the high tide of antewar immigration. If it is to be checked, the dam must be erected on this side of the Atlantic, and no time should be lost in its construction.

"What are the dimensions of this evil? We are informed by the last census that our foreign-born population numbered 13,000,000 in 1910, or nearly one-eighth of the whole. Of these 6,000,000 were males of the voting age. The number attending English schools was very small. Most of them are packed in the crowded centers of our population. In this mighty city of prodigious contrasts are vast numbers of them. Every na-

tionality is represented, and their illiteracy is appalling. It has Italian colonies, Yiddish colonies, Russian colonies, Austrian colonies, Greek colonies. Your East Side is a vast mosaic of races, clannish, clinging to their native speech, strangers to our language, jealous of their own customs and disdaining ours. From Twenty-third Street south and First Avenue east there is nothing American. In that densely peopled region the English language is as lonely as the late Kaiser in Holland. Similar conditions may be found in Chicago, in Philadelphia, in Pittsburgh, in San Francisco, in nearly all the great cities. Save the struggle for existence these people have nothing in common with the native American.

"Your city typifies the general situation. It contains the germs of every social and political disorder. Part of its press are constant and competent sowers of sedition. Among these people class distinctions are magnified, and discontent and lawlessness encouraged. From such congenial soil was bred the Black Hand and the I. W. W., consecrated by their founders to pillage and murder. The red flag of anarchy is their symbol and war against the social order their shibboleth. A powder magazine unguarded, exposed to perils of accident or design, is not more dangerous to the community.

"Into the face of this sinister menace wealth flaunts the orgies of the great white way. It thus supplies the East Side with text and justification. A population, sullen with the discontent of poverty, confronted with the vulgar and ostentatious display of lavish extravagance, will not always remain quiescent. When the extremes of the Nation's social life jostle each other too harshly an explosion is inevitable. Such conditions can not endure. No government can be secure when the lives and tendencies of its people are essentially wrong.

"Bolshevism has given the world a hideous illustration of the fundamental truth that when liberty is divorced from law justice disappears. The freedom of unrestrained license is the only freedom of the mob. Under the sway of that many-headed despot crime holds high carnival. Robbery, rape, and murder are daily pastimes. The only authority is that of the strongest, and community life is transformed from a protection to a menace. It is to this chaos that international socialism would lead the world. Russian anarchy is popularly ascribed to the oppressions of the Romanoff dynasty, whose downfall shattered the foundation of the Empire. That is largely true. Yet it is a sinister fact that, excepting Lenine, nearly all the leaders of Russian bolshevism graduated from the swarming centers of New York, Chicago, and Philadelphia. Trotsky, Volodarsky, Vritzky, Martoff are some of them. Their bloody program was formulated here, and here they proposed to test it when opportunity beckoned, and Russia became their victim. From that continental slaughterhouse they salute their accessories in America and urge them to the commission of similar atrocities.

"The assimilation of races, so essential to a national unity, can not be effected under conditions now prevailing. While they continue our citizenship must be heterogeneous and discordant. A polyglot people, without geographical separation, with conflicting aims and ideals, united, yet socially, morally, and economically antagonistic, can not endure in a republic. Racial classification is the precursor of racial animosities, and racial animosities imperil the national safety.

"But our trend toward class distinctions is not wholly ethnological. It proceeds as well along other lines and finds expression in trades, in agriculture, in legislation. Our Federal laws bristle with clauses recognizing and favoring them. In matters of penalty, revenue, trusts, transportation, and appropriation we frequently exclude foreigners, workmen, Government employees, fraternal organizations, and some others from punitive and burdensome enactments. We also extend them privileges not conferred upon others less potential in numbers or influence. The equal protection of the laws will, if this practice be not abandoned soon, be honored more in the breach than the observance.

"The laws are potent for the protection and welfare of the citizen only as they are uniform in their application, just in their mandates, and respected by the people. Laxity in their enforcement and indifference to their requirements have long been a conspicuous and sinister feature of our national life. This is particularly true of the criminal law. The disparity between homicides and convictions will serve to illustrate the assertion. Their proportions are as 30 to 1, and those due to labor controversies seldom reach the stage of a formal indictment. The expense of modern litigation, crowded dockets, and the law's delays may be largely responsible for the low level of public respect for statutes and constitutions; but whatever the cause the evil is a serious one. The public safety depends upon the public order; the public order rests upon the sanction and the mandate of the law; and the law is made contemptible whenever its protection is denied to the meanest citizen.

"To this condition we must plead guilty, for it is a melancholy fact that the citizen frequently is denied the equal protection of the laws, either by exposure without redress to acts of violence or through the tedious and expensive processes of legal machinery. Both mean a denial of justice, and Burke said that a government not founded on justice labored under the imputation of being no government at all.

"During the past four years Germany has met our protest against her many successive barbarities with the retort that lynchings and burnings in the South and promiscuous murder in our labor disputes were quite as shocking exhibitions of American methods in time of peace as her own atrocities in time of war. And we must concede in deep humiliation that in such things the two peoples occupy the same low level. This condition justified the President's protest to his fellow countrymen of last August:

> "That every American who takes part in the action of a mob or gives it any sort of countenance is no true son of this great democracy, but its betrayer, and does more to discredit her by that single disloyalty to her standards of law and of right than the words of her statesmen or the sacrifices of her heroic boys in the trenches can do to make suffering peoples believe her to be their savior. * * * I can never accept any man as a champion of liberty either for ourselves or for the world who does not reverence and obey the laws of our own beloved land, whose laws we have ourselves made. He has adopted the standards of the enemies of his country, whom he affects to despise.

"Recent events show that the President's lofty rebuke has not been wholly effective, for in some communities mob murders have not ceased. Did they accomplish the end which is said to justify them, they would still be horrible. But the only effect is to prompt their repetition. And they are a hideous reproach upon Anglo-Saxon civilization.

"If our organic act means anything, every citizen is free to work according to his own desire. He should be subject only to the limitations of the law. To interfere with this right or permit others to do so with impunity is to undermine the foundations of our political structure. A law which does not throw the shield of its protection around him is worse than useless. It is a wanton delusion. On the other hand, ample punishment for the commission of crimes is provided and safeguards as well for the shielding of the innocent. All that is needed is their vigorous enforcement. If they are not applied, the fault is with the community much more than with the criminal. Let no man, therefore, justify his contempt for the law by pleading its nonenforcement. For that he is in part responsible.

"With all due allowance for considerations peculiarly applicable to the negro, he is entitled to the guardianship of the white man. His career has been a bitter one. He has been sinned against far more than sinning. He did not intrude himself upon us. He was brought here as a prisoner and slave. He earned his freedom 50 years ago by his devotion to his master's family in the dark period of our Civil War. He has since struggled upward against fearful odds. The great war gave him the opportunity to prove his devotion to his country, and well has he improved it. He has proved his loyalty to the flag under whose folds he has not always found protection. His blood, with ours, has consecrated the vast French battle ground from Chateau-Thierry to Sedan, and the armistice found him in the very vanguard of the western front. Surely such a record inspires our admiration, as it should command our gratitude. Who will deny that the negro has earned his right to the equal protection of his country's laws?

"Ours is a land of waste, and waste is the enemy of thrift. Some one has said that with our resources the French would have saved enough since the century began to pay her own and Britain's war expenses. The war has brought us the wisdom and the simplicity of thrift. We should make it a national virtue. It is the best cure for discontent, and grows with its practice. A thrifty man need make no search for something to relieve his needs. He has it. It is a fact of the highest significance that modern socialism discourages thrift. It is the foe of disorder; a virtue that becomes hostage to fortune. Hunger is stranger to it, and hunger never breeds reforms. Hunger breeds riot and bloodshed. The supernal wisdom of Jesus is clearly revealed to man in the Lord's Prayer, whose first supplication is, 'Give us this day our daily bread.'

"In America hunger is a social crime. Out of our abundance we can feed other continents. The fault lies in distribution. Food decays for lack of consumption in one section, while people starve for want of it in another. If private control of transportation can not solve the vital problem of its distribution public control must. If our railroads are inadequate, we must

construct more. If rates are prohibitive they must be lowered. Democracy requires food, and part of her mission is to secure it.

"Corporate mismanagement and consolidations, huge issues of fictitious capital, corners in foodstuffs, manipulation of stock markets, fortunes realized overnight through financial jugglery, preponderant control of money and credits disfigured the commercial history of the two decades preceding our declaration of war. They constitute a sordid and humiliating chapter of greed and financial profligacy, and amply justify the wave of public disapproval, culminating in political revolt and codes of primitive legislation. Congressional and bureau investigations have disclosed sorry spectacles of mismanagement and of trusts betrayed by men of great wealth and commanding influence for their personal and financial aggrandizement. Public confidence in the integrity and patriotism of their class has been seriously impaired.

"These practices can not be too seriously criticized. They have inspired as they have justified every extreme of agitation. They have been condemned alike by radical and conservative. It is not too much to say that they have done more to inflame public sentiment, breed anarchy, and stir up socialist propaganda than any single influence of the century. It is the anarchy of capital. It is bolshevism in high life. Such operations can not be resumed if we hope to preserve free government in America. Otherwise than in the fortunate development of mines, great wealth may be suddenly acquired only through sinuous and criminal manipulation. Its frequent occurrence demoralizes the people. It begets discontent and compels imitation. The effort to get rich quick becomes infectious. Men look with disdain upon the slow but legitimate processes of accumulation and drift from plodding industry to the stock ticker and the exchanges. And as the vast majority of the seekers for sudden wealth are predoomed to failure they will sooner or later join the ever-increasing army of the discontented and reproach the social order for their misfortunes.

"The well-to-do element of the country is its most influential class. It occupies the great domain of leadership and constructive development. It can ill afford to weaken the social and economic structure. It can not commit or countenance methods which breed discontent and unsettle confidence. It is the exponent, the guardian, and the director of material and financial integrity. Its position in the whole domain of the national activities is commanding. What it does or abstains from doing is therefore of great concern to the public and of prime importance to itself. When confidence in its honest or public spirit is impaired or overthrown the hour of upheaval will come. I therefore affirm that the suppression of the financial malversations so prevalent during the past quarter century is an insistent and overshadowing duty. Bolshevism and its kindred evils are their legitimate offspring. They supply the soap-box orator with his best ammunition and silence the protests of those who would eliminate him. You have purged life insurance of its financial sins. The bankers, merchants, manufacturers, and masters of traffic must profit by your example if indeed they have not already done so.

"Finally, the chasm between labor and capital must be spanned. This can not be done by force, by class resentments, nor by recrimination. It is a most serious problem, as it was before the war. Each of these great forces must understand the other's viewpoint. Both must realize that they are complements and coworkers of progress. Without the one the other is moribund. Neither can be discarded from the economies of trade and industry. Cooperation between them is indispensable to the public and private well-being. They must become partners in the largest sense, each exercising its legitimate functions for a common purpose. To assert this is a simple performance; to bring it about is a task for Titans. But it must be done.

"I have sketched in outline some of the difficulties with which the return of peace confronts us. The perspective is somber but not at all discouraging. Every generation has its tasks, and if ours is unduly burdensome its performance will place posterity under a larger obligation. Let us, therefore, one and all, clear the situation and strive to make our beloved country all that its ideals require. We must institute and enforce a rigid economy in public administration. We must unify our citizenship. We must have a common language with which all men and women must be made familiar. We must bring our institutions and traditions home to the understanding of everyone. We must extend the hand of sympathy and encouragement to every alien in the land, give him a stake in the country's affairs, and imbue him with the spirit of America. We must discourage the community life of the foreigner by teaching him the need for assimilation. We must require him to become naturalized within a fixed time after his arrival or return whence he came. We must make him learn the English tongue and become reasonably familiar with the requirements of citizenship as a candidate of naturalization. The splendid type of soldier which these people have contributed to the war is a happy augury of what their development will be when our citizenship realizes and performs its full duty toward them. We must suppress all associations devoted to the commission of crime and the advocacy of disorder. We must radically change our immigration laws. We must have no ensign but the Stars and Stripes. We can have no companionship with the red flag of anarchy and revolution. We must assert and enforce the equal protecton of the laws, do away with the mob, and gibbet the lyncher. We must teach the great truth that organized and ordered society is essential to man's existence and that protection of life and property is the basis of all governments worthy of the name. We must demonstrate that the strict observance of law is necessary alike to the happiness of nations and the security of communities. We must make treason odious. We must harmonize the discordant factions of industry and commerce. We must, if need be, forget party ties in the stress of tremendous obligation. We may each and all, faithful to our traditions and reverencing our ideals, struggle as Democrats and Republicans for the supremacy of our convictions, but we must remember that we are, above all, Americans, whose first and final duty is to perpetuate the welfare and shape the destiny of the great Republic. The ark of democracy's covenant was committed to Anglo-Saxon keeping long ago. Our fathers have proven worthy of the trust; we, too, must keep the faith. Henceforth the United States shall be a great training ground for the growth and development of a stalwart and genuine democracy."

THE REVENUE.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of H. R. 12863, commonly known as the revenue bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 12863) to provide revenue, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. SIMMONS. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be taken up for the purpose of disposing of committee amendments first.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

Mr. LA FOLLETTE. Mr. President, I do not object, provided it be understood that amendments that are objected to may go over for the present.

Mr. SIMMONS. That has always been the practice.

Mr. LA FOLLETTE. I suppose it has been the practice; but I should like to have it understood by unanimous consent, since we are taking up the bill without reading.

Mr. SIMMONS addressed the Senate. After having spoken for some time,

The PRESIDING OFFICER (Mr. KENDRICK in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 4637) for the retirement of employees in the classified civil service.

Mr. POMERENE. Will the Senator from North Carolina yield to me just a moment?

Mr. SIMMONS. I yield.

Mr. POMERENE. The unfinished business is here on a motion to reconsider the vote by which the substitute I proposed was adopted. I realize the importance, I think, of that bill and the much greater importance of the revenue bill, and as far as I am personally concerned I have not any desire to interfere with the revenue bill. I think it ought to have first place. At the same time I should like to have the motion to reconsider disposed of, but I am not willing that it shall be disposed of when there is less than a quorum here, and I do not want to have it disposed of at any time when I may not be here, because I shall have something to say upon the subject.

Mr. SIMMONS. Is the Senator through?

Mr. POMERENE. Yes.

Mr. SIMMONS. I desire to move that the Senate proceed to the consideration of House bill 12863, commonly known as the revenue bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

The PRESIDING OFFICER. The Senator from North Carolina will proceed.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah suggests the absence of a quorum, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Baird	Jones, Wash.	Overman	Smoot
Bankhead	Kellogg	Page	Spencer
Borah	Kendrick	Penrose	Sterling
Calder	Kenyon	Poindexter	Sutherland
Chamberlain	King	Pollock	Swanson
Culberson	Kirby	Pomerene	Thomas
Curtis	La Follette	Ransdell	Thompson
Fletcher	Lenroot	Reed	Trammell
France	Lodge	Robinson	Underwood
Gay	McCumber	Saulsbury	Vardaman
Gronna	McKellar	Shafroth	Walsh
Harding	Martin, Va.	Sheppard	Warren
Hardwick	Mulkey	Simmons	Weeks
Henderson	Nelson	Smith, Ariz.	Wolcott
Johnson, Cal.	New	Smith, Md.	
Johnson, S. Dak.	Norris	Smith, Mich.	
Jones, N. Mex.	Nugent	Smith, S. C.	

Mr. CURTIS. I wish to announce the absence of the Senator from New Jersey [Mr. FRELINGHUYSEN] on account of illness. I ask that this announcement may stand for the day.

I should also like to announce that the Senator from New Hampshire [Mr. MOSES] is detained from the Senate by illness. I will let this announcement stand for the day.

Mr. SUTHERLAND. The senior Senator from West Virginia [Mr. GOFF] is absent owing to illness.

Mr. SHEPPARD. I desire to state that the Senator from Kentucky [Mr. BECKHAM] is necessarily detained on official business.

Mr. McKELLAR. I desire to announce the unavoidable absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

The PRESIDING OFFICER. Sixty-five Senators have answered to their names. There is a quorum present. The Senator from North Carolina will proceed.

Mr. PENROSE. Before the Senator from North Carolina proceeds with his remarks, if I do not interrupt him too much, I should like to ask him what steps he has taken to have more copies of the bill printed, as well as the report of the committee? Besides, men all over the country want copies of the bill, and the supply is practically exhausted.

Mr. SIMMONS. I will state to the Senator that owing to the great size of the bill, comprising 278 pages, by Senate resolution we have been unable up to this time to get more than about 5,000 copies printed. I was contemplating introducing another Senate resolution for the printing of 5,000 more copies. If the Senator desires he may introduce such a resolution.

Mr. PENROSE. I am not particular about that, if the Senator wants me to do so. I should like to have included also copies of the report of the committee.

Mr. SMOOT. That can be done in a separate resolution.

Mr. SIMMONS. We will prepare such a resolution.

Mr. PENROSE. At the request of the chairman of the committee I will offer such a resolution, and I hope the Senator will offer a similar resolution for the printing of the report.

Mr. SIMMONS. I send the resolution to the desk and ask for its adoption.

The resolution (S. Res. 380) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That there be printed 5,000 additional copies of Senate Document No. 310, Sixty-fifth Congress, third session, entitled "Revenue bill of 1918," for the use of the Senate Committee on Finance.

Mr. SMOOT. Mr. President, I should like to ask the Senator from North Carolina if he will not prepare a concurrent resolution for the printing of 15,000 copies of the bill with the report? The demand from the House, I am told, is such that it has exhausted the 5,000 copies which have already been printed, with the Senate receiving only a very few copies of that number. I am informed that there is already a demand for about 10,000 copies of the report. That can not be supplied by a simple Senate resolution. I ask the Senator if he will not prepare a concurrent resolution providing that 15,000 additional copies shall be printed with the reports that have been made upon the bill.

Mr. PENROSE. I would suggest, as the chairman of the committee is overwhelmed, as we all know, with his task, that the Senator from Utah prepare the resolution and relieve the chairman to that extent.

Mr. SMOOT. I shall be very glad to prepare it.

Mr. SIMMONS. I will say that I conferred with Senators this morning about the preparation and introduction of a concurrent resolution for that purpose. If the Senator from Utah will be kind enough to prepare it and introduce it, I will agree to it.

Mr. SMOOT. I will do so in a very little while.

Mr. PENROSE. I should like to suggest in this connection that we ought to have 25,000 copies provided by the resolution the Senator from Utah is going to introduce.

Mr. SIMMONS. I think the Senator from Pennsylvania is correct. The demand for copies of the bill is very heavy.

Mr. PENROSE. Every cashier of every bank in the country and every business man has to have a copy of the bill.

Mr. SMOOT. The reason why I suggested 15,000 copies was because we have already ordered by the Senate 10,000 copies, and that would make 25,000 copies. I base my statement for that number upon the fact that we had 25,000 copies of the bill of 1917 printed and they were not all distributed, and I thought perhaps 25,000 copies would be sufficient.

Mr. PENROSE. The taxes were very much lighter in the act of 1917. These taxes, in some cases satisfactory, are staggering, and the bill will be read much more carefully than any preceding act of Congress on internal-revenue legislation.

Mr. SMOOT. I will make the number in the resolution, then, 25,000.

Mr. PENROSE. As has been suggested by one of my colleagues near me, the taxpayer will probably wear out two or three copies before he understands it.

Mr. McCUMBER. I should like to ask the Senator in charge of the bill whether provision has been made for printing the views of the minority with the rest of the report?

Mr. SMOOT. I intend in the joint resolution to provide that the report of the majority, with the views of the minority, together with other views which may be offered, shall be printed in connection with the report.

Mr. McCUMBER. I understood that the resolution which was agreed to provided for the printing of 10,000 copies of the report, together with 10,000 extra copies, and I want to know whether the report as it will be printed under that resolution will contain the views of the minority.

Mr. SMOOT. I was only speaking of the resolution I intend to offer. It will provide for the printing of 25,000 copies of the bill and also for printing the same number of copies of each of the reports that has been made upon the bill.

Mr. SMITH of Arizona. Is that all to be in one document, may I ask the Senator?

Mr. SMOOT. No. I will say that the concurrent resolution has not yet been offered to the Senate, but I have promised the Senator from North Carolina that I would prepare the resolution and offer it.

Mr. SMITH of Arizona. I should like to suggest that it would probably do better, for the purposes of a wide circulation, whatever purpose that may be, that it should be confined in the same resolution to the report and the bill, and let it go as one document; that instead of dividing it into four, five, or six parts, it should all be in one document. Then I think there would be no objection to the publication of it.

Mr. SHAFROTH. Let me make a suggestion to the Senator from Utah.

The PRESIDING OFFICER. The Senator from North Carolina has the floor. Does he yield?

Mr. SIMMONS. I yield.

Mr. SHAFROTH. Let me suggest to the Senator from Utah that the bill could easily be printed in the style of the report, that it would take a good deal less paper, and that it would be more convenient to have the majority report and the views of the minority and the bill all in one document. It seems to me everyone who will have the bill will want to see the report, and in that way it would be a saving of paper, and it seems to me it would facilitate the examination of the bill.

Mr. SIMMONS. Twenty-five thousand copies will be printed in the form the Senator indicates, as provided in the resolution passed a few days ago.

Mr. McCUMBER. Mr. President, a parliamentary inquiry. There was some confusion in the Senate. I understood that the resolution provided for printing 10,000 copies of the bill and the report. If that is true and that has passed, then we will have a provision for the printing of 10,000 copies of the report without there being attached to the report the views of the minority. I wish information from the Chair about it.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 380), as follows:

Resolved, That there be printed 5,000 additional copies of Senate Document No. 310, Sixty-fifth Congress, third session, entitled "Revenue bill of 1918," for the use of the Senate Committee on Finance.

Mr. McCUMBER. Then there has been no provision up to the present time for the printing of the report. I suggest to the chairman of the committee and the Senator from Utah, as has already been suggested by the Senator from Arizona, that in the

preparation of the document the report and the views of the minority be printed as a single document.

Mr. SIMMONS. I suggest that the Senator from Utah prepare it, and we will then see how it reads.

The PRESIDING OFFICER. The Senator from North Carolina will proceed.

Mr. SIMMONS. The Senator from Florida [Mr. FLETCHER] has indicated to me a desire to present some matter to the Senate, which he says will take him probably 20 or 25 minutes. I will yield to him for that length of time, as I am just a little weary now, and will then resume.

WOODEN-SHIP CONSTRUCTION.

Mr. FLETCHER. Mr. President, I am obliged to the Senator from North Carolina for yielding. I did not want to interrupt the consideration of the pending bill, but since it suits his convenience for me to present this matter now, I will attempt to do so very briefly.

We have heard a good deal of discussion with regard to the construction of wooden ships, and there has been evidently, as it seems to me, a pronounced propaganda intended to discredit wooden ships very largely. There is also an indication that there have been more contracts let for the construction of wooden ships than the Shipping Board now feels it would be wise to carry out, and they are considering the cancellation of some of the contracts for wooden ships. I am not urging that any new contracts for wooden ships should be made by the Shipping Board. It is probable that the better type of ship is the steel ship and a larger ship than has been heretofore contemplated, and I am not proposing to interfere with that program; but I do insist that the wooden ships which have been constructed and the wooden ships which may be constructed are neither unseaworthy nor valueless, and I do insist that the shipyards of the country and the industry should not be abandoned or stifled by way of resorting to other methods of construction or by reason of this effort to discredit the wooden ship, and that if the Shipping Board itself concludes to build hereafter different forms or types of ship and confines its operation largely to steel, still there is work to do for the wooden-ship yards. For instance, we need tugs. I think experts generally will agree that the wooden tug is quite as standard and quite as valuable a boat as the steel tug, and in some instances it is superior to the steel tug. There is also needed wooden construction for pontoons or for building dry docks or for building smaller craft, and I do not want the impression to go out that the wooden-ship yards are to be wholly abandoned in this country and that that industry is to go to pieces. I have some views on that matter which I think it timely to suggest now. I shall be as brief about it as possible.

THE WOODEN SHIPS.

The well-known naval architect and marine engineer of New York, Mr. Theodore E. Ferris, says:

Ship property probably has more critics and less originality in its production than any other commercial constructive industry.

He gives reasons.

Some years ago the wooden ship was to a large extent discarded, superseded by steel vessels.

Then arose antagonisms to the wooden ships largely founded on prejudice, and there have been reasons operating against any correction of this prejudice. A great deal of misinformation has been added. There was strong opposition to the building of any wooden ships when the United States Shipping Board was hurrying to construct vessels which might serve the country in the hour of its greatest need. When, finally, it was announced that the board would build some wooden ships there was a storm of protest and dreadful predictions of failure filled the newspapers. It was in vain called to mind that for more than 2,000 years the wooden ship had sailed the seas, and the commerce of nations since the days of Tyre had largely depended upon wooden ships. To be sure, the large, modern passenger or cargo carrier built of steel is superior to the wooden vessel of approaching dimensions. But that the wooden vessel of smaller size, quick construction, whether sailer or steam, is a most useful and valuable vessel, standard in every way, there can be no possible doubt. Mr. Ferris designed a 3,500-ton wooden steam vessel and contracts were let to build them by the Emergency Fleet Corporation formed by the Shipping Board. There were some of the Hough type and some of the Dougherty type; in all 730 contracted for. They were laid down for emergency ships for oversea service and otherwise for general, all-around cargo business.

There have been delivered up to the 20th of November 98 of these wooden steamers completed. Of these, 76 have already carried cargoes or have sailed in ballast for loading ports. The others are being made ready for service; 367, including the 98 already referred to, have been launched. In addition to these 367, work has commenced on 193, and they are in partial frame or better. Contracts have been let, but work has not started, on 171. The Shipping Board has actually canceled 48 of these contracts and has authorized the cancellation of 100 more.

This has been done because it has been found that the board will have more of those ships than it can economically utilize, particularly when it takes into consideration the 400 steel ships built on the Great Lakes of about the same size and capacity.

No doubt, too, the board is influenced by the propaganda against wooden ships and the many false reports put in circulation concerning them, thus influencing the public mind to conclude that they are unseaworthy and almost worthless.

Some of the wildest, most absurd rumors have been put in circulation about them that could be conceived.

I have a complete list before me showing the record of each one of these ships which has been delivered.

The first one, *North Bend*, built by Kruse & Banks, of Coos Bay, Oreg., was immediately placed in the trade between the Pacific coast and the Hawaiian Islands, carrying general cargoes outward and sugar inward, first sailing from San Francisco to Honolulu June 3 last with coal. She sailed September 17 from San Francisco for New York with a general cargo, and from New York with general cargo for Cristobal November 2, arriving November 13.

The next one, *Biloxi*, built by Grant, Smith & Porter, St. Johns, Oreg., sailed the day she was delivered from Portland with lumber for San Francisco. Since then she has been operating between San Francisco and Honolulu until October 22, when she sailed for Chile, presumably to bring nitrates to Atlantic or Gulf ports.

These ships have been bringing coal on the Atlantic coast, nitrates from Chile, general cargoes on the Pacific coast to and from ports on the Pacific to ports on the Atlantic, lumber, sulphur, and other cargoes from the Gulf, coastwise, and, so far as I can learn, their performance is looked on with favor. Some of these ships have gone to dry dock for caulking, and one or two with rudder or engine trouble, but there has been no more of this than might be expected, no matter what the type of construction. So far as losses, beaching, and wrecking are concerned the facts are there have been just three total losses, to wit, the steamer *Coos Bay*, built by Kruse & Banks, foundered on September 11, 1918, during heavy weather, while bound from San Francisco to the west coast of South America in ballast; the steamer *Black Ford*, built by Gray's Harbor Motorship Co., was abandoned at sea during the same heavy weather of September 11 and drifted ashore on the west coast of Mexico on September 25. She was bound in ballast from San Francisco to the west coast of South America.

The steamer *Dumaru*, built by Grant, Smith & Porter, St. Johns, Oreg., while bound from the Pacific coast to the Philippines, was, in the vicinity of the island of Guam, struck by lightning on October 16, her cargo of oil exploded, and she was burned. This is the evidence of "unseaworthiness"—three losses, two from storm and one from lightning, since last June.

I think we should be governed by the facts. What we want is the truth. No matter whether that be favorable or unfavorable, good or bad, the truth should be known. We are in a position to know the facts because these ships have been in actual operation. They have actually been carrying dry and perishable cargoes. They have been operating successfully. Whether they have been operating economically and make a good business showing I have not complete data to prove. That can be supplied undoubtedly by the Shipping Board.

It has been announced that the board is willing to sell some of these ships because they are not required for any particular service. Can that be the reason for denunciation of them and the studied effort to discredit them? Be that as it may, a responsible party, an experienced ship operator, tells me that he is ready to buy a few of them at $725,000 each.

They are not adapted to trans-Atlantic service, where it is necessary to bunker for the round trip. The coal they would be obliged to carry would take up too much space and reduce too much the space for cargo. They are not of excessive draft. They weigh no more, equipped, than the steel ships which carry water ballast. They perform equal to the steel ships under like conditions. They are intended to operate overseas and to the West Indies, carrying all sorts of commodities, dead-weight cargo, such as sugar, cement, nitrates, coal; and being of the well-deck type, deck loads can be carried, such as barreled goods, structural steel, cars, boilers, machinery, lumber, and wood in the wells.

The well-deck or three-island type of ship, which these are, has been accepted by the merchant marine of the world as the

all around most useful cargo ships, as Mr. Ferris claims. The Norwegians, who rank among the most expert ship operators, have adopted them almost universally. This is largely true of British owners.

Of course, vessels may be wanted for specific trades for which these would not be suitable.

For instance, if it is desired to carry bulk cargoes of large cubic and small dead-weight such as package freight, like cotton, with no deck load, you would want a different kind of ship. The cubic ship would be best for that service.

If it is desired to make full cubic ships out of these vessels, that could be accomplished at any time by closing in the wells.

They can be made complete two-deck vessels by closing in the forward well.

The cargo capacity could be increased by placing the machinery aft, instead of amidships, but this would not be advisable when the service is to be ocean service. Mr. Ferris favors a larger ship of this type. It is conceivable that heavy engines, racing in a rough sea, might shake, strain, loosen up the parts, and tend to rack a big ship of wooden construction. Certainly, however, wooden construction up to, say, 350 feet keel has been thoroughly demonstrated to have real merit and unquestioned value and is approved by all of the maritime nations of the world.

What I complain of is the effort to stifle or destroy an important industry in this country when there is no reason or sense in such a course.

Shall every wooden-ship yard of the country be put out of business because of this absurd and false propaganda, to the effect that the wooden ship is a failure and no more wooden construction should be allowed? We have the material and now the trained workmen, the well-equipped yards. Are these to be utilized, an extensive and highly important industry maintained, or, by reason of prejudice, ignorance, or misrepresentations, these resources, facilities, and opportunities must be wasted and abandoned?

Any other nation with the slightest appreciation of what the use of the sea means would rejoice and take full advantage of such material and facilities. Surely we will not be so blind or prodigal as to discard them. Foreign countries will keep our wooden yards busy if we will permit them to do so. Shall we play the dog in the manger, reject wooden construction, and then say our builders shall not construct for foreign account? In my judgment, we should build wooden tonnage for Americans and for foreign account, and remove all unnecessary war restrictions upon operation. The sooner this policy is adopted the better.

Mr. President, I have submitted some of the criticisms which have come to me, which have been reported in the newspapers, and which have been founded upon rumors largely to Mr. Ferris, the well-known expert and naval architect of New York, who designed the 3,500-ton Ferris type of wooden ship which was adopted by the Shipping Board. I have his reply to some of those rumors and reports which I formulated and submitted to him, which I desire to have inserted in the RECORD as a part of my remarks. I submit his letter of September 27 and also his letter of December 4.

I have also a statement from the Shipping Board, entitled "Performance of the 98 wooden steamships delivered to the Emergency Fleet Corporation up to November 21, 1918." I should like to have that also inserted in the RECORD.

The PRESIDING OFFICER. The Chair hears no objection to the request of the Senator, and permission to do so is granted.

The matter referred to is as follows:

NEW YORK, *September 27, 1918.*

Hon. DUNCAN U. FLETCHER,
Chairman Committee on Commerce, United States Senate,
Washington, D. C.

DEAR SENATOR FLETCHER: Your interesting letter of the 14th instant was duly received, and I have not replied before this date owing to absence.

The criticism set forth by the shipbuilder and operator that has called on you, and these criticisms as you have frankly stated them to me are indeed somewhat sweeping.

I do not know if you are aware that ship property probably has more critics and the least originality in its production than any other commercial constructive industry, this because of the diversities of the trades in which the ships are employed, difference in commodities carried, and methods of loading and discharging not at all common to the various commodities transported. That is, the cargo ship that comes nearest being common to all trades is what is known as the well-deck, or three-island, type of ship. While in the line business, the ships are more or less of a specific type and character for the service in which they are to be engaged. Further, great pride usually connected with the design and building of ships tends in the main to cultivate criticism and jealousy. Also we find that most everybody that has to do with ships feels they know all about them, both as to design, construction, and operation, and proper types for specific trades, whereas the facts are, as the past has shown, the worst failures are where the owner and operator thought he knew the design and construction and dictated it; in other words, was the homemade naval architect. The results with the ships thus produced has proven that little knowledge was dangerous.

For the past 15 years in my work in designing and building of merchant vessels it is conceded I have had more experience than any other one person in learning the requirements and coping with the steamship operators, and the facts are I have yet to experience a failure with a merchant vessel. There is ample record of the ships turned out at my hands, both as to number of ships and types.

To point out how opinions will differ as to what is proper and correct in a ship for a specific trade: For some seven years past a large steamship interest with subsidiary operating companies, each one managed separately by its president, I have endeavored, without success, to get them to agree on one standard cargo ship that would in their opinion meet the requirements of all. Up to the present time this is a failure and seems to be impossible. Two of the subsidiary companies handle bulk freight carried under decks. The other two subsidiary companies carry dead-weight cargoes and deck loads and are more or less in the line of tramping business.

Now, as to the wooden ship, I do not know if you fully appreciate—and which is probably because of the wooden ship having been discarded; that is, practically superseded by steel vessels some years ago—the trouble in maintenance of the wooden ship experienced by some of the old school of operators. To bring the wood ship back now and have it looked upon with favor is a difficult matter. We all know how difficult it was to get owners to believe in the iron ships when they first came into existence, and this we are now in a way repeating with the wood ships. There exists to an extent an antagonism against the wood ship which to a great degree is prejudice and a great deal is assumed without fact. For instance, a wood ship goes into dry dock and the critics just seem to feel free to say it was because she is leaking or had some structural weakness that caused her to leak, or other similar defect made up to nourish assumptions already founded on false premises and their expectations of what the wood ship was going to be.

It has plainly come to my realization—perhaps more so on account of being unaccustomed to it—that in a national matter where public money is being spent there seemingly is great criticism. Everyone would have done different, has different ideas, suggestions, and results than the fellow who was called upon to do it. No matter how faithfully the work had been done, he would be wrong in the eyes of these people. It seems to me, and in this I am sure you will concur—that you should know the real facts about these wooden ships. Never mind whether the facts indicate good or bad, the actual truth is what I am sure you want. Opinions and criticisms are numerous and in the same category as offered advice, which, according to the old saying, the latter usually has a bad odor. These opinions have no place in the premises; actual facts and the truth is the only matter to be considered with the proving up of these ships in actual operation, whether or not they will carry dry and perishable cargo, operate economically, and show themselves to be a good commercial proposition.

Section 1 of your letter states: "That there are five wooden ships, Ferris type, completed and started out for business. They are now somewhere in dry docks between Beaumont and Boston. Each one of them proves a practical failure."

The facts are, in accordance with information I have, there are to date, or, rather, as I understand it September 15, 353 ships, including requisitioned ships completed, a total of about 2,110,000 dead-weight tons. Of these 353 ships 41 are of wooden construction, and out of the 41 wooden ships I should say, approximately, 30 of them are of the "Ferris" type. Of this number some 15 or 20 are from Atlantic coast and Gulf yards and are now in service or practically ready to start on a voyage, certain ones having already made complete voyages. There have been to date, so far as I know, none of these ships pronounced as "practical failures." Quite to the contrary, their performance is looked upon with more or less favor, these about the facts and the above-quoted statement is quite untrue.

Section 2 of your letter states: "They leak so badly they have been obliged to put in dry docks and were found to have from 2 to 10 feet of water in them."

It is my understanding that each and every ship completed at the finishing yard was ordered to be dry-docked, to be given the once over, and see that they were all right before going to sea. In fact, this procedure is not uncommon in any and all vessels. There are exceptions, however, in the case of steel ships, where they are finished and go to sea without a docking before proceeding to sea.

In some cases, in fact I might say a number of cases, as I understand the situation, several of the ships being the first built and going through the pioneer work of the first building, have when on the dry dock had some work done on them; more fastening or original fastening put in around stern. These ships, as you know, are single screw, and when racing in a seaway the fastening around the stern must be of a most secure nature.

The keels of practically all these ships were laid purposely with a sag of about 6 inches. While I do not know the details, I hear that one of the ships when docked was laid on straight keel blocks, which, of course, straightened her out and caused her to leak. There has been some few cases where the ships leak some. This was due only to calking and not from any other cause except the one above mentioned. As to any of the ships having 10 feet of water in them, I believe this is absolutely untrue. Anyone making such a statement, I think, ought to be called upon to produce the facts.

Section 3 of your letter states: "That they are excessively heavy and of excessive draft. The timbers are too large and too numerous in them, and the material in them has not been properly distributed, both as to the wood and the steel."

The facts are that none of these ships are of excessive draft over what they were originally intended to be. Quite to the contrary, from information I have, they carry in excess of the intended dead weight about 200 tons and they trim properly under light conditions. That is, they draw a sufficient amount of water aft that propeller wheel is properly immersed, so as to perform at sea without ballast. Would explain right here that a wood ship has no means for water ballast; that is, double bottom similar to steel vessels, to put them down when light. It is obvious, therefore, that a wood ship's increased weight—that is, weight of the equipped ship over that of a steel ship—about makes up the weight of water ballast in a steel ship. The wood ship, if of proper model and trim, will perform equal to the steel ship under light condition—the steel ship with water ballast and the wood ship with no ballast—provided the machinery is placed amidships in the latter.

I can appreciate that to anyone looking at these ships under light conditions they may appear to be of excessive draft. But anyone who is not from the Lakes and has actually had experience in operating ships in ocean service knows or should know fully this condition.

As to the timbers in this ship being too large and too numerous and the material not properly distributed, the facts are the instructions in designing these vessels were that they were to perform in ocean service. Please understand this statement takes no account as to whether the ships are large enough for overseas service. Further, received instructions that they were to receive the highest class of the American Bureau of Shipping. The Classification Society is in the main responsible for the size of timbers, number and distribution of material. It is my judgment, however, and it always has been, that if these ships are going to operate overseas and some of them, say, to the West Indies carrying all sorts of commodities, I mean dead-weight cargo, such as sugar, cement, etc., that their construction is not too heavy especially in the pioneer wood-ship building, where something has to be allowed in this respect to offset some inferior workmanship, fastening, etc., and especially in cases where the ship is built of soft wood; that is, we class yellow pine as soft wood.

It is true considerable timber could be cut out in the way of shelf logs were it possible to obtain knees in place of them. If these ships were for moderate coastwise service only and for package-freight service, such as on the Great Lakes, their scantlings could probably be reduced to some extent, and might to a moderate degree in the present situation when the builders become more skilled in the fitting and fastening of timbers. For anyone only acquainted with wood-ship building on the Lakes, where oak is universally used, to them no doubt the scantlings of yellow pine appear too large and numerous.

Section 4 of your letter states: "That comparatively slight changes in design would give a ship at a saving of 20 per cent in material, at a saving of that much in the cost, 20 per cent of the cost, at an increase of cargo capacity of something like 25 per cent."

I can not imagine how a slight change in the design can possibly effect a 20 per cent saving in material unless the classification societies requirements for scantlings was abandoned or unless a different grade of timber was used; for instance, oak instead of soft wood or yellow pine. In this type of construction little can be done in reducing scantlings and still meet the requirements of the classification societies. It is a fact, however, that a considerably larger ship could be built with no great material increase in scantlings. If a type of construction was adopted, such as diagonal wood strapping, the majority of the yards building these ships could not have done the work.

As to increased cargo capacity, this is simply a matter of type. To explain, if the machinery was placed in the stern of these ships similar to Lake practice, the after well closed in there would be gain in cubic capacity by eliminating the shaft tunnel and using part of the after-peak tank for auxiliaries and a further gain due to closing the after well. This would result in increased draft of the ships under free-board regulations and in return increased dead weight. The cubic capacity could be further increased by closing in the forward well and making them complete two-deck vessels. The present ships were not laid down without due consideration of the above and without due consideration of the losses against the gains. Further, the machinery could be retained amidships and the wells closed in and thus increased cubic and dead-weight capacity would be gained.

Now, as for a wood ship with machinery placed aft for ocean service—that is, a coal burner, which she must be, because it is not possible to carry fuel oil in wood hulls without enormous expense in providing metal tanks. Such a ship, due to weight of machinery and coal bunkers in the stern, I claimed from the start would not perform satisfactorily in ocean service, and have no reason to retract from this. The strains on the ship are too enormous; due to bunkers burning out with no ballast tanks to pump up, trim can not be maintained, and performance is decidedly unsatisfactory.

The flush-deck vessel for general cargo service on the Lakes is looked upon with favor, but for service to the West Indies, and, in fact, overseas, the well-deck type of ship has stood up against them all, having the ability to carry all kinds of cargo up to density of 60 cubic feet per ton, and in addition has sufficient stability to take care of a deck load. Lake operators know little or nothing about deck loads, which have become more and more permanent in our American cargo ships for service to the West Indies, etc. Barreled goods, structural steel, cars, boilers, machinery, and such commodities, including lumber and wood, are carried in wells of these ships as deck loads, which the flush-deck ship can not get away with.

Section 5 of your letter states: "Particularly the heavy keelsons running parallel on both sides of the main keel and extending some 3 feet up in the ship would necessarily interfere greatly with the discharge of cargo and are considered as being unnecessary."

It is true these girder keelsons are of some slight obstruction, but a statement that they are some 3 feet up in the ship is absolutely untrue. The fact is they extend up in the ship 16 inches and are put there for strength.

Further referring to section 5: "All the heavy timbers he considers are much too large." "He does not believe the ships will be of material value as a part of our mercantile marine. The machinery and furnishings are superb. The hull is of a design which builders discarded in 1882, but in less than a week the design could be altered so as to effect the advantages and economies mentioned."

I have made mention in the foregoing regarding the heavy timbers, and as for the ships being no material value in our mercantile marine, this can only be answered as time goes on. Their operation will have to prove this. If they show they can carry dry and perishable cargo and operate economically, then if they are not of any value it is because of two things, bad management in operation or units too small to be profitable. As to the design being discarded in 1882, do not know just what is meant by this; if it is the type of ship, would state that it has never been discarded. The well deck, or Three Island type of ship, which these ships are, have been accepted by the merchant marine of the world as the all around most useful cargo ship. The Norwegians, who rank among the keenest of ship operators in the world, have adopted them almost universal. Except as to some modifications, this also applies to English owners, who in some cases adopted long poops or quarter-decks, and in all cases the machinery is placed amidships. While it is true alterations could be made to the design, but as it affects materials ordered and the whole program of construction, vast time in delay and confusion can not other than but occur.

Permit me to make it clear that when these ships were laid down the distinct understanding was that they would be emergency ships for overseas service, and otherwise for general all-around cargo business. If it is now contemplated that the vessels as a whole or certain ones of them be employed in specific trades, for instance, the carrying of bulk cargoes of large cubic and small dead weight, such as package freight coastwise, cotton, etc.—no deck loads—their type is not especially adapted to this sort of business. For this service what is known as a cubic ship is best. The criticisms that have been made as to the capacity of these vessels can not be in common sense unless the party has distinctly in mind the employment of the ships in a specific service of this character.

Your reference that "since these five ships are in the water and actual experience with them has taught something, do you not think it would be well to look one of them over some time soon and consider the design further and any possible changes"? Beg to say I have followed the wooden ships as well as the steel ships because of my great interest and strenuous efforts in behalf of the Government. Of course, having no official connection, it is not possible to know a great deal in detail. On about September 3 I went over the wood ship *Alvada* while she was here in New York and am inclosing you copy of letter written Mr. James O. Heyworth, manager Division of Wood Ship Construction, at that time as a result of my inspection of this ship.

I think you should have any and all information that might be of interest or bears on the facts. However, may I ask that you kindly treat the letter as confidential? I have no interest in the whole matter except honest work and dealings in my profession at my hands, realizing years ago that no other can be lasting.

In the case of the *Alcada* it is interesting to know that while I was around the dock previous to going aboard there were reports circulating that she had 2 feet of water in her. I mention this to point out what I referred to in the first part of this letter. The fact is, as I verified it, the ship had not been leaking. She did go to dry dock, however, to take her rudder off and fit on it a reinforcing strap, but for no work on account of leaking.

In connection with my reference to the performance of these wooden ships, it is my understanding that 24 of them have been assigned for a voyage to Chile to bring back nitrate and about 15 out of the 24 are of the standard "Ferris" type. A cargo of nitrate will be an excellent test, provided the ships get in a good stress of weather on the return voyage. When these ships arrive at the Atlantic ports we will then know how they can stand up to their work.

I understand from recent reports that one of the Hough type of ships has foundered at sea off the Pacific coast. This is the ship of straight timber construction that was so much agitated in the early part of the wood-ship program. I am inclosing certain letters which dealt with that class of ship at that time, which perhaps you would be interested to note.

In closing, would say that it is my view, because of the experience gained in wood-ship construction, if the building of wood vessels is to be continued, a larger ship should be adopted. In the main, I believe it would be unwise to entertain any alterations to the present 3,500-ton wooden ships, for no specific gain can be made unless classification is waived or some of the ships are wanted for specific bulk freight trade, as I have referred to. In fact, if it is desired to make full cubic ships out of them, this could be accomplished at any future time by closing in the wells.

Respectfully, yours,

THEO. E. FERRIS.

NEW YORK, *December 4, 1918.*

Hon. DUNCAN U. FLETCHER, Esq.,
Chairman Committee on Commerce,
United State Senate, Washington, D. C.

DEAR SENATOR FLETCHER: I regret the delay in replying to your favor of the 29th ultimo, which was due to my absence. Have received in this morning's mail copy of your statement on the wooden ship, which I think is exceedingly good, and it was thoughtful of you to send copy of same to me.

You refer to report you have from the board which shows rumors that "the ships are failures; they leak, have engine trouble, rudders must be replaced with steel or iron; a lot of them beached and others in dry dock, etc., etc.," and you mention that such rumors are basely false. They are not only false but certainly harmful in a national matter, and those who will indulge in them are not truthful, have little interest in actual facts, and bent on circulating criticism. I do not suppose you could ever get any steel-ship builder to see any good whatever in wooden ships.

You ask for permission to use, if you discuss the matter in the Senate, my letter of September 27. I have no objections to this at all, except, of course, the confidential portions where same might possibly involve some other persons, and naturally I would want to see this avoided. So far as I am concerned, would greatly appreciate keeping out of any possible controversy, but would not shirk one if facts and truth were at stake.

You ask if I have any later facts as to operations, seaworthiness and commercial business showing they have made. Regret to say I have nothing more than general information. The ships that came from South America with nitrate I understand did very good work; in fact, seem to prove that none of the standard wood ships thus far have shown the slightest structural weakness. In fact, quite to the contrary, and some of them have been in pretty heavy weather.

It is correct, as I get the information from the American Bureau of Shipping, that there has been some trouble with rudder stocks, which was partly due to not having obtained the best material for them and partly on account of steering gear overrunning and putting improper twist on the stocks. I had some correspondence with Mr. Heyworth about this, and inclose copies of the letters, which are self-explanatory.

I telephoned to-day to the marine superintendent of one of the operating companies that has 16 of the wooden ships—14 of the standard type and 2 of the Hough type. Twelve of these ships have been running between New York and Galveston and there are 4 not quite ready yet. These 12 ships that have been running between New York and Galveston are carrying general cargo, and some of them, in addition to running to Galveston, have gone over to the West Indies. This marine superintendent, who certainly is a capable judge, tells me that the ships are doing very good work, have absolutely no structural weakness, and are stanch in every respect. In some cases they have had caulking to do on the ships, but that this was to be expected. He also says the ships load and discharge cargo very satisfactorily.

I also have information from the Pacific coast, where several of the ships there have carried sugar cargoes between Honolulu and San Francisco. A sugar cargo is a very particular one, for a small amount of water usually results in considerable damage, as it penetrates through the bags of sugar and the bags are thrown out and classed as damaged cargo. I understand there was no damage in these sugar cargoes. Therefore these ships could not have leaked very much.

You inquire as to what is the length of the keel in the Ferris type 3,500-ton ship. Beg to say these ships are 268 feet on the keel.

Your mention that one correspondent is inclined to limit wooden construction to 220 feet keel length is interesting, and can only say, if this correspondent really believes this, he is not conversant with wood-ship building as we now know it.

During my connection with the Government shipbuilding program, and that part in connection with the wooden ships, believe I came in contact with pretty much all the various proposed methods of construction. Also made quite a study of what had been done in wooden-ship building. Not only did I meet and converse with practically all the wooden-ship builders of the country but also have gone among the yards on the Gulf and Atlantic coasts and also on the Pacific coast.

While I dislike to say so, I must confess that the old tradition wood-ship builders of this country—they were few—represent the great diversity of opinion as to proper wood-ship construction, and certainly were a self-opinionated lot of men. Really based on what we have proven in the Government wooden-ship-building program, these men did not know the fundamental engineering principles entering into a vessel built of wood. In laying down the Government ships flat floor—that is, without much dead rise—so as to get floor timbers without butts, throw girder load from bilge to bilge, and systematically steel-strapping the ships, we have produced the only wooden ships ever built in this country that have not shown any tendency to hog, or rather push the bottom up. Further, the wood-ship-building regimen that came from the Pacific coast at the beginning of the Government shipbuilding program emphatically stated that sternposts and deadwoods could not be constructed of wood to hold a single-screw arrangement, and it was their idea that all self-propelled wood vessels would necessarily have to be twin screw. In the standard Government wood ships, which are single screw, the sternposts and deadwoods are standing up admirably, and the racing of the larger propeller wheel has not shown any bad effects thus far with these ships. Further, the universal claim that propelling machinery in a wooden ship, due to vibration, would rack and loosen the vessel's hull is not the case. The ships show no sign whatever of any trouble in this respect.

Of course the wood ship can not commercially be put on a parallel with the steel ships. I say commercially because a wood ship weighs about 15 per cent in excess of steel vessels of equal dimensions, or carries 15 per cent less cargo with the same amount of propelling power expended. Their upkeep and maintenance are somewhat more, but for any person or body of men to contend that because a ship is built of wood she is a failure and is of no commercial value is ridiculous and can only be based on purely prejudiced deductions.

My great regret with the Government wood ship is that we were allowed to be a little too much influenced by the so-called practical wood-ship builder, who, as it has turned out, did not even know the fundamental principles. By their influence we limited the size of the ship to 268 feet long, and I now feel absolutely sure that just as satisfactoty a wood ship can be built up to 320 feet long of 5,000 to 5,500 tons dead-weight carrying capacity, which in unit size is very much more attractive than the 3,500-ton wood ship and would do well overseas. It is also to be regretted that these wood ships could not have been fitted with Scotch boilers instead of water-tube boilers, the latter being forced upon us because of the emergency and the stated impossibility to get boiler plates, furnaces, and tubes, together with the necessary facilities to produce Scotch boilers. This, in fact, applies to many of the steel ships, and I do not believe, and never did, that the water-tube boiler will be a permanent thing in any cargo ship, the Scotch boiler being practically the only one for this class of ship.

Respectfully, yours, CHAS. E. FERRIS.

PERFORMANCE OF THE 98 WOODEN STEAMSHIPS DELIVERED TO THE EMERGENCY FLEET CORPORATION UP TO NOVEMBER 21, 1918.

[Compiled by David L. Ewing, Assistant Director of Operations, United States Shipping Board, Emergency Fleet Corporation, Washington, D. C., November 22, 1918.]

WOODEN SHIPS DELIVERED TO EMERGENCY FLEET CORPORATION.

North Bend (Hough type). Builders, Kruse & Banks, North Bend, Oreg. Delivered May 27, 1918. Sailed from San Francisco June 3 for Honolulu with coal; arrived June 13. Sailed from Honolulu June 23 for San Francisco with sugar; arrived July 5. Sailed from San Francisco July 26 for Honolulu with general cargo; arrived August 5. Sailed from Honolulu August 14 for San Francisco with sugar; arrived August 27. Sailed from San Francisco for New York September 17 with general cargo; arrived October 18. Sailed from New York November 2 for Cristobal with general cargo; arrived November 13.

Biloxi (Hough type). Builders, Grant, Smith & Porter, St. Johns, Oreg. Delivered June 26, 1918. Sailed from Portland June 26 for San Francisco with lumber; arrived June 29. Sailed from San Francisco July 16 for Honolulu with general cargo; arrived July 27. Sailed from Honolulu August 8 for San Francisco with sugar; arrived August 21. Sailed from San Francisco September 8 for Honolulu with general cargo; arrived September 19. Sailed from Honolulu September 25 for San Francisco with general cargo; arrived October 7. Sailed from San Francisco October 22 for Arica in ballast.

Wasco (Hough type). Builders, Grant, Smith & Porter, St. Johns, Oreg. Delivered June 30, 1918. Sailed from Astoria July 1 for San Francisco with lumber; arrived July 4. Sailed from San Francisco July 17 for Honolulu with general cargo; arrived July 28. Sailed from Honolulu August 2 for San Francisco with sugar; arrived August 20. Sailed from San Francisco September 6 for Honolulu with general cargo; arrived September 17. Sailed from Honolulu September 25 for San Francisco with general cargo; arrived October 5. Sailed from San Francisco October 22 for Chile in ballast; arrived November 17.

Quidnic (Hough type). Builders, Kruse & Banks, North Bend, Oreg. Delivered June 30, 1918. Sailed from San Francisco July 7 for Honolulu with general cargo; arrived July 19. Sailed from Honolulu July 24 for San Francisco with general cargo; arrived August 5. Sailed from San Francisco August 18 for Honolulu with general cargo; arrived August 29. Sailed from Honolulu September 1 for San Francisco with sugar; arrived September 17. Sailed from San Francisco September 25 for Honolulu with general cargo; arrived October 6. Sailed from Honolulu October 13 for San Francisco with sugar and pineapples; arrived October 25.

Kasota (Hough type). Builders, Grant, Smith & Porter, St. Johns, Oreg. Delivered June 30, 1918. Sailed from Portland July 5 for San Francisco in ballast; arrived July 14 Sailed from San Francisco July 29 for Honolulu with general cargo; arrived August 9. Sailed from Honolulu September 12 for San Francisco with sugar; arrived September 26. Sailed from San Francisco October 25 for Honolulu with general cargo; arrived November 6. Sailed from Honolulu November 8 for Manila.

Wishkah (Grays Harbor type). Builders, Grays Harbor Mercantile Ship Corporation, Grays Harbor, Wash. Delivered June 30, 1918. Found to be leaking. Sailed from Seattle September 2 for Honolulu with lumber; arrived September 14. Sailed from Honolulu October 29 for San Francisco with sugar; arrived October 31.

Quinault (Ferris type). Builders, Seaborn Shipyards, Tacoma, Wash. Delivered July 7, 1918. Sailed from Seattle July 9 for San Francisco. Sailed from San Francisco July 24 for Honolulu with general cargo; arrived August 1, 1918. Sailed from Honolulu August 11 for San Francisco. Ran out of coal 250 miles out. Towed in by *Point Loboa*. Arrived at San Francisco August 24, 1918. Sailed from San Francisco September 14 for Honolulu with general cargo; arrived September 23. Sailed from Honolulu October 2 for San Francisco with general cargo and sugar; arrived October 11.

Blandon (Hough type). Builders: Grant, Smith, Porter Ship Co., St. Johns, Oreg. Delivered July 17, 1918. Sailed from San Francisco July 27, 1918, for Portland with general; arrived July 30. Sailed from Astoria August 8 for San Francisco with general; arrived August 12. Sailed from San Francisco August 15 for Portland with general; arrived August 18. Sailed from Portland August 23 for San Francisco with general; arrived August 26. Sailed from San Francisco September 1 for Astoria with general; arrived September 6. Sailed from Astoria September 11 for San Francisco with general; arrived September 15. Sailed from San Francisco September 19 for Portland with general; arrived September 23. Sailed from Portland September 23 for San Francisco with general; arrived October 5. At San Francisco dry docking October 5. Sailed from Astoria October 16 for San Francisco with general; arrived October 25. Sailed from San Francisco October 26 for Portland with general; arrived October 29. Sailed from Portland November 5 for San Francisco with general; arrived November 7. Sailed from San Francisco November 14 for Portland with general; arrived November 18.

Boilston (Hough type). Builders: Grant, Smith & Porter, St. Johns, Oreg. Delivered July 26, 1918. Sailed from Portland July 27 for San Francisco in ballast; arrived July 31. Sailed from San Francisco August 7 for Honolulu with general; arrived August 18. Sailed from Honolulu for island ports September 1 with general; arrived September 10. Sailed from San Francisco September 24 for New York with sugar. Sailed from San Francisco October 1 for New York with sugar. Sailed from San Francisco October 2 for Baltimore with quartermaster supplies; arrived Balboa October 20. Sailed from Cristobal October 21 for Baltimore with general; arrived October 31. Sailed from Baltimore November 12 for Philadelphia with ballast; arrived November 15. Sailed from Philadelphia November 21 for Houston with general.

Kaskaskia (Grays Harbor type). Builders: Grays Harbor M. S. Corporation, Grays Harbor, Wash. Delivered July 27, 1918. Sailed from Hoquiam July 27 for Seattle; arrived Seattle dry dock August 2. Sailed from Seattle August 11 for Comox, British Columbia, with ballast. Sailed from Union Bay August 17 for Honolulu with coal; arrived August 29. Sailed from Honolulu September 10 for San Francisco with sugar; arrived September 19. Sailed from San Francisco October 8 for Honolulu with general; arrived October 17. Sailed from Honolulu October 23 for San Francisco with general; arrived November 2. Sailed from San Francisco November 15 for New York with Navy canned goods.

Kickapoo (Hough type). Builders: Kruse & Banks, North Bend, Oreg. Delivered July 29, 1918. Sailed from San Francisco August 6 for Honolulu. Returned to San Francisco—rudder trouble. Sailed from San Francisco August 9 for Honolulu with general; arrived August 21. Sailed from Honolulu September 2 for San Francisco with pineapples; arrived September 20. Sailed from San Francisco October 16 for Arica with ballast; arrived San Diego October 18 for repairs. Sailed from San Diego October 25 for Arica, repairs completed; arrived Arica November 15; arrived Caleta Caloso November 16.

Coyote (Ferris type). Builders: Foundation Co., Newark, N. J. Delivered August 1, 1918. Sailed from New York August 16 for Norfolk with general; arrived August 18. Arrived Bermuda August 28; grounded at Bermuda September 9, 1918; arrived Norfolk September 17 light. Sailed from Norfolk September 29 for Providence with coal; arrived October 1. Sailed from Providence October 16 for Norfolk with ballast; arrived November 18. Sailed from Norfolk October 22 for ———; arrived Norfolk October 24 with cargo coal.

Wahkiakum (Ferris type). Builders: Seaborn Shipyards, Tacoma, Wash. Delivered August 2, 1918. Sailed from Seattle August 14 for Honolulu with general; arrived September 2. Sailed from Honolulu for San Francisco September 8 with sugar; arrived September 18. At San Francisco repairing September 27. Sailed from San Francisco October 19 for Honolulu with general; arrived October 31.

Callooh (Hough type). Builders: Grant, Smith & Porter Ship Co., St. Johns, Oreg. Delivered August 7, 1918. Sailed from Portland August 7 for San Francisco with lumber; arrived San Francisco August 10. Sailed from San Francisco August 20 for New York with general; arrived September 20. Sailed from New York October 2 for Norfolk with ballast; arrived October 4. Sailed from Norfolk October 13 for Habana with coal; arrived October 17. Sailed from Habana October 20 in ballast; arrived at Galveston October 24; arrived at New York November 4. Sailed from New York November 9 for Brunswick with general; arrived November 13.

Moritz (Hough type). Builders: Grant, Smith & Porter Ship Co., St. Johns, Oreg. Delivered August 12, 1918. Arrived at San Francisco August 17 with general. Sailed from San Francisco August 23 for Honolulu with general; arrived September 1. Sailed from Honolulu September 10 for San Francisco with sugar; arrived September 22. At San Francisco idle October 5. Sailed from San Francisco October 8 for Arica without; arrived November 1. Sailed from Iquique November 12, 1918.

Calala (Ballin type). Builders: Supple & Ballin, Portland, Oreg. Delivered August 13, 1918. Sailed from Astoria August 17 for San Francisco in ballast; arrived August 19. Sailed from San Francisco August 30 for Honolulu with general; arrived September 8. Sailed from Honolulu September 21 for San Francisco with sugar; arrived October 1. At San Francisco idle October 5. Sailed from San Francisco October 17 for Honolulu with general; arrived at Balboa November 3. Sailed from Cristobal November 9 for New York with salmon; arrived Norfolk November 18. Sailed from Norfolk November 21 for New York with general.

Bellota (Ferris type). Builders: R. J. Chandler, Wilmington, Cal. Delivered August 18, 1918. Sailed from Los Angeles for San Francisco; arrived August 11. Sailed from San Francisco August 31 for Honolulu with general; arrived September 9. Sailed from Honolulu September 13 for San Francisco with pines and sugar; arrived September 26. At San Francisco repairing October 11. Sailed from San Francisco October 17

for Honolulu with coal; arrived at Honolulu October 28. Sailed from Honolulu October 31; arrived at Honolulu November 5. November 18 lost rudder 280 miles out of San Francisco; tug *Tatoosh* ordered to assist.

Blackford (Grays Harbor type). Builders: Grays Harbor M. S. Corporation, Grays Harbor, Wash. Delivered August 23, 1918. Sailed from San Francisco August 29 for Arica; put in at San Francisco for bunkers September 2. Sailed from San Francisco September 4 for Arica; arrived at San Pedro September 7, engine trouble. Sailed from San Pedro September 10 for Arica without; drifted ashore at Mazatlan September 25.

Mojave (Ferris type). Builders: Seaborn Shipyard, Tacoma, Wash. Delivered August 24, 1918. Sailed from Seattle August 27 for Arica without; arrived San Diego September 1. Sailed from San Diego September 3 for Arica; arrived at Callao September 23. Sailed from Callao September 28 for Arica. Sailed from Arica October 1 for loading port; arrived at Junin October 3. Sailed from Junin October 18 for Balboa; arrived at Callao October 22. Sailed from Salina Cruz November 8 for San Francisco; arrived San Diego November 16. Sailed from San Diego November 16 for San Pedro with general.

Yehama (Hough type). Builders: Fulton Steamship Co., Wilmington, Cal. Delivered August 26, 1918. Sailed from San Francisco September 1 for Honolulu. Sailed from San Francisco September 1 for New York; arrived at Mazatlan September 8. Sailed from San Francisco September 9 for New York; arrived at Balboa, Canal Zone, September 20; general. Sailed from Cristobal September 22 for New York with general; arrived at New York October 1. Drydock at Pier 36, Barber Line, Brooklyn; at New York October 11, repairing. Sailed from New York October 19 for Norfolk with general; arrived October 22. Sailed from Norfolk October 30 for Cuba. November 15 fire broke out in forward hold at Habana and did considerable damage. Will return to States for permanent repairs.

Coos Bay (Hough type). Builders: Coos Bay Shipbuilding Co., Coos Bay, Oreg. Delivered August 27, 1918. At San Francisco repairing August 30. Sailed from San Francisco September 3 for Arica without. United States Navy ship *Nanshan* reports that she disappeared from view at 2 a. m. September 16 at 22° 1' latitude north and 110° 10' west.

Dumaru (Hough type). Builders: Grant, Smith & Porter, St. Johns, Oreg. Delivered August 28, 1918. Sailed from Astoria September 2 for San Francisco in ballast; arrived September 4. Sailed from San Francisco September 12 for Seattle with general; arrived at Seattle, Honolulu, September 23. Sailed from Honolulu September 25 for Manila. October 16 destroyed by an explosion of oil cargo by lightning near Guam.

Red Cloud (McClelland type). Builders: Merrill Stevens Co., Jacksonville, Fla. Delivered August 28, 1918. Sailed from Jacksonville September 15 for Port Arthur with light; arrived September 24. Sailed from Port Arthur October 4 for South Norwalk with lumber; arrived at New York October 21. Sailed from New York October 21 for South Norwalk with general; arrived at New York October 30.

Namecki (Ferris type). Builders: Tampa Dock Co., Tampa, Fla. Delivered August 31, 1918. Sailed from Jacksonville September 10 for Norfolk with light; arrived September 14. Sailed from Norfolk September 17 for New York with light; arrived September 18. October 5 operators say will not be ready before 19th or 20th of October; now expected to be ready the 28th or 29th. November 15, 1918, returning to New York with general. Sailed from New York November 15, 1918, for Newport News with ballast; arrived November 17. Sailed from Norfolk November 20, 1918 for Bermuda with coal.

Dancey (Ferris type). J. W. Murdock, builder, Jacksonville, Fla. Delivered August 31, 1918. Sailed from Jacksonville September 21, 1918, for Norfolk; arrived September 25, 1918; light. Sailed from Norfolk September 29, 1918, for Baltimore; arrived September 30, 1918; ballast. Sailed from Baltimore October 19, 1918, for Boston; arrived at New York October 22, 1918; coal. Sailed from New York October 28, 1918, for Boston; arrived November 2, 1918; coal.

Appalachee (McLelland type). Merril Stevens Co., builders, Jacksonville Fla. Delivered August 31, 1918. Sailed from Jacksonville October 1, 1918, for Savannah; arrived October 4, 1918; light. Sailed from Savannah October 7, 1918, for Norfolk; arrived October 9, 1918; ballast. Sailed from Norfolk October 12, 1918, for Boston; arrived October 17, 1918; coal. Sailed from Boston October 21, 1918, for Norfolk; arrived October 24, 1918, ballast. Sailed from Norfolk October 29, 1918, for Portland; arrived November 2, 1918; coal. Sailed from Portland November 8, 1918, for Baltimore; arrived November 11, 1918; light. Sailed from Baltimore November 15, 1918, for Boston; arrived November 19, 1918; coal.

Andra (Ferris type). Portland Ship Ceiling Co., builders, Portland, Me. Delivered August 31, 1918. Sailed from Portland September 1, 1918, for Boston; arrived September 2, 1918; light. Sailed from Boston September 5, 1918, for Norfolk; arrived September 16, 1918; ballast. Sailed from Norfolk September 20, 1918, for New Bedford; arrived September 23, 1918; coal. Sailed from New Bedford September 25, 1918, for New York; arrived September 26, 1918; Morse's dry dock.

Hokah (Ferris type). Groton Iron Works, builders, Noank, Conn. Delivered August 31, 1918. Sailed from Providence August 27, 1918, for New York; arrived August 28, 1918; light. Sailed from New York September 23, 1918, for Baltimore; arrived September 25, 1918; ballast. Sailed from Baltimore September 27, 1918, for Searsport; arrived October 1, 1918; coal. Sailed from Bangor, Me., October 1, 1918, for Rockland, Me.; arrived October 2, 1918; light. Sailed from Rockland October 8, 1918, for Norfolk; arrived October 10, 1918; light. Sailed from Norfolk October 13, 1918, for Boston; arrived October 16, 1918; coal. Sailed from Boston October 21, 1918, for Baltimore; arrived October 22, 1918; light. Sailed from Baltimore October 24, 1918, for Boston; arrived October 28, 1918; coal. Sailed from Boston October 30, 1918, for Norfolk; arrived November 3, 1918; light. Sailed from Norfolk November 6, 1918, for Providence; arrived November 8, 1918; coal. Sailed from Providence November 19, 1918, for Baltimore; arrived November 21, 1918; ballast.

Alvada (Ferris type). Taylor Shipbuilding Co., builder, Cornwall Heights, Pa. Delivered August 31, 1918. Sailed from Philadelphia September 1, 1918, for New York; arrived September 2, 1918; general. Sailed from New York October 23, 1918, for Norfolk; arrived October 24, 1918; general. Sailed from Norfolk November 5, 1918, for Cuba; arrived November 18, 1918; coal.

Accoma (Ferris type). Foundation Co., builders, Newark, N. J. Delivered August 31, 1918. Sailed from New York September 28, 1918, for Baltimore; arrived September 30, 1918; general. Sailed from Baltimore October 2, 1918, for Providence; arrived October 5, 1918; coal. Sailed from Boston October 9, 1918, for Baltimore; arrived October 12, 1918; light. Sailed from Baltimore October 15, 1918, for Boston; arrived October 21, 1918; coal. Sailed from Boston October 24, 1918, for Baltimore; arrived October 28, 1918; light. Sailed from Baltimore October 30, 1918, for Portland; arrived November 3, 1918; coal. Sailed from Portland November 7, 1918, for Baltimore; arrived November 11, 1918; light. Sailed from Baltimore November 14, 1918, for Boston; arrived November 18, 1918; coal.

Manada (Ferris type). Grant Smith Porter, builder, Aberdeen, Wash. Delivered August 31, 1918. Sailed from Astoria September 1, 1918, for Arica; put into San Francisco; engine trouble. Sailed from San Francisco October 19, 1918, for Honolulu; arrived October 30, 1918; coal.

Abrigada (Grays Harbor type). Builders: Grays Harbor Motor Ship Co., Grays Harbor, Wash. Delivered August 31, 1918. Sailed from Tacoma September 24 for Arica; arrived San Francisco September 28, leaking.

Baladan (Hough type). Builders: Kruse & Banks, North Bend, Oreg. Delivered September 1, 1918. Sailed San Francisco September 14 for Arica in ballast; Arrived October 10. Sailed Mejellones October 24 for San Francisco with nitrate.

Dalana (Ballin type). Builders: Supple & Ballin, Portland, Oreg. Delivered September 3, 1918. Sailed Portland September 7 for Arica in ballast; put into San Diego September 14, leaking. Sailed San Diego October 11 for Chile. Sailed Junin, Chile, November 11 for Atlantic port with nitrate.

Wakan (Hough type). Builders: Grant Smith Porter Ship Co., St. Johns, Oreg. Delivered September 4, 1918. Sailed Portland September 9 for Seattle in ballast; arrived September 11. Sailed Seattle September 23 for Hongkong with general cargo. Put into San Francisco in distress September 30. Sailed San Francisco November 7 for Hongkong.

Bonnafon (Ferris type). Builders: Nilson & Kelez, Seattle, Wash. Delivered September 9, 1918. Sailed Port Gamble September 19 for Honolulu with lumber; arrived October 6. Sailed Honolulu October 14 for San Francisco with general cargo; arrived October 25.

Bouton (Ferris type). Builders: Meacham & Babcock, Seattle, Wash. Delivered September 12, 1918. Sailed Seattle September 25 for Norfolk with general cargo; arrived October 27. Sailed Norfolk November 9 for New York with cotton; arrived November 10. Sailed New York November 15 for Charleston with general cargo; arrived November 19.

Barabos (Ferris type). Builders: The Coast Shipbuilding Co., Portland, Oreg. Delivered September 12, 1918. Sailed from Portland September 16 for Arica, in ballast. Put into San Francisco September 20 with engine trouble. Sailed from San Francisco September 27 for Arica. Put into San Pedro October 7 with engine trouble. Sailed from San Pedro October 13 for Arica.

Caponka (Hough type). Builders: Grant Smith Porter Ship Co., St. Johns, Oreg. Delivered September 13, 1918. Sailed from Astoria September 19 for San Francisco, in ballast. Arrived September 22. Sailed from San Francisco October 1 for Manila, with general. Arrived November 11.

Cheron (Ferris type). Builders: Seaborn Shipyards, Tacoma, Wash. Delivered September 13, 1918. Sailed from Tacoma September 19 for New York, general. Arrived at Baltimore October 25. Sailed from Baltimore November 4 for Savannah, with general. Arrived November 10. Sailed from Savannah November 14 for Boston, with general. Arrived November 18.

Keota (Ferris type). Builders: Hammond Lumber Co., Humboldt Bay, Cal. Delivered September 12, 1918. Sailed from San Francisco September 14 for Arica, with general. Arrived October 11. Sailed from Arica October 16 for Norfolk, with nitrates. Arrived November 8. Sailed from Norfolk November 15 for New York, in ballast. Arrived November 16.

Beloit (Ferris type). Builders: Tacoma Shipbuilding Co., Tacoma, Wash. Delivered September 16, 1918. Sailed from Victoria for Honolulu September 22, with coal. Arrived October 3. Sailed from Honolulu October 11 for San Francisco, with sugar. Arrived October 20.

Boxley (Ferris type). Builders: Grant Smith Porter Ship Co., Aberdeen, Wash. Delivered September 19, 1918. Sailed from Portland September 30 for New York, with flour. Arrived November 17.

Baraan (Ferris type). Builders: Russell Shipbuilding Co., East Deering, Me. Delivered September 19, 1918. Sailed from Portland, Me., September 20 for Baltimore, in ballast. Arrived September 24. Sailed from Baltimore October 7 for Boston, with coal. Arrived October 12. Sailed from Boston November 5 for Baltimore, in ballast. Arrived November 7. Sailed from Baltimore November 8 for Providence, with coal. Arrived November 11.

Bromelia (Grays Harbor type). Builders: The Grays Harbor Motor Ship Co., Grays Harbor, Wash. Delievered September 21, 1918. Sailed from Grays Harbor September 22 for Comox, British Columbia, in ballast. Sailed from Comox September 30 for Honolulu. Put into Victoria with engine trouble October 1. Sailed from Victoria October 5 for Honolulu. Put back again to Victoria with engine trouble October 8, leaking; arrived Seattle October 13 for repairs.

Quogue (Ferris type). Builders: Wilson Shipbuilding Co., Portland, Oreg. Delivered September 21, 1918. Sailed from Astoria September 27 for Arica in ballast. Put into Acpulco. Sailed from Aculpo October 29 for Arica. Put into Balboa November 16.

Kusca (Hough type). Builders: Grant-Smith-Porter Ship Co. De-Johns, Oreg. Delivered September 21, 1918. Sailed from Astoria September 27 for Arica in ballast. Put into San Pedro October 1 with engine trouble. Sailed from San Pedro October 7 for Pisagua, Chile; arrived November 4. Sailed from Pisagua November 15 for Atlantic port with nitrate.

Cowcta (Ferris type). Builders: Foundation Co., Newark, N. J. Delivered September 21, 1918. Sailed from New York October 19 for Norfolk in ballast; arrived October 21. Sailed from Norfolk October 25 for Habana with coal; arrived October 31. Sailed from Habana November 3 for Sabine in ballast; arrived November 12. Sailed from Sabine November 13 for Baltimore with sulphur.

Alapaha (Ferris type). Builders: Traylor Shipbuilding Co., Cornwells, Pa. Delivered September 24, 1918. Sailed from Philadelphia September 25 for Baltimore in ballast; arrived September 27. Sailed from Baltimore September 29 for Boston with coal; arrived October 3. Sailed from Boston October 11 for Baltimore in ballast; arrived October 16. Sailed from Baltimore October 27 for Boston with coal; arrived November 2. Sailed from Boston November 6 for Baltimore in ballast; arrived November 9. Sailed from Baltimore November 13 for Providence with coal; arrived November 16.

Mazama (Ferris type). Builders: Seaborn Shipyards, Tacoma, Wash. Delivered September 24, 1918. Sailed from Seattle September 27 for San Francisco in ballast; arrived October 2. Sailed from San Fran-

cisco October 11 for Honolulu with general; arrived October 20. Sailed from Honolulu October 30 for San Francisco with pineapplies; arrived November 10.

Cocanino (Hough type). Builders: Kruse & Banks, North Bend, Oreg. Delivered September 25, 1918. Sailed from San Francisco October 2 for Honolulu, with general. Put back to San Francisco October 7 leaking badly.

Botsford (McClellan type). Builders: Merrill-Stevens Shipbuilding Co., Jacksonville, Fla. Delivered September 30, 1918. Not yet ready for service.

Barley (Ferris type). Builders: Hillyer-Speering-Dunn Co., Jacksonville, Fla. Delivered September 30, 1918. Sailed from Jacksonville September 30 for Norfolk in ballast; arrived October 7. Sailed from Norfolk for Halifax in naval service and further movements not given out.

Balliett (Hough type). Builders: Coos Bay Shipbuilding Co., Marshfield, Oreg. Delivered September 30, 1918. Sailed from San Francisco October 5 for Honolulu, with general; arrived October 17. Sailed from Honolulu October 29 for San Francisco, with pineapples; arrived November 12.

Rancraft (Ferris type). Builders: Grant Smith Porter Ship Co., Aberdeen, Wash. Delivered September 30, 1918. Sailed from Astoria October 7 for Comox, British Columbia, in ballast. Sailed from Comox October 16 for Honolulu, with coal; arrived November 2. Sailed from Honolulu November 20 for San Francisco.

Holbrook (Hough type). Builders: Grant Smith Porter Ship Co., St. Johns, Oreg. Delivered September 30, 1918. Sailed from Portland October 7 for San Francisco, in ballast; arrived October 9 Sailed from San Francisco October 20 for Honolulu, with general; arrived October 30. Sailed from Honolulu November 15 for Seattle, with general.

Pascagoula (Ferris type). Builders: Dierks-Blodgett Shipbuilding Co., Pascagoula, Miss. Delivered October 1, 1918. Turned over to United States Navy and further movements not given out.

Banago (Ferris type) Builders: Alabama Dry Dock & Shipbuilding Co., Mobile, Ala. Delivered October 1, 1918. Turned over to United States Navy and further movements not given out.

Bedminster (Ferris type). Morey & Thomas, builders, Jacksonville, Fla. Delivered September 26, 1918. Sailed from Jacksonville October 18, 1918, for Philadelphia; arrived at Charleston October 21, 1918. Sailed from Charleston November 8, 1918 for Philadelphia. Returned to Charleston short of bunkers, oil, water, and with engine trouble. Sailed from Charleston November 20, 1918, for Philadelphia.

Wallowa (Ballin type). Supple & Ballin, builders, Portland, Oreg. Delivered September 28, 1918. Sailed from Portland October 2, 1918, for Arica. Put into San Francisco October 7, 1918, on account of leaking condenser. Sailed from San Francisco October 18, 1918, for South America. Arrived at Chleta Buena November 10, 1918. Sailed from Arica November 17, 1918.

Agria (Ferris type). Tampa Dock Co., builders, Tampa, Fla. Delivered September 30, 1918. Sailed from Tampa October 9, 1918, for Jacksonville; arrived October 13, 1918, for dry docking. Expected to be ready November 30, 1918.

Congaree (Ferris type). Foundation Co., Newark N. J. Delivered October 1, 1918. Sailed from New York September 28, 1918; trial trip. Arrived at New York October 10, 1918.

Catawba (Hough type). Fulton Shipbuilding Co., builders, Wilmington, Cal. Delivered October 4, 1918. Sailed from San Francisco October 15, 1918, for New York; returned to San Francisco November 4, 1918, for repairs (general cargo).

Aberdeen (Grays Harbor type). Grays Harbor M. S. Corporation, builders, Grays Harbor, Wash. Delivered October 6, 1918. Not yet ready for service.

Astoria (Hough type). McEachern Ship Co., builders, Astoria, Oreg. Delivered October 10, 1918. Sailed from Astoria October 24, 1918, for San Francisco; arrived October 27, 1918. Sailed from San Francisco November 4, 1918, for Honolulu.

Nashotah (Ferris type). Grant-Smith-Porter Co., builders, St. Johns, Oreg. Delivered October 14, 1918. Sailed from Union Bay October 24, 1918, for Honolulu; arrived November 8, 1918.

Lone Star (Ferris type). Lone Star Shipbuilding Co., builders, Beaumont, Tex. Delivered October 14, 1918. Sailed from Port Arthur October 12, 1918, for Galveston; arrived October 14, 1918. Sailed from Galveston October 24, 1918, for Port Authur; arrived October 25, 1918. Sailed from Port Arthur October 26, 1918, for New York; put into Galveston, leaking, October 27, 1918. Sailed from Galveston November 21, 1918, for New York.

Kineo (Ferris type). G. M. Standifer, builder, Portland, Oreg. Delivered October 16, 1918. Sailed from Astoria October 21, 1918, for San Francisco; arrived October 23, 1918. Sailed from San Francisco November 4, 1918, for Honolulu. Being towed back to San Francisco because of boiler trouble; arrived November 12, 1918, in tow of the *Balliett*.

Chimo (Ferris type). Seaborn Shipyards, builders, Tacoma, Wash. Delivered October 18, 1918. Sailed from Puget Sound October 26, 1918, for Honolulu; arrived at Honolulu November 13, 1918. Cargo, coal.

Anoka (builders' design). Builders: Peninsular Shipbuilding Co., Portland, Oreg. Delivered October 26, 1918. Sailed from Portland, Oreg., for San Francisco October 30; arrived November 2, 1918; ballast.

Ruhisan (Ferris type). Builders: Traylor Shipbuilding Co., Cornwall, Pa. Delivered October 29, 1918. Sailed from Philadelphia for Brunswick November 2, 1918; arrivel November 5, 1918. Sailed from Brunswick for New York ———; arrived November 12, 1918; general.

Ralsto (Ferris type). Builders: Groton Iron Works, Noank, Conn. Delivered October 29, 1918. Sailed from Providence for Norfolk November 12, 1918; arrived November 14, 1918; ballast.

Alanthus (Ferris type). Builders: Foundation Co., Newark, N. J. Delivered October 29, 1918. Made sea trial November 1, 1918. At Crane's dry dock, Brooklyn; recaulking November 15, 1918.

Lonoke (Ferris type). Builders: Wilson Shipbuilding Co., Astoria, Oreg. Delivered October 30, 1918. Sailed from Astoria, Oreg., for San Francisco November 5, 1918; arrived November 7, 1918; ballast.

Bonham (Hough type). Builders: National Shipbuilding Co., Orange, Tex. Delivered October 28, 1918. Sailed from Port Arthur for Philadelphia November 6, 1918; arrived at New Orleans November 8, 1918, with water in forward and aft hold. Sailed from New Orleans for Philadelphia November 17, 1918; sulphur.

Napolela (Ferris type). Builders: Grant-Smith-Porter, St. Johns, Oreg. Delivered October 31, 1918. Sailed from Portland, Oreg., for San Francisco November 2, 1918; arrived November 9, 1918; ballast.

Bayou Teche (Ferris type). Builders: Jahncke Shipbuilding Co., Madisonville, La. Delivered October 31, 1918. Delivered by builders but not yet ready for service.

Belair (Ferris type). Builders: Dierks-Blodgett, Pascagoula, Miss. Delivered October 31, 1918. Sailed from Pascagoula for New Orleans ———, on trial trip; arrived October 27, 1918. Sailed from New Orleans for Galveston ———; arrived November 10, 1918. Sailed from Galveston for Port Arthur November 17, 1918; arrived November 17, 1918; sulphur. Sailed from Port Arthur for New York November 18, 1918; sulphur; November 19, 1918, lost rudder post 90 miles southeast of South Pass. Two vessels from New Orleans ordered to assist.

Forster (Ferris type). Nilson & Kelez Shipbuilding Corporation, builders, Seattle, Wash. Delivered October 18, 1918. Sailed from Puget Sound October 26, 1918, for Honolulu; arrived at Honolulu November 13, 1918.

Daca (Ferris type). Meacham & Babcock, builders, Seattle, Wash. Delivered October 19, 1918. Sailed from Puget Sound October 26, 1918, for San Francisco. At Seattle November 4, 1918, repairing. Will discharge cargo into Nowegian ship *Tancred*.

Airlie (Ballin type). Supple & Ballin, builders, Portland, Oreg. Delivered October 22, 1918. Sailed from Astoria October 28, 1918, for San Francisco; arrived October 29, 1918. Sailed from San Francisco November 6, 1918, for Honolulu; arrived November 17, 1918.

Okesa (Ferris type). Russel Shipbuilding Co., builders, Portland, Me. Delivered October 23, 1918. Sailed from Portland October 25, 1918, for New York; arrived October 26, 1918. Sailed from New York November 3, 1918, for Fall River; arrived November 4, 1918.

Barrington (Ferris type). Coast Shipbuilding Co., builders, Portland, Oreg. Delivered October 23, 1918. Sailed from Portland October 26, 1918, for San Francisco. At Astoria; sailed from Astoria October 29, 1918, for San Francisco; arrived October 31, 1918. Sailed from San Francisco November 11, 1918, for Honolulu (general cargo).

Chiabiabos (Ferris type). L. H. Shattuc (Inc.), Portsmouth, N. H. Delivered October 31, 1918. Arrived at Boston November 13, 1918 (light cargo).

Alabat (Ferris type). American Shipbuilding Co., Brunswick, Ga. Delivered October 31, 1918. Sailed from Jacksonville November 19, 1918, for Philadelphia.

Harish (Ferris type). J. M. Murdock, builder, Jacksonville, Fla. Delivered October 31, 1918.

Wihaha (Ferris type). Grant Smith Port, builder, Aberdeen, Wash. Delivered November 1, 1918. Sailed from Portland November 9, 1918, for San Francisco; disabled off Point Tarena, being towed to San Francisco; arrived November 16, 1918.

Salmon (Hough type). McEachern Shipyards, builder, Astoria, Oreg. Delivered November 1, 1918. Sailed from Astoria November 8, 1918, for San Francisco; arrived November 14, 1918 (ballast).

Bloomington (Ferris type). Hammond Lumber Co., builder, Humboldt Bay, Cal. Delivered November 5, 1918. Sailed from San Francisco November 13, 1918, for Honolulu.

Balino (McClellan type). Mobile Shipbuilding Co., builders, Mobile, Ala. Delivered October 31, 1918. Sailed from Mobile on trial trip October 23, 1918. Sailed from Mobile for Galveston November 8, 1918; arrived Galveston November 11, 1918; ballast.

Alpaco (Ferris type). Hodge Shipbuilding Co., Moss Point, Miss. Delivered October 31, 1918. Delivered, but not yet ready for service.

Oneco (Ferris type). Beaumont Shipbuilding Co., Beaumont, Tex. Delivered October 31, 1918. Sailed from Beaumont September 15, 1918, for New Orleans; arrived September 19, 1918; ballast. In dry dock.

Necolah (Ferris type). Grant-Smith-Porter Shipbuilding Co., St. Johns, Oreg. Delivered October 23, 1918. Sailed from Portland October 29, 1918, for San Francisco; arrived November 1, 1918. Sailed from San Francisco November 21, 1918, for Hilo, Hawaii.

Wakanna (Ferris type). Seaborn Shipyards, builder, Tacoma, Wash. Delivered October 31, 1918. Not yet ready for service.

Tillamook (Ferris type). Grant-Smith-Porter Shipbuilding Co., St. Johns, Oreg. Delivered November 6, 1918. Sailed from Astoria November 11, 1918, for San Francisco; arrived November 14, 1918.

Blythedale (Ferris type). R. J. Chandler, builder, Wilmington, Cal. Delivered November 11, 1918. Not yet ready for service.

Bagoso (Ferris type). Morey & Thomas, builder, Jacksonville, Fla. Delivered November 12, 1918. Not yet ready for service.

Mahaska (Ferris type). Barber Bros., builders, Tacoma, Wash. Delivered August 31, 1918. Sailed from Tacoma September 7, 1918, for Honolulu; arrived September 20, 1918. Sailed from Honolulu October 14, 1918, for San Francisco; arrived October 26, 1918.

Mr. FLETCHER. Mr. President, I am obliged to the Senator from North Carolina [Mr. SIMMONS] for permitting this interruption at this time. As I have said, I am not contending that the Shipping Board should make any additional contracts for the construction of this type of ship if they are now in a position to contract for a different and superior type and have the time to build other types of ships which more nearly suit their needs; but at the same time I want to make this showing of facts as to the performance of the wooden ships and to insist that they have not been failures by any means; that they are valuable cargo carriers and that these yards can be utilized not only in the building of such types of ships as they have been building but can be used in the construction of smaller vessels, in the construction of tugs, and in the construction of pontoons and of other shipping craft.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Washington?

Mr. FLETCHER. I yield to the Senator from Washington.

Mr. JONES of Washington. Mr. President, I simply want to say, in confirmation of what the Senator from Florida [Mr. FLETCHER] has stated, that when I was out in Seattle a short time ago I talked with some of the leading shipping men there and asked them particularly what the record of these wooden ships had been as to efficiency and good service. Some of them were men who were inclined, I knew, toward steel construction, but they said these ships had rendered splendid service; that they were good cargo-carrying ships, especially for the coastwise trade, and even upon voyages of considerable length; that the

current rumors that had been given out, in their judgment, were practically without foundation.

I simply want to add that statement to the facts which the Senator from Florida has given and to say that I am in general accord with his suggestions.

I do not want the Shipping Board to enter into new contracts for the construction of additional wooden ships, especially if we can get plenty of steel ships; but there are some contracts which have been made and which have been in large part performed for such ships; and it would entail upon the Government a very great loss if such construction were suspended. Those ships I should like to see the Shipping Board complete. I think, when constructed, the ships would render good service, and that they could be disposed of, if we ever found it necessary to dispose of them, in a very advantageous way.

Mr. FLETCHER. Mr. President. I am glad to have the confirmation of my position by the Senator from Washington; and I will simply add that, in my judgment, it would be a great mistake to cancel our contracts for such ships where material has been ordered and is on the ground and the builders are prepared to go on with the construction of the ships, for, whether the Shipping Board really needs those ships or not, they can undoubtedly be disposed of, so that there will be no loss in their construction, and it might be a reasonable business proposition. At any rate, the evidence is clear that it is not a waste of money to construct such ships. There is a demand for them if the Shipping Board shall not want them; and, whether they want them or not and will need them in the operations that they have in mind, there will be others who will want them.

Mr. HARDING and Mr. LENROOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield, and, if so, to whom?

Mr. FLETCHER. I yield first to the Senator from Ohio.

Mr. HARDING. Mr. President, I want to ask the chairman of the Committee on Commerce [Mr. FLETCHER] if I understood him to say that these ships could be disposed of without loss?

Mr. FLETCHER. I said I thought they could be disposed of without loss.

Mr. HARDING. Well, is the Senator from Florida not aware of the fact that the Shipping Board is already talking of a plan of writing off the cost of these ships in order to operate them successfully?

Mr. FLETCHER. I have seen some suggestions of that kind, but I do not think they come from the Shipping Board. I think that is an idea which has been advanced by others.

Mr. HARDING. Mr. President, I am prepared to say that it does come from the Shipping Board, and I take issue with the Senator from Florida on the wisdom of going on with the contracts for the construction of such ships which have not already been begun and building at Government expense under the extraordinary conditions which were developed to meet a war emergency. With the permission of the Senate, I shall be glad to make some remarks upon that subject at a time when I shall not be intruding upon the Senator who has the floor.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. The Chair will now recognize the Senator from Wisconsin.

Mr. SIMMONS. I yield to the Senator from Wisconsin.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to take the floor?

Mr. LENROOT. No; the Senator from Ohio [Mr. HARDING] covered the question I had in mind.

THE COAL SITUATION.

Mr. THOMPSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Kansas?

Mr. SIMMONS. I yield.

Mr. THOMPSON. If the Senator from North Carolina will yield to me a moment, I desire to report back favorably with an amendment, from the Committee to Audit and Control the Contingent Expenses of the Senate, the resolution (S. Res. 374) providing for hearings before the Committee on Manufactures, and I call the attention of the Senator from Mississippi [Mr. VARDAMAN] to the resolution.

Mr. VARDAMAN. Mr. President, if the Senator from North Carolina [Mr. SIMMONS] will kindly indulge me for just a moment, I should like to ask unanimous consent for the immediate consideration and passage of the resolution submitted by the Senator from Kansas, chairman of the Committee on Contingent Expenses. It will not take a moment to pass the resolution. It merely authorizes the Committee on Manufactures to pursue further its investigation of the coal situation and to visit the anthracite coal fields of Pennsylvania and pay the expenses therefor. The committee thinks it prudent to undertake this matter. I should like to have the resolution passed, because I desire to go into this question in all of its phases and to correct what upon the surface appears to be a great economic abuse.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Mississippi?

Mr. SIMMONS. I yield.

Mr. KING. Mr. President, I should like to ask the Senator from Mississippi whether this committee is the one that had under investigation the Hog Island frauds and scandals?

Mr. VARDAMAN. No; that was the Commerce Committee.

Mr. KING. I knew that the Senator from Mississippi was a member of the committee which had been investigating that question.

Mr. VARDAMAN. There was no subcommittee appointed for the purpose of investigating the Hog Island scandal. The pending resolution refers to a subcommittee appointed by the Committee on Manufactures. That committee desires to visit the anthracite coal fields of Pennsylvania and other coal fields in order to make further investigation; that is all.

Mr. KING. While the Senator is on the floor I should like to ask what has become of the investigation of Hog Island, first, by the committee, and, secondly, as I understand, by the Department of Justice? There was a great deal of vulgar robbery, stealing, and thievery by men engaged in the Hog Island enterprise, and I think the committee ought to make a report.

Mr. VARDAMAN. I think the language employed by the Senator from Utah, when we consider the provocation, is very moderate in his characterization of the conduct of certain plutocratic individuals connected with the Hog Island enterprise. And I agree with him that the report ought to be made, and I trust it will be, some of these days. The result of the investigation made by the Department of Justice, I understand, is in the hands of Mr. Hurley. It was first sent to the President, who, in turn, sent it to Mr. Hurley, and Mr. Hurley is now in Europe, I am advised. I join with the Senator from Utah in the desire to see the report of the Department of Justice. I wish also that the American people could see the Hog Island infamy, as it appears to me, in all of its naked enormity. In the name of patriotism the American people have been robbed by this corporation most shamefully. It would not have been tolerated a moment if it had been attempted at any other time than in time of war.

Mr. KING. Why did not the Committee on Commerce, which started the investigation, complete the investigation and make a report?

Mr. VARDAMAN. I do not think the investigation has been completed. I am sure it has not, as thoroughly as it ought to be, but, of course, I will not presume to speak for the entire committee—I am only one member of that committee—as to why the report has not been made. The hearings, however, have been published, and the Senator can judge for himself.

Mr. KING. I read a portion of the testimony, and it showed such fraud, so much stealing and wrongdoing, that I think the committee ought to complete its report and submit its findings to the Senate.

Mr. VARDAMAN. I think the Senator is right about that.

Mr. FLETCHER. Mr. President, may I state to the Senator, with reference to that investigation——

Mr. VARDAMAN. Let me suggest to the Senator that he permit the pending resolution to be disposed of, and then the Senator from Florida can discuss the question.

Mr. FLETCHER. I am not going to discuss it; I wish simply to answer the inquiries. The Senator from Utah [Mr. KING] wanted to know why the committee had not done certain things. The report as to Hog Island, to which the Senator from Mississippi has referred, has been requested by the Committee on Commerce, at least a copy of it, by a resolution adopted at its last meeting. We shall have an answer to that as soon as we meet again, and that answer will be, I take it, somewhat in line with what the Senator from Mississippi has suggested. At the same time, I do not want the inference to go out that the committee is neglecting its duty in the matter.

Whether that report is of a confidential nature or is in the nature of an official document, submitted by the Department of Justice to the President on his request, and we are entitled to it or not, is a matter that we can determine when we get to it; but that investigation was based upon the idea that there were certain matters in connection with the Hog Island transaction and the construction of the shipyard there that needed to be inquired into by the Department of Justice; in other words, to ascertain whether there were any violations of law in connection with it. That phase of the matter was turned over to the Department of Justice, and the Committee on Commerce has not gone into it since it was taken up by the Department of Justice.

Their report will probably cover that inquiry; but it is a report, as I have said, that was called for by the President, and, of course, it is a report that is in his hands or in the hands of those to whom he may have sent it. However, we will find out about it.

Mr. VARDAMAN. Mr. President, there is enough testimony already in the hands of the Committee on Commerce to justify a report to Congress looking to the abrogation of the contract entered into by the corporation for the construction of the Hog Island Shipyard. I think this enterprise is the most shameful scheme to rob the Public Treasury that has been entered into since 1914. Certain very wealthy men are to be paid a percentage on the construction of the ships to be built by this plant, erected at the cost of the Government, for which the aforesaid plutocrats did not contribute a dollar in money or a penny's worth of work. It is my judgment that it is one of the most disgraceful incidents in the annals of American history. Such a fraud should not be tolerated. But I am not going to discuss that now. I ask for the immediate consideration of the resolution which has just been reported.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi for the immediate consideration of the resolution?

There being no objection, the Senate, by unanimous consent, proceeded to consider the resolution, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment, on page 1, line 15, after the word "printed," to strike out the words "and to employ such other clerical assistance as may be necessary," so as to make the resolution read:

Resolved, That the Committee on Manufactures of the Senate be, and it hereby is, authorized and instructed to make inquiry into the coal situation, its production, transportation, and consumption.

Resolved further, That the said committee, or any subcommittee thereof, is hereby empowered to sit and act during the session or recess of Congress, or of either House thereof, at such time and place as it may deem necessary; to require by subpœna or otherwise the attendance of witnesses and the production of papers, books, and documents; to employ stenographers, at a cost not exceeding $1 per printed page, to take and make a record of all evidence taken and received by the committee and keep a record of its proceedings; to have such evidence, record, and other matter required by the committee printed. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof.

Resolved further, That the expenses thereof shall be paid from the contingent fund of the Senate on vouchers ordered by said committee, signed by the chairman thereof, and approved by the Committee on Contingent Expenses.

The amendment was agreed to.

The resolution as amended was agreed to.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SMOOT submitted the following concurrent resolution (S. Con. Res. 27), which was read, considered by unanimous consent, and agreed to:

Resolved by the Senate (the House of Representatives concurring), That there be printed 25,000 additional copies of Senate Document No. 310, Sixty-fifth Congress, entitled "Revenue bill of 1918," and that there be printed separately 10,000 additional copies each of the majority and minority reports and individual views of members of the Committee on Finance on H. R. 12863, the revenue bill of 1918, for the use of the Senate.

Mr. SIMMONS. Mr. President, I think it is due to the Senate that I should follow the custom which I have uniformly followed heretofore, of making to the Senate a statement with respect to the changes and amendments that have been made in the House bill by the Committee on Finance. I shall make that statement as brief as possible.

I think, Mr. President, that every Senator, like myself, realizes the importance of prompt action in the consideration and passage of the pending bill. The taxes for the fiscal year 1919 can not be collected under it unless the time between its passage and the filing of the returns of the taxpayer is sufficient for administrative purposes. From two and one-half to three months will be absolutely necessary to enable the department to formulate regulations, print the millions upon millions of forms required, distribute them so as to reach the taxpayers of the country, and organize and train the great force necessary to personally instruct the taxpayers in properly preparing their returns.

The bill provides that the returns of the taxpayer shall be filed by the 15th day of March, and that the first installment of the taxes shall then be paid. This bill, as well as the present law, authorizes the commissioner to extend the time for making returns. If this extension is not made it will be necessary for the bill to pass by the 1st of January. If it is extended one month, as was done in the case of the last returns under the present law, it will be sufficient if the bill becomes a law by the 1st of February. Such an extension will automatically extend the time for the payment of the first installment, which would result in more or less embarrassment to the Treasury. An extension of more than a month, it is felt by the department, would be impracticable. I should add that the date named, February 1, fixes the ultimate limit. Utilizing every resource and straining every nerve the Treasury Department can, if the bill passes by that date, administer the law. The law can not be successfully administered if passed after February 1.

I think all Senators will agree that in order to pass this bill by the 1st of February it will be necessary to extend—if not now, later—the hours of our sittings and to devote ourselves to the consideration of this measure to the exclusion, as far as practicable, of other measures, and, in addition, to confine the debate, as far as possible, to discussion of questions pertinent to the bill.

If the delay in the passage of the bill makes it necessary to collect the taxes for the fiscal year 1919 under the existing law, we can not expect to collect more than $4,370,117,000, more than a billion and a half less than the Secretary of the Treasury estimates will be required. This sum, or an approximate amount, could be raised under the present law if it were amended so as to impose a war-profits tax of 80 per cent, the rate provided in the pending bill. Unless this bill passes, or the suggested amendment to the present law is made, the great war incomes and profits piled up during the present calendar year will escape war taxation, and the individuals and corporations who have made these big net incomes and profits will not contribute their just share to the burdens of the war to which they are mainly attributable. It will be unfortunate, indeed, if, by reason of the failure to pass the pending bill or amend the present law, the recipients of these great profits are allowed to keep for their own use the huge sum—approximating $2,000,000,000—which they have expected to pay and which they have collected largely out of the people on the assumption that they would have to pay an 80 per cent war-profits tax. The effect would be to increase to that extent the burdens of the great mass of taxpayers throughout the country.

Under these circumstances, Mr. President, I feel that I can with propriety appeal to Senators, and I do now appeal to Senators, to cooperate in securing the speedy enactment of adequate legislation to make this deplorable eventuality impossible.

Early in the year 1917, and shortly after we entered the war, the two Houses of Congress, upon the recommendation of the Secretary of the Treasury and the President, began the consideration of a revenue bill to raise $4,000,000,000 to meet the increased expenses on account of the war. That amount was all that was thought necessary at that time to pay the expenses of drafting, mobilizing, equipping, and supplying the added military and naval forces then contemplated, together with the necessary war expenditures resulting from that increase in the Army and the Navy and the military program.

The military situation early in the present year made it necessary, from the standpoint of safety and success, that the original program be changed. It was decided that it was necessary to raise an army of 5,000,000 soldiers, 4,000,000 of whom were intended for overseas service. It was also decided to be necessary, as a result, to enlarge our aircraft, Shipping Board, and ordnance programs. It was estimated that to meet the increased expenditures incident to this change of program we would need $8,000,000,000 of revenue instead of $4,000,000,000 for the fiscal year 1919.

Upon the recommendation of the Secretary of the Treasury, the Ways and Means Committee of the House accordingly on the 29th day of May of this year entered upon the consideration of a new revenue bill to raise this additional amount. After nearly three months of hearings, investigations, study, and discussions, on September 3, 1918, the pending bill, estimated to raise eight billion and something over one hundred million dollars, was reported to the House and, with some amendments, was, I think, unanimously passed through that body. The bill was immediately reported to the Senate and referred to the Finance Committee.

I can say, Mr. President, without any reservation, that I have never known a committee, during my 18 years' service in the Senate, to work more earnestly, conscientiously, and continuously in the consideration and preparation of any measure than the Finance Committee in its work of revising and amending this bill.

The committee, after giving mature consideration to the many very vital amendments that it was deemed proper to make in the interest of justice and equity and the fair distribution of burdens, had practically completed its labors and was about ready

to report the measure to the Senate for its further action, when the sudden and unexpected, not to say dramatic, collapse of our enemies, and the signing of the armistice—the terms of which amounted practically to unconditional surrender—radically changed the whole situation from the revenue standpoint. The task of providing revenue for financing the operations of the Government while engaged in a great war gave way to the task of financing the Government through the period of demobilization and reconstruction. Manifestly the two problems are not the same, and tax legislation appropriate to the one is not wholly appropriate to the other.

Not only we but our allies, as a matter of policy, had, during the war, sought by repressive taxation and other means to diminish the demand for labor, capital, and raw materials employed in the production of nonessential things. This policy was not only justifiable but necessary to conserve labor, capital, and raw materials for war purposes. But the same reasons, Mr. President, which justify and make proper and necessary these repressive taxes in times of war manifestly make them undesirable and even obnoxious in times of peace.

This interpretation of the financial significance of the cessation of the war was set forth in a letter addressed by the Secretary of the Treasury to me as chairman of the committee on the 14th day of November. In that letter the Secretary of the Treasury declared that—

The collapse of our enemies necessitates instant reconsideration of the financial plans of the Government.

He added:

The prompt enactment of a revenue bill is imperative. The existing law is not satisfactory to the country nor to the Treasury. On the other hand, the revenue bill which passed the House is more stringent than the changed situation will justify.

In this letter the Secretary of the Treasury expressed the belief that the actual expenditures of the Government for the fiscal year ending June 30, 1919, would be around $18,000,000,000 instead of $24,000,000,000, as originally estimated, and recommended that the pending bill be revised with a view to raising $6,000,000,000 instead of $8,000,000,000 during the calendar year 1919, and $4,000,000,000 during the calendar year 1920. This recommendation of the Secretary of the Treasury has been acted upon by the committee, and the necessary changes and amendments made to give it effect.

It is estimated that of the six billions it is expected the bill as amended will raise for the present fiscal year, $4,707,000,000 will be realized from income, war excess profits, and inheritance or estate taxes, and the balance from miscellaneous taxes. Of the four billions which the bill is estimated to raise in the year 1920 about $3,000,000,000 will be raised from income and excess-profits taxes and the balance from miscellaneous taxes.

There was very little division, Mr. President, in the committee with respect to the six-billion program for 1919, but with respect to the reduction of two billions proposed for the fiscal year 1920 there was sharp disagreement. It was contended that the time for making the reductions recommended by the Treasury had not arrived, and that the Congress could safely be trusted to make the reductions when the time did arrive.

It is contended by the minority that this is not the proper time to make the reductions recommended by the Secretary for the fiscal year 1919–20, based upon the profits and incomes for the calendar year 1919, but that these reductions should be postponed to a future session of the Congress.

These gentlemen admit it is entirely proper for the Congress which assembled on the 3d day of December, 1917, to provide for an increase in the revenues to meet increased expenditures for the fiscal year 1918–19, but they deny that it is proper for the Congress which assembled on the 2d of December, 1918, to enact legislation to reduce the revenues to be raised by taxation for the fiscal year 1919–20 based upon the profits and incomes of 1919. The only difference in the two cases was that Congress assembled one day earlier in the one case than in the other and the problem in one case was to increase the taxes and in the other to lower them.

They base their contention in part upon the ground that there is no necessity grounded on public policy and interest which requires that these reductions be made now instead of later, in part upon the ground that there is uncertainty as to the correctness of the estimates of the department as to the expenditures during the year 1919–20, and in part upon the ground that that action now would controvert the practice of Congress in such cases.

Mr. President, I do not agree with any of these contentions. I do not think any of them is grounded in either good logic or in the facts and circumstances of the case. I believe that every consideration of sound public policy requires that these reductions for the fiscal year 1920, based on the incomes of 1919, should be made at this session of Congress and as early as possible, to the end that the taxpayer and the consumer may know whether these taxes, which will be reflected in the prices charged and paid, are to be imposed upon the basis of a tax levy of six billions or four billions.

I believe that so far from the present being the wrong time to make these reductions, it is the right time to make them, and I do not believe there is any established practice of the Congress which demands otherwise or that there is any such uncertainty as to the estimated expenditures for the year 1919–20 as requires or makes it necessary or proper to delay action in making these reductions.

First, Mr. President, let me address myself to the question of public policy. Is it or is it not in the interest of justice and of the people, the seller and the buyer, that the question of what rates of taxes are to be imposed upon the profits and the incomes of the calendar year 1919, upon which we are about to enter, should be determined and fixed at the very earliest practicable moment? The minority says it is not. I do not agree with them; the Commissioner of Internal Revenue does not agree with them; the Secretary of the Treasury does not agree with them; the President of the United States does not agree with them.

The President in his late message strongly urged immediate legislation to this end. The Secretary of the Treasury in his letter to me on November 14 urged immediate legislation to this end.

Mr. President, the letter of the Secretary of the Treasury upon these points of expediency, of policy, of justice, is so strong, so explicit, so full, and so clear that I think I ought to read some extracts relating to this matter from it. The Secretary says in this letter:

Nor can I overemphasize the importance of determining now the basis of taxation which will apply to the calendar year 1920 as well as to the calendar year 1919. Business and industry and individual initiative and enterprise are entitled to know in advance the basis of taxation upon which all the activities of the Nation must be conducted. Prosperity can not be maintained if business is kept in uncertainty as to taxation. It is always unfortunate to be compelled to enact a tax bill at the end of the calendar year, with retroactive effect, instead of in advance of the calendar year, which would permit contracts and business arrangements generally to be entered into with certainty as to the burdens of taxation to be borne. This is a gross injustice to business and to all forms of enterprise. It is costly to the people at large, as they are required to pay higher prices for their necessities, because producers, in order to be on the safe side, fix prices on the assumption that taxes may be higher than they subsequently turn out to be. Definiteness and certainty as to the basis of taxation should be given in the pending bill, not alone as to the calendar year 1918 but as to the calendar year 1919. This will enable business and enterprise to proceed with confidence and courage.

I am constrained to read also an extract from the President's message upon this subject. It is very brief:

If the war had continued it would have been necessary to raise at least $8,000,000,000 by taxation payable in the year 1919; but the war has ended, and I agree with the Secretary of the Treasury that it will be safe to reduce the amount to six billions. An immediate rapid decline in the expenses of the Government is not to be looked for. Contracts made for war supplies will, indeed, be rapidly canceled and liquidated, but their immediate liquidation will make heavy drains on the Treasury for the months just ahead of us. The maintenance of our forces on the other side of the sea is still necessary. A considerable proportion of those forces must remain in Europe during the period of occupation, and those which are brought home will be transported and demobilized at heavy expense for months to come. The interest on our war debt must of course be paid and provision made for the retirement of the obligations of the Government which represent it. But these demands will of course fall much below what a continuation of military operations would have entailed and six billions should suffice to supply a sound foundation for the financial operations of the year.

I entirely concur—

Says the President—

with the Secretary of the Treasury in recommending that the two billions needed in addition to the four billions provided by existing law be obtained from the profits which have accrued and shall accrue from war contracts and distinctively war business, but that these taxes be confined to the war profits accruing in 1918 or in 1919 from business originating in war contracts. I urge your acceptance of his recommendation that provision be made now, not subsequently, that the taxes to be paid in 1920 should be reduced from six to four billions. Any arrangements less definite than these would add elements of doubt and confusion to the critical period of industrial readjustment through which the country must now immediately pass, and which no true friend of the Nation's essential business interests can afford to be responsible for creating or prolonging. Clearly determined conditions, clearly and simply charted, are indispensable to the economic revival and rapid industrial development which may confidently be expected if we act now and sweep all interrogation points away.

Mr. President, I agree that it is unfortunate that there should be delay in the passage of a revenue bill which imposes taxes upon the current earnings of the year in which the measure must be passed. It has been unfortunate that heretofore in the enactment of these revenue bills it has been impracticable to secure their enactment into law until late in the calendar year the income for which was to be taxed. So two of these measures have had a retroactive effect. But, Mr. President, in both

instances where these bills have been delayed, as the present bill has been delayed, the necessity for the increase in the rates of taxation has been disclosed by events which happened or by conditions which first came to be understood and appreciated toward the middle of the year. The conditions which make it proper and necessary to reduce taxes for the fiscal year 1920, however, are apparent now; and this is the first time in recent years in which the facts making the change in the revenue law necessary and proper have been disclosed before the beginning of the taxable year for which new rates had to be imposed.

It will be recalled that the revenue act of September 8, 1916, was not introduced until somewhere near the middle of the year. It was not discovered until the taxable year had advanced many months that that act was necessary in order to meet the increasing expenditures of the Government, affected by the troubles on the Mexican border and influenced by the reflex action of the war in Europe. But just as soon as it was determined that it was necessary on account of the enormous increase in our expenses to raise additional revenue measures were immediately taken by the department responsible for the conduct of the fiscal affairs of the Government and by the Congress to enact suitable legislation.

Again, Mr. President, when the calendar year 1917 began we had no reason to believe that the laws then on the statute books would be insufficient to yield that part of the revenue which it was desirable to raise by taxation, but on the 6th day of April of that year the Government of the United States, acting upon the initiative of the people of the country—not of Congress and not of the President—decided that the common welfare and safety of this country required and made it the imperative duty of this Government to declare war against the Imperial German Government. Immediately it was recognized by all that it would become necessary, if we were to play the part assigned to us, if we were to render that assistance to our allies which was deemed essential in order to make success possible—I will not say "assured," but possible—that we should at once raise a great army of 2,000,000 men, mobilize them, equip them, furnish them the equipment and supplies necessary to make their service possible, and then provide the transportation incident to getting them across the water.

In order to do this it became necessary for us to adopt a new policy in this country—to enter upon a great scheme of war preparation; to build aircraft; to manufacture great quantities of ordnance; to speed up and enormously to expand our shipping program; and to provide for the manufacture of billions of dollars worth of materials that were required to minister to the needs of this great Army which we were organizing for service 3,000 miles away from home. Within less than 10 days after that event occurred which set in motion this great program of war the Secretary of the Treasury and the President of the United States called upon Congress at once to proceed to the work of changing our tax laws so as to raise the additional revenue deemed to be necessary. That work was begun, I say, within 10 days after the declaration of war.

But, Mr. President, owing to the delays that we all understand to be necessarily incident to the preparation and enactment of important legislation of this character, with all the speed that could be put behind that measure, Congress was not able to pass it until the month of October. If we had known that this additional revenue was needed before the beginning of the taxable year—before the Congress of the preceding December assembled—we would have started preparations for the enactment of that legislation at the very beginning of that session, just as I say it is our duty now, at the very beginning of this session, to enact legislation in order to remove the burdens of taxation that have been found by reason of changing conditions to be unnecessary.

Again, Mr. President, in the case of the pending revenue legislation we did not begin action upon it until several months of the taxable year had expired. Why? Because it was not definitely determined until late in the first half of the year that in order to play the part that the situation in Europe demanded we should play, it would be necessary greatly to enlarge, indeed, almost to double our Army; to raise, instead of an Army of 2,000,000 men for overseas service, an Army of over 4,000,000 men for service abroad.

Senators know how dark and discouraging the situation was at that time. Senators will recall the urgent appeals that came to us from abroad for additional help, for additional men, for additional supplies; Senators well know how we all felt that unless we responded and responded promptly to those appeals the day was lost; that civilization was jeopardized; and that, instead of the glorious victory in which we now exult we might possibly at an early day be compelled to face a great and irretrievable world disaster. For that reason, Mr. President, it was decided in the middle of the year that we must increase our taxes for the year 1918—for this taxable year.

So we commenced work upon a bill for that purpose. That bill ought to have been passed during the last session. It is a great mistake that it was not passed during the last session. If it had passed then the existing confusion about this proposal to adopt rates for 1919 now would not trouble us. If a tax law for 1918 had been passed as a separate measure then I think there would have been no confusion about our duty with reference to providing right now for the reduction of the taxes payable in the year 1920 but applicable to the earnings of 1919. The confusion grows out of the fact that by reason of our failure and inability to pass the pending measure before the beginning of the present session of Congress it becomes necessary to pass it during this session of Congress. We are simply linking to the revenue bill of 1918 an amendment to accomplish what, under other conditions, we would have accomplished properly by an independent bill.

I wish Senators would think about this matter in terms of two distinct bills. One properly should have been passed during the present taxable year and before Congress met in December. Public interest, in fact, would have been better served if the bill could have been passed at the beginning of the year instead of at the end of the year; but it could not be passed then because of conditions which Congress could not control, and it had to be passed, if at all, toward the end of the year. Now I ask that Senators consider the two propositions separately, as if the pending revenue bill fixing taxes and rates for the calendar year 1918 had passed and the proposal to fix taxes and rates for 1919—payable in 1920—were an independent proposition having no relation to the pending bill.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I will yield; but I would rather the Senator would allow me to proceed, as I am discussing the question generally.

Mr. KING. I will yield to the desire of the Senator.

Mr. SIMMONS. When I get to the details I will be very glad to yield to the Senator, and will do so now if he insists upon it.

Mr. KING. No.

Mr. SIMMONS. I now reach the question, Mr. President, of a reduction in war taxation. If we pass this bill without special provision for the fiscal year 1920, the profits and incomes earned during the taxable year 1919 will be liable for a tax based upon an $8,000,000,000 levy. We also know now, in the beginning of the session of Congress, before the taxable year 1919 has been entered upon, that the requirements of the Government for the fiscal year 1920 make it possible and proper to lop off $2,000,000,000 from the proposed tax for the fiscal year 1919.

The minority Senators—I have not seen their report, but speak from what was said in the committee—the minority contend that it is sufficient if these tax reductions be made at some later session of Congress. When this Congress adjourns on the 4th of March next, unless the President, under the authority conferred upon him by the Constitution, shall call an extraordinary session, there will be no future Congress to enter upon this work until next December; and if this work be postponed until the first Monday of next December, it would probably be late in the spring of 1920 before the taxes would be imposed upon the earnings of 1919.

What is going to happen in the interval? How are producers to fix prices in the interval? Does anybody doubt that when they come to perform this function the principle of self-protection, as well as the principle of selfishness, will prompt or require them to place upon their products a price commensurate with a tax levy of $6,000,000,000, the tax levy provided by the then existing law?

It is said that business people, the manufacturers and the producers, have confidence that in due time this revision and reduction will be made. Ah, Mr. President, the business men of this country are not going to dispose of their products at prices based upon an uncertainty of that kind. They will say, "It is too much to ask us to take the risk. We must assume that the profits upon these goods are going to be taxed upon the basis of the existing law," and they will mark up their profits to conform to this tax and not mark them down to conform to uncertain reduction that they are promised in the future.

What will be the result, Mr. President, if that is done? The effect will be that when the taxable year 1919 shall have expired the great industries of this country will have in their possession $2,000,000,000 already collected from the people in excess of what they ought to have collected if the tax rate had

been reduced to the level of the requirements of the Government. After these unnecessary taxes have been passed on to the consumers and been paid by them the minority would remit them not to the consumers who paid them, but to those to whom they paid them in the increased prices of their necessary purchases. If so remitted, the people who paid those taxes will not get their money back nor will the Government get it. Does the minority desire to bring about this situation simply in order that a new Congress of different political control shall have the opportunity of performing the gracious service of relieving the great industries of this country from $2,000,000,000 in taxes, paid indirectly by the people in the increased prices of the necessary things they have bought? The mere statement of the question ought to be sufficient answer to it.

And why, Mr. President, should we not right now proceed to make these reductions? The revenue act of 1916, though it was not approved until the 8th day of September, was passed within eight days of the passage of the increased Army and naval appropriation bills of that year, showing that the consideration of that bill went along in the two Houses contemporaneously with the consideration of the appropriation bills on account of which those increased revenues were laid and levied.

The revenue act of October 3, 1917, followed almost upon the heels of the passage of the appropriations which these increased levies were made to pay. And this year, Mr. President, when, in the latter part of May, we began the consideration of the pending revenue bill, did we not consider it contemporaneously with the consideration of the greatly increased appropriation bills which it was found necessary to pass because of the change in our military and naval policy? We did not wait until the appropriations had been made to begin the preparation of a bill to raise additional revenue on account of those appropriations, which at that stage were largely estimates. Indeed, not all of them were estimated for when work on the revenue bill began. Even after that work began large additional estimates came in.

What were we doing during the last session of the present Congress? The most of our time was spent in passing appropriation bills for the fiscal year 1918 and in changing the revenue law in order to raise the money to meet those appropriation bills. Now a new session of Congress has opened. The time for making appropriations to meet the expenditures for the fiscal year 1920 is here. The estimates are here, much more full and much more reliable than the estimates that were before the Congress when we began the consideration of the present revenue act in April, 1917. In reducing the eight-billion to a six-billion-dollar tax budget for the fiscal year 1919 we are proceeding upon the revised estimates of the Secretary of the Treasury, based upon estimates made to him by the different departments of the Government. Are these estimates of reductions in expenditures for this fiscal year so absolutely reliable, so definite and certain that we can afford to cut off two billions of dollars from the revenue bill for 1919 and run no risk, while the estimates made for the fiscal year 1920, which are also in, are so unreliable, so vague and elusive, deceitful, inadequate, and insufficient that we can not afford to do with reference to the expenditures for 1920 the same thing that we propose to do with reference to 1919 in this very enactment?

Oh, Mr. President, let me say that, having considered the revised estimates of the departments and the Secretary for the fiscal year 1920, the estimates for 1920, in my humble judgment, are not less certain and reliable, but much more certain and reliable than the estimates upon which the reductions for the year 1919 are based. I think this could be demonstrated from the figures and the facts.

Are they reliable? What did the Secretary of the Treasury tell us about his estimates for 1919—his estimate that the expenditures could be properly regarded as reducible from twenty-four billions to eighteen billions, making one-third of that amount six billions instead of eight billions?

Mr. SMOOT. Our appropriations were thirty-six billions.

Mr. SIMMONS. Yes; and our expenditures, our estimates for expenditures, and our provision for raising taxes to meet these expenditures have little to do with appropriations. Taxes are controlled by the expenditures, not by appropriations; and in these war times we seem to have adopted the policy of raising one-third as much by taxation as is necessary to defray the expenditures.

The Secretary told the committee that his estimate of eighteen billion expenditures for the fiscal year 1919, upon the basis of which he recommends a six billion instead of an eight billion tax levy for the fiscal year 1919, and on which advice the committee acted with substantial unanimity, was nothing but an enlightened estimate. Some say he used the words "enlightened guess," but what he said was "an enlightened estimate." He explained to us the difficulties. How could he make estimates under existing conditions with absolute certainty? Who can tell how much of these prospective expenditures may now legitimately and properly be lopped off? Who can look into the future and see how many of these so-called war contracts can be canceled, and how much, if they are canceled, the Government will be necessarily and properly required to pay by way of damage and reparation? Who can tell, Mr. President, how soon the soldiers that are in Europe will be brought home, and how many of them can be discharged during the fiscal year in which we are now operating? Who can tell what will be the salvage the Government may reasonably expect to realize within this fiscal year from the sale of the enormous stock of war materials of all characters and kinds which the cessation of war makes it possible to dispose of? Those are problems which can not be treated with certainty, and those were the problems which confronted the Secretary of the Treasury in making the estimates for 1919 upon which we are acting—acting with the unanimous consent of the minority, as well as the majority, of the committee.

Now, Mr. President, compare them with the possible expenditures for 1920. I defy any man to prove that the elements of doubt and uncertainty attaching to the estimates of the possible expenditures for the fiscal year 1920 are any greater than the elements of doubt and uncertainty which attach to the future expenditures of the present fiscal year.

But, Mr. President, the estimates for 1920 are in. They are in the possession of the Committees on Appropriations of this body and the House, and the latter committee is preparing legislation based upon them at this very minute. They will be passed in all probability, at least they are likely to pass at this session of Congress. According to nearly every precedent of this body we have passed the bills to increase the revenue contemporaneously with the passage of the bills appropriating the revenue, and in the name of common sense, if it is proper to adopt such legislation contemporaneously when increases are made, is it not as much if not more appropriate to pass the legislation reducing taxes contemporaneously with legislation reducing expenditures? Any other course would seem to controvene the almost universal custom to reduce taxes when expenditures are reduced.

[At this point Mr. SIMMONS was interrupted by the expiration of the morning hour and afterwards yielded to Mr. FLETCHER.]

Mr. SIMMONS. Mr. President, we have now reached a point in the presentation of the work of the committee with reference to the revenue bill where the subject matter becomes rather uninteresting.

The bill as it came from the House made a very necessary and important change in the present law with reference to income taxes. The present law has two income-tax schedules, making it necessary to calculate the tax on incomes according to the rates in two separate schedules. The House very properly combined these two systems of income taxation into one in this bill. This change will be a great relief to the ordinary taxpayer and will add greatly to the ease and simplicity of the administration of the law.

The House bill—and the Senate had not changed it in that respect—is constructed upon the general lines of the present law. While there are many amendments that do not relate directly to the rates, the general plan has been to retain the structure of the present law and increase the rates, so as to provide for the additional amount of revenue estimated to be necessary.

The committee suggests several changes in the surtax sections of the House bill. It seemed to your committee that the surtax provisions of the House bill were framed without sufficient reference to uniformity and the graduated increases were rather arbitrary in some instances.

For instance, the rates in the House bill start at 2 per cent, and are increased by steps, varying from 1 to 7 per cent, until the maximum of 65 per cent is reached upon incomes in excess of $5,000,000. These steps bear no fixed relation to each other. For example, incomes between $20,000 and $30,000 would pay 8 per cent more tax than incomes between $10,000 and $15,000, while incomes between $90,000 and $100,000 would pay only 2 per cent more than incomes between $80,000 and $90,000. Your committee sought to remedy that by beginning with a surtax of 1 per cent upon incomes in excess of $5,000 and not in excess of $6,000, and advancing to a rate of 48 per cent upon incomes in excess of $98,000 and not in excess of $100,000. This advance under the Senate provision is uniform, made by the addition of 1 per cent for each additional $2,000 of income until the $100,000 bracket is reached. Between $100,000 and a million dollars the increases are less uniform and necessarily

somewhat arbitrary, reaching 65 per cent at a million dollars, above which the tax remains at 65 per cent. The general effect of those changes is to reduce slightly the surtax upon incomes under $100,000 and to increase slightly the surtax upon incomes in excess of $100,000. The aggregate effect upon the revenue derived is very small. I think it is estimated that the amount that will be realized from surtaxes will be only $23,000,000 less under the Senate rates than under the House rates—$23,000,000 in an aggregate of something over $1,000,000,000.

The Finance Committee made no change in the normal rate provided in the House bill for the fiscal year 1919 on individuals, but we did make a very important change in the tax rates provided by the House bill for the incomes of corporations. The House bill provides a 12 per cent rate on that part of the net income of corporations which is distributed in dividends or paid in the discharge of interest-bearing obligations or in the purchase of liberty bonds issued after September 1, 1918, and imposed a rate of 18 per cent on the balance. That is to say, while earnings devoted to certain uses other than distribution were exempted from the 6 per cent differential, many other equally essential uses, such as addition to plant for purposes of further production, were not similarly recognized. A discrimination was made between the rate on income used in paying off the obligations of the corporation and the rate imposed on earnings retained for the necessary expansion and development of the plant or for the maintenance of its equipment in a state of efficiency. A distinction was made between the rate on income invested by the corporation in liberty bonds and income of the corporation invested in necessary improvements.

The committee has provided for a uniform tax upon the net incomes of corporations, this rate being 12 per cent for the 1918 taxable year and 8 per cent for succeeding years (sec. 230). Under the House bill the 12 per cent rate applied only to so much of the net income as was distributed in dividends, or paid in the discharge of interest-bearing obligations, or in the purchase of liberty bonds issued after September 1, 1918, and on the balance the rate was 18 per cent. While certain essential uses of earnings for purposes other than distribution were recognized, many other such uses of earnings equally essential, such as for additions to plant for purposes of further production, were not recognized. Failure to permit without penalty all legitimate uses of earnings for financing corporations seemed inconsistent with the policy which has in the past been actually followed by well-managed corporations and which has been urged by the War Finance Corporation and the Capital Issues Committee. To retain the differential rate while exempting from the extra tax all income used by the corporation for legitimate purposes other than distribution would, however, make the law difficult of administration, because it would involve review by the Treasury Department of too many detailed questions of the administrative policy of individual corporations. These and other considerations, among which was the fact that corporations are subject to the war excess-profits tax, to which individuals and partnerships are not subject moved the committee to restore the flat-rate system.

Experience has demonstrated the practical impossibility of conducting and maintaining corporate enterprise on a successful basis if all of its annual net earnings are distributed to the stockholders, and this has led to a practice which is practically universal of retaining a reasonable part of these earnings in the business for purposes of betterment, development, and progressive efficiency. This practice has contributed immensely to the rapid and efficient expansion of our great industrial system and should be encouraged and not penalized. It is not difficult to see that the small loss of revenue from the surtax will be more than counterbalanced by this provision, so to speak, of an automatic efficiency and development fund.

Mr. KELLOGG. Mr. President——

Mr. SIMMONS. I yield to the Senator from Minnesota.

Mr. KELLOGG. Is it possible to place surtaxes upon corporations? Surtaxes are measured by the total income; and a corporation having a total income of a million dollars would pay, say, 65 per cent of it as a surtax, while it might not be earning any more than 5 per cent on its capital.

Mr. SIMMONS. I will say to the Senator that it is absolutely impracticable to impose a surtax on the lump earnings of a corporation. You can not do it for the reason the Senator gives, and you can not do it for many other reasons which I think probably it is not necessary to go into, but which I could elaborate at some length.

Mr. President, there is one matter that gave your committee a great deal of concern. Senators will remember that when the present law was under discussion we all felt that we could not with justice subject what is known as a personal service corporation—that is, a corporation which derives its income chiefly through the activities of the members of the corporation, and whose capital, if any, is a mere incident—to an excess-profits tax, a tax fundamentally based upon the theory that the taxpayer was entitled to a certain exemption based on his invested capital. The question then was how to deal with them. The Senate, as you will recall, thought that the best way to deal with them was to exempt them from the excess-profits tax; but in conference it was insisted that, in addition to the income taxes, these corporations should pay a direct tax as a substitute for the excess-profits tax. This was agreed to and the rate fixed at 8 per cent of the net income. That provision of the present law has provoked much adverse criticism, and is an unsatisfactory way of solving the admittedly difficult problem. The House bill retains the method of the present law and increases the rate to 20 per cent.

The committee, after due consideration, recommend as a fair solution of the problem that this class of corporations be exempt from the profits taxes, but that they be taxed exactly as the bill proposes to tax partnerships. That is to say, that, like a partnership, all of the earnings of such corporation be treated for surtax as distributed whether actually distributed or not. The earnings of such corporations are assigned to the individual members according to the amount of stock held and included in their income-tax returns.

Another very important amendment recommended by the committee may vitally affect the question of the undistributed earnings of corporations. Undoubtedly there are corporations in this country which, without any regard to the requirements of the business, make a habit of retaining a large and unnecessary part of the earnings in the business, or pretending to retain it for business purposes, for the purpose of escaping the surtax. There is no doubt but that there are a number of so-called close corporations, corporations with only a small number of stockholders, that have been organized primarily for the purpose of availing themselves of the privilege of retention to escape surtaxes upon their earnings.

The present law has a provision that would seem adequate to meet that situation, but it fails in adequacy by reason of the use of just one word. It authorizes the Secretary of the Treasury to determine whether these earnings are improperly retained; and if he shall find that they are fraudulently retained or fraudulently availed of for the purpose of escaping taxes they can be taxed as if distributed to the stockholders. The law has been ineffectual because of difficulty in securing evidence to establish fraud. We have, therefore, stricken from the provision of the present law the word "fraudulent"; and it is the belief of the department that as a result the administrative branch of the Government will be able to effectually cope with these fraudulent practices and schemes for evading the tax.

Mr. President, besides the changes to which I have referred, your committee has made quite a number of important amendments intended to relieve against hardships and injustice that have been disclosed in the administration of the present law as the result of the rigid, inflexible definitions of invested capital.

As a result, in the administration of the present law, the department, as these cases have developed, has been forced, to avoid manifest injustice, to resort to alleviative regulations and constructions.

Your committee has adopted and written into the bill the substance of some of these regulations so as to give them the force and effect of law. We have also recommended a series of relief amendments relating to amortization, depletion, and shrinkage in inventories, which, if ratified by the Senate and not eliminated in conference, I think will answer to a very large extent the criticisms of the present law and correct many discriminations and inequalities which have confronted the department in the administration of the existing law. In addition, the committee has prepared a general amendment which we have been in the habit in the committee of speaking of as the relief amendment, authorizing the commissioner to classify in groups certain exceptional cases which seemed to require special treatment to safeguard the taxpayers against injustice. Every corporation which brings itself within the provisions of those classifications is given the benefit, in computing its deductions, of the like or "similar business" section of the bill; that is to say, it will be entitled to the same percentage of deductions that representative concerns in the same line of business are found to be entitled to.

There is another amendment of similar character to the one just mentioned which I regard of great importance. The House in imposing the war-profits tax realized the fact that if the tax-

payer is to be taxed 80 per cent upon his net earnings he must be given a very liberal exemption. An 80 per cent tax based upon the principle of an arbitrary exemption of 8 per cent upon invested capital would be a very heavy tax. But when you apply that high rate only to the earnings in excess of the prewar earnings it may or it may not be heavy, according to the size of the prewar earnings.

In any event, the House recognized that liberal allowances must be assured if an 80 per cent rate was imposed, and it seems to have adequately provided for every case except the case of newly established business. An old established business always has an advantage over newly inaugurated business and nothing should be done to increase or accentuate that advantage. Under the House bill an old or prewar business is allowed a deduction of not less than 10 per cent, while a new business is allowed a deduction of not more than 10 per cent. That evidently puts the new business struggling into existence upon an unfair basis of competition with old and established business concerns.

To meet the apparent equities of this situation the committee recommends an amendment providing that in the case of new business the taxpayer should be entitled to the same percentage of deduction as representative corporations engaged in the same line of business, so that if the average deduction of representative business is 12 per cent, or 15 per cent, or 16 per cent, or whatever per cent, the new business is entitled to the same percentage of deduction, thus placing the taxpayer upon a parity with his competitors in the business.

Mr. President, the recommended sundry amendments liberalizing the amortization and the depletion provisions of the House bill—but I will defer discussion as to them until they are reached in the orderly consideration of the bill because of the fact that a proper presentation of them would require more time than I wish to consume in this preliminary statement.

There is another important amendment relating to life insurance companies to which I wish to call brief attention. Speaking personally, from the beginning of these revenue bills up to the present day nothing has given me more trouble than the problem of properly adjusting taxes upon life insurance companies. The committee, with the very able assistance of members of the tax advisory board established in the Treasury Department, and after consultation with many representatives of life insurance companies, recommend an amendment which embodies a scheme for taxing the incomes of life insurance companies which, it is thought, is just and equitable to all interests. The tax is in form an income tax, but is imposed upon a net income defined with special reference to the peculiar conditions of the business of life insurance. Roughly, it consists of the gross income from interest, dividends, and rents, less tax-free interest, investment expenses, and taxes and other expenses paid exclusively in connection with real estate owned by the company. In the case of a domestic life insurance company there is also a specific deduction of $2,000. Thus the tax falls upon the true income of the company—that is, its income from investments—and the rate is so fixed that this tax takes the place of the income tax, war excess-profits tax, capital-stock tax, and the tax on the issuance of policies. It will yield considerably more revenue than the taxes which it is designed to replace, and has the great merit of simplicity and certainty. Above all, it avoids the almost insuperable difficulty of defining the invested capital of a life insurance company for purposes of the war excess-profits tax.

Early in the present session there was much controversy in the committee and on the floor of the Senate, resulting in able constitutional arguments in this chamber by Senators THOMAS, KELLOGG, and KNOX as to the constitutionality of a Federal tax on the salaries of certain State and Federal officials and on the interest of bonds of the States and municipal subdivisions thereof. After mature deliberation the committee decided to recommend an amendment striking from the House bill the provision taxing incomes from State and municipal bonds and modifying the provision as to salaries. It imposes an income tax on all gains, wages, salaries, and so forth, without differentiation. We leave the constitutional question to be settled by the courts when it is raised.

We have also exempted the proceeds of life insurance policies paid upon the death of the insured. The House bill exempts these proceeds from taxation only when paid to an individual beneficiary or to the estate of the insured. We allow the exemption to whomsoever the insurance is payable. I do not think I need to further discuss this subject.

Another exemption recommended by the committee relates to the salaries of soldiers and sailors. We remove the limitation of $3,500 in the House bill, but restrict its operation by adding a provision which limits this exemption to the period of the war and apply to those only in active service.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. SIMMONS. Certainly.

Mr. POMERENE. May I ask the Senator what he means by the phrase "active service"? Does that apply to the distinguished gentlemen who are in the department here?

Mr. SIMMONS. That may be a matter of administration. It was not intended that the class referred to by the Senator should have the exemption.

Now, Mr. President, I am going to hurry through the excess-profits tax section of the bill.

Mr. POMERENE. If I may ask the Senator another question for information, on page 31, section 215, under the title "Items not deductible," you have first family expenses, next amount paid out for new building, next amount expended in restoring property; and then paragraph (d) reads:

> Premiums paid on any life insurance policy covering the life of any officer or employee, or of any person financially interested in any trade or business carried on by the taxpayer, when the taxpayer is directly or indirectly a beneficiary under such policy.

Is that so drawn as to include premiums which are paid on what is known as group insurance as well?

Mr. SIMMONS. That describes what is, I think, called group insurance.

Mr. POMERENE. I was now speaking of the items that are not deductible when I referred to this, and among those items not deductible are premiums paid on life insurance. I am not claiming that it should, I am trying to get the construction the Senator places on the bill.

Mr. SIMMONS. Will the Senator give me the page?

Mr. POMERENE. Page 31. One of the controversies which we had up before was whether or not premiums paid by a corporation for insurance on the lives of its officers should be subject to a tax or not. In the past bill after it finally came out of conference it was so drawn that the amount paid in premiums would not be deductible, which I think was right. I was not clear in my mind as to whether this paragraph was so framed as to include within the words "premiums paid on life insurance" such premiums as might be payable on what is known as group insurance.

Mr. SIMMONS. Group insurance is deductible except where the taxpayer is directly or indirectly a beneficiary under the policy. That is the meaning of the section the Senator read.

Mr. President, I do not wish to take much time with reference to the war excess-profits taxes. We have retained the rates of the House bill on war profits, but we have slightly reduced the excess-profits tax rates. There was a controversy in the Ways and Means Committee, I am advised, with reference to the matter of increasing the excess-profits tax rates, The Secretary of the Treasury, and perhaps other Government officials connected with the administration of the tax laws, insisted that the excess-profits rates of the present law should not be increased, but that committee decided to increase them and the House ratified that action. There are some large corporations which, while making very large profits on account of large prewar earnings, would not be caught under the 80 per cent war-profits bracket of the bill. They will be reached, if at all, under the excess-profits brackets.

There are several very famous cases of this character. There is one great automobile company, which was making before the war such enormous profits that, under any war-tax scheme which allows a deduction to the full extent of prewar earnings, would pay practically no tax at all. The profits of that concern are now on a parity with the average war profits. The House thought—and with this thought your committee agreed—that as this class of taxpayers would escape a war-profit tax, and we are increasing taxes generally, there ought to be a substantial increase in the excess-profits taxes. But your committee thought the House increase was too great, and it accordingly recommends the middle course between the idea of the Secretary of the Treasury and the idea of the Ways and Means Committee of the House; and presents an amendment to the bill which reduces the House rate, but which materially increases the rate of the present law.

I am advised that in the administration of the present law it has been discovered that what is known as the small corporation has suffered manifest discrimination in the matter of excess-profits taxes; and that condition is not exceptional, but is general with respect to corporations of small earning capacity.

We have sought to relieve against that situation, Mr. President, by an amendment changing very materially the provision for the same purpose which was adopted in the other House. To accomplish the purpose in view, the House provided a limit of

not more than 35 per cent where the capital invested was not in excess of $25,000, and a limit of not more than 40 per cent where the invested capital was not in excess of $50,000. It is apparent, Mr. President, that while these provisions would afford some relief it would apply to only a very small number of corporations and would fall far short of meeting the situation. We think we have provided a scheme of dealing with these small corporations which is much more effective and much more equitable.

Mr. POMERENE. In what part of the bill is that?

Mr. SIMMONS. It is the excess-profits tax part of the bill. I do not have it here by sections. The amendment, however, provides a limit of 30 per cent on the income of corporations in excess of $3,000 (which is the exemption they are entitled to) and not in excess of $20,000; so that we apply the 30 per cent limit—whether there is a capital of $25,000 or a capital of $50,000, or more, so long as the resulting taxable income falls below $20,000. Twenty thousand dollars represents a good income upon a considerable capitalization. It would be 8 per cent upon $250,000, I believe.

Mr. THOMAS. That is correct.

Mr. POMERENE. Mr. President, the Senator from North Carolina has stated that, as a matter of practice, there has been a discrimination against the small corporation and in favor of the larger corporation.

Mr. SIMMONS. Yes. That is what we were advised and that is what I believe.

Mr. POMERENE. What I want to know is how this has come about. The Senator from North Carolina has stated it as a fact, but I am at a loss to understand how it was brought about so that there would be this discrimination against the smaller corporation and in favor of the larger one.

Mr. SIMMONS. Speaking generally, because, their capital being small, their basis of exemption is so small that the bulk of their income becomes subject to the high bracket rates.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. I yield.

Mr. KELLOGG. I desire to say that the Senator from Ohio will find that there are a great many small corporations with a capital of $10,000, $25,000, or $50,000, where the principal stockholders give their entire time to the business and where the capital, while it is necessary to the business, bears but a small relation to the real earnings of the company. I know of many such corporations who were in the tax returns two years ago.

Mr. SIMMONS. That is true.

Mr. KELLOGG. And by reason of their capital being turned over rapidly and the personal service of their officers, who are also stockholders, or more like partners than stockholders, their earnings were very large and the tax even last year took most of their earnings.

Mr. SIMMONS. The Senator will find many corporations with only $20,000 capital with a net income greater than the capital invested, whose exemption would be infinitesimal because of their small capital. In such a case the tax without this provision would be excessive.

The Senate committee has made a number of important amendments to the definition of "invested capital." It would take me quite a time to give the reasons for these changes. And while some of them are important I do not think I shall take the time of the Senate this afternoon to discuss them—they will be fully discussed when reached.

There are two other provisions of the bill, Mr. President, to which I wish to refer. Then I think I shall conclude. I refer to the provision with reference to consolidated returns.

There is nothing in the present law which expressly authorizes such returns, but the department has by construction permitted them as being within its authority. The House bill contains a provision expressly prohibiting such consolidation. I am advised that the Ways and Means Committee were very doubtful about this, and probably would not have inserted the prohibition in the bill if the representatives of the department had been able to say to that committee that permitting this consolidation did not result in a substantial diminution of the revenue from the different units of the consolidated concerns. Since the House committee acted, the question of the effect of allowing these consolidations on the revenue has been carefully investigated by the experts of the department, and your committee was confidently advised that as a result of these investigations it was found that in the aggregate the revenues would not be adversely affected by requiring consolidation.

So far as its immediate effect is concerned consolidation increases the tax in some cases and reduces it in other cases, but its general and permanent effect is to prevent evasion, which can not be successfully blocked in any other way. Among affiliated corporations it frequently happens that the accepted intercompany accounting assigns too much income or invested capital to company A and not enough to company B. This may make the total tax for the corporation too much or too little. If the former, the company hastens to change its accounting method; if the latter, there is every inducement to retain the old accounting procedure, which benefits the affiliated interests, even though such procedure was not originally adopted for the purpose of evading taxation. As a general rule, therefore, improper arrangements which increase the tax will be discontinued, while those which reduce the tax will be retained.

Moreover, a law which contains no requirement for consolidation puts an almost irresistible premium on a segregation or a separate incorporation of activities which would normally be carried as branches of one concern. Increasing evidence has come to light demonstrating that the possibilities of evading taxation in these and allied ways are becoming familiar to the taxpayers of the country. While the committee is convinced that the consolidated return tends to conserve, not to reduce, the revenue, the committee recommends its adoption not primarily because it operates to prevent evasion of taxes or because of its effect upon the revenue, but because the principle of taxing as a business unit what in reality is a business unit is sound and equitable and convenient both to the taxpayer and to the Government. A year's trial of the consolidated return under the existing law demonstrated the advisability of conferring upon the commissioner explicit authority to require such returns.

Mr. President, the Senate committee has made one other amendment of some importance that does not require any elaboration. The House bill with reference to payment of income and profit taxes in installments provided for payment in three installments, the last of the three installments becoming due sometime in June. We have changed that, and provided for payment in four installments, the last of the four installments becoming due in December. The House required all three installments to be paid during the first half of the calendar year, while we extend the four installments over the whole calendar year. That is the difference. Of course, it can readily be seen that a part of the taxes set apart for the fiscal year 1919, under that provision, would not be paid until after June 30, when that fiscal year is ended, and, of course, in that situation the Secretary of the Treasury would probably have to resort to the sale of certificates until these installments fall due; but I do not think that is a difficulty that needs to give us any special concern.

Mr. POMERENE. Mr. President, I wish to express my gratification that the committee has arranged to make the taxes payable in installments. Last year they were all made payable in one sum, and when an effort was made by some of us to have them made payable in three or four installments a few of the wiseacres at the Treasury Department thought that it could not be done. I am glad to know, however, that the Finance Committee has found a way to do that very simple thing.

In that connection, this thought has occurred to me: I have heard various statements made as to whether or not this bill was to pass or any bill was to pass at this session. I do not know anything about that. I hope that some bill will pass; but if it does not pass, as a last resort, I hope that there will be some change made in the old law so as to permit of the payment of these taxes in installments. It ought to be done; otherwise, we are going to embarrass a great many of the smaller manufacturing concerns in the country.

Mr. SIMMONS. I was aware of the Senator's views about this matter, having had many conferences with him, and I have always sympathized with him in his view.

Mr. President, I shall not discuss the changes which we have made in the section of the bill relating to estate taxes, although they are very substantial. In brief, I may say that the difference is that the House provided for an estate tax while the Senate amendment provides for an inheritance tax. The House bill taxed directly the gross estate. The Senate amendment taxes the part coming to each beneficiary under the law, or the will of the decedent. The rates prescribed are very much less than those of the House bill. Your committee did not and does not feel that the Federal Government ought to impose upon inheritances or estates such a heavy tax as would make it practically impossible for the States to avail themselves of this source of taxation without making the joint taxes of the Federal and the State Governments oppressive if not largely confiscatory.

I shall not stop to discuss the changes made in excise, stamp, and special taxes. They can be seen in the bill, and nearly all of them are self-explanatory and do not require any statement.

Mr. President, the committee has made just two other amendments of special importance. I am not going to stop to discuss them in detail, but will content myself with a brief reference to them. I refer to the child-labor amendment——

Mr. KENYON. Mr. President, I wish to ask the Senator a question regarding the House provision concerning what is commonly known as the tax on luxuries. That is stricken from this bill, is it not?

Mr. SIMMONS. That is stricken out.

Mr. KENYON. Has the Senator discussed that at all?

Mr. SIMMONS. I have not discussed that.

Mr. KENYON. Does the Senator propose to discuss it?

Mr. SIMMONS. No; I do not. There are two kinds of luxury taxes in the bill. There is one that is imposed upon things that are, because of their nature and use, ordinarily regarded as luxuries because they are not necessaries. We have not stricken all of those taxes out, but have stricken some of them out.

Mr. KENYON. I refer to the tax on high-priced clothing and articles of that kind as a tax on luxuries. That is stricken out?

Mr. SIMMONS. Yes; I am coming to that. The other class of so-called luxuries comprise such things as are not, in essence, luxuries at all, but only become subject to that designation when the price is very high—when the price paid is such as only the rich or of liberal means can ordinarily afford.

Mr. KENYON. The committee has stricken those out.

Mr. SIMMONS. We have stricken those out.

Mr. KENYON. They ought to stay in.

Mr. SIMMONS. I hardly think so; but I do not desire to go into that discussion now. I should be very glad, however, to hear the Senator upon that question if he thinks those taxes ought to stay in the bill.

Mr. KENYON rose.

Mr. SIMMONS. Not now, if the Senator please.

Mr. KENYON. I suppose it was a fundamental doctrine of the Democratic party that luxuries should be taxed.

Mr. SIMMONS. Well, we have retained the tax on luxuries, but these are not luxuries; they are necessaries—clothing and similar things.

Mr. President, the child-labor amendment ought not to be passed by with a few observations, and yet on account of the lateness of the hour and my desire to finish this amendment this afternoon I shall consume but a few minutes in discussing it at this time. I wish to say with respect to that matter, however, that I was not in agreement with my colleagues upon the committee. That does not mean that I am opposed to child-labor legislation, but by that I mean only this, and nothing more, that I do not believe that this is a matter which should be dealt with by the Federal Government. I think under the Constitution it involves the exercise of a power which rests exclusively with the States. That was the reason of my opposition in the committee. The committee has decided against my contention, and I know full well the views of a large majority in the Senate coincides with those of a majority of the committee, and I yielded gracefully and shall content myself with registering my protest. I do not feel, however, friendly to legislation—I want to say that now—and I do not care what its character is——

Mr. POMERENE. Mr. President——

Mr. SIMMONS. Pardon me; let me finish the sentence—that is framed with a view of evading and defeating a constitutional limitation of power through the abuse of the taxing powers of the Government.

Mr. POMERENE. Mr. President, when the Senator made the statement that he was going to stand by the committee on this proposition——

Mr. SIMMONS. I submit to the inevitable.

Mr. POMERENE. I thought the Senator made one of the ablest speeches I ever heard him make; and I am very sorry to hear him spoil it now by these last statements.

Mr. SIMMONS. Mr. President. The Senator should be content when I confine myself to a conservative statement of the grounds of my unfriendliness to this kind of legislation, and gracefully as I can submit to the evident will and power of my associates and colleagues. We can evade the Constitution in the way proposed if we want to. It has been done in the past. It can be done again. There seems to be no way to prevent and defeat an evasion of a constitutional limitation upon the powers of Congress where the evasion is through an exercise of the taxing power.

Mr. KENYON. Mr. President, may I ask the Senator a question? I know he is weary, and I am not going to keep him waiting; but can the Senator tell us how much would be raised by this tax on luxuries?

Mr. SIMMONS. The Senator means the 20 per cent tax on luxuries?

Mr. KENYON. Yes.

Mr. SIMMONS. About one hundred and eighty-four millions, I think. I may be mistaken about that, but I think that is the amount. The Senator means the 20 per cent taxes as they appear in the House bill?

Mr. KENYON. Yes.

Mr. SIMMONS. I think I am right about that; but, at any rate, it is quite a considerable amount.

Mr. President, the committee recommends important changes in the first and second class postal rates. It recommends an amendment effective after July 1, 1919, restoring the 2-cent rate on first-class mail matter, letter postage. Secondly, an amendment repealing the present zone system as to second-class matter (newspapers and periodicals), and substituting for it a tax of 1 cent a pound for delivery within the first and second zones (the first zone being 50 miles and the second zone 100 miles), and 1½ cents a pound for delivery in all other zones to be effective July 1, 1919.

I do not wish to enter upon a discussion of these amendments at this time further than to say the Senate committee, when the revenue act of October 3, 1917, was under consideration, struck the provision providing for the so-called zone system out of the bill, and the Senate sustained its action in this behalf, but the provision was restored in conference, under pressure. I do not know what will be the final result in case the Senate adopts the committee amendment to repeal this system; but a majority of the members of the committee felt so strongly about this matter that the committee did not feel it would be justified in failing to do everything possible, though it might eventuate in failure, to secure a repeal of that system of taxation.

At the conclusion of his speech Mr. SIMMONS said:

Mr. President, I move that the Senate adjourn until 12 o'clock to-morrow.

Mr. VARDAMAN. Mr. President, I ask that that motion be withheld for a moment. The Senator from Georgia [Mr. HARDWICK] has a joint resolution which he wishes to have acted upon to-night.

Mr. HARDWICK. Mr. President, will the Senator from North Carolina withhold his motion for a moment?

Mr. SIMMONS. Certainly.

HOUSING OF GOVERNMENT EMPLOYEES.

Mr. HARDWICK. From the Committee on Public Buildings and Grounds I submit a report (No. 620), accompanied by a joint resolution directing the United States Housing Corporation to suspend work upon all projects where construction is not more than 75 per cent completed and to cancel all contracts for furniture, and for other purposes. I desire to have the joint resolution read—it is very short—and I give notice that I shall then ask for its immediate consideration. It deals with the housing question.

The PRESIDING OFFICER (Mr. KING in the chair). The joint resolution will be read.

The joint resolution (S. J. Res. 194) directing the United States Housing Corporation to suspend work upon all projects where construction is not more than 75 per cent completed, and to cancel all contracts for furniture, and for other purposes, was read the first time by its title and the second time at length, as follows:

Whereas by the act approved May 16, 1918, the President was authorized to provide housing, local transportation, and other general community utilities for such industrial workers as are engaged in arsenals and other industries in the United States and industries connected with and essential to the national defense and their families, including employees of the United States whose duties require them to reside in the District of Columbia; and

Whereas acting under such powers, by direction of the President, a corporation, known as the United States Housing Corporation, was formed, which corporation has proceeded to enter into the construction of a large number of houses in various parts of the country; and

Whereas one of the projects being carried out by the said United States Housing Corporation is the group of buildings on the depot plaza between the Capitol and the Union Station, in the District of Columbia; and

Whereas it will involve an expenditure of approximately $400,000 to complete and furnish said group of buildings ready for operation, most of which would be saved to the Government if work is suspended; and

Whereas for all practical purposes the war has ended, the employees of the Government residing in the District of Columbia are being rapidly decreased, and there is therefore no necessity for the completion and operation of said buildings as being essential to the national defense for the use of Government employees; and

Whereas in other parts of the country said United States Housing Corporation proposes to proceed with the construction of a large number of buildings now only in the early stages of their construction: Therefore be it

Resolved, etc., That all work upon said group of buildings upon the plaza between the Capitol and the Union Station, in the District of Columbia, be suspended and all contracts made in reference thereto canceled, and the United States Housing Corporation, representing the Government of the United States in said construction, be instructed to cancel all said contracts.

SEC. 2. That the United States Housing Corporation, representing the Government of the United States, be, and the same hereby is, directed to suspend work upon all projects in which it is now engaged in all cases where the construction is not more than 75 per cent completed, and to cancel all contracts for furniture and to return, wherever possible, all unused furniture on hand or in transit.

Mr. HARDWICK. Mr. President, if the Senator from North Carolina is willing to lay aside temporarily the unfinished business, I should like the Senate to dispose of the joint resolution that I have just reported, because I think it means the salvage of large amounts of money for the Government. Every moment's delay is costly.

Mr. NORRIS. Mr. President, does the Senator expect to have the joint resolution passed this evening?

Mr. HARDWICK. I hope so.

Mr. NORRIS. Mr. President, I have no disposition to put off or delay the consideration of the joint resolution; but, as it stands, personally I feel very much opposed to portions of it, and I doubt very much whether we can dispose of it this evening. I do not want to be put in the attitude of objecting to its consideration, because I do not want to delay it a minute longer than may be necessary.

Mr. HARDWICK. I do not want to delay it. Of course, whenever we do dispose of it, we have got to meet just such questions as that. If we delay meeting them, I think it will cost the Government a large sum of money.

Mr. NORRIS. I understand that; but the joint resolution has not even been printed, and I only know of it as I heard the Secretary read it. There are, however, parts of it that I believe it is unwise to pass. At least, I shall oppose it in the form in which the Senator has it now, and I shall want to be heard on it briefly.

Mr. HARDWICK. I want to give the Senator every opportunity to be heard. It is, of course, a serious responsibility that he is taking, because the daily waste is tremendous. The Senator understands that as well as I do.

Mr. NORRIS. Yes; but it is also a serious responsibility, it seems to me, to ask for the passage of a joint resolution here without giving any opportunity to have anyone heard, and dispose of it here when it is time to adjourn now.

Mr. HARDWICK. The Senator from Georgia was simply asking for consideration of the joint resolution. The responsibility is up to the Senate.

Mr. NORRIS. I have not objected to its consideration; but I want to suggest to the Senator that unless he expects the Senate to remain in session for some time he would not succeed in disposing of it to-night.

Mr. HARDWICK. I feel that it is my duty, on behalf of the committee, to move to take up the joint resolution; and the Senate can take whatever action it pleases on that motion.

Mr. SIMMONS and Mr. TRAMMELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. HARDWICK. There is only this about it: Of course, I would have to make the motion without regard to the unfinished business, because we know that the revenue bill is going to be considered for weeks and perhaps for months.

Mr. ROBINSON. Mr. President, may I inquire of the Senator from Georgia whether the joint resolution has been reported from a committee? I did not hear his first statement.

Mr. HARDWICK. The joint resolution is reported from the Committee on Public Buildings and Grounds, and, of course, it goes over for a day if any Senator wants to insist upon that course. I thought, however, that we might as well begin its consideration—it is not 5 o'clock yet—and let the Senate understand what the measure is, and let it go into the RECORD, so that at least it may be considered in the morning hour.

Mr. NORRIS. It is in the RECORD now. I think we can dispose of it in the morning hour to-morrow. The joint resolution will be in the RECORD. The Secretary has read it, and it will be printed in the RECORD.

Mr. HARDWICK. I think, then, Mr. President, that if no one objects I shall ask to have the report printed in the RECORD; and I give notice to the Senator from Nebraska and to other Senators interested that during the morning hour to-morrow I shall ask, on behalf of the committee, to take up this proposition for consideration.

The PRESIDING OFFICER. The joint resolution will be placed on the calendar and the report will be printed in the RECORD.

The report submitted by Mr. HARDWICK is as follows:

The undersigned members of a subcommittee of the Committee on Public Buildings and Grounds make this preliminary report direct to the Senate, because, in the opinion of the subcommittee, the Senate should be immediately advised regarding the matters herein contained.

Proceeding under Senate resolution 371, the Committee on Public Buildings and Grounds, on the 5th day of December, 1918, convened, and by appropriate resolution authorized the chairman to appoint a subcommittee, of which the chairman of the committee should be chairman, to investigate the matters authorized by said resolution. Thereupon on the same day the chairman of the committee, Mr. REED, appointed the following subcommittee: Senator T. W. HARDWICK, Senator PARK TRAMMELL, Senator B. M. FERNALD, Senator J. I. FRANCE, and Senator I. L. LENROOT.

The committee began taking evidence on the 6th day of December and are still continuing their investigation.

The evidence thus far taken has been largely confined to the housing projects at Washington, and especially the housing project on what is commonly known as the Depot Plaza grounds, being the grounds between the Capitol and the Union Station. This evidence has all been given by Mr. Otto M. Eidlitz, Director of Housing and Transportation of the Department of Labor and president of the United States Housing Corporation, a subsidiary corporation which was created to perform the functions of the bureau, or his associates, and is to the effect that the building project referred to consists of 12 dormitories, each of these dormitories being in fact doubled, so that they may be treated as 24 dormitory buildings, or 1,800 rooms.

In addition to the dormitories there is a hospital building, a laundry costing approximately $35,000, and an administration building, containing a cafeteria, offices, and an assembly hall about 55 by 80.

The evidence shows that the dormitories are over 90 per cent finished. Some of them are completed or substantially completed. The administration building is likewise substantially completed. The hospital building is little more than inclosed, while the walls of the laundry building are in process of construction. The estimate of Mr. Eidlitz is that the entire project will cost when completed, including furnishings, approximately $2,100,000; that it will cost approximately $100,000 of labor to complete the buildings; that to furnish the buildings will cost about $275,000; and that to complete the laundry, with machinery installed, will cost $35,000. According to the revised estimates of Mr. Eidlitz, if the materials on hand, including the laundry machinery and furniture, were turned back (which Mr. Eidlitz thinks can be done at a small loss) and the project stopped in its present situation, approximately $400,000 would be saved. That is to say, the Government would not have to pay out some $400,000 which it will be compelled to do if it carries through the enterprise.

Mr. Eidlitz further estimates that the buildings will probably not be needed for a period longer than 12 months. Of course, it necessarily follows that the furniture and fixtures, being then in a secondhand state, they would not produce any very large salvage. As the number of occupants is estimated at 1,800 and the term of occupancy would not exceed 12 months, and as it is admitted that the enterprise, if completed, will cost the Government an additional $400,000, it will be noted that the Government must expend for this period of 12 months' occupancy for each occupant approximately $220.

This raises sharply the question whether the enterprise should be carried on and the Government should open what would be in reality a 1,800-room hotel, furnished and run by the Government, including meals, and at the same time should equip and furnish a laundry and do the laundry work and furnish an assembly hall at a cost of $400,000 additional, the entire enterprise to be discontinued and probably wrecked at the end of 12 months. The answer to this question must be affected by the necessity existing.

It is admitted, first, that the war for all practical purposes is over and that there must be a large decrease of Government employees in the city of Washington. Your committee has sent out inquiries to ascertain how rapidly the number of Government employees brought to Washington because of the war will be diminished. Up to this time the replies to these inquiries are just beginning to come in. The replies already received indicate a reduction in the force of most of the departments heard from of from 15 to 20 per cent since November 11, the date of the signing of the armistice, and indications are that the force in all of the departments that were engaged in war work other than the Bureau of War-Risk Insurance, will be rapidly reduced.

It seems to your committee that the conclusion is irresistible, that in view of these conditions there is no necessity commensurate with the expenditure necessary for the completion of these buildings for the housing of employees, but, on the contrary, it would entail a tremendous loss upon the Government which can not be justified upon any sound business principles.

The attitude and purpose, however, of the United States Housing Corporation is to proceed to the full completion and operation of these buildings unless Congress shall otherwise order. Therefore, if any action is to be taken by Congress suspending these operations, it must be done immediately.

Your committee has made a preliminary investigation of a large number of other projects and from such preliminary investigation it is of the opinion that some projects are proposed to be completed that are even more indefensible than the one we have been considering. A number of these are in their very early stages and notably one which was brought to the attention of the committee where the foundations only of the group of buildings have been completed. Nevertheless the United States Housing Corporation proposes to fully complete those buildings at an expenditure of a very large sum of money, notwithstanding the fact that for all practical purposes the war has ended.

Your committee proposes to make further investigation of these matters, but would recommend that Congress take action suspending all operations until otherwise authorized by Congress, of all operations where the same have not been more than 65 per cent completed.

EXECUTIVE SESSION.

Mr. SIMMONS. Mr. President, I withdraw the motion I made a few minutes ago that the Senate adjourn. The Senator from Florida [Mr. TRAMMELL] indicates that he desires a short executive session. Therefore I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in

executive session the doors were reopened, and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, December 11, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate December 10, 1918.

COLLECTOR OF CUSTOMS.

Richard I. Lawson to be collector of customs for customs collection district No. 38, with headquarters at Detroit, Mich., to fill an existing vacancy.

ASSISTANT APPRAISER OF MERCHANDISE.

Martin F. Tanahey, of New York City, to be assistant appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N. Y., to fill an existing vacancy.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 10, 1918.

CHIEF OF BUREAU OF CONSTRUCTION AND REPAIR.

David W. Taylor to be Chief Constructor and Chief of the Bureau of Construction and Repair in the Department of the Navy, with the rank of rear admiral.

REGISTER OF LAND OFFICE.

Robert W. Davis to be register of the land office at Gainesville, Fla.

RECEIVER OF PUBLIC MONEYS.

Perry M. Colson to be receiver of public moneys at Gainesville, Fla.

POSTMASTER.

GEORGIA.

Robert H. Wheless, Nashville.

HOUSE OF REPRESENTATIVES.

TUESDAY, *December 10, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Willey, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

Almighty God, our heavenly Father, we pray Thee this morning that our pathway may be clear and that we may have the strength and courage to walk therein. Help us to see the right with unclouded eyes and obey the truth with fidelity. For our country and all its righteous causes we pray Thy blessing this morning; for all in authority and for those who do the right in the name of God, and for the good of man, for Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE TO EXTEND REMARKS.

Mr. HOLLINGSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the general subject of retirement from Congress.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD on the general subject of retirement from Congress. Is there objection?

There was no objection.

NATIONAL SECURITY LEAGUE.

Mr. POU. Mr. Speaker, I offer the following privileged report (No. 844) from the Committee on Rules.

The Clerk read as follows:

House resolution 469.

Resolved, That a committee of seven Members be appointed by the Speaker of the House to investigate and make report as to the officers, membership, financial support, expenditures, general character, activities, and purposes of the National Security League, a corporation of New York, and of any associated organizations, that purport to be organized or engaged in or have been directly or indirectly engaged in the nomination, election, or defeat of Representatives in Congress during the year of 1918.

Said committee shall also inquire and ascertain whether charges affecting the loyalty of Representatives in Congress have been made by said organizations; and if so, by whom, and upon what information, testimony, or record; and it shall ascertain whether said organizations have complied with the provisions of law in the filing of expense accounts; and for such purposes it shall have power to send for persons and papers and enforce their appearance before said committee and to administer oaths; and the said committee or any subcommittee thereof shall have the right to sit at such times and places, in or out of the city of Washington, as the committee may deem advisable, and shall have the right to report at any time.

Mr. POU. Mr. Speaker, I would like to secure an agreement as to the time for debate on the resolution. I have had no requests for time on this side.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. POU. Yes.

Mr. COOPER of Wisconsin. I listened to the reading of the resolution, but do not know that I am able to interpret accurately its meaning. Does the resolution propose to limit the committee to finding out whether this Security League charged Members with disloyalty?

Mr. POU. I think its scope is wider than that.

Mr. COOPER of Wisconsin. There ought not to be any doubt about it. You can injure a candidate very seriously by misrepresenting the effect of his vote, even though the misrepresentation may not amount to charging him with disloyalty. I think the resolution should be read again.

Mr. POU. The committee is authorized to "make a report as to the officers, membership, financial support, expenditures, general character, activities, and purposes of the National Security League, and of associated organizations." The scope, it seems to me, is sufficiently wide for a thorough inquiry.

Mr. COOPER of Wisconsin. Does the gentleman from North Carolina think the word "activities" is sufficient to cover what I have stated that I have in mind?

Mr. POU. If "activities" does not do it, "purposes" would.

Mr. COOPER of Wisconsin. There ought not to be any question about it.

Mr. POU. I can hardly see how the scope could be much wider.

Mr. COOPER of Wisconsin. A man may have a purpose and do nothing to effect it, and so might a corporation.

Mr. POU. This says, "general character, activities, and purposes."

The SPEAKER. The Clerk will read the resolution again for the information of the House and of the Speaker.

The Clerk again reported the resolution.

Mr. STAFFORD. Will the gentleman yield?

Mr. POU. Yes.

Mr. STAFFORD. I rise to inquire what the committee intended to be included under the designation of "associated organizations"? In Wisconsin, if the gentleman will permit, there was formed in the city of Milwaukee, which had a State-wide scope, an organization known as the Patriotic Congressional League, one of the leaders of which was Willet Spooner, son of former Senator John M. Spooner, and a member of the executive committee of the National Security League. The National Security League of New York has a large membership and a branch in the State of Wisconsin. This Patriotic Congressional League had officers collecting thousands of dollars, and they failed to make any return under the State law which required a return of expenditures. My question is whether the Patriotic Congressional League, that had for its purpose the elimination from Congress of all the Members from the State of Wisconsin who voted against war, and which was one of the main purposes of the National Security League, would be investigated under the phraseology "associated organizations"?

This organization failed to comply with the requirements of the State law. In fact, they had emissaries going around the city of Milwaukee, to my knowledge, soliciting funds of $49.50 from business interests, so that each individual would not be required to make an individual return under the State corrupt-practices act. Large manufacturers of war supplies stated that they would be willing to spend thousands of dollars to defeat me, and yet they made no returns. My direct query is whether under this phraseology the activities of the Patriotic Congressional League will be investigated?

Mr. POU. I will say that the purpose of the committee was to include just such organizations as the gentleman refers to. My own opinion is that the wording of the resolution would include an organization such as described by the gentleman. If the wording is not comprehensive enough to include such an organization, the committee would be perfectly willing for it to be amended.

Mr. STAFFORD. I am glad to know that the purpose of the committee is to cover the investigation of organizations of that character.

Mr. POU. Any associated organization for the identical purpose would come within the purview of the resolution.

Mr. STAFFORD. The word "associated" would limit the activity of the committee, because the committee would have to find at the outset that it was directly associated, and it might be difficult to prove or show the connection. Would not

the words "similar organizations" cover the point so as to include such an organization?

Mr. POU. The committee would have no objection to adding the word "similar." May I ask how much time the gentleman from Kansas thinks he will desire?

Mr. CAMPBELL of Kansas. I suggest we agree upon an hour on a side, and if the time is not called for after we get into the debate we will not use it.

Mr. POU. Mr. Speaker, I will ask unanimous consent that at the end of two hours, one hour to be controlled by myself and one hour by the gentleman from Kansas [Mr. CAMPBELL], the previous question be considered as ordered.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that he shall have one hour and the gentleman from Kansas one hour, and at the end of the two hours the previous question be considered as ordered.

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it

Mr. COOPER of Wisconsin. Will that preclude amendments, if that motion be adopted?

The SPEAKER. Amendments to the rule?

Mr. COOPER of Wisconsin. To the resolution. Will we have to proceed immediately and vote on the resolution without amendment?

The SPEAKER. If the previous question is considered as ordered.

Mr. COOPER of Wisconsin. Will the gentleman from North Carolina modify his request so that amendments may be offered?

Mr. POU. I will. I do not desire to cut amendments out.

Mr. COOPER of Wisconsin. Strike out the request for the previous question and ask that we go to a vote.

The SPEAKER. The ordinary rules of the House will prevail, and if the gentleman from North Carolina uses an hour and lets nobody else in to offer an amendment, and the gentleman from Kansas does the same thing, and at the end of the two hours the previous question is ordered, that is the end of the amendment business.

Mr. WINGO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WINGO. Are we considering the resolution that has been reported by the Committee on Rules or are we considering the rule from that committee?

The SPEAKER. We are considering the resolution reported by the committee. That is why the Chair got mixed up about it.

Mr. FREAR. Mr. Speaker, reserving the right to object, I want to inquire if I may have 15 minutes?

The SPEAKER. Is there objection?

Mr. SISSON. Mr. Speaker, reserving the right to object, I understood the gentleman from North Carolina to say that there is no request for time on this side of the House.

Mr. POU. I just had a request for 15 minutes.

Mr. SISSON. Would the gentleman's request necessarily consume two hours?

The SPEAKER. Oh, a gentleman can quit whenever he pleases inside of his hour.

Mr. POU. I am going to use but 15 minutes.

Mr. SISSON. I want to get along with the appropriation bill.

The SPEAKER. A man does not have to talk an hour unless he wants to do so.

Mr. COOPER of Wisconsin. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. COOPER of Wisconsin. To ask the gentleman from North Carolina another question.

The SPEAKER. Does the gentleman yield?

Mr. POU. I do.

Mr. COOPER of Wisconsin. I call the attention of the gentleman from North Carolina to the phraseology in lines 6, 7, and 8—

that purport to be organized or engaged in or have been directly or indirectly engaged in the nomination, election—

and so forth. That is not good language, "or engaged in or have been directly or indirectly engaged in the nomination, election," and so forth.

Mr. POU. I yield to the gentleman to offer any amendment he sees fit.

Mr. COOPER of Wisconsin. Well, most certainly it ought to be amended there.

Mr. POU. I would like to get the time settled. I will yield to the gentleman 5 minutes or 10 minutes, as he desires.

The SPEAKER. Is there objection?

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER of Wisconsin. What is the question?

The SPEAKER. The question is this two hours' limitation.

Mr. COOPER of Wisconsin. One hour on a side, with the previous question to be ordered?

The SPEAKER. Yes; the request is that the gentleman from North Carolina have an hour and the gentleman from Kansas an hour if he wants to use that much of it, and at the end of the two hours, or the end of the debate if it collapses sooner, the previous question is considered as ordered.

Mr. COOPER of Wisconsin. Mr. Speaker, will not the gentleman from North Carolina modify the request to do away with the previous question?

Mr. POU. I am willing to let it be modified, leaving out the previous question being considered as ordered, because I do not want to cut off amendments.

Mr. MANN. That would amount to about the same thing. There would be no debate at the end of the two hours anyhow.

Mr. POU. I am trying to satisfy gentlemen.

Mr. MANN. Suppose the gentleman asks unanimous consent, pending the two hours' debate, that it shall be in order to offer amendments by anybody who gets the floor.

The SPEAKER. Will the gentleman amend his request?

Mr. POU. I will.

The SPEAKER. And that pending this two hours' debate it shall be in order to offer amendments without the gentleman from North Carolina or the gentleman from Kansas either one yielding the floor. Is there objection?

Mr. COOPER of Wisconsin. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. COOPER of Wisconsin. For a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER of Wisconsin. At the expiration of the two hours, then, will the resolution be taken up for consideration under the five-minute rule by paragraphs or in its entirety as one motion?

The SPEAKER. Why, it is just like any other resolution. If the previous question is not ordered, it is subject to amendment and debate. Is there objection? [After a pause.] The Chair hears none.

Mr. POU. Mr. Speaker, I shall only consume a very few minutes of the time of the House. Most of the Members of the House are familiar with the activities of the National Security League. It appears that this is an organization of the State of New York which has undertaken to pass upon the fitness of Members to sit in this body. But for a few things that have developed in the course of the preliminary investigation the National Security League would not be of sufficient importance to justify an investigation, but it has appeared that a large amount of money was raised and expended by this organization. I believe it is admitted that something over a million dollars was raised by the gentlemen who have charge of this organization. This is a large amount of money. Certain gentlemen who stand high in the esteem of the people of this Nation have lent their names to the organization. Now, this organization has undertaken to prescribe a certain standard by which men must stand or fall as Members of this body.

If they attain to the standard of the organization, they get a clean bill of health. If they fail to reach such standard, the organization goes into the districts of those men to accomplish their defeat if possible. Remembering that the concern has been able to raise more than a million dollars, this fact presents quite a serious question. It matters not how hard a man may work here, how patriotic he may have been, unless he comes up to the standard of this Security League he must go down in defeat. There are some gentlemen who were working for some of the things this organization claims to stand for long before it saw the light of day. Among that number is the Member who is addressing the House at this time. Long years before the National Security League was heard of I was doing what I could to convince the House of Representatives in my humble way that this Nation should maintain a great Navy. I never could see any sense in having a Navy just big enough to be defeated. I wanted a Navy big enough to defeat any other navy in the world. And I stand for that now. I except the navy of no nation. Under Mr. Roosevelt, for once in my life, I stepped out of line with my own party and voted for four battleships, and everything in the world that I could do to strengthen the naval or military power of the Government I have done here, in a humble way though it may be, for 17 years. But because I did not vote for three or four amendments to great measures this National Security League, so I am told, rates me as 50 per cent patriotic. I have been standing here all these years doing what I could, ready to give my all to my country, my two boys, the only boys I have, volunteering, and one of them sleeping beneath the sod of France; and yet I must be recorded as 50 per cent patriotic. I spit in the

face of a man who impugns my patriotism or my loyalty. [Applause.]

It is no light matter, gentlemen of the House of Representatives, in an hour like this, to have a man's patriotism or his loyalty to his country impugned. I will not say loyalty, because if I am not patriotic I am nothing. I do not want any man to call me loyal. Loyalty keeps me out of jail. Patriotism is my love for my country and my flag, a love that is willing to give all, life itself, if necessary.

I say this would not have been such a serious matter if it had not been for the powerful names behind this organization and the great amount of money they have been able to raise. Now, I say this, so far as these gentlemen are concerned who constitute this National Security League, if they go before the American people with clean hands they need not fear an investigation. [Applause.] If their motives are clean, if their purposes are patriotic they should welcome an investigation. They should have no objection to it. On the other hand, if there is a sinister purpose behind this organization, if it shall develop in this investigation that some man is using this organization to start a propaganda here for a selfish purpose, then the people of America are entitled to have this investigation in order that the whole truth may come out. So I say, Mr. Speaker, the Committee on Rules was justified in reporting this resolution.

Mr. WHEELER. Will the gentleman yield for a question for information?

Mr. POU. I will.

Mr. WHEELER. Does this National Security League recommend the defeat of any Member of Congress or the election of any Member that the gentleman knows of? That is just a matter of inquiry.

Mr. POU. My information is that it recommended the defeat of all Members who did not come up to their standard of parliamentary excellence.

Mr. FREAR. Will the gentleman yield? I have plenty of information of specific cases where they recommended the defeat of different candidates.

Mr. POU. And they actually undertook to appraise the fitness of Members to sit in this body. I say it would be laughable but for the great names and the great amount of money behind this thing. Ordinarily it would be a joke for any set of men to arrogate to themselves the power to pass upon the fitness of all candidates for the House of Representatives.

Mr. Speaker, Members of this body have differed and always will differ, but there is no dividing line when the patriotism of men who sit in this Chamber is considered. [Applause.] As a rule we have all stood shoulder to shoulder in supporting the administration in this war, in doing all that could be done to prosecute the war to a successful conclusion. [Applause.]

Mr. PLATT. Is it not true that a whole lot of other organizations do exactly the same thing, like the Anti-Saloon League, and so forth, in seeking to influence elections to Congress?

Mr. POU. So far as I am advised and informed, I hardly think the gentleman will be able to find an exact parallel to the activities of this particular organization.

Now, I conclude, Mr. Speaker, by saying that I believe that this resolution is justified. I think the House of Representatives ought to pass it and order this investigation. If the purposes of this organization are clean, then no one of its members can object to an investigation. If they are unclean, then the world ought to know it. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. CAMPBELL of Kansas. Mr. Speaker, this resolution raises a very important question in connection with the law that we have placed upon our statutes with respect to activities of committees in campaigns. If this National Security League can participate in a campaign as it participated in the last campaign, without let or hindrance, other organizations for other purposes can take a like active part. For instance, the Anti-Saloon League could come out in the open as this organization came out in the open. The Protective Tariff League could come out in the open as this came out in the open. A free-trade league could come out into the open as this came out in the open, without publishing the names of contributors or filing the expenses that they have been to in the conduct of a campaign for or against Members. Either we should repeal the law that prohibits political committees from activity in the election or defeat of Members of Congress altogether or we should see to it that no exception is made, not even of a committee with the high-sounding name borne by the National Security League. In addition to what has been stated by the gentleman from North Carolina [Mr. POU], no committee, however organized or of whatever political proclivity, has ever indulged in the slimy politics that was indulged in by this organization. [Applause.] It resorted through the publicity it had in the newspapers to the grossest misrepresentation as to facts.

It magnified trivial amendments into matters of the greatest possible importance. It took an amendment of a few lines in a bill of 30 pages, an amendment which of itself only added to the purpose of the bill or resolution and made it appear that Members of Congress were opposed to every line in the bill or resolution of thirty-odd pages because they voted for an amendment of three or four lines which really perfected and made effective the bill or resolution itself.

Let me illustrate a misrepresentation. The McLemore resolution was magnified into a war measure by this organization. The McLemore resolution followed a policy of the administration. On the 18th of January, 1916, long, long before we were in the war or dreamed of going into it, the administration, through the Secretary of State, published to the world that the armed merchantmen of belligerent nations should be considered as armed cruisers, and therefore nations were notified that our Government was contemplating denying those ships clearance from our ports. This was on the 18th day of January, 1916. The gentleman from Texas, Mr. MCLEMORE, introduced his resolution in February, 1916, to give effect to the administration's purposes. Something happened. There was a change in the attitude of the administration. I am not questioning the purpose of the change; I am simply stating the effect of it. The administration opposed what it had favored some five weeks before, and on the 7th day of March, when the McLemore resolution was under consideration, Members of this House on both sides voted for the conception they had of an armed cruiser on the 18th day of January, as they secured it from the Secretary of State. The American people went through a political campaign months after that. The result of that campaign was the election of a candidate for the Presidency upon a peace platform. And yet the National Security League made men in your district and in mine believe that if you voted not to lay the McLemore resolution on the table you voted for the resolution while our country was engaged in war or after a declaration of war had been made.

Mr. FREAR. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Certainly.

Mr. FREAR. The gentleman means voted for tabling, not for the resolution?

Mr. CAMPBELL of Kansas. Yes; but the league did not say that men voted to table the resolution or against tabling it. It said that men voted for the resolution, and the impression that people in the country had was that Members of this House voted for the McLemore resolution. Not a Member of this House voted for the McLemore resolution. It is doubtful if a dozen Members on this floor would have voted for the McLemore resolution without amendment. Every man who had convictions upon the subject involved at all would have voted for a concrete proposition of three or four lines on the subject, declaring the purpose of the Government of the United States to advise its citizens not as to what their rights were but as to what they should do as a matter of wisdom under the circumstances, and not take passage on the armed cruisers of any of the countries at war.

So much for the McLemore resolution. Now, upon another question: It was stated throughout the country, in every congressional district, that certain Members of Congress voted against the draft law. There is not a Member of this House who voted against the draft law. The National Security League published a falsehood. It said that every man who voted against the motion of the gentleman from California [Mr. KAHN] to strike out of the Army bill that provision that provided for 500,000 volunteers in six months and 500,000 more after another six months voted against conscription, which is a falsehood in cold type. [Applause.]

No man, I say, voted against conscription or the draft. The Army bill provided three ways of raising an army. First of all was the draft; second was the filling up the quotas of the Regulars and State troops; third, 500,000 volunteers in six months and 500,000 in a year if in the discretion of the President they were needed. That was the report of the Committee on Military Affairs. That was the bill that Members came upon this floor ready to support on both sides. The gentleman from California moved to strike out the provision for volunteers. Many of us believed in the volunteer—in the right of the boys to volunteer. We did not want to strike that out of the bill. It was falsely published all over the United States that the Speaker of this House made a bitter attack on conscripion. He made a valiant and forceful speech on the right of men to volunteer. [Applause.] In the argument that ensued upon the motion of the gentleman from California there was a heated debate on the relative merits of conscription and volunteers. It naturally arose. But there was no question at

any time upon this floor about raising an army by conscription for the prosecution of this war, and the National Security League knew that when it published all over this country the falsehood that Members voted against the draft law. I repeat that not a Member of this House voted against the draft law except such Members as voted against the Army bill altogether. Any Member who voted for the Army bill voted for the draft law.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman permit an interruption?

Mr. CAMPBELL of Kansas. Yes.

Mr. COOPER of Wisconsin. The gentleman is correct in that last statement. There were 390 or more that voted for the bill which contained the conscription provision, and a few more than 20 who voted against it. Will the gentleman permit me to add a word right there?

Mr. CAMPBELL of Kansas. Yes.

Mr. COOPER of Wisconsin. I saw in my district repeated statements in newspapers denouncing our distinguished Speaker and the distinguished minority leader of the House by name as having voted against conscription. I corrected that statement at least half a dozen times in speeches, and yet the same statements were afterwards repeated over and over again, notwithstanding I exhibited the RECORD to show the falsehood of the statements.

Mr. MANN. I think the gentleman meant the majority leader of the House as having been mentioned by name.

Mr. COOPER of Wisconsin. Yes; I meant the majority leader—Mr. KITCHIN.

Mr. CAMPBELL of Kansas. In the last three days of the campaign, in order to emphasize anything it might have overlooked, the National Security League republished and sent out as a fresh reminder to every country weekly of every political faith a restatement of the falsehoods that I have indicated with respect to the votes of Members, and what I have said about the McLemore resolution and the draft law is equally true about every other proposition that it published. It was a film of falsehood and misrepresentation, of half-truths throughout. Why, a political organization found in any ward or precinct in any city in this country that indulged in that kind of politics would be anathematized by all respectable people in the community. I am amazed that the respectable gentlemen whose names appear in connection with this organization have permitted its activities along the lines upon which it participated in this campaign.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman permit me an interruption?

Mr. CAMPBELL of Kansas. Yes.

Mr. COOPER of Wisconsin. The gentleman from Alabama has kindly brought here the RECORD of April 28, 1917. Page 1557 of the RECORD shows that on the final vote on the Army bill, which then contained the clause providing for conscription, there were 397 yeas and 24 nays, just as the gentleman has said.

Mr. CAMPBELL of Kansas. I am glad to have the confirmation of the RECORD.

Mr. PLATT. Will the gentleman yield?

Mr. CAMPBELL of Kansas. For a question.

Mr. PLATT. Does the gentleman mean to say that the fight on the Kahn motion was not distinctly a fight over conscription?

Mr. CAMPBELL of Kansas. I mean to say that it was a fight against the right of men to volunteer.

Mr. PLATT. It was a fight against conscription.

Mr. CAMPBELL of Kansas. The clause for conscription was read. Not a word was said; not a motion was made. The clause was agreed to without a single objection. The next clause was read, providing for filling up the quotas of the National and State troops, and not a motion was made; not a word was said. That was agreed to. Both those propositions were agreed to without debate. The next clause was read, providing for volunteers. Then the gentleman from California [Mr. KAHN] moved to strike that out of the bill, and it was upon that motion that the debate arose. It was upon that motion that the votes were had.

Mr. RUCKER. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. RUCKER. The particular language which the gentleman from California moved to strike out, and which was stricken out, expressly provided that nothing herein—that is, in the language stricken out—shall in any wise delay or interfere with conscription or the enforcement of the draft. It was not intended to interfere with the conscription.

Mr. CAMPBELL of Kansas. The intention of the Kahn motion was to prevent men from volunteering. That was the intention of the motion. That was the effect of the motion.

Mr. RUCKER. And the intent of those who voted against the motion was to let men volunteer if they wanted to?

Mr. CAMPBELL of Kansas. Why, certainly; and there never was any other intention. As to whether or not we could have raised an army more quickly by permitting a million volunteers than by waiting for more than six months before a single man was in uniform under the draft, that question is past; but the question is now fresh in the minds of the country that this great organization, the American Security League, misrepresented before the American people matters of great importance in a legislative way, affecting the rights of Members of Congress.

Mr. ANTHONY. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. ANTHONY. It is interesting to note that the War Department raised about a million volunteers, however, by the very same plan that was stricken out of the bill.

Mr. CAMPBELL of Kansas. They did that under the provision for filling the quotas of the Regulars and the State troops.

Mr. ANTHONY. They did that of their own volition afterwards, recognizing the fact that the judgment of the Committee on Military Affairs was correct in the first place, and it was subsequently indorsed by the War Department.

Mr. CAMPBELL of Kansas. Every congressional district represented here furnished volunteers, but the volunteer provision was stricken out of the bill for some reason, and men who voted to retain it in the bill were branded all over the country as disloyal, unfit for places in this House, by this great organization—great not because of its activities but because of the names that it bears upon its roster, but infamous because of the amount of money it was able to raise by its false misrepresentations as to its purposes and the necessity for its existence.

This resolution should be agreed to, and an investigation of the activities of this organization should be made. It should be ascertained as to whether or not it has complied with the laws relative to elections in the United States; and if not, steps should be taken such as are proper with respect to political organizations that have not complied with the law.

I reserve the remainder of my time. Will the gentleman from North Carolina use some now?

Mr. POU. There are no requests for time on this side.

Mr. CAMPBELL of Kansas. Then I yield five minutes to the gentleman from Illinois [Mr. RODENBERG].

Mr. RODENBERG. Mr. Speaker, I do not care to take up the time of the House any further than to say that I am very heartily in favor of the adoption of this resolution. The fact is that the loyalty of fully 90 per cent of the membership of this House has been challenged by this organization known as the National Security League, with headquarters in the city of New York. The widest possible publicity was given to these sensational charges of disloyalty. Billboards were utilized, street-car advertising was employed, newspaper space was hired, literature was sent broadcast throughout the country; in fact, nothing was left undone to discredit Members of Congress who voted on various bills and whose votes did not conform to the peculiar standards of patriotism set up by this league of self-constituted censors. It is also well known that in many instances the records of Members of Congress were deliberately falsified and their votes intentionally misrepresented. It was stated before our committee by the gentleman from Wisconsin [Mr. FREAR] that the league, according to its own admission, spent the enormous sum of $1,200,000 in this reprehensible effort to place a stigma upon the character and the reputation of the great majority of the Members of this House. One million two hundred thousand dollars is a pretty large sum of money, even at this time, when we are accustomed to talking in billions. I think it is most important that we should know where this money came from. We are entitled to know who it was that financed this campaign of vilification and misrepresentation. The country is entitled to know whether the men who contributed to this enormous fund were influenced solely by patriotic motives or whether they did not after all have some ulterior purpose to serve. An investigation of this kind will uncover the truth. It will reveal the real motives back of this attack upon the Americanism of the membership of this House. I believe that Congress owes it to itself, to its own dignity, to its own sense of self-respect, to order a full and searching investigation into all the activities of the National Security League, its auxiliaries, and the influences back of them.

Now that the question is up, if we should fail to take this action, every sneering critic of Congress in the country will at once construe it as an admission on our part of the truthfulness of the charges, and I undertake to say that the National Security League would be among the very first to assert that when given an opportunity the American Congress did not have

the courage to order an investigation of charges reflecting upon the honor, the integrity, and the Americanism of its membership.

For these reasons I am in favor of the adoption of the resolution. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 15 minutes to the gentleman from Wisconsin [Mr. FREAR.]

Mr. FREAR. Mr. Speaker, I do not intend to discuss the resolution nor to delay its passage for a moment. I have discussed the Security League on two different occasions—on September 23 and on December 4—when I placed before the House fully the character of this organization which you are called upon to investigate. There is nothing need be added to that. I have made a prima facie case; and, further than that, the Rules Committee, without argument, has unanimously reported the resolution. I have a different purpose, of which I will speak.

First, I wish to read two letters which I received in this morning's mail, among four I hold all to the same purpose. One is from a leading lawyer, I apprehend, in New Jersey, in which he says, under date of December 6, 1918:

> You are on the right side of this matter. I became a member of this league in its inception, whose purposes I approved of. However, I have watched the course pursued by the very able gentlemen who are really the Security League and have become convinced that it is a sinister organization as now officered and conducted.
>
> You will find, if you succeed in getting an investigation of it, that you will meet with the plaudits of a vast number of thinking people in this country, in fact a large majority of the people who know anything of the scope and purposes of the activities of this league during the last campaign.

Now, let me read a brief extract from a letter from Boston. It is under a printed letterhead, and I assume from its tone that the writer is reliable. He writes—

> Nothing that has happened in Congress for a long time has given so much real satisfaction and positive joy as has your attack on the National Security League. I joined the league in 1915 supposing it to be just what it purported to be, an organization to further reasonable preparedness for war. * * *

The last paragraph is as follows:

> Feeling as I do, I shall naturally follow the course of your investigation with intense interest. I hope very earnestly that such a gang of irresponsible, hypocritical tyrants may be thoroughly shown up as they deserve and their organization collapse.

I have another letter from Chicago and another from Ohio along the same lines, apart from many others received heretofore. Gentlemen who were members of the organization were misled as to the general purpose.

Now, Mr. Speaker, I do not intend to discuss the league further. As I have said, the Rules Committee has reported this resolution unanimously. You do not want to mistake the character of the proposition you are up against. These gentlemen are able, they hold great power that can be exercised, because there are many propositions involved in such an investigation, and all influences will be brought to bear.

Over a dozen years ago, if you will permit a personal allusion, in my own State I drew a resolution as vigorously as I could draft it attacking irregularities in the insurance companies of this country. I knew what they had been doing. That was before the Armstrong investigation was actually begun and the resolution was based largely on the Lawson statements. In Wisconsin the legislature created a committee with full power to investigate and I was elected chairman of that investigation. We spent 130-odd days in investigation, and spent over $40,000. It was the basis of insurance legislation in Wisconsin, and I am sure it was of value because I never heard criticism of that investigation, although it was very expensive and of the longest duration of anything ever held of that kind.

Before we undertook the investigation I went to one of the ablest examiners in the United States, as he is conceded to be, and I said to him, "Mr. Hughes, tell me what we can do in this matter to get at the bottom of the case." We wanted to employ him. He said in reply by way of illustration that for two days in one case he was cross-examining an insurance witness, and he was about to drop the witness when it turned out that the witness mentioned something which completed a most important link in the evidence connecting up the yellow-dog fund and its contribution to the campaign of a Republican candidate and other illegal use of funds. Remember that there were powerful influences brought to bear on that committee, and frequently its members were not in sympathy with Mr. Hughes, but it was forced upon them by his fearless probe.

I could mention other things which I do not care to repeat now to show the necessity of a strong, thorough cross-examination by this committee. Why do I do this? Personally I would rather be relieved of any further connection with this work which I have undertaken simply because it is prosecuted for the House and for the good name of the House and in no way is a personal matter. Let me say that whether I care or not, it is fair to assume that I will not be on the committee, and I shall not be.

Possibly I am too aggressive, but we will never get anywhere with this investigation unless we go to the bottom of it. Who are the men that challenge attention at this time? Who are the league's officers that have falsely traduced this body? What is their purpose? They say that they want compulsory military training. That is one purpose, irrespective of terms of peace. This junker organization that wants to force militarism upon us has other interests to further as well. I would like to show you the far-reaching influence of some of its officers, where they go and how far they go, in Mexico and elsewhere—these men who have been writing you and demanding that you respond within 10 days as to your position on public questions. There are other great influences that will be brought to bear here. The organization for the return of the railroads, headed by Mr. Root, can not be ignored, and their influence may be more powerful than we realize. I am satisfied that any committee selected here will do the best it can, and that those who are selected are sure to exercise the best judgment they have, but the responsibility is great.

That committee must do the work. You have provided no lawyers by this resolution; you have Hughes; you have no one excepting yourselves; and you have got to go down into this probe and keep at it for many days. It means work. I have worked many days in developing what I have presented to you, and I know what it means. It has not really started yet. I do not want to go on the committee, and I thank the gentlemen who have anticipated my preference. A number of my friends have said to me that they want me on the committee, but I have said frankly just how I feel in the matter.

Mr. KING. Mr. Speaker. will the gentleman yield?

Mr. FREAR. In a moment. It has been suggested I might be a prosecutor. That is impossible, for it is not my matter any more than it is yours. I would not go upon the committee in that rôle nor in the rôle of clerk of the committee. The gentlemen who are appointed on the committee can do these things and they can get good results through hard work, but they will have great opposition interests to meet.

Mr. KING. I want to say that I think it would be a misfortune to this House if the gentleman did not go on the committee.

Mr. FREAR. I thank the gentleman for his suggestion, and I do not impugn any of the motives of those who have doubted the wisdom of my being there. They think that I am too aggressive. That may be true, but you can not fight the Kaiser and his legions with a corporal's guard of pacifists. Nor can you meet this crowd of influential slanderers with kid gloves. You have got to go after these men who have been charging you with disloyalty. Will you accept that insult? You would knock a man down who would say that to you personally, would you not? Then why treat these public slanderers with gentle hands? You must act in the same rôle as a prosecuting officer. What is his purpose? He is supposed to have a judicial function, but he prosecutes to the limit to get the facts. And that is exactly what must be done here to ascertain the facts and present them to the House. The House itself is the one that will pass on the facts and will determine what shall be done, what judgment shall be imposed, but the committee must go to the bottom in its probe. If it does not it will carry to the country a wrong impression of these charges of disloyalty against the House and what they mean. Some Members suggest that this league should be brought to book because it has failed to make its report to the Clerk of the House. What a superficial suggestion! A thousand dollars fine for an organization engaged in spending a million dollars a year! That is not the point at all. We must bring these men here and say: "You charge this House with disloyalty. Why do you do it? What is behind that charge? Is it universal military training, is it junkerdom, or what is the motive for this [illegible] of falsehood and libel?"

Mr. Speaker, I believe it goes further than that. Is it the contribution of munition makers? I believe it is greater than that. Gentlemen will remember when I began my fight against certain legislation in the House. It was a very disagreeable thing to undertake, but I did it for the sake of better legislative standards. That was my motive entirely when I attacked the Rivers and Harbors Committee and the public-hearings bill. I met with discouragement and slurs from men I thought ought to have given me encouragement. My hope was for better legislation. Whether I succeeded to any degree or not you know. That has been my only purpose in making those fights, and so I say to you, gentlemen, that whatever may be the results, whoever may be appointed on this committee, I hope you will go on and make a thorough probe and

ascertain those who are the responsible parties. Do not for a moment ignore the fact that the interests you are probing will bring every effort to cover up their tracks to discredit your work.

Let me say, in conclusion, to my mind this is the most important investigation that this House has undertaken for years. It means much for the integrity of the House and the integrity of the individual Members and the honor of the House, as my good friend from Illinois [Mr. RODENBERG] said, more than anything else I can think of. Those who treat it lightly have strange standards of right and wrong and of public responsibility.

I wish to speak now a word to the committee, of which I shall not be a member. Do not fail in this investigation. Go to the bottom of it. It is your duty to work to the limit, because it requires work to accomplish things. I have made a prima facie case. I can do more than that with the data collected, but much of it has to be dug out on cross-examination, the same as in every other successful probe, and it must be done in this case. Do not permit it to fail. I thank you. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. PLATT].

Mr. PLATT. Mr. Speaker, I did not know that it was lese majeste to criticize the vote of a Member of the House of Representatives, but, according to this resolution, doubtless it is. Any body of men or any individual who dares to criticize a Member of this House for voting in a certain way must be investigated and cross-examined and put on the grill and have his motives questioned, and if possible you must find out that he is connected with some munition factory or something of the kind. The purpose of this resolution seems to be to try to make out a sinister motive back of the National Security League. If you are going to investigate the National Security League, or if you ought to investigate it, then you ought to investigate all of the other numerous organizations which are doing the same thing. The Anti-Saloon League seeks to influence the election of Members of Congress, and everybody knows their literature is sent broadcast, and they are spending large sums of money. The Woman Suffrage Association seeks to influence the election of Members of Congress. The labor unions and many other organizations do the same thing to some extent.

Mr. RANDALL. Has the Anti-Saloon League accused anyone of being disloyal?

Mr. PLATT. I do not know that it has. I am not quite sure about that, but the German-American Alliance sought to influence Members of Congress and their election. They got out a circular against me in 1916, which I have proudly framed on the walls of my office at this time.

Mr. GORDON. Mr. Speaker, will the gentleman yield?

Mr. PLATT. What do we want to do? We ought to go into a general investigation of all these organizations if we are of one.

Mr. GORDON. The German-American Alliance contributed a large amount of money to the Republican State campaign in New York in 1916, just the same, and supported the Republican Party.

Mr. PLATT. The German-American Alliance attacked the Republican Members of Congress in 1916, and I never heard of it contributing any money to campaign funds, unless to Democratic funds.

It seems to me that every man who votes for this resolution votes himself a sorehead. I do not believe we can afford to do that. There are men in this House who are members of the National Security League. Why do you not ask what their motives are? They contribute a dollar a year to this organization, which is used to circulate literature. It has not accused anyone of being disloyal. That is a figment of the imagination of the men criticized. They have felt that they were wrong, but as to being called disloyal, the National Security League, so far as I know, has not used the word "disloyal," though doubtless some of the newspapers have in the heat of the campaign.

Mr. GORDON. Mr. Chairman——

Mr. PLATT. I do not yield to the gentleman from Ohio just now. I want to repeat that the objects of this organization are perfectly plain, as are the motives of similar organizations like the Navy League. Doubtless they are in favor of universal military service, but there is no object in investigating them to find out anything. The purpose of this proposed investigation is not to find out anything but to get back at somebody. I do not believe this House of Representatives can afford to lower its dignity to the position of trying to get back at somebody because the votes of some individual Members have been criticized.

Mr. GORDON. Before the gentleman takes his seat, does he think they raised——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CANTRILL. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, I did not consume all of my time, because I imagined what was going to follow. I am always interested in objections that this House will stultify itself by having an investigation of those who assail its integrity. I should imagine, if I were a member of the 47 who had voted against the first revenue bill passed to carry on the war, or if I had voted against the amendment for the income-tax increases on $20,000 incomes, if I had the record which is carried by some gentlemen on this floor on opposing financial sinews to carry on the war, I might feel the same as the distinguished gentleman who just addressed you. That is his record. [Applause.] He voted wrong, but the Security League excepted 47 perfect Members. Why did not the league think of including these tests in its list? On the question of amendment, proposed by Senator LENROOT, for partial conscription of wealth, he was against it. Why did not the league have that vote included as one of the acid tests? [Applause.] The gentleman objects to the resolution, and he ventures to criticize the House. He ought not to criticize the House because we want to find out what is behind all this——

Mr. PLATT. I criticize the House for being thin-skinned. It seems to me that men in politics ought to be able to take a hit once in a while.

Mr. FREAR. But if a man said that I was disloyal I would knock the man down—that is how thin-skinned I am. I will not permit any organization of this kind for a moment to get it into their heads they can declare the House disloyal without being held to answer such charges.

Mr. GORDON. Does the gentleman think the National Security League raised $1,200,000 to spend in this campaign by $1 subscriptions?

Mr. FREAR. I will say to the gentleman from Ohio we do not say they spent that amount in this campaign, but I do know this, that any organization that spent $1,200,000 annually, as they admit, could well afford to pay $1,000 fine under the corrupt-practice act, an act which we all know you can drive a horse and wagon through. We want to know who put up the money. What we are after also is to vindicate the good name of the House and of Congress, not only on this side of the aisle but on the other side. I have been asked about the eight acid tests. You will find them in the speech of December 4. Go behind the returns and find out who these league gentlemen are and what their motives are. I do not think 90 per cent of this House or 90 per cent of the country outside the league of the city of New York will accept, without resentment, charges of disloyalty. I have given you in letters just read to the House the names of men who belong to this association who now repudiate it. They are fully as high-class, I dare say, as the majority of the men who object to this investigation. Go into this investigation, and go into it fully. I will give everything I have, and I have letters in which they charge Representatives here by name as being on the disloyal list, and they ask the people of their States to disgrace and repudiate them. But, gentlemen, if you have it in your mind to raise the standard of the House and resent in this House constant insinuations against the character of the House and against the morale of the House, against the charge of being cheap politicians—if we are willing to resent insults of this kind, here is the chance, and it is your important duty to act now.

Mr. CROSSER. There is something even more important than vindicating the good name of the House. Is it not a matter of duty that the motives of these people be shown up?

Mr. FREAR. It is. The gentleman from Ohio well states a fact. All such motives should be disclosed, and it is of great importance that we keep up the standard of respectability and integrity of the House. The people expect it, and they want to know if we are performing our duty here for the honor of the people and the welfare of the country. Gentlemen, I thank you. [Applause.]

Mr. CANTRILL. Mr. Speaker, I yield five minutes to the gentleman from New York, Maj. LA GUARDIA. [Applause.]

Mr. LAGUARDIA. Mr. Speaker, inasmuch as New York City was dragged into this, I want to say as a Representative of New York City that I never heard of the National Security League until a very short time ago. In 1915, I gather from what the gentleman from Wisconsin said the other day, the National Security League came into existence. Well, at that time I was busy learning to fly at Mineola, and during the last 18 months, of course, my activities took me into other parts of the world, but

I do not believe that this is a matter concerning New York City. I believe anyone has the right to criticize or differ from the views of a Member of Congress. There is no doubt about that. If we are wrong, we expect to hear about it, or if we vote or act in such a way as to differ from the views of others we are bound to be criticized.

But from what the gentleman from Wisconsin [Mr. FREAR] says, there has been a charge of disloyalty. I am sure there is no man who would charge me with disloyalty and get away with it. [Applause.] And I resent a similar attack upon any gentleman of this body, of which I consider it a great honor to be a Member. I disagree in everything in the world with my distinguished colleague from Ohio [Mr. GORDON], but I would resent an attack on his loyalty as much as I would an attack on mine. [Applause.]

Now, the resolution, as I understand it, calls for an investigation, and until we have the facts before us we are not going to pass upon the guilt or innocence of this particular organization. But it seems to me that if its motives are really patriotic, if they had no other interest but that of securing a Congress which would act according to their views, they should welcome this investigation. We will arrive at a sad time if a Member of Congress may be called disloyal because he happens to vote the other way. That being the case, and knowing very little about this organization, but with the prima facie case presented by the gentleman from Wisconsin, I shall vote for the resolution, because I want the facts. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MANN], and then I will yield to the gentleman from Wisconsin [Mr. COOPER] to offer his amendment.

Mr. MANN. Mr. Speaker, I suppose that there is practically no opposition to the passage of this resolution. I never have been very much in favor of investigating committees or investigations by congressional committees and am not enthusiastic about this. I have been lied about so often concerning so many different things that possibly I am unduly callous to the false statements made concerning me.

Now, I do not know whether the National Security League favored or opposed my nomination or election in the last campaign. I do not care. I do not know whether they furnished the information which a very nice young gentleman gave to the public who was running against me in my district, every line of which was a falsehood, but I think he got his information from the Democratic congressional committee. [Laughter and applause on the Republican side.] And if we are going to investigate all the falsehoods published concerning us, I would commence with the Democratic congressional committee [laughter and applause], because I think——

Mr. HARDY. Will the gentleman yield right there?

Mr. MANN (continuing). Because I think they can publish more false statements about Republican candidates than the National Security League could imagine.

Mr. HARDY. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. HARDY. Does not the gentleman think they would have a hard time publishing as many false statements about Republicans as the Republican congressional committee can publish about Democrats?

Mr. MANN. I do not know. I take it that the Democrats would start in with an investigation of the Republican congressional committee; but the trouble is that the Republican congressional committee never has had as vivid an imagination as the Democratic members of the Democratic congressional committee, and most of the statements made by the Democratic congressional committee are based on vivid imagination. [Laughter.]

Mr. HARDY. Does not the gentleman think that is a pretty vivid statement he is making right now? [Laughter.]

Mr. MANN. No; that is a statement of pure fact.

Mr. HARDY. That nobody else would agree to.

Mr. MANN. If I thought the gentleman from Texas [Mr. HARDY] would agree to any statement I made, I would think I was in error. [Laughter.]

Mr. HARDY. Will the gentleman yield right there?

Mr. MANN. Oh, no.

Mr. HARDY. All right.

Mr. MANN. Of course in this House there were at times heated intimations from some Member of the House in debate that some other Member of the House in debate had not been really loyal and patriotic. Well, those things occur sometimes in debate. Of course no one can expect that an entire body will always vote the same way. If it shall ever come that upon most of the questions that come before this body all of the Members agree, it will be a sorry day for the Republic. There should be a difference of opinion in order to ascertain the truth. But in a service of some years in this House I have come to believe firmly in the real earnestness of purpose, devotion to the right, and the unflagging and unfailing loyalty and patriotism of the entire membership of Congress. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. MCCULLOCH].

Mr. McCULLOCH. Mr. Speaker, I had not intended to say anything upon the resolution, but I regard this as a serious and not a frivolous matter. To question, directly or indirectly, the loyalty of Congress in time of war is a most serious matter and should be so regarded not alone by Members themselves but by the entire country. It is not a question of whether or not there were differences of opinion among Members of this House in regard to measures on war or preparedness that came before the House. It is not a question of whether or not we differed as to the policies to be decided upon in the entering and in carrying on of the war. It is a question as to whether or not the votes of Members were misrepresented and wrong conclusions drawn, and if so, by whom and for what purpose, and whether or not men who assume to be responsible are to be permitted to misrepresent, vilify, lie about, and slander the Members of this House and not be called to account. [Applause.]

Now, unless I have the facts wrong, and if the gentleman from New York [Mr. PLATT] or anyone else can show that I have the facts wrong in regard to this league, I will vote against this resolution. Unless I have the facts wrong, the National Security League drew conclusions in regard to the loyalty of the Members of this House upon misstatements of fact. The National Security League not only drew wrong conclusions from statements of fact, which is, to say the least, unfair, but they misstated and misrepresented facts and drew conclusions, using such misstatements as a basis, which could only have the effect of holding the Congress of the United States up to public contempt. Simply because men differ as to policy or mode of procedure does not justify an accusation of disloyalty, either directly or indirectly. So that if this league had told the truth and then charged disloyalty its conduct would have been, to say the least, reprehensible; but to misrepresent the facts and on such a false basis to charge disloyalty merits prompt and vigorous action. No Member of this House should object to honest criticism; he should expect that, but the mouth of the slanderer should be closed.

Those who would criticize Congress or its Members should be required to tell the truth. Men can not slander the Executive nor the Supreme Court without corresponding responsibility. The Senate will not stand for it, and why should the House?

I do not believe I can be included in any such class as the gentleman from New York [Mr. PLATT] referred to, because this league made a bitter fight against me in my district and I increased my majority 5,000 over two years ago. I won in 1914 by 7,000 votes, and against the attacks of the National Security League in 1918 I won by 12,200. But I am deeply interested in one important thing, and that is that the honor and the dignity of this great body should be upheld. The greatest compensation that comes of being a Member of Congress is the honor. It is an honored place. To have been a Member of Congress is something to which your posterity can point to with pride in years to come. If it were a dishonor and a disgrace to be a Member of this House none of us would want to remain here. It is a great honor and should be so regarded. Now, then, the loyalty of 90 per cent of the membership of this House has been challenged in time of war. Are you going to sit idly by and allow them to get away with it? It is not a frivolous matter, and I challenge the inference of the distinguished gentleman from Illinois [Mr. MANN]. It is a serious matter, and I for one desire that this investigation shall go to the bottom of it all, and no matter how high up the men are, no matter how high the places they hold, they should be required to assume the responsibility of their false statements. [Applause.]

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield the remainder of my time and the floor to the gentleman from Wisconsin [Mr. COOPER].

The SPEAKER. The gentleman from Wisconsin is recognized for five minutes.

Mr. COOPER of Wisconsin. Mr. Speaker, I shall offer this amendment: In line 4, page 1, after the syllable "port," at the beginning of the line, insert the words "and names of contributors."

The SPEAKER. The Clerk will report the amendment.

Mr. COOPER of Wisconsin. And on line 6——

The SPEAKER. Has the gentleman finished reading his amendment?

Mr. COOPER of Wisconsin. Yes. I want to offer another one.

The SPEAKER. You had better finish this one first. The Clerk will report it.

The Clerk read as follows:

Amend page 1, line 4, after the syllable "port," at the beginning of the line, by inserting the words "and names of contributors."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. Now the gentleman will submit the next amendment.

Mr. COOPER of Wisconsin. Then, in line 6, if the word "any" is to be used there, the letter "s" should be stricken off the word "organizations." It should read "any associated organization." I move to strike out the letter "s."

The SPEAKER. The question is on agreeing to the amendment.

Mr. GARD. Mr. Speaker, does the gentleman offer that as an amendment? Does he merely purpose to investigate one associated organization or other organizations?

Mr. COOPER of Wisconsin. It should be in the singular—"organization"—if you use the word "any," or else it should be "all organizations." If the amendment is adopted, and the language "any organization" used, then you can investigate a dozen if you choose.

The SPEAKER. The question is on the amendment to change the word "organizations" to the word "organization."

Mr. GARD. Mr. Speaker, I do not think the gentleman should do that. I think it means expressly what it says. I think it is now expressed in better language.

Mr. COOPER of Wisconsin. Mr. Speaker, if we wish to be accurate it should be "any organization." Then it would include all organizations. By using "any organization" you could investigate one after another, as many as you might wish.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. GARD. A division, Mr. Speaker.

The SPEAKER. The gentleman from Ohio demands a division.

The House divided; and there were—ayes 27, noes 25.

So the amendment was agreed to.

Mr. COOPER of Wisconsin. Mr. Speaker, I desire to ask the gentleman in charge of the resolution if it would not be better to strike out the word "associated," in line 6, and in lieu thereof insert the word "similar"? There may be State organizations that might contribute great amounts of money in secret.

Mr. FREAR. I would be willing to accept it, of course, if the committee is willing. That is along the line of the original resolution.

Mr. COOPER of Wisconsin. Why would it not be better, in place of the word "associated," in line 6, to insert the word "similar"?

Mr. POU. I have no objection.

Mr. COOPER of Wisconsin. Mr. Speaker, the gentleman from North Carolina accepts the suggestion. I move further to strike out the word "associated" and insert the word "similar."

The SPEAKER. The Clerk will report the gentleman's amendment.

The Clerk read as follows:

Amend page 1, line 6, by striking out the word "associated" and inserting in lieu thereof the word "similar."

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. COOPER of Wisconsin. Yes.

Mr. MANN. I do not know very much about the resolution. I thought it might be better for the committee to centralize the spotlight upon this organization rather than to scatter it over a number of organizations. There are a great many. Does the gentleman think it is desirable to have this committee, in the next two months, scatter its jurisdiction, instead of concentrating on this one organization?

Mr. COOPER of Wisconsin. Mr. Speaker, I made the suggestion solely because of what my colleague [Mr. STAFFORD] said about the activities of a certain organization in our State. It might be very difficult to prove that that organization was "associated" in any way with the National Security League. However, in order to concentrate attention upon this National Security League, I will withdraw the amendment.

The SPEAKER. The gentleman withdraws his amendment.

Mr. CROSSER. I renew it. I offer the amendment myself.

The SPEAKER. The gentleman has not the floor.

Mr. CROSSER. I will obtain the floor later.

Mr. COOPER of Wisconsin. I myself do not believe that there are many organizations which can properly be characterized as "similar" to the National Security League. I know of very few corporate bodies that engage in politics as that corporation did. I know some associations—you might call them societies—which do that, but I know of very few corporations that engage in politics after the manner of the National Security League. But perhaps the resolution is better just as it is.

Mr. POU. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH] to offer an amendment.

Mr. SABATH. Mr. Speaker, I desire to offer an amendment after the word "officers," in line 3, to add the words "agents and employees."

I am of the opinion that many members of this organization may have no knowledge, while some of its agents and employees, many of them professional lobbyists, organizing this and other similar organizations for the purpose of securing employment and large pay for their services, have endeavored to dictate the policies of the Congress of the United States. For that reason I am of the opinion that we should add these words, reaching these professional lobbyists and patriots for pay.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Page 1, line 3, after the word "officers" insert the words "agents and employees."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

Mr. CROSSER. Mr. Speaker, I move to strike out the word "associated," in line 6, and insert the word "similar."

The SPEAKER. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: Page 1, line 6, strike out the word "associated" and insert in lieu thereof the word "similar."

Mr. CROSSER. Mr. Speaker, this is an important amendment. I venture to say before any investigation is begun that it will be found that most of the activity of the kind described by Members who favor this resolution has been carried on by organizations having other names than the National Security League. Every local gang who were interested in the defeat of a man to whom they were opposed because, perhaps, of his economic views, formed some organization or another for the purpose of carrying on their opposition. If, therefore, we are really to investigate, if we desire to turn the limelight on the hypocrisy of such individuals, then, I say, let us investigate these other "groups" as well as the National Security League.

This is a much more important matter than some would try to have us believe. The filth that such organizations spread broadcast was not merely the expression of a difference of opinion. One can not object to criticism from a man if he makes his criticism in a fair, manly way; but this organization and others of its ilk have gone much further than that. They have undertaken deliberately to ruin men's reputations. They have undertaken to destroy all that is worth while in life, the good name that men may have won after long, arduous years of toil and self-abnegation. I say that if we are going to allow that sort of thing to go on without exposure, then we care very little about the future of the country.

Mr. LAGUARDIA. The word "similar" will not carry out the intention of the gentleman.

Mr. CROSSER. Yes; it will.

Mr. LAGUARDIA. Because they will question the jurisdiction of the committee, and you will have to prove first that the organization is similar.

Mr. CROSSER. That will be a matter for the decision of the committee, and if they are favorable to the purposes of this resolution they will not have any trouble in discovering the similarity.

Mr. LAGUARDIA. The gentleman will find that it will not help a bit.

Mr. CROSSER. It will help a great deal.

Mr. GREENE of Vermont. If you undertake to investigate all these so-called similar organizations, where are you going to begin and where are you going to leave off?

Mr. CROSSER. We will begin with organizations of this character. It will not take very long; and if we are going to consider it a tedious matter to investigate these organizations, it will be found that the investigation of the National Security League may be open to that objection.

Mr. GREENE of Vermont. The gentleman is interpreting my question in a way that may please him, but it is not my question. I am trying to get at a practical way of doing the thing, if the thing itself is practical. If you are going to investigate every difference of opinion on this subject that may have associated its supporters in an organization on the face of the North American Continent in the United States of America, you will find that the investigation will be in full blast at noon on the 4th of March next.

Mr. CROSSER. The concrete case which I have in mind is that of the gentleman from Wisconsin [Mr. FREAR]. I understand that the organization that nominally was opposing him was not the National Security League but the One Hundred Per Cent American League.

Mr. GREENE of Vermont. The gentleman is aware that constitutionally our committee could not arraign anybody or correct anybody for mere difference of opinion with us.

Mr. CROSSER. To the extent of letting the public know what these men were doing, what their purposes were, and what they were trying to accomplish, the committee would have authority to compel testimony.

Mr. GREENE of Vermont. However earnest we are about it, we have got to go at this thing in the right way. We must go at this thing to discover what was contrary to law and not upon the mere difference of opinion.

Mr. GARD. Mr. Speaker, I rise to oppose the motion of the gentleman from Ohio.

Mr. FOSTER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. FOSTER. I thought we were to have two hours' general debate.

The SPEAKER. Somehow or other they have agreed to another arrangement.

Mr. MANN. But the two hours have not yet expired.

Mr. FOSTER. I thought the gentleman from Kansas and the gentleman from North Carolina controlled the time.

Mr. MANN. But when they sit down and do not control the time, somebody else gets the floor.

Mr. GARD. Mr. Speaker, it seems to have been one of the developments of modern political life that questions are discussed largely through the medium of self-appointed committees. My observation has been that these committees, such as we have been discussing here, have their activities as long as their contributions, which they exact from credulous adherents, last, and that a great proportion of the money which they collect is spent for the salaries of the officers, agents, and employees.

However that may be, I do not view with approval the suggestion of the gentleman from Ohio [Mr. CROSSER] that similar organizations to the National Security League should be investigated under the present resolution. Rather do I agree with the gentleman from Illinois, who thinks, as I do, that the very object of this resolution is to concentrate attention and investigation upon the work of this National Security League, because if we are to open up to this committee all the activities of every propaganda organization the labor of the committee appointed by the Speaker will be unending.

There is only one way that we can logically pursue it, and that is if there is evidence established before the committee appointed by the Speaker of a particular propaganda, a particular method of conduct in which the wrongful use of money is also of large consequence, that is a matter in which the country is interested and in which the House is interested. But we are not interested in the development of every local committee or of every sort of propaganda, whatever it may be, against an individual Member of this House.

So in discussing this rule and the scope to which the rule should have effect I disagree also with another member of the Ohio delegation who has spoken recently, in which he said that certain truthful things were published and then wrongful deductions were made from it. I do not think there should be any investigation by a committee of the House or anybody else because something truthful was said and improper deductions were made therefrom.

Neither do I think the subsequent statement entirely correct, when the gentleman said that something wrong was published and then wrongful deductions were drawn from that, since that implies a double negative. I think what the House wants to get at is to investigate the National Security League and any influence that sought to control the election of Members of the House wrongfully, if it did so wrongfully. and the scope of the resolution is wide enough to accomplish that purpose.

The SPEAKER. The Clerk will again report the amendment.

The Clerk read as follows:

Amendment by Mr. CROSSER: Page 1, line 6, strike out the word "associated" and insert the word "similar."

The question was taken, and the amendment was rejected.

Mr. COOPER of Wisconsin. Mr. Speaker, I offer the following amendment. After the word "to," in line 3, insert the words "the articles of incorporation," so that they will be required to make report as to the articles of incorporation.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 3, after the word "to," insert the words "the articles of incorporation."

Mr. GARD. Will the gentleman yield?

Mr. COOPER of Wisconsin. Yes.

Mr. GARD. Does not the gentleman think that the purpose of that would be reached under the language of line 4—"general character"?

Mr. COOPER of Wisconsin. I do not think so.

The SPEAKER. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question is on the resolution as amended.

The resolution was agreed to.

The SPEAKER appointed the following committee: Mr. JOHNSON of Kentucky, Mr. HARRISON of Mississippi, Mr. SAUNDERS of Virginia, Mr. CARAWAY of Arkansas, Mr. TOWNER of Iowa, Mr. REAVIS of Nebraska, and Mr. WALSH of Massachusetts.

Mr. KINCHELOE. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to address the House for three minutes. Is there objection?

There was no objection.

Mr. KINCHELOE. Mr. Speaker, yesterday the gentleman from Illinois [Mr. GRAHAM] made a statement in the RECORD that he had obtained information from the Surgeon General's office of the Army that a Mr. Troendle, from Dawson Springs, Ky., representing the Dawson Springs Hotel Co., in June tendered to the Government, or wanted to turn over to the Government, a tract of land and the hotel for the purpose of a hospital. He said that this offer was considered by the Government, and finally the project was rejected by the Surgeon General.

Mr. Speaker, I happened to be down there present at the conversation with Mr. Troendle, who is a constituent of mine. I want to say to the House, first and foremost, that the Dawson Springs Hotel Co. does not own a hotel. They own in fee simple about 1,000 acres of land down there, upon which they proposed to construct a hotel. Bonds were sold before the war was declared and excavation for a $1,000,000 hotel was already made.

Mr. Troendle did say to Gen. Gorgas in my presence that if they could get the restrictions lifted by the priority division of the War Industries Board, whereby they could get the material, he would complete the hotel and turn it over to the Government as a hospital during the war, but not turn the property over to the Government permanently. That proposition was not considered and rejected; it was not considered, because Gen. Gorgas said, "What we want are buildings now, and by the time the hotel will be completed it would be too late." That had nothing to do with the Dawson Springs hotel. They own no hotel. They expect to construct a hotel, but that has nothing to do with the bill recently passed by the House. The Surgeon General did not investigate Dawson Springs and did not reject it.

Mr. BURNETT. Mr. Speaker, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. BURNETT. Mr. Speaker, I desire to say that I was present at a meeting of the Committee on Public Buildings and Grounds, and Col. Smith was interrogated in regard to this and said that there was an offer of property made, but that, so far as his investigation went, there was no rejection of it.

Mr. KINCHELOE. Absolutely no investigation was made.

Mr. GRAHAM of Illinois. Mr. Speaker, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. GRAHAM of Illinois. Mr. Speaker, so far as the information in the Surgeon General's office is concerned, the gentleman will concede, will he not, that the offer was made in June and was not accepted by the Government?

Mr. KINCHELOE. Yes. It was not considered by the Government, because Gen. Gorgas said that they wanted buildings already up, and that by the time this building is constructed it would be too late to use it as a hospital for those in the service.

Mr. GRAHAM of Illinois. If the gentleman will permit the statement, my information in that office was different from what the gentleman has given. I was informed that it was considered but had not been accepted.

Mr. KINCHELOE. I am telling what I know, because I was there at the time of the conversation.

NATIONAL SECURITY LEAGUE—RESIGNATION FROM INVESTIGATING COMMITTEE.

Mr. TOWNER. Mr. Speaker, I have been named by the Speaker, I am informed, as a member of the investigating committee to investigate the National Security League.

The SPEAKER. That is correct.

Mr. TOWNER. Mr. Speaker, I must respectfully decline to serve upon the committee, thanking the Chair for the compliment paid me by the appointment. Events of a personal nature have recently occurred in my family which make me feel that I can not at this time serve on the committee, and I am therefore compelled to decline.

The SPEAKER. The Chair will fill the vacancy presently.

THE LATE REPRESENTATIVE JOHN A. STERLING.

Mr. CANNON. Mr. Speaker, I present a request for unanimous consent, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. CANNON asks unanimous consent that Sunday, January 19, 1919, be set apart for addresses on the life, character, and public services of the Hon. JOHN A. STERLING, late a Representative from Illinois.

The SPEAKER. Without objection, it will be so ordered.

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL.

Mr. SISSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13277, the District of Columbia appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the District appropriation bill, with Mr. GARNER in the chair.

The Clerk reported the title of the bill.

Mr. SISSON. Mr. Chairman, I ask unanimous consent to correct a clerical error. On page 4, line 6, appears the word "draftmen." That should be "draftsman," and I ask that it be corrected.

The CHAIRMAN. Without objection, the correction will be made in accordance with the statement of the gentleman from Mississippi.

There was no objection.

The Clerk read as follows:

Assistant director of primary instruction, $1,400: *Provided*, That the assistant director of primary instruction now in the service of the public schools, or hereafter to be appointed, shall be placed at the basic salary of $1,400 per annum, and shall be entitled to an increase of $50 per annum for five years.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. At this point in the bill last year appeared an item for the rent of offices for the recorder of deeds, $5,000. What has become of that item? Have quarters been provided in the new courthouse?

Mr. SISSON. Yes. The old courthouse is about completed, and when the office of the recorder of deeds moved out it was intended that quarters should be provided in the courthouse when it was reconstructed.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

Repairs—streets, avenues, and alleys: For current work of repairs of streets, avenues, and alleys, including resurfacing and repairs to asphalt pavements with the same or other not inferior material, and including the purchase of one motor truck at not to exceed $2,000, and maintenance of motor vehicles, and including an allowance of not to exceed $30 per month for an automobile for use for official purposes, $375,000. This appropriation shall be available for repairing pavements of street railways when necessary; the amounts thus expended shall be collected from such railroad companies as provided by section 5 of "An act providing a permanent form of government for the District of Columbia," approved June 11, 1878, and shall be deposited to the credit of the appropriation for the fiscal year in which they are collected.

Mr. GARD. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. Is it intended that this appropriation of $375,000, with the unexpended appropriations appearing under the heading of "Work on streets and avenues," the unexpended balances, shall be taken together for use during the coming year for the repair of all the streets?

Mr. SISSON. That is practically true; but they are two different items. One is for the repair of streets and the other is for improvements. One is for tearing up old pavements and putting down new and the other is for resurfacing.

Mr. GARD. This last is for repair?

Mr. SISSON. Yes.

Mr. GARD. And the other is for new work?

Mr. SISSON. Yes.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

PUBLIC SCHOOLS.

Officers: Superintendent, $6,000; assistant superintendents—1 $3,500, 1 $3,000; director of intermediate instruction, 13 supervising principals, supervisor of manual training, and director of primary instruction, 16 in all, at a minimum salary of $2,200 each; secretary, $2,000; financial clerk, $2,000; clerks—1 $1,600, 1 $1,400, 1 $1,200, 3 at $1,000 each, 1 (to carry out the provisions of the child-labor law) $900; 2 stenographers at $1,000 each; messenger, $720; in all, $62,520.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman of the committee why it is that in making appropriations for the superintendents here that they have one at $3,500 and one at $3,000, each doing the same kind of work?

Mr. SISSON. That is fixed by law.

Mr. MADDEN. That is the law, is it not?

Mr. SISSON. Well, that is the law that fixes the salaries as they appear in the bill.

Mr. MADDEN. No; one is at $2,700, while another doing the same work gets $1,650.

Mr. SISSON. Well, I presume originally in fixing these salaries it was due to the fact that the service rendered was more important in one case than in another case because of the fact that more children were under them and more duty.

Mr. MADDEN. Well, I do not think that has anything to do with it at all myself. I think it is simply because one man is a white man and another is a black man. That is the way it looks.

Mr. SISSON. As a matter of fact that has been the salary carried for many years, and I think every member of the subcommittee will bear testimony to the fact that that question is never raised and never mentioned in our deliberations.

Mr. MADDEN. Well, it seems to me, Mr. Chairman, that when persons do equal work, whether they are men or women, and are charged with equal responsibility, are required to have the same educational qualifications, that they be compensated alike; and I think it is an injustice which ought to be remedied; and I move, Mr. Chairman, in the case where the salary is fixed in the one case at $3,500 and the other at $3,000 that both be made $3,500.

Mr. SISSON. Mr. Chairman, I make the point of order on the amendment.

Mr. MADDEN. Well, I do not think it is subject to the point of order. I would like the gentleman to state what the point of order is.

Mr. SISSON. There is no question about its being subject to the point of order, because originally the law fixed those salaries, and to change that now would make it subject to the point of order. There is no doubt about its being subject to the point of order. There is also an amendment which went into this bill some four or five years ago making the salaries carried in the preceding bill to be the salaries for this year, and to change the salary carried in the current law is also subject to the point of order under that provision carried in the bill several years ago.

Mr. MADDEN. Well, I think the estimates were made for similar salaries by the board of education and reduced by the commissioners, and it seems to me that it is competent for the House in the Committee of the Whole House on the state of the Union to increase the salaries, to raise the salaries, and I do not think it is a change of law to raise an appropriation.

The CHAIRMAN. The Chair has before him the act authorizing it, and if the gentleman from Illinois has a statute authorizing the payment of $3,500——

Mr. MADDEN. I have not looked up the law on the question, I am free to admit. Now, if the gentleman will withhold the point of order——

Mr. SISSON. I will reserve the point of order.

Mr. MADDEN. I will address myself to the merits of the case. It seems, Mr. Chairman, that any law which requires one man to work for $3,000 while another man doing similar work with equal responsibility gets $3,500 is unjust, and there ought to be some remedy for it, and it seems to me that the committee having jurisdiction over this bill should see the injustice of the case and report an amendment to the law to remedy the evil, for it must be admitted to be an evil to require one man to do similar work for $500 a year less than another. Every person occupying the position of director of education is required to stand the test of qualification. They are required to have similar educations, they are required to pass similar examinations, they are required to do similar work, and they ought to be granted similar pay, and it seems to me that the committee which would tolerate a discrimination of this sort has failed to give the kind of consideration to the question to which it is entitled. Of course, I realize that this committee, as all other committees, are anxious

to economize in every way they can, and while they are economizing they ought to do it where economy is the proper thing. Economy ought not to be practiced at the expense of the individual. It may be said that economy is not being practiced. It may be said that $3,000 is all the pay that either of those men should get. I do not know about that. If that be true, of course it would be extravagant to pay one man $3,500 where the other man is being paid $3,000; but if it is not extravagant and it is thought that the salary is not more than commensurate with the responsibility of the work, then I submit that it is unjust to pay the one $500 less than the other. I am not very clear, although I have not the law before me, that this item is subject to the point of order.

Mr. WHEELER. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. WHEELER. The Chairman states it is fixed by statute. Are not the salaries of the commissioners fixed by statute?

Mr. MADDEN. Yes.

Mr. WHEELER. But I understand their salaries are now $5,000, and it is proposed to make them $6,000.

Mr. MADDEN. Of course, if that is true, that is a change of statute, and I shall feel compelled to make the point of order against that.

Mr. WALSH. It is too late.

Mr. MADDEN. Unfortunately I was not here.

Mr. LONGWORTH. If the gentleman will yield, do I understand the duties of these superintendents are exactly alike?

Mr. MADDEN. Exactly alike.

Mr. LONGWORTH. The gentleman could reach the object he intends to reach of equalizing the salaries by moving to reduce.

Mr. MADDEN. That would be a change of law, too, I suppose.

Mr. DYER. That would not be subject to the point of order.

Mr. LONGWORTH. If their duties are precisely the same——

Mr. MADDEN. They are precisely the same. I do not think anyone will deny that. I think that there ought to be sufficient consideration for the equities in the case to equalize the salary of the man who is not getting within $500 of the other man. I do not want to reduce the salary of the man who is getting the $500 more, because I do not think he is getting more than he ought to have, but I do think this committee ought to have sufficient consideration for the justice of the case to offer an amendment or to withdraw the point of order and allow this increased compensation to be paid.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DYER. Mr. Chairman, I would like to ask the chairman a question about this. Do these two assistant superintendents have the same amount of work to do?

Mr. SISSON. Well, they have the same character of work to do, of course, but there are more than twice as many children under one superintendent as under the other. The assistant superintendent who gets the $3,500, in the absence or illness of the superintendent, performs the duties of the superintendent. He happens to be the man who performs that duty. The assistant superintendent whose salary is fixed by law at $3,000 performs the duty of assistant superintendent at all times.

Mr. DYER. The one that gets $3,000 is a colored man?

Mr. SISSON. I understand he is a colored man, but I did not know myself until this moment that there was any difference. The question was never raised in the committee at all.

Mr. DYER. No recommendation was made to the gentleman's committee?

Mr. SISSON. There was a recommendation made to our committee to increase the salaries of every employee in the District government.

Mr. DYER. Well, the gentleman does not recall whether there was any recommendation by the commissioners to increase the pay of this one assistant superintendent?

Mr. SISSON. I do. They recommended an increase in salary for all these officials in this particular paragraph.

Mr. DYER. To make them equal or increase them all?

Mr. SISSON. My recollection is to make the assistant superintendent $4,000; and I think they made them both $4,000.

Mr. DYER. I would ask the gentleman also if it is not a fact that a number of items recommended by the school board were eliminated also?

Mr. SISSON. I do not know that a number of items were. I do not recall.

Mr. DYER. The ground for that new school known as the Dunbar High School——

Mr. SISSON. That is for the purchase of the site, and the only thing the committee did not allow that was asked for.

Mr. DYER. Does the gentleman know anything more about the salaries paid the different teachers in the different schools? Does this inequality of pay which starts at the assistant superintendent——

Mr. SISSON. If the gentleman will turn to the longevity act he will find that all the teachers of every grade get exactly the same amount of money, and all the teachers' salaries were increased last year, notably the lower-grade teachers, and carried in the current law.

Mr. DYER. I have seen, and I suppose other Members have seen, communications touching these questions. I have one here where it says that the salaries paid to the white and colored teachers are not equalized; that the colored teachers all the way down do not receive the same pay as the white teachers.

Mr. SISSON. No. That is not true, because the status of the teachers is fixed by law. And if there has been any injustice done it has been done by the school board and not by your committee, because we have granted the salaries to teachers in lump sums to pay a certain number of teachers in a certain grade. We do not fix the salaries in this bill of any of the teachers except the principals of certain schools and the administrative force of the school system. If the gentleman will look in the bill he will find of the two thousand and odd teachers that they are divided into groups and a certain amount of money is appropriated to pay the basic salary in that group. And then there is another statute——

The CHAIRMAN. The time of the gentleman has expired. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

Mr. DYER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. DYER. Under the extension of remarks I insert the following:

DISTRICT OF COLUMBIA BRANCH OF
THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT
OF COLORED PEOPLE,
Washington, D. C., December 5, 1918.

Hon. L. C. DYER,
House of Representatives, Washington, D. C.

MY DEAR MR. DYER: I know it is only necessary to give you the figures concerning the colored schools that are contained in the District appropriation act, that will come up in the House on Monday, to secure support for us.

They do us gross injustice, giving us only 14.3 per cent, when we should have nearly one-third. There are also inequalities in the salaries for white and colored directors. The board of education gave us our proportion, but the commissioners eliminated the most important items, principally the ground for Dunbar High School and Stevens School. The children here have no recreational space whatever, and are forced to play in the streets, under constant menace to their safety.

We have this trouble every year with these servants of all of the people, who receive their salaries from black as well as from white taxes, and are charged with the duty of improving the citizenry. Yet they studiously set to work to deny him the chance for education, the very source of citizenship. We feel particularly grieved at this time because of our heroic service in the world war for democracy, as we thought that it would and should mean a larger measure of opportunity for us. Certainly we did not expect the strong arm of municipal government, designed to serve the people, used as an instrument of oppression.

Knowing that we can count upon your support again, I have the honor to remain,

Very respectfully, yours, NEVAL H. THOMAS.

Injustices to colored children in the estimates for 1919 for public schools.

White:	
Ground adjacent to Buchanan School	$45,000
Ground adjacent to Wheatley School	25,000
Ground adjacent to Eaton School	12,500
Ground adjacent to Tenley School	5,000
Site west of Sixteenth Street for new building	40,000
Ground adjacent to Hayes School	6,500
Ground adjacent to Peabody School	14,000
Site for seventh division	35,000
Ground adjacent to Emery School	12,000
Site for 16-room building west of North Capitol Street	30,000
Equipment for McKinley High School	15,000
Total of estimates	240,000
Colored:	
Equipment for Armstrong Manual Training School	40,000
14.3 per cent for colored schools.	

Necessary items for colored schools, which the Board of Education recommended, but which the commissioners eliminated.

Ground for Dunbar High School	$99,750
Ground adjacent to Langston School	4,500
Ground adjacent to Stevens School	31,000
Ground adjacent to Payne School	7,000
Ground adjacent to Armstrong School	19,000
Ground adjacent to Bruce School	13,500
Ground adjacent to Birney School	2,100
Ground adjacent to Logan School	35,000
Ground adjacent to Deanwood School	4,000
Ground adjacent to Banneker School	20,000
Ground adjacent to Douglass-Simmons School	9,000
Total of elimination	244,850

Discrepancies in salaries of white and colored directors who do the same work and differ only in the number of subordinates under them.

The commissioners reduced the estimates of the Board of Education for the colored directors.

Assistant superintendent:

White	$3,500
Colored	3,000

The colored superintendent has larger supervision than the white, larger powers, duties, and responsibilities under the statute.

Director of primary instruction (maximum salary):

White	$2,700
Colored	1,650

Directors of music, drawing, domestic art, kindergartens, primary instruction, and penmanship (maximum salary):

White	$2,000
Colored	1,550

Mr. MADDEN. Mr. Chairman, I would like to know what the position of the Chair was on the point of order.

The CHAIRMAN. The point of order was sustained. It is authorized by law.

Mr. MADDEN. I did not hear the Chair decide.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Appointments to fill vacancies hereafter occurring in the membership of the board of education shall be made by the Commissioners of the District of Columbia.

Mr. MADDEN and Mr. WALSH reserved a point of order against the paragraph.

Mr. SISSON. Mr. Chairman, the item is subject to a point of order. If the gentlemen have made up their minds to insist on the point of order, I will not discuss it.

Mr. MADDEN. I will withhold it.

The CHAIRMAN. If the gentleman insists on the point, the point of order is sustained.

Mr. SISSON. My request was if they would insist on the point of order at the conclusion of my remarks, I did not want to take up any time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Attendance officers: Attendance officers—1 $900, 4 at $800 each, 4 at $600 each; in all, $6,500.

Mr. GRAHAM of Illinois. Mr. Chairman, I would like to move to strike out the last word for the purpose of asking a question.

Mr. MADDEN. Mr. Chairman, I reserve a point of order against the increase in the number of attendance officers.

The CHAIRMAN. The gentleman from Illinois reserves a point of order against what portion of the bill?

Mr. MADDEN. They have increased the number of attendance officers by two. That must be a change of law.

Mr. GRAHAM of Illinois. You are reserving that point of order?

Mr. MADDEN. Yes; I reserve it.

Mr. GRAHAM of Illinois. I move to strike out the last word for the purpose of asking a question. I observe the same is true in this item concerning attendance officers—one at $900, four at $800 each—as occurs in the former paragraph, one assistant superintendent at $3,500 and one at $3,000. What I want to know is, Does the basic act prescribe a certain salary shall be paid to a certain assistant superintendent at a certain school?

Mr. SISSON. I do not believe the law commonly known as the longevity law, which classifies the teachers in the District of Columbia into classes, fixing their pay, deals with the attendance officers at all.

Mr. GRAHAM of Illinois. What I am trying to get at is, Who determines which assistant superintendent or which attendance officer shall get one sum and which shall get another?

Mr. SISSON. Well, the attendance officer who has charge of all the attendance officers themselves is the man who supervises the attendance of the children. These others are appointed under this one attendance officer. The principal officer gets $900, and then four get $800, and those who begin get $600. In order that the promotions may be had, after they are familiar with this service and this work, they are promoted out of the lower-grade pay into the higher grade.

Mr. GRAHAM of Illinois. Who determines in the preceding item which assistant superintendent shall receive $3,500 and which shall get $3,000?

Mr. SISSON. The board of education.

Mr. GRAHAM of Illinois. They decide according to their judgment about the matter?

Mr. SISSON. Yes, sir.

The CHAIRMAN. Does the gentleman from Illinois insist upon his point of order?

Mr. MADDEN. Certainly.

The CHAIRMAN. Has the gentleman from Mississippi any law which he can cite authorizing the increase?

Mr. SISSON. There is no law, Mr. Chairman, authorizing the increase of the attendance officers.

The CHAIRMAN. Does the gentleman from Illinois make the point of order against the $800 or the $600?

Mr. MADDEN. I make it against the two in different places. They have four at $800 instead of two.

The CHAIRMAN. That is the only portion the gentleman makes the point of order against?

Mr. MADDEN. Yes.

Mr. SISSON. Your committee gave them two additional attendance officers when they asked for four. Your committee thought that looking into the absences from school was a matter of considerable importance, and that to have enough attendance officers to attend to the duties would simply make more efficient the school system of the District.

Mr. TILSON. Is the number of attendance officers fixed by law anywhere? Is there a law that fixes the number of attendance officers?

Mr. SISSON. No. The only thing that fixes it is the fact that it has been carried in the statute for a number of years, and under the provision put in an appropriation bill years ago those people carried at that salary should be paid the salary from that time on.

Mr. TILSON. And there is no law that would authorize one attendance officer at $900, two at $800, and four at $600?

Mr. SISSON. There is no law except the current law.

Mr. TILSON. Do I understand from the gentleman that to be the fact?

Mr. SISSON. Yes. The gentleman is right about it. There is no statute that fixes the number, but when an item goes into the bill the salary fixed in the current law is the salary for that particular official for all time.

To give the history of that legislation, I may say that one gentleman would make a point of order where the salary had been carried for many years and would go back to the original act creating the office; he would look all those things up, and the result was that on account of making those points of order it became necessary for Congress to pass an act to prevent all the salaries in all the departments and in the District of Columbia from being reduced to what they were many years before. I have no doubt the gentleman recalls that legislation that we put into the appropriation bill, so that all items put in this bill, like this attendance item, are in order only under that particular act that I speak of, both as to salary and as to the number of officers carried in the bill. Therefore if we increase the number of attendance officers, I know of no statute other than the fact that the item has been carried in the bill authorizing the increase of attendance officers. I think the gentleman from Illinois is making a mistake in insisting upon the point of order. I think he will withdraw it.

The CHAIRMAN. The point of order is sustained. Does the gentleman from Mississippi desire to offer an amendment?

Mr. SISSON. Yes. I desire to offer an amendment to make it "two" instead of "four."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Page 30, line 18, at the beginning of the line, insert the words "two at $800 each."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. SISSON. One moment, Mr. Chairman. I ask unanimous consent that if any of the items of the bill are changed the Clerk may be authorized to change the totals.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that if items are changed the Clerk may be authorized to change the totals. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Principal of the Central High School, $3,000: *Provided*, That the present principal of the Central High School shall be placed at a basic salary of $3,000 per annum and shall be entitled to an increase of $100 per annum for five years.

Mr. MADDEN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MADDEN. I reserve a point of order for the purpose of asking the gentleman from Mississippi a question. I want to know, if I may, why special language is employed to provide for the present principal of the Central High School?

Mr. SISSON. Well, the present principal of the Central High School is one of the most talented teachers in the District, one of the most talented men in the country. He is a man of great capacity, and we are extremely fortunate to be able to keep him. In fact, the board of education very seriously thought at the time the present superintendent was selected to make the superintendent of this school the superintendent of the city schools. He is one of the most widely known teachers in the District and is a man of very great ability, and the plant he is in charge of is one of the very largest in the country.

Mr. MADDEN. I have no doubt he is worth the money, but my purpose in rising was to get the information which the gentleman is now disclosing. I do not think I will insist upon the point of order in connection with this case or in connection with the next one.

The CHAIRMAN. The gentleman withdraws the point of order.

Mr. DOWELL. Mr. Chairman, will the gentleman from Mississippi yield for another question?

Mr. SISSON. I do.

Mr. DOWELL. How long has this principal been in the service here in the city?

Mr. SISSON. A good many years. I could not tell the gentleman exactly, but it is a good long time. Of course, he has been principal of this Central High School since it was constructed and was principal of the old high school at the time they moved into the new Central High School. It is one of the most inviting looking plants in the country.

Mr. DOWELL. I notice in this language in the bill it states that "he shall be entitled to an increase of $100 per annum for five years." Does that mean that he is to receive $100 in addition each year, or that that will be fixed by the board?

Mr. SISSON. No. It means that after July, after the passage of this act, he would get next year $3,100, and the year after $3,200, and so on for five years.

Mr. DOWELL. This does not say he shall receive that, but that he shall be entitled to it.

Mr. SISSON. He will receive it.

Mr. DOWELL. Is he not worth as much now as he will be later, and should not the salary be fixed at the amount that would be commensurate with his service?

Mr. SISSON. That is true, but the basic salary carried in the law for this principal is $3,000. So if you increased the basic salary you then would not give this extremely valuable man the benefit of what he is entitled to. Therefore your committee did not feel authorized to increase the basic salary of this teacher. I think we are extremely fortunate in holding the man at all. He has had many offers very much better than this, but he has a splendid institution, and he takes a great deal of pride in it.

Mr. DOWELL. In other words, it was the judgment of the committee that unless this principal remained the salary should be left at $3,000.

Mr. SISSON. Yes; unless we can get an equally good man, I think the salary ought to remain at $3,000.

Mr. WALSH. I move to strike out the last word. I am very glad that the gentleman from Illinois did not insist on the point of order to this item, because I have occasion to know of the excellence of this institution and to say that I have no doubt that the principal of this school could, if he so desired, command a much higher salary at similar schools in other cities of the country. The plant that he has under his care and charge there is a credit to the National Capital, and my observation has been that the corps of teachers that he supervises are most efficient, and I think it is a good thing that the subcommittee have attempted to provide for this yearly increase. I want to indorse the sentiments expressed by the gentleman from Mississippi.

Mr. GARD. Mr. Chairman, I move to strike out the last two words for the purpose of asking a question of the chairman of the committee. What is the meaning of the phrase "minimum salaries," in line 20?

Mr. SISSON. I will explain that to the gentleman.

Mr. GARD. Does that mean that under some circumstances an additional salary may be paid?

Mr. SISSON. This is the basic minimum salary. Upon that they get what is known as longevity pay. A teacher remains one year in a certain grade, at, say, $100 a month, and the next year that teacher will get an increase of $50 a year, and that continues for five years. We have nothing to do with that. That was provided for by law some years ago. You will notice a little further on in the bill an item for several hundred thousand dollars for longevity pay to the teachers in the District of Columbia.

Mr. GARD. I think one of the very best things about Washington is the general recognition of its excellent school system, and I should be glad to contribute in any way I can to its maintenance.

Mr. DOWELL. Mr. Chairman, I rise to make another inquiry. In reading the provisions of the bill relative to the principal of the Central High School I notice it says—

And shall be entitled to an increase of $100 per annum for five years.

I believe it is the intention that there shall be an increase of $100 each year?

Mr. SISSON. That is the intention of the committee.

Mr. DOWELL. Does the language of the bill provide for an additional $100 each year for five years?

Mr. SISSON. Yes; that is the language carried in all the items.

Mr. DOWELL. It seems to me that this might be construed as fixing the salary at $3,100 for five years.

Mr. SISSON. No; an increase of $100 each year for five years.

Mr. DOWELL. I understand; but it would seem from the reading of this provision that he can get no more than $3,100 for the next five years.

Mr. SISSON. No; the second year $3,200, the next year $3,300, and so on.

Mr. DOWELL. I concede that to be the intention, but I will ask the gentleman to read this language again and see if that will be the effect of it.

Mr. SISSON. The auditor has repeatedly construed this language in the past. This is the language in which it is submitted, it is the language under which that system of longevity pay for teachers is carried on, and your committee accepted that language, which had been repeatedly construed by the auditor to mean an increase of $100 each year for five years.

Mr. DOWELL. If the gentleman is certain that that is the construction which will be placed upon it, that is satisfactory to me.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

Assistant principal of the Central High School, $1,800: *Provided*, That said assistant principal shall be placed at a basic salary of $1,800 per annum and shall be entitled to an increase of $100 per annum for five years.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. The assistant superintendent in a big plant like this ought to get more than $1,800 if the superintendent gets $3,000, it seems to me.

Mr. SISSON. This language has been carried before.

Mr. MADDEN. I suppose we never could change anything that has been carried before.

Mr. SISSON. I understand; but I want to explain to him that this assistant principal is actually getting more than $1,800 at this time. I do not know just what salary he is receiving, but it is something over $2,000 now.

Mr. MADDEN. This does not state the fact, then?

Mr. SISSON. The basic salary is all that is ever stated in the bill.

Mr. MADDEN. Will the gentleman state what the principal gets whose basic salary is stated at $3,000?

Mr. SISSON. He only gets $3,000, because this language only begins to apply to him this year.

Mr. MADDEN. The other man has had the benefit of the language before?

Mr. SISSON. For several years; I do not know just how long.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

Principals of normal, high, and manual-training high schools, eight, at $2,500 each—

Mr. GARD. I desire to ask the chairman of the committee whether the language carried on lines 5 and 6, page 31—

Principals of normal, high, and manual-training high schools, eight, at $2,500 each.

refers to the straight salary, or is that a basic salary upon which additional salary is computed?

Mr. SISSON. The $2,500 is the salary without any longevity.

Mr. GARD. That is the salary which is fixed at $2,500 for these principals?

Mr. SISSON. Yes.

Mr. DOWELL. Mr. Chairman, is there any reason why these salaries should not be fixed in this bill at a certain amount, and not have a basic salary and then receive some other amount?

Mr. SISSON. The longevity pay is continually changing. In other words, a person occupying one of these places may die or resign. The new teacher begins at the basic salary. The longevity pay is not calculated at the beginning of the session, but it is calculated by the number of months. If a teacher should

die or resign the first part of the session and a new teacher should come into that place, then after teaching the number of school months required to give longevity pay it would be given. The longevity pay for a particular teacher may begin in the middle of the next session.

I might say to the gentleman that I myself am not at all in favor of the longevity law as now written. Some years ago I tried to change the longevity law but did not succeed.

Mr. DOWELL. In other words, the longevity pay is not fixed for the position but for the individual?

Mr. SISSON. It is fixed for the position, and when the individual gets into that position and remains long enough the longevity pay attaches to the individual.

Mr. GARD. Is the gentleman in a position to say whether he would accept a proposal to change the salary of the assistant principal of the high school and the dean for the girls' central school to, say, $2,000 a year?

Mr. SISSON. The great trouble about accepting that would be that we would have to go all through the bill. The salaries have been arranged with some effort at harmony, although they do not always harmonize. Of course, I could not consent to that change here.

Mr. GARD. Does the gentleman think such change would be advisable?

Mr. SISSON. I do not, in view of the longevity pay.

Mr. DAVIS. Mr. Chairman, I am going to attempt to explain what little I know about the longevity pay. I have been on the committee a good many years, but I have been unable to ascertain from any source whatever the real working of longevity pay. Apparently a few years ago there was regular legislation along that line, and they agreed upon a certain principle for increasing salaries of teachers automatically regardless of merit. As an illustration I will note on page 31, line 8:

Provided, That said assistant principals shall be placed at a basic salary of $1,800 per annum and shall be entitled to an increase of $100 per annum for five years.

Now as to some teachers that would read $50 per annum instead of $100. But if gentlemen will notice, probably in the next bill, in the next Congress, you will find an omission of that increase of $100 because the basic salary being fixed at $1,800, that will be omitted, and then no one knows except the auditor of the District of Columbia how much salary the teacher is getting. He will refer back to this law and find that last year it was fixed at $1,800 with $100 longevity pay, and that two years from now it will be $200 additional without being stated in the bill. It rises automatically. We appropriate money and leave it to the auditor to figure up the complex system of longevity pay. Next year that assistant's salary will be simply $1,800, but when the auditor figures up the salary he pays it out of a lump sum and he will get $1,900.

Miss RANKIN. If you had a new assistant, he would go in at $1,800?

Mr. DAVIS. He would go in at the basic salary and then when he stays long enough the longevity pay begins to accumulate.

Miss RANKIN. Then in this bill we are fixing the basic salary at $1,800?

Mr. DAVIS. Yes; for this one, and he may be getting $1,600 as a basic salary and longevity pay running him up to $1,800, and now we propose to start him new again on a basic salary of $1,800 instead of $1,400 or $1,500 or $1,600 which he may be getting now. This increases the pay of the teachers automatically right along.

Miss RANKIN. As long as we are fixing the basic salary at $1,800, would it not be in order to fix it at $2,000?

Mr. DAVIS. I think it could be done, but subject to a point of order.

Mr. MADDEN. Why so? It is as much in order to make it $2,000 as it is $1,800.

Mr. SISSON. The law fixes the amount of longevity in the different classes in which the teachers fall. If you look at the longevity law, you will find a table.

Mr. DAVIS. We do not fix the longevity; we are fixing the basic salary.

Mr. MADDEN. The gentleman from Minnesota has replied to the question of the lady from Montana and said that the basic salary up to this time was in the neighborhood of $1,600.

Mr. DAVIS. I do not know just what it is; perhaps $1,500 or $1,600.

Mr. MADDEN. If we make it $1,800 now, we are changing the law.

Mr. DAVIS. No; we are operating in accordance with the longevity pay.

Mr. MADDEN. The longevity pay has nothing to do with the basic salary.

Mr. DAVIS. We have a right to change the basic salary when the teacher has arrived at the limit of the longevity pay. When that has expired we change the basic salary.

Mr. MADDEN. This man will get $2,000 now?

Mr. DAVIS. He gets $1,900 for this year.

Mr. MADDEN. The gentleman from Mississippi says he is getting $2,000.

Mr. SISSON. I will say to the gentleman from Minnesota that this item has been carried for two or three years in the bill.

Mr. DAVIS. I thought we had fixed a new basic salary at $1,800; that is the principle we are working on.

Mr. SISSON. The gentleman is right as to his method of calculating longevity pay.

Mr. TILSON. If the gentleman will yield, I would like to ask him, How do you arrive at the total of the bill? How do you arrive at the footing unless you know how many increases there have been?

Mr. DAVIS. We can not arrive at that with any definiteness whatever, so we always add sufficient money in a lump sum in order that the superintendent of instruction and the auditor of the District will be sure to have money enough to pay for these teachers when they figure what they are entitled to.

Mr. SISSON. Mr. Chairman, if the gentleman from Connecticut will look on page 34, he will find an item which will be illuminating upon the question that he asks—$450,000 for longevity pay. That money may or may not be used, owing to whether or not the audited claims will absorb it. Frequently some of that is carried back into the Treasury.

Mr. TILSON. You have a large lump sum in order to take care of these elastic salaries?

Mr. SISSON. We have to do it.

Mr. DAVIS. And I would say to the gentleman that if he was on this committee he would find it very difficult to ascertain the exact amount necessary to pay salaries under this longevity system.

Mr. WHEELER. Does the gentleman know how many there are who come under this longevity rule?

Mr. DAVIS. Virtually all of them.

Mr. WHEELER. The committee figures intelligently and knows exactly how many are entitled to the raise?

Mr. DAVIS. We do.

Mr. GREEN of Iowa. I would like to inquire if this longevity-pay system can not be figured up? As I understood the gentleman, he said there was no way of telling what this pay would be.

Mr. DAVIS. I say that my services upon the committee for the last six or eight years have shown me that I have been unable to get any information satisfactory to myself or to anyone else as to what constitutes this longevity pay.

Mr. GREEN of Iowa. I have no doubt about the gentleman's statements, but I wondered whether it was because of the complexity of the system or whether the officials whose duty it is to make these computations could not tell.

Mr. DAVIS. I think the complexity of the system is to blame.

Mr. GREEN of Iowa. I think it ought to be changed.

Mr. DAVIS. I think so, too; but if you will attempt to change it you will run up against much opposition.

Mr. WHEELER. I understood the gentleman to say he knew how many there are.

Mr. DAVIS. How many teachers, and how often they change their basic salaries.

Mr. DOWELL. Does the gentleman state that the assistant under this paragraph can receive more than the $1,800 with the $100 added?

Mr. DAVIS. That is all for next year. The following year he will receive another additional hundred dollars, which will be $2,000, and the next year $2,100, and then $2,200, and so on until the five years have elapsed.

Mr. DOWELL. Was the basic salary of this assistant fixed in any other bill at $1,800?

Mr. DAVIS. I do not think so, but I would not say positively. In my judgment, perhaps the man who is now getting $1,800 under this bill previously had a basic salary of $1,200 or $1,400.

Mr. DOWELL. Does the gentleman know that that is true?

Mr. DAVIS. I do not know it, because you must know that there are a great many thousand teachers, and to keep all of them in mind is difficult.

Mr. DOWELL. The question is, Does the committee fix the basic salaries upon the accumulations of another basic salary with the increase?

Mr. DAVIS. They have a right to, and they frequently do that, and that is the only way we have of having something to say as to the merits of a teacher.

Mr. DOWELL. And of changing the salaries?

Mr. DAVIS. Yes; and it has frequently been the fact that many school-teachers in the District have received increases in salary when the public knew nothing about it, and perhaps the committee that does the business was being censured for not increasing salaries.

Mr. DOWELL. There are some others that ought to have their salaries raised more than they have been.

Mr. DAVIS. And probably that would have been done this year were it not for a certain order that was promulgated to the effect, "Let salaries alone for the present."

The Clerk read as follows:

The recorder of deeds of the District of Columbia is authorized and directed to pay for copying instruments filed for record in his office 40 per cent of the fees collected by him for filing, indexing, and recording said instruments, and the same rate of compensation for making copies of the records of his office, and employees of the office of the recorder of deeds of the District of Columbia when employed therein by the day shall receive compensation at the rate of $2.50 for each day so employed, payable out of the fees and emoluments of said office.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. My understanding is, and I wish to be corrected if I am wrong, that the director of primary instruction and the assistant director of primary instruction and the directors and assistants in all cases, except in the high schools, or in schools that are so large that the one school needs a superintendent and an assistant superintendent, have equal work to do; that, as a matter of fact, the assistant superintendent is in reality a superintendent of a distinct school, not the assistant superintendent under a superintendent, but a superintendent of a school doing the work that the man or woman, as the case may be, who is classified as superintendent does, and that because of the fact that we give them the title of assistant superintendent we give them less pay. The reason why they get the title of assistant superintendent instead of the title of superintendent is that one is black and the other is white. Nobody disputes that, I think, and I think that ought not to be the case. There was no discrimination in the selection of men who fought the battles of the country in France. All were charged with equal responsibility. Everyone was drafted who was qualified to serve. All you needed were the mental and physical qualifications and citizenship in the United States to make you subject to the military service of your country. If one-tenth of the population of the United States furnished one-tenth of the soldiers to defend the flag, there is no justification why people of that race should be classed as unworthy of equal compensation for equal work.

There was no discrimination between the pay of soldiers of different races. In the American Army all were Americans, all were treated as Americans, all were sent up against the guns of the Germans. There was no thought that a man should be saved because he was black or white. The one purpose of the Army was to win the war and nobody was allowed to go into the Army unless he was a citizen, and I believe now that the country ought to recognize the work of its citizens by giving them an equal chance, and where a citizen of the United States, no matter what his color or his creed may be or his nationality, proves himself qualified to perform the functions of the office to which he has been appointed that he ought to be given equal compensation just as long as he is able to fill the bill, and it does not make any difference who he is if he is not qualified he ought not to be allowed to retain the place, but just as long as he retains the place there ought not to be any distinction in compensation. He should be required to qualify not when he entered upon the job, but as long as he continued to hold the job, and the very moment that he proves himself unqualified or unworthy he ought to be dismissed, but while he is in the service he ought to be given equal consideration and there ought not under any circumstances to be any legislation passed by the Congress of the United States discriminatory against any citizens of the Nation.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

Assistant directors of music, drawing, physical culture, domestic science, domestic art, kindergartens, and penmanship, 7, at $1,300 each: *Provided*, That the assistant director of penmanship, who shall be an instructor in the normal school and an assistant director in the grades, shall be placed at a basic salary of $1,300 per annum and shall be entitled to an increase of $50 per annum for five years.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. I wish to ask the gentleman from Mississippi if all these basic salaries have been changed in this bill or whether this is something that has been carried for a long time.

Mr. SISSON. What item?

Mr. MADDEN. Page 32, assistant directors of music, and so forth.

Mr. SISSON. No; no basic salary has been changed in this bill.

Mr. MADDEN. Is this language carried in the last bill?

Mr. SISSON. We did change some basic salaries last year and a great many of the changes of basic salary were carried in last year's appropriation bill increasing the teachers who were paid less than we thought they were entitled to under the basic salary; but in this bill no basic salary has been changed at all.

Mr. MADDEN. I was just asking for information, and I am thankful to the gentleman.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

Group A of class 6, including 7 principals of grade manual-training schools, 334, at $1,000 each.

Miss RANKIN. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 32, line 16, strike out $1,000 and insert $1,200.

Mr. SISSON. Does the lady from Montana desire that I reserve the point of order? I make the point of order.

The CHAIRMAN. Does the lady from Montana desire to be heard?

Miss RANKIN. Mr. Chairman, it seems to me that $1,000 for a principal of a grade manual-training school is altogether too little to offer a teacher, and it seems to me there should be some place where Congress could change this salary to at least $1,200 a year. We find that teachers are leaving schools all over the country to take other work because they can get a better salary, and we know that the grade of teachers who seek the work is not up to the standard that it was a few years ago.

Mr. SISSON. Mr. Chairman, for the information of the House, in addition to the salary carried in this item, each principal of a grade school gets $30 per annum per room. If he has eight rooms he gets $30 per annum for each room under the law. Most of these schools are eight rooms, some are more than eight, so they get eight times $30, in addition to the amount carried in the bill, and there is rarely a school in the city where those particular teachers do not get that amount of money, $240, in addition to this pay.

The CHAIRMAN. The point of order of the gentleman from Mississippi is that this is not authorized by law?

Mr. SISSON. Not authorized by law.

The CHAIRMAN. Has the gentleman the statute before him?

Mr. SISSON. The statute is here.

The CHAIRMAN. The gentleman has the statute. The Chair sustains the point of order.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. I was interested in the statement made by the gentleman from Mississippi a moment ago to the effect that if one of these principals presided over an eight-room school in addition to $1,000 he gets $30 per room per annum. I am interested to find out how that qualification came to be made, why that was made the basis of compensation, why it was that when the qualification was originally made the salary was not fixed definitely rather than part of the salary fixed definitely and part fixed on the number of rooms.

Mr. SISSON. I will state to the gentleman that when his party had control of the House in 1906 they passed a law in 1906 fixing additional compensation of principals in these schools so that they would get $30 for each additional room. Now, I am inclined to believe there is some justice in the law which was passed, some fairness in it, because the supervisory work that a principal does would be largely dependent upon the number of rooms of which he had control. Now, if you look on page 35 of the bill, which you have there, you will find an item to pay this additional amount of money which is provided by law for this class of teachers.

Mr. MADDEN. I was very much interested in hearing the gentleman's statement, but of course I did not want to let it go without giving him an opportunity to explain it in full, as I knew he would be able to do.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

Class 3, 543 at $750 each.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. Is there any provi-

sion in the law for increase in the other classes, for the teachers in the class just now being read by the Clerk?

Mr. SISSON. No; except the longevity. What is being read here now is the base pay of the teachers.

Mr. DOWELL. Will the gentleman explain to the committee how much these teachers in these classes of $950, $800, and $750 actually receive under the system that the gentleman has explained here?

Mr. SISSON. The gentleman will have to get the longevity table, which I have here in this statute. You will find the class and the teacher designated here.

Mr. DOWELL. Here are two classes, for example, the ones receiving $800 and the ones receiving $750. Can the gentleman explain to the committee what those teachers are actually receiving under the system adopted?

Mr. SISSON. Now, they receive, of course, the base pay the first year.

Mr. DOWELL. That is, $800?

Mr. SISSON. Eight hundred dollars. Now, if a teacher has been teaching one year, he or she gets $830, and then gets $860 the next year, and $890 the next year, and so on—$30 a year for 10 years.

Mr. DOWELL. And that applies also to the $750 class?

Mr. SISSON. That class does not appear in the longevity law, because in last year's bill we changed the base pay of class 1 from $500 to $750, and class 2 from $600 to $750, and class 3 from $650 to $750, thus eliminating so far as salary is concerned the difference in the pay of the three lower-grade teachers. Now, in each of those grades, in addition to the $750, they get the same longevity that they got when they carried a base salary of $500 and $525, getting $25 increase each year. Now, the gentleman will have to look back at the statutes and see the longevity pay in order to determine just exactly how it all works out. And then if he will take and look it over carefully and give it some very careful thought he will find the rule is a very simple one. But it is very difficult when you try to apply it to teachers getting over $2,000 and get the exact amount.

Mr. DOWELL. It is either very difficult or I am unable to get all of it, because I know in the bill there are certain classes, giving the number of teachers, with the pay of $750. Now, according to the statement of the gentleman, the actual amount that these teachers receive depends upon the number of years they have taught. Is that correct?

Mr. SISSON. Perhaps the reason the gentleman is confused is because the longevity pay does not appear in this item, but if the gentleman will look over on page 34 he will find an item of $450,000 for the purpose of paying the longevity pay of the teachers carried on page 32, and so on. In other words, the teachers get the 10-year longevity pay in these lower classes, the lowest longevity pay being $25, and the next longevity pay being $30 a year. Those two are carried as long as the teacher remains in that particular class and carry an increase of $25 a year in one case and $30 in the next case, until they have been in the school for 10 years or are transferred to a higher grade.

Mr. DOWELL. I am utterly unable to understand how people can live in the city of Washington on $750 or $800 a year.

Mr. SISSON. They do not get that this year, because they get $120 lump sum, which is added to this salary.

I will state to the gentleman that your subcommittee realized that the lower-grade teachers were not getting the salaries which we would like to give them, but we are giving them more than the law authorized, and we are giving them more than the average pay in any of the cities throughout the country. We went into the matter at the time we made these increases. And I do not believe that either the gentleman who is now talking or any other gentleman in the House is more friendly to giving the school-teachers a proper salary than every member of this committee. Every member of the subcommittee has been in favor of giving them a substantial increase in their salary.

Miss RANKIN. May I ask the gentleman if he means to state if we were to try to get 100 new teachers for class 3 they would go in on that basic salary of $750 a year now?

Mr. SISSON. Plus $120; a total of $870.

Miss RANKIN. And the longevity rule does not apply to this $750?

Mr. SISSON. It does; but it does not apply the first year.

Miss RANKIN. It never applies to the new teachers until they have served——

Mr. SISSON. It only applies to the new teacher who has taught one session. For the second session they get longevity pay.

Miss RANKIN. How did you change the basic pay last year to $750 in class 3?

Mr. SISSON. From $500 to $750?

Miss RANKIN. By amending this?

Mr. SISSON. Yes.

Miss RANKIN. Mr. Chairman, I offer an amendment to the section.

The CHAIRMAN. The lady from Montana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Miss RANKIN: Page 32, line 20, strike out "$750" and insert "$1,000."

Mr. SISSON. Mr. Chairman, I make a point of order on that.

The CHAIRMAN. The point of order is sustained.

Mr. DOWELL. Mr. Chairman——

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Did the gentleman from Iowa [Mr. DOWELL] desire to be recognized?

Mr. DOWELL. I want to ask the chairman of the committee a question.

Mr. SISSON. I will answer it if I can.

Mr. DOWELL. The statement made by the gentleman a moment ago was that he was willing to increase this pay, and if he will withdraw the point of order I am certain the committee will increase the pay, as it ought to be done.

Mr. SISSON. I do not know whether they would or not. I am here now as a servant of the committee, but I do say that for many years the teachers went in at $500, and the subcommittee recommended to the full committee of this House——

Mr. DOWELL. The gentleman is aware that under the present conditions the teachers can not live in Washington on $750 a year?

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] moves to strike out the last word.

Mr. MADDEN. Mr. Chairman, I think the compensation allowed under the recommendation of the committee is the most beggarly compensation that was ever granted to intelligent people; and they must be intelligent in order to be teachers. I think that no class of America's citizens makes as great a sacrifice in their life work as do the teachers of our public schools. Never by any chance, no matter how long they remain in the work, can they put anything aside for old age. Their work is more self-sacrificing than the work of the men on the battle line. Patriotism is the watchword with those who devote their lives to teaching the children of the country.

They occupy a position in the land more important than that occupied by any other class of our citizens. Upon their ability and patriotism and devotion depends the future citizenship of America. The education—intellectual, physical, moral—of the coming citizens of the country is under their charge, and it seems to me that those who are responsible for the development of the public educational institutions of the United States ought to regard the places of school-teachers as among the most responsible places that are to be filled. They ought to regard the necessity for proper compensation.

These girls or men, as the case may be, are required to have a college education. They are required, after they get through with their college course, to go to the Normal Training School for Teachers for a year or two. They are required to become experts in the life work which they follow. There is no other expert class of men or women in America who are called upon to make the sacrifice which these people are expected to make.

The conditions that have surrounded their lives since the beginning of the war in Europe have been as onerous as the conditions surrounding the lives of other people. Girls without any knowledge, without any experience, with substantially no education, have been called into the service of the Government since the war began to do filing work in the Government offices, not only here in Washington, but everywhere throughout the land, and they have been given anywhere from $1,100 to $1,300 and $1,400 a year without any knowledge whatever; and yet here these women who have given years of their early life to acquire an education to fit them for the work to which they propose to devote their lives are compelled by the dictum of the Congress of the United States, so far as the District of Columbia is concerned, to live on starvation wages. It is a shame.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MADDEN. I ask for five minutes more, Mr. Chairman. I think this is a very interesting theme.

Mr. WHEELER. Mr. Chairman, I want to ask the gentleman a question.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. MADDEN. The cost of living in the District of Columbia has soared so that nobody can calculate it. The wise gentlemen on the District appropriation subcommittee tell us that they do not understand what longevity pay means or how it shall be calculated, but they can readily understand that you can not get more to-day for a dollar than you could ordinarily get before for about 40 cents. They tell me that you can not rent a room anywhere in the District of Columbia without paying $40 or $50 a month for it, and if you can get your breakfast and can get anything to eat with it for $1.50 you are doing well.

Now, if these girls are called upon to work for $525, or say $750 now, how do they manage to live? There is no other city in the Union that pays its teachers so niggardly a salary as this city does. And who is to blame? The Congress of the United States. Who else could be to blame? We ought to have a broader vision. We ought to realize that here at the Nation's Capital we should have the very best talent that can be employed in our schools, and we doubtless have, but we have compelled the talent that we do employ to work at starvation wages. Many of them have been compelled to leave the work which they intended to follow as their life work and take other employment in order that they might keep body and soul together and buy a few clothes to wear. It is a shame. It would not be tolerated anywhere else, and we who speak for the American people do not speak their sentiments when we ask these girls, these women, and frequently men, to work for this standard of wages. I think we ought not to start anyone in a work like this on less than $1,000 a year, after they have spent 10 years of their early life in preparing for the work, qualifying themselves to do the thing which we require them to do in order to build up a high standard of citizenship from our children. We ought to encourage them with the hope that they will at least be able to live in a decent way.

Now I yield to my colleague.

Mr. WHEELER. Never mind. It is all right.

Mr. MADDEN. I said what the gentleman wanted me to say, did I?

So I say that, instead of making points of order against the increase of compensation, this committee ought to be devising ways and means to find out how we can enact a law that will give them compensation commensurate with the sacrifice which they make. Teachers of the public schools command the respect of the American people to a higher degree and to a greater extent than any other people in the Nation. They deserve it. They make more sacrifice. There is no hope for them. They live in an atmosphere which breaks them down nervously, and when they are no longer able to perform the work for which they are employed they are thrown out like a piece of driftwood. They will not keep them unless they are qualified. If you pension them, you pension them out of the savings which they themselves make. They are required to contribute to the pension roll, and frequently it happens that the pension fund which accumulates out of their own savings is dissipated by those who manage the funds, so that as the teachers grow old in the service they find themselves unable even to get the pension from the fund to which they paid. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

Mr. WHEELER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. WHEELER. Mr. Chairman, I fully agree with what my colleague [Mr. MADDEN] has said, and it does seem to me that the committee has been very considerate to the District Commissioners in recommending that their salaries be raised $1,000, while the poor school-teachers and the poor fellows on the police force and some patrol drivers and station messengers, working for $750 or $800 per annum, starvation wages, have not been considered at all.

Mr. Eidlitz, head of the Housing Corporation, I believe, is trying to make contracts now with clerks here by which they will be furnished with a room and two meals for $45 per month. A single person could not meet all his expenses at $75 per month. There are any number of employees here in the District of Columbia who have families, some of them three or four or five children. It is necessary for them to rent houses with five or six rooms and to clothe and feed and school those children. They can not possibly make both ends meet at $1,000 per annum. They are not considered at all by this committee. The increasing of salaries of teachers and other underpaid employees the chairman of the committee objects to because these salaries are fixed by statute, but at the same time the committee overlook that provision of the statute when it comes to raising the salaries of the District Commissioners. It seems to me that they are unjust to the little fellow who receives starvation wages and who can not meet all expenses at his present salary.

The CHAIRMAN. Without objection, the pro forma amendment will be considered as withdrawn, and the Clerk will read.

The Clerk read as follows:

Class 2, 364 at $750 each.

Mr. DALLINGER. Mr. Chairman, I move to strike out the last word. I was unable to be here when this matter of the salaries of teachers was first taken up, my attention being occupied with the case of an insane soldier.

I understand that the board of education last year recommended to the District Commissioners an increased appropriation of over $200,000 for the colored schools of this District, but that the recommendation was rejected, no attention being paid to it by the District Commissioners. This year the board of education recommended $245,350 for the colored schools, and practically no attention was paid to that. Now, I understand, Mr. Chairman, that the colored children represent 31 per cent of the total enrollment of the children in the public schools in the District of Columbia, and that the present commissioners did not recommend an appropriation of more than 10 per cent of the total appropriation for the colored schools.

Mr. SISSON. Will the gentleman yield just a moment?

Mr. DALLINGER. Yes.

Mr. SISSON. The great trouble about that statement is that it is not a fact.

Mr. DALLINGER. I should like to know what the fact is.

Mr. SISSON. The fact is that $910,000 was appropriated in the last bill for new school buildings in the District of Columbia. Of that amount none has been used. It is available now. In my remarks during the general debate I fully explained the reason why it has not been used. It was because they could not get the labor and could not get the material, because the War Industries Board would not allow it to be transported. Therefore they could not use any of that money. Now, if you will go through these items, you will find that about 33⅓ per cent of them are for the colored schools, which have about one-third of the children.

Mr. DALLINGER. I have been informed by those who know something about the colored schools in the District that the contrary is the case. I want to ask the chairman of the committee if it is not a fact that the board of education recommended $245,350 to the commissioners for the colored schools?

Mr. SISSON. I do not know. Those recommendations never reach us. The only things that reach us are the recommendations of the commissioners. The board of education deals with the subcommittee on appropriations only in reference to teachers and not in reference to school buildings or school property.

Mr. DALLINGER. Mr. Chairman, my authority for the statement which I made is on page 1091 of the estimates submitted by the board of education to the District Commissioners; and, as I stated, these recommendations have been ignored repeatedly. The fact is that the colored schools are being discriminated against in this District, as they are in some other parts of the country. Now, I was not here when the amendment was proposed by the gentleman from Illinois for the increase of salary of one of the assistant superintendents of schools from $3,000 to $3,500. The fact is that these two assistant superintendents originally received the same salary. One of them, who is a white man, has had his salary raised to $3,500, and the other one's salary has not been raised, simply because he is a colored man. That is the fact. You may just as well face it. Now, this colored man is a man who is a credit to any race, a graduate of Howard University, highly educated and admirably qualified for his position, and he is discriminated against simply because he is colored. I think it is pretty small business for a point of order to be made against that amendment by the committee. It was made last year when I offered it. I understand it was made this year when it was offered by the gentleman from Illinois, and I want to tell the gentleman from Mississippi that the time is coming when the colored children of this District are going to receive just and equal treatment, so far as their needs for education are concerned, and that time is coming pretty quickly, too.

Mr. SISSON. Mr. Chairman, I want to say to the gentleman that the remarks which he has made ought not to be pointed at me. On the contrary, there has not been one word said in the subcommittee or elsewhere as to whether a teacher was colored or white. Not only that, but my associates on the committee will bear testimony, sir, that without a single excep-

tion wherever a public school is needed, irrespective of whether it is white or colored, it has received my support. I have not made the least discrimination one way or the other. I think it comes in very poor grace for the gentleman to single me out because, as a member of this subcommittee of the Committee on Appropriations, it is my duty to take care of the bill presented by the committee; and if the gentleman ever gets to be the chairman of a committee and has charge of a bill on the floor when that side is in power, he will be called upon to do the same thing, and it will be his duty to take care of the bill as reported from the committee.

The CHAIRMAN. Without objection, the pro forma amendment will be considered as withdrawn, and the Clerk will read.

The Clerk read as follows:

The salaries appropriated herein for teachers in classes 1, 2, and 3, clerks, and librarians in all classes during the fiscal year 1920, shall be in lieu of the present basic or initial salaries for such classes and the present rates of longevity increases of pay for the said classes shall apply to the basic or initial salaries appropriated herein: *Provided*, That for the year ending June 30, 1920, each of the teachers, clerks, and librarians in said classes shall receive placing in the class to which assigned, so that each teacher shall receive in addition to the basic salary herein provided a longevity increase which shall be equal to the longevity increase which is next above that received June 30, 1919.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last word. The mention of longevity pay in this paragraph calls for some remarks. I think it ought to be stated that the schools of Washington are not what they ought to be. They do not compare with the schools in many other cities of the country. The gentleman from Mississippi [Mr. SISSON] has stated, contrary to the opinion of some of the other Members here, that we are paying higher salaries than the average city. I do not know how that may be. I think the salaries of the majority of the teachers are insufficient. But I am very decidedly of the opinion that there are a large number of teachers who are paid altogether too much. The curse of this longevity system has rested upon these schools, and we never will have good schools in the District as long as it prevails. Take a teacher who is full of ambition, who inspires his class and brings all the students up on edge, and they finish their examinations with credit. What is the difference? He gets just the same pay. Take another teacher who cares nothing about how the class progresses, and to cite an instance which I have known in this city where two-thirds of the class fail in their examinations. Anyone knows that that is a disgrace to the teacher, for a teacher with capacity would get better results. But longevity pay is added to the salary of the teacher and everything goes on just the same. We have here in these schools too many old freaks and fossils, whose intentions may be good, but who were back numbers 10 or 20 years ago, and ought to have been retired. There is, however, no proper provision for their retirement. The schools are weighed down with them, the scholars laugh at them, but they get longevity pay. If longevity was any evidence of capacity, these elderly people ought to receive twice as much as they are getting.

Mr. GARD. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GARD. Is there no way to eliminate the freaks and fossils and the incompetent teachers?

Mr. GREEN of Iowa. Not under the present system, but there ought to be a way. It has been suggested that possibly there is authority in the board of education that controls the hiring of teachers, but I think not.

Mr. DAVIS. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. DAVIS. I think your committee has made a start in that direction, to which I hope the gentleman will not raise the point of order.

Mr. GREEN of Iowa. Not I, I assure the gentleman.

Mr. DAVIS. On page 34, at the bottom of the page, after the figures "$450,000," is a provision:

Provided, That hereafter the board of education is authorized, on recommendation of the superintendent of schools, to withhold the longevity increase of any teacher because of an unsatisfactory efficiency rating.

This is the first time that this has appeared in the bill, and I hope there will be no point of order made to it.

Mr. GREEN of Iowa. I certainly will make no point of order upon it. I have sat here several years and have sometimes known some movements to be made in that direction, but they were promptly stifled by a point of order or in some other way.

Mr. DAVIS. I think this is subject to a point of order.

Mr. SISSON. Oh, no; I hope the gentleman will not admit that.

Mr. GREEN of Iowa. It will not be made by me, but we ought to go considerably further. I presume the committee thought, in consideration of past experience, that they would do well if they got this provision through. I will say to the gentleman—and I thank him for calling my attention to that, because it escaped my notice—I am glad that they have gone that far, but we ought to have some provision so that when the general superintendent or the superintendent of the school knows where the work is not being done up to the mark and knows where he can get a competent and efficient and ambitious young teacher, the superintendent will be able to go out and secure him. That is the way the schools are brought up elsewhere and the only way that you can have the schools that you ought to have in this District. I hope the House, which pays little attention to these matters, will wake up to its duty.

I may be incorrectly informed, but I have been told that this longevity system is preserved largely because the teachers of the District are in favor of it. If so, I want to say that it does not show the proper spirit on their part. The teachers ought not to be in favor of any such rule. They ought to favor a system whereby those who do the best work will receive the best pay. It is a system that stifles ambition and discourages all attempts to be perfect in their work. The teachers are few who can resist its effect. It can not help but injure the schools from one end to the other. The teachers' pay should be fixed from year to year in accordance with the work performed and not in accordance with the time that they have served. The principal's salary should not be fixed in accordance with the number of rooms, although there is some reason for that provision, but none can be given for the longevity pay. As long as the blight of the longevity system rests upon the schools, so long they will be inefficient. The whole school system of the city needs overhauling and rebuilding. The longevity system should be abolished; a pension system, with a provision for compulsory retirement when the work of the teacher is not up to the proper standard, should be provided; all of the teachers should be marked and graded on their work under a more complete plan of supervision than any which has been used, and new blood with new methods should be brought in by obtaining teachers from outside. This is the only way in which real schools can be maintained, no matter how good your superintendents or high-school principals may be.

The Clerk read as follows:

Longevity pay: For longevity pay for director of intermediate instruction, supervising principals, supervisor and assistant supervisor of manual training, principals of normal high and manual training high schools, the assistant principal of the Central High School, the assistant principal (who shall be dean of girls) of the Central High School, principals of grade manual training schools, heads of departments, director and assistant director of primary instruction, directors and assistant directors of drawing, physical culture, music, domestic science, domestic art, kindergartens, and penmanship, teachers, clerks, librarians and clerks, and librarians to be paid in strict conformity with the provisions of the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the board of education of the District of Columbia," approved June 20, 1906, as amended by the acts approved May 26, 1908, May 18, 1910, and June 26, 1912, $450,000: *Provided*, That hereafter the board of education is authorized, on recommendation of the superintendent of schools, to withhold the longevity increase of any teacher because of an unsatisfactory efficiency rating.

Mr. MADDEN. Mr. Chairman, I make a point of order against the provision after the figures "$450,000," in line 21, down to and including the word "rating," in line 25.

The CHAIRMAN. The point of order is sustained, and the Clerk will read.

The Clerk read as follows:

Central High School (New): Engineer, $1,500; 2 assistant engineers, at $900 each, electrician, $1,200; 4 firemen, at $720 each; 2 coal passers, at $540 each; janitor, $1,100; 3 assistant janitors, at $900 each; gardener, $840; night watchman, $720; 2 charwomen, at $480 each; 15 laborers, at $500 each; in all, $22,280.

Mr. LONGWORTH. Mr. Chairman, I move to strike out the last word. I observe that the salary of the janitor is fixed at $1,100. I want to ask the gentleman if the janitor gets indirectly any more pay? Does he get quarters free?

Mr. SISSON. No; he gets no quarters. Of course, he gets the $120 increase provided for all employees.

Mr. LONGWORTH. He gets no perquisites?

Mr. SISSON. None whatever.

The Clerk read as follows:

Dunbar High School: Engineer, $1,200; assistant engineer, $1,000; two firemen, at $720 each; coal passer, $540; janitor, $1,000; assistant janitor, $900; nine laborers, at $500 each; two charwomen, at $480 each; night watchman, $720; in all, $12,260.

Mr. DALLINGER. Mr. Chairman, I move to strike out the last word. I want to ask if the laborers give all of their time? Here are nine laborers, at $500 each. Do they give all their time to the work?

Mr. SISSON. No; the laborers are not employed until the buildings are closed.

The Clerk read as follows:

Medical inspectors: Chief medical and sanitary inspector, who shall, under the direction of the health officer of the District of Columbia, give his whole time to, and exercise the direction and control of, the medical inspection and sanitary conditions of the public schools of the District of Columbia, $2,500; 16 medical inspectors of public schools, 1 of whom shall be a woman, 4 shall be dentists, and 4 shall be of the colored race, at $500 each; in all, $10,500.

Mr. DALLINGER. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Mississippi if they can get a doctor of good standing, a first-class man, to give all his time to the medical care of the schools for $2,500?

Mr. SISSON. I think they have a very good man in charge of this work.

The Clerk read as follows:

For contingent expenses, including furniture and repairs of same, stationery, printing, ice, purchase and repair of equipment for high-school cadets, and other necessary items not otherwise provided for, including an allowance of not exceeding $300 per annum for livery of horse or not exceeding $360 per annum for garage for each the superintendent of schools, the superintendent of janitors, the two assistant superintendents, the director of primary instruction, the school cabinet-maker, the general secretary of community centers, the supervising principal in charge of the white special schools, and the supervising principal of the colored special schools, and including not exceeding $3,000 for books, books of reference, and periodicals, $75,000.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. Do I understand that each of the principals here has a garage for the rent of which he is allowed $30 a month?

Mr. SISSON. Oh, no; not a garage, but where he devotes his horse and buggy or his conveyance to the performance of his duties he is allowed that much for maintenance. That is carried in the bill in other items.

Mr. MADDEN. I wanted to know if they were allowed that much for garage rent.

Mr. SISSON. That simply means gasoline allowance.

The Clerk read as follows:

Hereafter the board of education is authorized to use all necessary floor and room space in the Franklin School building for office purposes.

Mr. WALSH. Mr. Chairman, on that I reserve the point of order. What are they going to do with the scholars who will be ousted if they take all of this floor space for offices down there?

Mr. SISSON. They will not do that until they have provided a place for these children. If the gentleman will look at the hearings, he will find that the board of education are simply authorized to do that, and that it is understood they would not change this space until provision had been made.

Mr. WALSH. Apparently they need six additional offices. Are they not furnished accommodations in the District Building?

Mr. SISSON. No official under the school board is in the District Building at all. They are all in this Franklin School. There are but a very few children who attend the Franklin School. As the schools of the District have grown, the number of clerks essential to administering the school districts has also grown, and if the gentleman were to visit the Franklin School he would find they are much crowded now for office space.

Mr. WALSH. I have been there; but I also have a recollection of visiting some school official down here at the District Building.

Mr. SISSON. I can not imagine who that would be.

Mr. WALSH. It might have been the health officer.

Mr. SISSON. It might have been a branch of the purchasing division or the auditor's office.

Mr. WALSH. What is the necessity for six additional offices for the use of the board of education?

Mr. SISSON. The board of education do not need it themselves. They have a board room. That is for the school officials.

Mr. WALSH. Each principal has an office in his own school, has he not?

Mr. SISSON. No. What are called principals in this bill do not always mean principals actually in charge of a school. They may be supervisory principals. The activities of the schools have grown greatly and the number of scholars have perhaps more than doubled since they first went into the Franklin School. Some years ago an effort was made to absorb all of the Franklin School, and at that time I did not believe they needed the space. That is some seven or eight years ago. I prevented its being done; but since the growth of the number of scholars, the number of officials and clerks has necessarily compelled a need for this space. I do not know that they could absorb all of the space within that building within the next current year, but they will take so much of it there will be very little left for teaching space.

Mr. WALSH. The gentleman is quite sure that by taking over this space for offices he will not encourage a demand for a new school building in that vicinity to take care of these pupils?

Mr. SISSON. No; it is not contemplated at all.

Mr. WALSH. Mr. Chairman, I withdraw the reservation of the point of order.

The Clerk read as follows:

Appropriations in this act shall not be paid to any person employed under or in connection with the public schools of the District of Columbia who shall solicit or receive, or permit to be solicited or received, on any public-school premises, any subscription or donation of money or other thing of value from pupils enrolled in such public schools for presentation of testimonials to school officials or for any purpose except such as may be authorized by the board of education at a stated meeting upon the written recommednation of the superintendent of schools.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. That is a very peculiar provision of law, and I should like to ask a brief explanation of it.

Mr. SISSON. That has been carried several years.

Mr. TILSON. I note that it is in the current law, and I have wondered at the reason for such a provision as that.

Mr. SISSON. Very serious complaints came to the board of education, and those complaints continued for a number of years before the board of education took it up with the District Commissioners, and they took it up with the subcommittee. Mr. Page was the chairman of the subcommittee at the time, and we had quite extensive hearings upon the kind and character of solicitations made. The gentleman would have been amazed at the number of different kinds and purposes for which subscriptions were taken. The school authorities were caused a great deal of trouble, and upon the urgent recommendation of the board of education and many of the teachers and superintendents, we put that provision in the bill and it worked very well. Of course, this does not prevent the school children from taking up their little subscriptions to buy whatever the school may need in the way of balls and bats and various and sundry things.

Mr. TILSON. I thoroughly approve of the purpose intended to be accomplished, but it seemed to me that might have been accomplished by the board of education itself or by the superintendent of the schools without any legislation.

Mr. SISSON. They doubted their authority to do that without the law, and had not been able to do it.

The Clerk read as follows:

Major and superintendent, $4,000; 2 assistant superintendents, at $2,500 each; 3 inspectors, at $2,000 each; 11 captains, at $2,000 each; chief clerk, who shall also be property clerk, $2,000; clerk (who shall be a stenographer), $1,800; clerk and stenographer, $1,500; clerks—one (who shall be assistant property clerk) $1,200, 1 $1,200, 3 at $1,000 each, 1 $700; 4 surgeons of the police and fire departments, at $840 each; additional compensation for 35 privates detailed for special service in the detection and prevention of crime, $16,800, or so much thereof as may be necessary; additional compensation for 14 privates detailed for special service in the various precincts for the prevention and detection of crime, at the rate of $120 per annum, $1,680, or so much thereof as may be necessary; additional compensation for one inspector or captain and one lieutenant detailed for special service in the detection and prevention of crime, at $400 each; 20 lieutenants, one of whom shall be harbor master, at $1,600 each; 54 sergeants, one of whom may be detailed for duty in the harbor patrol, at $1,400 each; 493 privates of class 3, at $1,320 each; 86 privates of class 2, at $1,200 each; 187 privates of class 1, at $1,080 each; amount required to pay salaries of privates of class 2 who will be promoted to class 3 and privates of class 1 who will be promoted to class 2 during the fiscal year 1920, $2,000; 8 telephone clerks, at $900 each; 18 janitors, at $600 each; laborer, $720; messenger $600; inspector, mounted on horse or motor vehicle, $360; 58 captains, lieutenants, sergeants, and privates, mounted on horses or for motor vehicle allowances, at $360 each; 64 lieutenants, sergeants, and privates, mounted on bicycles, at $60 each; 35 drivers, at $900 each; 5 police matrons, at $720 each, to possess police powers of arrest; 4 policewomen, at $900 each; in all, $1,219,660.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. How many policemen of all grades have they now in the District?

Mr. SISSON. They have seven hundred and sixty-six privates.

Mr. MADDEN. The number has not been increased at all the last few years, has it?

Mr. SISSON. Oh, yes.

Mr. MADDEN. How much?

Mr. SISSON. We gave them all they asked for last year. They have enough now to man all the police stations now in the District. It takes a certain number of policemen to each station.

Mr. MADDEN. I know, but it is not a question of manning the police stations; it is a question of patroling the territory.

Mr. SISSON. That is true; but the police stations are presumed to take care of the territory and have been so arranged. I do not believe this last police station has been put in operation; if so, very lately, because they were unable to get the men after the war broke out, and the police force is considerably short now. Just what number I am unable to inform the gentleman, but something like 80, 90, or 100 policemen.

Mr. MADDEN. And less men on the force than authorized?

Mr. SISSON. Yes. They have been unable to get them.

Mr. MADDEN. I see they have been using military police.

Mr. SISSON. They supplied the deficit by having enough soldiers detailed to take the place of the policemen they were unable to get; they actually detailed soldiers to do police duty.

Mr. MADDEN. I notice laborers under this provision of the bill get only $720 a year. Now, laborers in other departments of the Government get anywhere from $840 to $900.

Mr. SISSON. Well, most of them outside of the Postal Service get $660 to $720. These laborers are rather caretakers of the police station.

Mr. MADDEN. There are janitors there who do that. A caretaker is a janitor.

Mr. SISSON. He is a janitor, but they have some little assistant laborers; some of those are rather old men.

Mr. MADDEN. Does the gentleman state a laborer is an assistant to a janitor?

Mr. SISSON. In many cases.

Mr. MADDEN. Then a laborer gets $120 more a year than a janitor, and he is surely not an assistant to the janitor?

Mr. SISSON. The laborer that they use here in this is really where it is a little work about the police station to keep the police station in order. The janitor looks after the heating, fire, and sweeps the floor.

Mr. MADDEN. Tell me that over again; I do not get that.

Mr. SISSON. The laborer there is a man who, when a little something is out of order, does work around the police station, such as a little carpenter work; a little work around the police station to keep it in order.

Mr. MADDEN. What is the matter with Gompers and his crowd? Are they going to turn out the carpenters working around the stations?

Mr. SISSON. I am not trying to raise any more trouble along that line than I can, and I hope the gentleman will not.

Mr. MANN. Will the gentleman yield?

Mr. SISSON. I will.

Mr. MANN. The gentleman referred to details of soldiers to act as policemen. I suppose we have all noticed some of them acting as crossing policemen. How is that done?

Mr. SISSON. That I can not tell the gentleman because I know nothing absolutely how it is done. I know nothing about what power did it; but my understanding is, of course, that they were furloughed to do this duty, but by what authority I can not tell; but those men, as a rule, I understand—and this is not by any knowledge or investigation but an understanding I have about it—many of them were men in limited service and they were furloughed, and, I will not state this positively, I understand they did not get their salaries as soldiers while they were on furlough but perhaps drew their salary as policemen.

Mr. MANN. They are paid as policemen in the District?

Mr. SISSON. They are paid as policemen, as I understand it.

Mr. MANN. And not required to wear a policeman's uniform?

Mr. SISSON. No; they wear, as I saw them on the street, a soldier's uniform.

Mr. MADDEN. Military police?

Mr. SISSON. Marked "Military police."

Mr. MANN. That is what I am trying to get at. I do not quite understand how a soldier is furloughed from the Army and employed by the District Commissioners as a military policeman.

Mr. SISSON. I can not give the gentleman any information.

Mr. MANN. There is no such information drawn out by the subcommittee?

Mr. SISSON. No, sir.

Mr. GARD. If the gentleman will yield, I will say that this morning I also saw a man in military uniform delivering mail, attached to the city post office.

Mr. MANN. As I understand, a man in the Army may have resigned and he is entitled to wear his uniform a certain length of time and he may be employed as a letter carrier or may have been a letter carrier restored.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

FIRE DEPARTMENT.

Chief engineer, $3,500; 2 deputy chief engineers, at $2,500 each; 8 battalion chief engineers, at $2,000 each; fire marshal, $2,000; deputy fire marshal, $1,400; 4 inspectors, at $1,080 each; chief clerk, $2,000; clerk, $1,400; clerk (who shall be a stenographer and typewriter), $1,400; 38 captains, at $1,500 each; 40 lieutenants, at $1,320 each; 41 sergeants, at $1,200 each; superintendent of machinery, $2,000; assistant superintendent of machinery, $1,200; 27 engineers, at $1,200 each; 27 assistant engineers, at $1,140 each; 2 pilots, at $1,150 each; 2 marine engineers, at $1,200 each; 2 assistant marine engineers, at $1,140 each; 2 marine firemen, at $840 each; 342 privates of class 2, at $1,140 each; 103 privates of class 1, at $960 each; hostler, $600; laborer, $600; in all, $761,020.

Mr. DALLINGER. Mr. Chairman, I move to strike out the last word. I understand that this is the first year that the two-platoon system has been in operation in the Fire Department of the District of Columbia. Am I correct?

Mr. SISSON. Yes; this is the first time.

Mr. DALLINGER. I am very much interested in that system and in favor of it on general principles, and I simply wanted to ask the gentleman from Mississippi in charge of this bill what the additional expense of the double-platoon system was in the District this last year?

Mr. SISSON. About 30 per cent in round numbers. This last year, however, is not fair—well it is fair in its expenditure, but not a fair test of the system, because they suffered the same inconvenience in reference to getting firemen that they had in getting policemen. Many firemen were of draft age, and I have now forgotten, but quite a large number of them were taken into the Army, and they had great difficulty in getting young men who were active and strong to stand the examination, and by the way, it is one of the most rigid examinations of any examination, and I do not think they have been able up to date to do much with the two-platoon system, but they will begin now to put it into operation before the close of the year.

Mr. DALLINGER. I thank the gentleman.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

For enforcement of the provisions of an act to prevent the spread of contagious diseases in the District of Columbia, approved March 3, 1897, and an act for the prevention of scarlet fever, diphtheria, measles, whooping cough, chicken pox, epidemic cerebrospinal meningitis, and typhoid fever in the District of Columbia, approved February 9, 1907, and an act to provide for registration of all cases of tuberculosis in the District of Columbia, for free examination of sputum in suspected cases, and for preventing the spread of tuberculosis in said District of Columbia, approved May 13, 1908, under the direction of the health officer of said District, manufacture of serums, including their use in indigent cases, and for the prevention of infantile paralysis and other communicable diseases, including salaries or compensation for personal services, not exceeding $25,000, when ordered in writing by the commissioners and necessary for the enforcement and execution of said acts, and for the prevention of such other communicable diseases as hereinbefore provided, purchase and maintenance of necessary horses, wagons, and harness, purchase of reference books and medical journals, and maintenance of quarantine station and smallpox hospital, $40,000: *Provided*, That any bacteriologist employed under this appropriation shall not be paid more than $7 per day and may be assigned by the health officer to the bacteriological examination of milk and other dairy products and of the water supplies of dairy farms, and to such other sanitary work as in the judgment of the health officer will promote the public health, whether such examinations be or be not directly related to contagious diseases.

Mr. TILSON. Mr. Chairman, does not the gentleman in charge of the bill think, in view of the experience of this city and the rest of the country during the last few months, that he ought to include influenza in the list of communicable diseases that ought to be provided against?

Mr. SISSON. I will state frankly to the gentleman from Connecticut that the subject has not come to us; but the gentleman will notice, after enumerating diseases, the language is broad enough to cover other communicable diseases, and they did, by the way, take steps in reference to influenza here under this very act.

Mr. TILSON. They construed the act as being broad enough to cover it, although it is not specifically mentioned in the act itself?

Mr. SISSON. Yes. You will notice down there it says "infantile paralysis and other communicable diseases," and under that head, if it is an infectious or contagious disease, they construe that language to be broad enough.

The Clerk read as follows:

Juvenile court: Judge, $3,600; clerk, $2,000; deputy clerk, who is authorized to act as clerk in the absence of that officer, $1,480; financial clerk, who is authorized to act as deputy clerk, $1,200; stenographer and typewriter, who is authorized to act as a deputy clerk, $1,080; stenographer and typewriter for judge's work, and to aid in keeping records in clerk's office, $1,080; probation officers—chief, $1,800; assistant chief (who shall also be investigating officer for children's cases), $1,500, 2 at $1,200 each, 1 for adult cases $1,200, 4 at $1,000 each; investigating officer for adult cases, $1,200; record and information clerk for probation office, $1,200; clerk for probation office, $900; 2 baliffs, at $900 each; telephone operator, $600; messenger, $600; janitor, $600; charwoman, $240; in all, $28,480.

Mr. MANN. The spelling of the word "baliffs" should be corrected.

The CHAIRMAN. Without objection, the correction of the spelling of the word "baliffs" will be changed to "bailiffs."

There was no objection.

Mr. GARD. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee if he knows what has become of the bill for the creation of a new juvenile-court code that we worked on here some time ago and which evidently was very badly needed in the District of Columbia?

Mr. SISSON. I know it passed the House, but I do not know whether it passed the Senate or not.

Mr. MADDEN. Did it not pass the Senate?

Mr. SISSON. The only thing I know of is that it passed the House, but I do not know whether it passed the Senate or not.

The Clerk read as follows:

Police court: Two judges, at $3,600 each; clerk, $2,200; deputy clerks—one $1,600, two $1,500, two at $1,200 each; deputy financial clerk, $1,500; deputy assistant financial clerk, $1,500; probation officer, $1,500; two assistant probation officers, at $1,200 each; seven bailiffs, at $900 each; deputy marshal, $1,000; janitor, $600; engineer, $900; assistant engineer, $720; firemen, $600; assistant janitor, $300; matron, $600; four cleaners, at $360 each; telephone operator, $480; in all, $36,240.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. What do they do with deputy marshals in a police court? Is not that a Government office?

Mr. SISSON. Yes.

Mr. MADDEN. Is that under the marshal of the District of Columbia?

Mr. SISSON. Yes. They call them all marshals.

Mr. MADDEN. Bailiffs, I thought they had.

Mr. SISSON. They do have a bailiff and a marshal.

Mr. MADDEN. What is the difference between a bailiff and a marshal?

Mr. SISSON. I do not know that I could tell the gentleman exactly what the difference is. The bailiff waits on the court, is a sort of a court crier, and the marshal goes out and serves papers and arrests people.

Mr. MADDEN. The bailiff does that.

Mr. SISSON. I do not think the bailiff in the District of Columbia is that sort of a fellow. I think he sits around and waits on the court and on the jury and performs functions of that kind.

Mr. MADDEN. And renders the decisions of the court, and things like that?

Mr. SISSON. Well, I do not know that he does that. Some of them may think they are able to do that, but I do not know that the judges have resigned their functions to them yet.

Mr. MADDEN. How many marshals have we?

Mr. SISSON. That I can not tell the gentleman.

Mr. MADDEN. We have a deputy marshal here. Do we have a chief marshal?

Mr. SISSON. This is a regular marshal of the District of Columbia.

Mr. MADDEN. Is that marshal in the police court an employee of the marshal of the District?

Mr. SISSON. He is under his supervision, but I am not absolutely sure whether he is appointed by the marshal or not. I believe he is, however, appointed by the marshal. I have not investigated the method of appointment. Of course, the marshal is appointed by the President, by and with the consent of the Senate.

Mr. MADDEN. Of course, if he is appointed by the marshal he ought to be appropriated for through the marshal's office.

Mr. SISSON. Each court's expenses are kept separately. It would be impossible to keep up with the expenses of the courts unless each court was able to control its own items of expense.

Mr. MADDEN. What is the difference between the expense of the police court and its receipts?

Mr. SISSON. That I can not tell. I did not make any inquiry about that, nor did any member of the committee.

The Clerk read as follows:

EMERGENCY FUND.

To be expended only in case of emergency, such as riot, pestilence, public insanitary conditions, calamity by flood or fire or storm, and of like character, and in all cases of emergency not otherwise sufficiently provided for, in the discretion of the commissioners, $8,000: *Provided*, That in the purchase of all articles provided for in this act no more than the market price shall be paid for any such articles, and all bids for any such articles above the market price shall be rejected and new bids received or purchases made in open market, as may be most economical and advantageous to the District of Columbia.

Mr. MADDEN. Mr. Chairman, I reserve a point of order on the proviso.

The CHAIRMAN. The gentleman from Illinois reserves a point of order on the proviso.

Mr. MADDEN. Mr. Chairman, I would like to ask the gentleman from Mississippi if he can explain what this proviso means?

Mr. SISSON. I will state to the gentleman that that proviso has been in the bill for some time.

Mr. MADDEN. I read: "That in the purchase of all articles provided for in this act no more than the market price shall be paid for any such articles, and all bids for any such articles above the market price shall be rejected and new bids received or purchases made in open market." Who is going to tell what the market price is?

Mr. SISSON. The commissioners themselves.

Mr. MADDEN. How do they know? The market price keeps changing every 15 minutes. It is a funny kind of proviso.

Mr. SISSON. It has been carried for a number of years.

Mr. MADDEN. I think it is subject to a point of order. I will make the point of order on it.

Mr. SISSON. It was in the bill even when my friend was a member of the subcommittee.

Mr. MADDEN. That does not make it right.

The CHAIRMAN (Mr. FOSTER). Is there a law that provides for these purchases?

Mr. SISSON. This is a pure limitation on the expenditure of the $8,000. There is no absolutely permanent law; nothing except the limitation upon the expenditure of the $8,000.

Mr. MADDEN. The gentleman thinks it is a wise provision?

Mr. SISSON. I do; yes.

Mr. MADDEN. It does not seem to me to be susceptible of intelligent administration.

Mr. SISSON. There are a great many small articles, as the gentleman knows, for which you can not advertise, and in the purchase of these articles this is simply a protection to the Treasury. These gentlemen are charged with the duty of knowing what these things are worth in the market, and they are not authorized to expend this money for any article where the price asked is greater than the market price. I do not know the history of how it got into the bill, except that it went on long before I came to Congress.

Mr. MADDEN. They have the power to refuse to buy.

Mr. SISSON. I thought perhaps the gentleman himself might explain it to me, because it went on when he was a member of the subcommittee.

Mr. MADDEN. It is so badly written that perhaps I may have written it myself. [Laughter.]

The CHAIRMAN. Does the gentleman withdraw the point of order?

Mr. MADDEN. I will withdraw it because the gentleman from Mississippi smiles so sweetly. [Laughter.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COURTS AND PRISONS.

Support of convicts: For support, maintenance, and transportation of convicts transferred from the District of Columbia; expenses of shipping remains of deceased convicts to their homes in the United States, and expenses of interment of unclaimed remains of deceased convicts; expenses incurred in identifying and pursuing escaped convicts and rewards for their recapture; to be expended under the direction of the Attorney General, $100,000.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MADDEN. I would like to ask the gentleman from Mississippi how much of this $100,000 is for support, maintenance, and transportation of convicts transferred from the District of Columbia, how much is for expenses of shipping the remains of deceased convicts to their homes in the United States and expenses of interment of unclaimed remains of deceased convicts, and how much is for expenses incurred in identifying and pursuing escaped convicts and rewards for their capture?

Mr. SISSON. It is not itemized in our hearings.

Mr. MADDEN. I thought maybe the gentleman from Mississippi would know, since the committee raised the appropriation from $55,000 to $100,000. I thought the committee would have some reason for adding the $45,000 to the former appropriation.

Mr. SISSON. Originally $110,000 was appropriated in the bill for 1918, and they had a deficiency of $10,000. It was contemplated at one time that all of these prisoners should be sent to Occoquan, but some of these judges have not sent them there.

Mr. MADDEN. They could not send a man to Occoquan if he were found guilty of a felony. That is merely a Bridewell, as I understand, for misdemeanors.

Mr. SISSON. No. They have a good many life-term men down at Occoquan. But the arrangement was made by the judges because the accommodations were not then sufficient at Occoquan, and are not sufficient now to keep these prisoners, and the judges have continued to send them to Fort Leavenworth and Atlanta. That accounts for the small amount asked for and appropriated for 1919; but there will be a considerable addition to what has been asked for. The gentleman understands that the current law carries $55,000.

Mr. MADDEN. That is what I said.

Mr. SISSON. The bill for 1919 carried $110,000 and $10,000 deficiency. Most of this is for the maintenance of our prisoners by a contract with the Atlanta Penitentiary, where we pay the cost of the maintenance of the prisoners.

Mr. MADDEN. Do we not send some of these prisoners to the State of Virginia and the State of Maryland?

Mr. SISSON. I do not think so.

Mr. MADDEN. We used to.

Mr. SISSON. I think perhaps we formerly did, but I do not think any of them go there now. At a time when the penitentiaries could not accommodate them the judges would send

the prisoners to some State prison where it was convenient, but I do not think they do now.

Mr. MADDEN. Does not this largely increased appropriation indicate a greater amount of crime in the last year than formerly?

Mr. SISSON. No. Nothing can be reflected in this increased appropriation over that carried in the current year, because under the current year it was understood that improvements would be made at Occoquan to take care of the prisoners there. But when the war came on there was difficulty in getting material—not labor, because the prisoners themselves do most of the labor, except supervisory labor.

Mr. MADDEN. They make brick down there, do they not?

Mr. SISSON. Yes; the brickyard has been running, and I understand a great amount of the brick have been absorbed here in the District of Columbia.

Mr. MADDEN. They thought it was more profitable to sell the brick at fabulous prices, did they?

Mr. SISSON. They needed the brick for District purposes, and under the provision of the law they were not permitted to sell brick in the open market.

Mr. MADDEN. Will the gentleman tell the committee where they used any brick in the District of Columbia in the last year, except to build about 10 houses?

Mr. SISSON. I can not tell the gentleman.

Mr. MADDEN. There was not any brick used.

Mr. SISSON. The Government has used some brick. I do not know how these brick were finally disposed of.

Mr. MADDEN. There was no brick used here.

Mr. SISSON. They furnished most of the brick for the Central High School, but that was completed sometime ago.

Mr. MADDEN. Was that built this year?

Mr. SISSON. No; I say that was finished sometime ago. I do not know that all the work at the Central High School has absolutely been completed yet, but, of course, the building has been completed. I think they did some work there this year, but how much I can not tell.

Mr. MADDEN. That was plastering and interior work, wasn't it?

Mr. SISSON. I think they used some brick there, too, but how much I can not tell.

Mr. MADDEN. So that the gentleman can not tell whether this is on account of increased crime?

Mr. SISSON. Of course, all of our maintenance has increased greatly within the last year, on account of the great increase in the cost of living and food supply.

Mr. MADDEN. Let me ask the gentleman, Do the prisoners at Occoquan raise their own food supply?

Mr. SISSON. Yes; in so far as they can. You know they went down into a wilderness there.

Mr. MADDEN. How much land does the Government own there?

Mr. SISSON. I think they bought originally 1,100 acres, but they have added perhaps 900 or 1,000 acres since they carried the reformatory down there. They have both institutions there now.

Mr. MADDEN. Another thing. How many prisoners have we there?

Mr. SISSON. I think in both institutions in the neighborhood of about 400 or 500. We inquired into that, but my recollection is not very distinct.

Mr. MADDEN. Enough prisoners to work all these 2,000 acres of land?

Mr. SISSON. I think so. They have an orchard there, I understand, which of course does not require a great deal of work.

Mr. MADDEN. On the 2,000 acres of land do they raise food enough to feed all the 500 prisoners?

Mr. SISSON. If it was fertile land they would certainly raise more than enough.

Mr. MADDEN. How much do they raise?

Mr. SISSON. I do not know exactly.

Mr. MADDEN. How much of a deficit is there in the operation of the institution every year?

Mr. SISSON. This money is covered into the Treasury when the products are sold, and there is a very accurate accounting taken, and Mr. Tweedale, I think, made a statement to the committee. I am not certain whether it went into the RECORD or not. I asked him to make a statement, and I think he made a statement covering the itemized expenditures and the itemized income. Of course, we could not tell just what that was this year, because it is in the middle of the year.

Mr. MADDEN. Who is Mr. Tweedale?

Mr. SISSON. He is the auditor of the District of Columbia. I ought to have called him the auditor.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. I ask unanimous consent that the gentleman from Mississippi may have two minutes in which to answer the question.

Mr. SISSON. I do not know that I will take the two minutes. If the gentleman will look in the report of the Board of Charities, he will find the information from 1911 down to 1918. In 1918, $22,182 was credited; in 1907, $37,180 was credited; in 1916, $15,244, and so on.

Mr. MADDEN. Credited to what?

Mr. SISSON. Paid into the Treasury.

Mr. MADDEN. And that is all the money that was paid in out of this whole institution?

Mr. SISSON. The gentleman will understand that they are completing their buildings, clearing up the land and improving it, pulling up stumps, and so on. In other words, they went down there into the wilderness without a stick of mint. They took that land which was absolutely wild, and they have been improving it. It is quite an institution. In my judgment, it is going to pay the expenses of the convicts when it is put into cultivation. I think the management is extremely good.

Mr. MADDEN. I am very much obliged to the gentleman. I think we have reached a very important point in the consideration of the bill, and we have worked pretty hard this afternoon, and I see there are not a great many Members present.

Mr. SISSON. I hope the gentleman will not cut us off at this time.

Mr. MADDEN. I think it is about time.

Mr. MANN. We can not finish the bill to-night. There are 30 more pages.

Mr. MADDEN. I suggest that the gentleman accommodate himself to the situation.

Mr. SISSON. Let us run 30 minutes longer. I think the last inquiries made by the gentleman from Illinois were not for information very much desired.

Mr. MADDEN. It was interesting and valuable. I do not know of anyone else who could have supplied it as intelligently as the gentleman from Mississippi.

Mr. SISSON. Of course, if there was a quorum here I might insist upon going on, but I am helpless without a quorum.

Mr. MADDEN. Mr. Chairman, I suggest the absence of a quorum.

Mr. SISSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13277, the District of Columbia appropriation bill, and had come to no resolution thereon.

CALENDAR WEDNESDAY.

Mr. SISSON. Mr. Speaker, I ask unanimous consent that the business of Calendar Wednesday to-morrow may be dispensed with and that the pending bill be made a special order.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the business on Calendar Wednesday be dispensed with to-morrow and the pending bill be made a special order. Is there objection?

Mr. MANN. Reserving the right to object, as far as I am concerned, I would have no objection in the morning to dispensing with Calendar Wednesday, but I do not think it is a very good practice with the small membership we have at present to make the request when there might be Members who have matters that they wish to call up. In other words, I do not think we ought to get into the position, which we are getting into, of leaving everything to be considered by a report from the Committee on Rules. Later in the session we will have to dispense with Calendar Wednesday nearly all the time.

Mr. MOON. Mr. Speaker, what committee has the call to-morrow?

The SPEAKER. The Committee on the Post Office and Post Roads.

Mr. MOON. The Committee on the Post Office and Post Roads has a bill on the calendar already reported.

Mr. MANN. An appropriation bill would not be in order to-morrow.

Mr. MOON. I want to ask whether there is any order fixed for the consideration of the judicial salary bill. I doubt the propriety of putting that ahead of the Post Office bill. I am willing to pass over Calendar Wednesday if we can come in after the District bill.

Mr. GARD. There was a rule of that kind, I think.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MANN. For to-night I object.

COMMITTEE TO INVESTIGATE THE NATIONAL SECURITY LEAGUE.

The SPEAKER appointed Mr. BROWNE of Wisconsin in place of Mr. TOWNER of Iowa as a member of the committee.

ADJOURNMENT.

Mr. SISSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until to-morrow, Wednesday, December 11, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting a letter from The Adjutant General of the Army, together with report showing distribution of official documents, regulations, manuals, publications, etc., pertaining to the War Department, made during the fiscal year ended June 30, 1918 (H. Doc. No. 1571); to the Committee on Expenditures in the War Department and ordered to be printed.

2. A letter from the Secretary of Commerce, inviting attention to items in the estimates of appropriations for the Lighthouse Service for the fiscal year 1920 (H. Doc. No. 1572); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

3. A letter from the commissioner of Freedman's Savings & Trust Co., transmitting annual report of the Freedman's Savings & Trust Co. for the year ended December 1, 1918 (H. Doc. No. 1573); to the Committee on the District of Columbia and ordered to be printed.

4. A letter from the Secretary of War, transmitting the twenty-eighth annual report of the Board of Ordnance and Fortifications covering the fiscal year from July 1, 1917, to June 30, 1918 (H. Doc. No. 1423); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SHERLEY, from the Committee on Appropriations, to which was referred the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services are no longer required, reported the same with amendment, accompanied by a report (No. 850), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of the Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12839) granting a pension to Bronislawa Wypiewski; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 11561) granting an increase of pension to Patrick M. Droney; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10693) granting an increase of pension to Tony K. Wilson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11024) granting an increase of pension to Abel B. Conger; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12475) granting an increase of pension to John Weiss; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11002) granting an increase of pension to Elizabeth Faris; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13006) granting an increase of pension to Tillie Wester; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12367) granting a pension to Patrick Lehan; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7248) granting a pension to Eliza Greten; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12398) granting a pension to Henry Simpson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SCULLY: A bill (H. R. 13320) appropriating money for the improvement of the Shrewsbury River, N. J., up to Red Bank, on the North Branch, and to Branchport, on the South Branch; to the Committee on Rivers and Harbors.

By Mr. DAVIS: A bill (H. R. 13321) providing for the local commemoration in the city of Hutchinson, county of McLeod, State of Minnesota, of the soldiers, sailors, marines, and aviators who lost their lives and participated in the service of the United States during the present war; to the Committee on Military Affairs.

By Mr. SCULLY: A bill (H. R. 13322) making provision for the construction of a canal across the State of New Jersey to connect the Delaware River with New York Harbor; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 13323) appropriating money for the improvement of the Raritan River, N. J.; to the Committee on Rivers and Harbors.

By Mr. SIMS: A bill (H. R. 13324) to provide transportation, storage, and marketing facilities for and to regulate commerce among the States in live stock, meats, and other products derived from live stock or the slaughtering of live stock; to the Committee on Interstate and Foreign Commerce.

By Mr. LUFKIN: A bill (H. R. 13325) to suspend immigration; to the Committee on Immigration and Naturalization.

By Mr. GOULD: A bill (H. R. 13326) to provide relief for commissioned officers, noncommissioned officers, and enlisted persons in the Army, Navy, Marine Corps, Coast Guard, and the Army Nurse Corps; to the Committee on Military Affairs.

By Mr. CANDLER of Mississippi: A bill (H. R. 13327) to provide for the retention of all uniforms issued to soldiers and sailors of the United States who have been honorably discharged, and providing also for privilege of using same, and for one month's extra pay upon being discharged, and authorizing War and Navy Departments to sell at cost surplus clothing and supplies; to the Committee on Military Affairs.

By Mr. IGOE: A bill (H. R. 13328) to provide for the retention of all uniforms issued to soldiers, sailors, and marines and providing also for the use of same; to the Committee on Military Affairs.

By Mr. MOON: Resolution (H. Res. 475) providing for the consideration of House bill 13308, Post Office appropriation bill; to the Committee on Rules.

By Miss RANKIN: Joint resolution (H. J. Res. 363) proposing recognition by the Congress of the United States of the right of Irish independence, and requesting the commissioners plenipotentiary of the United States of America to the international peace conference to present to the conference the right of Ireland to freedom, independence, and self-determination; to the Committee on Foreign Affairs.

By Mr. FLOOD: Joint resolution (H. J. Res. 364) authorizing the appointment of an ambassador to the Republic of Peru; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 13329) granting a pension to Catharine Rodgers; to the Committee on Pensions.

By Mr. BURROUGHS: A bill (H. R. 13330) granting an increase of pension to Silas H. Avery; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13331) granting an increase of pension to John H. Bartlett; to the Committee on Invalid Pensions.

By Mr. CANDLER of Mississippi: A bill (H. R. 13332) granting a pension to Nancy E. Mullins; to the Committee on Pensions.

By Mr. DALLINGER: A bill (H. R. 13333) to authorize the President of the United States to appoint Charles A. Ranlett major of Infantry; to the Committee on Military Affairs.

By Mr. IGOE: A bill (H. R. 13334) granting an increase of pension to Sarah A. Christy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13335) granting an increase of pension to Maria Kuehn; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 13336) granting a pension to Charles Michener; to the Committee on Pensions.

By Mr. NICHOLS of Michigan: A bill (H. R. 13337) granting an increase of pension to David Kimball; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 13338) granting a pension to Nancy M. Davis; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BURROUGHS: Petition urging that the same consideration be given to Ireland as to all other small nations; to the Committee on Foreign Affairs.

By Mr. CRAGO: Resolution and suggestions of the Philadelphia Bourse for the upbuilding of an American merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. DALE of New York: Petition of the San Francisco Labor Council, in meeting assembled, indorsing and recommending the McKellar-Keating bill, known as S. 4637 and H. R. 12352; to the Committee on Reform in the Civil Service.

By Mr. ESCH: Resolution of the San Francisco Labor Council indorsing and recommending the McKellar-Keating bill, known in the Senate as S. 4637 and in the House of Representatives as H. R. 12352; to the Committee on Reform in the Civil Service.

By Mr. FULLER of Illinois: Memorial of the board of education of the Ottawa (Ill.) Township High School favoring Senate bill 4987, for the establishment of a department of education; to the Committee on Education.

By Mr. GALLIVAN: Petition urging construction of Government-owned public highways throughout the United States; to the Committee on Roads.

By Mr. LINTHICUM: Resolution of the faculty of the Maryland State Normal School, Towson, Md., heartily indorsing Senate bill 4987, for equalizing educational opportunities, for promotion of physical and health education, and for preparing teachers for schools; to the Committee on Education.

By Mr. RAKER: Resolution by the City Council of Los Angeles, Cal., providing that the American Expeditionary Forces shall march through the city of Berlin and embark at a German port; to the Committee on Military Affairs.

Also, resolution by Friday Morning Club of Los Angeles, Cal., petitioning Congress to pass Senate bill 4987, which provides for the establishment of a department of education coordinate with other departments of the Government; to the Committee on Education.

Also, protest by the Writers' Club of San Diego, Cal., against the proposed zone amendment to postal law; to the Committee on Ways and Means.

Also, resolution by the San Francisco Center of the California Civic League, providing for the appointment of women on the peace council at the close of the war; to the Committee on Military Affairs.

Also, resolution by city council of the city of Los Angeles, Cal., indorsing a certain bill before Congress prohibiting the public or private display of certain flags or emblems; to the Committee on the Judiciary.

Also, resolution by the West Coast Lumbermen's Association, requesting Congress to amend the revenue laws; to the Committee on Ways and Means.

Also, resolution relative to the construction of a bridge across the Golden Gate by the Federal Government, submitted by the clerk of the board of supervisors of the city and county of San Francisco, Cal.; to the Committee on Rivers and Harbors.

Also, resolutions adopted by the Principals' Club of the Los Angeles city schools, petitioning Congress to pass Senate bill 4987; to the Committee on Education.

SENATE.

WEDNESDAY, *December 11, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come before Thee day by day for the daily tasks of life. The most common drudgery is made glorious by Thy blessing, and the high tasks of this great office call for the constant support and guidance of the loving Father in heaven. Let Thy blessing rest upon Thy servants this day in the discharge of the duties that are upon them. May they realize that they are working together with God for the accomplishment of a great ideal. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

CONGRATULATIONS OF BRAZILIAN SENATE.

The VICE PRESIDENT. The Chair lays before the Senate congratulations of the Brazilian Senate on the successful conclusion of the war, which will be read and referred to the Committee on Foreign Relations.

The congratulations are as follows:

The PRESIDENT OF THE NORTH AMERICAN SENATE:
Washington:

I take pleasure in informing your excellency that the Brazilian Senate, after hearing read the Government's communication of the signing yesterday of the armistice granted by the allies to Germany, resolved, on motion of Senator Ruy Barboza, amidst boisterous applause and by unanimous vote of its members, to suspend to-day's session as a sign of exultation at the victory of the European allied arms and those of North America, the duty falling upon me to address the governments and senates of the allied countries expressing the sentiments of unmeasured jubilation and indescribable pride with which the Brazilian Senate and Nation received those conjectured victories which for democracy and for human liberties for four years have been gloriously fought in the fields of Europe.

Very respectfully,

ANTONIO AZEVEDO,
President of the Senate.

CONGRATULATIONS OF SPANISH SENATE.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Acting Secretary of State, transmitting a translation of a note of the Spanish Ambassador announcing that the Spanish Senate had directed to be entered on its journal congratulations on the triumph of justice over force, which will be read and referred to the Committee on Foreign Relations.

The Secretary read as follows:

DEPARTMENT OF STATE,
Washington, December 7, 1918.

The Hon. THOMAS R. MARSHALL,
Vice President of the United States.

SIR: At the request of the Spanish Ambassador at this Capital, in accordance with the instructions of his Government, I have the honor to inclose for the information of the Senate a translation of a note from the ambassador announcing that the Spanish Senate unanimously directed to be entered on its journal, in view of the signing of the armistice of November 11, 1918, congratulations on the peace and the triumph of justice over force.

I have the honor to be, sir,
Your obedient servant,

FRANK L. POLK,
Acting Secretary of State.

EMBASSY OF SPAIN,
Washington, November 15, 1918.

The Hon. ROBERT LANSING,
Secretary of State of the United States.

Mr. SECRETARY: By order of my Government and with the request that you kindly make the fact known to the American Houses of Congress, I have the honor to inform you that at the session of the Spanish Senate Señor Gimeno, former minister of state, delivered a brilliant speech eulogizing peace and dedicating effusive words to all and each of the allied countries. After a short debate, the Senate unanimously ordered to be entered into the journal that it congratulates itself on the peace and triumph of justice over strength.

I avail myself, etc., JUAN RIANO.

Mr. LODGE. Mr. President, if I may say a single word in connection with the letters of congratulation which have just been presented and referred to the Committee on Foreign Relations, we had some similar letters referred to the committee, and the committee unanimously reported a resolution which the Senate adopted, requesting the Vice President to respond in the name of the Senate and acknowledge the resolutions. It seems to me it is hardly necessary to go through that form again.

The VICE PRESIDENT. The Chair states to the Senator from Massachusetts that he construed the resolution as applicable to all subsequently received, and so has answered them all in a congratulatory way.

Mr. LODGE. So I supposed.

SENATOR FROM NEW JERSEY.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of Walter E. Edge, Senator elect from the State of New Jersey, which will be considered read, printed in the RECORD, and placed on the file.

The credentials are as follows:

STATE OF NEW JERSEY:

I, Thomas F. McGran, president of the senate, acting governor of the State of New Jersey, do hereby certify that at an election held in the said State on the 5th day of November, 1918, Walter E. Edge was duly

chosen and elected by the people of the said State of New Jersey to be a Member of the United States Senate for the term of six years, beginning on the 4th day of March, 1919.

In testimony whereof I have hereunto set my hand and caused the great seal of the State of New Jersey to be hereunto affixed at Trenton, this 26th day of November, in the year of our Lord 1918, and of the independence of the United States the one hundred and forty-third.

THOMAS F. McGRAN.

By the president of the senate, acting governor:
[SEAL.]

THOMAS F. MARTIN,
Secretary of State.

SENATOR FROM OREGON.

The VICE PRESIDENT. The Chair lays before the Senate the following communication, which will be read.

The Secretary read as follows:

UNITED STATES SENATE,
Washington, D. C., December 11, 1918.

The PRESIDENT OF THE SENATE OF THE UNITED STATES,
Washington, D. C.

SIR: Yesterday I tendered my resignation as United States Senator in Congress for Oregon to the governor of the State of Oregon, by a telegram, the following of which is a copy:

"I hereby tender my resignation as United States Senator in Congress for the State of Oregon to take effect on the 17th day of December, 1918."

Very respectfully, yours, FRED. W. MULKEY.

SALE OF WASTE PAPER.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a report showing the receipts of the sale of waste paper in that department, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

EMPLOYEES IN AGRICULTURAL DEPARTMENT (H. DOC. NO. 1558).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a report showing for the first four months of the fiscal year 1919 the average number of employees in the Department of Agriculture who received increased compensation at the ra[illegible] $120 per annum, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

REPORT OF UNITED STATES SHIPPING BOARD.

The VICE PRESIDENT laid before the Senate the Second Annual Report of the United States Shipping Board, which was referred to the Committee on Commerce.

HOUSE BILL AND JOINT RESOLUTION REFERRED.

H. R. 12917. An act to provide for the establishment of a sanatorium for the treatment of persons discharged from the military and naval forces of the United States, and for other purposes, was read twice by its title and referred to the Committee on Public Health and National Quarantine.

H. J. Res. 358. Joint resolution authorizing and directing the payment of the usual compensation of Representatives in Congress to those Members of the House who have been discharged from their military or naval duties was read twice by its title and referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a resolution adopted by District Lodge, No. 44, International Association of Machinists, in convention assembled, in Washington, D. C., December 11, 1918, favoring the continuation and completion of all housing projects determined upon by the Housing Bureau prior to the signing of the armistice, which was referred to the Committee on Public Buildings and Grounds.

Mr. LODGE. I present resolutions passed by the Associated Industries of Massachusetts, relating to the revenue bill. I ask that the resolutions may be printed in the RECORD and lie upon the table.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

ASSOCIATED INDUSTRIES OF MASSACHUSETTS,
Boston, Mass., November 29, 1918.

Hon. HENRY CABOT LODGE,
1765 Massachusetts Avenue, Washington, D. C.

DEAR SIR: At the annual meeting of the Associated Industries of Massachusetts held at Boston on Tuesday, November 26, 1918, the following resolution was passed:

"*Resolved*, That the Associated Industries of Massachusetts, representing more than 1,000 manufacturing concerns in the Commonwealth, strongly urge that the Federal tax law be so amended that there be equality of taxation with reference to the same earnings on the same capital employed, and that taxes be levied without any reference to prewar earnings; and

"*Resolved further*, That now that the war is over it is our belief that excessive taxation will so cripple industry as to operate to prevent, first, development of methods of efficiency and economy in manufacturing; second, giving employment to additional workers; and, third, promoting foreign trade."

Yours, very truly, FREDERIC C. HOOD, *President.*

Mr. LENROOT presented a resolution adopted by the Common Council of Milwaukee, Wis., praying that the Government of the United States issue an order immediately closing down the plant of the Newport Hydrocarbon Co., of Carrollville, Wis., which was referred to the Committee on Public Health and National Quarantine.

Mr. CURTIS presented resolutions adopted by the Rotary Club of Lawrence, Kans., favoring the creation of a department of education, which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Retail Merchants' Association of Franklin County, Kans., praying for the enactment of legislation making it an offense against the Government to display a red flag or any other flag except the United States flag as a national, patriotic, or party emblem, etc., which was referred to the Committee on the Judiciary.

GERMAN PROPAGANDA.

Mr. CALDER. Mr. President, on last Friday there appeared before the subcommittee of the Committee on the Judiciary an official of the Department of Justice who referred to a number of citizens of the United States whose names appeared upon a list obtained from a prominent German which indicated that these citizens were in sympathy with Germany. A very worthy gentleman residing in New York State has written me a letter protesting against the use of his name in this connection. In justice to this gentleman I ask permission that the letter be read.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Secretary read as follows:

TEACHERS COLLEGE,
COLUMBIA UNIVERSITY,
New York, December 9, 1918.

The Hon. WILLIAM M. CALDER,
United States Senate, Washington, D. C.

MY DEAR SENATOR CALDER: On Saturday morning there was published in all the leading papers of this country a list of names given out by the Department of Justice as suspected pro-Germans. Among the names was one that so closely resembles my own as to have been generally taken to be such, whether it was so intended or not. I therefore wish to ask if you can not in some way protest against the serious injustice on the part of the Department of Justice in thus spreading such insinuations broadcast without making the slightest investigation of the truth of the statements. Even those of us who hold no positions of national prominence have our just appreciation of a good reputation, and in this matter of pro-Germanism we who have been emphatically proally, and above all pro-American, have serious cause for protest at such an unwarranted action.

Since the very day when Germany began this criminal war I have labored in every way in my power to advance the allied cause. I have taken an active part in distributing the allied literature, I have been in constant correspondence with various leaders of thought in the universities of the allied nations, and those who know me know that I have never for a single moment entertained any other feeling than that of abhorrence at the attitude of Germany in this entire conflict.

I have thousands of my former students scattered all over this country. They will see this libel and I have no way of reaching them to combat it, and it is here that I feel most keenly the injustice of this unwarranted action.

I beg you to pardon such a long letter, but if you will put yourself in the place of a man who is so unjustly accused on the mere fact that his name is found in the notebook of a German agent you will, I feel sure, understand my motive in writing.

Yours, very truly, DAVID EUGENE SMITH.

Mr. WALSH. Mr. President, I think the letter just read at the request of the Senator from New York is likely to leave an erroneous impression, if I have the facts in mind correctly. It recites that the Department of Justice put in before the investigating committee a list of names of citizens alleged to be pro-German in their tendency. My understanding is that there was nothing submitted except extracts from a diary kept by some individual.

Mr. OVERMAN. My attention was not called to the letter at the time it was read, and I am very much obliged to the Senator for calling my attention to it. Certain records in the Department of Justice, filed there, were made by Dr. Fuehr, a German agent here, who represented the German Government and was connected with German propaganda in this country by spending large sums of money and giving the names of those who, he claimed, sympathized with Germany. It was the record made up by him, not by the Department of Justice.

Mr. CALDER. I should like to have the chairman of the subcommittee state for the RECORD if the information was not given out in a manner which indicated that the gentlemen whose names were used were dealing in some pro-German propaganda. I think it is to be regretted that the splendid work of the subcommittee and its chairman, the Senator from North Carolina, should have been marred in this degree by this publication. I know that the Senator will protect the reputation of these gentlemen.

Mr. OVERMAN. The testimony shows exactly what it is. We have the Bernstorff papers showing the whole German system of propaganda in this country by Dr. Albert, Mr. Fuerh, and several others, whose names are mentioned. These are their

papers, on file in the Department of Justice. These are the names that agents of the German Government had put down on the list as sympathizers with Germany and men who could be used in the interest of Germany.

WOMAN SUFFRAGE.

Mr. JONES of New Mexico. Mr. President, on the 8th instant a mass meeting of citizens of the city of Washington and some from outside sections of the country assembled and adopted a resolution which is addressed to the Senate, and which I ask that the Secretary may read.

Mr. BRANDEGEE. It was impossible to hear on this side anything the Senator said, there was so much conversation in the Chamber. I should like to know what the matter is.

Mr. JONES of New Mexico. I stated to the Senate that last Sunday there was held at the National Theater in this city a mass meeting of people of this city and surrounding country, and at that meeting a resolution was passed, which is addressed to the Senate. I simply requested that the resolution be read.

Mr. BRANDEGEE. What is the nature of the subject matter?

Mr. JONES of New Mexico. An appeal to the Senate to pass the amendment to the Constitution relating to woman suffrage.

Mr. BRANDEGEE. Oh, I have no objection whatever.

The VICE PRESIDENT. The Secretary will read.

The Secretary read as follows:

Whereas there has been brought to a peaceful termination a world war fought for the same fundamental principle of self-government for which the National American Woman Suffrage Association has labored for nearly 50 years; and

Whereas in the conduct of the war women have demonstrated that they are equally concerned with men in national affairs and give service of equal importance to the safety of the Nation; and

Whereas woman suffrage has been given or promised by our allies and even some of the central powers as a result of the greater understanding which the war has brought of the principle of self-government and the service of women; and

Whereas our work as women of the Nation and the service of our men as soldiers of the Nation have given us a greater sense of national unity than ever before, making it especially fitting that we should address ourselves to the representatives of the Nation: Therefore be it

Resolved, That we, citizens of the United States, in mass meeting assembled, at 3 o'clock on the afternoon of December 8, 1918, in the National Theater, Washington, D. C., appeal to the Senate of the United States to speed the coming of universal woman suffrage in this country by the immediate passage of the Federal woman-suffrage amendment.

Mr. SHAFROTH. Mr. President, I should like to say just a word with relation to the resolution that has just been presented to the Senate, because I was present at that meeting and heard a most wonderful speech made by Dr. Anna Howard Shaw, giving the reasons why the Senate should pass the constitutional amendment providing for woman suffrage. It was one of the most remarkable speeches ever delivered in the United States, and I only wish that I had it in print so that it could be presented to the Senate and printed as a public document.

It seems to me, in view of the situation as it is now, the world war having been fought for liberty and freedom, that we should apply the principles won in our great and glorious victory to the right of women to participate in government. The joint resolution for the suffrage amendment to the Constitution passed the House of Representatives by a two-thirds majority; it failed by just two votes in having the two-thirds majority in the Senate. A motion to reconsider the vote in the Senate was adopted, and the measure is now pending in the Senate on the calendar, ready to be called up for consideration at any time.

Is it possible that we are going to deny the doctrine for which we fought this war, namely, that the just powers of government are derived from the consent of the governed? Is it possible that we are going to reward the constant, effective, and patriotic work of the women and the sacrifices of the mothers in giving their brave boys to their country's cause by a denial of their right as part of the governed to have some voice in the enactment of laws that will control them? We hope not. Let us this session, while this principle is well recognized and when this debt of gratitude is remembered by all, pass this measure so necessary to justice and good government.

THE CENSUS.

Mr. SHEPPARD, from the Committee on the Census, to which was referred the bill (H. R. 11984) to provide for the fourteenth and subsequent decennial censuses, reported it with amendments and submitted a report (No. 621) thereon.

PROMOTIONS IN THE MARINE CORPS.

Mr. SWANSON, from the Committee on Naval Affairs, to which was referred the bill (H. R. 12916) to provide for the temporary promotion of commissioned officers of the Marine Corps serving with the Army, reported it without amendment, and submitted a report (No. 623) thereon.

ALLOWANCES TO CIVIL EMPLOYEES IN CAPTIVITY.

Mr. SWANSON. From the Committee on Naval Affairs I report back favorably, without amendment, the bill (H. R. 12860) granting to members of the Army Nurse Corps (female) and Navy Nurse Corps (female), Army field clerks, field clerks, Quartermaster Corps, and civil employees of the Army pay and allowances during any period of involuntary captivity by the enemy of the United States, and I submit a report (No. 622) thereon.

This bill was handled in the House by the Committee on Military Affairs and came here and was referred to the Committee on Naval Affairs. The Naval Committee now report it back to the Senate with the recommendation that the Senate concur in so much of the bill as appertains to the Navy and requests that it be referred to the Committee on Military Affairs, as that committee usually handles matters relating to the Army. It refers to both the Army and the Navy, and I ask that it be referred to the Committee on Military Affirs for consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

COST OF UNIFORMS.

Mr. SWANSON. From the Committee on Naval Affairs I report back favorably the bill (H. R. 12945) providing for the purchase of uniforms, accouterments, and equipment by officers of the Navy, Marine Corps, and Coast Guard, and midshipmen at the Naval Academy from the Government at cost, and I submit a report (No. 624) thereon.

Mr. BRANDEGEE. Will the Senator from Virginia allow me to ask him a question?

Mr. SWANSON. Certainly.

Mr. BRANDEGEE. From the title of the bill just reported by the Senator from Virginia I should judge that the legislation proposed was to prevent the Government from making a profit on uniforms sold to midshipmen at the Naval Academy at Annapolis.

Mr. SWANSON. The bill has been reported and will go to the calendar.

Mr. BRANDEGEE. I understand that; but I desire to ask, Has the Government been making a profit on those uniforms?

Mr. SWANSON. No. The bill is to authorize the Government to furnish at cost such uniforms to officers in the Navy as were provided for by a bill heretofore passed as to officers of the Army.

Mr. BRANDEGEE. Well, what has been the practice heretofore?

Mr. SWANSON. The practice heretofore has been that the Government has not furnished uniforms to officers. The Government now, however, has nearly all such military and other supplies. As to Army officers, a bill has been passed authorizing the Government to buy material and to furnish uniforms at cost, and the committee thought the same privilege should be extended to the Navy. Heretofore the Government has not furnished uniforms except to the privates, which they procured from the factories. The officers had to buy their uniforms.

Mr. BRANDEGEE. The Government has not heretofore furnished uniforms at all for officers?

Mr. SWANSON. No; except as to the Army; and this bill proposes to extend the privilege to naval officers which has been extended to officers of the Army. I ask that the bill go to the calendar. The Senator may read it and thereby become informed as to its provision before I call it up, which I expect to do to-morrow or on the day after to-morrow.

Mr. BRANDEGEE. I understand the scope of the bill now.

The VICE PRESIDENT. The bill will be placed on the calendar.

CALVIN WILLARD GILFILLAN.

Mr. SWANSON. From the Committee on Naval Affairs I report back favorably the bill (S. 4873) for the relief of Calvin Willard Gilfillan, and I submit a report (No. 625) thereon. I call the attention of the Senator from Texas [Mr. SHEPPARD] to the bill. I ask to have it read, after which I shall ask for its immediate consideration, as it should be acted upon at once.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Whereas Calvin Willard Gilfillan received and accepted an appointment to the Naval Academy for 1919, and was designated for examination in February of that year; and

Whereas the said Gilfillan received and accepted said appointment before the enactment of the present law requiring appointees to be 20 years old on the 1st of April preceding entrance; and

Whereas the said Gilfillan, who will be 20 years old on March 16, 1919, would have been eligible for admission to the academy in 1919 under the law in force at the time of his appointment; and

Whereas the said Gilfillan is the only appointee affected in this way: Therefore

Be it enacted, etc., That Calvin Willard Gilfillan be, and he is hereby, authorized and permitted to take the examination for the Naval Academy in February, 1919, and, on passing the examination, to enter the academy at the usual time in 1919.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and by unanimous consent the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 5171) donating captured cannon and cannon balls to the city of El Paso, Tex.; and

A bill (S. 5172) donating captured cannon and cannon balls to the city of Kingsville, Tex.; to the Committee on Military Affairs.

By Mr. POMERENE:

A bill (S. 5173) granting a pension to Charles St. John Neeld (with accompanying papers); to the Committee on Pensions.

By Mr. THOMPSON:

A bill (S. 5174) granting the soldiers and sailors in the military and naval service of the United States the uniform and equipment on their persons at the time of discharge; and

A bill (S. 5175) granting an increase in rank to certain officers of the Army, Navy, and Marine Corps who served overseas with the American Expeditionary Forces; to the Committee on Military Affairs.

By Mr. KING:

A bill (S. 5176) to provide for the deportation of certain aliens from the United States; to the Committee on Immigration.

A bill (S. 5177) to donate 25 cannon to the State of Utah; to the Committee on Military Affairs.

A bill (S. 5178) providing for a reclamation project on Green and Grand Rivers in the State of Utah; and

A bill (S. 5179) providing for a reclamation project on Price River, Utah; to the Committee on Irrigation and Reclamation of Arid Lands.

RADIO COMMUNICATION.

Mr. WATSON submitted an amendment intended to be proposed by him to the bill (H. R. 13159) to further regulate radio communication, which was referred to the Committee on Commerce and ordered to be printed.

PROMOTION OF BETTER LIVING CONDITIONS.

Mr. KENYON. I offer a resolution for which I ask immediate consideration. If it provokes any discussion, I will ask that it go over.

I desire to say in explanation of the resolution that the Committee on Education and Labor is now considering the question of vocational training for men who have been injured in industries. That subject develops a line of inquiry which the committee would like to enlarge. This resolution covers the whole reconstruction problem, which I think will be met. I desire to have the resolution read, and then I shall ask for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 382) was read, as follows:

Resolved, That the Committee on Education and Labor be, and is hereby, instructed to investigate and recommend to the Senate methods of promoting better social and industrial conditions in the country, particularly as to—

First. The establishment of a national tribunal to review and adjust difficulties between employers and workmen and to improve industrial conditions in the various industries and trades.

Second. The development of the United States Employment Service into a national labor exchange.

Third. The regularization of employment.

Fourth. The prevention of unemployment among workers, both men and women, by a program of necessary public works to be undertaken during periods of industrial depression.

Fifth. The promotion of better living conditions and a plan for centralized administrative control of the housing projects of the National Government during the period of the war.

Sixth. The extension of the United States sailors and soldiers' insurance to the civil population, so that the workmen can insure against sickness, accident, and death at the lowest possible rate.

Seventh. The feasibility of a national insurance law against nonemployment, old age, disability, sickness, and accident.

Eighth. The feasibility of some plan for a national minimum wage law.

Ninth. The question of extending the opportunity for vocational training and education to all people in the United States disabled by injury or sickness.

Tenth. Any other questions relating to a permanent improvement in the relations between employer and employee.

Mr. KENYON. I ask for the immediate consideration of the resolution.

Mr. LODGE. What is the nature of the resolution? Is it one merely of inquiry or is it a joint resolution?

The VICE PRESIDENT. It is a Senate resolution.

Mr. LODGE. To investigate? I thought it was proposed to legislate.

Mr. KENYON. I hope the Senator from Massachusetts will not object to the investigation proposed by the resolution.

Mr. LODGE. Oh, no.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered by unanimous consent and agreed to.

PROFITEERING IN ORES.

Mr. KING submitted the following resolution (S. Res. 383), which was referred to the Committee on Interstate Commerce:

Resolved, That the Federal Trade Commission be, and it is hereby, directed to furnish the Senate with the following information:

Any and all facts, figures, data, or information now in possession of the Federal Trade Commission relative to profiteering in the smelting, reduction, and handling of metalliferous ores and metals by smelting and refining companies and by metal-selling companies, and to investigate said companies for such supplementary information as may be required for a complete report in the premises, and to transmit such complete report to the Senate.

PROHIBITION IN THE DISTRICT OF COLUMBIA.

Mr. SHEPPARD. Mr. President, I desire to submit the motion which I send to the Secretary's desk, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the motion submitted by the Senator from Texas.

The Secretary read as follows:

Ordered, That the Committee on Post Offices and Post Roads be discharged from further consideration of the bill (S. 5052) to make section 5 of the Post Office appropriation act, for the fiscal year ending June 30, 1918, as amended by section 1110, war-revenue act of October 3, 1917, applicable to the District of Columbia, and that the bill be placed on the calendar.

Mr. VARDAMAN. Mr. President, I desire to ask the Senator from Texas to state briefly whether he has discussed the question involving his motion with the chairman of the Committee on Post Offices and Post Roads?

Mr. SHEPPARD. I asked the chairman of that committee last week if a meeting of the committee could be secured before the Christmas holidays. He told me that under present conditions he did not know when a meeting could be held, and that he doubted whether he could secure the presence of a quorum of the committee.

Mr. VARDAMAN. I have no objection to the consideration of the Senator's motion and to the committee being discharged from the further consideration of the bill, but as a member of the committee I merely desired to secure the statement which the Senator has made.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas. The motion is agreed to. The bill will be placed on the calendar.

AFFAIRS IN RUSSIA.

Mr. JOHNSON of California. Mr. President, I should like to announce that to-morrow, with the permission of the Senate, during the morning hour, I shall endeavor to make some remarks about our policy in Russia.

HOUSING OF GOVERNMENT EMPLOYEES.

Mr. REED. Mr. President, I ask unanimous consent to have considered at this time the joint resolution (S. J. Res. 194) directing the United States Housing Corporation to suspend work upon all projects where construction is not more than 75 per cent completed and to cancel all contracts for furniture, and for other purposes. The joint resolution has particular reference to the housing project here on the Depot Plaza.

The VICE PRESIDENT. Is there any objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which had been reported from the Committee on Public Buildings and Grounds.

Mr. REED. Mr. President, unless there is some Senator who desires light on this matter, I should be glad to have the joint resolution passed.

The VICE PRESIDENT. The joint resolution is before the Senate as in Committee of the Whole and open to amendment.

Mr. NORRIS. I did not hear the Senator from Missouri; there was so much confusion.

Mr. REED. I said, unless there was some Senator who desired light on the joint resolution, I was willing to have it put upon its passage. If there is any Senator who desires light on it, I shall be glad to make a statement explaining it.

Mr. NORRIS. I should like to say to the Senator that I desire to discuss the joint resolution briefly. The particular point to which I wish to address myself is the provision which would stop the work and the furnishing of the buildings, which,

as I understand, are practically completed now. I should like to ask the Senator whether some of these buildings on the park between the Capitol and the Union Station have not even been furnished at the present time, and what the ideas of the committee are in regard to what shall be done with these buildings in case the furniture that is already in is moved out and the contracts for the furniture for the buildings that are uncompleted are canceled? I also desire to know what the idea of the committee is as to what we should do with the buildings that are practically completed?

Mr. REED. Mr. President, if I can have the attention of the Senate, I will be very glad to make a general statement, which will put the committee's views before the Senate.

The project that we are now discussing is the large group of buildings occupying what was the vacant space in the park between the Capitol and the Union Station. This ground, as everybody knows, was largely occupied by buildings of a permanent character. The Government determined to make a park, and, at a very large expense, condemned the ground that it did not own, cleared the buildings off of the ground, and had it largely turned into a park. When the war came on it was determined by the Housing Commission to build temporary structures for the accommodation of what are called war workers.

Mr. OVERMAN. Did they have any authority to put those buildings there? I should like to know where they got the authority.

Mr. REED. Mr. President, in the bill which appropriated $60,000,000, afterwards increased to $100,000,000, for the purpose of building habitations of this sort there is a reference made to the construction of these buildings upon public land. I have sent for that law and will have it in a moment, when I will hand it to the Senator or read it aloud. Whatever the authority was, the fact is that several building projects were started in the city of Washington. I understand that all of the other projects in the city of Washington, except the one which I will call the Depot Plaza project, the one first referred to, the one under consideration at this moment, were carried out on grounds the title of which the Government acquired. I think that is an accurate statement. I think the buildings contemplated, some of which have been erected, are permanent in their character; but, as to this ground which we may call the Depot Plaza and as to the buildings upon it, they were intended to be temporary and to be removed as soon as the war was over and the congestion in the various departments incident to the war had been relieved. It is the statement of Mr. Eidlitz, who has charge of this work, that it is contemplated by the Housing Board that these buildings would be removed in any event after the end of 12 months' time, because it is recognized they are temporary in their character and because it is recognized that that ground was appropriated and devoted to park purposes. So that, while these buildings would stand for some 15 or 20 years if we needed them that long, with perhaps new roofs being put on, nevertheless, the project itself from its inception has contemplated the removal of the buildings as soon as the war was over and as soon as the congestion which has grown out of the war could be relieved. Mr. Eidlitz states that that congestion ought to be relieved entirely in 12 months.

So the question that seems to be presented here is this: Under the circumstances now existing, should the Government go on and complete the project? And that question must, of course, be largely controlled by two considerations: First, how much will it take to complete the project? Second, how soon will the congestion in the city of Washington incident to the war be relieved? In other words, to put it in one question, is there a real necessity for going on with these buildings at this time?

The project, speaking broadly, is one which I never dreamed of and which I think the Committee on Public Buildings and Grounds never conceived when the bill authorizing the expenditure of this money was before the Congress. That bill recited:

> That the President, for the purposes of providing housing, local transportation, and other general community utilities for such industrial workers as are engaged in arsenals and navy yards of the United States and in industries connected with and essential to the national defense, and their families, * * * only during the continuation of the existing war, is hereby authorized and empowered—

To acquire grounds and to erect buildings, and so forth.

The conception which I had, and the conception which I think the Congress had, because of the language of the bill, was that where there were no houses into which people could move, and it was necessary to have them here, the houses would be built; and that where there was not transportation to take the people to plants and industries the transportation would be furnished in some way. But the project as presented takes this form: There are to be constructed 12 dormitories, each of which is a double house connected by a walk or something of that sort. In other words, there are 24 dormitories, in fact. They contain approximately 1,800 rooms. In addition to that, there is a small hospital being constructed especially for the benefit of the people who shall live in these buildings. There is also constructed what is called an administration building. A small part of this building is used for the offices of the men who are to manage this affair. Another large part of the building is to be occupied by a cafeteria, a place where meals are to be furnished. There are, in fact, two cafeterias to be established upon this ground. The upper part is a hall for moving pictures or an assembly room. Of course it is not necessarily to be devoted to moving pictures; but it is suitable for that purpose or for lectures or for dances or for entertainments. In addition to this, there is a laundry being constructed. The purpose is, in fact, to run an eighteen hundred room hotel.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. REED. Yes.

Mr. NORRIS. In what condition is the laundry, as far as its construction is concerned?

Mr. REED. I will come to that in a moment.

In other words, the proposition is, instead of constructing buildings containing rooms which could be rented for habitations, to construct what is appropriately described by those responsible for the work as practically a 2,000-room hotel. The hotel is to be furnished by the Government; the meals are to be furnished by the Government; the laundry is being established by the Government. It is proposed in this laundry not only to do the washing incident to the rooming of these people, but to do the washing of the inhabitants themselves.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for a moment?

Mr. REED. Yes.

Mr. CHAMBERLAIN. I simply wanted to ask the Senator if, in considering this general proposition, he had taken into consideration at all the utilization of these buildings either for temporary hospital purposes for these young men who are coming back or for office rooms?

Mr. REED. I am coming to that, if the Senator will permit me. I believe that if Senators will just let me get along here I will make a statement that will be rather complete, and when I get through I will answer any questions. I am sure I can save time by approaching the subject in that way. That I say, of course, with all consideration for any Senator who wants to ask me a question.

It is proposed, in a word, that the Government shall establish this hotel, shall maintain it, and the plan is that they shall charge for each room $45 a month, which will include two meals, the right of access to the laundry, the right of access to the assembly hall or moving-picture concern, and the right to the hospital service. That is the scheme. The whole proposition was to cost, when furnished, approximately $2,100,000. The management was to be assumed by a patriotic gentleman who is experienced in the hotel business, and who proposes to work for $1 a year, as I understand.

It is stated by Mr. Eidlitz that it will take approximately $100,000 of labor to complete the buildings; that it will take approximately $275,000 to furnish them; that it will take approximately $30,000 to finish the laundry—that answers the question in regard to the laundry which the Senator from Nebraska asked—making a total of about $410,000 which must still be expended if this scheme is inaugurated; and the scheme is to end, under Mr. Eidlitz's conception, at least in 12 months from this day.

Mr. Eidlitz stated that the materials that have not yet gone into the buildings could be salvaged, that the furniture could be turned back, and that the laundry machinery could be salvaged; so that, in his judgment, there would be $400,000 saved to the Government if we should stop the buildings now. Or, to state it differently, if the project goes on it will require the expenditure of $410,000 more, and all but $10,000 of that can be saved by stopping the work at this time.

The question, therefore, is whether we want to save this $410,000 or go on with this project. It seems to the committee that unless the project is one which is absolutely demanded, in view of the fact that the war is now over—of course, we are all acting on that basis—peace is assured, and the departments are being as rapidly as possible put back on a peace basis, the question, then, is whether we should go further with this project of constructing a hotel.

In order to determine what the necessity is, let me call attention to this fact: This hotel project will room at the outside

2,000 people. We have sent requests for information to the various departments, but we have not yet received reports from the Navy Department, which is one of the largest; and in these requests we have asked them to state the maximum number of employees that they had at any time during the war, the number of employees they had on the date the armistice was signed, the number of employees they have now—which will show the present shrinkage—and the number of employees they expect to have on July 1 next, approximately six months from now. These figures show that already there has been a shrinkage since the armistice was signed of approximately 5,500, so that two and a half times the number of people that could be put in these quarters out here have already left Washington, and they have done that since the armistice was signed, which was on November 11. The estimates by these heads of departments also show—and I think none of them are overkeen to say that they will cut down their departments—that by July 1 there will be a shrinkage of 27,513; and these figures do not embrace the Navy Department, because we have not any report from them. So it would appear that by next July, according to the estimates of the heads of these departments, over ten times the total number that can be housed in this project will have left the city of Washington. That, I think, will be largely increased when we get the report from the Navy Department.

Under those circumstances it seems to the committee that we never ought to expend $400,000 to house 1,800 people as a maximum for 12 months. If we were to do that, we would expend about $220 apiece for the housing of these people for 12 months in addition to the money that is already there. That is to say, we will have to expend $200 more than is already in these buildings in order to house each one of these people for 12 months—$220 apiece—and we will have to do that in view of the fact that already two and a half times as many people as can occupy these buildings have left the city, and every train that is leaving the city is bearing away large numbers, and in the course of four or five months probably not less than 30,000 of these employees will have left the city. So the committee thinks that it is a good time to stop the construction of those buildings.

That brings forward another consideration, upon which I speak with some hesitation, because I have not yet talked with the Architect of the Capitol; but he has been conferred with, and it is thought that these buildings can be used for hospital purposes for returning soldiers, of course for troubles that are noncontagious. I have a letter from the Secretary of the Treasury in which the statement is made that the estimated cost of supplying the number of beds required will be $26,000,000 for hospital accommodations for soldiers and sailors, this letter states, suffering from tuberculosis. I have not read the whole letter. We are about to be asked to spend enormous sums of money—not less than $10,000,000 and probably over $26,000,000—for hospitals, and, of course, a large part of this hospital service will be temporary. It raises the question whether these buildings could not be appropriately used for that work for selected patients, perhaps. The advices we have up to date are that the buildings could be so used, but that they would require some modification—additional bath conveniences and other arrangements of that kind. So it would seem that if the buildings are to be transformed in this way to this purpose, the quicker the work is stopped the more conveniently and economically the changes could be made.

Mr. HARDWICK. I should like to ask the Senator, in view of that proposition, if it would not be better now to suspend the present plan so that the buildings could be completed, with such modifications as are necessary, under the direction of the medical authorities with a view of meeting hospital requirements?

Mr. LENROOT. If the Senator will allow me, I should like to suggest to him that if the buildings are to be used for hospitals, the furniture to be installed would be entirely different from what would be put into buildings used for rooming.

Mr. REED. It seems to me, Mr. President, that the suggestions made by both Senators are apt and to the point. It appears to me there is no question but that this project ought to be stopped. Everybody who has any humanity about him understands that the congestion here last winter was very lamentable. Everybody understands also that in process of time there came a natural adjustment which relieved the worst of those conditions, because a great number of clerks and employees found homes in private families, and the herding together incident to a great number suddenly coming into town without information has been largely relieved. Everybody also understands that there is a rapid exodus of clerks. I only repeat what I have already said when I say that, but everybody understands that, the war being over, there must be from now on the most rapid diminution of the extra force. The taxpayers of this country will have a sufficient burden if they shall be able to take care of the necessary expenses.

Now, if we go on and complete this project, it will be some weeks or months before it can be fully completed. The laundry walls are just going up now; the machinery is yet to be installed. The furniture, $275,000 worth of it, which is to be put into these rooms will at the end of a few months be practically worthless.

Mr. TOWNSEND. Mr. President, there is another point on which I should like to ask the Senator for information. I was interested in what he said about the scheme which has been adopted by the building committee. As I understood the Senator, and I think it is a fact also, they are constructing buildings for housing purposes elsewhere in the District. What I want to know is, does this same scheme of supplying laundries, places of entertainment, cafeterias, etc., apply to all buildings that applies to this particular section of the city? If not, on what theory then do we distinguish between the Plaza project and the other projects?

Mr. REED. I confess that as to the other projects I can not answer. Perhaps the Senator from Wisconsin [Mr. LENROOT] can answer.

Mr. LENROOT. In the case of the other projects the Government owns the grounds, and the buildings, therefore, can be of a permanent character.

Mr. REED. The question was whether the Government was to furnish a hotel.

Mr. LENROOT. I think it is a renting proposition.

Mr. REED. I am not sure of it, but——

Mr. HARDWICK. If the Senator will yield to me, I think the statement was made as to the navy yard improvement, that it was intended to be that. I think I recall that. One of the Senators on the committee can correct me if I am wrong. In other words, it is intended that there shall be hotels, cafeterias, laundries, and everything else down there.

Mr. TOWNSEND. The point with me was how the Government could discriminate among classes of employees, furnishing one certain accommodations at a price that might or might not be reasonable, and giving no such advantages to the other employees whom it seeks to house.

Mr. REED. That is, regardless of what it proposes to do with the housing proposition. The fact is that there are probably over 100,000 Government employees in the city, and only 2,000 are to be cared for by this particular project.

It is due to the gentlemen who are managing this matter to say that they have another project to house 3,000 people which had not gotten along so far, and they have abandoned it, but they propose to go on with this one. It seems to me to be an utter waste of money. In the first place, it requires the widest stretch of language of the act which Congress passed to say that it authorizes the Government to go into the hotel business at all. In fact, I do not think that such a right is embraced in the act. I read the language to the Senate. Unless you can embrace the running of a hotel under the phrase "general community utility," there is no authority in the act to do this work at all; that is, to run a hotel.

Mr. NEW. Mr. President——

Mr. REED. I yield to the Senator from Indiana.

Mr. NEW. As I understand the Senator from Missouri, he says that it will cost $410,000 additional to complete the buildings from their present condition——

Mr. REED. And furnish them.

Mr. NEW. Yes; and furnish them, and that added to that there will be a certain salvage.

Mr. REED. No; if the Senator please, it will cost $410,000 to complete the buildings and furnish them and establish the laundry. If we stop the work at this time, all of that $410,000 can be saved except $10,000. In other words, there will be a loss in the salvage process of $10,000.

Mr. NEW. I should like to ask one other question. At the time the building project was under discussion in the Senate a good deal of attention was paid to the character of the law under which the work was to be performed. It was finally provided that all contracts for buildings erected under the housing program should be let to the lowest and best tender under competitive bids. I should like to ask the Senator if the law was complied with in that respect; and if not, why not?

Mr. REED. The clause of the act to which the Senator refers is section 7. I will read it all:

That no work to be done or contract to be made under or by authority of any provision of this act shall be done or made on or under a percentage or cost-plus percentage basis, nor shall any contract be

let until at least three responsible competing contractors shall have been notified and considered in connection with such contract, and all contracts to be awarded to the lowest responsible bidder, the Government reserving the right to reject any and all bids.

This is what happened. Mr. Eidlitz's statement will be found in the testimony: First, there was no notice sent out to the contractors of the country, there was no public bidding asked for, and no public bidding was permitted; second, the housing committee notified in this instance seven contractors that they proposed to erect these buildings and gave seven contractors the opportunity to make the kind of a bid that I will refer to in a moment. Of the seven, four in fact did make the kind of a bid referred to.

The proposition which was made to these contractors was that the Government should furnish all the material at prices which would be fixed by the Government; that the Government would pay for all labor at the prices that the contractor had to pay for the labor; that the Government would pay a fixed fee for constructing the buildings, and—here is the competition, if any competition it can be called—each contractor was required to state the plan he had and how much he would charge for the plan and he put his price down. Each contractor was required to state the amount of money he estimated it would cost to put up this work, but he did not agree to put it up for that, and each contractor was then required to say how much of a fee he would take, which was not to be in excess of the amount fixed by the Government or by Mr. Eidlitz in his estimate. So each contractor did come in and say, "I have a plan."

Mr. LENROOT. Mr. President——

Mr. REED. I yield to the Senator.

Mr. LENROOT. The Senator omitted one important proposition, that the contractor was required to state in what time he could complete the project and was not required to agree to complete it.

Mr. REED. Yes. So these various contractors came in and said: "We have a plan of a certain kind, and we will hire that to the Government for a certain amount. Second, we estimate that the work will cost a certain amount, but we do not agree to do it for that. Third, we estimate that the work can be done in a certain period of time, but we do not agree to do it in that time. Fourth, we will charge a certain fee for this work."

There were differences in the fees; I think the differences ran to about $2,000, some of them going a little below and some of them a little above. Then each contractor stated what he was going to charge per day or per week for his organization to carry the thing on. There was some difference between them, but——

Mr. STERLING. Mr. President——

Mr. REED. In just one moment. But the job of constructing these buildings was never let by contract; that is, where the contractor bid to furnish the material and the labor and put up the building for a certain amount of money. The contractor never bound himself to build them in a specified time, nor for a particular sum of money. I yield to the Senator from South Dakota.

Mr. STERLING. The question I wish to ask the Senator is whether it was an absolute fee or a percentage fee?

Mr. REED. It was an absolute fee, which they said had been arrived at by figuring the percentage upon the estimated cost which Mr. Eidlitz had made.

Mr. STERLING. What was that fee?

Mr. REED. I think approximately 2½ per cent. It ran in this case to $58,000, and Mr. Eidlitz said the estimate had been $60,000. It may be there may have been some odd figures.

Mr. TOWNSEND. What did that fee mean? What do you mean by fee?

Mr. REED. That is what the contractor gets for what they call the know-how, a phrase that seems to have come into respectability and general use.

Mr. STERLING. Mr. President——

Mr. REED. In just a second, and then I will yield. Understand that the contractor got paid for his plan; he got paid the wages of every single one of his employees, except one, at the price he said they would be paid. He got paid for his automobiles; he got paid for everything he had. He agreed to put one man on the work or to be there himself, and he was to receive in this instance $58,000. For that the only thing he bound himself to do in the way of furnishing labor was to be either there himself or to have a man there, but, of course, he was furnishing the know-how. I yield now to the Senator from South Dakota.

Mr. STERLING. I merely wish to ask the Senator from Missouri if this matter has been under investigation by some department of the Government, as to the way in which it has been managed, as to the fees or the compensation that has been received by subcontractors under the original contractor?

Mr. REED. I do not know whether any department of the Government is investigating it; if that is the case, we did not have such information before the committee; but our committee is proceeding to investigate the question now; I mean the Committee on Public Buildings and Grounds. The subcommittee is investigating the very question the Senator has asked, but we have not got into it, we have just started it.

Mr. NEW. In other words, the Housing Commission having the matter in charge has not followed the law at all, but has devised a plan of its own that is separate and distinct from the law that was passed. I should like to ask the Senator if the commission, under which this construction has taken place, has assigned any reason for having done that?

Mr. REED. Yes; Mr. Eidlitz made a number of very eloquent explanations. In the first place, he said he had the opinions of legal counsel—and they seemed to have a lawyer connected with each of these projects—that he could do this. Then he said it was war times; that the commission thought it necessary, acting in good faith, to go along and do the best they could. In general, that is the statement. Of course, I must say in all fairness that I think there was the clearest purpose in the world to avoid the provision of the law which provided that these buildings should be let to the lowest responsible bidder. I think there was an intentional, willful violation of the law. I can not use any other term and be candid with the Senate. I think there was no intention to have any real competitive bidding in this case.

Mr. CALDER. Will the Senator inform us whether any of the bidders have any other contracts let by the Housing Commission?

Mr. REED. We have not followed that up yet. We are not through with the investigation.

Mr. HARDING. Mr. President——

Mr. REED. Let me complete the sentence and then I will yield. I think, too, that the proposition of running a hotel is entirely outside the authority of the commission. I do not believe it was contemplated in the act.

Mr. ROBINSON. Mr. President, may I ask the Senator a question on that point?

Mr. REED. Yes.

Mr. ROBINSON. I noticed the Senator in the opening of his remarks stated the transactions that have occurred in this community; he said they had constructed rooming houses, provided a laundry, a cafeteria, and an assembly hall which might be used for moving pictures and for other public assemblies, and he characterized this method of operation as a hotel and as being in violation of the provisions of the act.

Mr. REED. It was described as a hotel by the head of the commission, I said.

Mr. ROBINSON. The Senator also states that he doubts whether this method or plan is within the provisions of the act.

Mr. REED. Yes; I did.

Mr. ROBINSON. It was to that that I wanted to call the Senator's attention. I am not taking issue with the Senator from Missouri upon the general proposition which he is asserting here—that is, the wisdom of suspending this construction—but I think under section 3 of the act under which the housing commission was operating the provision "and other general utilities and parts thereof" is broad enough to embrace, in all probability, all the activities which he has described, including even the assembly hall or the moving-picture show, although there might be some doubt as to the latter. Certainly a laundry is a community utility, as in all probability is an assembly hall. Certainly a cafeteria would be embraced within that description.

Mr. REED. I called attention to that language when I made my remarks, if the Senator will remember, and stated that if the right existed it would have to be embraced under that language.

Mr. ROBINSON. Yes.

Mr. REED. And I expressed an opinion opposite to that which the Senator has, namely, that I did not think that the particular things which the Senator has described were community utilities, although I say to the Senator frankly that, in view of the fact that that is a term that has never, so far as I know, been defined, we all have to make our own construction of it. My thought was controlled by the idea that to the term "utility" we have usually attached something like water works, which are a public utility, or street cars, which are a public utility, or electric lights, which are a public utility. When the bill was before the committee I did not think of giving that term any different construction. Of course, if the Senator from Arkansas is right in his construction, then they could establish hotels or almost anything.

Mr. ROBINSON. May I pursue the matter just a little further at this point?

Mr. REED. Yes. I will yield to the Senator from Ohio [Mr. HARDING] in a moment.

Mr. ROBINSON. I will conclude in just a moment. In my mind the use of the term "community utility" instead of "public utility" implies a different purpose from what would have been expressed if the term "public utility" had been used. I do not know whether the term "community utility" has any specific legal or well-defined legal definition. I was merely calling the attention of the Senator to the fact that I would not know what a "community utility" is unless it embraces those things that are useful to the community. The term "utility," of course, we all know, means a useful thing; and a "public utility" is a thing that is useful or necessary to the public. What a "community utility" would be is yet to be defined by the courts; but, in my opinion, it would embrace a laundry. I do not know how a community could get along without a laundry, treating it as a community proposition.

Mr. REED. Well, I think we get some light from the setting of the enterprise which we are engaged upon. It was explained at the time that we engaged in the enterprise that in some instances it would be necessary to erect groups of buildings near great plants where they were not supplied with light, with water, or with transportation. That is the character of thing that was discussed when the bill was before the committee; it was utilities of that character which were necessary and desirable for the community which was to be established, and which would, in fact, be a small village or almost a small city, that we had in mind. However that may be, if the construction of the Senator from Arkansas is right, then, of course, we might embrace under the term "community utilities" hotels, eating houses, laundries, employment bureaus, groceries, and everything making up a town; but I do not believe that Congress contemplated when it passed the bill that we were going so far as that. However, the question has been very ably presented by the Senator from Arkansas.

Now I yield to the Senator from Ohio.

Mr. HARDING. Mr. President, the Senator from Missouri has stated that the contractors were asked to state the charge for their organization and equipment as separate items, and he has stated that the fee in this specific case of the Union Station Plaza group of buildings approximated $60,000. Can the Senator tell the Senate approximately what the contractor's charge was for his organization and for his equipment in this particular case?

Mr. REED. I can say what the contractor's charge in this particular case was for his plant. It was $22,000; that is, a rental on the plant of $22,000. Then in addition to that he furnished a list of his employees whom he proposed to put to work on that plant. They drew a per diem. Perhaps the Senator from Wisconsin can answer as to that.

Mr. LENROOT. No; I do not remember the figures. The Senator from Missouri, however, should qualify his statement by saying that in addition to the designated plant the contractor received a fixed sum per diem for his trucks and things of that kind, which ordinarily would be considered a part of his plant.

Mr. HARDING. In other words, Mr. President, if the Senator from Missouri can enlighten us upon this point, I should like to know the sum total of the fee and rental charges for the organization and plant. I want to know what the contractor got for doing this job.

Mr. REED. I can answer that question. The contractor was to get a fee of $58,000; he was to get $22,000 for his plant; and he was to receive a per diem for the men whom he furnished; that is, each man was to be paid a certain amount. Of course, without taking the pay roll and adding up the amounts that these particular men received, I can not tell the Senator the aggregate. I have not that information, but I shall be glad to get it for the Senator later.

Mr. HARDING. Does the Senator from Missouri have any notion as to the approximate capital involved in this plant?

Mr. REED. We have not yet inquired about it, but we are only partly through.

Mr. VARDAMAN. May I ask the Senator from Missouri of what the plant consists?

Mr. REED. I shall have to send and get the contract, which has a complete description of it. However, the plant, in a general way, is the kind of plant that is used where there is some excavation to be made which requires steam engines, housing apparatus, and things of that sort. I can obtain the contract and answer the Senator's question later.

Mr. OVERMAN. The contractor, however, gets extra pay for his trucks.

Mr. REED. I desire to say, further, that the committee expects to make an exhaustive report on this contract and on all the matters which Senators have inquired about. We shall try to go into them later, but the present question is the passage of this resolution. I think the emergency exists. I think that every hour these men are working they are wasting Government money, and I think it ought to be stopped. I have said all I care to say upon the proposition.

Mr. McLEAN and Mr. JOHNSON of South Dakota addressed the Chair.

The VICE PRESIDENT. The Senator from Connecticut.

Mr. REED. One moment. There are other projects outside of Washington, some of which have been discontinued and some of which it is proposed to carry on; but I understand—and if I am wrong in the figures Senators who are on the committee will correct me, for I am speaking from recollection—it is contemplated to spend about $47,000,000 to complete the projects that are to be carried on. I ask the attention of the Senator from Maryland [Mr. FRANCE] and desire to know if I am correct in the statement that, according to the evidence, it will take about $47,000,000 to complete the contracts which the housing committee proposes to carry on?

Mr. FRANCE. I have not those exact figures in mind.

Mr. REED. Well, that is as near as I can give them; and I reserve the right to correct the figures.

Mr. McLEAN. I wish the Senator would present the reasons for the second paragraph of the resolution; it seems to me that it is pretty inclusive. Section 2 seems to me to be so far-reaching as to require a fuller explanation. The committee had hearings bearing upon the provision of section 2, and I should like to ask the Senator whether the committee considered the construction of permanent buildings elsewhere than in Washington; we will say such buildings as tenement houses upon land owned by the Government?

Mr. REED. We considered that subject.

Mr. McLEAN. I will say to the Senator that it seems to me the stopping of the construction of a permanent structure upon land owned by the Government, unless perhaps when such building was less than 75 per cent completed, would raise a pretty important question as to the wisdom of such action. It seems to me that the Government might have to sacrifice much more money if it were called upon to dispose of such buildings than it would if it completed them. I should like to have the Senator explain that section of the resolution, which seems to me so much more important than the first section.

Mr. REED. Mr. President, I have been discussing this matter as though the latter clause of the resolution did not exist. It is due to the Senate to make a full explanation of the matter contained in the second clause.

Mr. LENROOT. Mr. President——

Mr. REED. I yield to the Senator from Wisconsin.

Mr. LENROOT. An illustration might be given from the State of the Senator from Connecticut [Mr. McLEAN] as to the necessity for the second part of this resolution. The Housing Corporation informed the committee that in the city of Bridgeport they were erecting five groups of buildings; that in one group only the foundations had been completed, and yet the Housing Corporation proposes to complete those buildings unless they are stopped by Congress.

Mr. JOHNSON of South Dakota. Mr. President——

Mr. REED. In a moment I will yield to the Senator. I want to finish this topic.

Mr. McLEAN. I should like to be heard about the other four projects.

Mr. LENROOT. They are 90 per cent completed.

Mr. REED. Yes. The only project that is affected is the one that is being started.

Mr. LENROOT. That is my understanding.

Mr. JOHNSON of South Dakota. Mr. President——

Mr. REED. If the Senator will let me dispose of this matter I will agree to take up anything the Senator desires.

Mr. JOHNSON of South Dakota. Very well.

Mr. REED. A very good illustration of what the Government of the United States, if I may employ the slang term, is "up against" is this matter now from Bridgeport. There came here a committee of very fine, splendid gentlemen from Bridgeport, headed by the lieutenant governor of the State, who is also mayor of Bridgeport. This was the proposition that they put up to Congress through this committee, that they had 130,000 population, approximately, when the war began and, by reason of the war activities, that population has been increased so that it is now 200,000; that this population is a permanent addition to their population; and that the governmental activities having ceased the factories have been at once transformed into industries of peace, so that they have an addition of 70,000 peo-

ple to their population. They said, therefore, that the Government of the United States ought to finish these buildings and rent them to this population. We asked in turn whether the people of Bridgeport ought not to complete this project and take care of it, because it was no longer a war project but was one which concerned the future of their city? I think that our friends went away with the impression, perhaps, that they ought to undertake that project themselves; but it serves to illustrate the case. If Bridgeport, Conn.—and I am not criticizing it at all, nor am I criticizing the gentlemen who came here—but if Bridgeport has gained 70,000 population and has permanent factories and industries as a result of the war and the Government was to build houses there to take care of these people, who are to be there permanently employed for the benefit of that splendid city and State, then it might well be said by States that did not get any benefit from the war that the Government ought to build houses within their borders so that they would have that much benefit coming out of the war.

Under the last part of the joint resolution if a building is more than 75 per cent completed its construction may be proceeded with, but if it is not 75 per cent completed then we think it ought to be stopped, the building ought to be salvaged, and the Government ought to get out of this business as soon as it can. It is perfectly——

Mr. CALDER. Mr. President, will the Senator yield?

Mr. REED. In one moment.

It is perfectly useless to talk about the Government conducting these enterprises upon a business basis. For instance, when this bill was before the committee it was stated by representatives of the great industries who came here and pleaded for the Government to go down in its Treasury for a hundred million dollars to build houses that the houses would be built upon ground that would be bought at fair prices; that the buildings could be rented and managed so that a revenue would result; and that as soon as the war was over the Government could dispose of the buildings and get all of its money out of them, except that loss which was inevitable owing to the fact that materials and labor had been high at the time the buildings were erected. Now, the war is over, and if that thing which was promised is to be accomplished it ought to be done now, and we ought not to put more money, at the present prices of materials and labor, into buildings, involving ourselves in interminable expense and undertaking afterwards to get our money out. The thing to do is to wind this business up now and let Uncle Sam get out as quickly as he can and with as little loss as possible.

I now yield to the Senator from South Dakota.

Mr. JOHNSON of South Dakota. Mr. President, I was not present when the Senator from Missouri made his opening remarks, and I only desire to ask a question or two for my own information along the lines of the joint resolution. I desire to ask the Senator if he knows how many buildings are comprised in this group in the Union Station Plaza?

Mr. REED. Yes; that has all been gone over. There are 12 double dormitories, or 24 single dormitories, being connected by some kind of a walk; there is a laundry, an administration building, which includes an assembly hall of some kind; a hospital; two cafeterias; and I am advised that there is a storehouse and heating plant, which I did not include previously.

Mr. JOHNSON of South Dakota. And what was the contract price for the whole group?

Mr. REED. There is no contract price; there is an estimated price, and the estimate is that it will cost $2,100,000, including the furniture.

Mr. JOHNSON of South Dakota. I think I understood from the Senator's remarks a few minutes ago that about $400,000 would be required to complete the project. Is that correct?

Mr. REED. To complete it and furnish it.

Mr. JOHNSON of South Dakota. Now, just one more question. Will the Senator inform me, if he knows, what amount of that $400,000 is for furniture and machinery?

Mr. REED. Approximately $275,000 is for furniture and approximately $30,000 for finishing the laundry, which embraces also the machinery, if I have the figures correct.

Mr. ROBINSON. Mr. President, while the Senator is on that point, will he let me pursue that just a little further?

Mr. REED. Yes.

Mr. ROBINSON. I believe the Senator stated that there were 2,000 rooms in the various buildings of the project.

Mr. REED. To be accurate, eighteen hundred.

Mr. ROBINSON. I was counting 2,000 rooms, under the Senator's former statement, for which $45 each per month was to be paid, in connection with services to be rendered in the hospital, two meals at the cafeteria, and laundry service to be performed.

Mr. REED. Yes.

Mr. ROBINSON. Has the Senator's committee made any computation as to whether that investment would result in a loss or in a gain, if the plan suggested by Mr. Eidlitz is carried out and the buildings are completed and operated for a year?

Mr. REED. The statement was made by the gentleman who proposes to manage it that he had figured everything down very fine and he thought it could be run without any substantial loss; that the loss would be small, if any; but that they did not expect to make any profit at all.

Mr. ROBINSON. The charges, then, were intended to cover the mere cost of operation?

Mr. REED. The mere cost of operation, without anything whatsoever coming back to the Government to compensate it for its buildings. In other words, Mr. Eidlitz said, "We count the buildings a dead loss." I think that was his expression.

Mr. CALDER. Mr. President, will the Senator yield?

Mr. REED. I will; yes.

Mr. CALDER. I was in Philadelphia the other day and I saw a number of buildings under construction—two-story brick buildings; 2,000 of them. I am not certain whether the Housing Corporation had that operation or the Emergency Shipping Corporation; but a number of these buildings were about one-third completed. They are structures of a permanent character. Streets are being laid, sidewalks are being laid, and lights are being installed in the streets. My own judgment is that that property probably can be disposed of ultimately at a price whereby the Government will not lose very much; but I wonder if section 2 of the Senator's joint resolution would not stop work on buildings of that character, and whether that would be wise?

Mr. REED. If they are 75 per cent completed, it would not. If they are not 75 per cent completed, it would stop the work.

Mr. CALDER. I know that some of these buildings are entirely completed and some are only 25 per cent completed. I am in complete accord with the Senator's position that as to any building of a temporary character which is 80 per cent completed I would stop it; but I am wondering, in the case of a building which is to be of a permanent character, like these Philadelphia houses, whether it would be wise for the Government to stop the work.

Mr. REED. I think the thing to do is to stop this business where they are not 75 per cent completed, and to stop it by law, because we can not stop these people in any other way. They are going on, and if you leave them any discretion they will go on. Then, if it is necessary, we can pass a bill authorizing the disposition of these buildings—indeed, they can be disposed of now under this law—and they can be sold to private parties, as they ought to be.

Mr. CALDER. I am in accord with the Senator on that subject, too; but it seems to me that you can not sell a building that is partly completed anywhere nearly as advantageously as you can if you complete it.

Mr. REED. I think you can beat it all to pieces, and I will tell you why. Here is a building that is being built in accordance with plans that we presume, at least, have been made along economic lines so as to get as much housing space as possible. It is a sort of stock affair; although, by the way, these houses which have been built for labor cost from $3,000 to $5,500 apiece. Now, if that house simply was inclosed—and it certainly would be inclosed if it was 75 per cent done—and a man could buy it in that condition, he could alter the interior of it to suit his own notions; and it seems to me it would be a very much more advantageous thing to him than it would be to take it after it had been fully completed according to some hard-and-fast rule. That is my notion. I am not much of a real estate man.

Mr. CALDER. I know something of the subject, Mr. President, and I am fearful that the Senator is mistaken in the statement he has just made. I want to say again that I am for his joint resolution, and if it affected temporary structures only I would have no objection; but I am wondering whether to put in "permanent buildings not more than 50 per cent completed" would not cover that matter; or perhaps, as he suggests, we could dispose of the thing to-day and let them come in with a definite development in each part of the country and ask for legislation for each one. Perhaps that might be better.

Mr. REED. If we can get this work stopped now, then these matters can be taken up and investigated; but it should be understood that hundreds of thousands of dollars are being spent here in a very few hours. Labor has been employed here in front of the Capitol, and the general plan was to work them 10 hours and pay them for 12 hours; to work them on Saturday

afternoons, and pay them double time for Saturday afternoons; to work them on Sundays, and pay them double time for Sunday work; so that we have this sort of thing presented: A man works five hours straight time on Saturdays. He then works six hours overtime on Saturdays. As a matter of fact, he worked eight hours on Saturdays, but he got paid for 11 hours on Saturdays; and so it has been going. That has been partly stopped.

Mr. WEEKS. Mr. President——

Mr. REED. I yield to the Senator from Massachusetts.

Mr. WEEKS. The Senator from Missouri suggested a moment ago that they could obtain further information if this work was stopped. Has the investigating committee had before it a complete statement of what has been done, of lands purchased, buildings under construction, contracts made, and so forth?

Mr. REED. Yes; we have a summary of it.

Mr. WEEKS. Was that obtained from the report which is provided for in the law?

Mr. REED. No; the statement was made to us that the report is being prepared. We obtained this statement from Mr. Eidlitz, who is the head of this building corporation.

Mr. WEEKS. Did the Senator notice that it was one of the duties of the President to report to Congress at the beginning of each session what had been done under this act?

Mr. REED. I did. The statement was made by Mr. Eidlitz that they were preparing a report of their transactions to be transmitted to the President, and of course I presume that when it is transmitted to him he will transmit it to us. The statement was made, however, that the report was not yet completed, but that it would be out in a few days.

Mr. WEEKS. I am interested, in looking at the law on this subject, to notice something about which perhaps the Senator can give us some information:

Provided further, That the expenditure in the District of Columbia shall be made with a view to caring for the alley population of the District when the war is over, so far as it can be done without interfering with war housing purposes.

How would it be possible to erect buildings on a public park and provide that they shall be used by the alley population after the war is over?

Mr. REED. Well, Mr. President, somebody put that in this bill. What his object was, I do not know; but I think there has been no attempt made to erect any buildings for the alley population.

Mr. McLEAN. Mr. President, does the Senator know who is responsible for locating these buildings on the Plaza?

Mr. REED. Mr. Eidlitz stated that there was a committee that inspected the sites. If the Senator wants full information in regard to the matter, it appears that this project was carried out through the organization of a corporation in New York, the officers of which were made up very largely of the board which Mr. Eidlitz had gotten together; and the contracts, and so forth, have been made in the name of that corporation. While its proceedings may have been irregular, I have not seen anything wrong about it from the standpoint that the Government would lose anything.

Mr. WEEKS. I want to ask the Senator one more question about the law itself. It seems to provide that a certain amount of money may be expended for the erection of buildings in the District of Columbia, provided war employees can not be employed in some other locality equally well. Has the committee made any investigation as to whether the war-insurance activities and the food activities could not have been conducted as well in some other city as in Washington?

Mr. REED. No; we have not. Will the Senator kindly point out that language to me?

Mr. WEEKS. Yes. It is in paragraph 8, page 3, of the act, which I have before me. I will read it:

Provided, That $10,000,000, or so much thereof as may be necessary, of the amount hereby authorized shall be used only to build or acquire, as herein provided, housing accommodations within the District of Columbia for such Government employees as can not be used as advantageously in other cities in the service of the Government, of which the sum of $75,000—

And so forth. In other words, it would seem that if this work could have been conducted as advantageously in other cities there would be no authority to spend the money for erecting buildings in the District of Columbia. Now, the shipping forces were removed to Philadelphia; and it seems to me—in fact, I brought it to the attention of the Senate some two months ago—that it would be a comparatively easy matter to remove from the city of Washington a great number of these activities, and thereby prevent the congestion here, and the necessity for the expenditure of this money.

Mr. REED. The committee has made no investigation of the question raised by the Senator. As I have stated, our investigation has only begun; but we have thought it was necessary to make an immediate report, in order that the continued expenditure of money might be stopped until we find out where we are and until some steps can be taken to salvage these various propositions.

Mr. JONES of Washington. Mr. President——

Mr. REED. I yield to the Senator.

Mr. JONES of Washington. If the Senator will permit me, the Senator from Masssachusetts [Mr. WEEKS] inquired with reference to the provision relating to taking care of the alley population. I think I was responsible for having that provision put into the bill. There was not any idea, of course, that the buildings put up here on the Plaza should take care of the alley people; but it was hoped that out of this $10,000,000 that we authorized to be expended in the District of Columbia there might possibly be some work done in the alleys that would not only help in taking care of war workers but would also take care of the conditions there. It was never thought by anybody, however, that the buildings on the Plaza would be used for taking care of the alley population; and I was interested in the statement of the Senator that nothing in fact had been done with that provision relating to the alleys.

Mr. REED. Nothing that we know of.

Mr. JONES of Washington. I think the Senator is correct.

Mr. WEEKS. Mr. President, my reason for making that inquiry was that it seemed to me that with that provision relating to the alley population in the bill it was absolutely essential that such localities be selected that provision could be made for the alley population after the war. Of course, that is not possible where buildings are located on any public park.

Mr. JONES of Washington. I will say that we hoped they would follow the very course suggested by the Senator—that they would select locations like these alleys in which to put up these buildings, so that they would be of very great service afterwards; but, of course, they have not done so. They have taken the Plaza.

Mr. REED. Mr. President, there may be other members of the committee who would like to speak this morning. I am going to yield the floor unless some Senator has another question to ask.

Mr. McLEAN. Mr. President, the Senator from Missouri was about to answer the question which I asked him.

Mr. REED. I had forgotten what it was.

Mr. McLEAN. The question related to the responsibility for placing these buildings where they have been put. I asked the Senator if he knew who was responsible for locating these buildings.

Mr. REED. I am trying to find the testimony. Perhaps some member of the committee can answer that question more accurately than I can.

Mr. HARDWICK. Mr. President, if the Senator will yield, Mr. Eidlitz said that he and some of his people went around, and finally they got the President and took him around and showed him these lots, and that he picked out the site. The President, of course, did it all, he says.

Mr. McLEAN. That is the information I have had. I did not know whether it was correct or not.

Mr. REED. Mr. President, I have found it generally to be true that when people do anything that gets unpopular they always, some way or other, say that the President did it. My own opinion about the matter is that this ground was really selected by Mr. Eidlitz and by somebody representing the Secretary of Labor, and that they did it with the idea that the buildings would be temporary, and would be removed the moment the war was over. I think it was a mistake. I think it would have been very much wiser to have taken other ground, which it is admitted they could have easily obtained, and to have built these buildings in a little more substantial manner, so that when we were through with the war we could have sold the buildings to people who wanted to occupy them. But these were war times, and there seems to have been an impression—indeed, one of the witnesses said, "You are talking about the expenditure of this money when we were shooting away millions of dollars' worth of ammunition every day." The answer that was made to that was that the shooting away of ammunition was all right if you were shooting at something, but that you could even waste ammunition, and you could even waste money in war times. I think we wasted some money here.

Mr. ROBINSON. Mr. President, I should like to ask the Senator another question or two about the necessity for carrying forward any housing program. The Senator gave some figures

that were quite instructive, showing that already, I think, since the armistice was signed, something like 5,000 temporary employees have left the city, and that it is expected that before the 1st of July something like 27,000 will go out of employment.

Mr. REED. That is correct.

Mr. ROBINSON. Thus diminishing very greatly the demand for housing facilities.

Mr. REED. And those figures do not include one large department—the Navy Department—which has not yet reported.

Mr. ROBINSON. Does the Senator know, or has the Senator's committee made any investigation sufficient to form an opinion, as to whether the housing facilities will be adequate for those who are required to stay here and those who will be required, for instance, in connection with the coming decennial census? I am told that there will be about 5,000 additional employees in connection with that; and what I am trying to get at is whether there is a real necessity for completing these buildings. If there is, we want to do it, in view of the fact that they are so nearly completed; but if there is not, we ought not to do it. I am firmly of the opinion that a mistake was made in locating temporary buildings upon that particular plot of ground. It does seem to me that some other place ought to have been found.

Mr. REED. May I ask the Senator when the census organization is to be created?

Mr. ROBINSON. It ought to be done during the coming year. I should think it would begin about the 1st of March, although, of course, that is merely an opinion of mine, founded upon former experience.

Mr. SHEPPARD. The work will begin on June 30. The decennial census period begins on June 30 of next year.

Mr. ROBINSON. But I suppose the assembling of the force to do the work will probably begin before that time.

Mr. SHEPPARD. Very probably.

Mr. ROBINSON. I assume that it will begin about the 1st of March.

Mr. REED. The question is a double one. I will try to answer it with entire frankness.

First, the committee has given no consideration to the question of the census employees who may be brought here. I do not think it very material, however, in view of the fact that the estimates are that over 27,000 will go away, and that does not include one of the largest departments of the Government. I do not think these figures—27,000—give us a true picture, either. They are confined to the Government employees. Everybody knows that Washington has been filled up all winter with people who have come here, some of them out of mere curiosity, many of them because they have been wanting to get Government contracts or get into the Government service or get Government business in some way, and that large population is now disappearing.

Mr. ROBINSON. The Senator does not see much hope of that condition being relieved in the early future, I fear—the number who will be required to come here, or who will probably feel that they are required to come here, in the adjustment of controversies connected with the public service.

Mr. REED. I think it will be; but then I think there is still a larger item than that. Washington has been filled up with thousands of people who have come here in one way or another in connection with their relatives who are in the war. There is a marked decrease in that character of congestion. It must be true that we will reduce this enormous pay roll in the city of Washington. If we do not do it——

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. Mr. President——

Mr. JONES of Washington. I should like to ask the Senator from Missouri a question. He may have answered it, as I have not been able to listen to all he said. I wish to ask him whether this building commission is erecting any buildings in the District of Columbia other than those on the Union Station Plaza?

Mr. REED. Yes; they are erecting permanent buildings in two other places. They had one or two other large projects, which they stopped.

Mr. JONES of Washington. But no other temporary buildings?

Mr. REED. I think not.

Mr. PENROSE. Mr. President——

Mr. REED. I yield to the Senator from Pennsylvania.

Mr. PENROSE. I simply rose to inquire whether it is the purpose of the Senator from Missouri to go on with the discussion of the joint resolution now.

Mr. REED. I was going to ask that we come to a vote; but if we can not vote, I can not ask the Senator from North Carolina to lay aside his important bill very long. This is a matter of emergency, and it ought to be passed speedily, if passed at all.

Mr. PENROSE. Perhaps it can be disposed of now without prolonged discussion.

Mr. ROBINSON. Mr. President, I realize that the matter ought to be disposed of as speedily as possible, and I will state to the Senator from Missouri I would like to have it go over until to-morrow, in order to make some investigation. As far as I am concerned, a vote may be had to-morrow morning, but, of course, I have no power to bind anybody else.

Mr. PENROSE. I understand the Senator from Missouri does not expect to have a vote upon the joint resolution to-day, and I merely wish to inquire as to the condition of the business of the Senate.

Mr. REED. I will say that the request of the Senator from Arkansas is a very reasonable one, and while I think we ought to have the joint resolution disposed of to-day, of course it will lie over.

Mr. NORRIS. Mr. President, I should like to state to the Senator from Missouri also that I want to discuss the joint resolution briefly. I would be perfectly willing to go on now, if it is the desire to lay aside the revenue bill. I think I will take no more than 10 or 15 minutes, and I have an amendment which I wish to propose. I have no objection, of course, to its going over until to-morrow, but I do not want to delay it long.

Mr. ROBINSON. It is understood that the joint resolution shall go over until to-morrow.

Mr. NORRIS. That is understood.

Mr. REED. I shall ask to-morrow morning the indulgence of the Senate to the extent of giving the joint resolution, as far as possible, the right of way.

Mr. PENROSE. I understand that; but, if I am permitted to quote the chairman of the committee, while he is very anxious to go on with the revenue bill, if the joint resolution could be considered now, or at least some discussion had to expedite it, there may be no objection on the part of the Finance Committee. And why not proceed with it?

Mr. SIMMONS. Mr. President, I recognize the fact that considerable time has been devoted to the discussion of the joint resolution this morning. It was suggested to me by the Senator from Missouri that he could finish it probably in a very short time. In that situation I would be willing to lay aside the revenue bill for a short time, but I understood the Senator from Arkansas [Mr. ROBINSON] to request that the joint resolution go over until to-morrow, and the Senator from Missouri has yielded to that.

Mr. REED. That is the situation. The Senator from Arkansas asked for time to investigate it, and I think it will save time by letting him have the opportunity.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. I am not advised that any Senator desires to address himself to the bill at this time.

Mr. JONES of Washington. I should like to ask the chairman of the committee a question about an amendment the committee proposes.

Mr. SIMMONS. What I was going to propose now is that we take up the bill for the purpose of considering committee amendments. I would suggest to the Senator from Washington that I think we will save time if we take up the amendments as they are reached in the bill and not undertake to go into a discussion of an amendment before we reach it. However, I have no objection to answering the Senator's question, if I can do so.

Mr. JONES of Washington. Probably the course suggested by the chairman would save time. I did not suppose that we were going on with the amendments to the bill.

Mr. PENROSE. If the Senator will permit me, I do not know of anyone who expects to address the Senate on the bill to-day, and I concur in his thought to proceed with the committee amendments. I only want to state as far as I am concerned that I expect very soon, in a few days, to address the Senate upon the pending bill.

Mr. SIMMONS. I ask that the bill be read for action on the committee amendments.

Mr. SMOOT. Before we begin with the amendments, as I stated yesterday that I would prepare my views on the bill, I now submit my views and ask that they may be printed in the RECORD.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Without objection, it is so ordered. The Chair hears no objection.

The views this day submitted by Mr. SMOOT (Report No. 617, part 4) are as follows:

"Differing materially from the plan of taxation imposed by House bill 12863 as reported to the Senate, I avail myself of the privilege of expressing my personal views, in a separate report, of the provisions of the bill that I believe should never be enacted into law. The unworkable, unscientific, and discriminatory provisions of the act of October 3, 1917, have not been eliminated by House bill 12863, the pending revenue bill. In some respects they have been modified, but in others increased. If I could have framed the pending revenue bill, I would have made it very simple and so plain that any ordinary business man or individual could have understood it and would have had no trouble in making out a tax return.

"Every individual, whether in business as such or as a member of a partnership, would have been treated alike. Every corporation would have been taxed upon the same basis, and the question of capital invested, watered stock, and bonded indebtedness would not have entered into the question of the amount of tax to be imposed, with the single exception of a few corporations with a capital stock of over $1,000,000 and making undue profits during the prewar period. I would have provided a separate provision for taxing these few corporations. I would have provided for a straight war-profits tax following the principles outlined in my amendment that I offered on January 5, 1918, to House joint resolution 195, with certain modifications to meet to-day's changed conditions.

"I believe that there should be eliminated from the bill all the harassing, nagging taxes, all of which are consumption taxes, and substituted for them a 1 per cent sale tax on all goods sold for consumption or use. A tax of that character would in no way embarrass the producer or consumer and would yield a revenue of over $1,000,000,000.

"In addition to the 1 per cent sale tax and a straight war-profits tax as above referred to, I would include in the bill title 2, income tax; title 5, tax on transportation with certain modifications; title 6, tax on beverages only so far as it affects alcohol, beer, wine, and the floor tax on the same; title 7, tax on cigars, tobacco, and manufacturers thereof with increased rates; title 9, the tax to be limited on automobiles and on leases for exhibition of any positive motion-picture film; title 10, tax upon capital stock, brokers, manufacturers of tobacco, cigars, and cigarettes, and pleasure boats. All other items found in any of the above titles should be eliminated.

"If this plan were adopted, the bill would provide a larger revenue for the Government than will be received under the provisions of the pending bill, and unjust and discriminatory taxation would be avoided.

"That part of the pending bill that deals with the imposition of a tax for the calendar year 1919 I disapprove of and agree with the statement made in the minority report upon this subject. The majority base their action of including in the pending bill provisions for the collection of taxes for the year 1920 upon the recommendations of the Secretary of the Treasury and the indorsement of that plan by the President. I call attention to the fact that the majority have not followed the plan of taxation as recommended by the Secretary of the Treasury, but maintain the unjust and discriminatory plan of taxation on so-called excess profits as provided in existing law and the pending bill. The Secretary of the Treasury recommended that a flat normal tax be imposed upon all net profits (less certain exemptions) in place of the discriminatory excess-profits tax, in which are involved the questions of watered stock, borrowed money, over and under capitalization, and the definition of invested capital—questions that if incorporated in a revenue bill can not result in anything but the collection of a discriminatory and unjust tax. I much prefer the Secretary's plan to the one proposed in the pending bill.

"I call the attention of the country to the fact that the requirements of the Government for the fiscal year ending June 30, 1920, will approximate $10,000,000,000, which I will explain in detail when I discuss the bill in the Senate. This estimate of $10,000,000,000 does not take into consideration future estimates that may be sent to Congress that will be included in deficiency appropriation bills. The $10,000,000,000, with the amount of deficiency appropriations added, will be reduced by whatever amount is received as salvage from the sale of war material paid for and not now needed either in this country or Europe. There are many relief provisions incorporated in the bill, and I frankly admit as to some of them I do not know what effect they will have upon the revenues to be collected, but that will greatly depend upon the construction that will be placed upon them by the Commissioner of Internal Revenue.

"Respectfully submitted.

"REED SMOOT."

Mr. JONES of Washington. I do not think it was the general understanding that the amendments to the bill would be taken up at this time. So I suggest the absence of a quorum in order that Senators may be present.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hardwick	Norris	Smith, Md.
Beckham	Henderson	Nugent	Smoot
Borah	Hitchcock	Page	Spencer
Calder	Johnson, Cal.	Penrose	Sutherland
Chamberlain	Johnson, S. Dak.	Phelan	Townsend
Culberson	Jones, N. Mex.	Pollock	Trammell
Curtis	Jones, Wash.	Pomerene	Underwood
Dillingham	Kellogg	Ransdell	Vardaman
Fernald	Kenyon	Reed	Warren
Fletcher	Kirby	Robinson	Watson
France	La Follette	Saulsbury	Weeks
Gay	Lenroot	Shafroth	Williams
Gerry	Lewis	Sheppard	Wolcott
Gronna	McCumber	Sherman	
Hale	McKellar	Simmons	
Harding	New	Smith, Ariz.	

Mr. CURTIS. I wish to announce the absence of the Senator from New Jersey [Mr. FRELINGHUYSEN] on account of illness. I ask that this announcement may stand for the day.

I wish also to announce that the Senator from New Hampshire [Mr. MOSES] is absent on account of illness. I will let this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness.

Mr. MCKELLAR. I wish to announce that the senior Senator from Tennessee [Mr. SHIELDS] is unavoidably absent on account of illness.

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. A quorum is present. The Secretary will read the bill.

The Secretary proceeded to read the bill.

The first amendment was, on page 1, line 5, after the word "includes," to insert "individuals"; in line 6, before the word "corporations," to insert "and," and after the word "corporations" to strike out "and associations as well as individuals," so as to read:

The term "person" includes individuals, partnerships, and corporations.

The amendment was agreed to.

The next amendment was, on page 1, line 8, after the word "companies," to strike out "as well as private corporations," so as to read:

The term "corporation" includes associations, joint-stock companies, and insurance companies.

The amendment was agreed to.

The next amendment was, at the top of page 3, to insert:

The term "life insurance company" means an insurance company engaged in the business of issuing life insurance and annuity contracts (including contracts of combined life, health, and accident insurance continuing for the life of the insured and not subject to cancellation by the company), whose reserve funds held for the fulfillment of such contracts comprise more than 50 per cent of its total reserve funds.

The amendment was agreed to.

The next amendment was, on page 3, to strike out lines 6 to 13, inclusive, in the following words:

The term "Government contract" means (a) a contract made with the United States, or with any department, bureau, officer, commission, board, or agency under the United States and acting in its behalf, or with any agency controlled by any of the above if the contract is for the benefit of the United States, or (b) a subcontract made with a contractor performing such a contract if the products or services to be furnished under the subcontract are for the benefit of the United States.

The amendment was agreed to.

The next amendment was, on page 3, to insert lines 14 to 18, inclusive, in the following words:

The term "military or naval forces of the United States" includes the Marine Corps, the Coast Guard, the Army Nurse Corps (female), and the Navy Nurse Corps (female), but this shall not be deemed to exclude other units otherwise included within such term.

The amendment was agreed to.

The next amendment was, to insert lines 19 to 21, inclusive, in the following words:

The term "present war" means the war in which the United States is now engaged against the German Government.

The amendment was agreed to.

The next amendment was, to insert lines 22 to 24, inclusive, in the following words:

For the purposes of this act the date of the termination of the present war shall be fixed by proclamation of the President.

The amendment was agreed to.

The next amendment was, on page 4, line 7, in "Title II, income tax," to strike out "212 or section 232" and insert "212, 232, or 246," so as to read:

TITLE II.—INCOME TAX.

PART I.—GENERAL PROVISIONS.

DEFINITIONS.

SEC. 200. That when used in this title—

The term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed under sections 212, 232, or 246. The term "fiscal year" means an acounting period of 12 months ending on the last day of any other month other than December. The first taxable year, to be called the taxable year 1918, shall be the calendar year 1918 or any fiscal year ending during the calendar year 1918;

The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person, trust, or estate;

The term "withholding agent" means any person required to deduct and withhold any tax under the provisions of section 221 or section 237.

The amendment was agreed to.

The next amendment was, on page 4, after line 19, to insert:

The term "personal service corporation" means a corporation whose income is to be ascribed primarily to the activities of the principal owners or stockholders who are themselves regularly engaged in the active conduct of the affairs of the corporation and in which capital (whether invested or borrowed) is not a material income-producing factor.

The amendment was agreed to.

The next amendment was, on page 5, to strike out lines 1 to 19, inclusive, in the following words:

The term "dividend" means any distribution made by a corporation out of its earnings or profits, accrued since February 28, 1913, and payable to its shareholders or members, whether in cash or in other property or in stock of the corporation. Any distribution shall be deemed to have been made from earnings or profits unless all earnings and profits have first been distributed. Any distribution made in the year 1918 or subsequent years shall be deemed to have been made from earnings or profits accrued since February 28, 1913; but any earnings or profits accrued prior to March 1, 1913, may be distributed in stock dividends or otherwise, exempt from the tax, after the earnings and profits accrued since February 28, 1913, have been distributed. If paid in stock of the corporation, a dividend shall be considered income to the amount of the earnings or profits distributed. Amounts distributed in the liquidation of a corporation shall be treated as payments in exchange for stock, and any gain or profit realized thereby shall be taxed to the distributee as other gains or profits.

Mr. JONES of Washington. I simply wish to ask the chairman of the committee why the definition of dividends is stricken out? I presume the term occurs several times in the bill.

Mr. SIMMONS. It follows at the bottom of the page, the Senator will observe.

Mr. JONES of Washington. I see; in section 201. I looked at the provision immediately following the part stricken out and did not observe the section further on.

The amendment was agreed to.

The next amendment was, to insert lines 20 to 22, inclusive, in the following words:

The terms "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the net income is computed under section 212.

The amendment was agreed to.

The next amendment was, to insert from line 23, on page 5, to line 6, on page 7, inclusive, in the following words:

DIVIDENDS.

SEC. 201. (a) That the term "dividend" when used in this title means (1) any distribution made by a corporation, other than a personal service corporation, to its shareholders or members, whether in cash or in other property or in stock of the corporation, out of its earnings or profits accumulated since February 28, 1913, or (2) any such distribution made by a personal service corporation out of its earnings or profits accumulated since February 28, 1913, and prior to January 1, 1918.

(b) Any distribution shall be deemed to have been made from earnings or profits unless all earnings and profits have first been distributed. Any distribution made in the year 1918 or any year thereafter shall be deemed to have been made from earnings or profits accumulated since February 28, 1913, or, in the case of a personal service corporation, since December 31, 1917; but any earnings or profits accumulated prior to March 1, 1913, may be distributed in stock dividends or otherwise, exempt from the tax, after the earnings and profits accumulated since February 28, 1913, have been distributed.

(c) A dividend paid in stock of the corporation shall be considered income to the amount of the earnings or profits distributed. Amounts distributed in the liquidation of a corporation shall be treated as payments in exchange for stock or shares, and any gain or profit realized thereby shall be taxed to the distributee as other gains or profits.

(d) Any dividend received by a taxpayer shall be taxed to the recipient at the rates prescribed by law for the years in which the corporation accumulated the earnings or profits from which such dividend was paid, but the dividend shall be deemed to have been paid from the most recently accumulated earnings or profits.

Mr. SIMMONS. I desire that subdivision (d) of this amendment shall go over.

The PRESIDING OFFICER. Without objection, the request of the Senator will be granted and, without objection, the other subdivisions of the amendment are agreed to. The Chair hears no objection, and it is so ordered.

The next amendment was, on page 7, line 8, to strike out "201" and insert "202 (a)," so as to read:

BASIS FOR DETERMINING GAIN OR LOSS.

SEC. 202 (a). That for the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition of property, real, personal, or mixed, the basis shall be—

The amendment was agreed to.

The next amendment was, on page 7, line 11, to strike out "(a)" and insert "(1)," so as to read:

(1) In the case of property acquired before March 1, 1913, the fair market price or value of such property as of that date; and

The amendment was agreed to.

The next amendment was, on page 7, line 14, to strike out "(b)" and insert "(2)"; in line 15, to strike out "(1)" and insert "(a)"; in the same line, to strike out "(2)" and insert "(b)"; and, in line 16, to strike out "202" and insert "203," so as to read:

(2) In the case of property acquired on or after that date, (a) the cost thereof; or (b) the inventory value, if the inventory is made in accordance with section 203.

The amendment was agreed to.

The next amendment was, on page 7, after line 16, to insert:

(b) When property is exchanged for other property, the property received in exchange shall for the purpose of determining gain or loss be treated as the equivalent of cash to the amount of its fair market value, if any; but when in connection with the reorganization, merger, or consolidation of a corporation a person receives in place of stock or securities owned by him new stock or securities of no greater aggregate par or face value, or when a person or persons owning property receive in exchange for such property stock of a corporation formed to take over such property, no gain or loss shall be deemed to occur from the exchange, and the new stock or securities received shall be treated as taking the place of the stock, securities, or property exchanged.

The amendment was agreed to.

The next amendment was, under the head of "Inventories," page 8, line 6, to strike out "202" and insert "203"; in line 10, after the word "may," to strike out "approve or"; in line 11, after the word "prescribe," to insert "as conforming as nearly as may be to the best accounting practice in the trade or business and"; and in line 13, after the word "income," to strike out "of the taxpayer," so as to read:

INVENTORIES.

SEC. 203. That whenever in the opinion of the commissioner the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by such taxpayer upon such basis as the commissioner, with the approval of the Secretary, may prescribe as conforming as nearly as may be to the best accounting practice in the trade or business and as most clearly reflecting the income.

Mr. JONES of Washington. Mr. President, I have received a great many letters and telegrams with reference to this provision of the bill. I have not those telegrams and letters here. I did not expect that the matter would come up to-day. So I ask that the committee amendment to this section may go over.

Mr. SMOOT. I understand the Senator from Washington has asked that the amendment shall go over, and in that case he will want all that affects inventories to go over in the same way?

Mr. JONES of Washington. Yes; I prefer that that should be done.

Mr. SMOOT. Because they are all related, and it is a very important part of the bill.

Mr. JONES of Washington. The Senator is a member of the committee and knows the other provisions better than I do.

Mr. GRONNA. Mr. President, I have also received a number of letters and some petitions opposing the provision as it passed the House. I have not had time to study the Senate committee bill, but I join in the request of the Senator from Washington that it all go over.

Mr. SIMMONS. I shall not object to that, but I wish to call the attention of the Senator from Washington to the fact that the only amendment made by the committee in that section seems to be rather a formal one. It only provides that the "Secretary may prescribe as conforming as nearly as may be to the best accounting practice in the trade or business."

Mr. JONES of Washington. I do not know exactly what is the effect of the language, and I prefer to have it all go over so as to consider the subject together.

Mr. SMOOT. Mr. President——

Mr. SIMMONS. If the Senator from Utah will pardon me I would call attention in this connection to subsection (12) on page 29, which must be considered in connection with the inventory section if we are to understand the extent of the amendment the committee has made with respect to the subject.

Mr. JONES of Washington. I thank the Senator for calling that to my attention.

Mr. SMOOT. The Senator from North Carolina asks that that may go over?

Mr. SIMMONS. Yes, that subdivision (b) on page 29 shall go over if section 203 goes over.

Mr. JONES of Washington. I hope that will be done.

Mr. SMOOT. To make it complete, as the same question comes up under the heading of corporations on page 60, subsection (13) ought to go over at the same time. Then we will not be bothered by watching for it as the Secretary reads the bill. Subsection (13), line 5, has reference to corporations just the same as the other has reference to individuals.

Mr. SIMMONS. Yes.

Mr. JONES of Washington. I hope that also will go over.

The PRESIDING OFFICER. The Chair will see if the request is understood. The request is that section 203 on page 8 shall go over and also paragraph (12) on page 29 and paragraph (13) on page 60.

Mr. SMOOT. Yes, and there is one other, so that we may have them all, and that is section 204 (a) on page 8—(a), (b), and (c), I should say, because those are involved in the question.

The PRESIDING OFFICER. Without objection the parts of the bill indicated will be passed over. The Chair hears no objection, and it is so ordered.

The Secretary resumed the reading of the bill on page 10, line 9, the next amendment of the committee being to insert at that point the following:

FISCAL YEAR WITH DIFFERENT RATES.

SEC. 205. That if a fiscal year of a taxpayer ends during a calendar year for which the rates of tax differ from those for the preceding calendar year, then (1) the rates for such preceding calendar year shall apply to an amount of the net income for such fiscal year equal to the proportion which the part of such fiscal year falling within such calendar year bears to the full fiscal year, and (2) the rates for the calendar year during which such fiscal year ends shall apply to the remainder.

The amendment was agreed to.

Mr. LA FOLLETTE. I am going to ask to have the provisions regarding the income tax go over. I do not think that it is best to take time to read them.

Mr. SIMMONS. No; certainly not. I think we shall make no objection to passing them over.

The PRESIDING OFFICER. What is the request of the Senator from Wisconsin?

Mr. LA FOLLETTE. The request is a broad one, that shall take in everything which in any way affects part 2 relating to income taxes.

Mr. PENROSE. Mr. President, I have no desire to obstruct the very proper suggestion of the Senator from Wisconsin, but I feel that this is the largest tax bill in the history of civilization, perhaps, and I want to have some of it read. The Secretary is only reading the committee amendments, I understand.

Mr. SIMMONS. No; the Secretary is reading the bill in connection with the committee amendments.

Mr. PENROSE. Is the whole bill being read?

Mr. SIMMONS. It is being read right now.

Mr. PENROSE. When I mentioned the matter of the propriety of reading the whole bill to the chairman, I understood that what he thought ought to be done was to read only the committee amendments.

Mr. SIMMONS. The Senator misunderstood me.

The PRESIDING OFFICER. The Chair will state that the whole bill is being read, except the portion passed over.

Mr. PENROSE. I am glad to know that.

Mr. SIMMONS. I do not wish the matter to pass without stating that I misunderstood the Senator's request. I understood the Senator's request to be that we should now take the bill up and have it read without acting at all on amendments.

Mr. PENROSE. Oh, no.

Mr. SIMMONS. We are doing, then, exactly what the Senator wishes.

Mr. PENROSE. I am glad to know that. I was called to the telephone and I did not know just what was being done.

Mr. President, I ask to have the income-tax schedule read, so that it may appear in the RECORD, and then let it go over.

Mr. SIMMONS. Very well.

Mr. PENROSE. It will not take more than a few minutes.

Mr. SIMMONS. I wish to ask the Senator from Wisconsin if he means that all the balance of the income-tax sections of the bill shall go over, or if he means that the section which we have now reached, which provides for the normal tax, and the next section, which provides for the surtax, shall go over. I supposed when the Senator was speaking to me about it a few minutes ago he wished to have the provision imposing a normal tax and the provision imposing a surtax go over.

Mr. LA FOLLETTE. Of course, those sections are included in my request.

Mr. PENROSE. The sections had better be read, however.

Mr. LA FOLLETTE. Then also such other provisions immediately following as affect and qualify those provisions.

Mr. SMOOT. That would be the remainder of the title.

Mr. SIMMONS. I think that would be the whole of it.

Mr. LA FOLLETTE. If it is, it must go over under the unanimous-consent agreement that was obtained on yesterday.

Mr. SIMMONS. Very well.

Mr. LODGE. Is that the title containing the 1920 provisions, on page 11?

Mr. LA FOLLETTE. It certainly is.

Mr. LODGE. I wanted to understand that, because I desire those provisions to go over. They are a separate bill, and I want to say something about them.

The PRESIDING OFFICER. The Chair requests the Senator from Wisconsin, or some other Senator, to state, for the benefit of the Secretary, what paragraphs it is desired shall go over. In the absence of such a statement, the Secretary can not make a record.

Mr. PENROSE. Before that is done, I desire to suggest to the chairman of the committee that he adopt this procedure: That the bill be read in an orderly way, including the amendments, and that, when the reading of an amendment has been proceeded with and finished, then any Senator can arise and object to the present consideration of the amendment; but let it be first read.

Mr. SIMMONS. Mr. President, that is exactly what we are doing now.

Mr. PENROSE. No, sir.

Mr. SIMMONS. The bill is being read just as it is printed, and we are considering amendments as they are reached.

Mr. PENROSE. Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] suggested just now that the income-tax schedule should not be read.

Mr. LA FOLLETTE. Mr. President——

Mr. PENROSE. I am not criticizing the suggestion at all.

Mr. LA FOLLETTE. I understand that.

Mr. PENROSE. And I did not hear any objection from the chairman of the committee. Now, I want it distinctly understood that the procedure shall be that the bill and the amendments shall be read and that when the reading of any particular amendment is finished it will then be the right of a single Senator to object to its immediate consideration.

Mr. LA FOLLETTE. Mr. President, my suggestion that the portion which I had asked to have passed over should not be read was made for the reason that it includes a number of pages and I thought time might be saved by passing over that part of the bill, because it will have to be read when it is taken up for consideration. I thought, therefore, that the reading at this time would be a waste of time. That was my only reason for making the suggestion.

Mr. SIMMONS. Mr. President, I shall not resist the request of the Senator from Pennsylvania [Mr. PENROSE], that this part of the bill, which we now agree shall go over, shall now be read; but I think it is an unnecessary consumption of the time of the Senate. However, if the Senator insists upon its being read I shall not object.

Mr. PENROSE. Mr. President, unless the amendments to the bill are read they will not be printed in the RECORD. I say candidly that while I am as anxious as is the chairman of the committee to expedite the passage of this measure, I think it is a pretty important proceeding, and the usual procedure of deliberative bodies ought to be followed even if it does take a couple of hours longer. I should like to have a distinct understanding that whenever an amendment shall be read and the reading is finished of any particular amendment it shall then be the right of any Senator to object to its consideration.

Mr. SIMMONS. Mr. President, in view of that statement of the Senator from Pennsylvania I ask that whenever an amendment or section is put over by consent or otherwise the Secretary shall read it.

Mr. PENROSE. Clearly such an amendment or section should first be read, and then objection made after the reading is finished. It does not seem very logical to object to an amendment before it is read.

Mr. JONES of New Mexico. Mr. President, inasmuch as the matter objected to at this time is of considerable length, might not the suggestion just made by the Senator from Wisconsin be adopted; that is, that as to this part of the bill it ought to be printed in the RECORD at this point without reading. That will answer the purpose of the Senator from Pennsylvania, it seems to me, and it would get it into the RECORD and avoid all this unnecessary consumption of time.

Mr. PENROSE. Well, Mr. President, while that suggestion might perhaps practically serve the purpose, I think this is a pretty important occasion. We are passing the largest tax bill

in the history of any country of which I know, since very ancient times, in any event, and it seems to me that we ought not to incur the criticism that we have had this bill proceed in any irregular or hasty or ill-advised way. There is a certain solemnity and dignity attached to a measure of this importance, which we ought to observe; and I, at least, am impressed with the fact that these taxes are staggering in their character, and in many cases are going to cause actual distress in many parts of the country. Their only redeeming feature is the fact that they are temporary, and we all hope only for this year. I hope that the reading of the bill will be proceeded with in the regular way.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The Secretary resumed the reading of the bill, beginning on page 10, line 19.

The next amendment of the Committee on Finance was, under the subhead "Part II—Individuals, normal tax," in section 210, page 11, line 1, after the word "tax," to strike out "as follows," and to insert "at the following rates," so as to read:

PART II.—INDIVIDUALS.

NORMAL TAX.

SEC. 210. That, in lieu of the taxes imposed by subdivision (a) of section 1 of the revenue act of 1916 and by section 1 of the revenue act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax, at the following rates:

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. LA FOLLETTE. Mr. President, if it will comply with the notions of orderly procedure in this business to make the request for the passing over at the end of a section instead of at the beginning of each paragraph, I will make the request in that way. Otherwise I shall make it at the end of each paragraph; but at the end of each section I should think would be sufficient.

Mr. PENROSE. Mr. President, I do not desire to inconvenience any Senator. I am perfectly content to have objection made to the whole section without going into details, but I would like to have it read.

Mr. LA FOLLETTE. At the end of each section?

Mr. PENROSE. Objection to be made at the end of each section. That is all I ask.

The PRESIDING OFFICER. The Secretary will proceed with the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 11, after line 2, to strike out, down to and including line 9, as follows:

(a) In the case of a citizen or resident of the United States, 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That upon the first $4,000 of this amount the rate shall be 6 per cent;

(b) In the case of a nonresident alien, 12 per cent of the amount of the net income in excess of the credits provided in section 216.

And in lieu thereof to insert:

(a) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 6 per cent;

(b) For each calendar year thereafter, 8 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 4 per cent.

Mr. LA FOLLETTE. I ask that section 210, which has just been read, may go over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the heading "Surtax," section 211, to strike out from line 3, on page 12, to line 14, on page 13, in the following words:

2 per cent of the amount by which the net income exceeds $5,000 and does not exceed $7,500;
3 per cent of the amount by which the net income exceeds $7,500 and does not exceed $10,000;
7 per cent of the amount by which the net income exceeds $10,000 and does not exceed $15,000;
10 per cent of the amount by which the net income exceeds $15,000 and does not exceed $20,000;
15 per cent of the amount by which the net income exceeds $20,000 and does not exceed $30,000;
20 per cent of the amount by which the net income exceeds $30,000 and does not exceed $40,000;
25 per cent of the amount by which the net income exceeds $40,000 and does not exceed $50,000;
32 per cent of the amount by which the net income exceeds $50,000 and does not exceed $60,000;
38 per cent of the amount by which the net income exceeds $60,000 and does not exceed $70,000;
42 per cent of the amount by which the net income exceeds $70,000 and does not exceed $80,000;
46 per cent of the amount by which the net income exceeds $80,000 and does not exceed $90,000;
48 per cent of the amount by which the net income exceeds $90,000 and does not exceed $100,000;
50 per cent of the amount by which the net income exceeds $100,000 and does not exceed $200,000;
52 per cent of the amount by which the net income exceeds $200,000 and does not exceed $300,000;
54 per cent of the amount by which the net income exceeds $300,000 and does not exceed $500,000;
58 per cent of the amount by which the net income exceeds $500,000 and does not exceed $1,000,000;
60 per cent of the amount by which the net income exceeds $1,000,000 and does not exceed $5,000,000; and
65 per cent of the amount by which the net income exceeds $5,000,000.

And in lieu thereof to insert the following:

1 per cent of the amount by which the net income exceeds $5,000 and does not exceed $6,000;
2 per cent of the amount by which the net income exceeds $6,000 and does not exceed $8,000;
3 per cent of the amount by which the net income exceeds $8,000 and does not exceed $10,000;
4 per cent of the amount by which the net income exceeds $10,000 and does not exceed $12,000;
5 per cent of the amount by which the net income exceeds $12,000 and does not exceed $14,000;
6 per cent of the amount by which the net income exceeds $14,000 and does not exceed $16,000;
7 per cent of the amount by which the net income exceeds $16,000 and does not exceed $18,000;
8 per cent of the amount by which the net income exceeds $18,000 and does not exceed $20,000;
9 per cent of the amount by which the net income exceeds $20,000 and does not exceed $22,000;
10 per cent of the amount by which the net income exceeds $22,000 and does not exceed $24,000;
11 per cent of the amount by which the net income exceeds $24,000 and does not exceed $26,000;
12 per cent of the amount by which the net income exceeds $26,000 and does not exceed $28,000;
13 per cent of the amount by which the net income exceeds $28,000 and does not exceed $30,000;
14 per cent of the amount by which the net income exceeds $30,000 and does not exceed $32,000;
15 per cent of the amount by which the net income exceeds $32,000 and does not exceed $34,000;
16 per cent of the amount by which the net income exceeds $34,000 and does not exceed $36,000;
17 per cent of the amount by which the net income exceeds $36,000 and does not exceed $38,000;
18 per cent of the amount by which the net income exceeds $38,000 and does not exceed $40,000;
19 per cent of the amount by which the net income exceeds $40,000 and does not exceed $42,000;
20 per cent of the amount by which the net income exceeds $42,000 and does not exceed $44,000;
21 per cent of the amount by which the net income exceeds $44,000 and does not exceed $46,000;
22 per cent of the amount by which the net income exceeds $46,000 and does not exceed $48,000;
23 per cent of the amount by which the net income exceeds $48,000 and does not exceed $50,000;
24 per cent of the amount by which the net income exceeds $50,000 and does not exceed $52,000;
25 per cent of the amount by which the net income exceeds $52,000 and does not exceed $54,000;
26 per cent of the amount by which the net income exceeds $54,000 and does not exceed $56,000;
27 per cent of the amount by which the net income exceeds $56,000 and does not exceed $58,000;
28 per cent of the amount by which the net income exceeds $58,000 and does not exceed $60,000;
29 per cent of the amount by which the net income exceeds $60,000 and does not exceed $62,000;
30 per cent of the amount by which the net income exceeds $62,000 and does not exceed $64,000;
31 per cent of the amount by which the net income exceeds $64,000 and does not exceed $66,000;
32 per cent of the amount by which the net income exceeds $66,000 and does not exceed $68,000;
33 per cent of the amount by which the net income exceeds $68,000 and does not exceed $70,000;
34 per cent of the amount by which the net income exceeds $70,000 and does not exceed $72,000;
35 per cent of the amount by which the net income exceeds $72,000 and does not exceed $74,000;
36 per cent of the amount by which the net income exceeds $74,000 and does not exceed $76,000;
37 per cent of the amount by which the net income exceeds $76,000 and does not exceed $78,000;
38 per cent of the amount by which the net income exceeds $78,000 and does not exceed $80,000;
39 per cent of the amount by which the net income exceeds $80,000 and does not exceed $82,000;
40 per cent of the amount by which the net income exceeds $82,000 and does not exceed $84,000;
41 per cent of the amount by which the net income exceeds $84,000 and does not exceed $86,000;
42 per cent of the amount by which the net income exceeds $86,000 and does not exceed $88,000;
43 per cent of the amount by which the net income exceeds $88,000 and does not exceed $90,000;
44 per cent of the amount by which the net income exceeds $90,000 and does not exceed $92,000;
45 per cent of the amount by which the net income exceeds $92,000 and does not exceed $94,000;
46 per cent of the amount by which the net income exceeds $94,000 and does not exceed $96,000;
47 per cent of the amount by which the net income exceeds $96,000 and does not exceed $98,000;
48 per cent of the amount by which the net income exceeds $98,000 and does not exceed $100,000;
52 per cent of the amount by which the net income exceeds $100,000 and does not exceed $150,000;
56 per cent of the amount by which the net income exceeds $150,000 and does not exceed $200,000;

60 per cent of the amount by which the net income exceeds $200,000 and does not exceed $300,000;
63 per cent of the amount by which the net income exceeds $300,000 and does not exceed $500,000;
64 per cent of the amount by which the net income exceeds $500,000 and does not exceed $1,000,000;
65 per cent of the amount by which the net income exceeds $1,000,000.

(b) In the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this section attributable to such sale shall not exceed 20 per cent of the selling price of such property or interest.

Mr. LA FOLLETTE. I ask that section 211, the reading of which has just been completed, may be passed over.

The PRESIDING OFFICER. Section 211 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 212, page 18, paragraph (b), line 19, after the word "if," to strike out the word "it" and insert "the method employed," so as to make the section read:

NET INCOME DEFINED.

SEC. 212. (a) That in the case of an individual the term "net income" means the gross income as defined in section 213, less the deductions allowed by section 214.

(b) The net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if the method employed does not clearly reflect the income, the computation shall be made upon such basis and in such manner as in the opinion of the commissioner does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year as defined in section 200 or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year.

If a taxpayer changes his accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another, the net income shall, with the approval of the commissioner, be computed on the basis of such new accounting period, subject to the provisions of section 226.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire this section to go over?

Mr. LA FOLLETTE. Yes; each of these sections in this part of the bill were to be passed over on request.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment was, on page 19, line 9, to strike out the numerals "233" and insert the numerals "247"; and in line 12, after the word "service," to strike out "(including in the case of the President of the United States, the judges of the Supreme and inferior courts of the United States, and all other officers and employees, whether elected or appointed, of the United States, or of any State, Alaska, Hawaii, or any political subdivision thereof, or the District of Columbia, the compensation received as such)," so as to read:

GROSS INCOME DEFINED.

SEC. 213. That for the purposes of this title (except as otherwise provided in section 247) the term "gross income"—

(a) Includes gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever.

Mr. SIMMONS. Does the Senator from Wisconsin desire that this go over?

Mr. LA FOLLETTE. I do.

Mr. CURTIS. If the Senator from Wisconsin does not desire it to go over, I do.

Mr. LA FOLLETTE. I do ask that it go over.

The PRESIDING OFFICER. It will go over.

The reading of the bill was resumed.

The next amendment from the Committee on Finance was, on page 19, line 25, after the word "whatever" and the period, to strike out the word "The," and in lieu thereof to insert "Except as otherwise provided in subdivision (d) of section 201, the," so as to read:

Except as otherwise provided in subdivision (d) of section 201, the amount of all such items shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under methods of accounting permitted under subdivision (b) of section 212, any such amounts are to be properly accounted for as of a different period.

The next amendment was, on page 20, line 10, after the word "insured," to strike out "to individual beneficiaries or to the estate of the insured," so as to make the paragraph read:

(1) The proceeds of life insurance policies paid upon the death of the insured.

The next amendment was, on page 20, line 22, after the words "District of Columbia," to strike out "issued on or prior to the date of the passage of this act, or (if authorized by law on or prior to the date of the passage of this act) issued within six months after the passage of this act and containing a statement of such authorization and its date, or (if issued after the passage of this act) containing a statement that they are issued for the purpose of funding or refunding any interest-bearing indebtedness outstanding on the date of the passage of this act or for the purpose of carrying out a contract entered into on or prior to the date of the passage of this act: *Provided*, That there shall be excluded from gross income in the case of any person owning obligations of States, Territories, political subdivisions thereof, or the District of Columbia (the interest upon which is included in gross income) the interest upon an amount of such obligations the principal of which does not exceed in the aggregate $5,000." On page 21, line 14, after the word "its," to strike out "possessions," and insert "possessions; or (d) bonds issued by the War Finance Corporation"; in line 17, after the date "September 1, 1917," to insert "and in the case of bonds issued by the War Finance Corporation"; in line 20, before the word "authorizing," to strike out the word "act" and insert "respective acts"; in line 23, after the word "taxation," to insert "to the taxpayer"; and, in line 24, after the word "Title," to strike out the "III." and insert "III;", so as to make the paragraph read:

(4) Interest upon (a) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia; or (b) securities issued under the provisions of the Federal farm-loan act of July 17, 1916; or (c) the obligations of the United States or its possessions; or (d) bonds issued by the War Finance Corporation. In the case of obligations of the United States issued after September 1, 1917, and in the case of bonds issued by the War Finance Corporation, the interest shall be exempt only if and to the extent provided in the respective acts authorizing the issue thereof as amended and supplemented, and shall be excluded from gross income only if and to the extent it is wholly exempt from taxation to the taxpayer both under this title and under Title III;

The next amendment was, on page 22, in line 16, after the words "government of," to strike out "the Philippine Islands or Porto Rico" and insert "any possession of the United States," so as to make the paragraph read:

(7) Income derived from any public utility or the exercise of any essential governmental function and accruing to any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, or income accruing to the government of any possession of the United States, or any political subdivision thereof.

The next amendment was, on page 22, line 22, after the word "person," to strike out "or corporation"; on page 23, line 4, after the word "person," to strike out "or corporation"; in line 6, after the word "person," to strike out "or corporation"; and in line 8, after the word "person," to strike out "or corporation," so as to make the paragragh read:

Whenever any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, prior to September 8, 1916, entered in good faith into a contract with any person the object and purpose of which is to acquire, construct, operate, or maintain a public utility, no tax shall be levied under the provisions of this title upon the income derived from the operation of such public utility, so far as the payment thereof will impose a loss or burden upon such State, Territory, District of Columbia, or political subdivision; but this provision is not intended to confer upon such person any financial gain or exemption or to relieve such person from the payment of a tax as provided for in this title upon the part or portion of such income to which such person is entitled under such contract.

The amendment was agreed to.

The next amendment was, on page 23, line 10, before the word "amount," to strike out "So much of the" and insert "The"; in the same line, after the word "received," to insert "during the present war"; in line 13, after the word "for," to insert "active"; in the same line, after the word "services," to strike out "abroad or at sea"; and in line 14, after the word "forces," to strike out "as does not exceed $3,500," so as to make the paragraph read:

(8) The amount received during the present war by a person in the military or naval forces of the United States as salary or compensation in any form from the United States for active services in such forces.

Mr. LA FOLLETTE. I ask that section 213, which has just been read, be passed over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment to the Committee on Finance was, under the heading "Deductions allowed," in section 214, page 24, line 3, after the word "or," to strike out "possession" and insert "possession of property"; and in line 4, after the word "business," to strike out "of property to which the taxpayer has not taken or is not taking title or in which he has no equity," so as to make the paragraph read:

SEC. 214. (a) That in computing net income there shall be allowed as deductions:

(1) All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and including rentals or other payments required to be made as a condition to the continued use or possession of property for purposes of the trade or business.

The next amendment was, on page 24, line 8, after the word "indebtedness," to insert: "except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917), the interest upon which is wholly exempt from taxation under this title as income to the taxpayer"; and in line 14, after the word "interest" to strike out "paid," so as to make the paragraph read:

(2) All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917), the interest upon which is wholly exempt from taxation under this title as income to the taxpayer, or, in the case of a nonresident alien individual, the proportion of such interest which the amount of his gross income from sources within the United States bears to the amount of his gross income from all sources within and without the United States.

The next amendment was, on page 25, line 1, after the word "benefits" to insert "of a kind tending to increase the value of the property assessed"; and in line 6, after the numerals "222" to insert "or (c) in the case of a nonresident alien individual, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon property or business, to the extent that the income from such property or business is subject to taxation under this title"; so as to make the paragraph read:

(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war-profits and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 222; or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a citizen or resident of the United States, by the authority of any foreign country, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 222; or (e) in the case of a nonresident alien individual, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon property or business, to the extent that the income from such property or business is subject to taxation under this title.

The next amendment was, on page 25, line 14, after the word "sustained," to strike out "and charged off," so as to make the clause read:

(4) Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in trade or business.

The next amendment was, on page 26, line 8, after the word "the," strike out "exhaustion, wear and tear" and insert "depreciation," and in line 8, after the word "business," to strike out "but in the case of a nonresident alien individual only as to property within the United States," so as to make the clause read:

(8) A reasonable allowance for the depreciation of property used in the trade or business.

The next amendment was, on page 26, line 13, after the words "present war," to insert "and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war"; in line 16, after the word "there," to strike out "may" and insert "shall"; in line 18, after the word "facilities," to insert "or vessels"; in line 19, after the word "including," to strike out "amounts otherwise allowed under this title for depreciation, exhaustion, or wear and tear" and insert "any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income"; in line 25, after the word "war," to strike out "with the Imperial German Government as declared by proclamation of the President"; on page 27, line 4, after the word "the," to strike out "necessary adjustment of the"; in the same line, after the word "taxes," to insert "imposed by this title and by Title III"; in line 6, after the word "be," to strike out "made" and insert "redetermined"; in line 7, after the word "such," to strike out "readjustment" and insert "redetermination"; and in line 11, after "section 252," to strike out "In the case of a nonresident alien individual this deduction shall be allowed only as to facilities within the United States. In no case shall the deduction allowed under this paragraph exceed 25 per cent of the taxpayer's net income as computed without the benefit of this paragraph or paragraph (11)," so as to make the paragraph read:

(9) In the case of buildings, machinery, equipment, or other facilities, constructed, erected, installed, or acquired, on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities or vessels as has been borne by the taxpayer, but not again including any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income. At any time within three years after the termination of the present war the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the taxes imposed by this title and by Title III for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

Mr. LA FOLLETTE. Mr. President, I do not wish to request the reading of the portions of the House bill which are stricken out when there are large blocks of such amendments, but I do think they should be printed in the RECORD, for one reading the bill in the RECORD will not see the relation of the changes to the House provisions unless the House provisions are printed.

The PRESIDING OFFICER. The Chair informs the Senator that the Secretary states that the House provisions stricken out by the committee will be included in the RECORD under the reading as it is now proceeding.

Mr. LA FOLLETTE. Although not read?

The PRESIDING OFFICER. Yes.

Mr. LA FOLLETTE. The Secretary, in reading the rates, omitted the reading of the House rates. I wish to be certain that they are published in the RECORD.

The PRESIDING OFFICER. The Chair is informed by the Secretary that under the custom that is done.

Mr. LA FOLLETTE. That all of those stricken-out portions of the House bill will be published whether read or not? Is that the rule that is followed?

The PRESIDING OFFICER. The reporters are instructed to do that, without objection. The Chair hears no objection, and it is so ordered.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 27, after line 16, to strike out:

(10) (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion; (c) in the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depreciation of improvements; such reasonable allowance in all the above cases to be made according to the peculiar conditions in each case and under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee. In the case of a nonresident alien individual deductions under this paragraph shall be allowed only as to property within the United States.

And insert:

(10) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost including cost of development not otherwise deducted: *Provided*, That in the case of such properties acquired prior to March 1, 1913, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: *Provided further*, That in the case of mines, oil and gas wells, discovered by the taxpayer, on or after March 1, 1913, and not acquired as the result of purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery, or within 12 months thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee.

The next amendment was, on page 29, line 9, after the word "the," to strike out "vocational rehabilitation" and insert "Vocational Rehabilitation"; and in line 18, after the word "rehabilitation," to strike out the period and insert a semicolon, so as to make the clause read:

(11) Contributions or gifts made within the taxable year to corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to the special fund for vocational rehabilitation authorized by section 7 of the Vocational Rehabilitation act, to an amount not in excess of 15 per cent of the taxpayer's net income as computed without the benefit of this paragraph. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the commissioner, with the approval of the Secretary. In the case of a nonresident alien individual this deduction shall be allowed only as to contributions or gifts made to domestic corporations or to such vocational rehabilitation fund.

The next amendment was, on page 29, after line 18, to insert:

(12) If it is shown to the satisfaction of the commissioner that during the taxable year 1919 or 1920 the taxpayer (a) has for the first time ascertained the amount of a loss sustained during the preceding taxable year and not deducted from the gross income therefor, or (b) has sustained a substantial loss (whether or not actually realized by sale or other disposition), resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for the preceding taxable year, then the amount of such loss shall be deducted from the net income for such preceding taxable year, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

The next amendment was, on page 30, line 10, after the numeral "(9)," to strike out "and (10)" and insert "(10), and (12)"; on line 12, after the word "with," to strike out "a trade or business carried on" and insert "income arising from a source"; in line 15, after the words "with respect to," to strike out "trade or business within and without" and insert "sources of income within and without," so as to make the clause read:

(b) In the case of a nonresident alien individual the deductions allowed in paragraphs (1), (4), (7), (8), (9), (10), and (12) of subdivision (a) shall be allowed only if and to the extent that they are connected with income arising from a source within the United States; and the proper apportionment and allocation of the deductions with respect to sources of income within and without the United States shall be determined under rules and regulations prescribed by the commissioner with the approval of the Secretary.

Mr. LA FOLLETTE. I ask that section 214, just read by the Secretary, be passed over.

The PRESIDING OFFICER. That section will be passed over.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, under the heading "Items not deductible," in section 215, page 31, line 7, after the word "taxpayer," to strike out "or anyone financially interested in such trade or business," and in line 8, after the word "is," to insert "directly or indirectly," so as to make the section read:

ITEMS NOT DEDUCTIBLE.

SEC. 215. That in computing net income no deduction shall in any case be allowed in respect of—

(a) Personal, living, or family expenses;

(b) Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate;

(c) Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made; or

(d) Premiums paid on any life insurance policy covering the life of any officer or employee or of any person financially interested in any trade or business carried on by the taxpayer when the taxpayer is directly or indirectly a beneficiary under such policy.

Mr. LA FOLLETTE. I ask that section 215 be passed over.

The PRESIDING OFFICER. The section will be passed over.

The next amendment was, under the head of "Credits allowed," in ection 216, on page 31, line 16, after the words "United States," to insert "and bonds issued by the War Finance Corporation," and in line 17, after the word "Corporation," to strike out "any State, Territory, any political subdivision thereof, or the District of Columbia," so as to make the paragraph read:

SEC. 216. That for the purpose of the normal tax only there shall be allowed the following credits:

(a) The amount received as dividends from a corporation which is taxable under this title upon its net income.

(b) The amount received as interest upon obligations of the United States and bonds issued by the War Finance Corporation, which is included in gross income under section 213.

(c) In the case of a single person, a personal exemption of $1,000, or in the case of the head of a family or a married person living with husband or wife, a personal exemption of $2,000. A husband and wife living together shall receive but one personal exemption of $2,000 against their aggregate net income; and in case they make separate returns, the personal exemption of $2,000 may be taken by either or divided between them.

(d) Two hunderd dollars for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer, if such dependent person is under 18 years of age or is incapable of self-support because mentally or physically defective.

(e) In the case of a nonresident alien individual who is a citizen or subject of a country which imposes an income tax, the credits allowed in subdivisions (c) and (d) shall be allowed only if such country allows a similar credit to citizens of the United States not residing in such country.

Mr. LA FOLLETTE. I ask to have that section passed over, Mr. President.

The PRESIDING OFFICER. The section will be passed over.

The Secretary read section 217, on pages 32 and 33, beginning with line 13, as follows:

NONRESIDENT ALIENS—ALLOWANCE OF DEDUCTIONS AND CREDITS.

SEC. 217. That a nonresident alien individual shall receive the benefit of the deductions and credits allowed in this title only by filing or causing to be filed with the collector a true and accurate return of his total income received from all sources corporate or otherwise in the United States, in the manner prescribed by this title, including therein all the information which the commissioner may deem necessary for the calculation of such deductions and credits: *Provided*, That the benefit of the credits allowed in subdivisions (c) and (d) of section 216 may, in the discretion of the commissioner, and except as otherwise provided in subdivision (e) of that section, be received by filing a claim therefor with the withholding agent. In case of failure to file a return, the collector shall collect the tax on such income, and all property belonging to such nonresident alien individual shall be liable to distraint for the tax.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The next amendment of the Committee on Finance was, on page 33, line 6, to strike from the heading the word "Partners" and insert "Partnerships and personal-service corporations," so as to make the heading read: "Partnerships and personal-service corporations"; and on page 34, after line 23, to insert:

(e) Personal-service corporations shall not be subject to taxation under this title, but the individual stockholders thereof shall be taxed in the same manner as the members of partnerships. All the provisions of this title relating to partnerships and the members thereof shall, so far as practicable, apply to personal-service corporations and the stockholders thereof: *Provided*, That in the case of any such corporation any amounts distributed during its taxable year shall be taxed to the distributees; and any portion of the net income remaining undistributed at the close of its taxable year shall for the purposes of this subdivision be assigned to the stockholders of such corporation at the close of its taxable year in proportion to their respective shares.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

Mr. SIMMONS. Mr. President, I wish to inquire of the Senator from Wisconsin if he desires to have the section with reference to personal-service corporations go over?

Mr. LA FOLLETTE. Yes; Mr. President, I think that should go over with the other sections; that is, I think all of part 2 had better go over.

Mr. SIMMONS. Very well.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Estates and trusts," in section 219, page 35, line 24, after the word "regular," to strike out the word "intervals" with a period, and insert the words "intervals, and the income collected by a guardian of an infant to be held or distributed as the court may direct," so as to make the paragraph read:

SEC. 219. (a) That the tax imposed by sections 210 and 211 shall apply to the income of estates or of any kind of property held in trust, including—

(1) Income received by estates of deceased persons during the period of administration or settlement of the estate;

(2) Income accumulated in trust for the benefit of unborn or unascertained persons or persons with contingent interests;

(3) Income held for future distribution under the terms of the will or trust; and

(4) Income which is to be distributed to the beneficiaries periodically, whether or not at regular intervals, and the income collected by a guardian of an infant to be held or distributed as the court may direct.

The next amendment was, on page 36, line 4, after the word "section," to strike out "212" and insert: "212, except that there shall also be allowed as a deduction any part of the gross income which, pursuant to the terms of the will or deed creating the trust, is during the taxable year paid out or permanently set aside for exclusively religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals," so as to make the paragraph read:

(b) The fiduciary shall be responsible for making the return of income for the estate or trust for which he acts. The net income of the estate or trust shall be computed in the same manner and on the same basis as provided in section 212, except that there shall also be allowed as a deduction any part of the gross income which, pursuant to the terms of the will or deed creating the trust, is during the taxable year paid out or permanently set aside for exclusively religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals; and in cases under paragraph (4) of subdivision (a) of this section the fiduciary shall include in the return a statement of each beneficiary's distributive share of such net income, whether or not distributed before the close of the taxable year for which the return is made.

The reading of the bill was resumed.

The Secretary read to the end of section 219, on page 37, line 13.

Mr. LA FOLLETTE. I ask to have that section passed over, Mr. President.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in the heading, on page 37, line 14, to strike out the words "Undistributed profits subject to surtax," and insert "Profits of corporations taxable to stockholders."

The next amendment was, in section 220, page 37, line 16, after the word "That," to strike out "for the purpose of the surtax, the net income of any individual includes the share to which he would be entitled of the gains and profits, if divided or distributed, whether divided or distributed or not, of all corporations," and insert "if any corporation"; in line 20, before the word "formed," to insert "is"; in line 21, after the word "or," to strike out "fraudulently"; in line 22, after the words "imposition of," to strike out "such tax" and insert "the surtax upon its stockholders or members"; in line 23, after the word "permitting," to strike out "such" and insert "its"; in line 24, after the words "divided or," to strike out the word "distributed" and the semicolon and insert "distributed, such corporation shall not be subject to the tax imposed by section 230 or by Title III, but the stockholders or members thereof shall be subject to taxation under this title in the same manner

as provided in subdivision (e) of section 218 in the case of stockholders of a personal service corporation"; and, on page 38, line 5, after the word "corporation," to strike out "and the," so as to make the paragraph read:

SEC. 220. That if any corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its stockholders or members through the medium of permitting its gains and profits to accumulate instead of being divided or distributed, such corporation shall not be subject to the tax imposed by section 236 or by Title III, but the stockholders or members thereof shall be subject to taxation under this title in the same manner as provided in subdivision (e) of section 218 in the case of stockholders of a personal service corporation.

The next amendment was, on page 38, line 6, before the word "fact," to insert "The"; in the same line, after the word "any," to strike out "such"; in line 9, before the word "purpose," to strike out "fraudulent"; in the same line, after the word "escape," to strike out "such tax" and insert "the surtax"; in line 13, before the word "certifies," to strike out "Secretary" and insert "commissioner," so as to make the paragraph read:

The fact that any corporation is a mere holding company, or that the gains and profits are permitted to accumulate beyond the reasonable needs of the business, shall be prima facie evidence of a purpose to escape the surtax; but the fact that the gains and profits are in any case permitted to accumulate and become surplus shall not be construed as evidence of a purpose to escape the tax in such case unless the commissioner certifies that in his opinion such accumulation is unreasonable for the purposes of the business. When requested by the commissioner or any collector, every corporation shall forward to him a correct statement of such gains and profits and the names and addresses of the individuals or shareholders who would be entitled to the same if divided or distributed, and of the amounts that would be payable to each.

Mr. LA FOLLETTE. I ask that section 220 be passed over.

The PRESIDING OFFICER. The section will be passed over.

The next amendment was, under the head of "Payment of tax at source," in section 221, page 39, line 11, after the words "equal to," to strike out "12" and insert "8," and in the same line, after the word "thereof," to insert a colon and the words "*Provided*, That the commissioner may authorize such tax to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent," so as to make the paragraph read:

SEC. 221. (a) That all individuals, corporations, and partnerships, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of the United States, having the control, receipt, custody, disposal, or payment of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income of any nonresident alien individual (other than income received as dividends from a corporation which is taxable under this title upon its net income) shall (except in the cases provided for in subdivision (b) and except as otherwise provided in regulations prescribed by the commissioner under section 217) deduct and withhold from such annual or periodical gains, profits, and income a tax equal to 8 per cent thereof: *Provided*, That the commissioner may authorize such tax to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

The next amendment was, on page 40, line 3, after the words "United States," to insert "or to a partnership: *Provided*, That the commissioner may authorize such tax to be deducted and withheld in the case of interest upon any such bonds, mortgages, deeds of trust, or other obligations, the owners of which are not known to the withholding agent," so as to make the paragraph read:

(b) In any case where bonds, mortgages, or deeds of trust, or other similar obligations of a corporation contain a contract or provision by which the obligor agrees to pay any portion of the tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon or to retain therefrom under any law of the United States, the obligor shall deduct and withhold a tax equal to 2 per cent of the interest upon such bonds, mortgages, deeds of trust, or other obligations, whether such interest is payable annually or at shorter or longer periods and whether payable to a nonresident alien individual or to an individual citizen or resident of the United States or to a partnership: *Provided*, That the commissioner may authorize such tax to be deducted and withheld in the case of interest upon any such bonds, mortgages, deeds of trust, or other obligations, the owners of which are not known to the withholding agent. Such deduction and withholding shall not be required in the case of a citizen or resident entitled to receive such interest if he files with the withholding agent, on or before February 1, a signed notice in writing claiming the benefit of the credits provided in subdivisions (c) and (d) of section 216; nor in the case of a nonresident alien individual if so provided for in regulations prescribed by the commissioner under section 217.

The next amendment was, on page 41, line 9, after the word "imposed," to insert "upon," so as to make the paragraph read:

(c) If any tax required under this section to be deducted and withheld is paid by the recipient of the income, it shall not be re-collected from the withholding agent; nor in cases in which the tax is so paid shall any penalty be imposed upon or collected from the recipient of the income or the withholding agent for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment.

Mr. LA FOLLETTE. I ask to have section 221 passed over.

The PRESIDING OFFICER. The section will be passed over.

Mr. SMOOT. Mr. President, I simply want to call attention to a misprint. On page 40, line 3, the word "of," after the word "citizen," should be "or." We might as well change that.

The PRESIDING OFFICER. Without objection, the correction will be made.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 41, after line 12, to strike out:

CREDIT FOR FOREIGN TAXES.

SEC. 222. (a) That in the case of a citizen of the United States, the tax computed under this title shall be credited with the amount of any income, war-profits and excess-profits taxes paid during the taxable year to any foreign country, Porto Rico, or the Philippine Islands, upon income derived from sources therein, including in the case of a member of a partnership or a beneficiary of an estate or trust his proportionate share of such taxes so paid during the taxable year by the partnership or by the estate or trust.

(b) In the case of an alien resident of the United States who is a citizen or subject of a country which imposes income, war-profits, or excess-profits taxes, a like credit shall be allowed if such country allows a similar credit to citizens of the United States residing in such country.

(c) The credits allowed in subdivisions (a) and (b) shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income received from sources within such foreign country, Porto Rico, or the Philippine Islands, as the case may be, and all other information necessary for the computation of such credits.

And to insert:

CREDIT FOR TAXES.

SEC. 222. (a) That the tax computed under Part II of this title shall be credited with:

(1) In the case of a citizen of the United States, the amount of any income, war-profits and excess-profits taxes paid during the taxable year to any foreign country, upon income derived from sources therein, or to any possession of the United States; and

(2) In the case of a resident of the United States, the amount of any such taxes paid during the taxable year to any possession of the United States; and

(3) In the case of an alien resident of the United States who is a citizen or subject of a foreign country, the amount of any such taxes paid during the taxable year to such country, upon income derived from sources therein, if such country, in imposing such taxes, allows a similar credit to citizens of the United States residing in such country; and

(4) In the case of any such individual who is a member of a partnership or a beneficiary of an estate or trust, his proportionate share of such taxes paid during the taxable year by the partnership or by the estate or trust to a foreign country or to any possession of the United States, as the case may be.

(b) These credits shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income derived from sources within such foreign country or such possession of the United States, and all other information necessary for the computation of such credits.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The next amendment was, under the head of "Individual returns," in section 223, page 43, line 12, after the word "every," to strike out "person" and insert "individual"; in line 13, before the word "income," to strike out "net" and insert "gross"; and in line 19, after the word "aggregate," to strike out "net" and insert "gross," so as to make the paragraph read:

SEC. 223. That every individual having a gross income for the taxable year of $1,000 or over if single or if married and not living with husband or wife, or of $2,000 or over if married and living with husband or wife, shall make under oath a return stating specifically the items of his gross income and the deductions and credits allowed by this title. If a husband and wife living together have an aggregate gross income of $2,000 or over, each shall make such a return, unless the income of each is included in a single joint return.

The reading of the bill was resumed, and the Secretary read to the end of section 223, on page 43, line 25.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to have section 223 passed over?

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. That action will be taken.

The reading of the bill was resumed, and the Secretary read section 224, page 44, as follows:

PARTNERSHIP RETURNS.

SEC. 224. That every partnership shall make a return for each taxable year, stating specifically the items of its gross income and the deductions allowed by this title, and shall include in the return the names and addresses of the individuals who would be entitled to share in the net income if distributed and the amount of the distributive share of each individual. The return shall be sworn to by any one of the partners.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to have section 224 passed over?

Mr. LA FOLLETTE. Yes, sir; if you please.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Fiduciary returns," in section 225, page 44,

line 15, before the word "income," to strike out "net" and insert "gross"; in line 19, before the word "income," to strike out "net" and insert "gross"; and in line 25, after the words "filed in the," to insert "office of the collector of the," so as to make the section read:

FIDUCIARY RETURNS.

SEC. 225. That every fiduciary (except receivers appointed by authority of law in possession of part only of the property of an individual) shall make under oath a return for the individual, estate, or trust for which he acts (1) if the gross income of such individual is $1,000 or over if single or if married and not living with husband or wife, or $2,000 or over if married and living with husband or wife, or (2) if the gross income of such estate or trust is $1,000 or over or if any beneficiary of such estate or trust is a nonresident alien, stating specifically the items of the gross income and the deductions and credits allowed by this title. Under such regulations as the commissioner with the approval of the Secretary may prescribe, a return made by one of two or more joint fiduciaries and filed in the office of the collector of the district where such fiduciary resides shall be a sufficient compliance with the above requirement. The fiduciary shall make oath that he has sufficient knowledge of the affairs of such individual, estate, or trust to enable him to make the return, and that the same is, to the best of his knowledge and belief, true and correct.

Fiduciaries required to make returns under this act shall be subject to all the provisions of this act which apply to individuals.

Mr. LA FOLLETTE. I ask to have that section passed over, if you please.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed, and the Secretary read section 226, on pages 45 and 46, as follows:

RETURNS WHEN ACCOUNTING PERIOD CHANGED.

SEC. 226. That if a taxpayer, with the approval of the commissioner, changes the basis of computing net income from fiscal year to calendar year a separate return shall be made for the period between the close of the last fiscal year for which return was made and the following December 31. If the change is from calendar year to fiscal year, a separate return shall be made for the period between the close of the last calendar year for which return was made and the date designated as the close of the fiscal year. If the change is from one fiscal year to another fiscal year, a separate return shall be made for the period between the close of the former fiscal year and the date designated as the close of the new fiscal year. If a taxpayer making his first return for income tax keeps his accounts on the basis of a fiscal year, he shall make a separate return for the period between the beginning of the calendar year in which such fiscal year ends and the end of such fiscal year.

In all of the above cases the net income shall be computed on the basis of such period for which separate return is made, and the tax shall be paid thereon at the rate for the calendar year in which such period is included; and the credits provided in subdivisions (c) and (d) of section 216 shall be reduced, respectively, to amounts which bear the same ratio to the full credits provided in such subdivisions as the number of months in such period bears to 12 months.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Time and place for filing returns," in section 227, page 46, line 19, after the word "therefor," to strike out: "Except in the case of taxpayers who are abroad, no such extension shall be for more than two months"; so as to make the paragraph read:

TIME AND PLACE FOR FILING RETURNS.

SEC. 227. (a) That returns shall be made on or before the 15th day of the third month following the close of the fiscal year, or, if the return is made on the basis of the calendar year, then the return shall be made on or before the 15th day of March. The commissioner may grant a reasonable extension of time for filing returns whenever in his judgment good cause exists and shall keep a record of every such extension and the reason therefor.

The reading of the bill was resumed, and the Secretary read to the end of section 227, on page 47, line 3.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed, and the Secretary read section 228, on page 47, as follows:

UNDERSTATEMENT IN RETURNS.

SEC. 228. That if the collector or deputy collector has reason to believe that the amount of any income returned is understated, he shall give due notice to the taxpayer making the return to show cause why the amount of the return should not be increased, and upon proof of the amount understated, may increase the same accordingly. Such taxpayer may furnish sworn testimony to prove any relevant facts and if dissatisfied with the decision of the collector may appeal to the commissioner for his decision, under such rules of procedure as may be prescribed by the commissioner with the approval of the secretary.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the heading of "Part III.—Corporations," subhead "Tax on Corporations," in section 230, line 17, before the word "that," to insert "(a)."

The amendment was agreed to.

The next amendment was, on page 47, line 21, after the word "corporation," to insert "other than a life insurance company," and in line 22, after the word "tax," to strike out "as follows" and insert "at the following rates," so as to make the paragraph read:

SEC. 230. (a) That, in lieu of the taxes imposed by section 10 of the revenue act of 1916, as amended by the revenue act of 1917, and by section 4 of the revenue act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every corporation other than a life insurance company a tax at the following rates:

The next amendment was, on page 47, beginning on line 23, to strike out:

(a) In the case of a domestic corporation 18 per cent of the amount of the net income in excess of the credits provided in section 236: *Provided*, That the rate shall be 12 per cent upon so much of this amount as does not exceed the sum of (1) the amount of dividends paid during the taxable year, plus (2) the amount paid during the taxable year out of earnings or profits in discharge of bonds and other interest-bearing obligations outstanding prior to the beginning of the taxable year, plus (3) the amount paid during the taxable year in the purchase of obligations of the United States issued after September 1, 1918; and

(b) In the case of a foreign corporation 18 per cent of the amount of the net income in excess of the credits provided in section 236: *Provided*, That the rate shall be 12 per cent upon so much of this amount as does not exceed the sum of (1) the amount of dividends paid during the taxable year to citizens or residents of the United States or to domestic corporations or partnerships, plus (2) the same proportion of the amount paid during the taxable year out of earnings or profits in discharge of bonds or other interest-bearing obligations outstanding at the beginning of the taxable year which the amount of gross income of the corporation from sources within the United States bears to the amount of its gross income from all sources within and without the United States, plus (3) the amount paid during the taxable year in the purchase of obligations of the United States issued after September 1, 1918.

And insert:

(1) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 236; and

(2) For each calendar year thereafter, 8 per cent of such amount.

(b) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," five-sixths of the tax imposed by paragraph (1) of subdivision (a) and three-fourths of the tax imposed by paragraph (2) of subdivision (a) shall be treated as levied by an act in amendment of Title I of the revenue act of 1917.

Mr. LA FOLLETTE. I ask to have that section go over.

The PRESIDING OFFICER. On the objection of the Senator from Wisconsin, section 230 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Conditional and other exemptions," on page 50, line 7, after the word "purposes," to insert "or for the prevention of cruelty to children or animals," so as to make the paragraph read:

(6) Corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual.

The amendment was agreed to.

The next amendment was, on page 51, after line 2, to strike out:

(11) Farmers', fruit growers', or like associations, organized and operated as sales agents for the purpose of marketing the products of members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity of produce furnished by them.

And to insert:

(11) Farmers', fruit growers' or like associations, or cooperative societies, organized and operated as sales agents for the purpose of marketing the products of members and turning back to them the proceeds of sales, less the necessary selling expense, on the basis of the quantity of produce furnished by them, or as purchasing agents for the purpose of supplying merchandise to members at cost, including the necessary expense: *Provided*, That associations or societies of the kind herein described but which also sell for or to nonmembers shall be liable to taxation under this title, but shall be allowed in addition to the deductions allowed in paragraphs (1) to (10), inclusive, of subdivision (a) of section 234, amounts paid during the taxable year to members on the basis of the quantity of products furnished by them representing the profits thereon, and (b) amounts repaid during the taxable year to members as discounts or rebates upon amounts paid by them for merchandise; but in no case shall the additional deductions authorized in this paragraph exceed the proportion of the total profits of the association or society which the amount of sales for or to members bears to the total amount of purchases or sales.

The amendment was agreed to.

The next amendment was, on page 52, after line 16, to strike out:

(14) Joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank.

And to insert:

(14) Personal service corporations.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I desire simply to call attention to page 50, line 16, where there is a typographical error in the spelling of the word "social."

The PRESIDING OFFICER. The Chair has instructed the Secretary to correct that error.

Mr. SMOOT. Very well.

The reading of the bill was resumed.

The next amendment was, under the head of "Net income defined," in section 232, page 52, line 22, after the word "corporation," to insert "subject to the tax imposed by section 230," so as to make the section read:

SEC. 232. That in the case of a corporation subject to the tax imposed by section 230 the term "net income" means the gross income as defined in section 233 less the deductions allowed by section 234, and the net income shall be computed on the same basis as is provided in subdivision (b) of section 212 or in section 226.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The next amendment was, under the head of "Gross income defined," in section 233, page 53, line 4, after the word "corporation," to insert "subject to the tax imposed by section 230," and in line 6, after the numerals "213," to strike out "except that," so as to make the paragraph read:

SEC. 233. (a) That in the case of a corporation subject to the tax imposed by section 230 the term "gross income" means the gross income as defined in section 213.

The next amendment was, on page 53, after line 7, to strike out:

(1) In the case of life insurance companies there shall not be included in gross income such portion of any actual premium received from any individual policyholder within the taxable year as is paid back or credited to or treated as an abatement of premium of such policyholder within the taxable year.

(2) Mutual marine insurance companies shall include in gross income the gross premiums collected and received by them less amounts paid for reinsurance.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. Section 233 will be passed over, under the objection of the Senator from Wisconsin.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Deductions allowed," in section 234, page 53, line 23, after the word "computing," to insert "the," and in the same line, after the word "income," to insert "of a corporation subject to the tax imposed by section 230," so as to make the paragraph read:

SEC. 234. (a) That in computing the net income of a corporation subject to the tax imposed by section 230 there shall be allowed as deductions.

The PRESIDING OFFICER. The amendment will be agreed to, without objection.

The amendment was agreed to.

Mr. LA FOLLETTE. I ask to have that whole section passed over, Mr. President.

The PRESIDING OFFICER. The section will be passed over upon the objection of the Senator from Wisconsin.

Mr. LA FOLLETTE. I speak early, because the Presiding Officer was submitting the amendments for adoption.

The PRESIDING OFFICER. The Senator means the entire section?

Mr. LA FOLLETTE. I mean the entire section.

The PRESIDING OFFICER. Very well; the Secretary will continue to read, then. The Chair will call the attention of the Senator from Wisconsin to the fact that a verbal amendment on page 53 was agreed to, in lines 23 and 24. There are two small amendments there which were agreed to. Does the Senator desire to reserve them?

Mr. LA FOLLETTE. I think they had better be reserved with the balance of the section. Then it will be understood that the whole section is reserved.

The PRESIDING OFFICER. The Chair had no way of knowing that the Senator intended to object.

Mr. LA FOLLETTE. I understand that.

The PRESIDING OFFICER. Without objection, the vote by which the amendments were agreed to will be reconsidered. The Chair hears no objection.

The next amendment was, on page 55, line 3, after the word "benefits," to insert "of a kind tending to increase the value of the property assessed"; in line 8, after the words "section 238," to insert: "; or (e) in the case of a foreign corporation, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon the property or business, to the extent that the income from such property or business is subject to taxation under this title," so as to read:

(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war-profits and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 238; or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a domestic corporation, by the authority of any foreign country, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 238; or (e) in the case of a foreign corporation, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon the property or business, to the extent that the income from such property or business is subject to taxation under this title: *Provided*, That in the case of obligors specified in subdivision (b) of section 221 no deduction for the payment of the tax imposed by this title or any other tax paid pursuant to the contract or provision referred to in that subdivision shall be allowed.

The next amendment was, on page 55, line 19, after the word "sustained," to strike out "and charged off," so as to read:

(4) Losses sustained during the taxable year and not compensated for by insurance or otherwise.

The next amendment was, on page 56, line 1, to strike out "exhaustion, wear and tear" and insert "depreciation" before the words "of property"; and in line 2, after the word "business," to strike out "but in the case of a foreign corporation only as to property within the United States," so as to read:

(7) A reasonable allowance for the depreciation of property used in the trade or business.

The next amendment was, on page 56, line 8, after the word "war," to insert "and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war"; in line 11 to strike out "may" and insert "shall"; in line 13, after "facilities," to insert "or vessels"; in line 14, after "including," to strike out "amounts otherwise allowed under this title for depreciation, exhaustion, or wear and tear" and insert "any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income"; in line 19, after "war," to strike out "with the Imperial German Government as declared by proclamation of the President"; in line 24, before "taxes," to strike out "necessary adjustment of the"; to insert, after "taxes," the words "imposed by this title and by Title III"; in line 1, page 57, to strike out the first word "made" and insert "redetermined"; in line 2 to strike out "readjustment" and insert "redetermination"; and in line 6, after the words "section 252," to strike out "In the case of a nonresident alien individual this deduction shall be allowed only as to facilities within the United States. In no case shall the deduction allowed under this paragraph exceed 25 per cent of the taxpayer's net income as computed without the benefit of this paragraph," so as to read:

(8) In the case of buildings, machinery, equipment, or other facilities, constructed, erected, installed, or acquired, on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities or vessels as has been borne by the taxpayer, but not again including any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income. At any time within three years after the termination of the present war the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the taxes imposed by this title and by Title III for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

The next amendment was, on page 57, after line 11, to strike out:

(9) (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion; (c) in the case of mines, oil, and gas wells, other natural deposits and timber, a reasonable allowance for depreciation of improvements; such reasonable allowance in all the above cases to be made according to the peculiar conditions in each case and under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee. In the case of a foreign corporation the deductions under this paragraph shall be allowed only as to property within the United States.

And to insert:

(9) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost, including cost of development not otherwise deducted: *Provided*, That in the case of such properties acquired prior to March 1, 1913, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: *Provided further*, That in the case of mines, oil and gas wells

discovered by the taxpayer on or after March 1, 1913, and not acquired as the result of purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery, or within 12 months thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee.

The next amendment was, on page 59, line 6, before the word "contracts," to strike out "and annuity," so as to read:

(10) In the case of insurance companies, in addition to the above: (a) The net addition required by law to be made within the taxable year to reserve funds (including in the case of assessment insurance companies the actual deposit of sums with State or Territorial officers, pursuant to law, as additions to guarantee or reserve funds); and (b) the sums other than dividends paid within the taxable year on policy contracts.

The next amendment was, on page 59, to strike out lines 7 to 14, inclusive, in the following words:

(11) In the case of corporations issuing policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan continuing for life and not subject to cancellation, in addition to the above, such portion of the net addition (not required by law) made within the taxable year to reserve funds as the commissioner finds to be required for the protection of the holders of such policies only.

The next amendment was, on page 59, line 15, to strike out "(12)" and insert "(11)."

The next amendment was, on page 59, line 21, to strike out "(13)" and insert "(12)."

The next amendment was, on page 60, line 1, to insert "(unless already allowed under such paragraphs)," so as to read:

(12) In the case of mutual insurance companies (other than mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive, (unless already allowed under such paragraphs), the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves.

The next amendment was, on page 60, after line 4, to insert:

(13) If it is shown to the satisfaction of the commissioner that during the taxable year 1919 or 1920 the taxpayer (a) has for the first time ascertained the amount of a loss sustained during the preceding taxable year and not deducted from the gross income therefor, or (b) has sustained a substantial loss (whether or not actually realized by sale or other disposition), resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for the preceding taxable year, then the amount of such loss shall be deducted from the net income for such preceding taxable year, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

The next amendment was, on page 60, line 23, to strike out "a trade or business carried on" and insert "income arising from a source," and on page 61, line 1, to strike out "trade or business within and without" and insert "sources of income within and without," so as to make the paragraph read:

(b) In the case of a foreign corporation the deductions allowed in subdivision (a), except those allowed in paragraphs (2) and (3), shall be allowed only if and to the extent that they are connected with income arising from a source within the United States; and the proper apportionment and allocation of the deductions with respect to sources of income within and without the United States shall be determined under rules and regulations prescribed by the commissioner with the approval of the Secretary.

Mr. LA FOLLETTE. I ask that section 234, just read, be passed over.

The PRESIDING OFFICER. It will be passed over.

The Secretary resumed the reading of the bill.

The next amendment was, on page 61, line 10, after "That," to insert "except in the case of life insurance companies," so as to read:

CREDITS ALLOWED.

SEC. 236. That except in the case of life insurance companies there shall be allowed the following credits:

Mr. LA FOLLETTE. I request that section 236 be passed over when its reading is completed.

The next amendment was, in section 236, on page 61, line 13, to insert "and bonds issued by the War Finance Corporation"; and in line 14 to strike out "any State, Territory, any political subdivision thereof, or the District of Columbia," so as to make the paragraph read:

(a) The amount received as interest upon obligations of the United States and bonds issued by the War Finance Corporation which is included in gross income under section 233.

The next amendment was, on page 61, line 17, to strike out "war-profits or excess-profits taxes"; in line 18, to strike out "by act of Congress" and insert "by Title III"; in line 21, to strike out "the portion of the excess-profits tax specified in clause (1) of section 335 shall be credited against that portion of the net income specified in clause (1) of section 239, and the portion of the war-profits or excess-profits tax specified in clause (2) of section 335 shall be credited against that portion of the net income specified in clause (2) of section 239; and," and to insert: "or beginning in 1918 and ending in 1919, the portion of the tax specified in clause (1) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (1) of section 205, and the portion of the tax specified in clause (2) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (2) of section 205; and," so as to read:

(b) The amount of taxes imposed by Title III for the same taxable year: *Provided*, That in the case of a corporation which makes return for a fiscal year beginning in 1917 and ending in 1918, or beginning in 1918 and ending in 1919, the portion of the tax specified in clause (1) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (1) of section 205, and the portion of the tax specified in clause (2) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (2) of section 205; and.

Mr. LA FOLLETTE. I ask that section 236 be passed over.

The PRESIDING OFFICER. It will be passed over on the objection of the Senator from Wisconsin.

The next amendment was, on page 62, line 17, to strike out "18," before "per cent," and insert "8," so as to read:

PAYMENT OF TAX AT SOURCE.

SEC. 237. That in the case of foreign corporations not engaged in trade or business within the United States and not having any office or place of business therein, there shall be deducted and withheld at the source in the same manner and upon the same items of income as is provided in section 221 a tax equal to 8 per cent thereof, and such tax shall be returned and paid in the same manner and subject to the same conditions as provided in that section: *Provided*, That in the case of interest described in subdivision (b) of that section the deduction and withholding shall be at the rate of 2 per cent.

Mr. LA FOLLETTE. That will be passed over.

The PRESIDING OFFICER. On objection, the amendment will be passed over.

Mr. LA FOLLETTE. I ask to have section 237 passed over.

The PRESIDING OFFICER. The section will be passed over.

The next amendment was, on page 62, line 23, in the subhead "Credit for foreign taxes," to strike out the word "foreign."

The amendment was agreed to.

The next amendment was, on page 62, line 25, to strike out "income, war profits, and excess profits"; on page 63, line 1, to strike out "by act of Congress" and insert "by this title and by Title III"; in line 4, to strike out "Porto Rico or the Philippine Islands"; and in line 6, at the end of the paragraph, to insert "or to any possession of the United States," so as to read:

CREDIT FOR TAXES.

SEC. 238 (a). That in the case of a domestic corporation the total taxes imposed for the taxable year by this title and by Title III shall be credited with the amount of any income, war profits, and excess profits taxes paid during the taxable year to any foreign country upon income derived from sources therein or to any possession of the United States.

The next amendment was, in section 238, on page 63, line 9, to strike out "received" and insert "derived"; in line 10 to strike out "country, Porto Rico, or the Philippine Islands," and insert "country or such possession of the United States"; and after line 13 to insert:

(b) In the case of a corporation which makes return for a fiscal year beginning in 1917 and ending in 1918, any tax paid for such fiscal year, under Title I of the revenue act of 1916 or Title I of the revenue act of 1917, shall be credited against the tax imposed by this title—

So as to read:

This credit shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income derived from sources within such foreign country or such possession of the United States, as the case may be, and all other information necessary for the computation of such credit.

(b) In the case of a corporation which makes return for a fiscal year beginning in 1917 and ending in 1918, any tax paid for such fiscal year, under Title I of the revenue act of 1916 or Title I of the revenue act of 1917, shall be credited against the tax imposed by this title.

Mr. LA FOLLETTE. That will be passed over.

The PRESIDING OFFICER. On objection of the Senator from Wisconsin, section 238 will be passed over.

The next amendment was, on page 63, after line 18, to strike out:

RATES FOR FISCAL YEAR 1917–18.

SEC. 239. That if a corporation makes return for a fiscal year beginning in 1917 and ending in 1918, the net income shall be divided into two parts, namely: (1) The portion which bears the same ratio to the total net income as the period between the beginning of such fiscal year and December 31, 1917, bears to the full fiscal year; and (2) the remaining portion of the net income.

The portion specified in clause (1) shall be subject to the rates prescribed by Title I of the revenue act of 1917 and by Title I of the revenue act of 1916 as amended by the revenue act of 1917; and the portion specified in clause (2) shall be subject to the rates prescribed by this title.

The next amendment was, on page 64, line 7, to strike out "240" and insert "239," and in line 8, to insert "subdivisions (1) to (13) of," so as to make the section read:

CORPORATION RETURNS.

SEC. 239. That every corporation not exempt under subdivisions (1) to (13) of section 231 shall make a return, stating specifically the items of its gross income and the deductions and credits allowed by this title. The return shall be sworn to by the president, vice president, or other principal officer and by the treasurer or assistant treasurer. If any foreign corporation has no office or place of business in the United States, but has an agent in the United States, the return shall be made by the agent. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns made by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control.

Returns made under this section shall be subject to the provisions of sections 226 and 228.

The PRESIDING OFFICER. Section 239 will be passed over.

The next amendment was, on page 65, beginning with line 1, to insert:

CONSOLIDATED RETURNS.

SEC. 240. (a) That corporations which are affiliated within the meaning of this section shall, under regulations to be prescribed by the commissioner with the approval of the Secretary, make a consolidated return of net income and invested capital for the purposes of this title and Title III, and the taxes thereunder shall be computed and determined upon the basis of such return

In any case in which a tax is assessed upon the basis of a consolidated return, the total tax shall be computed in the first instance as a unit and shall then be assessed upon the respective affiliated corporations in such proportions as may be agreed upon among them, or, in the absence of any such agreement, then on the basis of the net income and invested capital properly assignable to each. There shall be allowed in computing the income tax only one specific credit of $2,000 (as provided in section 236); in computing the war-profits credit (as provided in section 311) only one specific exemption of $3,000; and in computing the excess-profits credit (as provided in section 312) only one specific exemption of $3,000.

(b) For the purpose of this section, two or more corporations shall be deemed to be affiliated—

(1) If one corporation owns directly or controls through closely affiliated interests or by a nominee or nominees substantially all the stock of the other or others, or if substantially all the stock of two or more corporations is owned or controlled by the same interests, or if one such corporation buys from or sells to another products or services at prices above or below the current market, thus effecting an artificial distribution of profits, or in any way so arranges its financial relationships with another corporation as to assign to it a disproportionate share of net income or invested capital.

(2) A foreign corporation shall not be deemed to be affiliated with a domestic corporation unless substantially all its stock is owned or controlled by such domestic corporation or by a resident taxpayer or group of resident taxpayers owning or controlling substantially all the stock of such domestic corporation. Where under this subdivision a foreign corporation is affiliated with a domestic corporation, the total tax (computed as a unit as above provided) shall be reduced by the credit authorized in section 238.

Mr. LA FOLLETTE. I should like to have that passed over.

The PRESIDING OFFICER. It will go over on the objection of the Senator from Wisconsin.

The next amendment was, on page 67, to insert lines 1 to 17, inclusive, as follows:

PART IV. LIFE INSURANCE COMPANIES.

SEC. 245. That there shall be levied, collected, and paid for each taxable year upon the net income of every life insurance company a tax as follows:

(a) In the case of a domestic life insurance company—

(1) For the calendar year 1918, 12 per cent of its net income;

(2) For each calendar year thereafter, 8 per cent of its net income.

(b) In the case of a foreign life insurance company—

(1) For the calendar year 1918, 12 per cent of the same proportion of the net income which the reserve fund upon business transacted within the United States is of the total reserve fund upon all business transacted, whether within or without the United States;

(2) For each calendar year thereafter, 8 per cent of such proportion of its net income.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. It will go over upon the objection of the Senator from Wisconsin.

The next amendment was, after line 17, on page 67, to insert to line 20, on page 68, as follows:

SEC. 246. (a) That in the case of a life insurance company the term "net income" means the gross income less—

(1) The amount of interest received during the taxable year which under paragraph (4) of subdivision (b) of section 213 is exempt from taxation under this title;

(2) An amount equal to the excess, if any, of 4 per cent of the mean of the reserve funds required by law and held during the taxable year, over the amount specified in paragraph (1) of this subdivision;

(3) An amount equal to 2 per cent of any sums held at the end of the taxable year as a reserve for dividends (other than dividends payable during the year following the taxable year) the payment of which is deferred for a period of not less than five years from the date of the policy contract;

(4) Investment expenses paid during the taxable year not exceeding one-fourth of 1 per cent of the mean invested assets;

(5) Taxes and other expenses paid during the taxable year exclusively in connection with real estate owned by the company not including taxes assessed against local benefits of a kind tending to increase the value of the property assessed and not including any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property;

(6) In the case of a domestic life insurance company, $2,000.

(b) The net income shall be computed on the same basis as is provided in subdivision (b) of section 212 and in section 226.

Mr. GRONNA. I was requested by the Senator from Wisconsin to ask to have this section go over.

The PRESIDING OFFICER. Section 246 will be passed over on the objection of the Senator from North Dakota.

The next amendment was, on page 68, after line 20, to insert:

SEC. 247. That in the case of a life insurance company the term "gross income" means the gross amount of income received during the taxable year from interest, dividends, and rents.

Mr. GRONNA. I ask that section 247 may go over.

The PRESIDING OFFICER. On objection of the Senator from North Dakota section 247 will be passed over.

The next amendment was, on page 59, line 1, in the heading, after the word "Part," to strike out "IV" and insert "V."

The PRESIDING OFFICER. The amendment will be agreed to without objection.

The next amendment was, on page 69, to strike out the first paragraph of section 250 in the following words:

SEC. 250. That except as provided in sections 221 and 237 the tax shall be paid in installments, one-third of the amount of the tax shown in the return to be paid at the time fixed by law for filing the return, one-third on the 15th day of the second month thereafter, and the remaining one-third on the 15th day of the fourth month after the time fixed by law for filing the return; but where an extension of time for filing the return is granted, the first installment shall be due upon the expiration of the period of such extension, and the second and third installments shall be due as above stated, except that in the case of any taxpayer who is abroad the commissioner may extend the time for payment of the second and third installments not more than four months after the expiration of the period of any extension of time for filing his return. If any installment is not paid when due, the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.

And to insert:

SEC. 250. (a) That except as otherwise provided in this section and sections 221 and 237 the tax shall be paid in four installments, each consisting of one-fourth of the total amount of the tax. The first installment shall be paid at the time fixed by law for filing the return, and the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after the time fixed by law for filing the return. Where an extension of time for filing a return is granted the date of the expiration of the period of the extension shall be deemed to be the time fixed by law for filing the return. In any case in which the time for the payment of any installment is thus postponed because of an extension of time for filing the return, there shall be added as part of such installment interest thereon at the rate of one-half of 1 per cent per month from the time it would have been due if no extension had been granted, until paid. If any installment is not paid when due, the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.

The PRESIDING OFFICER. The amendment will be agreed to without objection.

The next amendment was, in section 250, on page 70, line 18, to strike out "or, where an extension of time for filing the return has been granted, on or before the expiration of the period of such extension" and insert "and in the case of any tax of not over $200 so paid there shall be allowed a discount of 1 per cent of the amount thereof. Where an extension of time for filing the return has been granted no interest shall be added to the tax if the whole amount of the tax is paid on or before the time the third installment would have been due if no extension had been granted," so as to read:

The tax may, at the option of the taxpayer, be paid in a single payment instead of in installments, in which case the total amount shall be paid on or before the time fixed by law for filing the return, and in the case of any tax of not over $200 so paid there shall be allowed a discount of 1 per cent of the amount thereof. Where an extension of time for filing the return has been granted no interest shall be added to the tax if the whole amount of the tax is paid on or before the time the third installment would have been due if no extension had been granted.

The PRESIDING OFFICER. The amendment will be agreed to, without objection.

The next amendment was, on page 71, line 1, to insert, as a designation of the paragraph, "(b)".

The amendment was agreed to.

The next amendment was, on page 71, line 7, to strike out "next" and insert "subsequent," and in line 8, after the word "installments," to strike out the words "falling due," so as to make the paragraph read:

(b) As soon as practicable after the return is filed the commissioner shall examine it. If it then appears that the correct amount of the tax is greater or less than that shown in the return, the installments shall be recomputed. If the amount already paid exceeds that which should have been paid on the basis of the installments as recomputed, the excess so paid shall be credited against the subsequent installments;

and if the amount already paid exceeds the correct amount of the tax, the excess shall be credited or refunded to the taxpayer in accordance with the provision of section 252.

The amendment was agreed to.

The next amendment was, on line 2, page 72, after the word "then," to insert "in lieu of the penalty provided by section 3176 of the Revised Statutes, as amended, for false or fraudulent returns willfully made, but," and in line 6, before the words "per centum," to strike out "100" and insert "50," so as to read:

If the understatement is false or fraudulent with intent to evade the tax, then, in lieu of the penalty provided by section 3176 of the Revised Statutes, as amended, for false or fraudulent returns willfully made, but in addition to other penalties provided by law for false or fraudulent returns, there shall be added as part of the tax 50 per cent of the amount of the deficiency.

The amendment was agreed to.

The next amendment was, on page 72, line 8, to insert, as a designation of the paragraph, "(c)".

The amendment was agreed to.

The next amendment was to insert in line 12, on page 72, as a designation of the paragraph, "(d)"; in the same line, after the word "returns," to insert "with intend to evade the tax"; and in line 18, before the word "false," to insert the word "such," so as to make the paragraph read:

(d) Except in the case of false or fraudulent returns with intent to evade the tax, the amount of tax due under any return shall be determined and assessed by the commissioner within five years after the return was due or was made, and no suit or proceeding for the collection of any tax shall be begun after the expiration of five years after the date when the return was due or was made. In the case of such false or fraudulent returns, the amount of tax due may be determined at any time after the return is filed, and the tax may be collected at any time after it becomes due.

The amendment was agreed to.

The next amendment was, on page 72, line 22, to insert, as a designation of the paragraph, "(e)".

The amendment was agreed to.

The next amendment was, on page 73, line 3, after the word "due," to insert:

Provided, That as to any such amount which is the subject of a bona fide claim for abatement, the interest from the time the amount was due until the claim is decided shall be at the rate of one-half of 1 per cent per month.

In the case of the first installment provided for in subdivision (a) the instructions printed on the return shall be deemed sufficient notice of the date when the tax is due and sufficient demand, and the taxpayer's computation of the tax on the return shall be deemed sufficient notice of the amount due.

The next amendment was, on page 73, after line 12, to insert:

(f) In any case in which in order to enforce payment of a tax it is necessary for a collector to cause a warrant of distraint to be served, there shall also be added as part of the tax the sum of $5.

The next amendment was, on page 73, after line 16, to insert:

(g) If the commissioner finds that a taxpayer designs quickly to depart from the United States or to remove his property therefrom, or to conceal himself or his property therein, or to do any other act tending to prejudice or to render wholly or partly ineffectual proceedings to collect the tax for the taxable year then last past or the taxable year then current unless such proceedings be brought without delay, the commissioner shall declare the taxable period for such taxpayer terminated at the end of the calendar month then last past and shall cause notice of such finding and declaration to be given the taxpayer, together with a demand for immediate payment of the tax for the taxable period so declared terminated and of the tax for the preceding taxable year or so much of said tax as is unpaid, whether or not the time otherwise allowed by law for filing return and paying the tax has expired; and such taxes shall thereupon become immediately due and payable. In any action or suit brought to enforce payment of taxes made due and payable by virtue of the provisions of this subdivision the finding of the commissioner, made as herein provided, whether made after notice to the taxpayer or not, shall be for all purposes presumptive evidence of the taxpayer's design. A taxpayer who is not in default in making any return or paying income, war profits, or excess-profits tax under any act of Congress may furnish to the United States, under regulations to be prescribed by the commissioner, with the approval of the Secretary, security approved by the Commissioner that he will duly make the return next thereafter required to be filed and pay the tax next thereafter required to be paid. The commissioner may approve and accept in like manner security for return and payment of taxes made due and payable by virtue of the provisions of this subdivision, provided the taxpayer has paid in full all other income, war profits, or excess-profits taxes due from him under any act of Congress. If security is approved and accepted pursuant to the provisions of this subdivision and such further or other security with respect to the tax or taxes covered thereby is given as the commissioner shall from time to time find necessary and require, payment of such taxes shall not be enforced by any proceedings under the provisions of this subdivision prior to the expiration of the time otherwise allowed for paying such respective taxes.

Mr. GRONNA. Mr. President, I ask that subsection (g) be passed over.

The VICE PRESIDENT. Subsection (g) is passed over, and, without objection, the remainder of the section is agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, under the subhead "Receipts for taxes," section 251, on page 75, line 10, after the word "shall," to insert the words "upon request," so as to read:

RECEIPTS FOR TAXES.

SEC. 251. That every collector to whom any payment of any tax is made under the provisions of this title shall upon request give to the person making such payment a full written or printed receipt, stating the amount paid and the particular account for which such payment was made.

The VICE PRESIDENT. The amendment is agreed to, without objection.

The next amendment was, under the head of "Refunds," section 252, page 76, line 14, after the word "then," to strike out the words "subject to," and to insert "notwithstanding"; and in line 16, after the word "Revised," to strike out "Statutes," and to insert "Statutes," so as to read:

REFUNDS.

SEC. 252. That if, upon examination of any return of income made pursuant to this act, the act of August 5, 1909, entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," the act of October 3, 1913, entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," the revenue act of 1916, as amended, or the revenue act of 1917, it appears that an amount of income, war profits or excess-profits tax has been paid in excess of that properly due, then, notwithstanding the provisions of section 3228 of the Revised Statutes, the amount of the excess shall be credited against any income, war profits or excess-profits taxes, or installment thereof, then due from the taxpayer under any other return, and any balance of such excess shall be immediately refunded to the taxpayer.

The amendment was agreed to.

The next amendment was, on page 76, line 20, after the word "taxpayer," to insert:

Provided, That no such credit or refund shall be allowed or made after five years from the date when the return was due, unless before the expiration of such five years a claim therefor is filed by the taxpayer.

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of line 23, on page 77, the last clause read being as follows:

RETURNS OF PAYMENTS OF DIVIDENDS.

SEC. 254. That every corporation subject to the tax imposed by this title shall, when required by the commissioner, render a correct return duly verified under oath, of its payments of dividends, stating the name and address of each stockholder, the number of shares owned by him, and the amount of dividends paid to him.

Mr. SMOOT. Mr. President, I want to call the attention of the Senator from North Carolina to this section. On page 52, line 20, of the bill, the Senator will recall that we included under that title personal service corporations. That being the case, we ought to add, after the word "title," on line 19, of this section, the words "and every personal service corporation," so that it will read:

That every corporation subject to the tax imposed by this title and every personal service corporation shall, when required by the commission—

And so forth.

In other words, they are exempt in one case, and we must specifically state here that they shall make returns. We want them to make returns. I offer the amendment which I have suggested in behalf of the committee, after the word "title," in line 19, to add the words "and every personal-service corporation."

Mr. SIMMONS. I have no objection to that amendment, Mr. President.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head "Returns of brokers," in section 255, page 77, line 16, after the word "broker," to strike out "on any exchange or board of trade or other similar place of business," so as to make the section read:

RETURNS OF BROKERS.

SEC. 255. That every individual, corporation, or partnership doing business as a broker shall, when required by the commissioner, render a correct return duly verified under oath, under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe, showing the names of customers for whom such individual, corporation, or partnership has transacted any business, with such details as to the profits, losses, or other information which the commissioner may require, as to each of such customers, as will enable the commissioner to determine whether all income tax due on profits or gains of such customers has been paid.

The amendment was agreed to.

The next amendment was, under the head "Information at source," in section 256, page 78, line 20, after the word "of," to insert "or at the rate of," and on page 79, line 2, after the word "manner," to insert "and to such extent," so as to read:

INFORMATION AT SOURCE.

SEC. 256. That all individuals, corporations, and partnerships, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, and employers, making payment to another individual, corporation, or partnership, of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed, or determinable gains, profits, and income (other than payments described in sections 254 and 255), of or at the rate of $1,000 or more in any taxable year, or, in the case of such payments made by

the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the commissioner, under such regulations and in such form and manner and to such extent as may be prescribed by him with the approval of the Secretary, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment.

The amendment was agreed to.

The next amendment was, under the head of "Returns to be public records," section 257, page 79, line 26, after the word "commissioner," to strike out "shall be filed in the office of the commissioner and"; on page 80, line 5, after the word "State," strike out "imposing an income tax to which corporations are subject"; and in line 10, after the word "prescribe," to insert: "*Provided further*, That all bona fide stockholders of record owning 1 per cent or more of the outstanding stock of any corporation shall, upon making request of the commissioner, be allowed to examine the annual income returns of such corporation and of its subsidiaries," so as to read:

RETURNS TO BE PUBLIC RECORDS.

SEC. 257. That returns upon which the tax has been determined by the commissioner shall constitute public records; but they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President: *Provided*, That the proper officers of any State may, upon the request of the governor thereof, have access to the returns of any corporation, or to an abstract thereof showing the name and income of the corporation at such times and in such manner as the Secretary may prescribe: *Provided further*, That all bona fide stockholders of record owning 1 per cent or more of the outstanding stock of any corporation shall, upon making request of the commissioner, be allowed to examine the annual income returns of such corporation and of its subsidiaries.

The amendment was agreed to.

The next amendment was, on page 80, line 17, after the word "inspection," to strike out "in the office of each collector, a list," and to insert "in such manner as he may determine lists"; in line 18, after the word "names," to strike out in "alphabetical order"; and in line 20, after the word "returns," to strike out "in such district," so as to make the clause read:

The commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine lists containing the names and the post-office addresses of all individuals making income-tax returns.

The amendment was agreed to.

The next amendment was, on page 81, after line 17, to strike out the following words:

PORTO RICO AND PHILIPPINE ISLANDS.

SEC. 260. That in Porto Rico and the Philippine Islands the income tax shall be levied, assessed, collected, and paid in accordance with the provisions of the revenue act of 1916, as amended by the revenue act of 1917: *Provided*, That the Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income-tax laws in force in Porto Rico or the Philippine Islands, respectively.

The amendment was agreed to.

The next amendment was, on page 82, after line 2, to insert:

CITIZENS OF UNITED STATES POSSESSIONS.

SEC. 260. That any individual who is a citizen of any possession of the United States and who is not a resident of the United States shall be subject to taxation under this title only as to income derived from sources within the United States, and in such case the tax shall be computed and paid in the same manner and subject to the same conditions as in the case of other persons who are taxable only as to income derived from such sources.

The amendment was agreed to.

The next amendment was, on page 82, after line 11, to insert:

PORTO RICO AND PHILIPPINE ISLANDS.

SEC. 261. That in Porto Rico and the Philippine Islands the income tax shall be levied, assessed, collected, and paid in accordance with the provisions of the revenue act of 1916 as amended.

Returns shall be made and taxes shall be paid under Title I of such act in Porto Rico or the Philippine Islands as the case may be, by (1) every individual who is a citizen or resident of Porto Rico or the Philippine Islands or derives income from sources therein, and (2) every corporation created or organized in Porto Rico or the Philippine Islands or deriving income from sources therein. An individual who is neither a citizen nor a resident of Porto Rico or the Philippine Islands but derives income from sources therein shall be taxed in Porto Rico or the Philippine Islands as a nonresident alien individual, and a corporation created or organized outside Porto Rico or the Philippine Islands and deriving income from sources therein shall be taxed in Porto Rico or the Philippine Islands as a foreign corporation.

The Porto Rican or Philippine legislature shall have power by due enactment to amend, alter, modify, or repeal the income-tax laws in force in Porto Rico or the Philippine Islands, respectively.

The amendment was agreed to.

Mr. LA FOLLETTE. I shall ask to have the next title passed over, but I will make the request by sections as they are read.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, in the heading on page 83, line 10, after the words "Title III," to strike out "War Profits and," and insert "War," so as to read: "Title III.—War Excess-Profits Tax."

The next amendment was, on page 83, under the subhead "General definitions," in section 300, in line 14, after the words "fiscal year," to insert "personal service corporation," "paid or accrued"; and in line 16, after the word "in," to strike out "section 200" and to insert "sections 200 and 201," so as to make the section read:

PART I.—GENERAL DEFINITIONS.

SEC. 300. That when used in this title the terms "taxable year," "fiscal year," "personal service corporation," "paid or accrued," and "dividends" shall have the same meaning as provided for the purposes of income tax in sections 200 and 201. The first taxable year for the purposes of this title shall be the same as the first taxable year for the purposes of the income tax under Title II.

Mr. LA FOLLETTE. I ask to have that section go over.

The VICE PRESIDENT. Does the Senator desire it all to go over?

Mr. LA FOLLETTE. Yes; I should like to have it all go over.

The VICE PRESIDENT. "Part I" will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the heading "Part II.—Imposition of tax," in section 301, on page 83, after "Sec. 301," to insert "(a)"; in line 23, after the word "shall," to strike out "(except as otherwise provided in section 303)"; in line 24, after the word "for," to strike out "each" and insert "the"; in line 25, after the word "year," to insert "1918"; in the same line, after the word "every," to strike out the comma; and on page 84, line 1, after the word "tax," to strike out "computed according to whichever of the two following methods yields the higher amount of tax in the case of such corporation: (a) The war-profits method specified in Part III of this title, or (b) the excess-profits method specified in Part IV of this title," and insert "equal to the sum of the following," so as to make the clause read:

PART II.—IMPOSITION OF TAX.

SEC. 301. (a) That in lieu of the tax imposed by Title II of the revenue act of 1917, but in addition to the other taxes imposed by this act, there shall be levied, collected, and paid for the taxable year 1918 upon the net income of every corporation a tax equal to the sum of the following.

The next amendment was, on page 84, after line 6, to insert:

FIRST BRACKET.

Thirty per cent of the amount of the net income in excess of the excess-profits credit (determined under sec. 312) and not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

Sixty per cent of the amount of the net income in excess of 20 per cent of the invested capital.

THIRD BRACKET.

The sum, if any, by which 80 per cent of the amount of the net income in excess of the war-profits credit (determined under sec. 311) exceeds the amount of the tax computed under the first and second brackets.

(b) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the net income of every corporation a tax equal to the sum of the following:

FIRST BRACKET.

Twenty per cent of the amount of the net income in excess of the excess-profits credit (determined under sec. 312) and not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

Forty per cent of the amount of the net income in excess of 20 per cent of the invested capital.

(c) In any case where the full amount of the excess-profits credit is not allowed under the first bracket of subdivision (a) or (b), by reason of the fact that such credit is in excess of 20 per cent of the invested capital, the part not so allowed shall be deducted from the amount in the second bracket.

(d) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," the tax imposed by this title shall be treated as levied by an act in amendment of Title II of the revenue act of 1917.

Mr. LA FOLLETTE. I ask that the section be passed over.

The VICE PRESIDENT. Just this section, or the entire subject?

Mr. LA FOLLETTE. The entire subject; but there was a sort of understanding when the reading was commenced that the request should be made after the reading of each section. That is the reason I have been interrupting and making separate requests, as some Senator insisted upon its being done in that way.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 302, on page 85, line 16, after the word "That," to strike out "in the case of a corporation whose invested capital for the taxable year is not more than $25,000, the tax imposed by section 301 shall not be more than 35 per cent of the amount of its net income for such year in excess of $3,000; and if its invested capital for the taxable year is more than $25,000, but not more than $50,000, such tax shall not be more than 40 per cent of the amount of its net income for such year in excess of

$3,000. This section shall not apply to any corporation whose net income is more than $50,000," and insert "the tax imposed by subdivision (a) of section 301 shall in no case be more than 30 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 80 per cent of the amount of the net income in excess of $20,000; and the tax imposed by subdivision (b) of section 301 shall in no case be more than 20 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 40 per cent of the amount of the net income in excess of $20,000. Nothing in this section shall be construed in such manner as to increase the tax imposed by section 301."

Mr. LA FOLLETTE. I ask that that section be passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 86, after line 10, to strike out:

SEC. 303. That in the case of a corporation the earnings of which are to be ascribed primarily to the activities of the principal owners or stockholders who are themselves regularly engaged in the active conduct of the affairs of the corporation, and in which capital (whether invested, borrowed, rented, or otherwise secured) is not directly or indirectly a material income-producing factor, there shall be levied, collected, and paid for each taxable year upon its net income (in lieu of the tax imposed by Title II of the revenue act of 1917 and in lieu of the tax imposed by section 301 of this act, but in addition to the other taxes imposed by this act) a tax of 20 per cent of the amount of its net income in excess of $3,000. A foreign corporation shall not be entitled to the specific exemption of $3,000.

A corporation 50 per cent or more of whose gross income (as defined in section 213 for income-tax purposes) consists of gains or profits derived from purchase and sale, or of gains, profits, or commissions derived from Government contracts, or whose invested capital is more than $100,000, shall not be subject to the tax imposed by this section, but shall be subject to the tax imposed by section 301.

Wherever in this act reference is made to "war-profits" or "excess-profits" taxes, and the context shows that taxes imposed by act of Congress are referred to, such reference shall include the tax imposed by this section.

Mr. LA FOLLETTE. I ask that that section be passed over.

The VICE PRESIDENT. The section will be passed over.

The next amendment of the Committee on Finance was, on page 27, after line 11, to insert:

SEC. 303. That if part of the net income of a corporation is derived (1) from a trade or business (or a branch of a trade or business) in which the employment of capital is necessary, and (2) a part (constituting not less than 30 per cent of its total net income) is derived from a separate trade or business (or a distinctly separate branch of the trade or business) which if constituting the sole trade or business would bring it within the class of "personal service corporations," then (under regulations prescribed by the commissioner with the approval of the Secretary) the tax upon the first part of such net income shall be separately computed, and the tax upon the second part shall be the same percentage thereof as the tax so computed upon the first part is of such first part.

Mr. LA FOLLETTE. I ask that that section be passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 88, line 5, after "(b)" to strike out "The taxes imposed by this title shall not be imposed in the case of a foreign corporation the net income of which during the taxable year is less than $3,000" and insert "Life insurance companies shall be exempt from taxation under this title."

The next amendment was, on page 88, after line 8, to insert:

(c) Any corporation whose net income for the taxable year is less than $3,000 shall be exempt from taxation under this title.

The next amendment was, on page 88, after line 11, to insert:

(d) In the case of any corporation engaged in the mining of gold, the portion of the net income derived from the mining of gold shall be exempt from the tax imposed by this title, and the tax on the remaining portion of the net income shall be computed upon the basis of an invested capital which bears the same ratio to the full invested capital as such remaining portion of the net income bears to the entire net income.

Mr. LA FOLLETTE. I ask that that section be passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 88, line 24, in the heading, to strike out "War Profits Method" and insert "Credits," so as to make the heading read: "Part III.—Credits."

Mr. LA FOLLETTE. I am going to ask to have Part III passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 89, after line 3, to strike out section 311, as follows:

SEC. 311. That the tax, if computed by the war-profits method, shall be 80 per cent of the amount of the net income in excess of the war-profits credit (determined under section 312).

Mr. LA FOLLETTE. I ask that that section be passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 89, line 8, to change the number of the section from 312 (a) to 311 (a); and on page 89, line 13, after the word "the," to strike out "invested capital added or withdrawn since the close of the prewar period; but if," and insert "difference between the average invested capital for the prewar period and the invested capital for the taxable year if," so as to read:

SEC. 311. (a) That the war-profits credit shall consist of the sum of:

(1) A specific exemption of $3,000; and

(2) An amount equal to the average net income of the corporation for the prewar period, plus or minus, as the case may be, 10 per cent of the difference between the average invested capital for the prewar period and the invested capital for the taxable year. If the tax is computed for a period of less than 12 months, such amount shall be reduced to the same proportion thereof as the number of months in the period is of 12 months.

The next amendment was, on page 89, line 20, after the word "corporation," to strike out "was not in existence during the whole of any one calendar year during the prewar period, or if it," so as to make the clause read:

(b) If the corporation had no net income for the prewar period, or if the amount computed under paragraph (2) of subdivision (a) is less than 10 per cent of its invested capital for the taxable year, then the war-profits credit shall be the sum of:

The next amendment was, on page 90, after line 3, to insert:

(c) If the corporation was not in existence during the whole of at least one calendar year during the prewar period, then the war-profits credit shall be the sum of:

(1) A specific exemption of $3,000; and

(2) An amount equal to the same percentage of the invested capital of the taxpayer for the taxable year as the average percentage of net income to invested capital, for the prewar period, of corporations engaged in a trade or business of the same general class as that conducted by the taxpayer; but such amount shall in no case be less than 10 per cent of the invested capital of the taxpayer for the taxable year. Such average percentage shall be determined by the commissioner on the basis of data contained in returns made under Title II of the revenue act of 1917, and the average known as the median shall be used. If such average percentage has not been determined and published at least 30 days prior to the time when the return of the taxpayer is due, then for purposes of such return 10 per cent shall be used in lieu thereof; but such average percentage when determined shall be used for the purposes of section 250 in determining the correct amount of the tax.

The next amendment was, on page 91, at the beginning of line 1, to strike out "(c)" and insert "(d)."

Mr. LA FOLLETTE. I ask to have the section passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 91, beginning with line 3, to strike out:

PART IV.—EXCESS-PROFITS METHOD.

SEC. 315. That the tax, if computed by the excess-profits method, shall be the sum of the following:

Thirty-five per cent of the amount of the net income in excess of the excess-profits credit (determined under section 316) and not in excess of 15 per cent of the invested capital for the taxable year;

Fifty per cent of the amount of the net income in excess of 15 per cent and not in excess of 20 per cent of such capital; and

Seventy per cent of the amount of the net income in excess of 20 per cent of such capital.

In any case where the full amount of the credit is not allowed under the first bracket above provided, by reason of the fact that such credit is in excess of 15 per cent of the invested capital, the part not so allowed shall be deducted from the amount in the next succeeding bracket, and if not then fully allowed the remaining part shall be deducted from the amount in the last bracket.

And on line 22, after the word "SEC.," to strike out "316" and insert "312," so as to read:

SEC. 312. That the excess-profits credit shall consist of a specific exemption of $3,000 plus an amount equal to 8 per cent of the invested capital for the taxable year.

A foreign corporation shall not be entitled to the specific exemption of $3,000.

Mr. LA FOLLETTE. I ask to have that all passed over.

The VICE PRESIDENT. It will be passed over.

The next amendment was, on page 92, line 3, in the heading, after the word "Part," to strike out "V" and insert "IV," so as to make the heading read: "Part IV.—Net Income."

The VICE PRESIDENT. That will be agreed to, if there is no objection.

Mr. LA FOLLETTE. There will be a request for part of this section to go over; and I think perhaps it might as well all go over, Mr. President.

The VICE PRESIDENT. Is there any objection to striking out "V" and inserting "IV"?

Mr. LA FOLLETTE. No.

The VICE PRESIDENT. That will be agreed to, then.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 92, line 25, after the word "act," to strike out "except that in the case of oil and gas wells there shall be deducted (in lieu of the deduction provided in clause (a) of paragraph (9) of subdivision (a) of section 234) a reasonable allowance for

depletion (including in the case of producers or prospecters a reasonable allowance for hazard not to exceed 10 per cent of the value in the ground of the oil withdrawn during the taxable year) such deduction to be made under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary."

Mr. LA FOLLETTE. I ask to have all that go over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 93, line 14, in the heading, after the word "Part," to strike out "VI" and insert "V," so as to read: "Part V.—Invested Capital."

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 94, line 6, after the word "thereof," to insert "or where all or part of the interest derived from such assets is in effect included in the net income because of the limitation on the deduction of interest under paragraph (2) of subdivision (a) of section 234," and in line 11, after the word "inadmissible," to insert "assets," and after the word "assets" to insert: "The term 'admissible assets' means all assets other than inadmissible assets, but only to the extent that they are allowed to be included in invested capital under the provisions of section 326," so as to read:

The term "inadmissible assets" means stocks, bonds, and other obligations (other than obligations of the United States), the dividends or interest from which is not included in computing net income, but where the income derived from such assets consists in part of gain or profit derived from the sale or other disposition thereof, or where all or part of the interest derived from such assets is in effect included in the net income because of the limitation on the deduction of interest under paragraph (2) of subdivision (a) of section 234, a corresponding part of the capital invested in such assets shall not be deemed to be inadmissible assets;

The term "admissible assets" means all assets other than inadmissible assets, but only to the extent that they are allowed to be included in invested capital under the provisions of section 326.

The next amendment was, on page 94, line 17, after the word "shares," to insert "issued at a nominal value or," so as to make the paragraph read:

(b) For the purposes of this title, the par value of stock or shares shall, in the case of stock or shares issued at a nominal value or having no par value, be deemed to be the fair market value as of the date or dates of issue of such stock or shares.

Mr. LA FOLLETTE. I ask to have that section all go over.

The VICE PRESIDENT. It will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 95, line 4, after the word "therefor," to insert a comma and the words "unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid in surplus," so as to read:

(2) Actual cash value of tangible property, other than cash, bona fide paid in for stock or shares, at the time of such payment, but in no case to exceed the par value of the original stock or shares specifically issued therefor, unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid-in surplus.

The next amendment was, on page 95, line 12, after the words "taxable year," to strike out "and not including the increase in the value of any asset above the original cost until such increase is actually realized by sale," so as to make the paragraph read:

(3) Paid-in or earned surplus and undivided profits, not including surplus and undivided profits earned during the taxable year.

The next amendment was, on page 95, line 19, after the word "aggregate," to strike out "20" and insert "30," so as to make the paragraph read:

(4) Intangible property bona fide paid in for stock or shares prior to March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 50 per cent of the par value of the total stock or shares of the corporation outstanding on March 3, 1917, whichever is lowest.

The next amendment was, on page 95, line 22, after the numeral "(5)," to strike out "Patents and copyrights" and insert "Intangible property," so as to make the paragraph read:

(5) Intangible property bona fide paid in for stock or shares on or after March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 30 per cent of the par value of the total stock or shares of the corporation outstanding at the beginning of the taxable year, whichever is lowest; but

The next amendment was, on page 96, after line 6, to strike out:

(1) Borrowed capital; or

(2) Intangible property (other than patents and copyrights) paid in for stock or shares on or after March 3, 1917.

And insert:

borrowed capital.

The next amendment was, on page 96, line 12, after the word "defined," to strike out "an amount equal to the average amount of capital invested in inadmissible assets held by the corporation during the year: *Provided*, That at the option of the corporation the amount to be so deducted shall be reduced to the amount by which such average amount invested in inadmissible assets exceeds the average amount of borrowed capital of the corporation (other than indebtedness maturing within one year of its creation, all accounts payable and current liabilities) for such year, but in such case in computing the tax under this title there shall be included in the net income for such year the same proportion of the total amount of interest and dividends received during such year from such inadmissible assets as the amount of such capital invested in inadmissible assets not deducted from invested capital bears to the total amount of such inadmissible assets," and to insert "a percentage thereof equal to the percentage which the amount of inadmissible assets is of the amount of admissible and inadmissible assets held during the taxable year: *Provided*, That no such deduction shall be made in the case of any dealer in securities, insurance company, bank, banking association, loan or trust company which elects to include in its net income all income derived from inadmissible assets; but where such election is made there shall be deducted from the net income any interest paid or accrued during the taxable year which has not been deducted under paragraph (2) of subdivision (a) of section 234: *Provided further*, That such election once made shall be adhered to in subsequent taxable years unless permission to change is granted by the commissioner," so as to make the paragraph read:

(c) There shall be deducted from invested capital as above defined a percentage thereof equal to the percentage which the amount of inadmissible assets is of the amount of admissible and inadmissible assets held during the taxable year: *Provided*, That no such deduction shall be made in the case of any dealer in securities, insurance company, bank, banking association, loan or trust company which elects to include in its net income all income derived from inadmissible assets; but where such election is made there shall be deducted from the net income any interest paid or accrued during the taxable year which has not been deducted under paragraph (2) of subdivision (a) of section 234: *Provided further*, That such election once made shall be adhered to in subsequent taxable years unless permission to change is granted by the commissioner.

The next amendment was, on page 97, line 16, after the letter "(d)," to strike out:

In the case of a foreign corporation the term "invested capital" includes only its invested capital used or employed within the United States.

(e) The invested capital for any year shall be the average invested capital for such year, as above defined, but in the case of a corporation making a return for a fractional part of the year a corresponding reduction shall be made in the invested capital.

And to insert:

The invested capital for any period shall be the average invested capital for such period, but in the case of a corporation making a return for a fractional part of a year, it shall (except for the purpose of paragraph (2) of subdivision (a) of section 311) be the same fractional part of such average invested capital.

Mr. LA FOLLETTE. I ask that that section may be passed over.

The VICE PRESIDENT. The section will be passed over.

The next amendment of the Committee on Finance was, on page 98, line 5, after the words "SEC. 327," to strike out:

(a) That in the following cases the invested capital shall be determined as provided in subdivision (b) of this section: (1) Where the commissioner is unable satisfactorily to determine the invested capital as provided in section 326; or (2) where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and bonds and the commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, so as to distinguish the classes of property paid in for stock and for bonds, respectively; or (3) where capital is a material income-producing factor, but where, because of the fact that the capital employed is in large part borrowed, there is no invested capital or the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business. This section shall not apply in the case of a corporation 50 per centum or more of whose gross income (as defined in section 213 for income-tax purposes) consists of gain, profits, or commissions derived from Government contracts, unless the commissioner is satisfied that such corporation is overcapitalized.

(b) In the cases specified in subdivision (a) the invested capital shall be the amount which bears the same ratio to the net income of the corporation for the taxable year as the average invested capital for the taxable year of representative corporations engaged in a like or similar trade or business bears to their average net income for such year.

SEC. 328. (a) That in cases where invested capital is to be determined in the manner provided in section 327.

And to insert:

That in the following cases the tax shall be determined as provided in section 328:

(a) Where the commissioner is unable satisfactorily to determine the invested capital as provided in section 326;

(b) In the case of a foreign corporation;

(c) Where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and bonds and the commissioner is unabe satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively;

(d) Where, as compared with representative corporations engaged in a like or similar trade or business, the taxpayer would (under section 326) be placed in a position of substantial inequality because of the time or manner of organization or because the actual value of the assets on March 1, 1913, was substantially in excess of the amount at which such assets would be valued for the purpose of computing invested capital under the provisions of section 326;

(e) Where the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business because:

1. The capital employed, although a material income-producing factor, is very small or is in large part borrowed;

2. There are excluded from the invested capital as computed under the provisions of section 326 intangible assets of recognized and substantial value built up or developed by the taxpayer;

3. The net income for the taxable year is abnormally high, due to the realization in one year of (a) gains, profits, or income earned or accrued during a period of years or (b) extraordinary gains or profit derived from the sale of property the principal value of which has been demonstrated by prospecting or exploration and discovery work done by the taxpayer. When the tax is determined under this paragraph proper allowance shall be made for the taxes which would have been payable in prior years if the gains, profits, or income earned or accrued in such years had been taxed at the rates then applicable.

4. Proper recognition or allowance can not be made for amortization, obsolescence, or exceptional depletion due to the present war or to the necessity in connection with the present war of providing plant which will not be wanted for the purpose of the trade or business after the termination of the war.

Mr. LA FOLLETTE. I ask to have that whole section passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 328, page 101, line 7, after the numerals "328," to insert: "(a) In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year as the average tax of representative corporations engaged in a like or similar trade or business bears to their average net income (in excess of the specific exemption of $3,000) for such year"; in line 13, before the words "the commissioner," to insert "In such cases"; and in line 19, after the word "war," to insert "profits," so as to make the paragraph read:

SEC. 328. (a) In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year as the average tax of representative corporations engaged in a like or similar trade or business bears to their average net income (in excess of the specific exemption of $3,000) for such year. In such cases the commissioner shall compare the taxpayer only with representative corporations whose invested capital can be satisfactorily determined under section 326 and which are, as nearly as may be, similarly circumstanced with respect to gross income, net income, profits per unit of business transacted and capital employed, the amount and rate of war profits or excess profits, and all other relevant facts and circumstances.

The next amendment was, on page 101, line 21, after the words "purposes of," to strike out "section 327" and insert "subdivision (a)"; in line 22, after the word "average," to strike out "invested capital" and insert "tax"; and in line 24, after the word "determined," to strike out "for each calendar year," so as to make the paragraph read:

(b) For the purposes of subdivision (a) the ratios between the average tax and the average net income of representative corporations shall be determined by the commissioner in accordance with regulations prescribed by him with the approval of the Secretary.

The next amendment was, on page 102, after line 2, to strike out:

In the case of a corporation making a return on the basis of a fiscal year the ratios determined for the calendar year ending during such fiscal year shall be used, except that in the case of a fiscal year ending during the calendar year 1918 the ratios based upon returns made under Title II of the revenue act of 1917 shall be used.

The next amendment was, on page 102, line 10, after the word "which," to strike out "invested capital" and insert "the tax," and in line 11, after the word "in," to strike out "section 327," and insert "subdivision (a)," so as to make the paragraph read:

(c) The commissioner shall keep a record of all cases in which the tax is determined in the manner prescribed in subdivision (a), containing the name and address of each taxpayer, the business in which engaged, the amount of invested capital and net income shown by the return, and the amount of invested capital as determined under such section. The commissioner shall furnish a copy of such record and other detailed information with respect to such cases when required by resolution of either House of Congress, without regard to the restrictions contained in section 257.

Mr. LA FOLLETTE. I ask to have that section passed over.

The VICE PRESIDENT. The section will be passed over.

The next amendment was, on page 102, line 20, in the heading, after the word "Part," to strike out "VII" and insert "VI" so as to make the heading read: "Part VI.—Reorganizations."

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, in section 330, page 102, line 23, after the word "by," to strike out "a corporation, the corporation," and insert "the taxpayer, the taxpayer"; in line 25, after the word "been," to strike out "in existence" and insert "engaged in such trade or business"; on page 103, line 3, after the words "prior to," to strike out "the organization of the corporation now carrying on such trade or business" and insert "such reorganization, consolidation, or change of ownership"; and, in line 7, after the word "of," to strike out "such corporation" and insert "the taxpayer," so as to make the paragraph read:

SEC. 330. That in the case of the reorganization, consolidation, or change of ownership after January 1, 1911, of a trade or business now carried on by the taxpayer, the taxpayer shall for the purposes of this tile be deemed to have been engaged in such trade or business prior to that date, and the net income and invested capital of such predecessor trade or business for all or any part of the prewar period prior to such reorganization, consolidation, or change of ownership shall be deemed to have been the net income and invested capital of the taxpayer.

The VICE PRESIDENT. Is this also part of the part objected to?

Mr. LA FOLLETTE. Yes, sir; the first section is, at least.

The next amendment was, on page 103, beginning with line 8, to strike out:

If such predecessor trade or business was carried on by a partnership or individual the net income for the prewar period shall be ascertained and returned upon the same basis and in the same manner as provided for income-tax purposes in Title II, except that the credits provided in subdivisions (a) and (b) of section 216 shall be deducted.

And to insert:

If such predecessor trade or business was carried on by a partnership or individual the net income for the prewar period shall, under regulations prescribed by the commissioner, with the approval of the Secretary, be ascertained and returned as nearly as may be upon the same basis and in the same manner as provided for corporations in Title II, including a reasonable deduction for salary or compensation to each partner or the individual for personal services actually rendered.

If any asset of the trade or business in existence both during the taxable year and any prewar year is included in the invested capital for the taxable year, but is not included in the invested capital for such prewar year, or is valued on a different basis in computing the invested capital for the taxable year and such prewar year, respectively, then under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary, such readjustments shall be made as are necessary to place the computation of the invested capital for such prewar year on the basis employed in determining the invested capital for the taxable year.

Mr. LA FOLLETTE. I ask to have that section passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment was, in section 331, page 104, line 9, after the word "business," to insert a comma and the words "or change of ownership of property"; in line 11, after the word "business," to insert "or property"; in line 13, after the word "the," to strike out "predecessor trade or business" and insert "previous owner"; in line 17, after the word "such," to strike out "prior trade or business" and insert "previous owner"; and in line 19, after the word "received," to insert: "*Provided*, That if such previous owner was not a corporation, then the value of any asset so transferred or received shall be taken at its cost of acquisition (at the date when acquired by such previous owner) with proper allowance for depreciation, impairment, betterment, or development, but no addition to the original cost shall be made for any charge or expenditure deducted as expense or otherwise since March 1, 1913, in computing the net income of such previous owner for purposes of taxation," so as to make the section read:

SEC. 331. In the case of the reorganization, consolidation, or change of ownership of a trade or business, or change of ownership of property, after March 3, 1917, if an interest or control in such trade or business or property of 50 per cent or more remains in the same persons, or any of them, then no asset transferred or received from the previous owner shall, for the purpose of determining invested capital, be allowed a greater value than would have been allowed under this title in computing the invested capital of such previous owner if such asset had not been so transferred or received: *Provided*, That if such previous owner was not a corporation, then the value of any asset so transferred or received shall be taken at its cost of acquisition (at the date when acquired by such previous owner) with proper allowance for depreciation, impairment, betterment, or development, but no addition to the original cost shall be made for any charge or expenditure deducted as expense or otherwise since March 1, 1913, in computing the net income of such previous owner for purposes of taxation.

Mr. LA FOLLETTE. I ask to have that section passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment was, on page 105, line 3, in the heading, after the word "Part," to strike out "VIII" and insert "VII," so as to make the heading read: "Part VII—Miscellaneous."

The amendment was agreed to.

The next amendment was, in section 335, page 105, line 7, after the words "sum of," to strike out:

(1) A tax computed under Title II of the revenue act of 1917 for the portion of such fiscal year falling in 1917; and (2) a tax computed under this title for the portion of such fiscal year falling in 1918.

The tax under clause (1) shall be computed upon the same proportion of the net income (as determined under Title II of this act for income-tax purposes) for such fiscal year as the portion of such fiscal year falling in 1917 is of the full fiscal year; and the tax under clause (2) shall be computed upon the remainder of such net income.

And to insert:

(1) the same proportion of a tax for the entire period computed under Title II of the revenue act of 1917 which the portion of such period falling within the calendar year 1917 is of the entire period, and (2) the same proportion of a tax for the entire period computed under this title which the portion of such period falling within the calendar year 1918 is of the entire period: *Provided*, That in the case of a partnership or a personal-service corporation, the amount to be paid shall be only that specified in clause (1).

Any amount heretofore or hereafter paid on account of the tax imposed for such fiscal year by Title II of the revenue act of 1917 shall be credited toward the payment of the tax imposed for such fiscal year by this title, and if the amount so paid exceeds the amount of the tax imposed by this title, or, in the case of a partnership or a personal-service corporation, the amount specified in clause (1), the excess shall be refunded as a tax erroneously or illegally collected.

In the case of a partnership or personal-service corporation no tax shall be paid under Title II of the revenue act of 1917 for any period beginning on or after January 1, 1918; and any tax so paid shall be immediately refunded to the partnership or corporation.

(b) If a corporation makes return for a fiscal year beginning in 1918 and ending in 1919, the tax for such fiscal year under this title shall be the sum of: (1) the same proportion of a tax for the entire period computed at the rates specified in subdivision (a) of section 301 which the portion of such period falling within the calendar year 1918 is of the entire period, and (2) the same proportion of a tax for the entire period computed at the rates specified in subdivision (b) of section 301 which the portion of such period falling within the calendar year 1919 is of the entire period.

So as to make the section read:

SEC. 335. (a) That if a corporation makes return for a fiscal year beginning in 1917 and ending in 1918, the tax for the first taxable year under this title shall be the sum of: (1) the same proportion of a tax for the entire period computed under Title II of the revenue act of 1917 which the portion of such period falling within the calendar year 1917 is of the entire period, and (2) the same proportion of a tax for the entire period computed under this title which the portion of such period falling within the calendar year 1918 is of the entire period: *Provided*, That in the case of a partnership or a personal-service corporation, the amount to be paid shall be only that specified in clause (1).

Any amount heretofore or hereafter paid on account of the tax imposed for such fiscal year by Title II of the revenue act of 1917 shall be credited toward the payment of the tax imposed for such fiscal year by this title, and if the amount so paid exceeds the amount of the tax imposed by this title, or, in the case of a partnership or a personal-service corporation, the amount specified in clause (1), the excess shall be refunded as a tax erroneously or illegally collected.

In the case of a partnership or personal-service corporation no tax shall be paid under Title II of the revenue act of 1917 for any period beginning on or after January 1, 1918; and any tax so paid shall be immediately refunded to the partnership or corporation.

(b) If a corporation makes return for a fiscal year beginning in 1918 and ending in 1919, the tax for such fiscal year under this title shall be the sum of: (1) the same proportion of a tax for the entire period computed at the rates specified in subdivision (a) of section 301 which the portion of such period falling within the calendar year 1918 is of the entire period, and (2) the same proportion of a tax for the entire period computed at the rates specified in subdivision (b) of section 301 which the portion of such period falling within the calendar year 1919 is of the entire period.

The VICE PRESIDENT. The amendment will be agreed to, without objection.

Mr. SMOOT. I will ask that that section go over, because all of the other 1920 provisions have been passed over; and therefore I should like to have this one passed over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment was, in section 336, page 106, line 25, after the numerals "304," to strike out "having a net income of $3,000 or over for the taxable year," and on page 107, after line 8, to strike out—

In no case shall the tax under this title or Title II be determined on the basis of a so-called consolidated return, but shall in each case be determined upon the basis of the net income and invested capital of the corporation liable to the tax.

So as to make the section read:

SEC. 336. That every corporation not exempt under section 304 shall make a return for the purposes of this title. Such returns shall be made, and the taxes imposed by this title shall be paid, at the same times and places, in the same manner, and subject to the same conditions, as is provided in the case of returns and payment of income tax by corporations for the purposes of Title II, and all the provisions of that title not inapplicable, including penalties, are hereby made applicable to the taxes imposed by this title.

The next amendment was, on page 107, after line 13, to insert:

SEC. 337. That in the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this title attributable to such sale shall not exceed 20 per cent of the selling price of such property or interest.

Mr. SMOOT. Mr. President, the same provision appears in two other places in the bill. They have been asked to go over, so I think we had better allow this to go over.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 107, beginning with line 21, to strike out:

TITLE IV. ESTATE TAX.

SEC. 400. That when used in this title—

The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator, any person who takes possession of any property of the decedent; and

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 401. That (in lieu of the tax imposed by Title II of the revenue act of 1916, as amended, and in lieu of the tax imposed by Title IX of the revenue act of 1917) a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 403) is hereby imposed upon the transfer of the net estate of every decedent dying after the passage of this act, whether a resident or nonresident of the United States:

3 per cent of the amount of the net estate not in excess of $50,000;

6 per cent of the amount by which the net estate exceeds $50,000 and does not exceed $150,000;

9 per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

12 per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

15 per cent of the amount by which the net estate exceeds $450,000 and does not exceed $1,000,000;

18 per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $2,000,000;

21 per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

24 per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

27 per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

30 per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

35 per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000; and

40 per cent of the amount by which the net estate exceeds $10,000,000.

SEC. 402. That the value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate;

(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, courtesy, or by virtue of a statute creating an estate in lieu of dower or courtesy;

(c) To the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he has at any time created a trust, in contemplation of or intended to take effect in possession or enjoyment at or after his death (whether such transfer or trust is made or created before or after the passage of this act), except in case of a bona fide sale for a fair consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within three years prior to his death without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title;

(d) To the extent of the interest therein held jointly or as tenants in the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent;

(e) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(f) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

SEC. 403. That for the purpose of the tax the value of the net estate shall be determined—

(a) In the case of a resident, by deducting from the value of the gross estate—

(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or inheritance taxes;

(2) An amount equal to the value at the time of the decedent's death of any property—real, personal, or mixed—which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in the decedent's gross estate; and

(3) An exemption of $50,000;

(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

(1) That proportion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States; and

(2) An amount equal to the value at the time of the decedent's death of any property—real, personal, or mixed—which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if any estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States.

No deductions shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 404 the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States.

For the purpose of this title, stock in a domestic corporation owned and held by a nonresident decedent, and the amount receivable as insurance upon the life of a nonresident decedent where the insurer is a domestic corporation, shall be deemed property within the United States, and any property of which the decedent has made a transfer or with respect to which he has created a trust, within the meaning of subdivision (c) of section 402, shall be deemed to be situated in the United States, if so situated either at the time of the transfer or the creation of the trust, or at the time of the decedent's death.

SEC. 404. That the executor, within 60 days after qualifying as such, or after coming into possession of any property of the decedent, whichever event first occurs, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (a) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (b) the deductions allowed under section 403; (c) the value of the net estate of the decedent as defined in section 403; and (d) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The commissioner shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes.

SEC. 405. That if no administration is granted upon the estate of a decedent, or if no return is filed as provided in section 404, or if a return contains a false or incorrect statement of a material fact, the collector or deputy collector shall make a return and the commissioner shall assess the tax thereon.

SEC. 406. That the tax shall be due one year after the decedent's death, but in any case where the commissioner finds that payment of the tax within one year after the decedent's death would impose undue hardship upon the estate, he may grant an extension of time for the payment of the tax for a period not to exceed two years from the due date. If the tax is not paid within one year and 180 days after the decedent's death, interest at the rate of 6 per cent per annum from the expiration of one year after the decedent's death shall be added as part of the tax.

SEC. 407. That the executor shall pay the tax to the collector or deputy collector. If the amount of the tax can not be determined, the payment of a sum of money sufficient, in the opinion of the collector, to discharge the tax shall be deemed payment in full of the tax, except as in this section otherwise provided. If the amount so paid exceeds the amount of the tax as finally determined, the commissioner shall refund such excess to the executor. If the amount of the tax as finally determined exceeds the amount so paid, the collector shall notify the executor of the amount of such excess and demand payment thereof. If such excess part of the tax is not paid within 10 days after such notification, interest shall be added thereto at the rate of 10 per cent per annum from the expiration of such 10 days' period until paid, and the amount of such excess shall be a lien upon the entire gross estate, except such part thereof as may have been sold to a bona fide purchaser for a fair consideration in money or money's worth.

The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

SEC. 408. That if the tax herein imposed is not paid within 180 days after it is due, the collector shall, unless there is reasonable cause for further delay, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto.

If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary, the executor shall be entitled to recover from such beneficiaries in the same ratio.

SEC. 409. That unless the tax is sooner paid in full, it shall be a lien for 10 years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. If the commissioner is satisfied that the tax liability of an estate has been fully discharged, he may, under regulations prescribed by him with the approval of the Secretary, issue his certificate releasing any or all property of such estate from the lien herein imposed.

If (a) the decedent makes a transfer of, or creates a trust with respect to, any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for a fair consideration in money or money's worth) or (b) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for a fair consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for a fair consideration in money or money's worth.

SEC. 410. That whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000, or imprisonment not exceeding one year, or both.

Whoever fails to comply with any duty imposed upon him by section 404, or, having in his possession or control any record, file, or paper, containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request to the commissioner or any collector or law officer of the United States, or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $500, to be recovered, with costs of suit, in a civil action in the name of the United States.

And to insert:

TITLE IV.—INHERITANCE TAX.

SEC. 400. That when used in this title—

The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator, any person who takes possession of any property of the decedent; and

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 401. That (in lieu of the tax imposed by Title II of the revenue act of 1916, as amended, and in lieu of the tax imposed by Title IX of the revenue act of 1917) a tax is hereby imposed upon the transfer by reason of the death of a resident of the United States, dying after the passage of this act, of any tangible or intangible property wherever situated, or any interest therein or income therefrom, or by reason of the death of a nonresident of the United States, dying after the passage of this act, of any tangible or intangible property within the United States, or any interest therein or income therefrom, to any person in trust or otherwise, equal to the sum of the following percentages of the total value of the beneficial interests transferred to such person in any manner by reason of the death of the decedent:

1 per cent of the amount by which the beneficial interests passing to such person exceed $10,000 and do not exceed $25,000;

2 per cent of the amount by which such beneficial interests exceed $25,000 and do not exceed $50,000;

3 per cent of the amount by which such beneficial interests exceed $50,000 and do not exceed $100,000;

4 per cent of the amount by which such beneficial interests exceed $100,000 and do not exceed $150,000;

5 per cent of the amount by which such beneficial interests exceed $150,000 and do not exceed $200,000;

6 per cent of the amount by which such beneficial interests exceed $200,000 and do not exceed $250,000;

10 per cent of the amount by which such beneficial interests exceed $250,000 and do not exceed $500,000;

15 per cent of the amount by which such beneficial interests exceed $500,000 and do not exceed $1,000,000;

20 per cent of the amount by which such beneficial interests exceed $1,000,000 and do not exceed $2,500,000;

Twenty-five per cent of the amount by which such beneficial interests exceed $2,500,000.

Transfers by reason of the death of a decedent dying during the continuance of the present war while serving in the military or naval forces of the United States or dying within one year after the termination of such war from injuries received or disease contracted in such service shall not be taxable hereunder.

Transfers to or for the use of the United States, a State, or any political division thereof, for public purposes exclusively, transfers to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, and transfers to a trustee or trustees exclusively for such religious, charitable, scientific, literary, or educational purposes, shall not be taxable hereunder.

SEC. 402. That the following shall be deemed to be taxable transfers under the provisions of this title:

(a) Transfers by the laws of intestate succession or by will, including the creation by will of powers of appointment and the exercise by will of general powers of appointment;

(b) Transfers by deed, grant, or gift, including the exercise by deed of general powers of appointment, made in contemplation of the death of the vendor, grantor, or donor, or intended to take effect in possession or enjoyment at or after such death, except in the case of a bona fide sale for a fair consideration in money or money's worth, whether such deed, grant, or gift was made before or after the passage of this act. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title; and

(c) Other transfers by reason of the death of the decedent, to wit: (1) The consummation in a surviving spouse of dower or curtesy or statutory rights in lieu thereof; (2) the accrual to a surviving tenant or depositor through survivorship of complete title to property held jointly or as tenants by the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent; and (3) the receipt by a beneficiary of an amount of insurance in excess of $25,000 under policies taken out by the decedent upon his own life.

SEC. 403. That taxes upon transfers shall be computed upon the total value of all the beneficial interests transferred to the same person in any manner by reason of the death of a decedent. Whenever at the time a tax becomes due the persons to whom beneficial interests are transferred by reason of the death of a decedent are not in being or can not be ascertained, or the extent of the beneficial interests transferred can not be ascertained, for the reason that the transfers are conditioned upon the happening of a contingency or of the exercise of a discretion or a power of appointment, all the property so transferred shall for the purpose of the computation and collection of the tax be deemed to be transferred to the estate of said decedent, and as to such transfers such estate shall be treated under the provisions of this title as a person, and, except in the case of the exercise of a general power of appointment, no further tax under this title shall be collected on transfers of such beneficial interests at the time the persons to whom they are transferred or the extent of the interests transferred to such persons are ascertained.

SEC. 404. That the value of the beneficial interests, transfers of which are taxable under this title, shall be determined as follows:

(a) The total value of the beneficial interests transferred to any transferee shall be the value of that part of the property included within the net estate of the decedent (determined as provided in sec. 406) which passes to such transferee by any of the methods of transfer described in section 402: *Provided, however*, That whenever a beneficial interest transferred to any person by reason of the death of a nonresident decedent is not an interest in specific property, the value of the beneficial interest the transfer of which is subject to taxation under this title shall be such proportion of the value of the total beneficial interest so transferred as the value of that part of the gross estate which at the time of the death of the decedent is situated in the United States bears to the value of his entire gross estate wherever situated. If an executor does not include in the return required to be filed under section 407 the value at the time of the death of the nonresident decedent of that part of his gross estate not situated in the United States, the amount of the net estate shall be apportioned among the transferees of the beneficial interests in the manner which will result in the greatest possible amount of tax upon the transfer of such net estate.

(b) In the case of resident and nonresident decedents the following rules of valuation shall apply: (1) The value of an annuity, life estate, term of years, or other interest terminating on the expiration of a certain period shall be determined by the American experience tables of mortality at per cent compound interest or by such other tables of mortality at such rate of interest as may be prescribed by the commissioner, with the approval of the Secretary; (2) the value of a remainder in any property after an annuity, life estate, term of years, or other interest terminating on the expiration of a certain period shall be ascertained by deducting the value of such annuity, life estate, term of years, or other interest terminating on the expiration of a certain period from the value of such property; (3) there shall not be included in the value of a beneficial interest the value at the time of the decedent's death of any property which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 was collected from such estate or an inheritance tax under this act was collected on the transfer of such property; and (4) there shall not be included in the value of a beneficial interest any amounts paid or required to be paid therefrom as estate, succession, legacy, or inheritance taxes imposed by any authority other than that of the United States.

SEC. 405. That the value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate;

(b) To the extent of any interest therein of which the decedent has at any time made a transfer in contemplation of or intended to take effect in possession or enjoyment at or after his death (whether such transfer is made before or after the passage of this act), except in case of a bona fide sale for a fair consideration in money or money's worth;

(c) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy;

(d) To the extent of the interest therein held jointly or as tenants by the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the surviver, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent;

(e) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(f) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $25,000 of the amount receivable by any beneficiary as insurance under policies taken out by the decedent upon his own life.

SEC. 406. That the value of the net estate shall be determined—

(a) In the case of a resident decedent, by deducting from the value of the gross estate—

Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon incomes received after the death of the decedent or any inheritance taxes imposed by this title. If a decedent gives, bequeaths, or devises to his executor any property in lieu of compensation the value thereof in excess of reasonable compensation shall not be deducted from the value of the gross estate.

(b) In the case of a nonresident decedent, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

That proportion of the deductions specified in subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per centum of the value of that part of his gross estate which at the time of his death is situated in the United States.

No deduction shall be allowed in the case of a nonresident decedent unless the executor includes in the return required to be filed under section 407 the value at the time of his death of that part of the gross estate of the nonresident decedent not situated in the United States.

For the purpose of this title stock in a domestic corporation owned and held by a nonresident decedent, and the amount receivable as insurance upon the life of a nonresident decedent where the insurer is a domestic corporation, shall be deemed property within the United States and any property of which the decedent has made a transfer within the meaning of subdivision (c) of section 405 shall be deemed to be situated in the United States, if so situated either at the time of the transfer or at the time of the decedent's death.

SEC. 407. That the executor, within sixty days after qualifying as such, or after coming into possession of any property of the decedent, whichever event first occurs, shall give written notice thereof to the collector. The executor shall also, at such time and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (a) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (b) the deductions allowed under section 406; (c) the value of the net estate of the decedent as defined in section 406; (d) the names of the persons to whom beneficial interests are transferred in any manner by reason of the death of the decedent and descriptions of the beneficial interests so transferred; and (e) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

Return shall be made in all cases where the gross estate at the death of the decedent exceeds $10,000 and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The commissioner shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes.

SEC. 408. That if no administration is granted upon the estate of a decedent, or if no return is filed as provided in section 407, or if a return contains a false or incorrect statement of a material fact, the collector or deputy collector shall make a return and the commissioner shall assess the tax thereon.

SEC. 409. That the tax shall be due one year after the decedent's death; but in any case where the commissioner finds that payment of the tax within one year after the decedent's death would impose undue hardship upon the estate, he may grant an extension of time for the payment of the tax for a period not to exceed three years from the due date. If the tax is not paid within one year and 180 days after the decedent's death, interest at the rate of 6 per cent per annum from the expiration of one year after the decedent's death shall be added as part of the tax.

SEC. 410. That the executor shall pay the tax to the collector. If the amount of the tax can not be determined, the payment of a sum of money sufficient, in the opinion of the collector, to discharge the tax shall be deemed payment in full of the tax, except as in this section otherwise provided. If the amount so paid exceeds the amount of the tax as finally determined, the commissioner shall refund such excess to the executor. If the amount of the tax as finally determined exceeds the amount so paid, the collector shall notify the executor of the amount of such excess and demand payment thereof. If such excess part of the tax is not paid within 30 days after such notification, interest shall be added thereto at the rate of 10 per cent per annum from the expiration of such 30 days' period until paid.

The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

SEC. 411. That if the tax herein imposed is not paid within 180 days after it is due, the collector shall, unless there is reasonable cause for further delay, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto.

SEC. 412. That each person shall be liable to the executor for the tax upon transfers to such person and the executor shall collect from such person the tax upon all transfers to such person, or shall deduct it from any property in his possession or control transferred to such person. The executor shall not pay or deliver any property the transfer of which is subject to tax to any transferee unless the tax upon such transfer has been so collected or deducted. Whenever there is a transfer of property taxable under this title of which the executor has no possession or control, the person having possession or control thereof, or under liability to make any payment to the transferee, shall be liable to the executor for the tax upon such transfer and unless the tax has been paid by the transferee to the executor shall collect or deduct it from such property or such payment and pay it to the executor: *Provided, however*, That the commissioner may, with the approval of the Secretary by regulations authorize the payment of such tax directly to the collector and relieve the executor from liability therefor: *Provided further*, That in the case of policies of insurance upon the life of the decedent payable to a beneficiary other than the executor or the estate of the decedent the corporation liable for the payment thereof shall be relieved from liability for any tax thereon if such beneficiary submits with the proofs of death and claims a written statement showing that the aggregate amount of insurance payable to such beneficiary under policies taken out by the decedent upon his own life does not exceed $25,000. All taxes, including taxes on the transfer of annuities, life estates, terms for years, and other interests terminating on the expiration of a certain period, shall be paid out of and chargeable to capital and not to income. Nothing in this title shall prevent an executor from paying taxes out of such property as the will or other instrument under which transfer is made shall direct, but such directions shall not affect any right of the United States or of the collector to collect the tax or to a lien therefor.

If the amount of tax paid or collected out of property transferred to any person exceeds the amount of tax of which such person is liable, such person shall be entitled to reimbursement to the extent of such excess out of any part of the estate still undistributed, or to a just and equitable contribution by the persons liable for the tax so paid or collected under this title.

SEC. 413. That the tax and interest thereon shall be a lien upon the property included in the gross estate of the decedent and the property acquired in substitution therefor from the death of the decedent for a period of 10 years unless it is sooner paid in full, except that such property as is used for the payment of charges against the estate and expenses of its administration allowed by any court having jurisdiction thereof, and such personal property as is sold to purchasers for value in good faith and without notice of the lien shall be divested of such lien. If the commissioner is satisfied that the tax liability on all transfers by reason of the death of a decedent has been fully discharged or provided for, he may, under regulations prescribed by him, with the approval of the Secretary, issue his certificate releasing any or all property of such decedent from the lien hereby imposed, or if he is satisfied that the tax liability on all transfers to any person by reason of the death of a decedent has been fully discharged, he may, under such regulations, issue his certificate releasing any or all property transferred to such person from the lien hereby imposed.

SEC. 414. That whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000, or imprisonment not exceeding one year, or both.

Whoever fails to comply with any duty imposed upon him by section 407, or having in his possession or control any record, file, or paper containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request of the commissioner or any collector or law officer of the United States, or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $5,000, in lieu of all other penalties, to be recovered, with costs of suit, in a civil action in the name of the United States.

SEC. 415. That the taxes imposed by Title II of the revenue act of 1916 as amended by the act entitled "an act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917, and by Title IX of the revenue act of 1917, shall not apply to the transfer of the net estate of any decedent dying before the passage of this act while serving in the military or naval forces of the United States in the present war or from injuries received or disease contracted while in such service, and any such tax collected upon such transfer shall be refunded to the executor.

During the reading of the foregoing:

Mr. SIMMONS. Does the Senator ask to have this amendment as a substitute go over?

Mr. LA FOLLETTE. Oh, yes.

After the conclusion of the reading:

Mr. LA FOLLETTE. It is understood that these sections will go over.

The VICE PRESIDENT. All will go over.

MEMORIAL ADDRESSES ON THE LATE SENATOR BROUSSARD.

Mr. GAY. Mr. President, I ask unanimous consent that the Senate shall convene on Sunday, January 26, 1919, at 11 o'clock a. m., to consider resolutions in commemoration of the life, character, and public services of the late Senator from Louisiana, Hon. ROBERT F. BROUSSARD.

The VICE PRESIDENT. Is there any objection? There is none, and it is so ordered.

CABLE SERVICE.

Mr. LEWIS. Mr. President, I ask permission of the Senate to have printed in the RECORD matter of some importance. I addressed a letter to the Postmaster General in which I stated that the public press had reported correspondence showing the reasons for taking over the cable; also correspondence between him and the president of the Commercial Cable Co., the president of the Western Union Telegraph Co., and the vice president of the Commercial Cable Co. I felt that the correspondence should be put before the public, and I ask that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 10, 1918.

Hon. J. H. LEWIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR LEWIS: Referring to your request for copies of the recent reports of Mr. Theodore N. Vail on the telephone, telegraph, and cable situation, and other correspondence relative thereto, I am inclosing Mr. Vail's tentative report dated December 6, 1918, and his letter of transmittal of the same date; also copies of my letters to Mr. Clarence H. Mackay, president of the Commercial Cable Co.; Mr. Newcomb Carlton, president of the Western Union Telegraph Co.; and Mr. George G. Ward, vice president of the Commercial Cable Co., all dated December 4, 1918, together with copies of the replies of Mr. Mackay and Mr. Carlton, dated December 4 and 6, respectively. I am also inclosing a copy of my letter to Mr. Mackay dated December 7, 1918. There is some earlier correspondence with respect to this matter which will be furnished if you desire it.

Sincerely, yours,

A. S. BURLESON,
Postmaster General.

[Theodore N. Vail, 195 Broadway, New York. Personal.]

DECEMBER 6, 1918.

DEAR MR. BURLESON: I am inclosing herewith a tentative report of what, in my opinion, would bring about the most extended use of the telephone, telegraph, and cable.

"This idea of a unified system is not a new one. It is one with which our public is familiar and one to which they have given their unmistakable approval through its acceptance of all that has been done in the furtherance of this idea in a unified telephone system and of the common management of the telephone and telegraph, although the latter had to be undone under the interpretation and application of existing laws.

"The present problem is how much can be brought about under present conditions?

"What should be done to create an ideal system can not be done because of existing laws, nor would complete consolidation be justified since to undo such a consolidated system into its former units would lead to unwarranted waste.

"There are, however, many things which can be done which would not produce waste and which might by improvement of service help to further educate the public and create an actively favorable attitude toward some correlation or coordination of operation and service with the control and regulation and restriction, through some combination of governmental authority and private ownership or operation, retaining all the advantages and incentives of both.

"If it is within the scope of what you ask me to do, my suggestion is:

ORGANIZATION.

"That, first, to create a comprehensive operating organization by which all the properties can be brought under one executive operating head through whom all operations should be conducted, subject to the Postmaster General.

"This executive head should be one of unmistakable qualifications developed by large experience in similar situations.

"This single head should, subject to the approval of the Postmaster General, appoint experienced assistants and organize directly under him three operating 'divisions,' each embracing the distinctive operation of 'telephone service' and 'telegraph service' and the 'maintenance and manipulation of wires of the systems' as distinct from the traffic operations.

"Each of these 'divisions' to be under control of an experienced operating head, experienced in the operation of the work of the 'division' through actual developed qualification and experience in similar work on a similar scale of operation.

"Below these 'divisions' the organization can be amplified and arranged to meet the necessities. There is abundant material for most of these positions, and there is opportunity for every experienced man now in the combined services to be employed to the full scope of his abilities.

"Under this organization the distinctive traffic operations would be amply cared for, while with the telegraph and telephone wires under one head they could be utilized for both purposes in one Government operating system without any merger or change other than to bring them to one switching terminal at each great center, involving only some temporary loop connections.

"In this way congestion in any part of the traffic could be overcome by so distributing the wires as to best carry that load.

"All the operations under this plan could be so correlated and coordinated as to bring about a very considerable increase in efficiency and much economy without doing anything disturbing to the actual property or which could not be undone at the end of the period. Your operating organization would at once plan many things which would work toward the end desired and which would not necessitate any destructive undoing at the end of Government control.

"In connection with efficiency of operation, I wish to say that never in my experience has the efficiency of operation been so handicapped by abnormal conditions as now, and until conditions become normal the public should be tolerant.

CABLES.

"There is one thing that calls for immediate action. The cable situation is and has been grave. Congestion is now the rule, and accumulation of business is at times serious, and when the activities of the peace conference are really commenced in Europe it will be greatly increased.

"By one traffic head controlling cable operation and a few slight changes in the physical property, which could centralize the cable terminals, as it were, and which would not involve any dismemberment of the property or could not be undone, the efficiency can be somewhat increased; that is, the distribution of the cable load could be effected more readily and with less confusion than under independent and co-equal traffic management, each more or less jealous of his personal prerogatives or of his system and giving his system more consideration than the emergency.

"As pointed out in my letter of October 22, if it were lawful or if it could be brought about by consent of the proprietors, it would be a great feature for the commercial and political interest of the United States and of great advantage to every country reached by direct communication if the cable systems could be consolidated into one system and the cable systems rearranged and extended more or less as outlined in my letter of October 22.

"Such a combination would at once bring about an important saving in cost of operation, particularly by the commercial department. As charges for service are dependent on costs, it would eventually bring about considerable reductions in charges. So long as each independent cable company must maintain its commercial organization to obtain and retain its business, so long must this cost be distributed in the charges for service.

"A broader, cheaper, and more abundant service will be a most effectual adjunct to our own commercial agents abroad in securing business of the United States industries. There is already an active movement being inaugurated, particularly in South America, by German commercial agents to recover their prewar conditions, and which must be promptly met if the United States is to get any advantage from the present situation.

"It would seem that such a merger would appeal to the business sense of the proprietors of the cable and could be brought about, particularly if the Government could put itself behind the movement.

"While considerable can be done in improving the cable operation under one management, the big features of a readjustment of the cable situation involve considerable expense and time. Cables take time to build and time to lay. There is no manufacturing of submarine cable established in the United States, and orders from American companies when placed abroad are filled after the requirements of their own companies. This is not surmise; it is the experience of American companies needing cable for repairs and extensions.

"In any event, if this country is to become a commercial and industrial world center, as it is now great in financial, political, and national industrial lines, an American cable system consonant with our obligations and opportunities must be organized and that system freed from the uncertainties of foreign cable manufacture.

"There must be a United States system which will place this country directly in communication with every country with which we have or hope to have important commercial relations. As it is now, and as my letter of October 22 pointed out, we are on one side of the world system. We must be made one of the centers of the world system if we expect to compete on even terms with the world or be properly considered by the countries we wish to reach.

"The immediate and pressing necessity is for the East Coast-South American cable to give this country and the River Plate countries direct cable communication.

"Of what use in commerce will be our investment of billions in ships to carry commerce if we do not give them and the business agents of all commerce direct communication with their home ports and home business houses?

"The cable industry and the proposed cable changes could not be brought about except through Government aid under existing conditions.

"Congress has authorized combination in foreign commercial enterprises. If the advantages and necessities were properly presented, it should be possible to obtain promptly such authorization or legislation as would give, under the ægis of the Government, authority for combination and operation of all electric intercommunicating systems in direct connection and coordination with the national wire system between this country and all foreign countries.

"Time is an element, and whatever is done should be done at once."

Sincerely, yours,

(Signed) THEO. N. VAIL.

Hon. A. S. BURLESON,
Postmaster General, Washington, D. C.

POST OFFICE DEPARTMENT WIRE SYSTEM.

Responding to your request, I beg leave to submit the following in answer to your broad inquiry into the problem of the most efficient and beneficent "extended use of the telephone, telegraph, and cable."

In the annual report of the American Telephone & Telegraph Co. for 1910 the opinion is advanced that the wire system of the future should and would afford facilities for the annihilation of time and distance by the general use of electrical transmission for written or personal communication, which would afford electrical communication of every kind of intelligence from anyone at any one place to anyone at any other place; that the service should be comprehensive, nation wide, economical; and that the service rendered should be at a minimum price so that potential business could be developed.

To do this efficiently and economically requires the combination of every kind of electrical transmission of intelligence into one system over which the most efficient service could be rendered through the development of new and useful services, and the wire plant and other facilities thus being utilized to their fullest extent.

Time and events have demonstrated and emphasized the underlying truth of this, and public opinion now recognizes the advantages of such a system. This is evidenced by the general regret which was expressed at the divorce of the telegraph and telephone under the interpretation and application of existing laws, and also by the almost universal public demands for one telephone system which have come to exist, and also in all municipal utilities the increasing tendency to the merger of all similar services.

It may be considered as settled that "extended use of the telephone, telegraph, and cable" is to be obtained through "one national system, interdependent, interconnecting, intercommunicating, by or over which direct and continuous transmission can be had within the limits of possible transmission."

Some of these beneficial results can be obtained at once, but for some the immediate cost of reconstructing parts of the systems would not warrant the expenditure, particularly as it could be done in a relatively short period without any capital charge through the normal process of reconstruction.

Under the present "state of the art" the distance of possible direct electrical communications can not for any length of time be limited by either ocean or continents.

It is possible under present conditions to send a continuous signal, without the intervention of human agency, around the world either by land wire and submarine cable or aero signal or a combination of all. The transmission of speech or electrical continuous signals is now practical from every commercial, industrial, or social community as a center to the limits of effective common control over a continuity of circuits. Any limitations are wholly in the lack of contiuuity in the facilities, not in the "state of the art."

The principle of "one system" not only applies to our intranational electrical intercommunication but, as the world at large is transoceanic, the cable systems within national jurisdiction must be so closely interrelated as to be integral parts of such a system.

The making up of long-distance circuits for any transmission, particularly the combination of wire and radio transmission, is impossible without perfect coordination, which can only come from one unified system or from that reciprocity between independent systems which would be virtual subordination for the time and purpose of a part of the facilities of one system to the operating control of the other system.

To get the best results, therefore, the common control of this unified system should extend to the farthest possible limits. It should cover our own Nation and the international connections to the boundaries of all other nations with which we have existing or potential relations.

Whatever may be done in the practical reorganizations and operation of electrical intercommunication—domestic or international—in or by the United States, whether "open wire," "cable," or "radio," there should be such close harmony of effort and operation each with the other and all with the internal wire system that, in effect, there should be "one control" of all, and the cooperation and coordination of all connected or related activities, including research, investigation, and experimentation.

Only in this way can the greatest results in service, in public benefit, in economy, or in cheapness be obtained.

Even in the remote past, telegraphically speaking, when the cable was relatively primitive, the necessity of a connecting land and cable system was demonstrated in an unmistakable way.

The original Commercial, or Mackay-Bennett, cables were laid by an independent cable company without any, or, at least, with very litte, land connection. At that time no common interest existed between cables and land systems except physical interchange of business. The necessity of building up a land system in connection with the cable was the genesis of the Postal Telegraph-Cable System.

In addition, the utilitarian reasons which attach to one system—nation wide, comprehensive—the utilization of one set of wires for both telegraphic and telephonic purposes, which has become common practice, establishes a strong economic reason. To illustrate, the telephone circuit primarily calls for two wires. There must be an outgoing and an incoming channel or circuit for the electrical speaking current. These two wires under the present developed state of the art can be so equipped, composited, or arranged as to provide additional circuits or channels not only for telephonic transmission but for telegraphic transmission. A very new development, the result of several years of research and investigation, has made it possible to build up on each of the original pairs of wires at least three or four superimposed telephonic channels or circuits in addition to the "phantom" circuits. While there still remains much to be worked out, four of these imposed telephonic speaking circuits have very recently been put in simultaneous commercial use between Washington and Pittsburgh on one pair of wires.

When in addition to the primary telephonic speaking circuits over one pair of wires it is also possible to superimpose a number of secondary telephonic circuits upon the same pair of wires, some realization of the utilitarian as well as economic value of one system can be had, and also the great advance that has been made in the relatively short time since one pair of wires was exclusively needed for a telephonic circuit; conversation was only possible over a limited distance and the wires could not be used simultaneously for any other purpose.

The great economic advantage is not alone in the increased number of telephonic and telegraphic circuits or channels that can be superimposed on one pair of wires, but there follows a great reduction in the investment for plant, due to the large decrease in the size of and the amount of copper used in the wires, the great increase in capacity of pole and cable conduit due to this decrease and also in the possible use of aerial cables for concentrated traffic because of the continuous increased distance of transmission through cables.

The Annual Report of the American Telephone & Telegraph Co. for 1916 contains an account of "aero" telephonic transmission and of the combined "aero" and "wire" transmission. Mare Island Navy Yard talked direct with a battleship off Hatteras by combined wire and aero. Among the developments of the near future will be connection by aero and wire between ships at sea and the telephonic exchange system on land as readily as it is now possible to telephone from ships at sea to telephone exchange stations.

This development of aero transmission was the essential feature of the aero telephonic communication between aeroplanes in action and between aeroplanes in action and the ground, which played such an important part of the war.

The utilitarian advantages of such a unified system can be appreciated by all, and closely second to the utilitarian advantage is the economic advantage.

In any utility the permanent plant and equipment are by far the largest items of capital investment; the maintenance of plant and the proper provision for depreciation and obsolescence and taxes are second only to the cost of wages.

If the uses of combined plant can be multiplied, extended, and utilized, it not only means reduction in investment relative to the increased utilization; it means one charge for taxes, maintenance, depreciation, and obsolescence, all of which will be reflected in the cost of operation, for, broadly speaking, upon the cost of operation charges for service are based.

To establish such a combined system would be the greatest piece of constructive work of the age.

There never has been a time when the foreshadowed development in the entire field of electrical intercommunication or electrical transmission of intelligence is greater or more promising than at present. All that has been stated has been the result of consistent coordinated research, investigation, and experimentation which have been and are being carried on by the organized staffs or departments of research and

investigation of the Bell system. While this has necessitated large and continued expenditures, it is estimated that on the basis of present development at least $50,000,000 a year has been saved in construction and operating expense.

While much has been done and much more will be done by individuals working along more or less the same general lines of investigation, such work has been contributory. Without exception, improvements in operating apparatus or operating methods are the coordinated results of many individuals working upon many ideas in connection with experimentation and practical application to obtain certain results. The progress is continuous, step by step. The marked accomplishments, apparently novel, are but the milestones of progress. No new idea is complete in itself, and to be made effective it must be combined with other ideas and must be tried out upon a system substantially of the character and extent of the system to which it is to be applied. All laboratory and experimental work in all the different lines must be coordinated and carried on in connection with the practical operation and the larger and more embracing the system over which the novelties are to be demonstrated or from which suggestions will come, the greater will be the advance.

These experiments can not be confined to either telephonic transmission, telegraphic transmission, cable transmission, or aero transmission. The art of electrical transmission has reached a point in development where it is impossible to differentiate in research and experimentation as between the separate methods of transmission. Investigation, research, and experimentation are at best expensive and seemingly very wasteful, but if the work is coordinated and correlated and the cost spread over a large combination, the cost is relatively small.

The development of the past has most markedly reflected itself in the cost of and in the average charges for service, which until the "war period" have been continuously decreased, notwithstanding the increased scope and breadth of service and notwithstanding the gradual increase in wages, cost of improved working and increased beneficial conditions, and in the costs of material, which have increased enormously.

Fully 80 per cent of the telephone users get their service at much less than average rates, most of them much less, as the average rate is largely increased by the very large users who find advantage and profit and should be charged according to use.

It is well-known law that, as accomplishment broadens, the rate increase of accomplishment decreases. Soon after the beginning of the "war period," the rate of decrease in cost, from improvements in methods and plant, was overtaken by the rate of increase in wages and cost of material. No corresponding increase in charges has been made for service such as has been made for all other utilities, services, and commodities. This in itself virtually constitutes a relative reduction of at least one-half in the cost of wire service.

As to our international intercommunication and transportation, I beg leave to quote from Appendix A of my letter of October 22:

"In the building up of commerce progress is directly relative to the available and dependable facilities of interchange and intercommunication.

"The international 'transportation' of the United States is substantially all by merchant marine. For this there will be abundant facilities which can be so distributed as to meet the varying demands of trade and commerce.

"Immediate intercommunication, national or international, is all electrical. Except that with adjacent countries, the international communication of the United States is all by submarine cable. These facilities take time and enterprise to establish. The construction and location are permanent and can not be substantially varied from their original location except by reconstruction, which requires time and capital. Where abundant facilities exist, however, if brought under one control, they can oftentimes be readily and quickly rearranged and connected to suit changing conditions.

"The world's system of international electric communication, largely cable, is comprehensive, abundant, and efficient. It has been built up primarily on the basis of connecting the world with the great centers, focusing these facilities, as it were, on the world's centers of finance, commerce, and industry. National prestige, local interests, competitive enterprises have influenced location, extension, and combination, so that those facilities are not in all cases arranged to be productive of the maximum possibilities of either broad efficiency or the greatest economy; but aggressive competition and strife for business have stimulated operating efficiency.

"The United States is connected with this world system only as a subordinate part, as a field to be reached and exploited, and not as a world center. This must be changed, and the United States, if full advantage is to be taken of its position and the opportunities now existing, must be put into its relative world position, put into the focus of a world system of electrical intercommunication as one of the most, if not the most, important center of commerce, industry, and finance."

To this end I have recommended in the memorandum referred to extensions of existing systems which, if carried out, will give immediately a much wider expression to the overseas trade of the United States, and ultimately make the United States one of the world centers of international commerce.

—

Mr. CLARENCE H. MACKAY, DECEMBER 4, 1918.
President Commercial Cable Co.,
253 Broadway, New York City.

DEAR MR. MACKAY: The interests of the public service during the present emergency necessitate the unification in operation to the fullest extent possible the cable systems leading from this country to Europe, so that the full capacity of all the cables may be made available to the public and the press. It is manifest that this can only be accomplished through the operation of the two systems under one management. I have made a survey of the situation and am satisfied that the object sought can best be accomplished by placing the cables with the operating head of the Commercial Cable Co. I therefore direct, so far as I am authorized by the joint resolution of Congress under which the cable systems are now controlled by the Government of the United States, that Mr. George G. Ward, vice president of the Commercial Cable Co., and who I understand now has direct charge of your cable system, assume the management and operation of both the Commercial Cable system and the cable system operated by the Western Union Telegraph Co. I trust that I will have the hearty cooperation of the officials of both cable systems in carrying out these directions.

I am sending a copy of this letter to Mr. Ward; also to Mr. Newcomb Carlton, president of the Western Union Telegraph Co.

Very sincerely,
(Signed) A. S. BURLESON,
Postmaster General.

DECEMBER 4, 1918.

Mr. GEORGE G. WARD,
Vice President Commercial Cable Company,
253 Broadway, New York Cit .

DEAR MR. WARD: I am inclosing a copy of a communication I have this day sent to Mr. Clarence H. Mackay, president of your company, containing instructions with respect to the unification in operation of the cables leading to Europe.

I trust I will have your hearty cooperation and assistance in making these instructions effective.

Very sincerely, (Signed) A. S. BURLESON,
Inclosure. *Postmaster General.*

—

THE COMMERCIAL CABLE CO.,
New York, December 4, 1918.

Hon. A. S. BURLESON,
Postmaster General, Washington, D. C.

DEAR SIR: In answer to your letter to me of to-day, which has been given to the newspapers, I beg to say that the most expert cable advice that I have been able to get convinces me that better work can be done by a continuance of the present separate management of the two cable companies than by an attempt to amalgamate two plants which have been operated separately and successfully for so many years. As you doubtless are aware, the Commercial Cable Co. to-day has filed a bill in equity in the United States court in this city to prevent just such an amalgamation, and I am assured that the best interests of the public will be advanced instead of retarded if no such amalgamation takes place.

I am, sir,
Yours, very truly,
(Signed) CLARENCE H. MACKAY,
President.

—

DECEMBER 4, 1918.

Mr. NEWCOMB CARLTON,
President Western Union Telegraph Co.,
195 Broadway, New York City.

MY DEAR MR. CARLTON: I am inclosing a copy of a communication I have this day written to Mr. Clarence H. Mackay, president of the Commercial Cable Co., containing instructions with respect to the unification in operation of the cable systems leading from this country to Europe.

I am sure I may count upon your cooperation and assistance in making such unification effective and successful.

Very sincerely, (Signed) A. S. BURLESON,
Inclosure. *Postmaster General.*

—

THE WESTERN UNION TELEGRAPH CO.,
New York, December 6, 1918.

Hon. A. S. BURLESON,
Postmaster General, Washington, D. C.

MY DEAR MR. BURLESON: I have your letter of December 4 and beg to assure you of our hearty cooperation in your plan for the unification of the operation of the American cable system.

In my judgment, joint operation will result in an increase in the total daily capacity of the cables comprising the two systems, which is so much needed at this time, as well as in important economies in operation, and I trust that no time will be lost in beginning this unification.

Faithfully, yours,
(Signed) NEWCOMB CARLTON,
President.

—

DECEMBER 7, 1918.

Mr. CLARENCE H. MACKAY,
President the Commercial Cable Co.,
253 Broadway, New York City.

MY DEAR SIR: This acknowledges the receipt of your letter of the 4th instant. Please advise me whether Mr. George G. Ward has taken charge of the joint operation of the trans-Atlantic cables in accordance with the directions contained in my letter to him under date of December 4, a copy of which has been furnished you. I am not interested in any suit you may have filed or contemplate filing, as I do not regard such action as of any importance.

Respectfully, yours,
(Signed) A. S. BURLESON.
Postmaster General.

ADJOURNMENT.

Mr. SIMMONS. I move that the Senate adjourn.

The motion was agreed to, and (at 5 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Thursday, December 12, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *December 11, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

Our Father in heaven, we thank Thee this morning for the coming and the going of the seasons, for the sunshine and for the rain, for the pleasant paths and for those that are steep and difficult. We only pray Thee, O God, to give us strength and the wisdom and the courage to go on, trusting in Thee for needed strength day by day, and for light upon the pathway as we may onward go. Bless us this day, and from us may there go some good thing to other lives, and may our country and its cause to-day stand before Thee justified and right, and may we, the servants of Thine and of the people, be blessed in our doing. We ask for Thy great name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALENDAR WEDNESDAY.

Mr. SISSON. Mr. Speaker, I ask unanimous consent that the business in order to-day, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

TRANSPORTATION OF GOVERNMENT EMPLOYEES.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13261) providing for the transportation from the District of Columbia of Government employees whose services no longer are required, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Kentucky asks unanimous consent for the present consideration of the bill, H. R. 13261. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to consider this bill in the House as in Committee of the Whole House on the State of the Union. Is there objection?

Mr. GILLETT. Mr. Speaker, reserving the right to object, what is the reason for that? Why should we not go into committee?

Mr. SHERLEY. I merely thought it might expedite the matter. I have no objection.

Mr. GILLETT. I think we would better go into committee. I do not know that there will be any debate.

Mr. STAFFORD. If we go into the committee, the gentleman realizes that in general debate it might take considerable time, and therefore postpone the consideration of the District of Columbia appropriation bill.

Mr. GILLETT. I have no wish to delay the matter at all. I do not know what the gentleman may say. I am on the committee, and I do not know whether I shall want to discuss it or not.

Mr. SHERLEY. I have no desire to curtail debate. I expect to make a statement to the House as to the general purport of the measure, and if anyone desires to discuss the bill in reason I shall not object.

Mr. GILLETT. The gentleman would take an hour——

Mr. MANN. There is no hour. It would be considered under the five-minute rule.

Mr. SHERLEY. It would be considered under the five-minute rule, I presume, the same as if we were in Committee of the Whole.

Mr. MANN. I believe it has been decided that there is no general debate when the House is acting as in Committee of the Whole.

Mr. GILLETT. I shall make no objection.

Mr. MANN. Gentlemen might want a little more time than five minutes.

Mr. SHERLEY. I assume that the House would grant a reasonable extension of my time and I would to anyone else.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and the Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the heads of the several executive departments and other governmental establishments in the District of Columbia are authorized to furnish to such civilian employees, receiving compensation at the rate of $2,500 per annum or less, of the services under their respective jurisdiction as have come to the District of Columbia since April 6, 1917, whose services are no longer required and whose employment has been or may be terminated by the Government without delinquency or misconduct on their part during the period from November 11, 1918, to March 31, 1919, inclusive, their actual railroad transportation, including sleeping-car fare, from the District of Columbia to the place from which they accepted employment, or to such other place not a greater distance as the employee may elect.

SEC. 2. That such transportation must be applied for within 10 days after the termination of service and shall be used within five days after issuance unless an extension of time on account of illness be granted by the proper authority: *Provided*, That as to the employees whose services have been terminated during the period between November 11, 1918, and the date of the passage of this act, inclusive, the foregoing limitation of 10 days shall operate from the date of the passage of this act. Any person who shall sell, exchange, or transfer such transportation for the use of another shall be punished by a fine of not more than $100.

SEC. 3. That the expenses authorized by this act shall be paid from the following appropriations for the fiscal year 1919, which hereby are made available therefor:

For the War Department, from "Transportation of the Army and its supplies."

For the Navy Department, from "Pay, miscellaneous."

For all other executive departments and independent establishments, from the appropriations for the support of the services in which such persons are employed.

With the following committee amendments:

Page 1, line 6, after the word "compensation," insert the words "exclusive of the additional $120."

Page 1, line 7, strike out "$2,500" and insert "$1,400."

Page 3, after line 6, insert new sections as follows:

"SEC. 4. That any employee who would be entitled to transportation, including sleeping-car fare, under this act and who has left the District of Columbia prior to the passage of this act, but not before December 10, 1918, upon application and presentation of proper proof shall have refunded the cost of actual railroad transportation, including sleeping-car fare, from the District of Columbia to the place from which employment was accepted or to such other place not a greater distance to which the employee may have gone: *Provided*, That payment to any employee for leave of absence not earned in proportion to the term of employment shall be deducted from the refund authorized in this section.

"SEC. 5. That the provisions made in this act for the transportation of employees shall not be supplemented in any manner by the various services in which they are employed."

Mr. SHERLEY. Mr. Speaker, I ask for the reading of the bill under the five-minute rule for amendment.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the heads of the several executive departments and other governmental establishments in the District of Columbia are authorized to furnish to such civilian employees receiving compensation at the rate of $2,500 per annum or less, of the services under their respective jurisdiction as have come to the District of Columbia since April 6, 1917, whose services are no longer required and whose employment has been or may be terminated by the Government without delinquency or misconduct on their part during the period from November 11, 1918, to March 31, 1919, inclusive, their actual railroad transportation, including sleeping-car fare, from the District of Columbia to the place from which they accepted employment, or to such other place not a greater distance as the employee may elect.

With the following committee amendment:

Page 1, line 6, after the word "compensation," insert the words "exclusive of the additional $120."

Page 1, line 7, strike out "$2,500" and insert "$1,400."

Mr. SHERLEY. Mr. Speaker, the House is somewhat familiar with the situation that has existed and still exists in the District of Columbia in respect to clerks brought here as a result of the country's entrance into the war. There were slightly more than 30,000 clerks in the District of Columbia in the various departments at the time of the outbreak of the war. It has been roughly estimated that something over 60,000 clerks have been added to that number. It is manifest that there ought to be a very rapid reduction in the number of clerks that are employed here. That is desirable in the interest of economy, it is desirable in the interest of efficiency of administration of governmental affairs, and it is particularly desirable from the standpoint of the city and the residents of the city. A very large proportion of these additional clerks are young women, who came here as a result of the intensive campaign for additional help by the various departments, due to war emergency. Many of the girls have not made that provision for their future which should have been made by them, as well as by others, and the very sudden termination of the war, with the consequent early dismissal of these clerks, finds many of them in a position without the means to provide for their transportation to their homes or elsewhere, where they may seek and obtain employment. I take it that the House is thoroughly of the opinion that there ought to be as rapid a reduction of the clerical force as is possible. If that is to take place there will inevitably result hardships in a great many cases where the clerks have not made provision for their transportation to their homes, and if no provision is made for them one of two things will happen. Either there will be such pressure to retain them upon the pay rolls as will result in a very great delay in the reduction of the clerical force here, or they will be left in this city subject to the charity of others to get home, with the result that a great many of them never will return to their homes.

I can imagine no situation worse for the community and no situation worse for those employees than for them to be dismissed from the Government service and remain here in Washington or in near-by cities without active employment. The result of such a situation would be bad from every standpoint—economic, moral, and otherwise. Any number of welfare workers in the various departments and any number of the personnel of the offices in the various departments have come to me from time to time since the assembling of Congress, stating the acute situation that existed in regard to a number of these clerks and urging that Congress should take some action to relieve the matter. As a result of that I introduced into the House, and it was referred to the Committee on Appropriations, the bill which is now pending. In the committee the bill was subjected to careful consideration, with the result of various amendments which, I think, served to perfect it in several degrees, and the first amendment, which is now pend-

ing and which is important, seeks to reduce the salary from $2,500 to $1,400 of the clerks who are entitled to relief under the act.

Mr. GARNER. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. GARNER. If I understand the gentleman's resolution, it includes the dollar-a-year men.

Mr. SHERLEY. Well, I had not thought of that. I suppose technically it does; but I question very much whether such employees would desire or accept such compensation, and I have no objection to excluding them.

Mr. GARNER. I am not so credulous as the gentleman from Kentucky, and I would like for this resolution to be very specific on that point. In that connection, may I ask if the gentleman knows the number of dollar-a-year men who have been employed by the Government?

Mr. SHERLEY. No; but I think they are very much less in number than the common impression is.

Mr. GARNER. If I understood the gentleman, there are some ninety-odd thousand employees who have been brought here under civil service——

Mr. SHERLEY. I should say 60,000.

Mr. GARNER. Well, 90,000 now under civil service, including the 32,000 here at the time the war broke out. Now, that 90,000 does not include the dollar-a-year men or the military people; that is, the people in uniform?

Mr. SHERLEY. It does not include the people in uniform, and I presume it does not include the dollar-a-year men.

Mr. GARNER. Did the gentleman say it does include the people in uniform?

Mr. SHERLEY. It does not.

Mr. GARNER. That is my understanding. I would like very much to hear why these dollar-a-year men should be included in this resolution.

The SPEAKER. The time of the gentleman has expired.

Mr. SHERLEY. I ask unanimous consent to continue for 10 minutes further.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. SHERLEY. Yes.

Mr. MADDEN. Was the committee able to ascertain the number of people who would be relieved from service between now and the 31st of March?

Mr. SHERLEY. Not with any degree of definiteness. I have asked the departments—and I hoped to have had that information—to prepare me a statement as to the number that they expected to dispense with, but I should hope that of the sixty-odd thousand who have been brought here by the war over 50 per cent of them might be dismissed from the service by that time. There are a number of bureaus that of necessity will have to continue for a while at their present strength, but I should think that at least 30,000 or more employees might leave the service, and one of the purposes, I will say to the gentleman from Illinois, in offering this resolution was the desirability of encouraging the separation from the service of unnecessary employees. It was felt that if you fixed the time in which the employees would receive their traveling expenses home, that a great many of them would voluntarily leave the service and that it would serve to expedite the lessening of the rolls of the Government service.

Mr. FOSTER. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. FOSTER. I want to say to the gentleman that some of the bureaus, one of them I know of, have issued a circular saying to the employees that if they resigned and went home that the department would give them the pay, and then pay them for the time coming to them on annual leave, and then they would be paid for an addition of 15 days, not to exceed 30 days' time.

Mr. SHERLEY. The War Department issued such an order and I think it terminates at a near date. The committee considered that matter and did not feel there ought to be this double gratuity, and so in the committee amendment, which is offered as section 4, the gentleman will find the proviso in these terms:

Provided, That payment to any employee for leave of absence not earned in proportion to the term of employment shall be deducted from the refund authorized in this section.

Mr. FOSTER. So that under this they would only get the pay coming to them at the time?

Mr. SHERLEY. That is the purpose of the amendment.

Mr. SNYDER. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. SNYDER. Is the gentleman willing to enumerate the bureaus which he states will have to keep in existence for a considerable period?

Mr. SHERLEY. I could not do that. For instance, the War-Risk Bureau is going to be required to stay at pretty much its present strength for a time, and I hope it may develop an efficiency that will bring it more current with its work, which in some particulars is greatly behind. Then there will be certain accounting bureaus of the War Department that will have considerably heavier work almost than they have had heretofore, because of the adjustments that have grown out of the war.

There will be a number of bureaus in the War Department, and some in the Navy Department, that will have to stay at approximately their present strength. I will say to the gentleman that personally I am looking at the other side of the picture whenever the matter comes before the Committee on Appropriations. I think that it is incumbent upon the department in every instance to show cause why they should not reduce, and the presumption ought not to be indulged that they need to stay except where the facts demonstrate it.

Mr. LAGUARDIA. In section 1 you provide for their actual railroad transportation. Does not the gentleman intend to give these employees actual tickets or equivalent of tickets?

Mr. SHERLEY. This bill does not contemplate the giving of the cash. I think they ought to give the tickets or an order for them. It was attempted so to write the bill that the transportation would not be salable or transferable. My objection to a bonus, which many urged, was that it would not help the employees very much, but simply meant that it was that much more money that the improvident would spend in the District of Columbia.

Mr. LAGUARDIA. Does not the gentleman believe, in view of giving them transportation or its equivalent, that it would be a sort of enforced deportation, and would not that be humiliating?

Mr. SHERLEY. I think not. As to enforced deportation—if the gentleman insists on that word; I use it without any sense of reflection on anybody—I think a Government employee who has come here to perform a particular task, when that task has passed away ought to go back to where he came from in the interest of the Government, in the interest of those who have to stay in the District of Columbia, and particularly in the interest of the employee himself or herself. And I can imagine no worse condition that could happen to most of the young women employees who have come here than to remain here after their employment has ceased.

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. PARKER of New Jersey. I want to ask one question. You give transportation to the place from which they accepted employment. Is that their home at the time of their accepting employment, if they happen to be here, or would there be no transportation at all if they came here first and accepted employment after they came?

Mr. SHERLEY. I had not thought of just the exception of which the gentleman speaks. I think that practically all of these people came here as the result of employment that was offered them while they were at their homes.

Mr. PARKER of New Jersey. A great many people came here without any offer, and just received employment after they got here.

Mr. SHERLEY. I think the gentleman is mistaken as to the number. I think it ought to be construed in a fair sense.

Mr. PARKER of New Jersey. I only say that I think it ought to be more definite in the bill. While we are considering this very amendment, I think we ought to know what we are doing.

Mr. LONGWORTH. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. LONGWORTH. For the reason that the gentleman gives as to the advisability of practically forcing the deportation of these Government employees whose services are no longer needed, does not the gentleman think the fine of $100 is very light for what I would regard as a very serious offense in disposing of the transportation?

Mr. SHERLEY. It is light. But I become merciful as I get older. I have no objection to an increase in the penalty. I think that provision is not the effective way. The effective way is to give them the actual transportation and to make it not transferable.

Mr. LONGWORTH. Even so, some persons who wanted to remain here might be tempted, if their home was pretty far away, to sell their transportation for quite a considerable sum.

Mr. SHERLEY. I shall not object to an amendment to raise it from $100 to a larger sum.

Mr. MANN. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. MANN. I understand, or I have heard at least, that the departments, or some of them, now offer to the employees not only any leave which may be accumulated and their pay but also two weeks' pay if they resign now. Is that the case in a number of instances?

Mr. SHERLEY. I understand the War Department has issued such an order. I do not know of any other department having issued it.

Mr. MANN. Now, is the amendment known as section 5 intended to prevent such action?

Mr. SHERLEY. Yes. The idea that prevailed in the committee was——

Mr. MANN. What I want to get at is another matter.

Mr. SHERLEY. The idea of the committee was that if Congress voted this compensation there ought not to be various other inducements held out or granted by the departments.

Mr. MANN. The gentleman and I both agree, and I hope others agree with us, that it is desirable, in order to reduce the force as rapidly as possible, to offer some inducements to clerks to resign. But what is going to be the effect of this provision? A very large proportion of temporary clerks come from near-by places. I suppose there have been a great many more applications for temporary places in the Government service in Washington from points within a radius of 100 to 200 miles than there have been in a radius of 1,000 miles. Now, those clerks will not get very much from receiving railroad transportation to their homes. That is infinitesimal, almost. Does the gentleman think that any of them would be inclined to resign for the purpose of getting railroad transportation, which amounts to nothing as against the inducement that is now offered to them of two weeks' pay?

Mr. SHERLEY. Perhaps not. But I hope the departments will understand that they are not to limit the reduction from their force to those who voluntarily resign.

Mr. MANN. That may be; but the gentleman knows that the departments will naturally first accept resignations.

Mr. SHERLEY. My own idea is that if the Committee on Appropriations can get the information—and it is exceedingly difficult to do so—that, along with what else we are getting, we should cut out some of the moneys that are available for clerks and to force reductions.

Mr. MANN. That may be, but they will naturally take the resignations first. Now, if you offer an inducement in this bill in this form to people who reside at a considerable distance from Washington to quit the Government service you offer no inducement whatever to anyone living in the District of Columbia to quit the Government service and a very slight inducement, compared with what has already been offered, to the people who live in Virginia, Maryland, Pennsylvania, or West Virginia, or a good many other points near by. I wonder what the effect would be?

Mr. SHERLEY. Well, what the gentleman has stated raises an interesting phase of the matter. The Committee on Appropriations was reluctant to make too great a drain upon the Treasury, and it did not seem altogether fair that the people should be paid two weeks' additional compensation for work that they were not doing and, in addition to that, get transportation home. In point of fact, the clerks have not near as much of an equity as their advocates represent. I am dealing with the situation, not out of an agreement with the arguments of many who urge the action, as I am from the necessity of getting rid of the clerks. Most of the clerks who came here could, under proper foresight, have made provision for themselves. In some instances they could not.

Mr. MADDEN. Does the gentleman think there is any way of amending the language of this bill so as to require them to dismiss the clerks whose services are not needed?

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky may proceed for 10 minutes more.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from Kentucky may proceed for 10 minutes more. Is there objection?

There was no objection.

Mr. MADDEN. I want to know if the gentleman does not think we ought to employ language that will require the departments to dismiss them, not to wait until they resign?

Mr. SHERLEY. I do not know of any language that you could use that would produce that result and leave it in the judgment of the department. You could put in here a provision to the effect that a certain given number—if you had the information—should be dismissed in each department; but I take it that we have not that information. Now, if you say they shall dismiss all those who are not required, that simply passes the matter back to where it was before, and the department is the determining factor as to who is required. I know of nothing you can do short of an enumeration of the clerks who are to be dismissed or the taking away of the money to pay them, except to offer an inducement of dismissal, and it is hoped a realization of the obligation to the country and the Treasury will prompt them to dispense with all unnecessary employees.

Mr. MADDEN. Of course, we are only offering an inducement here, and I assume we are depending on the good faith of the bureaus and the departments to the extent that we mean that they shall dismiss them. Of course, I do not pretend to know what particular language should be employed, but what I would like to see, if it were possible to do it, would be some language inserted that would serve notice on the department heads that they shall dismiss all nonessential department employees just as fast as they can be dismissed.

Mr. SHERLEY. My understanding is that the various Cabinet heads have sent from the departments statements in substance such as the gentleman speaks of, and that the War Department contemplates that it will have by the 1st of July reduced its force 90 per cent. Personally I do not think that is possible, but their estimates for next year were predicated upon a 90 per cent reduction.

Now, a little while ago some one asked me what departments would probably have to continue the services of these extra clerks. The Adjutant General's Department will probably need all the clerks it has and an increase. It has had transferred to it all of the rolls in connection with the draft, and it is highly important, if we are to protect the Government against wrongful claims, that there should be an accurate statistical record of all the men who have gone into the service and who have left the service, so that I take it that there will be a legitimate need for a large number of clerks in that department.

Mr. MADDEN. Of course, the reorganization will call for a lot of additional work there.

Mr. LOBECK. Mr. Speaker, will the gentleman yield?

Mr. SHERLEY. Yes; I yield to the gentleman from Nebraska.

Mr. LOBECK. The point I was thinking about was brought up by the gentleman from New Jersey [Mr. PARKER], who referred to the people who came here to fill positions in the Government service. Most of them came through the Civil Service Commission, and they had to take their examination from the States where they lived. That is where they belong.

Mr. SHERLEY. I think that is true of the majority of cases, but of course it is impossible to write a law here that will work perfectly in every instance. You have got to deal with broad averages.

Mr. HILLIARD. Mr. Speaker, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. HILLIARD. Is it not true that a considerable number of persons have been employed elsewhere than in the District of Columbia under like circumstances and that similar provision should be made for them?

Mr. SHERLEY. There are such cases, perhaps, but I do not think they are acute, and I do not think we should undertake to legislate at this time to cover them.

Mr. HILLIARD. Does not the gentleman think it would be fair under the circumstances to make like provision for them?

Mr. SHERLEY. I do not think you can get theoretical and actual fairness in all cases. War in its nature is the very essence of unfairness and inequality, and the contributions that each citizen makes to that war range from the supreme sacrifice of life to a very nominal sacrifice. There is no way to equalize conditions, and I think it would be a very grave mistake to open up this bill so as to deal with employees the country over.

Mr. HILLIARD. Notwithstanding what the gentleman says, I am sure he would be the last man to want to have it unfair, and if it can be made fair, without injustice to the Government, I think he would want to do it.

Mr. SHERLEY. There is a factor that is often forgotten, and that is the taxpayers of the United States and the Treasury. I am trying to protect them. [Applause.]

Mr. HILLIARD. Why leave out deserving people when you take so many in?

Mr. SHERLEY. Because I have not sufficient information to warrant me in extending the rule.

Mr. HILLIARD. The gentleman will not claim that he has a monopoly of information?

Mr. SHERLEY. No. I am merely giving you my opinion. It is not binding on anybody.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. BANKHEAD. Should not those three words, "other governmental establishments," relating to the service there, be stricken from the bill? It seems to me the language is a little awkward.

Mr. SHERLEY. It is a little awkward, but if it were undertaken to use any other language it may be found that it is not generic enough. There are a great many establishments under the Government that are not departments.

Mr. BANKHEAD. Would it not take care of that section by striking out those words?

Mr. SHERLEY. It might.

Mr. BANKHEAD. So that it will read, "That the heads of the several executive departments" shall have authority under their respective jurisdictions to furnish the transportation. If you strike out those three words, it seems to me it would relieve it of any ambiguity.

Mr. SHERLEY. I am not prepared to say that that might not be a proper amendment.

Mr. BANKHEAD. I just call attention to it.

Mr. GRAHAM of Illinois. Does the gentleman know whether at this time the various departments are employing any additional clerks or not?

Mr. SHERLEY. So far as I know, they are not. Here and there an individual may be taken on in some department. I would not say that there is not.

Mr. GRAHAM of Illinois. I saw a statement in one of the local papers to the effect that all of the departments were employing new help at this time and were discharging some, and the statement gave a sort of balancing of the account, showing that they were being discharged faster than they were being employed.

Mr. SHERLEY. I presume that there are some employments. There have been some vacancies in special lines of work that have not been filled because eligible people on the rolls were not available. I take it that some have been employed. It is quite possible that the Internal-Revenue Department is enlarging its force in some particulars as a result of the added work that is placed on it in connection with the revenue. Frankly, I have not been able to check up the departments so as to know.

Mr. WINGO. If the gentleman will permit me in that connection, I understand there was an increase of a little over 1,000 employees in Washington during the month of November, as shown by the civil-service statement a few days ago.

Mr. SHERLEY. It may be that a large part of that came prior to the signing of the armistice.

Mr. WINGO. There were a little over 5,000 additions and a little over 4,000 separations from the service.

Mr. SHERLEY. I am quite sure that at this particular date there are quite a number of thousand less employees in Washington than there were at the date of the signing of the armistice.

Mr. WINGO. I think that is true. This statement also went to show that there had been a smaller increase in November than in any preceding month, and it was expected that the report for December would show a decrease instead of an increase.

Mr. WHEELER. These various employees came here anticipating that they would return home after the war closed. In some departments they are still needed. In case they resign while they are still needed, will they be entitled to any transportation under this act?

Mr. SHERLEY. I take it that if they are separated from the service without fault on their part they will be entitled to this relief.

Mr. WHEELER. Suppose they separate themselves from the service?

Mr. SHERLEY. I think they would be entitled to the relief. I am not fearful of losing the services of employees indispensable to the Government who will be affected by this act.

Mr. EAGLE. Were the thirty thousand and odd employees who were in the departments at the outbreak of the war all under the civil service?

Mr. SHERLEY. I think practically all of them were.

Mr. EAGLE. And the 60,000 additional who have come here, are they under the civil service?

Mr. SHERLEY. They have come in under the kind of civil service that we have had since the war started.

Mr. EAGLE. I am asking that for the purpose of trying to develop a bit of information. Is there anything in the fact that they are under the civil service to prevent their discharge when their services are no longer needed?

Mr. SHERLEY. I know of no civil-service law that gives indefinite tenure to anybody.

Mr. EAGLE. That is the thing I am trying to develop. Now, I gather from the observation of the chairman a moment ago that the only way by which the Treasury may in the future be relieved of the burden of paying these superfluous clerks, unless they choose to resign or unless the heads of the departments choose to cause them to resign, is that we may withhold appropriations to pay them, so that they will be compelled to leave the service.

Mr. SHERLEY. That is always the most pronounced remedy.

Mr. McFADDEN. Section 2 provides that such transportation must be applied for within 10 days, and so forth. I want to ask the gentleman whether or not a special ticket will be issued to these people when they apply, or will the heads of the departments buy the regular railroad transportation?

Mr. SHERLEY. That detail was not worked out. The idea was that they would be actually furnished the transportation—that application would be made for transportation to a given place, and then that transportation would be furnished.

Mr. McFADDEN. I realize that there is a penalty for transferring the transportation to anyone else, but at the same time I want to make this suggestion to the gentleman: It seems to me that if a special ticket is printed and each applicant is compelled to sign an affidavit, and then perhaps to sign again on the train when the conductor takes up the ticket, it will avoid any misuse of the ticket or any transfer.

Mr. SHERLEY. It did not seem quite practicable in an act of this kind to set out in detail what is purely a regulatory matter. I take it that the departments will in good faith issue the transportation in such a way as to prevent its being wrongfully used. That was the idea.

Mr. DENISON. I should like to ask the gentleman a question.

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. SHERLEY. I ask for five minutes, and then I will not further delay the House.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. DENISON. I should like to ask the gentleman if in his judgment this could be construed so as to allow its benefits to those who may come into the service between now and March 31 next? If it could, it might very easily be abused by the heads of departments or their subordinates, if they were disposed to permit it.

Mr. SHERLEY. I am not prepared to say that the case the gentleman supposes might not be possible. Of course that was not the intention of this act.

Mr. DENISON. The intention was to confine it to those who are now in the service?

Mr. SHERLEY. Yes.

Mr. DENISON. The act does not so state, and I think when we reach the point for amendment we should limit it to those who are now in the service.

Mr. SHERLEY. I am not prepared to say that is not wise. It is pretty difficult to draw a provision of this kind and cover every idea that may be presented.

Mr. DENISON. I understand; but I thought it worth while to call the gentleman's attention to it.

Mr. GARD. Has the gentleman any information as to how much money is to be applied for this purpose and how it is to be apportioned to those who come from different States?

Mr. SHERLEY. There was no attempt to allot moneys according to geography. The purpose of the bill is to deal concretely with actual cases. If a person lives in Mississippi, California, Utah, New York, or Massachusetts, he comes within the rule and would get transportation home. The War Department estimated that in their department it would cost as much as $450,000, but that related to all employees. It has been limited to employees drawing $1,400 a year or less. I take it that would result in very great reduction in the expense placed on the Government.

Mr. RUBEY. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. RUBEY. Does the gentleman know to what extent the Government has paid for transportation of clerks to Washington?

Mr. SHERLEY. I do not.

Mr. RUBEY. I will say that in September last, I think it was, when I came to Washington, there were about a dozen on the train who had transportation paid from St. Louis to Washington, including sleeping-car fare and $5 allowance for meals,

and even went so far as to allow them for the transportation of baggage in St. Louis and from the station in Washington.

Mr. SHERLEY. I am not sure that in all instances where transportation was furnished it was a bonus. I think it was advanced.

Mr. RUBEY. This was paid outright.

Mr. SHERLEY. It may have been paid outright, and yet with the understanding that it should be repaid out of the salary of the employee. But I am not advised about that.

Mr. LOBECK. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. LOBECK. There was a captain came from the Quartermaster's Department to Omaha and made certain offers for stenographers, and said that they would pay the transportation from there to Washington if they could get expert people. Whether any was paid or not I do not know.

Mr. SHERLEY. There may have been some justifiable expenditures in certain instances; I am not prepared to say.

Now, gentlemen, I want to state this in connection with the bill and its consideration: It is not presented as a perfect piece of legislation. The committee is not prepared to resist any proper amendment, but I hope gentlemen will realize that no matter what form it takes it will not meet with every conceivable case that men may be able to state. You can not write an act that will not be faulty in some respects, where in a matter of this kind personal equation enters into it. I believe that it should receive the support of the House.

Mr. WALSH. Mr. Speaker, I dislike to oppose a measure supported by the distinguished chairman of the Appropriations Committee, because I know that upon all matters that have to do with taking money out of the Treasury of the United States he reports them only after the most careful consideration.

I appreciate the fact that in a spirit of exaltation over the cessation of hostilities and the approach of the Christmas season the idea should be encouraged that the Government and the Treasury of the United States is one great generous Santa Claus. But the gentleman from Illinois [Mr. MANN] spoke of inducing the employees of the Government to quit the service, and that this was a scheme to further that plan. These employees were brought here after frantic efforts to get them to fill these positions. They were paid salaries, for the most part, larger than they would receive in private employment. I have seen no great disposition on the part of these employees to get out of the Government service. I have had numerous clerks come to me and seek my help to get them transferred into permanent positions rather than to assist in securing their dismissal.

But I want to direct the attention of the House to the fact that in the Navy Department men who have enlisted and who have been discharged, men who enlisted for a period of years and whose discharges have been approved, are put ashore, and they do not get a cent of transportation—men who have been serving on the battleships and cruisers, and they are not even given the benefit of the 1 cent a mile transportation. I had a young man call on me the other day, discharged from a battleship—the *Mississippi*, I think it was—and he was told that he could not get the benefit of the 1 cent a mile nor could he get any transportation.

Mr. NORTON. Does the gentleman think that a proper condition?

Mr. WALSH. I do not know; but because that exists I do not think we ought to be more generous to these civil employees. These people who have been employed, a good many, will be entitled to vacation. The result will be that they will get 10 days or two weeks with pay. They will make application for transportation. They will stay in Washington for the vacation season, spend their money, and then go home. I submit that the more orderly way to handle this situation—and it may have been considered—was to have granted these people the leave to which they are entitled, pay them in advance, let them go home, and upon the expiration of the vacation at their homes their connection with the Government pay roll should cease.

I do not know how much this will cost, but it will be an immense sum. We will be in a position of establishing a principle that the Government employees in the civil-service branch who have come here and accepted positions in the National Capital shall upon their termination of services be entitled to transportation home. It will be cited as a precedent, and I submit that, despite the emergency, we ought not to enact this into law, and we ought not to be compelled to pay the thousands of workers their transportation home. Why not give them the benefit of the 1 cent a mile, and why not let them contribute in some part at least to the expense that will be incumbent upon them when they quit the Government service?

I am opposed to giving these employees, who have been well paid and a great many of them overpaid, a great many who have not given the equivalent in work and service, this gratuity out of the Treasury of the United States, particularly in view of the fact that some of the men who have been in the active military and naval service of the Government in time of war, who have been in places of danger, who have been risking their lives, are dumped ashore upon their discharge and told to take their dunnage and find the best way they can to pay their expenses home. In the case I cited I should say that I have taken it up with the department, but have been unable as yet to get any satisfactory explanation.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. WALSH. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. WALSH. Mr. Speaker, the only explanation I have heard is that these men enlisted for a term of years, and that the transportation pay applied only to the Naval Reserves and to the men who enlisted for the period of the war. While I have my opinion of the valiant conduct and splendid courage of some of the men in the Naval Reserve Force, I submit that men who enlisted in the Navy after the declaration of war and who, as in some cases I know, although they enlisted for a term of years, were told there would be no difficulty in their procuring their discharge if the war terminated before the expiration of the term for which they enlisted—that those men, although enlisted in the regular service, ought not to receive any less generous treatment than these clerks and stenographers who have come here to the Capital. If we have men at the heads of these departments who are competent to run them, they ought to be willing, when the need for the services of these people has ceased, to discharge them.

Mr. IGOE. Mr. Speaker, will the gentleman yield?

Mr. WALSH. Yes.

Mr. IGOE. The gentleman has spoken of a matter which I have had brought to my attention also, namely, the question of transportation for these men in the regular service who are discharged. I think it is outrageous that they do not get their transportation; but there is one thing still worse. The regulations of the Navy Department that I have seen—and I have taken up the matter with the Bureau of Navigation—provide that those men in the regular service who are released can not get an honorable discharge.

Mr. WALSH. Yes; that is another condition that attaches in some cases, I understand. Mr. Speaker, as I say, if we have men who are competent to act as the chiefs and the heads of these various departments and bureaus where the force has been so tremendously enlarged as a result of the war emergency, then when the need of their services ceases the heads of bureaus and departments ought to be courageous enough to inform the employees that their services are no longer required. Certainly the Government of the United States and its officials here in Washington ought not to be put in the position where they must have legislation in order to induce these clerks to quit the Government service and resign, and, as the gentleman from Illinois has pointed out, there are a great many of them who live near by—in the immediate vicinity—where the mere payment of the railroad transportation or offer to pay or provide them with a ticket home will be no inducement for them to resign or give up their work. I submit the proper way to do, in view of the salaries that have been paid, up to $1,400—and I notice it was originally $2,500 in the bill—would be either to give them the benefit of the 1 cent a mile which prevails for men in the service or else to give them 10 days' leave with pay and provide that upon the expiration of the 10 days if they were at home their services should cease. For that reason—although it is with some reluctance, as I said—I shall vote against this bill.

Mr. MANN. Mr. Speaker, I think the bill ought to be passed. I believe that every person who entered the Government service, either in the civil or the military or naval establishments, on account of the war ought to be returned home at the expense of the Government. I do not think it is an extravagant view, and I have never been unduly favorable to governmental extravagance. Here was an emergency such as probably we never have experienced before and that we Members will never experience again. We have poured out billions of money, and extravagance was unavoidable—I was about to say necessary. The emergency has now ceased. These people responded, many of them at considerable personal loss or effort, and I think even as to those who received higher

compensation than they otherwise would have received, treating all alike, we can afford to give them an opportunity to go home.

It will not be so very expensive, in my judgment, if we look at it from the standpoint of expense. It will certainly be cheaper for the Government to pay the railroad fare of these clerks home than it will be to keep them in the service. My friend from Massachusetts, Mr. WALSH, and a most capable man he is, thinks that the heads of the bureaus ought to discharge the clerks, regardless of whether they desire to go or not. Much of that will be done, but everyone knows that for many years we have carried provisions in the law each year requiring the discharge of those who were known as superannuated, and if anyone has ever heard of one person being discharged because of superannuation, that knowledge he has not communicated to me. I never heard of one. It is a condition which exists.

Mr. Speaker, I do not think we ought to stop at that. I think we ought to pay the men who are in the Army now up to date. I have a telegram here from West Baden, Ind., which reads as follows:

Several hundred wounded men arrived at West Baden hospital. A large number are without any funds and state have had no pay for many months. Can not some plan be put in operation to give them money when they disembark?

It is a scandal to send wounded men clear from the point of disembarkation to southern Indiana, with money due them for months and not a cent paid to them. The War Department stated yesterday, as I understand, to my colleague, Mr. MCKENZIE, of the Military Committee, that if I would have telegraphed to them the names of the men they would endeavor to pay them. I can not do that. It is their business. A wounded man in a hospital can not be expected to run after the paymaster to get his pay. It is the duty of the military department of the Government to look after him.

Mr. GARD. Mr. Speaker, will the gentleman yield?

Mr. MANN. I hope they will be brought to realize their duty in the matter. [Applause.]

Mr. GARD. Will the gentleman yield?

Mr. MANN. I do.

Mr. GARD. The gentleman's telegram says that these men have not been paid for several months, or language to that effect. Are there any reasons why they have not been paid?

Mr. MANN. There is no reason except they have not got the money.

Mr. BUTLER. If the gentleman will permit, it is the general complaint among these soldiers that they can not get their money and do not get their money, and it is an outrage. The money has been appropriated, and there is no excuse for their not paying it. If some of these officers would take and follow these people up they would get their money. [Applause.]

Mr. SHERLEY. Mr. Speaker, I learned on the other side of some of the conditions of which the gentleman complains, and I undertook to bring about a reformation in the matter. There is nothing that Congress needed to do, because all the money that was needed for pay had been appropriated, and under the law any deficiency for pay is permissible. I suggested two things to the department, and I was in hopes that they had been somewhat carried out. I suggested to the Red Cross that as a matter of taking care of small needs of soldiers who had temporarily lost touch with their command and were moving around in France and frequently found themselves without anything, that the Red Cross be in a position to make them advances of small sums of money. I then suggested to the War Department that there ought to be an arrangement made by which there could be given to every enlisted man a coupon book for a certain amount of money, so that no matter where he was, no matter how he had gotten separated from the pay-department service, he might be able to cash these coupons to take care of immediate needs, and I was told by the finance division of the Quartermaster's Department that they were undertaking to put into effect a system that would deal with the situation. From what the gentleman suggests, evidently they have not succeeded in doing it, but I agree with him there is no possible excuse for any large number of such cases happening. Here and there, of course, they are bound to happen, but the system ought to be such as to make numerous cases impossible. As that division is coming before my committee this afternoon, if I am through on the floor I will again take up the matter with them and see if I can get some information.

Mr. BLAND of Indiana and Mr. MILLER of Minnesota rose.

Mr. SHERLEY. I have not the floor.

The SPEAKER. The gentleman from Illinois has the floor.

Mr. MANN. I yield to either gentleman.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. GILLETT. Mr. Speaker, I favored this resolution in the committee and I favor it here not because I think it does equally an exact justice or because there are not a great many other cases that ought to be covered. I recognize the unfairness of which my colleague from Massachusetts complains. I recognize that through the country there are a great many Government factories where the employees will suffer great hardships unless some provision is made for them; but this case was presented to us first, and I am inclined to think that the Government departments in Washington are more overcrowded and need diminution more than anywhere else and that the city of Washington needs most to be emptied. [Applause.] I believe it is more congested than any other section, so this resolution simply affects that which seems to us the most pressing emergency, to empty Washington and diminish these departments.

Mr. BARKLEY. Will the gentleman yield?

Mr. GILLETT. I will.

Mr. BARKLEY. Is the gentleman able to say whether it is true that any department is retaining in its service men or women any longer than needed merely because Congress has not appropriated money to take them home?

Mr. GILLETT. I do not know whether that is so or not, but as the gentleman from Illinois suggested, the heads of departments are very much influenced in discharging men by the hardships which they will endure. As to the proposition which my friend makes that instead of doing this we should give them leave with pay, why the danger of that is that instead of going home they will stay right here in Washington and spend their money and at the end of the 10 days will be just as badly off as they are now and Washington will not be relieved of their presence. What we want to do is to get them out of the city of Washington and get them out of the departments. Now, I think it is the duty of the heads of departments not to wait until they resign, but immediately to begin dismissing them, and I hope they are doing it and this will accelerate that. I do not believe the heads of the departments appreciate the necessity for instantly reducing their force. We have had some of them before our committee, and it did not seem to me they appreciated what Congress is endeavoring to impress upon them, that they ought at once to begin to get down to the peace basis. [Applause.] The War Department told us that they were still manufacturing powder in their war emergency factories. It seems to me that is an outrageous waste. It seems to me it would be economy for the Government to stop work, even if you had to pay the laborers to do nothing. It is better to pay the laborers to do nothing than to use up raw material in producing something that we do not want and of which we have too much already. This morning a young officer told me that he has been in Washington here for weeks with not a single thing to do, trying to get out the service, but they would not let him out for some reason, and so he was kept here, could not go home where he would like again to return to business, but that he was kept here week after week doing nothing. The department ought not to stand for that. Another young officer in one of the business bureaus told me the other day that he was here in Washington and he wanted to get out of the service and go back to civil life, but that he had given a receipt for a small amount of property—I will not say how small, because I do not want to identify him—he had given a receipt for a small amount, and the property had disappeared, and his accounts were being corrected, and over a week has passed by, and he is liable to be kept here, as far as he could see, indefinitely until they could fix up that account.

He would be glad to pay it out of his own pocket, and he told them so, and go home, although he was not responsible personally for the loss. But the Government is paying him $200 a month just to try to straighten out this account for a few dollars. Now, of course, some of that is inevitable, but I do not believe the departments are awake to the necessity of getting down to a peace basis. And I hope this bill will impress upon them that Congress wants to get to a peace basis, and that we are adopting this so that they shall shut off their force of clerks and send them out of the city of Washington. [Applause.]

The SPEAKER. The question is on the committee amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 7, strike out "$2,500" and insert "$1,400."

The SPEAKER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. ROBBINS. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. ROBBINS: Page 2, line 7, after the word "employment" insert the words "or their legal residence."

Mr. ROBBINS. Mr. Speaker and gentlemen, on the 27th of March this House passed a bill amending the civil-service law permitting those who desired to enter the Government service to take their examination at any other point than their place of residence, and many of those who had come to Washington temporarily were permitted to take such examinations in the city of Washington. Under that bill applicants for Government employment were no longer required to return to their places of residence in order to take the civil-service examination. In order that you may understand just exactly the purpose of this amendment that I offer, I will say that the act of the 27th of March, 1918, has this provision:

Provided, That nothing herein shall be construed to abridge the existing law of apportionment or change the requirements of existing law as to legal residence and domicile of such applicants.

Now, under this bill, if a clerk came here and took temporary service, as a great many of them did, and afterwards took the civil-service examination in Washington and were credited to their home district, say Pittsburgh, Pa., under this bill, when they are discharged from the Government service and they would accept service here in Washington under their new status as a civil-service employee, the place where they accept employment would be Washington. If this bill is to be equitable and give those who shall leave the service transportation home, they would not be entitled to any transportation because they accepted service in Washington. The purpose of my amendment is simply to harmonize this act in accordance with the act of the 27th of March, 1918, and permit the clerks under those circumstances to get transportation back to the place of legal residence, and if they accept service somewhere else to receive transportation to such other place, not to exceed the cost of transportation back to their legal residence. Because, if this bill has any merit at all, it is to provide transportation for these employees home that are here in Washington now at the expiration of their time of service, which is brought upon them by the cessation of hostilities and by the action of the Government, and not of their own choice, perhaps. Therefore, I think they ought to be made whole as to the cost of transportation back to the place of their legal residence.

Mr. DENISON. If your amendment is adopted, who will say to which place the transportation shall go?

Mr. ROBBINS. The applicant can.

Mr. DENISON. The amendment does not say so.

Mr. ROBBINS. This is covered in the next proviso, which provides, "or to such other place not at a greater distance as the employee may elect." I think that is just and equitable. I have from my own district young ladies who took night-school training and have become expert bookkeepers and expert stenographers. Now, those girls will not go back to Westmoreland County, Pa., because they can get higher wages in the cities. I have a particular case in mind which I desire to cover by this amendment, because we offer amendments from information that comes to us. This young lady has graduated at a night school and is an expert stenographer. She will be forced out of the service under this bill, under the existing conditions reducing the number of employees in the service. She is offered a position in Philadelphia. She has got to go back to Westmoreland County or to Philadelphia to obtain employment. She should be allowed railroad fare to Philadelphia. That is perfectly just, providing that the fare to Philadelphia would not be greater than the fare to Westmoreland County, Pa.

Now, I do not think we are going to be able to meet this emergency—to digress a little—by forcing these employees to quit service by any other means than by cutting off appropriations. I was talking the other night to the chief clerk of one of the great bureaus of this Government. He made this statement to me when I asked him why it was that they were continuing the activities of the Government upon a war basis:

Right here under our nose the building goes on in front of the Capitol just the same as if we were in the midst of war. Those dormitories now being built will not be required. But how are we going to stop work on them? Work will never stop until we stop appropriating money. That is the only way. This chief clerk said that when a man enters the Government service he cuts his bridges behind him for private employment, and they build up in every bureau of the Government a system of schemes and plans between themselves to make their services appear necessary. They do not want to get out of the Government service. They want to make their services to the Government appear to be a necessity, and we can not dispose of them until we cut off appropriating money for the payment of their salaries. I think this amendment is eminently fair, if we are going to pass the bill, and I hope the House will adopt it.

The SPEAKER. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was agreed to.

Mr. DENISON, Mr. NORTON, and Mr. GARD rose.

The SPEAKER. The gentleman from Illinois [Mr. DENISON] is recognized.

Mr. DENISON. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DENISON: Page 1, line 7, after the word "less," strike out the words "of the services" and insert the word "now."

Mr. DENISON. I call the attention of the chairman of the committee to the fact that the words "of the services" are surplusage in there and unnecessary.

Mr. SHERLEY. I do not think the word "now" is necessary either. I am willing to have the words "in the services" go out.

Mr. DENISON. I insert the word "now" to meet the point that I called to the gentleman's attention awhile ago when he was speaking, that this bill ought to be limited to the employees in the service, so as to exclude those between now and the 31st of March.

Mr. SHERLEY. The trouble is that it would exclude those in the services yesterday who would want to be taken care of.

Mr. GARD. In line with what the gentleman has suggested in regard to the phrase "of the services," which has given the Members a little trouble in determining just what it means, it seems to me everything could be cured by striking out the word "of" and inserting the word "in," so that it would then read: "to furnish the civilian employees in the services under their respective jurisdictions."

Mr. DENISON. Why have the words in there at all?

Mr. GARD. Because they are in there to mean the service, which means a department or other governmental establishment in the District of Columbia. The words are proper, but the word "of," it seems to me, does not express the meaning as well as the word "in."

Mr. DENISON. If this amendment that I have offered is adopted, "civil employees under the respective jurisdictions," it seems to me, would be better grammar and would convey the meaning more clearly.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. DENISON. Yes.

Mr. BLACK. I understand the purpose of the gentleman's amendment is to make it so that the employees who come to Washington after the passage of this act will not secure its benefits?

Mr. DENISON. Yes; that is what I want to prevent.

Mr. BLACK. Would not the addition of the following phrase after the word "seventeen," in line 10, correct that: "and prior to the passage of this act"?

Mr. DENISON. Yes. That would meet the point I am trying to get at perhaps better than the words I have used.

Mr. BLACK. I intended to offer that amendment, but the gentleman, if he cares, can just substitute that.

Mr. DENISON. Mr. Speaker, I want to modify my amendment by omitting the word "now," which I inserted, by striking it out.

The SPEAKER. Did not the gentleman from Kentucky accept that?

Mr. DENISON. No. He accepted the other part. I want to leave it by striking out those words.

Mr. WINGO. Does not section 4 cover the objection the gentleman had in mind in his amendment? Section 4 covers the man who goes out of the service yesterday. I take it that the gentleman's purpose is to prevent their taking this as a revolving proposition and sending one man home to-day and picking up another man to-morrow and discharging him on the 1st of March, and thereby permitting two men to avail of this provision.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. DENISON: Page 1, line 7, after the word "less," strike out the words "of the services."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DENISON. Mr. Speaker, I want to offer this further amendment.

Mr. BLACK. The amendment I suggested was after the word "seventeen," in line 10, adding the phrase "and prior to the passage of this act."

Mr. DENISON. Mr. Speaker, I offer that as an amendment.

Mr. SHERLEY. Mr. Speaker, I suggest to the gentleman that instead of interpolating words of which it is hard to catch the whole meaning in this paragraph that you add a section at the end of the bill to the effect that this act shall not apply to those who are brought in after that date. We all agree about what we want to do. It is hard to see on the floor just what the effect is of certain words in a sentence.

Mr. DENISON. I think that is a good suggestion. I will withdraw the further amendment, Mr. Speaker. I may have time to prepare an amendment.

The SPEAKER. The gentleman withdraws his further amendment.

Mr. NORTON. Mr. Speaker, I send an amendment to the desk.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from North Dakota.

The Clerk read as follows:

Amendment offered by Mr. NORTON: Page 1, line 7, after the word "rate" insert the words "not more than," and after the word "less" insert the words "than $100 per annum."

Mr. NORTON. Mr. Speaker, the amendment is to take care of the suggestion that was made, that the provisions of this act should not be applicable to anyone receiving a dollar a year salary or a nominal salary. The provision provides that the employees shall only be those who receive not more than $1,400 or less than $100 per annum. I take it that anyone who receives a salary of less than $100 per annum is on the dollar-a-year list.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BANKHEAD. Mr. Speaker, I desire to offer an amendment.

The SPEAKER. Is this to section 1?

Mr. BANKHEAD. Yes.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Alabama.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Page 2, line 5, strike out the words "their actual railroad transportation" and insert in lieu thereof the following: "their railroad tickets," and in line 6 strike out the word "fare" and insert the word "ticket," and add at the end of the section the following: "*Provided*, That said railroad and sleeping-car tickets shall not be transferable."

Mr. SHERLEY. If the gentleman will permit a suggestion, I think he will not urge his amendment. My understanding is that the way transportation is furnished now is for the department to give an order upon the railroad for a ticket to a given place. This order is presented at the railroad office. The ticket is issued, the man signs the voucher, showing that he has received it, and then subsequently the railroad presents that voucher to the department for payment. The purpose of the gentleman's amendment is, I think, amply taken care of by the practice.

Mr. BANKHEAD. Well, Mr. Speaker, with that explanation I withdraw the amendment. Of course, the chairman apprehends the situation as we all understand it.

Mr. SHERLEY. We all want to prevent the sale of tickets or the issuing of money to purchase tickets.

Mr. BANKHEAD. With that explanation, I ask unanimous consent, Mr. Speaker, to withdraw the amendment.

Mr. SHERLEY. I think the word "fare," following the word "sleeping-car," might be changed to "accommodations," so as to make it certain that by the word "fare" we do not intend cash for the holder.

The SPEAKER. The gentleman from Alabama [Mr. BANKHEAD] withdraws his amendment.

Mr. SHERLEY. Mr. Speaker, I offer an amendment to strike out the word "fare," in line 6, page 2, and insert the word "accommodation."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LAGUARDIA. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 2, line 5, after the word "inclusive" insert "an amount equal to."

Mr. LAGUARDIA. Mr. Speaker, the purpose of this amendment is to do exactly the opposite of what the chairman has said was his intention, and that is, instead of giving these discharged employees their tickets, this amendment would give them an equivalent in money. As I stated when I put the question, the method provided in this bill is nothing less than a system of enforced deportation.

These employees are not incompetent, criminal, or feebleminded. If they were, they should not have been in the service as long as this. I suppose the intention is to get them home. They want to go home, and they ought to be trusted with the equivalent of their fare, which will carry out the purpose of this resolution. It is humiliating and degrading for them to be treated by us in this manner.

Mr. JOHNSON of Washington. If the gentleman's amendment should prevail, a man who wants to go home would receive the Government's money, go to the ticket office, pay the excess fare, pay the war tax, and all that.

Mr. LAGUARDIA. He would receive an amount equivalent to the fare.

Mr. JOHNSON of Washington. He would buy a ticket and pay the war tax.

Mr. LAGUARDIA. We can provide for that by regulation. I do not see what danger there could be of these people not wanting to go home. Some of us like to stay in Washington, and some of us can not stay here as long as we would like to stay. But there is no employment here for them, and why not let them go home? Why not treat them right in return for the good, loyal service they have rendered? The distinguished chairman of the committee quotes the case of the young women. I resent that, and I believe that these patriotic young women who have come to Washington to work and who have rendered good service are amply able to take care of themselves, and will be glad to get out of here and go home. They should not be escorted by a guard and put on a train. If they do not want to go home, it is their own business, and it is not for us to deport them out of Washington. I urge the acceptance of my amendment.

Mr. WINGO. Does not the gentleman know that this plan is now used where the Government furnishes transportation? There is nothing new about this. Any officer of the Government, including any bureau chief, will get an order, go down to the ticket office, and get the transportation, which is settled for by the Government afterwards.

Mr. LAGUARDIA. Does that apply to an officer who is discharged?

Mr. WINGO. Take the case of a bureau chief in the Forestry Service who has to make a trip to the State of Washington on official business. He is allowed his transportation. He is furnished an order and goes to the railroad station and gets the ticket, and the department settles for his transportation.

Mr. LAGUARDIA. Very true; but he is in the service. He is going out and coming back, and going to remain in the service. He is on duty.

Mr. WINGO. Certainly. Now, take a young man in the Navy or in the Army, whenever he is discharged he gets an order for his transportation. I never heard any of them complain that they were insulted because we take ordinary business precautions to see that the thing is done in a businesslike way.

Mr. LAGUARDIA. We can, but let us consider the feelings of these faithful workers.

The SPEAKER. The time of the gentleman has expired.

Mr. SHERLEY. The gentleman from Washington [Mr. JOHNSON] has already indicated that this is simply the ordinary practice, and anybody who feels that he is being insulted by being furnished this transportation can avoid the insult by not receiving the transportation. It seems to me that the gentleman from New York [Mr. LAGUARDIA] is drawing upon his imagination as to the intention to insult anybody. That is not the purpose.

Mr. LAGUARDIA. That is the effect.

Mr. SHERLEY. But the Congress is dealing with a concrete situation, and despite what the gentleman says, it is desirable that we provide that the form of congressional action shall not be changed by the volition of those who receive the benefit of it. I am quite sure that the House is not prepared to change the whole purpose of this bill.

THE SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. HILLIARD. Mr. Speaker, I offer an amendment to section 1.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HILLIARD: Page 1, line 9, after the word "Columbia," insert the words "or gone to other place in the United States in like circumstances"; and page 2, line 6, after the word "Columbia," insert the words "or from other place as contemplated herein."

Mr. HILLIARD. Mr. Speaker, the purpose of my amendment is to insert, in line 9, page 1, after the word "Columbia," the

words "or gone to other place in the United States in like circumstances."

That is, to places other than the District of Columbia. Then in line 6, page 2, after the word "Columbia," I propose to insert the words "or from other place as contemplated herein."

Mr. Speaker, I am in accord with the purpose of this bill. I think it ought to pass even without my amendment; but I appreciate that in the city of Washington, where we see everybody and where everybody sees us, we are apt to think of the thousands here and we are just as apt to forget the few hundreds who are in other places. I believe that justice would suggest that we provide for those who may have gone to Philadelphia, Pittsburgh, or Chicago, or somewhere else, in the same circumstances as the thousands who have come to Washington, that they shall have provision for returning to their homes. I know that the congestion feature of the argument does not apply in those other places. Still as long as we are giving a measure of justice I believe it is only fair that we extend it to those unheard persons who have gone from their homes to render service to the Government elsewhere. It is easy to hear those who speak and it is easy to forget those whose voices are never heard, and I venture this word and urge the amendment on behalf of those clerks who are in other places. [Applause.]

Mr. SHERLEY. Mr. Speaker, in response to the suggestion of the gentleman during my talk to the committee, I simply desire to say that the committee did not feel warranted, in view of its present information, in extending this bill to cover the service all over the United States. Conditions in other places are in no sense similar. The sudden dismissals will not be the same elsewhere as here, and the rule would not work with the same equity that the gentleman seems to think. I believe we would not be warranted in placing this added burden upon the Government at this time, and I hope the amendment of the gentleman will be rejected.

The SPEAKER. The question is on the amendment.

The amendment was rejected.

Mr. DENISON. Mr. Speaker, I offer the following amendment to section 1.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. DENISON: Page 2, line 8, after the word "elect," insert the following: "*Provided*, That the provisions of this act shall not apply to those who enter such service after the passage of this act."

Mr. SHERLEY. Does not the gentleman think the place to put that is at the end of the bill?

Mr. DENISON. I thought it would be better right here, after the end of this section, which makes provision for the transportation.

Mr. SHERLEY. I am not sure about that, but I would be sure of it in the other place.

Mr. DENISON. If the chairman prefers it to go at the end of the bill, I will not object.

Mr. SHERLEY. I think it had better go in at the end of the bill.

Mr. DENISON. Mr. Speaker, I will withdraw it for the present and offer it at the end of the bill.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

SEC. 2. That such transportation must be applied for within 10 days after the termination of service and shall be used within 5 days after issuance unless an extension of time on account of illness be granted by the proper authority: *Provided*, That as to the employees whose services have been terminated during the period between November 11, 1918, and the date of the passage of this act, inclusive, the foregoing limitation of 10 days shall operate from the date of the passage of this act. Any person who shall sell, exchange, or transfer such transportation for the use of another shall be punished by a fine of not more than $100.

Mr. LONGWORTH. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, line 20, after the word "than," strike out $100 and insert "$500, or imprisonment for not more than six months, or both."

Mr. LONGWORTH. Mr. Chairman, it may be that that penalty is slightly excessive, and if so I should be glad to modify the maximum at the suggestion of the chairman of the committee.

Mr. SHERLEY. I have no objection to it in view of the fact that there is no minimum, but that it fixes a maximum.

Mr. GARD. Mr. Speaker, I desire to be heard in opposition to the amendment. It seems to me the language attempted to be incorporated by the gentleman from Ohio is not proper. I am satisfied that punishment by a fine of not more than $100 would be a deterrent, and that is all that is necessary. It is idle to suppose that you could collect a fine of $500 from anyone who is in such a financial condition as not to be able to pay his or her way back to the place from which he or she came to Washington to accept a governmental position.

I do not join with many persons here in the idea that there is a tremendous number of young men or young women who are absolutely dependent upon this additional gratuity to get back home. I think the young men and young women who came here are of a high mental and moral caliber; that they are taking care of themselves and taking care of their money in most instances, and nearly all able to get back home. Nor do I believe the bait—because that is what it is—the bait to give transportation home as a means of having them individually apply for release from governmental employment will be very effective. My observation is that it takes something more than sleeping car fare and transportation on the railroad to separate them from the governmental pay roll. And as a deterrent the sum of $100 is, I think, a proper sum to be inserted here as a fine, but to say it should be raised to $500 or imprisonment for six months is, it seems to me, idle.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. GARD. Yes.

Mr. JOHNSON of Washington. In connection with the remarks of the gentleman as to the nonlikelihood of their leaving the service, the gentleman is aware that some bureaus are giving the employees 30 days, not as a leave but just to help them, so that they can accumulate one month's salary to help them back home.

Mr. GARD. Everybody knows that the only way to separate people from the service is to take away the appropriation for their payment.

Mr. STAFFORD. Will the gentleman yield?

Mr. GARD. Yes.

Mr. STAFFORD. Many of these clerks, being employed from a lump-sum appropriation for the year, how is it possible to discontinue the appropriation for their employment?

Mr. GARD. I confess that I can not answer the gentleman. He is a member of the Committee on Appropriations, and knows better than I do about that.

Mr. STAFFORD. That is the very idea; the Committee on Appropriations, recognizing the impossibility of discontinuing the appropriation, brought in the resolution.

Mr. GARD. I favor the resolution; but it seems to me that the cases of actual benefit will be comparatively few, because I think the clerks who came here in response to the call for patriotic service came with the earnest idea of serving during the war emergency; that they came here and are taking care of themselves and their money the best they can in view of the circumstances of extortion in the price of living in the District of Columbia.

Mr. WALSH. Mr. Speaker, I move to strike out the last word of the amendment in order to ask the gentleman from Wisconsin a question. Does the gentleman from Wisconsin contend that because some of these clerks are employed under a lump-sum appropriation the people whose duty it is to spend the lump sum must continue to expend it whether the employees are needed or not?

Mr. STAFFORD. That is rather a foolish question for the gentleman from Massachusetts to propound to a member of the Committee on Appropriations that has charge of the appropriation of millions of dollars and who at the present moment is engaged in the serious question of curtailing the appropriations of millions of dollars that have been voted for the employment of temporary clerical service.

Mr. WALSH. Well, Mr. Speaker, I decline to yield further to the gentleman unless he answers my question.

Mr. STAFFORD. It is such a ridiculous question——

Mr. WALSH. The gentleman interjected his remarks into the speech of the gentleman from Ohio.

Mr. HILLIARD. Mr. Speaker, I raise the point of order that the gentleman from Massachusetts is not discussing the amendment which he offered.

The SPEAKER. The gentleman is discussing the gentleman from Wisconsin.

Mr. GARD. And that is always in order. [Laughter.]

Mr. STAFFORD. Yes; he is always privileged to do that.

Mr. WALSH. Mr. Speaker, in view of the point of order made by the gentleman from Colorado, I shall not pursue the painful subject any further. [Laughter.]

The SPEAKER. The question is on the amendment offered by the gentleman from Ohio [Mr. LONGWORTH].

The question was taken, and the amendment was rejected.

Mr. HASTINGS. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, line 19, after the word "transfer," insert "or shall attempt to sell, exchange, or transfer, or who purchases or attempts to purchase."

Mr. HASTINGS. Mr. Speaker, it will be noted that this proposed amendment makes it an offense to attempt to sell or transfer or exchange this transportation, and also makes it an offense for one to purchase it, so that the purchaser of the transportation could be punished.

Mr. SHERLEY. Why would it not serve the gentleman's purpose to just put in the word "purchase," after the word "transfer," in line 19? We are not writing a formal penal statute here. I submit to the gentleman that an attempt to sell is not going to disturb the foundations of the Government, and if they do not sell and do not buy we will get along.

Mr. HASTINGS. Mr. Speaker, I think if we are going to provide any punishment at all we ought to punish the person who attempts to sell or transfer or exchange, and we ought to punish the person who purchases the transportation as much as the one who sells.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Oklahoma, and on a division (demanded by Mr. HASTINGS) there were—ayes 3, noes 21.

So the amendment was rejected.

Mr. KEARNS. Mr. Speaker, I move to strike out the last word for the purpose of asking the chairman of the committee a question in respect to section 2. Have not a great many of these clerks already been dismissed and have they not already left the city?

Mr. SHERLEY. Quite a number have, but I wish there had been more.

Mr. KEARNS. Section 2 undertakes to give them the benefit of this transportation.

Mr. SHERLEY. It does those who are here.

Mr. KEARNS. If they have already gone home it does not take care of them.

Mr. SHERLEY. It does not except as to those who go after December 10.

Mr. KEARNS. It applies to those who leave here after December 10.

Mr. SHERLEY. Then they are taken care of by virtue of section 4.

Mr. KEARNS. Suppose a person goes to an extreme part of the United States from here, say to the State of Washington.

Mr. SHERLEY. If a person goes after December 10 he or she gets the compensation refunded on a proper showing.

Mr. KEARNS. They have to make the application within 10 days. A great many of them will not be advised that this has become a law within that time.

Mr. SHERLEY. That is not true as to the refund. That is true as to those who are here and who have left the service. Those people ought not to be permitted to stay around here indefinitely and get their transportation.

Mr. KEARNS. What I am trying to get at is this: How long a time under this bill have the ones who go, say, to-day?

Mr. SHERLEY. Those who go after December 10 would have any reasonable time within which to present their claim.

Mr. KEARNS. There is no time fixed in the bill.

Mr. SHERLEY. There is no limitation fixed now, except the life of the appropriation. Ordinary diligence would be required of them. They ought to present their claims before the 1st of next July.

The SPEAKER. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 3. That the expenses authorized by this act shall be paid from the following appropriations for the fiscal year 1919, which hereby are made available therefor:

For the War Department, from "Transportation of the Army and its supplies."

For the Navy Department, from "Pay, miscellaneous."

For all other executive departments and independent establishments, from the appropriations for the support of the services in which such persons are employed.

The SPEAKER. The Clerk will report the committee amendments in the form of new sections.

The Clerk read as follows:

Page 3, line 7, insert a new section, as follows:

"SEC. 4. That any employee who would be entitled to transportation, including sleeping-car fare, under this act and who has left the District of Columbia prior to the passage of this act, but not before December 10, 1918, upon application and presentation of proper proof shall have refunded the cost of actual railroad transportation, including sleeping-car fare, from the District of Columbia to the place from which employment was accepted or to such other place not a greater distance to which the employee may have gone: *Provided*, That payment to any employee for leave of absence not earned in proportion to the term of employment shall be deducted from the refund authorized in this section."

Mr. SHERLEY. Mr. Speaker, I offer to amend, in line 8, page 3, by striking out the word "fare" and inserting the word "accommodation." Also, in line 13, by striking out the word "fare" and inserting in lieu thereof the word "accommodation."

The SPEAKER. The Clerk will report the amendments offered by the gentleman from Kentucky.

The Clerk read as follows:

Page 3, line 8, strike out the word "fare" and insert the word "accommodation."

Page 3, line 13, strike out the word "fare" and insert the word "accommodation."

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. SHERLEY. Also, after the word "accepted," in line 14, insert the words "or to their legal residence," to make it accord with the amendment adopted by the House a moment ago.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 14, after the word "accepted," insert the words "or to their legal residence."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GARD. I suggest to the chairman of the committee that in line 11, after the words "upon application and presentation," it would be well to insert the words "within 60 days." There is no time limit when the application and presentation of the claim shall be made.

Mr. SHERLEY. I have no objection to a limit of time.

Mr. GARD. Does the gentleman not think that a reasonable limitation is better than to leave it as it is, entirely without limitation?

Mr. SHERLEY. I am inclined to agree with the gentleman that something ought to be put in there.

Mr. GARD. Does the gentleman desire to offer an amendment?

Mr. SHERLEY. Mr. Speaker, after the word "presentation," in line 11, I move to amend by inserting the words "within 60 days after the passage of this act."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 11, after the word "presentation," insert the words "within 60 days after the passage of this act."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on agreeing to the committee amendment as amended.

The committee amendment as amended was agreed to.

The SPEAKER. The Clerk will read the next committee amendment.

The Clerk read as follows:

Page 3, line 20, insert as a new section the following:

"SEC. 5. That the provision made in this act for the transportation of employees shall not be supplemented in any manner by the various services in which they are employed."

Mr. KEARNS. Mr. Speaker, I move to strike out the last word. I find in section 4 the language "who has left the District of Columbia prior to the passage of this act, but not before December 10." Suppose some clerk or stenographer had been laid off or had lost her position, say, a week ago or two weeks ago and was still in the District. Would she get the benefit of this?

Mr. SHERLEY. Anybody in the District who has left the service since November 11 and comes under the other provisions of the act can get free transportation home.

Mr. KEARNS. If they are still in the District, although they had lost their positions, say, two weeks ago?

Mr. SHERLEY. Yes, sir; and those who have gone home after December 10. Now, the reason for section 4 was this: This act can not become a law, even if it is passed by the Senate, under presumably 10 days after it has passed the Senate. That being so, it would hold people in the service 10 days in order to get that transportation. We want to let them go out as fast as they can go, and so we made a provision by which anybody who leaves after December 10 and goes home can get a refund for their transportation.

Mr. KEARNS. Would this apply to anybody engaged in war work, no matter when they quit, if they are in the city?

Mr. SHERLEY. They will be caught either under section 2 or section 4.

Mr. KEARNS. Even if they quit a month ago or two months ago?

Mr. SHERLEY. Section 2 covers those who quit and are still here.

Mr. KEARNS. And it makes no difference when they quit?

Mr. SHERLEY. Not anybody who quit prior to the date of the armistice, November 11.

Mr. KEARNS. Is that mentioned in the bill?

Mr. SHERLEY. Yes; the gentleman will find it in section 1.

Mr. WALSH. Mr. Chairman, I move to strike out the last two words. Will the gentleman state just what section 5 is intended to cover?

Mr. SHERLEY. That is intended to cover these bonuses and any other device that the ingenuity of some generous department heads may work out at the public expense. It is to prevent the granting of additional bonuses of any kind to these clerks.

Mr. WALSH. Either in the form of leave or vacation?

Mr. SHERLEY. They are entitled under the law to the leave they have earned, which is at the rate of two and one-half days a month. Nobody desires to deny them that, but it prevents giving them any additional leave with pay.

The SPEAKER. Both pro forma amendments are withdrawn, and the question is on the amendment as amended.

The question was taken, and the amendment as amended was agreed to.

Mr. DENISON. Mr. Speaker, I desire to offer an amendment as a new section, which I ask the Clerk to read.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 22, add the following as a new section:

"SEC. 6. That the provision made in this act for the transportation of employees shall not apply to those who entered such service after the passage of this act."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. SHERLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, Mr. ALEXANDER was granted leave of absence indefinitely on account of sickness.

Mr. RUBEY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. RUBEY. Mr. Speaker, I desire to ask unanimous consent for leave of absence for my colleague, Mr. RUSSELL, indefinitely, on account of illness.

The SPEAKER. Is there objection [After a pause.] The Chair hears none.

DISTRICT APPROPRIATION BILL.

Mr. SISSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13277.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13277, with Mr. ALMON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 13277) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For payment to beneficiaries named in section 3 of "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or his or her minor children in destitute or necessitous circumstances," approved March 23, 1906, $6,500, or so much thereof as may be necessary, to be disbursed by the disbursing officer of the District of Columbia, on itemized vouchers duly audited and approved by the auditor of said District.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman of the subcommittee the reason for the change of language in this provision.

Mr. SISSON. I did not know the language had been changed; if so, it is by inadvertence. The gentleman is speaking of line 22, page 64, and the one on page 65?

Mr. WALSH. Yes.

Mr. SISSON. Well, I do not think it has been changed, so it must have been an error in printing. What change is it the gentleman from Massachusetts noticed?

Mr. WALSH. This seems to be payment to beneficiaries, and I think the law heretofore has been payment to destitute women and children, and I was wondering whether this would permit payment to others.

Mr. SISSON. They are the beneficiaries.

Mr. WALSH. Are they the only ones mentioned?

Mr. SISSON. That is all. In other words, to prevent repeating all this language the Clerk has simply carried the language for payment of beneficiaries named in section 3 of the act.

Mr. WALSH. I withdraw the pro forma amendment.

Mr. JUUL. Mr. Chairman, I desire to ask the chairman a question if I may be permitted to refer back to page 63, immediately at the top, line 1. There is a laborer provided for at $600 per annum.

Mr. SISSON. Yes.

Mr. JUUL. I would like to ask the chairman if that laborer is furnished board and lodging in the institution where he served.

Mr. SISSON. No.

Mr. JUUL. That means $50 a month?

Mr. SISSON. And he gets $120.

Mr. JUUL. According to this he gets $600 per annum?

Mr. SISSON. Yes.

Mr. JUUL. Which is $50 a month.

Mr. SISSON. And then he gets $120.

Mr. JUUL. Under the act recently passed. Does that mean his salary is $50 a month and that is all he gets?

Mr. SISSON. That means the salary is $60 a month.

Mr. JUUL. Down below, in lines 17 and 18, same page, you have a watchman at $480, and a blacksmith and woodworker at $500, and a driver for dead wagon at $365.

Mr. SISSON. They get their board and lodging and laundry. Everything is furnished except the clothing.

Mr. JUUL. But the laborer does not, the one referred to on page 63, the top line.

Mr. SISSON. The laborer in the court does not.

Mr. JUUL. Does it not strike the chairman that we ought to fix the condition of these people along lines so that they might live without stealing?

Mr. SISSON. Now, it is not necessary to put that imputation even upon this old employee. In other words, a great many of these people have got to be very old, and they do not have very much to do. They just sit around there and sort of wait on the court.

Mr. JUUL. Mr. Chairman, a man can not live and board and room anywhere in the city of Washington for the sum of money you allow him for his services here.

Mr. SISSON. This is almost in the nature of a pension. A great many conditions surround a great many of these men that are called laborers around the court. They do not have much to do. I think they might be dispensed with very well. If you want to cut it out, it would be in order for you to eliminate that pension entirely.

Mr. JUUL. I would like to see you treat the man a little different.

Mr. SISSON. You would pay a man for what he did, would you not?

Mr. JUUL. Yes.

Mr. SISSON. If he is really getting a pension you would not undertake to increase the pension or gratuity, would you?

Mr. JUUL. No, Mr. Chairman; but if he has no other employment I would want the United States to pay the man so that he might have three meals a day and have a bed to sleep in and live honestly. If it is proper to offer an amendment to strike out the figure "6" and insert "8" instead, on page 63, line 1——

Mr. SISSON. That has been passed, Mr. Chairman.

The CHAIRMAN. The gentleman from Mississippi makes the point of order that we have passed that line. The point of order is sustained.

Mr. JUUL. Mr. Chairman, I ask unanimous consent to revert to it.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to revert to the paragraph in order to offer an amendment.

Mr. SISSON. I object, Mr. Chairman. I would make the point of order if the gentleman should offer the amendment anyway.

The Clerk read as follows:

National Training School for Girls: Superintendent, $1,200; clerk, matron, and four teachers, at $600 each; overseer, $720; two parole officers, at $600 each; seven teachers of industries, at $480 each; engineer, $720; assistant engineer, $600; night watchman, $480; two laborers, at $300 each; in all, $12,480.

Mr. WALSH. Mr. Chairman, I make the point of order on the paragraph just read, in that in line 4, page 67, the word "clerk" has been inserted. The point of order is that the committee have changed the designation of "treasurer" to that of "clerk." There is no legislation authorizing any such change.

Mr. SISSON. Mr. Chairman, I ask unanimous consent that that be passed until I can look into that matter and see.

Mr. WALSH. The gentleman does not need to look beyond page 5 of the report, at the bottom of the page, where it says

that the designation of treasurer at $600 was changed to that of clerk at the same salary.

Mr. SISSON. It is possible, I will say to the gentleman, that the treasurer is not even authorized by law.

Mr. WALSH. The treasurer is authorized by law. I have the statute here which authorizes it.

Mr. SISSON. Let us just pass that for a moment.

Mr. WALSH. I am willing that the paragraph be passed until later, with the understanding that the point of order is pending.

Mr. SISSON. Oh, yes.

Mr. Chairman, I ask unanimous consent that the paragraph be passed temporarily.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that the paragraph be passed temporarily. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

In all, National Training School for Girls, $37,480: *Provided*, That on and after July 1, 1919, appropriations for the National Training School for Girls shall be disbursed by the disbursing officer of the District of Columbia in the manner now provided by law for expenditures from appropriations for general expenses of the government of said District.

Mr. WALSH. Mr. Chairman, I make the point of order on the paragraph just read. That is entirely new legislation.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

Mr. SISSON. One moment, Mr. Chairman. I will ask that that also be passed, because that is coupled with this other provision. Let me look into it and see.

Mr. WALSH. The gentleman conceded the point last year. If he desires to have it passed over with the view of discussing it——

Mr. SISSON. I do.

Mr. WALSH. I have no objection to having it passed over.

The CHAIRMAN. The gentleman from Mississippi [Mr. SISSON] asks unanimous consent that this paragraph, lines 20 to 25, page 67, be passed temporarily. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

For emergency care and treatment of, and free dispensary service to, indigent patients under a contract or agreement to be made with Central Dispensary and Emergency Hospital by the Board of Charities, $26,000.

Mr. ROBBINS. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the subcommittee in charge of this bill a question.

Mr. SISSON. What paragraph?

Mr. ROBBINS. We are down to line 24, page 68. In those last three appropriations, one for the care of indigent patients, $19,000, and the other for the care of Garfield Memorial Hospital, $19,000, and this for emergency treatment, $26,000, what becomes of this money if it is not all expended for these purposes? I know the purposes are indefinite, but the appropriation is of a definite sum.

Mr. SISSON. It goes back into the Treasury.

Mr. ROBBINS. Why do not you use the same phrase, then, that you used in line 11, provision for the treatment of indigent patients, "not to exceed $19,000"? Why do you make an absolute appropriation, for an indefinite purpose, of a lump sum?

Mr. SISSON. It has been carried in this language many years.

Mr. ROBBINS. I do not think that justifies it. It is not clear.

Mr. SISSON. It has never been abused. They can not expend the money except for the purposes mentioned in the act. It would not amount to anything. They could not expend to exceed $26,000 anyway.

Mr. ROBBINS. I know the maximum is fixed in that item. Why is not the same phraseology followed here as is followed with reference to the treatment of indigent patients in the Children's Hospital—"not to exceed" that lump sum?

Mr. SISSON. If the gentleman will notice, for care and treatment of indigent patients, under a contract to be made with the National Homeopathic Hospital Association, we limit the amount they may contract there to $10,000. That is something which fixes not the number of patients that may be treated in the hospital, but fixes a limit upon the amount which they may contract for. That is to say, they can contract for patients in the hospital not to exceed $10,000. In the case of the amount below there, the $26,000, the Board of Charities themselves handle the $26,000 for emergency cases of treatment.

Mr. ROBBINS. Yes; but in each one of these items you have the same provision, "under a contract"; and in line 10, for the Children's Hospital, for the treatment of indigent patients, the same term is used, "under a contract to be made with the Children's Hospital," and there you use the form of legislation, to wit, "not to exceed" the amount. What I criticize is the making of an absolute lump-sum appropriation of a definite amount for an indefinite object.

Mr. SISSON. That is just as definite as the other. The idea is that in the cases mentioned before you make a contract for a specific hospital, not to exceed a certain amount of money.

Mr. ROBBINS. And a specific hospital is named in connection with the other item; but with the assurance of the gentleman that no extravagance can arise under this bill as drawn, I withdraw the pro forma amendment.

Mr. MANN. A certain amount is allowed each day for each patient?

Mr. SISSON. Yes. In an emergency case a man may be injured on the street.

Mr. ROBBINS. I am not talking about that. I am talking about the theory on which you make the appropriation.

Mr. SISSON. We are simply giving the Board of Charities $26,000 to take care of the charity patients. There has been no abuse of it. That has been the practice all the while.

Mr. ROBBINS. If that is the correct explanation, Mr. Chairman, I will withdraw my amendment.

The CHAIRMAN. The pro forma amendment is withdrawn.

Mr. MANN. Mr. Chairman, my distinguished friend from Mississippi ought to be a little more frank and say it happens simply because different persons prepare the different items. The correct method is to make the appropriation not to exceed a certain amount. Sometimes they say "not to exceed," and then say "such an appropriation, or so much thereof as may be necessary"; but even when an absolute appropriation is made, you only appropriate in fact as much as is necessary, because under the law whatever money is unexpended for a purpose named in the law is covered back into the Treasury.

Mr. SISSON. Absolutely.

Mr. MANN. Now, it would be better language to strike out "not to exceed," or not to put it in. But very often in preparing these estimates they put it that way. Whoever prepared the estimate, I suppose, thinking it was a little stronger, put it that way, but it means precisely the same thing.

Mr. SISSON. If you left out the language would it not permit, in the making of these contracts with the various hospitals, the incurrence of a deficiency? We never permit deficiencies to be created in an appropriation of this kind. The Board of Charities are not permitted to expend for this particular hospital more than a certain amount of money.

Mr. MANN. I understand that. The gentleman from Pennsylvania [Mr. ROBBINS] called attention to the fact that the language of the four items is the same. They are all under contract, and they mean the same. The effect is the same. Only in one place you use three extra words, which take up that much more paper.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

For emergency care and treatment of, and free dispensary service to, indigent patients under a contract or agreement to be made with Eastern Dispensary and Casualty Hospital by the Board of Charities, $25,000.

Mr. GARD. Mr. Chairman, I move to strike out the last word for the purpose of asking a question.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last word.

Mr. GARD. Mr. Chairman, I note that in these medical charities the total appropriation for hospitals made through the Board of Charities amounts to $102,000, and on page 70 there is a provision for the continuation of the erection of the Gallinger Municipal Hospital. What I want to know is, when this Gallinger Municipal Hospital is completed, is it the purpose to take care of indigent persons there or to continue the appropriations for all these other indigent hospitals?

Mr. SISSON. It was the purpose in constructing this hospital to take care of the District's indigent patients to the capacity which that hospital afforded. Of course, that hospital is not yet completed.

Mr. GARD. That is, the Gallinger Hospital?

Mr. SISSON. That is, the Gallinger Hospital.

Mr. GARD. Can the gentleman tell me how many indigent patients there are in the District of Columbia that receive hospital treatment?

Mr. SISSON. I can not. We ask about each of these items, and the gentleman will find in the hearings a statement as to the money, and how much was expended, and the contract price per patient. It runs along pretty evenly. The contract prices

vary somewhat, according to the character of treatment that the indigent patient has to receive. It is regulated largely by the cost of taking care of the patients. None of these institutions make any profit, as they claim, out of the care of the patients.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

Gallinger Municipal Hospital: For continuing the construction of the Gallinger Municipal Hospital in accordance with the provision for that purpose in the District of Columbia appropriation act for the fiscal year 1918, $100,000; and the limit of cost of said hospital and accessory buildings is increased from $500,000 to $603,590.

Mr. FOSTER. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Illinois reserves a point of order on the paragraph.

Mr. FOSTER. I do not know that I will make it. This increases the limit of cost from $500,000 to $603,000. The limit of cost of this hospital was to be $500,000.

Mr. SISSON. That is true.

Mr. FOSTER. I would like to know now why, before this hospital is even begun, the limit of cost is increased $103,000?

Mr. SISSON. You see they prepared plans and specifications before the enormous increase in the cost of materials and labor took place, and in order to do the amount of work that they desire to do it is necessary to increase the limit of cost $103,000. I think, taking into consideration the vast increase in the cost of labor and materials, that is a very modest increase in the expenses necessary to build what they contemplated building out of the original sum.

Mr. FOSTER. Is there such an urgent demand for the building of this hospital that we ought to pay $100,000 more to build it now than we might have to pay later?

Mr. SISSON. I think there is, because the need for hospital facilities for the next few years in the District of Columbia is going to be very great.

Mr. FOSTER. It is not likely to be so great after the war conditions are settled as it is now.

Mr. SISSON. The medical authorities of the Army and Navy do not know, nor can anyone tell until these boys get back, just what demands there will be. Therefore they want to be able to take care of them when the demand comes.

Mr. FOSTER. I do not understand they are going to take care of these soldiers and sailors in the municipal hospital.

Mr. SISSON. That is true; that is, they will take care of all the patients they can in all the other hospitals, and, I take it, that there is no reason why arrangements could not be made to take them into this hospital. Of course arrangements could be made with the War and Navy Departments. But in addition to that the population of Washington has vastly increased, and the permanent population of the city is perhaps 100,000 more people than it was when it was first proposed to build this hospital.

Mr. FOSTER. I understand the gentleman that this does not increase the facilities of the hospital, but is only to take care of the increased cost.

Mr. SISSON. That is true. It is to take care of the increased cost of what they propose to build. If the cost of material and labor is reduced in the near future, we will get the benefit of that.

Mr. FOSTER. The gentleman does not think the Government will save any money in that case? The $100,000 will be spent just the same.

Mr. SISSON. It may be spent in enlarging somewhat the original plans, if the price of material and the price of labor go down. We went into this rather carefully, and your committee were unanimous in their opinion that this $100,000 ought to be granted. In fact, I think more than that ought to have been given.

Mr. FOSTER. Does the gentleman think this will be the last increase that will be asked for?

Mr. SISSON. Of course, the gentleman has been in Congress a long time and he knows just as much as I do about that.

Mr. FOSTER. I will not be here probably as long as the gentleman from Mississippi.

Mr. SISSON. I will say to my friend that I do not know what they will ask in the future. I do know, however, that the hospital facilities of the District of Columbia ought to be properly provided for in any event, and I am sure there is not a man in Congress who is more earnest and zealous in looking after proper hospital facilities than the gentleman from Illinois.

Mr. FOSTER. I do not think I shall make the point of order on it, though I think it is a bad policy to begin to increase the cost before we know what is going to be done. In the first place, I think that the Government had a very good arrangement for taking care of its indigent poor before we ever authorized the building of a hospital, and I have always questioned whether it was the thing to do to build a municipal hospital in the District of Columbia. Probably there is no city in the country where the indigent poor have been better taken care of than they have here, with all the hospital facilities everywhere in the District.

Mr. GARD. Has the contract been let for this Gallinger municipal hospital?

Mr. FOSTER. I do not know. I take it that there has been no contract let, but the plans and specifications have been made.

Mr. SISSON. My information is that the plans and specifications have all been made, but no contract has been let. Of course, they could not afford to let the contract until they had the money authorized.

Mr. FOSTER. The gentleman from Mississippi has always been very careful about appropriations, and I trust he is right on this proposition. I shall not make the point of order.

Mr. ROBBINS. Mr. Chairman, I move to strike out the last word. I notice in this connection that there are a great many hospitals here in Washington—the Freedmen's Hospital, Columbia Hospital, the Children's Hospital, the National Homeopathic Hospital, the Emergency Hospital, Georgetown University Hospital, Garfield Hospital, Providence Hospital, the Tuberculosis Hospital—and now they come in with this Gallinger Hospital, which the gentleman says has not been contracted for. How does it come that a city of three or four hundred thousand people should have such an array of hospitals as this? I am not enumerating any Government hospitals, either, such as Et. Elizabeths, the Naval Hospital, or the Walter Reed Hospital.

Mr. SISSON. The hospitals which the gentleman has enumerated are none of them Government hospitals, except the Tuberculosis Hospital and the Gallinger Hospital.

Mr. ROBBINS. Here is a long list of appropriations for them aggregating an enormous sum of money, and now another hospital is to be added.

Mr. SISSON. That is for the purpose of caring for the indigent poor. There is no hospital in the city adequate to take care of the indigent sick. We have to avail ourselves of the private hospitals in order to take care of the indigent poor. We have to make contracts for these hospitals which has been the arrangement for many years where the Board of Charities make terms with the authorities to take such patients as the board may send there at a fixed price.

Mr. ROBBINS. Is the Gallinger Hospital designed to take care of the indigent poor?

Mr. SISSON. Yes.

Mr. ROBBINS. Then there will be no more indigent poor sent to these other hospitals?

Mr. SISSON. Not if the Gallinger Hospital is able to take care of all of the indigent poor; they will not be sent to the other hospitals.

The Clerk read as follows:

For maintenance, including care of horses, purchase and care of wagon and harness, $25,000.

Mr. WATSON. Mr. Chairman, I move to strike out the last word. In lines 3 and 4 it reads, "for maintenance, including care of horses, purchase and care of wagon and harness." Does that include only the horses, wagon, and harness?

Mr. SISSON. Oh, no; it includes the maintenance in the institution.

Mr. WATSON. It says "one wagon."

Mr. SISSON. This appropriation is $25,000 for the maintenance of the institution, and that includes the care of the horses and purchase of a wagon and harness.

The Clerk read as follows:

Temporary home for ex-Union soldiers and sailors, Grand Army of the Republic: Superintendent, $1,200; janitor, $360; cook, $360; maintenance, $4,000; in all, $5,920 to be expended under the direction of the commissioners; and ex-soldiers, sailors, or marines of the Spanish War, Philippine insurrection, or China relief expedition who served at any time between April 21, 1898, and July 4, 1902, shall be admitted to the home.

Mr. TILSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 74, line 3, after the word "of," strike out the remainder of line 3 and lines 4, 5, and 6 down to and including the figures "1902," in line 6, and insert "any war in which the United States has been engaged."

Mr. SISSON. Mr. Chairman, I make a point of order to that.

Mr. TILSON. Will the gentleman reserve it for a moment?

Mr. SISSON. I will.

Mr. TILSON. Mr. Chairman, the only purpose of my amendment is to add soldiers, sailors, and marines of the war with

Germany to the list of those who may be admitted to this temporary home for soldiers. At the present time the soldiers of the Civil War, the Spanish War, the Philippine insurrection, and the Chinese relief expedition are admitted. This simply opens the door of this temporary home to the soldiers of the present war.

Mr. BORLAND. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. BORLAND. It is apparent that this wording is so framed as to embrace only what is known as Volunteer forces, and not the Regular Army of the United States. That is evidently the limitation in the form of the language.

Mr. TILSON. It does not say so.

Mr. BORLAND. Yes; the clear purpose is to confine it to the Volunteer forces as distinguished from the Regular forces.

Mr. FOSTER. The gentleman must be mistaken about that; they include the Regular soldiers.

Mr. SISSON. The gentleman is mistaken. My only objection is that we had no hearing as to what demand might be made on the fund. It is only a short time until the next bill will be ready, and then that matter can be taken up and we can determine whether there will be any funds needed. I take it that there will be nothing very technical about taking care overnight of any strange soldier that may be stranded and wished to be admitted. But I would not want to do it without knowing something about the demand that was to be made on the fund. The accommodations at the home are very limited, very small.

Mr. TILSON. I think we ought to begin just as soon as possible to recognize the parity of all of our soldiers and sailors who have served their country in the time of war. The doors of this home, originally intended for Union soldiers only, have been opened to those who were engaged in the Spanish War, in the Philippine insurrection, and in the China relief expedition. I think that we should indicate that it is our intention to make this a home, such as it is, for all who have served in the military forces of the United States in time of war.

Mr. FOSTER. But this is only a temporary home.

Mr. TILSON. Yes; I know it is only a temporary lodging house.

Mr. GARD. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. GARD. I do not know that I have the language of the gentleman's amendment, but I want to say that I introduced a resolution the other day which is pending before the gentleman's committee which has for its purpose the opening of the National Military Homes throughout the country to all soldiers in the American war, including those in the present war, and including the regular volunteer forces in the selective service force, because I think every soldier in the American war is entitled to these comforts.

Mr. TILSON. I think so myself, but this is a temporary home and the resolution the gentleman refers to applies to the permanent homes.

Mr. SISSON. Mr. Chairman, I make the point of order.

The CHAIRMAN (Mr. CARAWAY). The point of order is sustained.

The Clerk read as follows:

Maintenance: Superintendent of clothing and laundry, $840; storekeeper, $720; steward, $900; stewardess, $600; veterinary and officer, $880; captain of guard, $1,200; captain of night watch, $900; two receiving and discharging officers, at $1,000 each; superintendent of laundry, $720; day guards—2 at $900 each, 22 at $840 each; 12 night guards, at $720 each; day officer, $600; 3 night officers, at $600 each; hospital nurse, $600; captain of steamboat, $1,100; engineer of steamboat, $1,000; superintendents—farm $1,200, dairy $1,000, poultry department $1,000; nurseryman, $1,000; in all, $57,240.

Mr. ROBBINS. Mr. Chairman, I move to strike out the last word in order to ask the chairman if this is the workhouse that we heard so much about when the women suffragettes were imprisoned therein, that it was not kept clean and that it was in a miserable condition. What has the gentleman to say about this, in view of this large appropriation?

Mr. SISSON. I would not be at all surprised if this prison was as clean as most prisons. I do not think any complaint was made except that they were put in a larger hall, where they could be more easily guarded. I have not heard any complaints except complaints of that kind. I have not heard of any complaint of that kind except as to the character of buildings they have. They have been wanting to build, and perhaps will have to within the next year or immediately, some new buildings in which to care for the people. The buildings they have now are constructed out of the timber that was on the land. They had a sawmill and sawed up the timber on the land and constructed these buildings. They own a brick plant down there, and they are replacing these buildings as rapidly as they can with bricks. I do not think any complaint can be made about the cleanliness of this place as a prison, because I think investigation will show it is as clean as prisons usually are.

Mr. ROBBINS. Was the gentleman ever out there to visit this workhouse?

Mr. SISSON. Yes; I have been out there twice. I never have been out there as an inmate, but simply in the performance of my official duties.

Mr. ROBBINS. Having received the assurance that the gentleman is going to provide better buildings for the suffragettes in the future, I withdraw the pro forma amendment.

Mr. FOSTER. Does the gentleman from Pennsylvania expect the suffragettes to be in jail out there again?

Mr. ROBBINS. I do not, but I am trying to provide a good place for them in case they do go.

Mr. FOSTER. I do not think they ought to be placed there.

Mr. ROBBINS. Nor do I, and I hope they will never be taken out there, or in any prison, for such offenses as they were alleged to have committed.

Mr. FOSTER. Mr. Chairman, I oppose the motion to strike out the last word. I want to ask the gentleman from Mississippi how many inmates are there in this workhouse?

Mr. SISSON. They have two institutions there connected together under one management. The total number is nearly 400.

Mr. FOSTER. Could the gentleman tell me whether the number of inmates has increased or diminished in the last two years?

Mr. SISSON. There has been a great increase in the population there in the last two years, because they transferred some there from other prisons. They had a total number of commitments during the last fiscal year of 3,739. Of course they have short commitments, and they had a daily average population, males, at one of the institutions of 312.93, and females, 59.89, making nearly 400 on an average. Sometimes it will be crowded, and these short-term people go out and the population goes down.

Mr. ROBBINS. Can the gentleman tell us the number in the year before that?

Mr. SISSON. I will state also that there are about two hundred and odd long-term men who are either at Atlanta, Ga., or at Fort Leavenworth, Kans., who ought to be out here. The judges have declined, however, to send them there because the accommodations are not sufficient to take care of the long-term men and those men who are liable to escape. I hope that in the near future we may be able to make accommodations out there sufficiently great to accommodate all of the District convicts. I believe that plant can be made not perhaps self-supporting, but can be made to reduce the expenses to the District of Columbia very materially in caring for prisoners.

Mr. FOSTER. They have a brick plant out there. Are they doing anything with that?

Mr. SISSON. They made not very many bricks last year, though I understand they did make some. They made all of the bricks that are in the Central High School, and could have made quite a number of bricks which the market would have been glad to absorb, but the gentleman will recall there is a provision in the bill not permitting bricks to be sold in the market. There is an effort being made to permit the Federal Government to buy these bricks for Federal buildings.

Mr. FOSTER. Did the Federal Government take over this brick plant?

Mr. SISSON. It did not.

Mr. FOSTER. So that there has been no decrease, but there has been rather an increase, in the number of prisoners in that workhouse this last year?

Mr. SISSON. There has been some decrease, perhaps, but I do not know whether it is due altogether to prohibition or not.

Mr. FOSTER. That is what I wanted to find out.

Mr. SISSON. There has been some decrease in the number of commitments in the courts to those two prisons, but I do not know just how that may be accounted for. The number of inmates would be increased considerably if you could get the judges to send all of the criminals convicted to these two institutions, but the long-term prisoners, 8 or 9 or 10 years, they have been sending to Atlanta and to Fort Leavenworth. If we were ready to take care of them out there, I should advocate placing a provision in some of these bills requiring the judges to send them all to Occoquan, but the judges are unwilling to do that, because if the prisoner's reputation is not very good they are afraid of his escape.

Mr. FOSTER. So that the gentleman says there really has been a decrease in the number of prisoners.

Mr. SISSON. The records show that there has been some decrease in the number of inmates.

The Clerk read as follows:

For expenses of camps, including hire of horses for officers required to be mounted, and such hire not to be deducted from their mounted pay, and for the payment of commutation of subsistence for enlisted men who may be detailed to guard or move the United States property at home stations on days immediately preceding and immediately following the annual encampments, damages to private property incident to encampments, instruction, practice marches and practice cruises, drills and parades, fuel, light, heat, care and repair of armories, offices, and storehouses, practice ships, boats, machinery and dock, dredging alongside of dock, telephone service, horses and mules for mounted organizations, street car fares (not to exceed $200) necessarily used in the transaction of official business, and for general incidental expenses of the services, $20,000.

Mr. FOSTER. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Mississippi if the District of Columbia has a militia here now.

Mr. SISSON. The District of Columbia is maintaining a force not equal to the force they had in time of peace, under a special act of Congress which was passed authorizing the reorganization of the District militia, taking those men who were not subject to draft or who had not yet been taken in the draft. Of course, as soon as they are drafted they would be taken out, and as quickly and as rapidly as can be done they will reorganize under the regular militia act.

Mr. FOSTER. So that they have no militia now except what is called the Home Guard?

Mr. SISSON. Yes. The gentleman recollects that we passed a bill here at the request of the War Department organizing a special militia——

Mr. FOSTER. I notice this is called the militia.

Mr. SISSON. Yes. Under the present current fiscal year they will perhaps maintain the present organization, but this fund is for the purpose of reorganizing the regular militia and taking care of it when peace arrives. When the soldiers get back, those who want to continue in the State militia may do so.

Mr. FOSTER. It is just this home guard now, and will be until further action is taken?

Mr. SISSON. I do not presume any of this money will be used under this act. They could not use it under this act if the war officially closes between now and the end of this fiscal year.

Mr. FOSTER. The 1st of July?

Mr. SISSON. Yes.

Mr. FOSTER. They could not use any for this; but are they using this appropriation?

Mr. SISSON. Not this.

Mr. FOSTER. I do not mean this, but under the same head?

Mr. SISSON. Yes.

Mr. FOSTER. They have the right to do that; that is all.

Mr. SISSON. Yes; that is all.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 3. That all horses, harness, horse-drawn vehicles necessary for use in connection with construction and supervision of sewer, street, street lighting, road work, and street-cleaning work, including maintenance of said horses and harness and maintenance and repair of said vehicles and purchase of all necessary articles and supplies in connection therewith, or on construction and repair of buildings and bridges, or any general or special engineering or construction work authorized by appropriations, may be purchased, hired, and maintained, and motor trucks may be hired exclusively to carry into effect said appropriations when specifically and in writing ordered by the commissioners; and all such expenditures necessary for the proper execution of said work, exclusive of personal services, shall be paid from and equitably charged against the sums appropriated for said work; and the commissioners in the annual estimates shall report the number of horses, vehicles, and harness purchased and horses and vehicles hired and the sums paid for same and out of what appropriation; and all horses owned or maintained by the District shall, so far as may be practicable, be provided for in stables owned or operated by said District: *Provided*, That such horses, horse-drawn vehicles, and carts as may be temporarily needed for hauling and excavating material in connection with works authorized by appropriations may be temporarily employed for such purposes under the conditions named in section 2 of this act in relation to the employment of laborers, skilled laborers, and mechanics.

Mr. SISSON. Mr. Chairman, I ask unanimous consent to return to page 30, line 18. The point of order was made on that paragraph, and the gentleman making the point of order now desires to withdraw it. I will ask the Clerk to read that paragraph if I get unanimous consent to return.

Mr. MADDEN. I wish to say to the Chairman that I have looked into the needs——

Mr. WALSH. I will renew the point of order until we find out what the provision is.

Mr. SISSON. The Clerk is going to read the provision. I ask unanimous consent to return to page 30, lines 17 and 18.

The CHAIRMAN. Is there objection?

Mr. WALSH. That is for the attendance officers?

Mr. SISSON. Yes.

Mr. DYER. The point of order took those lines out.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MADDEN. Mr. Chairman, I withdraw the point of order.

The Clerk read as follows:

Attendance officers: Attendance officers—one $900, four at $800 each, four at $600 each; in all, $6,500.

Mr. SISSON. Mr. Chairman, I offer as an amendment, page 30, after line 18, to make it "four" instead of "two" at $800.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 30, line 18, at the beginning of the line, strike out the word "two" and insert the word "four."

Mr. WALSH. Mr. Chairman, that is not the amendment; the entire item went out on the point of order.

Mr. SISSON. No; only to the two new places.

The question was taken, and the amendment was agreed to.

Mr. SISSON. Now, I will ask the Clerk to report the paragraph, so as to be sure it is correct.

The Clerk read as follows:

Attendance officers: Attendance officers—one $900, four at $800 each, four at $600 each; in all, $6,500.

Mr. SISSON. That is correct. Now, we will return to those items which were passed on page 67.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. SISSON. In line 4 a point of order was reserved. I have looked the statute up, and the gentleman from Massachusetts is correct about it. The statute provides for a treasurer, and the committee has dropped the word "treasurer" and inserted the word "clerk." I therefore concede the point of order and offer the following amendment, on page 67, line 4, after the figures "$1,200," insert "treasurer."

The CHAIRMAN. The point of order is sustained, and the Clerk will report the amendment.

The Clerk read as follows:

Page 67, line 4, after the figures $1,200," insert the word "treasurer."

Mr. SISSON. Of course, the word "clerk" goes out on the point of order.

The question was taken, and the amendment was agreed to.

Mr. SISSON. So line 4 will read, "superintendent, $1,200, treasurer, matron, etc." Also a point of order was made at the bottom of page 67, beginning with line 20——

Mr. MANN. The gentleman does not want to strike out line 20.

Mr. SISSON. Beginning line 21 with the word "*Provided*," at the bottom of page 67, the gentleman from Massachusetts reserved the point of order on that language. The point of order is good and may be sustained.

The CHAIRMAN. The Chair still does not understand the gentleman from Mississippi——

Mr. SISSON. Strike out all after the word "*Provided*," in lines 21, 22, 23, 24, and 25.

The CHAIRMAN. Does the gentleman from Massachusetts insist upon the point of order?

Mr. WALSH. I do.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

SEC. 7. That the commissioners and other responsible officials, in expending appropriations contained in this act, so far as possible shall purchase material, supplies, and equipment, when needed and funds are available, from the various services of the Government of the United States possessing material, supplies, and equipment no longer required because of the cessation of war activities. It shall be the duty of the commissioners and other officials, before purchasing any of the articles described herein, to ascertain from the Government of the United States whether it has articles of the character described that are serviceable. And articles purchased from the Government, if the same have not been used, shall be paid for at a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage. The various services of the Government of the United States are authorized to sell such articles to the municipal government under the conditions specified and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt.

Mr. WALSH. Mr. Chairman, I reserve the point of order on the paragraph.

Mr. JOHNSON of Kentucky. I want to offer an amendment.

Mr. WALSH. I reserve the point of order.

The CHAIRMAN. The gentleman from Massachusetts reserves the point of order.

Mr. SISSON. Does the gentleman want to ask a question?

Mr. WALSH. I want to ask the gentleman what is the character of material and supplies the committee had in contemplation?

Mr. SISSON. Only such as is authorized to be purchased in the bill. For example——

Mr. WALSH. There is a variety—automobiles, mops, brooms——

Mr. SISSON. Well, whatever the Federal Government has in the shape of war material that may be used in the District

of Columbia they may be authorized to purchase it. This simply authorizes them to take from the Federal Government at a reasonable price the things the Government now has and the money covered into the Treasury. We would rather buy it from the Government than to have the dealer go and buy from the Government and buy it back, or go into the market and buy the material originally.

Mr. WALSH. If the Government has a number of trucks or automobiles that they have been using in connection with war activities and some department in the District of Columbia needs an automobile they are obliged to go and buy this second-hand affair?

Mr. SISSON. Provided they can get what will suit them as well or better. In other words, this simply gives the District Commissioners the right to buy the things which the Government will dispose of.

It is in harmony with the general purpose of the Government in endeavoring to get rid of a great deal of material which they purchased during the war. Many of the articles are practically new; many of the typewriters new; many of the trucks are new; and many of the automobiles are new. There are several automobiles to be purchased in this bill. Quite a good deal of material is to be purchased by the water department and by the street department, and a good many vehicles they can use to advantage. If the Government offers them a price that will be better and more favorable than the open market, this simply gives them the opportunity to avail themselves of that opportunity to purchase from the Government.

Mr. WALSH. Is it the idea that they might make a little saving of money?

Mr. SISSON. We hope to save some money both to the Federal Treasury, by buying at a reasonable price, and also to the District treasury.

Mr. WALSH. Well, what has the gentleman to base any such unusual hope as that upon?

Mr. SISSON. I do not know as it is an unusual hope. We have got to arrange in some way to take care of a great lot of material which the Government has purchased for war purposes. Now, the war is over. There will be over a billion dollars' worth of this character of property throughout the country, as estimated by the various departments, to be sold. Now, it would be better, we think, for the Government, in the departments where Congress has authorized the purchase of these identical things, to absorb them by the Government rather than putting them upon the market.

Mr. WALSH. Are there any houses provided for in this bill?

Mr. SISSON. Any houses?

Mr. WALSH. Yes.

Mr. SISSON. No.

Mr. WALSH. There would not be any opportunity for them to purchase some of these Swiss chalets?

Mr. SISSON. No; nothing of that sort is authorized.

Mr. WALSH. Now, how far does the gentleman contend that this is compulsory upon the officials of the District of Columbia?

Mr. SISSON. Only where the District Commissioners find that they can save money; that they can get what they want at the same or less price.

Mr. WALSH. No. It says that the commissioners and other responsible officials in expending appropriations contained in this act, so far as possible, shall purchase materials. How far does the gentleman think that would go?

Mr. SISSON. In other words, the idea is that if they can get them from the Government they ought not to buy them elsewhere if they can make the same terms.

Mr. WALSH. Who is to decide?

Mr. SISSON. The commissioners, who decide where they shall buy things now.

Mr. WALSH. Well, I will withdraw the reservation of the point of order.

Mr. JOHNSON of Kentucky. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. JOHNSON of Kentucky offers the following amendment: On page 88, at the end of the bill, insert the following as a new paragraph:

"That the sum of $75,000 is hereby appropriated wholly out of the revenues of the District of Columbia to pay the indebtedness of the District of Columbia to the United States on account of the unpaid balance of the advances to defray District of Columbia expenses of the fiscal year 1878, as provided by section 17 of the act providing for the support of the District of Columbia for said fiscal year, approved March 3, 1877, and said sum shall be transferred to the credit of the United States from the amount in the Treasury to the credit of the District of Columbia immediately upon the approval of this act."

Mr. MANN. Mr. Chairman, I reserve a point of order on that amendment.

Mr. JOHNSON of Kentucky. I take it for granted, Mr. Chairman, that we had better dispose of the point of order first.

Mr. MANN. Then I make the point of order.

Mr. JOHNSON of Kentucky. If the gentleman will reserve it, I will explain the matter. Or does the gentleman desire the point of order argued?

Mr. MANN. I reserved it, for I thought the gentleman said he wanted the point of order disposed of first.

Mr. JOHNSON of Kentucky. I understood the gentleman did.

Mr. MANN. Oh, no; I reserved the point of order.

Mr. JOHNSON of Kentucky. Mr. Chairman, as the House no doubt knows, several years ago the House Committee on the District of Columbia commenced a big undertaking of going through the accounts between the District of Columbia and the United States with the view of having all sums of money due to the United States paid into the Federal Treasury. As I said, that investigation of the books and accounts has been going on several years. Up to the present time, if I remember correctly, about $2,300,000 have been recovered and paid into the Federal Treasury.

Again referring to this item, I will say that back in 1878 the United States Government advanced about $400,000 to the District of Columbia. The District of Columbia has paid $325,000, in round figures, of that amount, leaving $75,000 unpaid. The accountant acting for the District of Columbia Committee has gone through every book and account pertaining to the subject and has found that this money, in the first place, was advanced, and, in the next place, that this $75,000 account has not been paid. The Secretary of the Treasury then referred the matter to the expert accountant who keeps the accounts between the District of Columbia and the United States. That man's name is Mr. Thomas A. Hodgson, and I have here with me a written communication from him concurring in the report made by the committee accountant stating that this money has not been refunded to the United States.

In addition to that, I have here with me a communication signed by Mr. Brownlow, the president of the Board of Commissioners of the District of Columbia, stating that the auditor of the District of Columbia finds that the money was received and that this balance is unpaid.

Mr. MANN. Mr. Chairman, I know nothing about this matter except what the gentleman from Kentucky [Mr. JOHNSON] now states. I know that he has been at work investigating and has had an accountant for his committee investigating on this subject for a good while—on this subject and other subjects. Why was not this matter brought to the attention of the Committee on Appropriations?

Mr. JOHNSON of Kentucky. I will say to the gentleman that the reason why it was not brought to the attention of the Committee on Appropriations at this time, as has been done heretofore, is that Mr. Hodgson, the Treasury accountant, has recently been compelled to undergo three major surgical operations, and it was not until after this bill had been introduced that I got the written statement from him as to the correctness of this charge.

Mr. MANN. Well, on the gentleman's statement I will withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn. The question is on agreeing to the amendment.

Mr. SISSON. One moment, Mr. Chairman. My only objection to this amendment is the form in which it is drawn. I have investigated this matter, and the auditor of the District of Columbia says that this amount is due, but it appears as an appropriation. Now, we have heretofore carried this in this way, "That the sum of $75,000 shall be transferred to the credit of the United States from the amount in the Treasury of the United States to the credit of the District of Columbia." Here this is in the form of an appropriation. The money is already in the Treasury. Formerly it was a transfer of funds from the District money in the Treasury to the United States. In this way it is money appropriated in the total of the bill, which would be misleading. This amendment ought to be amended so that it would read, "The sum of $75,000 shall be transferred to the credit of the United States from the amount in the Treasury of the United States to the credit of the District of Columbia, to pay the indebtedness of the District of Columbia to the United States on account of advances to defray District of Columbia expenses of the fiscal year," and so on. If it is in this form, it will comply with the form in which these matters heretofore have appeared in this bill. I have no objection to its going into the bill in that form.

Mr. JOHNSON of Kentucky. Mr. Chairman, I wish to say in that connection that on a former occasion, when an item

similar to this was in the appropriation bill, the gentleman from Illinois [Mr. MANN] made a point of order to the language which the gentleman from Mississippi now proposes to use. In order to avoid the possibility of a point of order being made at this time, in preparing the amendment I wrote it purposely making it an appropriation. Provided the United States is to recover this amount of money, to which it is most clearly entitled, I have no choice as to the language used, my only aim being that the United States Government shall get the money.

The CHAIRMAN. Does the gentleman from Mississippi submit an amendment to the amendment?

Mr. SISSON. Yes.

The CHAIRMAN. The clerk will report it.

Mr. SISSON. Amend it so that it will read:

That the sum of $75,000 shall be transferred to the credit of the United States from the amount in the Treasury of the United States to the credit of the District of Columbia to pay—

And so forth.

The CHAIRMAN. The gentleman will send the amendment up to the desk. The Clerk will report the amendment as amended.

The Clerk read as follows:

Amend the amendment by striking out after the figures "$75,000" the words "is hereby appropriated wholly out of the revenues of the District of Columbia, to pay the indebtedness of the District of Columbia to the United States on account of," and insert in lieu thereof the following language: "shall be transferred to the credit of the United States from the amount in the Treasury of the United States to the credit of the District of Columbia, to pay the indebtedness of the District of Columbia to the United States."

The CHAIRMAN. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment as amended.

Mr. SISSON. Mr. Chairman, I would like to have it reported now, the whole amendment as it will read.

The CHAIRMAN. The Clerk will now report the amendment as amended.

The Clerk read as follows:

Amendment as amended:

"That the sum of $75,000 shall be transferred to the credit of the United States from the amount in the Treasury of the United States to the credit of the District of Columbia, to pay the indebtedness of the District of Columbia to the United States on acount of the unpaid balance of the advances to defray District of Columbia expenses of the fiscal year 1878, as provided by section 17 of the act providing for the support of the District of Columbia for said fiscal year, approved March 3, 1877, and the said sum shall be transferred to the credit of the United States from the amount in the Treasury to the credit of the District of Columbia immediately upon the approval of this act."

The CHAIRMAN. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. JOHNSON of Kentucky. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Kentucky offers another amendment, which the Clerk will report.

The Clerk read as follows:

At the end of the bill insert the following as a new paragraph:

"That the sum of $50,865 is hereby appropriated wholly out of the revenues of the District of Columbia to pay the indebtedness of the District of Columbia to the United States on account of advances to defray the expenses of constructing and equipping a school building in Georgetown, D. C., as provided in the act approved March 3, 1875, and said sum shall be transferred to the credit of the United States from the amount in the Treasury to the credit of the District of Columbia immediately upon the approval of this act."

Mr. JOHNSON of Kentucky. Mr. Chairman, as to this item, I wish to say that the accountant for the House Committee on the District of Columbia has found this indebtedness; that the accountant assigned to the work by the Secretary of the Treasury agrees with that finding; and the Commissioners of the District of Columbia, through a report from their auditor, agree that this amount is unpaid. I have those statements here in writing with me.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. SISSON. Mr. Chairman, I would like that amendment to be carried in the language usually carried and in the language of the other amendment.

The CHAIRMAN. Without objection, the amendment will be so modified as to carry the same language.

There was no objection, and the proposed modification was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment as modified.

The amendment as amended was agreed to.

Mr. JOHNSON of Kentucky. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kentucky.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Kentucky: At the end of the bill insert the following as a new paragraph:

"That the sum of $75,000 is hereby appropriated wholly out of the revenues of the District of Columbia to pay the indebtedness of the District of Columbia to the United States on account of advances for the support of the public schools of the District of Columbia, as provided by a clause of the sundry civil appropriation act approved March 3, 1877, and the said sum shall be transferred to the credit of the United States from the amount in the Treasury to the credit of the District of Columbia immediately on the approval of this act."

Mr. JOHNSON of Kentucky. Mr. Chairman, this item of indebtedness has been ascertained by the accountant for the Committee on the District of Columbia, and has been found to be correct by the accountant of the Treasury Department and also by the auditor of the District of Columbia. In that respect it is exactly like the two which have preceded it.

Mr. SISSON. Mr. Chairman, I ask that that amendment also be modified to conform to the language of the other two appropriations.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that the amendment offered by the gentleman from Kentucky may be modified so as to contain the language in the first amendment. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment as modified.

The amendment as modified was agreed to.

Mr. SISSON. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the several amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 13277) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time, and passed.

On motion of Mr. SISSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

POST OFFICE APPROPRIATIONS.

Mr. MOON. Mr. Speaker, I ask unanimous consent that when the bill making appropriations for the service of the Post Office Department for the fiscal year 1920, and for other purposes, is taken up for consideration each section of the bill and every item of each section be treated as in order, notwithstanding the general rules in the House.

The SPEAKER. The gentleman from Tennessee calls up the Post Office appropriation bill, which the Clerk will report by title.

The Clerk read the title of the bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that every section, paragraph, and item of that bill be considered in order, notwithstanding the general rules of the House. Is there objection?

Mr. MANN. Reserving the right to object, I should like to inquire whether the Chair thinks, if that request is granted, it will permit amendments to be offered which otherwise would be out of order?

The SPEAKER. They would not be considered if the present occupant of the chair was in the chair. The gentleman's request does not apply to amendments.

Mr. MANN. I know, but here is the point I want to get at: Here is an item in the bill which is subject to a point of order. Under the practice and rules, if no point of order is made against the item when it is reached, it is open for amendment.

Mr. MOON. I should think any amendment that would be germane to the section would be in order.

Mr. MANN. What I want to inquire is whether the gentleman's request would exclude the right of an amendment over a point of order?

Mr. MOON. Not if it is germane. It is not so intended.

Mr. MANN. May I ask the gentleman further: The gentleman said, "When the bill is taken up for consideration." Is the bill coming up for consideration now?

Mr. MOON. I am going to move to consider it now.

Mr. WALSH. Mr. Speaker, reserving the right to object, if this request is granted, as I understood the inquiry and the reply thereto, no point of order can be raised on any matter contained in the bill.

The SPEAKER. That is it exactly.

Mr. WALSH. I should like to ask the gentleman from Tennessee, who has charge of this very important measure, the reason for this somewhat unusual request?

Mr. MOON. The committee directed the chairman to make this request. It is the unanimous action of the committee, and if it is not granted then I am instructed to ask for a rule.

There is nothing new in this bill except the difference in the amount of the appropriations, and the making permanent of some law that in the last bill was annual or temporary. I believe there is perhaps one little section on the question of the vacation of clerks, and there are one or two other minor matters.

The matter in this bill is identical as it has been passed by the House at the last session, except the amounts of the appropriations and the making permanent of legislation that was only temporary.

Mr. STEENERSON. Will the gentleman yield?

Mr. MOON. I yield to the gentleman.

Mr. STEENERSON. I think it ought to be stated that there are a few items not covered by the gentleman's statement.

Mr. MOON. I said there might be some other minor matters that I do not recall.

Mr. STEENERSON. There is the motor-truck matter.

Mr. MANN. And the appointment of a commission.

Mr. STEENERSON. The appointment of a commission and the aeroplane provision and the motor-truck provision, which do change existing law.

Mr. MOON. No; I do not understand that.

Mr. STEENERSON. It is new law.

Mr. MOON. It is new law, I concede.

Mr. STEENERSON. It was not covered by the gentleman's statement.

Mr. MOON. Those were covered in the last bill, but the aeroplane proposition in the last bill was carried under the steamboat appropriation. It is now carried under the inland-transportation provision, and a limitation is made on the amount to be appropriated. That is all the difference, as I understand it.

Mr. STEENERSON. I agree with the gentleman that the committee were unanimous in requesting the chairman to make this request, but I did not think the gentleman's statement of the effect of it, that it embraced new legislation only on the salary proposition, was full enough.

Mr. MOON. The new legislation on the salary proposition is simply the legislation that we have passed before, with certain modifications.

Mr. STEENERSON. It is to make permanent the changes.

Mr. CALDWELL. Mr. Speaker, I think the best way to get rid of this is to object. I object.

The SPEAKER. The gentleman from New York objects.

Mr. MOON. Mr. Speaker, I was not looking for that objection.

Mr. STEENERSON. I hope the gentleman will withdraw that. It is very important. I simply wanted the House to understand it.

The SPEAKER. The gentleman from New York objects.

Mr. CALDWELL. I will withdraw the objection.

Mr. GRAHAM of Illinois. Reserving the right to object, I was unable to hear plainly what the unanimous-consent request was.

The SPEAKER. The gentleman from Tennessee asked unanimous consent that every section, paragraph, and item in this bill brought in here should be considered in order, notwithstanding the general rules of the House. If the gentleman from Illinois knows what is in the bill he knows whether he wants to object or not.

Mr. GRAHAM of Illinois. Still reserving the right to object, I do not see the necessity of this or the advisability of it, and I object.

Mr. MOON. The necessity is this: Of course, the House will grant a rule to do the very thing I am asking to do by unanimous consent. It will take up an hour or two in the disposition of the rule. There is nothing in the bill except that that has been stated. It is the unanimous request of the committee. The gentleman will just delay us two hours to-morrow in the consideration of this bill.

Mr. GRAHAM of Illinois. I withdraw the objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. MOON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the Post Office appropriation bill; and pending that I ask unanimous consent that general debate be limited to six hours, one half of the time to be controlled by the gentleman from Minnesota, Mr. STEENERSON, and the other half by the chairman of the committee.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that general debate on the bill be confined to not more than six hours, and that half of the time be controlled by the gentleman from Minnesota, Mr. STEENERSON, and the other half by himself. Is there objection?

Mr. ROBBINS. Reserving the right to object, I want to ask whether the general debate is to be limited to the bill.

Mr. MOON. No; it is general debate, and you can talk about anything you choose.

The SPEAKER. Is there objection?

There was no objection.

The motion of Mr. MOON was then agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. CRISP in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes.

Mr. MOON. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to dispense with the first reading of the bill. Is there objection?

There was no objection.

Mr. MOON. Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. STEENERSON. Does not the gentleman from Tennessee propose to use any of his time?

Mr. MOON. Not just now, if the gentleman will yield to the gentleman from Illinois.

Mr. STEENERSON. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman and gentlemen, this bill proposes to appropriate about $359,000,000. It provides for all of the ordinary activities of the Post Office Department, and it especially provides for the continuation of the increased compensation granted in the current Post Office appropriation bill—for the $200 increased compensation for the men who are in the supervisory positions of the department.

The current law provides that the clerks in the first and second class offices and carriers in the City Delivery Service and railway mail clerks should have their compensation increased $200 for the current fiscal year. It provides also that during the current fiscal year the men in these three branches of the Postal Service shall not be entitled to automatic promotion, as the salary increases were limited to the current fiscal year.

The law provided also that all salaries above $2,200 should be increased 5 per cent; that all salaries between $1,500 and $2,200 should be increased 10 per cent; that all salaries between $1,000 and $1,500 should be increased 15 per cent; that all salaries and wages from $1,000 down should be increased 20 per cent. This was for a single year only.

The bill also provided last year that a new classification should be enacted for clerks and carriers in the first and second class post offices and for carriers in the City Delivery Service, which would increase their compensation from $800, as the law provided before, to $1,200 and make it from $1,000 to $1,500, according to the class. It provided also that the number of classes in the Railway Mail Service should have an increase of $200 per class, whereas before this law was enacted the railway postal clerks should receive $900 as an initial salary and running up to $1,800. The new classification provided that the entire personnel should start at $1,100 and go up to $2,000.

Prior to the enactment of this law the law provided that the man entering the Postal Service should begin with an initial salary as a clerk or carrier at $800, and that after a year's service in a single class he would go up $100. So that the second year of his service he would get $900, and at the end of the second year of the permanent service he would go up to $1,000, and the following year to $1,100, and the next year, if

the appropriations were made for an increase in compensation, he might go up to $1,200. But since the Congress never appropriated for the total amount required to promote all the men in the next class to the highest, all the men in the lower classes below the highest were not promoted to the higher class. The difference between this bill and that law is that these men are to be promoted from the class in which they are on the last of July, 1919, automatically after they have served one year in the class in which they find themselves on that date.

So that, for example, if a man serves in class three from the 1st of July, 1918, to the 1st of July, 1919, even though he receives an increase in his compensation of $200 during the fiscal year 1918–19, he would still on the 1st of next July be entitled to an automatic promotion to the next higher grade, which would give him $100 additional to his compensation.

The men in this service have a hard struggle to begin with. They are men of exceptional intelligence. They are required to acquire a knowledge of the Postal Service which, in fact, makes them experts in the line. No man can enter the service under ordinary circumstances without having passed a civil-service examination proving his qualifications. After he has passed the examination, as a rule he is appointed as a substitute, and in the large cities of the United States he is compelled by the conditions which surround the service to work at least four years as a substitute before he is able to obtain a regular appointment.

During the four years of his substitute service it is fair to say that he does not make more than an average of $40 a month. It has been said that he does not make more than $35 a month. So that he is not receiving a very munificent compensation for the work he does. What does he do while he is rendering substitute service? He substitutes for some man who is off duty, but what else does he do? He is required to report for duty every morning, and if he lives in a city like Chicago, which is 25 miles long and 8 miles wide, it can be readily understood that he can not report for duty to the post office without having to pay car fare, because the post office is nearly in the center of the city, north and south, and on the extreme east side of the city. After he pays car fare, as he must do in order to report for duty, he then sits around and waits to ascertain whether or not his services are needed during the day. If they are not needed, he is told so and he goes home, and he has to pay his car fare home, and he makes nothing. He does this every day during his four-year period of probation, so to speak. Then at the end of four years he finds himself or has found himself appointed regularly, and the regular appointment up to within a few years gave him $600 a year. That was finally increased from $600 to $800, and this bill increases it now to $1,000. Will anyone say that $1,000, after a man has served four years probationary service, receiving a compensation during that period of $40 a month, out of which he must pay his car fare, is excessive? Will anyone say that the man who occupies one of the clerical positions in the Postal Service, who receives a permanent appointment at an initial salary of $1,000, who is required to be on duty 10 hours every day, during which he is required to do 8 hours' actual work, and during the period when he ought to be asleep is also required to study schemes for the distribution of mail, is overpaid?

What are schemes? It will be well understood by men in the Postal Service what I mean when I say "schemes," but it may not be well understood by the general public. The study of the distribution schemes means that a man must learn to throw a letter which comes into his hands into the box which will give the letter the quickest dispatch on the first train, and he must learn to throw these letters with an accuracy that will make him 99 per cent perfect in his examination. It takes him about two hours every day during all the period of his service to study these schemes, because he is required to be examined every 30 days as to his efficiency during the period of his service. After he has done all this and has learned every post office in the State in which he resides and knows every train that reaches every town the earliest, he is given another scheme to study, and after he learns that he must forget the first; so he finds himself in a position where during all of his life, if he remains in the Postal Service all of his life, he is in a constant study of learning new schemes and forgetting old ones—taking examinations to see whether or not he is perfect.

What do the carriers do? They go through this same process of probation. They are appointed after a long period of waiting as substitutes, and they are required to learn the scheme of distribution for the district over which they deliver the mail. It frequently happens in the great cities—in fact, always happens—that they schedule a man for the delivery of his district up to the last second of his endurance, and if they find a man is able to make the delivery of all the letters in his territory 30 minutes sooner than the schedule provides, they add another block or two to the territory.

They make him speed up, in other words, and if, perchance, they find that by speeding up he can still have a moment's leisure time they send an inspector to his district with him, and the inspector follows him along and sets the pace. The inspector does not have to make the delivery or the distribution, but he sets the speed the man must walk. The inspector does not carry the load; the letter carrier does that. I think the First Assistant Postmaster General said the other day in response to a question asked by me that the average load of a carrier is 40 pounds.

I have seen carriers with loads of 150 pounds. Of course, the average would not be perhaps more than 40, but it is not the average; it is the maximum load that breaks the man. The lightest load, of course, is play, but the heavy load is truck-horse work. In addition to being a truck horse, the man must have intelligence; he must have knowledge; he must have experience; he must be sober; he must dress well; he must have a constitution that will stand the inclement weather; he must be able to keep the speed set by the department; and the department, through the post offices in the great cities, sets the pace. They know how many letters each man delivers and how long it took him to deliver to a certain apartment building, whether he was in the apartment building longer than he ought to be, whether it took him longer to go through a single block than it should take him. If it did, complaint is filed and demerits are charged up against his record. If they want, by any chance, to discriminate against a man and reduce the compensation which he is earning by right of service, they can charge him up with 500 demerits. Five hundred demerits means next thing to the sliding board, and they grease the sliding board when they want to send him down, but, in any case, demerits reduce the compensation he receives. If he is now receiving $1,200 a year and the superintendent under whom he works is not as generous in his consideration of the man's rights as he ought to be, to put it mildly, he may find a way to charge demerits up against this man.

That results sometimes in the reduction of compensation to $100 less salary, sometimes $200, sometimes as much as $300 reduction in his salary. Then what happens? Why he has got to go over the same gamut again. He must start in to make good again, and if he has been getting $1,200 and he has been reduced to $900, why he starts to serve a year in the $900 grade, through which he has passed long years before, and at the end of a year's satisfactory service in that grade he goes up to $1,000, and then up to $1,100, and then to $1,200 again. Then, if he is continuing to slow up a little as he grows old, a new inspector, a younger man, with greater speed, is put onto his tracks, walks with him, talks with him, sees that he delivers the mail, and not with the ordinary speed of the ordinary man doing an ordinary day's work, but with the speed of a trotting horse, and if the inspector by force or push is able to force this man to make greater speed than his schedule provides the schedule is shortened up and he is compelled to keep the speed, and then if he is not fast enough under the new speed schedule, if he runs behind the schedule time, he is thrown in the scrap heap perhaps, and the scrap heap is a bad place for a man who has served his Government faithfully for 20 or 25 years, and he has learned nothing that is of any use to him anywhere else in the world. He has learned to be an expert in the Government service. The knowledge that he has acquired in the service is of great value to the Government, because it is expert knowledge.

Mr. MAPES. Will the gentleman yield?

Mr. MADDEN. Just a minute. But that knowledge is not salable in the commercial life of America, because it is not in keeping with the needs of commercial houses. Now I yield to the gentleman.

Mr. MAPES. I would like to ask the gentleman what redress the carrier has for the superintendent's treatment of him or if the inspector's recommendations are unfair?

Mr. MADDEN. Oh, there is no remedy. The inspector's recommendations are always fair. That is to say, they are always adhered to and the other man has no remedy.

Mr. MAPES. He can be demoted, and he has no redress?

Mr. MADDEN. Yes. Of course, what ought to happen and what I would like to see happen some day is that there shall be a board, a trial board, to which all cases of complaint shall go and that no superintendent of a bureau under which a man works who files the complaint shall sit as a trial judge on the board. But it is said by the administrative officers of the department that that would destroy the discipline. I do not think it

does. Now, take for example in my State. We have a civil-service law which every person obtaining employment in the State, the county, or city must pass, but the employing officer, while he can file complaint against the person who goes in this employment, can not try the case. The trial of the case is by the civil-service commission, and the trial of all cases of all men in this service should be by boards appointed by the civil-service commission, in my judgment. Now, I do not say that any great injustice has been done to men recently, but there have been cases within the last few years where great injustice was done to the men. For example, it was decided that a letter carrier and a collector were two different classes of men. Now, the law says that so much compensation shall be made to a letter carrier according to the class in which he serves, but it does not say that there shall be any distinction between a carrier and a collector. Now, of course a collector carries mail as well as the man who delivers mail. They are both carriers. There can be no distinction; but the Post Office Department, through the Postmaster General, decided notwithstanding the law that there is a distinction, and the Congress, I am happy to say, did not agree with the Postmaster General, and it in the next bill declared, and it is the law, that every one of these men should be restored to the position they formerly occupied, and that a carrier and collector were both carriers without distinction. It has been said that a collector does not need as much intelligence as the man who delivers mail, but every one of those men have been compelled to learn how to deliver mail, and it makes no difference whether a man is assigned to the delivery or the collection of mail, he is still a carrier and entitled to all the rights which the law grants to him.

Now, we have for example a condition in the Railway Mail Service. The Railway Mail Service is in a class by itself. There was a time when nearly all the railway mail clerks worked on postal cars, in railway post offices, so to speak. Nearly all mail was distributed as the train moved along. That has been in a large measure changed, and now we make distributions to a large extent in railway terminal post offices. This resulted in taking off the road a great many trains that moved the mail—those through cars—and on the short lines we find that instead of having mail distributed as the train moves along for early dispatch to the person to whom the mail is addressed, that now on this kind of service they have pouch delivery. Now, for example, we will take three points as a triangle, and we will say Washington is one point, Philadelphia is another, and Baltimore is another, and this would be considered short-line service; so if a letter originated in Washington, instead of being dispatched to Philadelphia it might be dispatched to Baltimore for pouching, if that is the point where pouching is done, and then redistributed in pouches, say, to Washington or to Philadelphia, as the case may be, and in that way lose two or three days in the delivery of letters. So we have had two services under the new-fangled notion of handling railway mail. It is true that it costs a little less to handle the mail in the way in which it is now handled by rail than it used to cost. First, of course, we used to send mail direct at so much a ton or pound. Now we send mail according to the space basis, and we pay for the space we use. Personally I am in favor of the space basis. I believe it is the best way to handle the movement of the mail. I believe we would get more for our money without doing any injustice to the carrying company, but if we do not supply the equipment to move all the mail as expeditiously as it ought to be moved we are going to do a great injustice to the business public of the country.

And the result is that we have complaints from all over the United States because the people are not getting their mail as promptly as they formerly did. Now, for example, I had a special delivery letter sent from New York to me on the 6th of this month. The presumption is that the man who put the delivery stamp on that letter put it on because he wanted expeditious delivery. I was rather surprised to find that that letter did not reach my desk until noon on the day of the 9th, three days from New York. Now, they say that we are delivering more special delivery letters than we used to, and that we are doing that because of the efficiency of the Postal Service in contradistinction to the inefficiency of the wire service. Well, if it takes three days to get a special delivery letter from New York to Washington, I do not know how much more efficient that is than the telegraph. But since the Government took control of the telegraph lines, I want to say that it takes about, on an average, three days now to get a telegram from Chicago. I used to get them in three hours. Of course, if we do not give the service to the public we can always be sure to report a surplus in the postal revenues. If you took off all the trains and collected all the postage, of course you would have a still greater surplus. And the surplus, notwithstanding the increased compensation this year, is $19,000,000.

Now, I do not think the Postal Service is organized for profit. The people of the United States think it is organized for the purpose of giving service. Of course, we can save money if we reduce the service. We have, for example, in my town cases where they have reduced the number of deliveries from five to three.

Well, all the mail is delivered in the three deliveries, but first it put an unjustifiable burden on the man who carries the mail by making him carry a load that no man ought to be asked to carry, and then it compels the receiver of the mail to wait for an important letter three or four hours, and sometimes a day or two, longer than he ought to have to wait. But if we reduce the number of deliveries, of course we can increase the surplus revenues.

Now, it was said last year when we increased the compensation of the carriers and the clerks that we were going to bankrupt the Postal Service; that it could not stand up under the load, under the excessive charge. But it stood up. The service has not been any better. That is not the fault of those who are receiving the compensation under the act. It is the fault of those who have failed to give the service and yet charge for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. Mr. Chairman, I would like to have about 15 minutes more.

Mr. STEENERSON. I yield to the gentleman 15 minutes more.

Mr. TILSON. Is the gentleman going to touch upon the subject of supervisory mail clerks?

Mr. MADDEN. Yes. I did in the beginning.

Mr. TILSON. The gentleman alluded to it, but I thought he was going to explain it more fully.

Mr. MADDEN. I will say now in connection with the supervisory officials of the Postal Service that we continue in this bill the $200 annual increase that we authorized last year. That $200 annual increase, consisting of a 5, 10, and 15 per cent increase, depending on the size of the salary, will be continued until July 1, 1920.

This bill provides for the permanent compensation fixed in the bill for the carriers and the clerks and the railway mail clerks. But the law is not permanent as to the supervisory officials. However, I have a bill pending, which has not yet been considered by the Committee on the Post Office and Post Roads, for the reclassification of the supervisory officials of the service. In addition to that, this bill itself provides for the appointment of a commission of 10 Members of Congress, 5 from the House and 5 from the Senate, who shall thoroughly investigate the Postal Service with a view of reclassifying all the employees in the service and bringing them up to a better standard of efficiency and better standard of compensation, more equitably distributed, the thought being to give the men who are occupying important supervisory places compensation commensurate with the responsibilities which they assume. Take, for example, the superintendent of city delivery in the city from which I come. That is the city with which I am most familiar, but it is typical of the service. Leroy Stewart, the superintendent of city delivery, gets $3,200 a year. If he was employed in any other service in the world with like responsibility he would get $25,000 a year. He is a man of exceptional ability. There is not a record of a letter that passes through that post office that he can not point out to you at any hour of the day. He can tell you every cost of every item and the time of the delivery of every letter, the place where the letter was delayed, if it was delayed, and the cause for its delay. He has 2,900 men under him. No private concern in the United States would require the services of a man of his exceptional ability in command of such a force, calling for the technical knowledge that he must possess, and expect to get him for $3,200 a year.

Then there is Frank Galbraith, the superintendent of mails there, than which there is no man living, and I do not care who he is, knows as much about the Mail Service, and I think that would be agreed to by the First Assistant Postmaster General. He has about 4,000 men under him, and he gets $3,200 a year. He has charge of the dispatch of the mail, the distribution of the mail, and the receipt of the mail. He must have a knowledge of all the details of all the work connected with the handling of the mail. He is on duty every night, on duty every day. And, by the way, 70 per cent of the men in the Postal Service work nights, as you know. Some go on at 12 o'clock in the daytime and they work until 8 o'clock at night. Other men go on at 4 o'clock in the daytime and work until 12 o'clock midnight. Other men go on at 8 o'clock at night and work

until 4 o'clock in the morning, and so on. They work while we sleep, in order that we may be able to enjoy the privilege of reading the intelligence which comes from the mail; and while they are doing that, the carrier, in season and out, in sunshine and in storm, going from door to door, is carrying the messages of love and affection and sorrow and hope to every house from all sections of the world.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I yield to the distinguished gentleman.

Mr. WALSH. The gentleman would not expect that the salary of these two very capable and efficient officials that he has mentioned would be increased to anything like the sums which he has stated they could get in private employment?

Mr. MADDEN. No, indeed; because I think there is an honor connected with the public service that should incite a man to do the work that he can do for the public and make a contribution of some of his genius without pay.

Mr. WALSH. Would the gentleman think that this commission might also have authority to recommend the reduction of salaries—of perhaps that of the head of the department?

Mr. MADDEN. Oh, yes. I think this commission, if it is authorized, will have the authority to recommend whatever it may think proper to recommend, not only the reduction of the salary of the head of the department but the increase of the salary of the lowest man on the rung of the ladder. Personally I will be glad to see the department so reorganized as to make every man in the service eligible to the position of Postmaster General if he had the qualifications.

Mr. WALSH. I hope the commission will make such an investigation if it will have that result.

Mr. MADDEN. I would like to make men eligible to the high offices. I would like to see men in the service stimulated by the hope that some day, if endowed with sufficient genius, they could qualify themselves to be Postmaster General of the United States. It is only through such opportunities that men develop the best that is in them; and at any rate, if I shall have anything to say about the thing in the future, I hope to be able to convince others that this department should at least permit every man in the service to rank at least up as high as First Assistant Postmaster General.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLACK. It is a fact, is it not, that in the Postmaster General's report he recommends a law placing the Assistant Postmasters General under the civil service?

Mr. MADDEN. I have not read the report.

Mr. BLACK. He does.

Mr. MADDEN. I have no doubt he does, because I have talked with him a good many times about it, and I know he favors it. But I would go still further, and I would take the Postal Department out of politics. I would make it impossible for the Postmaster General, whoever he might be, to be the political go-between of the President in matters of legislation, and I would insist that this department, which is strictly a business department after all, should have no semblance of politics anywhere.

Now, of course I know that lots of men in the House will not agree with me on that. I do not expect them to, but I do not care whether they do or not. I do not care what party is in power; personally, I would eliminate politics from the department from the top to the bottom. [Applause.] I would make efficiency the only standard by which to gauge the right of any man to occupy a position of power in the department. The Post Office Department is a department that affects every home in the land. Every housewife, every child, every man, every woman looks to this department as their department. This is the one department that reaches every home, and the one department to which every home looks for a message connecting that home with the loved ones who are far away. And so I say that it should be run with an eye single to the service of the American people, without respect to any thought of profit. I say that every man in the service, while required to perform his duty and submit to authority uncomplainingly, should be considered as worthy of the best treatment compatible with efficiency and discipline that it is possible for the Government to give.

I do not intend to convey the thought that the Government is the only one upon whom obligation rests, but I want it to be distinctly understood that while I believe the Government ought to be a good employer, every man and woman in the Government employ has an obligation to the Government, and that they, by their action, by their work, by their intelligence, by their patriotism, should command not only the respect of the people of the Nation, but that they should do everything within their power to economize in the department in keeping with efficiency and render the service that the Government has the right to demand and that such discipline for failure to do that as is just and fair and decent should be meted out by the men in control of the department.

Mr. WALSH. Mr. Chairman, will the gentleman yield for a question?

Mr. MADDEN. Yes.

Mr. WALSH. I am very glad to hear the gentleman's views on this particular phase of the subject, and I trust that the condition which he so eloquently depicts may in the near future be realized. But does the gentleman think that that can be accomplished under this commission, which is restricted simply to reclassifying and readjusting salaries? The commission would have no authority under the language of the bill to make recommendations to promote the efficiency or change the methods that are now in vogue.

Mr. MADDEN. Well, if there is anything lacking in the wording of the proposed section creating the commission which does not give it the authority that it ought to have, I will favor such an amendment as will give it the most comprehensive authority.

Mr. WALSH. Does not the gentleman think that the commission that is going to make the study ought to look into it?

Mr. MADDEN. I think it ought to look into every phase of the service.

Mr. WALSH. It seems to be limited to the readjustment and reclassification of salaries.

Mr. MADDEN. Of course that could not be done without looking into every other phase of the service, it seems to me.

Mr. WALSH. No; but it may not permit a recommendation to change the method of doing those things. It might change the salaries of the men doing them, but it could not change the method or plan under which the people operate.

Mr. MADDEN. I will agree now with the gentleman from Massachusetts that I will favor such modifications of the language as will make it possible for the commission, if it is decided to have a commission, to make a most comprehensive study of every phase of the Postal Service.

Mr. Chairman, I yield back the balance of my time. [Applause.]

The CHAIRMAN. The gentleman from Illinois yields back five minutes.

Mr. STEENERSON. Will the gentleman use some time on that side?

Mr. MOON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRISP, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5058. An act to authorize the counties of Morton and Burleigh, in the State of North Dakota, to construct a bridge across the Missouri River near Bismarck, N. Dak.

The message also announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested.

Senate concurrent resolution 27.

Resolved by the Senate (the House of Representatives concurring), That there be printed 25,000 additional copies of Senate Document 310, Sixty-fifth Congress, entitled "Revenue bill of 1918," and that there be printed separately 10,000 additional copies each of the majority and minority reports and individual views of members of the Committee on Finance on H. R. 12863, the revenue bill of 1918, for the use of the Senate.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 5058. An act to authorize the counties of Morton and Burleigh, in the State of North Dakota, to construct a bridge across the Missouri River near Bismarck, N. Dak.; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT.

Mr. MOON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.) the House adjourned until to-morrow, Thursday, December 12, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Navy, transmitting statements showing exchanges made during the fiscal year ended June 30, 1918, of typewriters, adding machines, and other similar labor-saving devices by the Navy Department and Naval Establishment, including the United States Marine Corps (H. Doc. No. 1574); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting statements showing for the four months ending October 31, 1918, the average number of employees of the Treasury Department proper, and of the field service of the department, receiving increased compensation at the rate of $120 per annum, and the average number of grades receiving the same at each lower rate (H. Doc. No. 1575); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting a supplemental estimate of appropriation required by the Treasury Department for the fiscal year ending June 30, 1920, for the maintenance for the Division of Industrial Hygiene (H. Doc. No. 1576); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Public Printer, transmitting estimate of the average number of employees of the Government Printing Office to receive increased compensation at the rate of $120 per annum and one employee to receive increased compensation at the rate of $20 per annum (H. Doc. No. 1577); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. COOPER of Ohio, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 12995) granting the consent of Congress to the Youngstown Sheet & Tube Co. to construct, maintain, and operate a combined bridge and dam across the Mahoning River, in the State of Ohio, reported the same with amendment, accompanied by a report (No. 851), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 12996) granting the consent of Congress to the Youngstown Sheet & Tube Co. to construct, maintain, and operate a bridge across the Mahoning River, in the State of Ohio, reported the same with amendment, accompanied by a report (No. 852), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 12997) granting the consent of Congress to the Youngstown Sheet & Tube Co. to construct, maintain, and operate a bridge across the Mahoning River, in the State of Ohio, reported the same without amendment, accompanied by a report (No. 853), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WINGO: A bill (H. R. 13339) to provide for the retention of all uniforms issued to soldiers, sailors, and marines of the United States who have been honorably discharged, and providing for the use of same without limitation, and for one month's extra pay upon being discharged; to the Committee on Military Affairs.

By Mr. BRITTEN: A bill (H. R. 13340) intended to equalize status and pay of officers in the National Naval Volunteers and Fleet Reserve of the United States Navy; to the Committee on Naval Affairs.

By Mr. RAMSEYER: A bill (H. R. 13341) to give every soldier and sailor in the Army and Navy of the United States the uniform he is wearing at the time of his honorable discharge; to the Committee on Military Affairs.

By Mr. LEVER: A bill (H. R. 13342) to provide that the United States shall cooperate with the States in promoting the health of the rural population of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Michigan: A bill (H. R. 13343) to provide that each honorably discharged private soldier and sailor of the United States Army and Navy may keep his uniform and wearing apparel at the time of his discharge; to the Committee on Military Affairs.

By Mr. DYER: A bill (H. R. 13344) to amend sections 10 and 37 of the act entitled "An act for making further and more effectual provision for the national defense, and other purposes," approved June 3, 1916; to the Committee on Military Affairs.

Also, a bill (H. R. 13345) providing that officers who have received temporary promotion in the Medical Corps of the Regular Army be retained in their advanced grades until promoted; to the Committee on Military Affairs.

By Mr. VAN DYKE: A joint resolution (H. J. Res. 365) appointing a joint committee of the House and Senate to investigate salaries, condition of employment, etc., of civil employees of the Government; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DILL: A bill (H. R. 13346) granting a pension to Margaret Howell; to the Committee on Invalid Pensions.

By Mr. KINKAID: A bill (H. R. 13347) granting an increase of pension to George Ware; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13348) granting an increase of pension to James H. Crosser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13349) granting an increase of pension to Bennett R. Campbell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Resolutions of the Kiwanis Club, of Delaware, Ohio, favoring November 11 as Thanksgiving Day; to the Committee on the Library.

By Mr. ESCH: Petition of postal employees of post office at Baraboo, Sauk County, Wis., to Congressman Hon. JOHN J. ESCH, and Senators Hon. R. M. LA FOLLETTE and Hon. I. L. LENROOT, to support the McKellar retirement and pension bill; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER of Illinois: Petition of the National Association of Credit Men, for speedy enactment of the revenue bill; to the Committee on Ways and Means.

By Mr. GALLIVAN: Resolutions of the members of Division No. 72, Ancient Order of Hibernians in America, relating to Irish independence; to the Committee on Foreign Affairs.

By Mr. KENNEDY of Rhode Island: Resolution of Sarsfield Literary Association, of Woonsocket, R. I., asking Congress to insist that American representatives to the peace conference exert the full weight of their influence and office to the end that the people of Ireland shall determine their own form of government; to the Committee on Foreign Affairs.

By Mr. LINTHICUM: Resolutions of board of directors of Baltimore Chamber of Commerce, relative to reconstruction measures; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: Protest by the McCormick-Saelzer Co., Redding, Cal., against the proposed tax of 10 per cent on arms and ammunition; to the Committee on Ways and Means.

By Mr. SMITH of Michigan: Protest of Mrs. Frank Demarest and 22 members of Quincy Grange, Michigan, against post-office zone system; to the Committee on the Post Office and Post Roads.

Also, protest of O. F. Bissell and officers and members of Richland Grange against postal-zone system; to the Committee on the Post Office and Post Roads.

SENATE.

THURSDAY, *December 12, 1918.*

Rabbi Gustav N. Hausmann, Litt. D., of New York City, offered the following prayer:

Merciful God and Heavenly Father, Thou who didst grant unto us the privilege of being victorious on the side of right against might; Thou who didst choose America to enlighten the nations of the earth; Thou who didst endow us with the gift and spirit of democracy, we beseech Thee to continue to guide and lead us. Make us worthy of these blessings. May our victories, triumphs, and successes not make us arrogant and haughty. May it not be said of this new-chosen Nation what was said of the ancient-chosen people: "But Jeshurun waxed

fat, and kicked * * * then he forsook the God which made him, and lightly esteemed the Rock of his salvation."

Bless, O God, this great Republic with abundance and honor, with peace and good will. We especially beseech Thee to bless, shield, and protect the President of the United States, the crusader of modern democracy. Bless the Congress of the United States of America, that it may truly exemplify democracy, equality, and justice. May the deliberations at the peace conference abroad result for the great benefit of humanity and redound to the honor of this Nation. May Thy name thus be glorified in and through us. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. ASHURST and by unanimous consent, the further reading was dispensed with and the Journal was approved.

LANDS IN TEXAS.

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a report as to the necessity and advisability of purchasing lands for the Alabama and Coushatta Indians located in Polk County, Tex., which, with the accompanying paper, was referred to the Committee on Indians Affairs and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 13261. An act providing for the transportation from the District of Columbia of governmental employees whose services no longer are required; and

H. R. 13277. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes.

REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred Senate resolution 346, directing the Secretary of War to transmit to the Senate the names of all commissioned officers in the Army and other persons who have been, since April 6, 1917, authorized by the War Department to purchase ordnance, quartermaster, or other supplies for the military departments, etc., reported it without amendment.

He also, from the same committee, to which were referred the following bill and joint resolution, reported them each without amendment:

H. R. 12860. An act granting to members of the Army Nurse Corps (female) and Navy Nurse Corps (female); Army field clerks; field clerks, Quartermaster Corps; and civil employees of the Army pay and allowances during any period of involuntary captivity by the enemy of the United States; and

H. J. Res. 358. Joint resolution authorizing and directing the payment of the usual compensation of Representatives in Congress to those Members of the House who have been discharged from their military or naval duties.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 5180) providing for the investigation of certain lands in central Washington with a view to their reclamation; to the Committee on Irrigation and Reclamation of Arid Lands.

By Mr. CHAMBERLAIN:

A bill (S. 5181) to permit certain officers and enlisted men to retain parts of their equipment and their uniforms and to wear the uniform upon occasions of ceremony;

A bill (S. 5182) to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919," approved July 9, 1918; and

A bill (S. 5183) to amend an act entitled "An act for making further and more effectual provisions for the national defense, and for other purposes," approved June 3, 1916; to the Committee on Military Affairs.

By Mr. THOMPSON:

A bill (S. 5184) granting a pension to Effie E. Milton (with accompanying papers); and

A bill (S. 5185) granting a pension to Mary M. Walden; to the Committee on Pensions.

By Mr. BECKHAM:

A bill (S. 5186) granting an increase of pension to James M. Gibbons; and

A bill (S. 5187) granting a pension to Benjamin F. Evans; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 5188) granting promotion to Robert M. Smith (with accompanying papers); to the Committee on Military Affairs.

HOUSE BILLS REFERRED.

The following bills were severally read by their titles and referred to the Committee on Appropriations:

H. R. 13261. An act providing for the transportation from the District of Columbia of governmental employees whose services no longer are required; and

H. R. 13277. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1920, and for other purposes.

RAILROAD CONTROL.

Mr. KELLOGG. Mr. President, I send to the desk a communication to Congress sent to the chairman of the Interstate Commerce Committee by the Director General of Railroads, and I ask that the same be printed in the RECORD and referred to the Committee on Interstate Commerce. I shall not ask the Secretary to read the letter, as I presume most Senators have read it, but I ask unanimous consent to make a few explanatory remarks as to the letter.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The letter referred to is as follows:

DECEMBER 11, 1918.

MY DEAR SENATOR: The question of railroad legislation is of such vital importance to the country that I take the liberty of submitting to you my views as to the course that should now be pursued. The war is ended and we are now confronted with the necessity either of legislating intelligently about the railroad problem at this session of the Congress or of promptly returning the railroads to their owners.

Less than three months of the present session of the Congress remain. It will be impossible, I presume, to secure legislation in this short period providing a permanent solution of the railroad problem. This being true, only three courses are open: (1) Government operation of the railroads for one year and nine months following a proclamation of peace, which would mean, in my judgment, Government operation for a period in no event longer than two years and three months; (2) the prompt return of the railroads to private control; or (3) extension of the period of Federal control to five years.

I am convinced that it is wholly impracticable, as well as opposed to the public interest, to attempt to operate the railroads under the provisions of the present law. In the first place, the time is too short, and, secondly, the present legislation is inadequate.

As to the shortness of time, it is clear to me that the railroads can not be successfully operated under Federal control during the next two years in the face of an automatic transfer to private control at the end of that time or of an earlier relinquishment by proclamation of the President. Every month that passes will bring more clearly to the minds of the officers and employees the fundamental change in management that is impending, and the question as to what that change means to the individual. It is against human nature that there can be complete and single-minded attention to duty under such difficult circumstances. This will be especially true on account of the inevitable discussion as to what ought to be done. Already this discussion is in full swing, and its reaction on officers and employees can not be consistent with the complete concentration upon their daily duties. State railroad commissions, railroad security holders, railroad executives, shippers' organizations, and other interests are naturally and properly discussing the subject and proposing various solutions. However desirable the discussion is for the crystallization of public sentiment, it can not result otherwise than to produce a state of uncertainty and ferment among the vast army of railroad officers and employees who will inevitably feel that they face a rapidly approaching change in management.

No business in the United States so imperatively requires disciplined organization and composed conditions of operation, for officials as well as for employees, as the railroad business. Not only does the safety of the lives of millions of passengers depend upon such disciplined and efficient organization, but the commerce of the country as well. To keep this vast army of officers and employees in a state of uncertainty and ferment for a period of two years would be harmful in the highest degree to the public interest. It would be impossible to prevent a serious impairment of the morale of the railroad organizations.

From the standpoint of needed improvements the period of two years is entirely too short a time within which to plan and

carry out the comprehensive improvements which ought to be made to meet the country's requirements under peace conditions. Many of the improvements could hardly be completed and put into operation inside of the two-year period, and under such circumstances and facing a change to private management at the end of two years, it would be unwise in the highest degree to make the improvements and impossible to secure the hearty cooperation of the railroad corporations.

Because of the inadequacy of the present legislation, the authority of the States and the Federal Government has been left in doubt by provisions which I opposed when the bill was under discussion. Conflict between State and Federal jurisdictions will grow more acute under this law. The revolving fund appropriated by the Congress will be insufficient to carry the Federal operation for a two-year period. More than that, it is of the utmost importance to the commerce, industry, and life of the American people that a comprehensive program of improvements to railroad properties shall be carried forward over a period of at least five years; such a program will involve expenditures of at least $500,000,000 per annum or $2,500,000,000 for the five-year period. The needed funds are not provided by the present law. Moreover, it is difficult under the present law, without the consent of the corporations to carry forward a comprehensive plan of joint improvements, which, to be of value to the public, must of itself disregard the selfish and irreconcilable competitive interests of the various carriers. Many terminal improvements, to be genuinely serviceable to the public, must be made without regard to the interest of any particular carrier. Therefore, agreements between the Government and the railroads affected will, in many instances, be impossible, and if the Government should proceed with such improvements, using the people's money for the purpose, without securing the carriers' consent, litigation would undoubtedly arise upon the termination of Federal control, with the danger that a large part of the Government's investment in the properties might be lost.

Upon the efficiency of the transportation machine in America depends in great measure the future prosperity of the Nation. Involved in this prosperity is the extension of our foreign trade. We produce so much more than we consume that markets must be found for that surplus. Those markets are the competitive markets of the world. We must be able to enter them upon equal terms with any other nation. Our transportation system, both on land and water, must therefore function at the highest point of efficiency and at the lowest possible cost if we are to get our reasonable and fair share of the world's trade and in turn be able to keep a prosperous, contented, and happy population at home.

To attempt to continue Federal control under the inadequate provisions of the present Federal control act and for the very brief period it authorizes would be to multiply our difficulties and invite failure. On the other hand, I am convinced from the experience of the past year that the return of the railroads to the old competitive conditions will be hurtful alike to the public interest and to the railroads themselves. This course, however, will bring fewer evils in its train than the unsatisfactory, if not impotent, Federal control provided for by the present act. The railroads were taken over as a war measure. They have been operated during the past year for the paramount purpose of winning the war. I think it will be generally admitted that the war service has been successfully rendered, and I am sure that experience of great value and benefit has been gained not only for the public but for the railroads themselves during this brief test.

There is one, and to my mind only one, practicable and wise alternative, and that is to extend the period of Federal control from the one year and nine months provided by the present law to five years, or until the 1st day of January, 1924. This extension would take the railroad question out of politics for a reasonable period. It would give composure to railroad officers and employees. It would admit of the preparation and carrying out of a comprehensive program of improvements of the railroads and their terminal facilities which would immensely increase the efficiency of the transportation machine. It would put back of the railroads the credit of the United States during the five-year period so that the financing of these improvements could be successfully carried out. It would offer the necessary opportunity under proper conditions to test the value of unified control, and the experience thus gained would of itself indicate the permanent solution of the railroad problem.

The American people have a right to this test. They should not be denied it. It is to their interest that it should be done. In my opinion it is the only practicable and reasonable method of determining the right solution of this grave economic problem. I am not now and have not been for the past year interested in proving or disproving the theory of Government ownership or any other kind of theory. The railroads have been operated for the past year with the purpose of serving efficiently the paramount needs of the war and at the same time furnishing the best possible service to the public, whether such operation tended to prove or disprove any theory of railroad control, no matter what it might be. I have formed no opinion myself as to what is the best disposition of the railroad problem, because the test has not been sufficient to prove conclusively the right solution of the problem. I believe that a five-year test will give the American people the right answer. An ounce of experience is worth a ton of theory, and with the start already made under war conditions it would be a comparatively simple matter to complete the test so well begun and thereby gain the invaluable experience which will determine the solution of a problem which has vexed our State and National politics and our economic development for the past generation.

There are those who may say that an extension of five years for such a test will mean Government ownership. Personally I do not believe it. But whether such a test would indicate that the ultimate solution shall be Government ownership or a modified form of private ownership under effective Federal regulation should not cause us to hesitate or refuse to act. It seems to me that in a democracy like ours, where public opinion and the judgment of the majority must finally control, the plain duty is to take those steps which will fully inform public opinion, so that the judgment may be based upon knowledge rather than upon theory. Any test which will illumine the subject so completely that public opinion may operate upon it intelligently would seem to me to be desirable in any circumstances.

In this connection, may I draw your attention to the statement I made before the committee of the Senate on January 21, 1918, in reply to a Senator who asked if I believed "in the Government ownership of railroads." I said:

I do not, or I have not, at least, felt that it was necessary to take the actual ownership of the railroads. I believe that it will be impossible after the return of peace to restore the competitive conditions to the same extent as they existed prior to the outbreak of the war. I favor some form of governmental regulation and control of a far stronger, more intelligent, and effective character than we have had heretofore, because I am satisfied that a stronger Government control will be demanded and will have to be worked out, both in the interest of the public and in the interest of the security holders of these railroads.

Those who may oppose an extension of five years should face the situation squarely and acknowledge that they prefer the immediate return of the railroads to private control under the old conditions without remedial legislation. It is idle to talk of a return to private control under legislation which will cure the defects of the existing laws. There is neither time nor opportunity for such legislation at present. It is impossible and hopeless for the Government to attempt the operation of the railroads for 21 months after peace under the present law. Therefore the country should squarely face the condition that the railroads must promptly go back into private control with all existing legal difficulties unless the only practicable alternative, viz, an extension of time, is promptly granted.

I hope that the Congress in its wisdom will grant a five-year period for a test of unified railroad operation under proper provisions of law which will make that test effective and at the same time take the railroad question out of politics while the test is being made. Unless this is done I do not hesitate to say the railroads should be returned to private ownership at the earliest possible moment. The President has given me permission to say that this conclusion accords with his own view of the matter.

Cordially, yours, (Sgd.) W. G. McADOO.
Director General of Railroads.

Hon. ELLISON D. SMITH,
Chairman Interstate Commerce Committee,
United States Senate, Washington, D. C.

Mr. KELLOGG. Mr. President, this is a most remarkable document, coming as it does immediately or within a few days after the message of the President, in which the President said:

The question which causes me the greatest concern is the question of the policy to be adopted toward the railroads. I frankly turn to you for counsel upon it. I have no confident judgment of my own.

A few days later comes a deliberate, well-considered plan, which Mr. McAdoo says is made with the approval of the President, not to keep the railroads for 21 months after the close of the war, but for 5 years, to make a test. The President, on the contrary, in his message frankly said he had no judgment of his own on the subject, but suggested three alternatives:

We can simply release the roads and go back to the old conditions of private management, unrestricted competition, and multiform regulation by both State and Federal authorities, or we can go to the opposite extreme and establish complete Government control, accompanied, if

necessary, by actual Government ownership, or we can adopt an intermediate course of modified private control under a more unified and affirmative public regulation and under such alterations of the law as will permit wasteful competition to be avoided and a considerable degree of unification of administration to be effected; as, for example, by regional corporations, under which the railways of definable areas would be in effect combined in single systems.

Mr. President, I shall not discuss at length what Congress should do, but it seems to me we ought to do this at least: Congress, through its Committee on Interstate Commerce, ought to take action at once upon a railroad bill. We ought to authorize the railroads to coordinate all their facilities, equipment, terminals, route freight where it can be routed cheapest, and the same with passengers, so as to make most effective the entire transportation system of the United States. But this should be done under strong Government control. We ought to regulate the issuance of securities of railroads engaged in interstate commerce, and we ought to authorize the commission not only to regulate the service of the railroads in a unified condition, but give the commission power to compel them to grant unified and effective service; for instance, that the railroads entering New York shall use the New York terminal of the Pennsylvania Railroad. I am not going into a discussion of that; I do not wish to take the time of the Senate to discuss this further, but I wish to invite the attention of the Senate to this proposition, which ought to be taken up by our committee and by Congress at once. This is what Mr. McAdoo said in his letter:

The war is ended and we are now confronted with the necessity either of legislating intelligently about the railroad problem at this session of the Congress or of promptly returning the railroads to their owners.

Then he proceeds to say in the letter that there is no time to legislate at this session of Congress, and that therefore there should be a five years' extension of the period. He says further, in substance, that unless that five-year period is granted the railroads should be turned back at once.

Mr. President, the railroads were taken over presumably by the Government—that was the statement made—for war purposes. It was denied at that time that they were taken over to make a test of Government ownership. Now Mr. McAdoo says we want five years to make a test. A test for what purpose? Not a test for war purposes, but a test for Government ownership. That is the real bottom of the whole thing.

Mr. President, why legislate at this particular three months' session? He says we must have the legislation at this three months' session or we must have an extension. Why not an extra session of Congress? We have had extra sessions after each session for years, and Congress has been in almost continuous session. Why, with all the important legislation that is coming before the country at the conclusion of peace, including the railroads, should we not have an extra session of Congress after the 4th of March to consider this subject, which Mr. McAdoo says must be considered in the next three months or not at all for five years? I should like to know why.

Mr. President, why not be frank? Many of us, or at least some of us, thought that the railroads were taken over for the purpose of inaugurating Government ownership. It was stated, however, that it was a necessity during the war. I for one have not condemned the administration of the railroads. I have done everything in my power to make it a success. I did believe that it was the first step toward establishing in this country Government ownership, and the taking over of the telegraph and the telephone and the cable for war necessities after the war was over rather confirmed me in my judgment on that subject.

But, Mr. President, we have 21 months after the close of the war, which will be considerably over two years yet, to pass a railroad bill providing for complete Federal control and turning the property back to the owners or else deciding in favor of Government ownership.

Now, why not meet the issue frankly and fairly? I believe the reason why they do not wish to meet it now is that they know the people of this country are not in favor of Government ownership, and it is proposed to put Government ownership over under the guise of an extension to make a test of Government control for the period of five years. Congress deliberately acted upon this subject last winter and fixed 21 months as the period within which legislation might be had for the proper control of the railroads when they are turned back, and I see no reason why we should now change that 21 months.

Mr. LENROOT. Will the Senator yield?

Mr. KELLOGG. I yield.

Mr. LENROOT. I would like to ask the Senator whether he cares to express an opinion at this time upon the power of Congress to take over the use of the railroads in time of peace without providing for the payment of the value of the property to the owner?

Mr. KELLOGG. Of course, it can not take over the use of the railroads—I say of course; in my opinion it can not—in time of peace without paying for the use, or, if the physical property is taken over, without paying the value of the property. And I have grave doubts of the power of Congress to take them over in time of peace simply for the purpose of experiment.

Mr. President, I know of no reason why we should not proceed at once with this very important question and why we should not frame a bill during this session, and if it can not be passed in the three months I know of no reason why there should not be an extra session or why it should not be passed at the next session of Congress. We have ample time for this legislation before the 21 months expire. But Mr. McAdoo says the present legislation is entirely inadequate for the operation from now to the end of the 21 months. He does not suggest in what it is inadequate. He has not been to Congress to ask for legislation to cure the defects in the act. He says that there is a dispute about the authority of the States and the Federal Government. I say absolutely that the Federal Government has not recognized any State authority whatever, but it controlled the railroads absolutely as the Director General saw fit, without regard to State commissions. I am not complaining of it; I am merely stating it as a fact.

Mr. President, as I said before, I am not here to criticize the Railroad Administration. The railroads were earning about $4,000,000,000 per annum when the Government took them over. The rates have been increased about 25 per cent, adding at least a billion dollars to the charges the public has to pay, and I am told that this practically has all been used up, if not more, in increased operating expenses. I am not criticizing it. I have not the figures before me. I simply say I have been told that our Government will be behind this year $200,000,000 in the operation of the railroads, in spite of the enormous increase of rates. We should inquire into that and see what the result of this operation has been.

I do not believe that the American people to-day are very much in favor of Government operation, judged by the experience that they have had during the last year. I am willing to admit that it was an experiment during war, and I am not on my feet to criticize it, but what we should do now is to take up this important problem, pass some legislation which will make the railroads of the country most effective in carrying the freight and handling the great commerce of this country, and then turn them back to their owners, or else decide for Government ownership at once and end this period of uncertainty. Mr. McAdoo says that the 21 months will be a period of uncertainty. Therefore the result he wishes is to increase the uncertainty to five years and have the whole subject in the air at the end of five years.

Mr. President, I predict that at the end of five years it will be made absolutely impossible for private ownership again to assume control of the railroads if they desire to do so. If the administration is not in favor of Government ownership, say so now and let us turn our attention to procuring legislation that will be effective.

Mr. KING. Will the Senator yield?

Mr. KELLOGG. I yield.

Mr. KING. I suggest to the Senator, in view of the fact that many of us are in sympathy with the views he expresses, it might not be inappropriate to introduce a resolution asking the Interstate Commerce Commission to prepare at the earliest possible moment a plan dealing with this question.

Mr. KELLOGG. I will introduce such a resolution, but I do not care to take the time now to make any remarks upon it. I thank the Senators for their attention.

Mr. SMITH of South Carolina. Mr. President, I merely desire to suggest to the Senator from Minnesota that, so far as I understand the situation, the President in his message to Congress touched on the questions involved in the railroad problem, and frankly stated that he had no solution of it to propose, but that he left it entirely with Congress. No other official utterances were given to the committee until last night, when I received a communication from Mr. McAdoo, suggesting that the present status, with certain modifications, be continued for five years.

I have not up to the present time called the Committee on Interstate Commerce together, for the reason that the preliminary business of getting things in shape and getting into harness here in the different committees would have to be gotten out of the way before we could seriously get down to facing the railroad problem.

I do not understand that a recommendation on the part of Mr. McAdoo, or of anyone else, now that the war is over, is anything more than merely his opinion. His opinion may have more weight by virtue of the fact that he has been the Director

General of Railroads, but those of us who are charged with responsibility facing what, in my opinion, is the greatest problem which confronts the American people, one upon which everything is based—our commercial, social, and political life—the proper means of transportation, I take it will face that problem as American citizens and will solve it in the light of the best judgment we can exercise, without taking anyone's preconceived notions about it. To that end I have called the Committee on Interstate Commerce to meet next Thursday morning, giving a week's time in advance for the purpose, that they may so arrange their business as to be present, in order to discuss the status of affairs and to inquire from all those from whom knowledge can be obtained the conditions which now exist, looking toward what action we shall take in meeting the conditions which now confront us.

Mr. KELLOGG. Mr. President, I welcome the interruption by the Senator from South Carolina, and I was going to state that the Committee on Interstate Commerce had been called together. I would, however, suggest that the chairman give notice to those who wish to be heard before the committee that they appear and be present at the time of the meeting.

Mr. SMITH of South Carolina. If the Senator from Minnesota will allow me, I desire to say that the reason I have not given such notice and have not so indicated is because I believe it is important for the committee to get together, discuss all phases of the question, then decide what line of action they are going to take, and then summon witnesses to develop the line of action which they think it advisable shall be taken.

Mr. KELLOGG. Mr. President, it is true that the letter of the Director General of Railroads is a personal letter, but if the Senator from South Carolina will read the letter at the end of it he will see this:

> The President has given me permission to say that this conclusion accords with his own view of the matter.

The President made no such recommendation in his message delivered only 10 days ago. When did the President give that suggestion to Mr. McAdoo?

AMERICAN COMMITTEE FOR RELIEF IN THE NEAR EAST.

Mr. OVERMAN. Mr. President, I scarcely ever ask to have a matter of legislation taken up out of order, but I am impelled to do so this morning. I ask unanimous consent for the present consideration of the bill (S. 4785) to incorporate the American Committee for Relief in the Near East. I desire to say that great sums of money have been subscribed to take care of the poor Armenians and the Syrians, and it is now desired to form a corporation to hold such funds. The Committee on the Judiciary has passed upon the matter and has reported the bill favorably and without amendment. Its consideration, I think, will take but a moment. I therefore hope that the Senate will permit me to have the bill passed now, as its passage is very necessary.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina? The Chair hears none.

The Senate, as in Committe of the Whole, proceeded to consider the bill (S. 4785) to incorporate the American Committee for Relief in the Near East, which was read, as follows:

Be it enacted, etc., That the following persons, namely, James L. Barton, Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, Charles R. Crane, William Howard Taft, Charles Evans Hughes, Elihu Root, Harry Pratt Judson, Charles E. Beury, Arthur J. Brown, John B. Calvert, William I. Chamberlain, William T. Ellis, James Cardinal Gibbons, Jerome D. Greene, David H. Greer, Harold A. Hatch, William I. Haven, Myron T. Herrick, Hamilton Holt, Frank W. Jackson, Arthur Curtiss James, Frederick Lynch, Vance C. McCormick, Charles S. Macfarland, Henry B. F. Macfarland, William B. Millar, John R. Mott, Frank Mason North, George A. Plimpton, Philip Rhinelander, William Jay Schieffelin, George T. Scott, Albert Shaw, William Sloane, Edward Lincoln Smith, Robert Eliot Speer, James M. Speers, Oscar S. Straus, Charles V. Vickrey, Harry A. Wheeler, Stanley White, Ray Lyman Wilbur, Talcott Williams, and Stephen S. Wise, their associates and successors duly chosen, are hereby incorporated and declared to be a body corporate of the District of Columbia by the name of the American Committee for Relief in the Near East and by that name shall be known and have perpetual succession, with the powers, limitations, and restrictions herein contained.

SEC. 2. That the object for which said corporation is incorporated shall be to provide relief and to assist in the repatriation, rehabilitation, and reestablishment of suffering and dependent people of the Near East and adjacent areas; to provide for the care of orphans and widows, and to conduct any industrial enterprises or operations of a philanthropic character which may, in the judgment of the corporation, be necessary to promote the social, economic, and industrial welfare of those who have been rendered destitute or dependent, directly or indirectly, by the vicissitudes of war, the cruelties of men, or other causes beyond their control.

SEC. 3. That the direction and management of the affairs of the corporation, and the control of its property and funds, shall be vested in a board of trustees, to be composed of the following individuals: James L. Barton, Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, Charles R. Crane, William Howard Taft, Charles Evans Hughes, Elihu Root, Harry Pratt Judson, Charles E. Beury, Arthur J. Brown, John B. Calvert, William I. Chamberlain, William T. Ellis, James Cardinal Gibbons, Jerome D. Greene, David H. Greer, Harold A. Hatch, William I. Haven, Myron T. Herrick, Hamilton Holt, Frank W. Jackson, Arthur Curtiss James, Frederick Lynch, Vance C. McCormick, Charles S. Macfarland, Henry B. F. Macfarland, William B. Millar, John R. Mott, Frank Mason North, George A. Plimpton, Philip Rhinelander, William Jay Schieffelin, George T. Scott, Albert Shaw, William Sloane, Edward Lincoln Smith, Robert Eliot Speer, James M. Speers, Oscar S. Straus, Charles V. Vickrey, Harry A. Wheeler, Stanley White, Ray Lyman Wilbur, Talcott Williams, and Stephen S. Wise, who shall constitute the first board of trustees and constitute the members of the corporation. Vacancies occurring by death, resignation, or otherwise shall be filled by the remaining trustees in such manner as the by-laws shall prescribe, and the persons so elected shall thereupon become trustees and also members of the corporation.

SEC. 4. That the principal office of the corporation shall be located in the District of Columbia, but offices may be maintained and meetings of the corporation or of the trustees and committees may be held in other places, such as the by-laws may from time to time fix.

SEC. 5. That the said trustees shall be entitled to take, hold, and administer any securities, funds, or property which may be transferred to them for the purposes and objects hereinbefore enumerated by the existing and unincorporated American Committee for Armenian and Syrian Relief, and such other funds or property as may at any time be given, devised, or bequeathed to them, or to such corporation, for the purposes of the trust, with full power from time to time to adopt a common seal, to appoint officers, whether members of the board of trustees or otherwise, and such employees as may be deemed necessary for carrying on the business of the corporation, and at such salaries or with such remuneration as they may think proper, and full power to adopt by-laws and such rules or regulations as may be necessary to secure the safe and convenient transaction of the business of the corporation.

SEC. 6. That as soon as may be possible after the passage of this act a meeting of the trustees hereinbefore named shall be called by Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, William B. Millar, George T. Scott, James L. Barton, and Charles V. Vickrey, or any six of them, at the Borough of Manhattan, in the city of New York, by notice served in person or by mail, addressed to each trustee at his place of residence; and the said trustees named herein, or a majority thereof, being assembled, shall organize and proceed to adopt by-laws, to elect officers, and generally to organize the said corporation.

SEC. 7. That Congress reserves the right to alter, amend, or repeal this act.

Mr. TOWNSEND. Mr. President, as I understand the Senator from North Carolina [Mr. OVERMAN], the bill now under consideration is an emergency piece of legislation.

Mr. OVERMAN. There is suffering among the people over there, and it is desired to form this corporation for the purpose of holding and administering the money which has been subscribed for their relief. It is proposed to be only a temporary organization and one which is purely charitable.

Mr. TOWNSEND. Mr. President, will the Senator from North Carolina inform the Senate, if we pass this bill, how soon we may expect that it will reach the President in order to receive his signature?

Mr. OVERMAN. I have no idea as to that; I do not know anything about it.

Mr. TOWNSEND. Can the Senator tell me how bills which we pass are to be presented to the President for signature?

Mr. OVERMAN. No; I do not know what arrangements have been made; but I hope we shall pass this bill. Let us make a test case of this, and see what will be the result after we pass this bill. Then probably the Senator from Michigan will get the information.

Mr. TOWNSEND. Then it is urgent for us to pass it, but not necessarily urgent that it shall be signed?

Mr. OVERMAN. I think probably there will be some way out of it, though I am not now able to inform the Senator. I am ignorant on the subject.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from North Carolina if those who are proposed to be members of this corporation are American citizens?

Mr. OVERMAN. The trustees are to be American citizens.

The VICE PRESIDENT. The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. LENROOT. A parliamentary inquiry, Mr. President. Has unanimous consent been given for consideration of the bill?

The VICE PRESIDENT. It has been.

Mr. KENYON. Mr. President, may we not ask a few questions about the bill?

Mr. JONES of Washington. Mr. President, a parliamentary inquiry. I did not understand that the matter had been submitted to the Senate for unanimous consent but that the bill was being first read, and the question to proceed to its consideration has not been submitted since the bill was read.

The VICE PRESIDENT. The Chair understands that the question was submitted to the Senate.

Mr. JONES of Washington. Well, the Senate did not so understand.

The VICE PRESIDENT. The Chair distinctly made the inquiry as to whether there was objection to the consideration of the bill.

Mr. JONES of Washington. The Senate did not understand that, I will say to the Chair.

The VICE PRESIDENT. The Senate did not hear, that is all; but the inquiry was made by the Chair.

Mr. LODGE. Mr. President, I desire to say a word in regard to the bill. I did not report the bill, and I am not a member of the committee from which it was reported, but I am sure that if the Senate understood the bill there would be no possible objection to it.

Mr. KENYON. We should merely like to have an opportunity to understand the bill.

Mr. LODGE. This bill proposes to incorporate a committee for the relief of the Armenians, Syrians, and other populations in Asia Minor which have been subjected to massacre and to every sort of persecution, many of them having been deprived of their homes. There is great suffering and distress among them. This is a committee which has been formed in this country, headed by some of the very best men in the country. The President has issued a proclamation, which I suppose has been seen by all—I have a copy of it here—in which, in the strongest terms, he urges the support of this committee. It is proposed to raise some $30,000,000 for the relief of these people.

It has been indorsed in the strongest way by the Secretary of State, Mr. Lansing, by ex-President Roosevelt, by ex-President Taft, by Mr. Morgenthau, the former ambassador of the United States to Turkey, and by Mr. Hughes. I have known about it myself, because I have subscribed to it in a small way; and I know of no organization that is doing a greater work for the relief of suffering than this committee for Armenian relief. It is in the best of hands; it is purely philanthropic; it is entirely temporary, and I do not think anything could be done that would be more beneficial to great bodies of suffering people than to permit this committee, which is now in existence, to take the form of a corporation for the better administration of this great trust.

Mr. WEEKS. Mr. President, I should like to ask my colleague the question which has been asked of the Senator who proposed the bill. What can be gained by passing this bill at this time in this emergency way? Is there, in his opinion, any way of the bill becoming a law before the return of the President of the United States?

Mr. LODGE. Well, Mr. President, that opens a large question which affects all our legislation. I am unable myself to see how any legislation can possibly become law until the return of the President. Under the Constitution, as everyone knows, if a bill is presented to the President and he neither signs nor vetoes it within 10 days, it becomes a law; but that can not operate in this case, because there is no opportunity of presentation that I can see. It does not seem to me, however, that on that account we ought to arrest the passage of the pending bill, which has got to pass both Houses, I presume—it is a Senate bill, is it not?

Mr. OVERMAN. It is.

Mr. WEEKS. My particular reason for asking that question is that there has recently been presented to the Military Affairs Committee by the War Department a bill which will remove the objection made by the comptroller relative to the payment of those manufacturers who have received orders and have proceeded to carry them out, the orders being verbal, the manufacturers having never had a written contract with the Government. There are hundreds, and perhaps thousands, of such cases, and it is urgent that that legislation be passed, and that it be passed without delay, or many of those people may find themselves in serious financial straits. I did not know but that my colleague, with his long experience, could suggest some way in which that legislation could become a law, even though the President happens to be out of the country.

Mr. LODGE. Mr. President, I do not think that is a reason for stopping the passage of the bill now under consideration. I think it will have to pass the House, which will take probably some little time; but the people who are interested in it are extremely anxious to get this action as soon as possible. I will read a few of the names of the national committee. They include Hon. William Howard Taft, Hon. Charles Evans Hughes, Abram I. Elkins, Hon. Elihu Root, Frederick H. Allen, James L. Barton—they are all well-known men—Cleveland H. Dodge, Charles W. Eliot, Cardinal Gibbons, and so on. It is a long list of men known throughout the country, of the very highest standing and character.

I think the bill was proposed by Mr. Root; at any rate, it is stated in the letter I have here that ex-Senator Root is one of those who prepared the bill. I had hoped when the Senator from North Carolina called the measure up that there would be no objection to it. We have in this country large numbers of Armenians, Syrians, and Greeks, who are profoundly interested in this matter, who will give largely to the funds and who are extremely desirous that this machinery be established to give relief to these large bodies of suffering people.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator a question. As I understand, the gentlemen whose names have been read by him are members of the committee, but not the incorporators. Is that correct?

Mr. LODGE. The incorporators, I think, are mentioned in the bill.

Mr. SMITH of Michigan. Yes; but they are not the gentlemen referred to by the Senator.

Mr. LODGE. I have not the bill before me.

The VICE PRESIDENT. They are named in the bill, and the list can be read, if desired, for the information of the Senate.

Mr. SMITH of Michigan. No; that is not necessary.

Mr. LODGE. I think they must be the same men.

Mr. LEWIS. Mr. President, if the Senator from Massachusetts will permit, I think there is an idea prevailing in the minds of some Senators that the bill carries some form of appropriation. The bill carries no appropriation from Congress whatever, does it?

Mr. LODGE. None whatever.

Mr. LEWIS. That is my understanding.

Mr. LODGE. It merely authorizes the creation of a corporation under the laws of the District of Columbia.

Mr. LEWIS. And carries no liability to the Federal Government?

Mr. OVERMAN. None whatever.

Mr. LODGE. The names of the incorporators are the same as the names I read of the members of the national committee.

Mr. JONES of Washington. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Washington?

Mr. LODGE. Certainly.

Mr. JONES of Washington. I do not want the Senator to understand by anything that I may have said that I am opposed to the consideration of the bill. What I do not like to see is unanimous consent considered as being given by the Senate for the consideration of a bill before it has been read. I am in favor of the bill, so far as that is concerned.

Mr. SMITH of Michigan and Mr. OVERMAN. Question!

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole and open to amendment.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL RECREATION ASSOCIATION.

Mr. SMITH of Georgia. Mr. President, I wish to bring the attention of the Senate to Senate bill 3219, which is a kindred bill to the one just passed. The two were before the Judiciary Committee together, were considered very carefully, and finally both passed the committee almost unanimously. The bill to which I refer proposes to incorporate the National Recreation Association. That association is simply made a corporation of the District of Columbia. The bill follows the report of the Judiciary Committee of the House.

Mr. KING. Mr. President, I object to the consideration of the bill.

The VICE PRESIDENT. Objection is made.

ALBERT BUSHNELL HART.

Mr. WEEKS. Mr. President, one of the names which has been referred to publicly in connection with the investigation which was made by the chief of the Secret Service is that of Prof. Albert Bushnell Hart, of Harvard University. Nobody in Massachusetts would believe that Prof. Hart is now or ever has been disloyal. I think he has appeared within two or three days before the Judiciary Committee to make some explanation of his past record. I have here a statement made by another citizen of Massachusetts relating an incident which took place before we were engaged in war in which Prof. Hart took part, and which is so conclusive as to his views at that time that I ask, in justice to him, that it be included in the RECORD.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

PROF. HART AND DR. ALBERT.

NEWTON, *December* 7

To the EDITOR OF THE HERALD:

I can not resist the temptation to write in protest of the gross injustice done Prof. Albert Bushnell Hart by publishing his name among those who were pro-German. Had the name of HENRY CABOT LODGE, JOHN W. WEEKS, or Mayor Peters been in that list, I should not have been more surprised.

For the benefit of the readers of the Herald who were not present at a meeting of the Economic Club, of Boston, held in January, 1915, I will describe it. The speakers were David Starr Jordan; Prof. Kuno Francke, of Harvard, a German; Prof. Wiener, of Harvard, a Russian; Dr. Albert, connected with the German embassy; and Prof. Albert Bushnell Hart. The meeting was held at the American House.

William H. Lincoln, president of the club, made two requests. First, that, owing to the crowded condition of the room, all refrain from smoking, and second, that, owing to the fact that the speakers repre-

sented three different nations, we refrain from applause. But before David Starr Jordan had spoken five minutes the crowd burst into laughter, which was followed by applause, and Mr. Lincoln might as well have tried to stop a cyclone. Dr. Jordan had stated that in one respect this war was most peculiar. No one was willing to father it. The Austrians and Germans denied the responsibility of starting it, Russia and France the same, and England could plead an alibi, as the war had started before she went in. So he said "we shall have to regard this war as a foundling left on the doorstep of civilization."

Prof. Francke followed Dr. Jordan. His address was in substance only a eulogy on Germany. Prof. Weiner caused a great deal of merriment in his spicy criticisms of Germany. Then came Dr. Albert. He read from manuscript a plea justifying Germany in her violation of the neutrality of Belgium. He claimed that Belgium was not a neutral country, but a neutralized country. That she had not declared her own neutrality, but had been made neutral by the other powers, and Germany, being one of the signers of that agreement, had a right to withdraw at any time. At this point Prof. Hart interrupted the speaker, and addressing the president said: "May I ask the speaker a question?" Before the president had time to reply, Dr. Albert turned to Prof. Hart and said, "Certainly; any question you please." Prof. Hart then asked this question: "Do we understand the speaker to say that had Germany not agreed to the neutrality of Belgium she would not have a right to violate it, but as she had agreed to it she did have a right to violate it?" The laughter and applause that followed was entirely beyond control. I never saw so many emotions expressed in a man's face in so short a time as was expressed in the face of Dr. Albert. His discomfiture was extreme and the remainder of his paper might just as well have been read to a flock of birds, for no one gave him any attention.

When Prof. Hart rose to speak he turned to Dr. Albert and in language that was plain to understand said: "Let me tell Dr. Albert that before this war is over Germany will have to atone for every drop of blood she sheds and for every crime she commits in Belgium, for the world is not bad enough to allow such a cowardly outrage to go unpunished."

Prof. Hart then went on some 30 minutes with a masterly historical arraignment of Germany. And although he was the last speaker he held the attention of the audience to the end.

F. O. STANLEY.

AFFAIRS IN RUSSIA.

Mr. JOHNSON of California. Mr. President, I introduce the resolution which I send to the desk; and then, in accordance with the request that I made yesterday, may I have permission of the Senate to address a few remarks to it?

The VICE PRESIDENT. Without objection, it is so ordered. The Secretary will read the resolution.

The resolution (S. Res. 384) was read, as follows:

Whereas in August, 1918, United States soldiers were sent to Vladivostok and Murmansk and Archangel, and in public announcement by the State Department armed intervention in Russia was distinctly disavowed; and

Whereas the State Department for the United States then declared, "In taking this action the Government of the United States wishes to announce to the people of Russia in the most public and solemn manner that it contemplates no interference with the political sovereignty of Russia, no intervention in her internal affairs—not even in the local affairs of the limited areas which her military force may be obliged to occupy—and no impairment of her territorial integrity, either now or hereafter, but what we are about to do has as its single and only object the rendering of such aid as shall be acceptable to the Russian people themselves in their endeavors to regain control of their own affairs, their own territory, and their destiny"; and

Whereas since the arrival of United States troops in Russia press dispatches have recounted skirmishes and battles between them and Russian soldiers, the taking and retaking of Russian towns, and various incidents indicating a state of war; and

Whereas Congress has not declared war upon Russia and is without information as to the conditions existing between our soldiers and Russian soldiers: Therefore be it

Resolved, First, that the Secretary of State be, and is hereby, directed to send to the Senate, if not incompatible with the public interest, all data, documents, and information showing or bearing upon our present relations with Russia as to peace or war, so that the Senate and the Nation may know why and for what purpose our soldiers are in Russia and what is the policy of the Government in reference to Russia.

Second. That the Secretary of War be, and is hereby, directed, if not incompatible with the public interest, to advise the Senate of the number of United States soldiers in Russia and their location and of their operations, together with any lists of casualties which they may have suffered.

Mr. JOHNSON of California. Mr. President, recently a certain Senator delivered quite a remarkable speech on current events, and subsequently received a letter from a constituent about as follows:

SENATOR BLANK:

I have just read your remarks of yesterday in the United States Senate, and I beg to inform you that you're an ass.

The Senator immediately replied:

MY DEAR SIR: I have just received your letter, and I thank you for the information you have given me.

Fraternally, yours.

[Laughter.]

In this day, when intolerant newspapers imperatively demand immediate and complete indorsement of prevailing opinion, it is a dangerous and a delicate thing to speak of Russia, or to inquire concerning our activities there; and the epithet applied to my distinguished colleague will doubtless be the least obnoxious of those which will greet the seeker for truth in respect to the Russian situation.

Some of us for many months desired to inquire into existing relations between the United States and Russia. We have recognized that in the Russian situation most tremendous and vital issues are involved. Free discussion of the question has been hitherto impossible, because of its complex relationship to a greater problem, the world war. While the war was on and Germany yet a menace to civilization, we thought it inappropriate to demand information or to discuss what might have been deemed mistakes or indiscretions. But now Germany has been beaten, and German militarism has been crushed. The President in repeating to Congress the armistice terms declared: "Thus the war has ended"; and on December 2 again stated this fact, and further said that the armistice was in effect a complete submission of the enemy, that the central empires knew themselves beaten and their very empires were in liquidation. The demands of the military situation, therefore, no longer require silence. The war is over. We have won. The enemy empires are in liquidation. With the authoritative utterances of the President no reason exists why we should not know the position of the United States in respect to Russia, the activities of our Army in that country, and the purposes of our Government. Not to endeavor to inform ourselves is timidity and cowardice. And it is because no Senator with whom I have talked, no public official of whom I have inquired, knows, because, indeed, we do not know, and our people do not know, what we do or what we seek in Russia or what our ultimate purpose is, that I present my resolution and these remarks.

I am quite aware that the most respectful, modest, and hesitating inquiry upon the subject of Russia will be met with accusations of bolshevism; that a mere purpose of seeking information will be denounced as sympathy with anarchy; that a demand that American boys shall not be sacrificed to the rigors of a Russian winter and conflict with a desperate people will be termed a defense of international agitators and of the "red flag." I understand full well that the peculiar intolerance which has been fostered in the past few months, the state of mind deliberately cultivated which has sought to bully and to terrorize either mild objector or seeker for information will look askance at one so lost as to ask the facts concerning Russia and our participation in its affairs. But those of us who are neither bolsheviki nor in sympathy with bolshevism of course would be unfit to sit here if we feared to pursue a legitimate inquiry within the sphere of our duties.

I have no sympathy with bolshevism. The opinions which I have formed from the press, more or less nebulous, I confess, have made Lenine and Trotsky wholly abhorrent to me. The tenets which they profess are to me worse than ridiculous, and with the hard and fast formulæ which they seem to have adopted from Marxian socialism I have no patience. The excesses in Moscow and Petrograd, which have of late appeared in the press, shock and horrify me. I do not hesitate to use the strongest language which I have seen employed in the press concerning these leaders for a moment of the Russian revolution and in denunciation of their deeds; but I do wish to know my country's attitude at this time to the Russian people and what our sons are fighting for on Russian soil. I have made diligent private inquiry without success. And because I do not know, and we do not know, the situation in Russia to-day, what we are fighting for there, and what ultimately we seek to obtain, I publicly now repeat the inquiries unsuccessfully made privately.

As a nation we have not hesitated to express ourselves concerning Russia, but the words we have spoken are at variance with our acts, and I ask that you follow me in the national promise which we made concerning Russia, and then observe the fulfillment of that promise.

December 4, 1917, the President said:

> The thought of the plain people here and everywhere throughout the world, the people who enjoy no privilege and have very simple and unsophisticated standards of right and wrong is the air all governments must henceforth breathe if they would live. * * *
>
> All these things have been true from the very beginning of this stupendous war; and I can not help thinking that if they had been made plain at the very outset, the sympathy and enthusiasm of the Russian people might have been once for all enlisted on the side of the allies, suspicion and distrust swept away, and a real and lasting union of purpose effected. Had they believed these things at the very moment of their revolution, and had they been confirmed in that belief since, the sad reverses which have recently marked the progress of their affairs toward an ordered and stable government of free men might have been avoided. The Russian people have been poisoned by the very same falsehoods that have kept the German people in the dark and the poison has been administered by the very same hands. The only possible antidote is the truth. It can not be uttered too plainly or too often.

Wonderful words! Words with which to conjure; and to-day, after the months of our intervention and our fighting in Russia, I can reecho those words of the President of the United States:

> The only possible antidote is the truth. It can not be uttered too plainly or too often.

January 8, 1918, the President said:

There is, moreover, a voice calling for these definitions of principle and of purpose which is, it seems to me, more thrilling and more compelling than any of the many moving voices with which the troubled air of the world is filled. It is the voice of the Russian people. They are prostrate and all but helpless, it would seem, before the grim power of Germany, which has hitherto known no relenting and no pity. Their power, apparently, is shattered. And yet their soul is not subservient. They will not yield either in principle or in action. Their conception of what is right, and what it is humane and honorable for them to accept has been stated with a frankness, a largeness of view, a generosity of spirit, and a universal human sympathy which must challenge the admiration of every friend of mankind; and they have refused to compound their ideals or desert others that they themselves may be safe. They call to us to say what it is we desire, in what, if in anything, our purpose and our spirit differ from theirs; and I believe that the people of the United States would wish me to respond with utter simplicity and frankness. Whether their present leaders believe it or not, it is our heartfelt desire and hope that some way may be opened whereby we may be privileged to assist the people of Russia to attain their utmost hope of liberty and ordered peace.

And the sixth of the fourteen terms of peace enunciated by the President is as follows:

VI. The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

The acid test, Mr. President! And how has the great democracy of the world stood that acid test?

February 11, 1918, the President again said:

The United States has no desire to interfere in European affairs or to act as arbiter in European territorial disputes. She would disdain to take advantage of any internal weakness or disorder to impose her own will upon another people.

September 27, 1918, in stating the issues of the war, the President exclaimed:

Shall the military power of any nation or group of nations be suffered to determine the fortunes of peoples over whom they have no right to rule except the right of force?

I quote these various excerpts from the remarks of the President of the United States because these remarks constitute the promise of the United States of America to Russia; and, constituting the promise of democracy of a Nation with its ideals untarnished, it is our duty to see that that promise is carried out in letter and in spirit.

During the early months of this year the clamor for armed hostile intervention in Russia was loud and insistent. It was resisted by our Government for a long time. Then, suddenly, in August, after having refused to accede for many months, intervention came. We denied that we were indulging either in hostile invasion or intervention, and our Government issued a disingenuous announcement, which has stood, so far as the American people know, as the determination, the position, and the attitude of the United States toward Russia. The statement issued by the administration, under which our people were told our boys were sent to Siberia, is as follows. Without reading it all, I ask permission to insert it here as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

In the judgment of the Government of the United States—a judgment arrived at after repeated and very searching consideration of the whole situation—military intervention in Russia would be more likely to add to the present sad confusion there than to cure it, and would injure Russia rather than help her out of her distresses. Such military intervention as has been most frequently proposed, even supposing it to be efficacious in its immediate object of delivering an attack upon Germany from the east, would, in its judgment, be more likely to turn out to be merely a method of making use of Russia than to be a method of serving her. Her people, if they profited by it at all, could not profit by it in time to deliver them from all their present desperate difficulties, and their substance would meantime be used to maintain foreign armies, not to reconstitute their own or to feed their own men, women, and children.

We are bending all our energies now to the purpose, the resolute and confident purpose, of winning on the western front, and it would in the judgment of the Government of the United States be most unwise to divide or dissipate our forces.

As the Government of the United States sees the present circumstances, therefore, military action is admissible in Russia now only to render such protection and help as is possible to the Czecho-Slovaks against the armed Austrian and German prisoners who are attacking them and to steady any efforts at self-government or self-defense in which the Russians themselves may be willing to accept assistance.

Whether from Vladivostok or from Murmansk and Archangel, the only present object for which American troops will be employed will be to guard military stores which may subsequently be needed by Russian forces and to render such aid as may be acceptable to the Russians in the organization of their own self-defense.

With such objects in view the Government of the United States is now cooperating with the Governments of France and Great Britain in the neighborhood of Murmansk and Archangel. The United States and Japan are the only powers which are just now in a position to act in Siberia in sufficient force to accomplish even such modest objects as those that have been outlined. The Government of the United States has, therefore, proposed to the Government of Japan that each of the two Governments send a force of a few thousand men to Vladivostok, with the purpose of cooperating as a single force in the occupation of Vladivostok and in safeguarding, so far as it may, the country to the rear of the westward-moving Czecho-Slovaks, and the Japanese Government has consented.

In taking this action the Government of the United States wishes to announce to the people of Russia in the most public and solemn manner that it contemplates no interference with the political sovereignty of Russia, no intervention in her internal affairs—not even in the local affairs of the limited areas which her military force may be obliged to occupy—and no impairment of her territorial integrity, either now or hereafter, but that what we are about to do has as its single and only object the rendering of such aid as shall be acceptable to the Russian people themselves in their endeavors to regain control of their own affairs, their own territory, and their own destiny. The Japanese Government, it is understood, will issue a similar assurance.

These plans and purposes of the Government of the United States have been communicated to the Governments of Great Britain, France, and Italy, and these Governments have advised the Department of State that they assent to them in principle. No conclusion that the Government of the United States has arrived at in this important matter is intended, however, as an effort to restrict the actions or interfere with the independent judgment of the Governments with which we are now associated in the war.

It is also the hope and purpose of the Government of the United States to take advantage of the earliest opportunity to send to Siberia a commission of merchants, agricultural experts, labor advisers, Red Cross representatives, and agents of the Young Men's Christian Association accustomed to organizing the best methods of spreading useful information and rendering educational help of a modest kind, in order in some systematic way to relieve the immediate economic necessities of the people there in every way for which an opportunity may open.

The execution of this plan will follow and will not be permitted to embarrass the military assistance rendered to the Czecho-Slovaks.

It is the hope and expectation of the Government of the United States that the Governments with which it is associated will, wherever necessary or possible, lend their active aid in the execution of these military and economic plans.

Mr. JOHNSON of California. Observe from this statement that military intervention is expressly disclaimed; that we tell Russia and the world that such intervention would endanger Russia rather than help her out of her distresses; that we are devoting ourselves entirely to the western front, and that we believe it would be unwise to divide or dissipate our forces, and that military action is admissible in Russia only to render protection and help to the Czecho-Slovaks against the armed Austrian and German prisoners; that whether at Vladivostok or from Murmansk and Archangel the only present object for which American troops would be employed would be to guard military stores and to render such aid as may be acceptable to the Russians in the organization of their own self-defense; and just follow these words in the promise that we then made to Russia and to the world:

In taking this action the Government of the United States wishes to announce to the people of Russia in the most public and solemn manner that it contemplates no interference with the political sovereignty of Russia, no intervention in her internal affairs, not even in the local affairs of the limited areas which her military force may be obliged to occupy, and no impairment of her territorial integrity, either now or hereafter, but that what we are about to do has as its single and only object the rendering of such aid as shall be acceptable to the Russian people themselves in their endeavors to regain control of their own affairs, their own territory, and their own destiny.

Eloquent words in an eloquent statement of the Government of the United States, words to which we all subscribe, words which constituted the solemn declaration of the United States to Russia and to our people when troops were sent abroad to Siberia and to Archangel. And in the months since the press reports tell us of skirmishes and battles; of American soldiers fighting Russian soldiers; and of all the attendant circumstances of war between hostile peoples. November 27 the press dispatches carried from Archangel stated that American troops were holding the line against the Bolsheviki on the middle sector of the northern front in the region of Hadish, after 10 weeks of fighting in swamps and thick undergrowth. These press reports tell us:

Under British command and with British forces aiding them the American infantrymen on this sector probably have had more fighting and more hardships than other American units in Russia. The campaign began early in August when a British and French force entered Seletskoe, a large village about midway the River Emtso. They were forced to move to another sector and the Bolsheviki occupied the town, only to be driven out a few weeks later when American reinforcements arrived. Since early in September the opposing forces have battled back and forth along the road leading toward Petrograd through tiny five-house villages. The Bolsheviki at times tried the force of their "oratorical artillery" on the Americans.

To some I assume this sort of a report will seem wholly humorous. To me there is a pathos in it.

On two nights during the last week English-speaking Bolsheviki appeared in no man's land and made speeches urging the Americans not to fight. Great red banners also were strung along the enemy bank of the river.

Contrast these accounts of the military operations with our declarations when we sent our soldiers across the water.

December 2, this press dispatch:

ARCHANGEL, *Monday, December 2.*

A detailed report of the capture by Americans and Russians of Bolshevik positions on the Pinega River November 29 says: "Our troops, with only machine guns and rifles, advanced against shrapnel, strangely without any, or with very few minor casualties. Before retreating the Bolsheviki are reported to have killed 30 peasants.

"An international battalion, composed mostly of Magyars, has recently been the Bolsheviki's most reliable force on the Dvina front. In the fighting of November 11 to 14 it left great piles of dead before our positions, having fought stubbornly. All sectors in the past two days have been quiet."

December 6, in press dispatches from Paris, we are thus enlightened:

The allies are busily casting a net around the outskirts of Russia, obviously with a view to intervention on a serious scale. In the north, in addition to the allied detachments in the Archangel region and the British detachments in Finland, the British have landed at Libau.

A New York paper recently asked:

What is the American policy with respect to Russia? No one seems to know. Our Government seems unable to make up its mind. There is the most painful evidence of lack of stability of view.

The policy with respect to Russia was stated in the August pronunciamento, but alas, these were mere words. The policy to-day no one knows, but what actually exists is war, and yet I know of no declaration of war by the Congress. After a year of revolution in Russia, after some months of actual warfare by our forces, the administration has taken neither Congress nor the people into its confidence. What an anomalous situation for the great democracy of the world demanding open diplomacy and justice for all peoples!

In the Inter-Allied Labor Conference, held in London in September last, of which the American Federation of Labor was a part, the following in respect to Russia was adopted:

(1) This conference sends an expression of deepest sympathy to the labor and socialist organizations of Russia, which, after having destroyed their own imperialism, continue an unremitting struggle against German imperialism.

(2) It declares that if the treaty of Brest-Litovsk stands it would confirm the collapse of the Russian revolution, and would most gravely compromise the future of the democracy of the world. It invites the workers of the allied countries to refuse to recognize any peace settlement which does not secure the complete freedom of the Russian people.

(3) The conference is of opinion that, in conformity with article 6 of the 14 points of President Wilson, the present efforts of the allied governments to assist the Russian people must be influenced only by a genuine desire to preserve liberty and democracy in an ordered and durable world peace, in which the beneficent fruit of the revolution shall be made permanently secure.

I quote these resolutions of that conference in order that you may observe that England dares discuss the Russian situation, English labor dares discuss the Russian situation, France dares discuss the Russian situation, and French labor dares discuss the Russian situation. The only place in all this world where there has been poverty of discussion or fear of discussion is in the United States of America; and if I have accomplished nothing to-day but discussion by which we may learn exactly what we are undertaking to do in that land, no matter what the views may be of those who discuss it, I will not have labored here in vain.

Bear in mind that the news which comes to us from Russia now is all colored. I have no doubt that terror exists, that many worthy people have been cruelly and outrageously murdered. I have no doubt that starvation stalks among the people, but, as I read of the net of steel cast around Russia by the allies and ourselves, by which no food can enter that unhappy country, I ask the question, "Can it be that we in any degree are responsible for the bloody terror there existing? Can it be that we in any measure are responsible for starving poor and misguided peasants?"

That you may have something of an adequate understanding of the nature of the publications in this country concerning Russia I quote to you, because of its succinctness, an article appearing in the New York Nation of November 23, 1918:

For several weeks the American public was kept in a state of agitation by reports of a "general massacre of all the upper classes" of Russia on the night of November 10. "It will be another Saint Bartholomew's night," said the dispatches; and the innocent bourgeois population of unhappy Russia was reported to be "in a panic of indescribable proportions." The hideous affair was predescribed, commented upon editorially, and, save for the practical details of execution, carried through by the press before the fateful day arrived. On November 7, it was announced that the "Russian ambassador" at Washington had communicated with the State Department "proposing that Bolsheviki and German agents be held personally responsible for the massacre before an international court." On November 11, the day after the "massacre," an obscure note appeared in one New York paper, the World, announcing in its headline that the "threat of massacre seems to have been a fake." Saint Bartholomew's night apparently passed without incident, and the only action of the Bolsheviki which might mark the occasion was a general order "giving amnesty to all arrested hostages and persons alleged to be involved in plots against the Soviets except those whose detention is deemed necessary as a guaranty for the security of the Bolsheviki who have fallen into enemy hands." Not one newspaper copied this report. Having accomplished the massacre it might have seemed inconsistent to bring the dead to life, as well as weakening to the lavishly documented case against the Bolsheviki.

After our intervention, denied though it was in August last, we heard much about "reconstructing the eastern front." Of course there is no longer an enemy against whom the eastern front should be protected. The position of those who desired to "reconstruct the eastern front" now shifts, and we hear it asserted that it is our sacred duty to rescue the Russian people from the menace of bloody revolution and civil strife; indeed, that our solemn obligation is to save the world from anarchy. We are confronted, therefore, with a concealed danger, war against revolution in all countries, whether enemy or ally, to prevent the agitation of revolution from spreading. If a "League of Nations" is formed upon any such motives, it will degenerate into a "Holy Alliance."

Again, it is repeatedly printed in our press that if we but help certain Russian factions they will overcome the Bolsheviki and will "stabilize" a new government in Russia. A policy, however, by military intervention, supporting one government here and another there, one faction in one part and a new faction in another, will but encourage every revolutionary group, which aspires to make something out of the disorder, to try its hand. The sorry and unsuccessful attempts that have been made by various groups, all of which called for "stabilization" by armed intervention, is recent history.

The extraordinary amount of misinformation given to the American people concerning Russia almost justifies the belief that there has been a regular and consistent propaganda of misrepresentation. The Creel Bureau of Public Information has, apparently, been engaged, not in developing facts to our people, but in justifying a course subsequently pursued at variance with our words. Solemnly we promised that we would not, by hostile invasion, intervene. We did, after our solemn promise, just that thing, and then in the sequence of events, apparently, the duty devolved upon the Creel bureau to justify the broken promise. As calmly we weigh what has been transpiring in Austria and Germany, as we observe the insidious propaganda and the poison of Bolshevism emanating from Russia, which have gone to the very core of the autocracy of the central empires, can we be satisfied with the Creel committee's labored efforts to demonstrate that the Bolsheviki are German agents? The facts and the current events would indicate that the problem is much more complex, and that this rabid Russian political growth is a menace to European social order, German and the allied alike. What has been transpiring between this Government and the soviet in Russia has never been told. Now and then a vagrant fact has come to us, but, apparently, it never finds publicity. Statements have come to us, apparently wholly credible and entitled to verity, but officially we can learn nothing. It is because of representations made to myself and others that I would propound to our officials for our information, and what is much more important, the information of the American people, various queries:

Is it true that the soviet government offered to the American Government a basis of cooperation, economic and military, and sought the help of the American Government to prevent the ratification of the shameful treaty of Brest, and that the American Government never replied to this offer?

Is it true that the Assistant Secretary of State, speaking for the President, definitely refused intervention in March last when, if intervention was ever desirable or possible, then was the time to intervene, before the rigors of starvation, the Red terror, or the unity of the peasants and workers against the allies had been established? Is it true that in this statement there is the language that to intervene in Siberia "would be doing in the east exactly what the Germans were doing in the west," and would subject America and the allies to the same suspicion on the part of the Russian people?

Is it true that the Russian soviet government offered, through its highest economic council, a program for making America the most favored foreign nation in trade and commerce and involving the control by the allies of all those supplies most desired by the central empires?

Is it true that representatives of the American Red Cross remained in soviet Russia until October, in perfect safety and reasonable comfort even after we had intervened and American troops were fighting the soldiers of the soviet government, and that the last member of the original American Red Cross mission to Russia left Moscow on the 5th of October and Petrograd on the 16th of October, in the safe conduct and security of the protection of the soviet government?

Is it true that the Department of State has refused to allow the American Red Cross to ship supplies to Moscow and Petrograd for the relief of the returning Russian war prisoners from Germany, 60 per cent of whom are suffering from some form of tuberculosis—these the soldiers that held the Hun in check for two years and saved civilization? Was this refusal based on Creel information and the fear that these supplies would be turned over by a starving people to Germany?

Is it true that the American ambassador and the British high commissioner in Russia recommended cooperation with the soviet government through the American railroad mission, that the soviet government invited this cooperation and promised control of the Siberian railway to be placed in the hands of this mission, and that these recommendations were refused by the American Government largely because of misinformation received through the Creel committee, supported by leaders and representatives of the old régime in Russia?

Is it true that refusal of these recommendations prevented the evacuation of large amounts of munitions and war supplies from the western front that subsequently were captured by the Germans in their advance after the Brest negotiations had failed?

Is it true that the British high commissioner, sent to Russia after the Bolsheviki revolution because of his knowledge and experience in the Russian situation, an official who had been seven years in Russia, four years consul general of his majesty's government in Moscow, who spoke Russian fluently, after four months in Russia stated over his signature that the soviet government had cooperated in aiding the allies and that he believed that intervention in cooperation with the soviet government was feasible, as late as the 5th of May, 1918?

Is it true that the American Government so delayed cooperation with the Kerensky government's plan to support the morale of the army and maintain that provisional government in power as to contribute largely to the overthrow of Kerensky and the success of the Bolsheviki revolution?

Of course, the facts in relation to such matters as are suggested ought to be in the possession of the Foreign Relations Committee. Before I came to this body I assumed that information of grave international affairs, which might culminate in war or in treaties, would ever be with that formerly important and honored committee. By rigid inquiry of the committee I have been unable to ascertain anything in relation to Russia. They are as much in the dark as the humblest American whose son's blood now reddens Russian soil.

I read, as doubtless you did, with some mystification, the strange modification of the armistice terms. When the military authorities concluded their armistice it was provided:

All German troops at present in any territory which before the war belonged to Russia, Roumania, or Turkey shall withdraw within the frontiers of Germany as they existed on August 1, 1914.

This was the provision read by the President to Congress, but subsequently this provision was modified to read:

All German troops at present in the territories which before belonged to Austria-Hungary, Roumania, and Turkey shall withdraw immediately within the frontiers of Germany as they existed on August 1, 1914. All German troops at present in the territories which before the war belonged to Russia shall likewise withdraw within the frontiers of Germany, defined as above, as soon as the allies, taking into account the internal situation of these territories, shall decide that the time for this has come.

Do you recognize the modification? First, it is stipulated that all German troops shall withdraw from Russia and go back to Germany; then, the modification that they shall not withdraw, but shall remain in Russia until it shall be determined by the allies that the time is ripe for their withdrawal.

The explanation, as stated by the New York Times, was as follows:

This notable modification, which permits German troops to remain in Russian territory, apparently means that the allies are fearful that if German troops are taken away from Russia excesses will occur which may lead to anarchy.

This interpretation was published, apparently, as the expression of our Secretary of State. What a field for speculation this modification of the armistice terms presents! Can it be that the German-bribed Bolsheviki, acting in conjunction with Germany and doing Germany's will, must be kept in order by German troops?

I realize—and I repeat what I said at the outset—the danger that there is in talking thus upon this floor; but, my friends, for a year and a half past I have sat in this Chamber with lips closed, because I wanted no word of mine, however humble that word might be, to be at variance with those who were conducting the war. The war is now done; and if I can not speak my sentiments in this Chamber upon any subject that is before the American people, I prefer to retire and go back to my very humble past existence. That expression of any sentiment upon this subject will arouse, of course, criticism and denunciation goes without saying; that that denunciation will extend to calling one who asks merely for facts Bolshevik, anarchist, and the like is, of course, well known; but I want to impress upon you again that I am neither I. W. W., nor Bolshevik, nor Socialist. In the record that I had before I came to this body I think my dealing with one of these classes when it was required that action should be had speaks for itself.

The situation which now confronts us in Russia is no longer a mere isolated flame in a disordered land; it is something far greater and something far more important. Let in the light on the Russian situation and let our people know the facts. We have been told each day for a year past that the soviet government is about to fall, that the wretched and corrupt leaders of the Bolsheviki are in flight. I read this again only yesterday. My desire is, and it is our right as well, whether the soviet government exists or is overthrown, whether bolshevism is yet in power or another order has taken its place, to know the activities of our own and our Nation's policy.

We have waged a successful war. Now in a brief period there will come to us the difficult problems of reconstruction. In less than two years we have revolutionized industry; we have wholly transmuted governmental activity; we have discarded century-old traditions and habits, and perhaps we have changed even our national thought. In the days to come our course must be steered safely between the Scylla of bolshevism on the one hand and the Charybdis of reaction on the other. And I reecho the recent bold expression of Lloyd George: "I do not fear revolution. I fear reaction." In this Nation, if we preserve at all our ideals, if we do not wholly destroy our democracy, there can be no room for bolshevism. The genesis of bolshevism is twofold. It is the spawn of oppression, and poverty, and hunger, and it is the logical end of repressive and all-embracing militarism. So long as we cherish liberty and preserve democracy, we need fear in our Nation no such noxious growth. The sporadic rantings of an occasional international agitator will find no response in a free America. Wrong, injustice, cruelty, and tyranny made Russia the natural breeding place of bolshevism. During the recent years of the world's greatest advance, Russia remained the Russia of old. Every cry for progress, for education, for freedom, for political reform was there called revolution and was met by the knout, the prison, Siberia, and execution. Ninety-three per cent of the population of that great unknown country were composed of peasants and workmen. A scant 7 per cent, constituting the privileged class, were the only ones who could receive official favor, hold positions of power, or commissions in the army.

Ninety-three per cent were ever cold and hungry and under the lash. Seven per cent were God's anointed and alone were permitted to share in God's sunlight. These 93 per cent, fighting and dying in the armies of the Empire, conceived the idea of fighting and, if need be, dying for themselves, and they broke through the centuries of darkness and stood, by revolution, for a moment in the glare of the sunlight of freedom. Is it any wonder that it blinded them? And just as a swiftly running stream tosses upon its top a discolored froth, so this new revolution flung to the surface, after its first months of travail, a few blatant leaders, who, with their grotesque formulæ and selfish and corrupt administration, have almost obscured the great, living, vital, fundamental issue which is yet in Russia. For these leaders I have naught but contempt, disgust, and detestation; but for the great mass of the struggling, striving, seething, simple peasants of Russia, groping and longing and praying for the light, eagerly and pathetically grasping for democracy such as ours, I have a deep and an abiding sympathy.

What is the policy of our Nation toward Russia? Are we now engaged in destroying bolshevism? If we are, what have we decided shall take its place? Are we again to put the Romanoffs upon the throne? Do we seek a dictator for this starved land? Is there a single faction, is there a single individual, we intend to put in power after we have waded through blood to Moscow and Petrograd? When we have buried our dead of cold, of privation, and of fatigue, and those who were slain in battle, are we, with the American flag flying in the streets of the Russian capital, to set up one kind of government as against another kind, one set of men as against another, or one man who comes out of the old régime? I ask these questions in the utmost good faith. I do not know our policy, and I know no other man who knows our policy. I do know that we are killing Russians, and they, when they can, are killing ours, and that this we are doing upon Russian soil. Is it presumptuous upon the part of one in this Chamber to ask why we are slaughtering Russians and why do we sacrifice our own blood? I warn you of the policy, which God forbid this Nation ever should enter upon, of endeavoring to impose by military force upon the various peoples of the earth the kind of government we desire

for them and that they do not desire for themselves. We have broken one nation which started to impress its will upon others by ruthless militarism. Its fate is the warning to every nation of the world that military force shall not impose one nation's will upon another.

We will hear very much in the days to come about "stabilizing" governments. And the "stabilization" will always be by hostile invasion and overpowering military forces. I want none of this for America. I want these boys who now wear our uniform in Europe, just as soon as our obligations to the peace treaty will permit, to return to their homes. I want them given the opportunity to make their own careers, to live their lives in their own way, to have their firesides, and their families, and their loved ones, and to be simple American citizens. I want no policy in our Republic of subjugating or subduing nations or peoples who do not think as we do. I want no American militarism to impose by force our will upon weaker nations.

Are we indifferent to Russia's fate that we sit here supine and in ignorance? I recall how this Chamber rung with apostrophes to freedom, with eloquent tributes to the Russian revolution, but a few short months ago. I remember how we strutted and boasted that the light of American democracy had penetrated even darkest Russia, and had emancipated a people from centuries of oppression and tyranny. Is democracy so frail a thing, is its germ so weak and fragile that excesses and wrongs of leaders forever destroy it? There is the germ of democracy yet in that stricken country, not perhaps in selfish and corrupt officials, but imperishably implanted in a hundred million humble hearts. Will you, the only people on earth to whom these stricken millions pray, by a circle of steel starve them and their women and their children? I doubt neither the righteousness nor the justice of the ultimate decision; but this decision can only be just and righteous with full knowledge of all the facts. With this full knowledge, the great democracy of the world, in the hour of the victory of its ideals, with a Christian civilization saved and preserved by its arms, will deal with a suffering and an abandoned people with justice and mercy.

The VICE PRESIDENT. What disposition does the Senator desire made of the resolution?

Mr. JOHNSON of California. I suggest that it be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. It will be so referred.

HOUSING OF GOVERNMENT EMPLOYEES.

Mr. REED and Mr. BRANDEGEE addressed the Chair.

Mr. SHERMAN. Will the Senator permit me to make an inquiry?

Mr. REED. I ask now that the Senate resume the consideration of Senate joint resolution 194, being the housing resolution.

The VICE PRESIDENT. Is there any objection?

Mr. BRANDEGEE. Mr. President, I want to ask the Senator from Missouri if he will allow me to ask the Senator from California a question about the matter which he has just brought before the Senate?

Mr. REED. I should like, first, to get the joint resolution before the Senate, and then I will yield to the Senator.

Mr. BRANDEGEE. I do not object to the Senator getting it before the Senate, if he will yield to me for a moment then.

Mr. REED. Yes.

The VICE PRESIDENT. Is there any objection to the request of the Senator from Missouri?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 194) directing the United States Housing Corporation to suspend work upon all projects where construction is not more than 75 per cent completed, and to cancel all contracts for furniture, and for other purposes.

Mr. BRANDEGEE, Mr. SHERMAN, and Mr. LEWIS addressed the Chair.

Mr. BRANDEGEE. I understand the Senator from Missouri has yielded to me for an inquiry, Mr. President.

Mr. REED. Yes. I intended to yield the floor. I merely wished to have the joint resolution laid before the Senate.

The VICE PRESIDENT. The Chair wishes the Senator would take the floor and dispose of it as he pleases.

Mr. REED. Mr. President, I desired to get the joint resolution before the Senate. It is now before the Senate, and, of course, Senators can speak in their own right. The Senator from Connecticut had asked me to yield to him while I was on the floor in order to make an interrogatory, and I think that courtesy ought to be extended to him at this time.

The VICE PRESIDENT. It will be. The Senator from Connecticut is recognized.

AFFAIRS IN RUSSIA.

Mr. BRANDEGEE. Mr. President, the Senator from California has had his resolution of inquiry referred to the Committee on Foreign Relations, of which I am a member. I wish to ask him in relation to the series of questions contained in his resolution, which embraces certain statements, terminating with the inquiry as to whether those alleged facts are true or not. Does the Senator mean to have the Senate infer that, upon his information and belief, he thinks they are true, or has he any knowledge about them? He merely asks the question. I do not understand whether he meant to make the assertion.

Mr. JOHNSON of California. Mr. President, I purposely refrained from indulging in any dogmatic assertions or statements in respect to the Russian situation. The questions are based upon information that has come to me. As to the absolute verity of the information, I will not say at this particular moment; but there is no question which I asked idly or about which there is no information. They are all based, as I have said, upon the vagrant facts that have come to me.

Mr. BRANDEGEE. The Senator has given me the information I desire.

Mr. LEWIS obtained the floor.

Mr. SHERMAN. Mr. President, may I make an inquiry, with the permission of the Senator?

The VICE PRESIDENT. The senior Senator from Illinois has been recognized.

Mr. LEWIS. Mr. President, before the Senator from California leaves the Chamber, as I assume it is his intention to do, I should like to address myself to one or two views expressed by the able Senator.

Mr. President, the resolution tendered by the Senator is very pertinent. The information which he seeks I fancy at this time will be interesting. Certainly it is very appropriate. But, Mr. President, I hardly feel that the deductions drawn by the able Senator from reports gathered from public papers would justify us in reaching at this time a judgment convicting the United States of America of any omission of duty or imposing upon it as a single Nation the particular obligation that the Senator from California feels should be discharged by some one; that is, the release of troops that are now in Russia.

Mr. President, when the suggestion was first made on this floor respecting the United States sending troops into Siberia, I think I assumed to say that the United States would not enter upon that mission of its own will for any purposes of its own as to governing any part of Siberia or taking jurisdiction of the affairs which were wholly Russian. I said then, sir, that our only course must be that in conjunction with those who are called allies in the necessary prosecution of the war.

Mr. President, we must view this matter as it really appeals to us all from the history and the circumstances. We were at war with Germany. It was known that there in Russia Germany had obtained influence and had turned that influence against the cause of the allies. There arose necessity for those called the allies—particularly Britain and Japan and ourselves—to take some steps to protect against the German influence and the German power that part of the Russian country which lay nearer to the East and which threatened us by the way of the Pacific. The able Senator from California will recall that it was in conjunction with what was regarded the wise thing to do on the part of those governing the armies of the allies in Europe that the troops of the United States were called upon to operate with the troops of the allied countries, particularly of Britain, of Japan, some of Italy, and many of the Slovaks, known as the Czecho-Slovaks.

Mr. President, it developed, as we gather from current history, that those who were Austrian and German prisoners had been released by Russia, and, instead of appreciating their release for freedom, banded themselves as soldiers of the central powers and turned their arms against the Americans, killing the American soldiers. The reports came to us from reliable sources that property was destroyed, lives taken, and that a general condition existed partaking of anarchy and general destruction. Under the general orders that arose from the unity of command which had been suggested and directed by this Government with France and Britain, the American troops were sent into Siberia in conjunction with the troops of the allies.

Now, Mr. President, the war has only come to an end in so far that the fighting between the contending forces has ceased under an armistice. The call is for a convention at Versailles, in France, where the terms of peace are first to be reached and the withdrawal of troops directed. And here I would have the able

Senator reflect: Is not this joint gathering the only place where we can appropriately hope for immediate reply to his questions? Is there any other government or body that can assume to discharge this duty? Are there any other people, is there any other agency, I ask the able Senator, who could assume at this time to enter upon it other than those who are about to assemble around the peace table within a week? Would not we embarrass the whole proceeding by assuming to act singly? With full knowledge of all the circumstances as they will possess it, with a consciousness that they will discharge their duty as becomes them, must we not wait until they assemble, and with the information at their hands as to all the matters referred to by the Senator reach a conclusion as to Russia, what is best to be done by America as well as by Britain and by France, as well as by Japan and the Slovaks, in the light of all the information? Then we will have a conclusion from which, let us believe, the right thing will follow and the just thing likewise to the Russian people as to America.

Mr. President, I hope this resolution will go to the proper committee, will be duly reported, and will bring forth the response of such information as can be afforded; but in the meantime I pray the eminent Senator from California and all others not to indulge in the presumption that the United States of America upon its own initiative is going to violate the solemn obligations for which it entered into this war, but that time will be given, in an orderly and proper manner, with due consideration to those with whom it is cooperating, to discharge its duties to Russia as to every other nation. Let us repeat that far from oppressing liberty this Nation will be faithful to the ideals for which it entered this war and for which its children have shed their blood—democracy and justice—and that as on this rock we have builded our house we repose the belief in the words of the great Peter "that not even the gates of hell shall prevail against it."

Mr. SHERMAN. Mr. President, I should like to make an inquiry of the Senator from California. It will occupy but a moment. May I inquire whether it would not be proper to add to the very timely address of the Senator that as early as January 8, 1915, the President made the statement in a public address, referring to Mexico, that they had a right to shed as much blood as they pleased domestically in establishing any form of government they saw proper to establish, and it was not for us to intervene?

Mr. JOHNSON of California. I recall that.

Mr. MYERS. Mr. President, I should like to have the privilege of asking the Senator from California a question, if he will do me the honor to give me his attention and reply. I did not have the fortune to hear all of his able address. I entered the Chamber while he was in the course of delivering it and heard the remainder of it with much interest. I heard him make the statement that 93 per cent of the people of Russia are struggling for liberty and freedom and democracy such as we enjoy in this country. Now, 93 per cent being a very large majority of 100 per cent, I would ask the distinguished Senator from California why the 93 per cent of the people of Russia who want liberty, freedom, and democracy do not get it and set it up, instead of indulging in a carnival of murder, assassination, robbery, and nearly every other crime known to the catalogue of criminality?

Mr. JOHNSON of California. Mr. President, of course the inquiry is not made for the purpose of eliciting information, but I will answer it in Yankee fashion.

Mr. MYERS. I want the Senator's opinion; that is what I want.

Mr. JOHNSON of California. I will answer the question in a Yankee fashion. Perhaps the Senator believes that the American people always get all that they want, even in this well-ordered democracy; but there are times when our leaders do as they see fit, and not at all as the American people wish. When I say that 93 per cent of the population of Russia are made up of peasants and workmen—nearly 90 per cent of this number being peasants, as I recall—of course it is not always the fact that the men who are in control will give to the majority of their fellows exactly what they ought to get. Why, the leadership of the world demonstrates that, and the query, indeed, is sufficient answer of itself. It is its own refutation.

Mr. MYERS. I will just say, Mr. President, that it seems to me that if the leaders of the 93 per cent are not giving the 93 per cent what they want, the 93 per cent, if they wished, could easily overthrow their leaders, as they did the Czar and his dynasty.

Mr. JOHNSON of California. Probably they will; perhaps they may not. That is not the point of the address at all. The Senator was listening to me, unfortunately, with little understanding of what I have endeavored to convey if he believes that to be the point of what I was saying to-day.

CALLING OF THE ROLL.

Mr. REED. Mr. President——

Mr. SHEPPARD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Henderson	Nelson	Simmons
Beckham	Johnson, Cal.	New	Smith, Md.
Borah	Johnson, S. Dak.	Norris	Smoot
Calder	Jones, N. Mex.	Nugent	Sterling
Chamberlain	Jones, Wash.	Overman	Sutherland
Culberson	Kenyon	Page	Thompson
Curtis	Kirby	Poindexter	Townsend
Dillingham	La Follette	Pollock	Trammell
France	Lenroot	Pomerene	Underwood
Frelinghuysen	Lewis	Reed	Warren
Gay	Lodge	Robinson	Watson
Gerry	McCumber	Saulsbury	Weeks
Gronna	McKellar	Shafroth	Wolcott
Hale	McLean	Sheppard	
Harding	Myers	Sherman	

Mr. CURTIS. I desire to announce the absence of the junior Senator from New Hampshire [Mr. MOSES] on account of illness. I will let this announcement stand for the day.

Mr. SUTHERLAND. I desire to announce the absence of my colleague [Mr. GOFF] on account of illness.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness.

Mr. McKELLAR. I wish to announce the unavoidable absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

Mr. TRAMMELL. I desire to announce the temporary absence of my colleague [Mr. FLETCHER] on official business.

Mr. JONES of Washington. I desire to announce the necessary absence on important business of the Senator from Arizona [Mr. ASHURST], the Senator from Wyoming [Mr. KENDRICK], the Senator from Mississippi [Mr. WILLIAMS], the Senator from Minnesota [Mr. KELLOGG], the Senator from Utah [Mr. KING], the Senator from Arizona [Mr. SMITH], and the Senator from South Carolina [Mr. SMITH].

The VICE PRESIDENT. Fifty-nine Senators have answered to the roll call. There is a quorum present.

HOUSING OF GOVERNMENT EMPLOYEES.

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 194) directing the United States Housing Corporation to suspend work upon all projects where construction is not more than 75 per cent completed and to cancel all contracts for furniture, and for other purposes.

Mr. ROBINSON. Mr. President, the joint resolution now under consideration by the Senate is of very great importance. I have no purpose to delay unduly the vote on the joint resolution; but, as indicated yesterday in some inquiries I made of the chairman of the Committee on Public Buildings and Grounds, I desired to make an investigation as to some of the facts and circumstances surrounding the housing program, with a view to submitting some remarks to-day, if justified in doing so by the information which I obtained. It is this information—incomplete but, I believe, upon the whole quite authentic and valuable—that I have taken the floor for the purpose of presenting to the Senate.

Mr. President, in emergencies like that through which the United States has just passed and is passing, it is inevitable that mistakes should be made. I do not desire, nor am I willing, to contribute anything either here or elsewhere calculated to prevent disclosures which may show mismanagement or corruption upon the part of any public officer or anyone else charged with a duty to this Government.

I am anxious that investigations may proceed wherever the circumstances justify them, but I am also anxious that neither this body nor that at the other end of the Capitol shall take action which may result in detriment or loss to the Government. I have about reached the conclusion from the best information which I have been able to obtain—which, as I have already stated, is only partial—that it would be improvident to discontinue the construction of the buildings on what is known as the Plaza, although I still believe, as I stated yesterday, that it was unwise to locate temporary buildings upon that public park.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. Mr. President, I am going to ask unanimous consent to temporarily lay this bill aside in the hope of getting speedy action on the joint resolution to which the Senator from

Arkansas is now addressing himself. I hope that we may be able to finish the discussion and take action upon the joint resolution within a reasonable time, say, something like an hour. I shall not undertake in any way to interfere with it that far at least, but I want to make this announcement: It is thought wise by Senators with whom I have consulted that the joint resolution should not be interfered with unnecessarily this morning. We are, nevertheless, losing time on the revenue bill, and I think every consideration requires that there should be speedy action on that bill. In view of the fact that we shall lose probably an hour at least this morning, I give notice that I am going to move for a recess when we finish the business of the day instead of an adjournment, so that there will be no morning hour to-morrow, and we may devote the whole time to-morrow to the revenue bill.

Mr. ROBINSON. Mr. President, in all that has been stated by the chairman of the Finance Committee as to the importance of proceeding with the consideration of the revenue bill and of reaching a speedy conclusion in this body concerning its provisions I am in hearty accord. I have already stated that it is not my purpose to consume very much of the time of the Senate in the discussion of the joint resolution, but I feel it my duty to present some matters which I think are of interest, and which reflect some light upon the measure.

Recurring now to the statement made before the interruption a moment ago, that I had about reached the conclusion that it would be improvident to suspend the completion of the buildings on the Plaza, I want to submit to the Senate some of the information which has led me to that conclusion.

In the first place, the completion of these buildings is necessary and advisable in order to provide the required housing accommodations for employees of the Government, present and prospective. The statement was made yesterday by the very able chairman of the Committee on Public Buildings and Grounds that since the armistice was signed approximately 5,000 temporary employees have been discharged and have left Washington, and it is expected that during the next few months—probably by the 1st of July—a total of 27,000 temporary employees or others would be discharged, thus alleviating the conditions in Washington which have made necessary the execution of the housing program.

In the Evening Star of day before yesterday there was published a statement which has been called to my attention, and which I in turn call to the attention of the Senator from Missouri. I am going to ask that that statement be inserted in the RECORD in connection with my remarks. I have had no opportunity of verifying its correctness. All that I know about that feature of the subject is contained in the statement which I am inserting in the RECORD. The statement is headed:

Increase of 770 shown in classified service. Total of 5,525 employees added by commission—

Meaning the Civil Service Commission—

in November, as against 4,755 separations.

The statement referred to is as follows:

[From the Washington Evening Star, Tuesday, Dec. 10, 1918.]

INCREASE OF 770 SHOWN IN CLASSIFIED SERVICE—TOTAL OF 5,525 EMPLOYEES ADDED BY COMMISSION IN NOVEMBER AS AGAINST 4,755 SEPARATIONS.

There was an addition of 770 employees in the United States Government service through the Civil Service Commission during the month of November. The gross admissions to the service were 5,525, with a gross separation of 4,755. It was stated by the commission to-day that it is expected there will be a considerable decrease during this month. The increases last month were the smallest since the outbreak of the war.

The departments showing decreases were: Food Administration, 81; Fuel Administration, 83; Government Printing Office, 56; Interstate Commerce Commission, 12; Department of Agriculture, 29; Smithsonian Institution, 13; Navy Department, 39; Director General of Railroads, 54; War Industries Board, 34; War Department, 36.

The increases were: Interior Department, 36; Department of Justice, 2; Department of Commerce, 13; Department of State, 23; Shipping Board, 49; Civil Service Commission, 18; Department of Labor, 105; Treasury Department, 1,118; War Trade Board, 50; Council of National Defense, 6; Federal Reserve Board, 8; Federal Trade Commission, 16.

The Panama Canal Zone office had no change in its force. The large increase attributed to the Treasury Department was due to the War-Risk Insurance and Internal-Revenue Bureaus.

Mr. ROBINSON. This statement shows, Mr. President, that during the last month, while it is true there were about 5,000 persons in the civil service discharged there were 5,770 more than the number discharged taken into the service of the Government, and instead of there being a net decrease in the number of persons coming to Washington as a result of Government employment it would appear that up to the present, or at least up to the 1st of December, there has been a net increase of 770.

Mr. REED. Mr. President, the Senator is in error in regard to the figures that I gave. The figures I gave are the net reductions. I mean to say that we asked each department how many employees did you have at the date the armistice was declared and how many employees have you now? Then the difference between those two figures gives the actual reductions.

The Senator's figures are of a different character. They take the number who came in and the number who went out in the classified civil service. It may be possible that in the classified civil service there was an increase, because many people are now getting into the classified civil service who heretofore have been received without any civil-service examination. The Senator will find that my figures showing a net reduction of over 5,000 are accurate, except that they are not complete, because there are other departments yet to be heard from.

Let me call attention to this: I have a letter here of December 9 from the Civil Service Commission. It is a memorandum furnished to Commissioner Galloway by the certification clerk. It reads as follows:

Memorandum for Commissioner Galloway: The following is a list of total number eligible, certified by various departments, during the following weeks:

Week of Nov. 2, 1918	3,024
Week of Nov. 9, 1918	2,831
Week of Nov. 16, 1918	2,107

There you will observe we pass the point of the armistice.

Week of Nov. 23, 1918	1,732
Week of Nov. 30, 1918	982
Week of Dec. 7, 1918	1,082

So since the armistice the number of certifications has been greatly decreased. I know the Senator wants to get the facts just as they are.

Mr. ROBINSON. The Senator is right. I do not wish to present any figures that would lead to a wrong conclusion.

The Senator states that there has been a diminution since the armistice was signed in the number of Government employees of 5,000——

Mr. REED. Over that number.

Mr. ROBINSON. Of over 5,000; and that there is an anticipated diminution before the 1st of July of 27,000. The figures that I have used do relate to those in the classified service rather than those in all the services. In addition to this increase in the number of persons who are coming to Washington, as indicated in various departments mentioned in that article, there will be a much greater increase in the early future occasioned by the work of the decennial census and work in the Internal-Revenue Bureau. I have not had time nor the opportunity to reach a conclusion as to how great will be the diminution in the number of persons who were in Washington at the time of the signing of the armistice and the number who will be here when conditions have been readjusted. I do not think the figures of the Senator from Missouri are calculated to lead to an accurate conclusion upon that subject. I merely used these figures for the purpose of showing that while many are going a great many are also coming in.

Mr. McCUMBER. Mr. President——

Mr. ROBINSON. I yield to the Senator from North Dakota.

Mr. McCUMBER. Will the Senator explain to us, because many of us would like to know, why it is that while we were discharging some 5,000 employees we were also drawing from every section of the United States another 5,000? Why could we not have used the 5,000 who were going for the ordinary purposes for which the 5,000 were drawn in?

Mr. ROBINSON. Making answer generally, the latter class of 5,000 came in through eligible lists established by the Civil Service Commission, and I anticipate that the large number who have gone out were temporary employees, many of whom had merely accepted employment for the period of the war, and no doubt many of them desiring to return to their former employment at the conclusion of hostilities.

Mr. LENROOT. Mr. President——

Mr. ROBINSON. I yield to the Senator from Wisconsin.

Mr. LENROOT. The Senator does not mean to say that the 5,000 increase in the eligible list have been people who have come from outside Washington? The fact is that a very large percentage of those are people who were already here who have been transferred to the eligible list.

Mr. ROBINSON. I am not making any assertions on that subject. That is largely irrelevant to the purpose which I have in mind and which I am attempting to discuss, and I do not care to pursue it into details. I want to pursue the subject immediately under consideration, and that is the necessity of continuing the construction of these buildings for housing purposes.

Mr. President, whatever may be the net result with respect to people leaving the Government employment and others taking employment, it seems probable that these buildings will be required for the comfort and convenience of persons in the employ of the Government.

I wish to call to the attention of the Senator and of the Committee on Public Buildings and Grounds a statement that has been submitted to me by the Assistant Director of the Bureau of War-Risk Insurance. It contains the formal application of 470 persons, most of them young ladies, who are seeking to secure housing accommodations, persons who are employed in the War-Risk Insurance Bureau. These persons in their applications have stated the reasons for making their respective applications. In dozens, perhaps hundreds, of instances, they are based upon the fact that under their present accommodations they have no heat, or inadequate heat is provided. Hundreds of others are based on the theory that they are living in overcrowded conditions. This statement is illustrative of the conditions that now exist in the Capital of this Nation. There are dirty, small, unventilated rooms in the city of Washington, where as many as eight white girls are living, employees of the United States Government. I propose to give to the committee the names of those girls and the place of their residence. I do not intend to insert it in the RECORD, and the reason I do not intend to do so is that it contains statements of fact which in all probability should be investigated before being given publicity. There are dozens of instances where these young ladies have stated in their applications that they are living in immoral surroundings and they want to move from where they now reside in order that they may be protected from conditions which make their lives intolerable. There are a number of cases, the names of the parties given and their present place of residence, where they say on account of the insects which swarm in the beds where they sleep they are forced to seek some new and comfortable place to live. That statement which I am submitting to the Senate relates only to one department of the Government—the Bureau of War-Risk Insurance.

As I stated yesterday, I do not want to delay the consideration of the joint resolution. I know that it is the purpose of the members of this committee to save money to the Government, to make an investigation that ought to be made, and I do not wish, and I would not delay any investigation that would be calculated to expose any crook who has violated his duty to his Government in a time of national calamity. But at the same time I do not want my indignation over alleged misconduct and mismanagement of public affairs to do injustice, to bring about avoidable abuses, or to occasion unnecessary expense to the Government. There are many instances where young ladies, employees of the United States Government, are living three, four, and five in a single room poorly ventilated and unheated. There are a number of other instances where the conditions under which they are living are so unsanitary that they want to move.

If we were just beginning the consideration of a housing program it might, Mr. President and Senators, be well enough not to undertake it, but the situation is this: This program has already proceeded, and the question for us to determine now is whether we shall abruptly suspend it or exercise some caution in proceeding with those projects which from some consideration of public interest ought to be completed and suspend only those which investigation may show should be suspended.

I am aware of the fact that the committee in recommending the suspension of the construction of buildings on the Plaza has made an investigation. I am aware of the fact that the committee has reached the conclusion that this work ought to be suspended. But I am compelled from a conviction of duty to take issue with the committee as to the conclusion which it has reached, because, as I have already stated, these buildings are needed for the immediate use of young lady employees of the United States Government.

Now, I want to talk for just a few minutes about this building program from a statement which has been furnished me by a gentleman connected with the Housing Commission. All the information I have concerning the accuracy or correctness of this statement is in the statement itself. I want to be entirely frank with the Senate. I have had no opportunity to make a personal investigation of the accuracy of the statements that are contained here.

Mr. REED. Will the Senator give the name of the author of the statement?

Mr. ROBINSON. Mr. Watson, who I understand is connected with the Housing Commission, gave me the statement at my request. He is an employee of the Department of Labor.

The housing program may consistently be divided into two classes: That which relates to the city of Washington and that which concerns other portions of the country. The appropriation for housing under the act of Congress for the city of Washington was $10,000,000. I think that statement was made by the Senator from Missouri yesterday. Five navy-yard housing projects were projected.

First. Temporary dormitories for 500 to cost about $250,000.

Second. Apartments for employees for which contract was made for $1,324,553, on the signing of the armistice reduced to $550,000.

Third. Contract for 300 houses for $1,126,073. This contract was let and was well started so far as excavations and receipt of material were concerned, but was stopped.

Fourth. Excavation contract in connection with these projects was let and is practically completed, at a cost of $70,000.

Fifth. A development on South Capitol Street, near the navy yard, suitable for the housing of navy-yard employees during the war emergency, but intended ultimately to serve for the housing of a portion of the present alley population. Project abandoned.

Department housing group, Twenty-third and B Streets, contract awarded for $2,212,300. This contract was well started but has been canceled, and it may cost $150,000 to secure release.

Dormitories on the Plaza site, at a cost of about $1,834,500, without furniture.

The development for the employees of the Washington Steel & Ordnance Co. Project abandoned.

Plans for a temporary hospital were completed and bids received, but the project has been abandoned.

Plans were in progress for apartments and dormitories for employees of the Bureau of Standards. This development also has been abandoned.

From this it will be seen that the actual buildings in the city of Washington now proceeding are: Navy apartments, $550,000; Navy temporary dormitories, $250,000; excavation for Navy development, $70,000; dormitories on Plaza site, without furniture, $1,834,500.

The furniture for the temporary Navy project and for the Plaza project amounts to approximately $330,000, all of which has been purchased and substantially all delivered.

Therefore, for the actual cost of construction for work now proceeding, and furniture, it is estimated that approximately $3,000,000 will be spent out of $10,000,000 appropriated. To complete the Plaza site will cost about $100,000 in labor. All the materials have been purchased for this project, and the bulk of them are on the site, and any change made in connection with this project will have to be done on the salvage basis.

The Senator from Missouri stated yesterday that a saving of $400,000 would be effected by discontinuing this improvement. The statement here is that all material and furniture has already been purchased and delivered and that the saving will amount to $100,000 in the matter of labor, the remainder of the saving depending upon the effectiveness with which the salvage is handled.

Mr. REED rose.

Mr. ROBINSON. I yield to the Senator from Missouri.

Mr. REED. I am surprised that the gentleman has made that statement in view of the fact that he was in the room of the committee and heard the testimony of Mr. Eidlitz, for Eidlitz said, as I stated yesterday, that the furniture had been purchased, and I think I said it was largely on hand, but Mr. Eidlitz said it could be turned back, in all probability, with but a very slight loss. The gentleman who wrote this letter does not state that, and he ought to have stated it. That, of course, makes the chief difference. There is the other difference, that of the laundry, which I do not think he has yet referred to in the statement.

I am informed now since I made my statement yesterday that there is a very large amount of material on hand that has not gone into these buildings that can be salvaged. I only state that as a matter of information. It has been stated to me that a very large part of the plumbing and—again I can only state it as a matter of information—that probably 25 per cent of the buildings remain to be completed—that is, instead of being 90 per cent completed, it is only 75 per cent—and the material is here and can be salvaged. I do not think this gentleman ought to have made the statement that only $100,000 can be saved when he sat there and heard his chief clearly state that all the furniture could be turned back with very slight loss.

Mr. ROBINSON. The gentleman referred to, Mr. Watson, did not make the statement which the Senator has attributed to him. That is the conclusion or construction the Senator makes upon it. The Senator's conclusion concerning it or the construc-

tion he places upon it is wrong. Here is what he said. I read it:

To complete the Plaza site will cost about $100,000 in labor. All the materials have been purchased for this project, and the bulk of them are on the site, and any change made in connection with this project will have to be done on the salvage basis.

There is no difference in the statement made by the Senator from Missouri and the statement made by the gentleman whom I am quoting. The only difference is a matter of conclusion. The gentleman, Mr. Watson, who gave me the statement which I am using, says that the saving in labor will be $100,000, and the saving in materials he does not undertake to estimate.

Mr. REED. Does not the Senator think he would have been a little more frank if he had said: "The estimate of my chief is that it can be salvaged, so that there will be very slight loss"?

Mr. ROBINSON. I do not know. The Senator has stated that his chief, Mr. Eidlitz, made the statement before the committee that the furniture could be returned without great loss. I take it the Senator correctly remembers the testimony and that the statement is true, but I am not reflecting upon the frankness of anyone under the circumstances of this case. I know, as others know, that when furniture has once been bought the condition must be exceptional to enable the purchaser in large quantities to return it without considerable loss. As to what the loss will be I have no more means of knowing than has the Senator from Missouri, and the opinion of Mr. Eidlitz may not be any better than the opinion of Mr. Watson or some one else. I can not say about that. I care very little about it.

Now, then, this is the showing which it seems to me justifies the continuance of this particular project. I can not say, nor can the Senator from Missouri or any other Senator say, just what might be saved by suspending this construction. I know the Senator desires to save all that he can. I know it is desirable at this time, more than at any other time in the history of the Nation, to practice economy; but in view of the conditions which I have already described in part, conditions which have been very ineffectively described in the language that I used, conditions which disclose exorbitant charges now being made upon many of these Government employees for inadequate and unsanitary housing, I reach the conclusion that it would be better for the United States Government to keep the furniture that it bought, to use the materials that it now has on the ground, and to buy the additional $100,000 worth of labor, complete these buildings, and give these Government employees the advantage of housing facilities. That is my conclusion. The Senate can reach any conclusion that it thinks is justified under the facts and circumstances.

I wish to discuss now for just a few minutes another feature of the joint resolution—that feature which suspends construction throughout the country. I have very little detailed information concerning this subject. I have engagements which I am compelled to fill, and shall hasten to a conclusion, making some further reference to the statement from which I read a while ago, and submit the matter to the Senate for such consideration as it may think the public good justifies.

The appropriation for housing, etc., in other parts of the country was $90,000,000. The bureau had taken up 89 such projects in approximately 80 different cities. Construction contracts had been let on 55. Plans were completed and ready for contract on 22. Plans were in preparation on 7. On the signing of the armistice 55 projects were abandoned, 14 projects were curtailed, and 20 are proceeding as planned.

The contracts which are proceeding (including Washington) amount to $23,076,961.11.

Curtailed projects reduced from $17,330,957.29 to $11,297,471.

Projects canceled, $17,627,952, at a cost of about $4,053,482.

Projects canceled without loss, $5,458,275.

In addition, approximately $20,000,000 worth of housing was ready to submit to contractors but was abandoned.

It is estimated that with 15 per cent allowed for contingencies this portion of the bureau's work can be completed for a total cost of about $45,000,000. Of this amount approximately one-third has already been disbursed and a second third is obligated for the necessary materials. In canceling 23 contracts adjustments will have to be made for materials ordered and for the expenditures incurred by the contractor and for sums due the contractor for his services, which will, of course, show a certain loss on account of the canceled contract.

All those that are proceeding in whole or in part have received consideration from the salvage point of view.

This bureau believes that it would be a financial mistake to stop the jobs that are now proceeding. Most of them are in various stages of completion. It is difficult to estimate their value, and the chances are good that they would be sacrificed when the time came to dispose of them and a larger loss would be realized than would result if these operations were completed. We would further call attention to the fact that the market for incomplete houses is restricted, and that it would naturally appeal only to speculators, whereas a completed structure would have a definite value for a great many different purchasers.

Furthermore, the contract work on each of these projects being done as a unit, it costs very much less than for individual purchasers to put up these houses, which means providing their own capital, their own materials, and assembling the necessary plant.

Three alternatives are now possible:

First. The Government can continue at a wholesale rate, comparatively inexpensive because of the size of the undertaking. When the houses are finished they should find a ready market.

Second. A single contractor or speculator (if such a person can be found under present conditions) can take over the entire project as it stands and complete it on a basis of wholesale cost. If the single contractor buys in order to complete and sell, he is virtually a speculator and will figure on a large profit between the price he pays the Government and the price at which he will sell the houses when completed to the public, a profit without which he will not enter upon so large an undertaking. It seems inadvisable for the Government to offer this profit to speculators.

Third. Individual purchasers of single houses or small groups of houses will have to figure a comparatively high rate of expense for completing individual houses or groups which they purchase.

If it be conceivable, as it scarcely is, that individual buyers will take single houses or small groups in their various stages of incompleteness, then, in figuring the price they will pay, they will have to count on a high pro rata expense of completion; they will deduct that expense of completion from the market price of the houses when finished and will pay the Government only the difference. On this basis, therefore, there is again a substantial loss to the Government.

Comparing all three methods, it seems reasonably clear that the plan of governmental completion is that which will bring the largest salvage value. No plan can be mathematically proven to be the best. We must take that which appears the best on the probabilities and which would be the one selected by a business man in his own affairs. Of the three it seems clear that the business man, if he had the capital, would naturally decide to complete the project himself and sell on completion.

In all cases the utilities are still incomplete, and unless completed by the bureau or by the municipality under arrangements made by the bureau as a war measure, they would remain incomplete until completed by the municipality. Left to itself the municipality would not act for a contractor, except by passing the necessary ordinances, levying a special assessment, and collecting the assessment, a procedure which ordinarily occupies a considerable time.

Therefore unless the Bureau of Housing proceeds to complete these utilities, the houses will be more or less valueless for some time to come. The obstacles which would present themselves in respect to these needed public utilities to any buyer of the tract—still more to buyers of separate parts of the tract—would be considerations militating against the price which the purchasers would pay to the Government. Every item of incompleteness in the matter of a public utility would cause a buyer to reduce his bid substantially; he would not know how much it would cost him to get water, sewers, streets, pavements, light to the project, and he would not know when, if ever, he would get them all there. Without these utilities the houses are substantially valueless.

It is also to be remembered that these houses, as above mentioned, are in various stages of completion, that if the work is stopped they will be exposed to the elements during the worst period of the year, and considerable depreciation may be looked for from physical causes alone before work could be recommenced and the houses finished.

The staff of the United States Housing Corporation is composed of experts in the problems involved in building construction and property development. It has given this subject mature consideration, and it is its deliberate judgment that the best interests of the Government, in the salvage of its housing projects, demands the completion without further curtailment of the developments now proceeding.

Mr. President, I have taken the trouble to put into the RECORD this statement, which seems to me a clear and forcible one from the standpoint of the Housing Committee. It is, of course, desirable that the Congress, in passing upon this important matter, exercise its very soundest judgment. If the completion of the projects that are proceeding would result in

great loss to the Government or would result in impairment of the service, it would be the duty of Congress to suspend them. In all probability unlimited claims against the Government will be asserted by reason of our action if we arbitrarily undertake to rescind these contracts. I do not know whether the contracts themselves contain provisions for cancellation; I assume that they do; at least, they ought to; and it may be that through such provisions the loss to the Government arising out of claims hereafter to be asserted may be reduced to a minimum.

I am entirely content, Senators, that, upon consideration of this case as a whole, the Senate determines, first, whether it wants to deny the Government employees of the District of Columbia who are now suffering such gross inconvenience and mistreatment, if you please, some of them paying half their entire salary for inadequate and disgraceful accommodations, according to the statement contained in the documents I have referred to, necessary accommodations. It is for Congress to determine, in the first instance, whether, with this project so nearly completed, almost available for use, we shall now suspend it entirely and leave these uncompleted buildings to be sold or salvaged in any way that is possible.

We all know that an incomplete building has little salvage value compared to one that is complete and ready for use. We all know that the loss, if this construction be stopped, will be very great. Nobody can tell what it will be. It is a question for Congress to determine, and I am submitting it, so far as I am concerned, being compelled to leave the Chamber to attend another engagement in a committee. The buildings on the Plaza can not be sold. They must be wrecked, and unless some use of them is made it will result in total loss, for probably the removal of the buildings will consume their entire value in the present incomplete state.

Mr. JOHNSON of South Dakota, Mr. NORRIS, and Mr. LENROOT addressed the Chair.

The PRESIDING OFFICER (Mr. WOLCOTT in the chair). The Senator from South Dakota.

Mr. JOHNSON of South Dakota. Before the Senator from Arkansas takes his seat, I merely want to ask him a question or two.

Mr. ROBINSON. I shall be glad to yield to the Senator for that purpose.

Mr. JOHNSON of South Dakota. I have not studied this joint resolution and do not know much about it. I had concluded to vote for it, but the statement which the Senator from Arkansas has just made with regard to the conditions existing as to the housing of these young women, which he says he does not expect to go into the CONGRESSIONAL RECORD——

Mr. ROBINSON. I expect the statement which I have made to go into the CONGRESSIONAL RECORD, but I shall not put the applications of the young ladies for housing accommodations into the RECORD for reasons that will suggest themselves to the Senator.

Mr. JOHNSON of South Dakota. Well, that matter will change my mind on voting on the joint resolution, so far as I am personally concerned, if the vote is taken to-day. There are a great many things which ought to have more consideration than dollars and cents in connection with our Government, and this is one of them.

Mr. LENROOT. Mr. President, so far as the Plaza project is concerned, it resolves itself into a very simple proposition, which I may state in this way: If there were no legislation whatever upon the subject, in view of the fact that employees of the Government are leaving Washington at the rate of hundreds daily, there having been a decrease of 5,000 in a little more than 30 days, and it being estimated that there will be a decrease of 27,000 within six months, would the Senate to-day vote to appropriate $400,000 to provide housing accommodations for 1,800 clerks in the city of Washington for a period of less than 12 months, requiring those clerks to pay $45 a month for room and two meals daily?

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LENROOT. I yield.

Mr. NORRIS. I should like to ask the Senator from Wisconsin a question in connection with what he has just said: First, does the Senator not believe that the question involves more than 1,800 clerks? Does he think that there could be only 1,800 clerks provided for in the Plaza dormitories?

Mr. LENROOT. I think that is the estimate.

Mr. NORRIS. That would be one for each room. Is it not true that, as a rule, with some exceptions, it is contemplated that there shall be two employees in each room?

Mr. LENROOT. I did not know that that was the fact.

Mr. NORRIS. Well, would not that be a reasonable supposition?

Mr. LENROOT. I think it would. I will put it in this way, and be extremely liberal. Let us say we can take care of 3,600 clerks.

Mr. NORRIS. Now, I want to ask the Senator from Wisconsin another question in regard to the time. Why does the Senator say it is to be for 12 months?

Mr. LENROOT. Because I do not think there is any Senator who would contend that this housing upon the Plaza should continue for any longer period than 12 months. The Housing Corporation themselves say that they expect at the end of 12 months all need of this housing will be gone; that the buildings will be abandoned and torn down.

Mr. NORRIS. They may be right about that. However, I should like to say, if the Senator will permit me to interject this much into what he is saying, that I have no idea that statement will be borne out by the facts. Certainly it will be several years before we get back, if we ever get back—probably we shall never get back—to where we were, so far as the number of clerks who were employed by the Government before the war is concerned.

Mr. LENROOT. That is true.

Mr. NORRIS. So that the housing proposition is going to be a serious thing for several years.

Mr. LENROOT. The housing proposition, Mr. President, may be a more or less serious thing, but the Senate will bear in mind that I think it is less than two years ago we completed the expenditure of hundreds of thousands of dollars to remove the buildings upon this very Plaza for the purpose of creating a park, and I presume that Congress is still of the opinion that that should be a park. It is fair to assume that at the end of 12 months Congress itself will order the removal of these buildings, unless we have a use for them very different from that of housing clerks.

I wish to call attention to the fact that there is to be no saving in money except in the way of accommodation to the people who will occupy these buildings upon the Plaza. I have had occasion, as other Senators have had, I have no doubt, during the past winter to make inquiry as to the average price paid for room and board by the average clerk here in the city of Washington, and it has been my observation that the $1,200 clerk, even at the very high prices that have prevailed, has not paid above an average of $45 per month for his rooming accommodations and two meals daily.

Mr. NORRIS. Mr. President, may I again interrupt the Senator from Wisconsin?

Mr. LENROOT. Yes.

Mr. NORRIS. My observation has been that about $45 for a $1,200 clerk, with two in a room and two meals a day, without any provision for laundry or anything of that kind, the accommodations being out quite a distance, would probably be the average, but farther in, for more desirable rooms, I think the price would average considerably above that. It does not follow, however, that the Government should even charge that much. Personally it seems to me that the idea of charging $45 a month for each roomer is exorbitant, and that the Government ought not to do that.

Mr. LENROOT. The Senator has been asking me some questions. I wish to ask him one. I wish to ask the Senator, if this were an original proposition, whether he would be willing to-day to vote $400,000 of the people's money to provide for accommodations for 1,800 clerks on the Plaza for a period of 12 months?

Mr. NORRIS. Most emphatically no; of course I would not.

Mr. LENROOT. Then I can not see how the Senator can justify the expenditure of the money to continue this project.

Mr. NORRIS. Since the Senator has asked me the question, let me tell him my viewpoint.

Mr. LENROOT. Very well.

Mr. NORRIS. We have the buildings; they are there now, practically finished and furnished, some of them with the furniture in now, and the girls ready to go in——

Mr. LENROOT. No; the Senator misses my question.

Mr. NORRIS. No; I think not.

Mr. LENROOT. There is involved $400,000 additional expense before these buildings can be utilized.

Mr. NORRIS. Exactly. But if we do not appropriate that $400,000, if we do not finish the buildings—what little finishing is needed now—we will have an elephant on our hands which we can not use.

Mr. LENROOT. No; I beg to differ with the Senator upon that point, because I think there is a use for these buildings, not that they should be completed, as contemplated, for hotel

purposes, but there is a use for these buildings for hospital purposes; that is very much more important than the use to which some gentlemen would put them.

Mr. NORRIS. Now, may I ask the Senator about that?

Mr. LENROOT. Yes.

Mr. NORRIS. It would cost a great deal of money to remodel them, would it not, for hospital purposes?

Mr. LENROOT. It would cost some money.

Mr. NORRIS. Does the Senator think the center of the city of Washington is a suitable place in which to construct a hospital, when we are already overcrowded? Would not that only add to the congestion that we are trying to get away from and bring in not only the sick but all of their necessary attendants, and thus increase the population to a great extent?

Mr. LENROOT. The Senator from Wisconsin will reply, as the Senator from Nebraska no doubt is aware, that we are now being asked to appropriate $26,000,000 for hospital purposes. Those hospitals are not going to be of a permanent nature, nor will they be permanently necessary. They will be necessary for some months to come—perhaps for 12 months—but we can not wait, or ought not to wait, to build hospitals for our returning soldiers to facilitate their rehabilitation. We ought, and we must, utilize existing buildings. Here are buildings that can be utilized, and utilized very soon, but they can not be turned into hospitals after we have expended $275,000 for furniture that will not be suitable for hospital purposes and after we have completed the plumbing for hotel purposes. We ought to work upon them now with the idea of devoting them to hospital purposes rather than to rooming purposes. I do not think there will be a loss there in the sense the Senator speaks of, because, if the buildings are not completed for rooming purposes, we can put them to a higher purpose and a more necessary purpose.

Mr. NORRIS. Can the Senator state how many patients they would accommodate and how many additional persons besides the patients would necessarily be brought into Washington if these buildings were used as a hospital?

Mr. LENROOT. I will say that I am informed as to conditions at the Walter Reed Hospital; and while they are doing the very best they can at the Walter Reed Hospital—and I am not criticizing it—the facilities and accommodations that would be afforded the soldiers in the rooms in the buildings upon the Plaza would be infinitely superior to the accommodations many hundreds of soldiers are receiving at the Walter Reed Hospital. So, Mr. President, it does resolve itself exactly to the proposition of whether the Senate now is willing to vote $400,000, none of which it will get back, for the purpose of providing rooming accommodations for 1,800 clerks when they are being discharged at the rate of hundreds daily.

The Senator from Arkansas [Mr. ROBINSON] read from a letter. I am not going to comment upon the propriety of a member of the Housing Corporation sending to a Senator such a letter without at least first presenting it to the committee investigating the subject; but the gentleman who wrote the letter certainly intended to leave the impression with the Senator from Arkansas and with the Senate, as the Senator from Arkansas drew his conclusion, that there would only be a saving of $100,000 in labor if this work were stopped now. That was the conclusion that the Senator from Arkansas drew from the letter, and that was the conclusion undoubtedly intended by the author of the letter that should be drawn by every Senator who heard it. Now, let me take just a moment, Mr. President, to read from the testimony——

Mr. CHAMBERLAIN. Mr. President, before the Senator proceeds, may I interrupt him?

Mr. LENROOT. Yes.

Mr. CHAMBERLAIN. There was a resolution introduced into the Senate a year or two ago, which elicited an answer showing that the governmental departments were paying at least $500,000 a year for the rent of office buildings, and so forth, and I am wondering whether the Senator has given any consideration to the proposition as to whether or not these completed structures or those that are in process of construction can be utilized for that purpose?

Mr. LENROOT. Not exactly that, I will reply to the Senator; but I have given some consideration to the fact that we have erected a great many temporary office buildings—I think a sufficient number—so that it will not be necessary to rent buildings for some time to come. Those office buildings already erected and fitted out for office purposes can be used in a very short time. For instance, the group of buildings at Seventeenth and B Streets.

Mr. CHAMBERLAIN. Then, aside from that, if the buildings on the Plaza can not be utilized for office buildings, or if that would not be necessary under the Senator's view, I am in sympathy with the idea of the Senator that in the process of housing the soldiers who come back there might be a segregation of those who might occupy these places really without having attendants.

Mr. LENROOT. I think so.

Mr. CHAMBERLAIN. I do not think that we ought to destroy these properties now, when they may be utilized for that purpose, if only for a year or more.

Mr. LENROOT. That is my view of it.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. I do.

Mr. POMERENE. This thought has occurred to me, too, in connection with this matter: I confess I have been a great deal out of patience with the way in which some of this money has been expended, if I am rightly informed; but as these buildings have been put up here at the public expense, I am free to admit that there is just malice enough in my heart to wish that they might be rented out to employees of the Government at reasonable rates and thereby even scores with some of the landlords who have been filching the pockets of the public.

Mr. LENROOT. I am quite in sympathy with that view, although I do not think, having in view the financial condition of the Treasury, that we should refuse to adopt business principles to accomplish any such purpose as the Senator now suggests.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LENROOT. Yes.

Mr. NORRIS. Did the committee have before it anyone connected with any of the hospitals to get their judgment in respect to the use of these buildings for hospital purposes?

Mr. LENROOT. No. I wish to say that this is only a preliminary report of the committee. The committee is pursuing its investigations further. This preliminary report was made because the committee was ready to form the conclusion as to the Plaza project that thousands upon thousands of dollars would be lost to the Government each day that this project goes on.

Mr. NORRIS. I did not hear the Senator's answer. Did he say that there was somebody who appeared before the committee in that connection?

Mr. LENROOT. No; I say that we have not yet reached that point in the investigation.

Mr. NORRIS. It is a subject, then, so far as the committee is concerned, upon which there has been taken no testimony and no investigation made?

Mr. LENROOT. There has been no testimony whatever on that branch of the subject.

Now, Mr. President, from the letter of Mr. Watson, the Housing Corporation evidently would intend to have the Senate and the country believe that these housing projects have been carried on in an economical manner, and in the letter they speak of constructing these houses at wholesale rates. I wish to take a moment, Mr. President, to give to the Senate some information that came to the committee at its session this morning.

Let me say, first, that, in my opinion, there was an absolute violation of law upon the part of the Housing Corporation in the letting of all of these contracts. The law provides that these contracts should be "let to the lowest responsible bidder, the Government reserving the right to reject any and all bids."

Mr. President, I state deliberately that in a legal sense, in the sense contemplated by Congress, there was no bidding whatever upon these projects. I shall not take the time——

Mr. POMERENE. Mr. President, how were they let?

Mr. LENROOT. They were let by the Housing Corporation selecting a certain number of contractors. In the case of the Plaza project they selected seven, and they invited these seven contractors to make proposals to the Housing Corporation for the construction of the buildings. The contractors were required to state what fee they would do the work for—that is, furnish the know-how—the Housing Corporation fixing a maximum fee of $60,000. The contractors were required to state how much they would require for the rental of their equipment; they were required to state how much they would agree to furnish trucks and teams at an hourly or a per diem rate; they were required to state what, in their opinion, the work would cost; but there was no requirement upon them to agree to complete the work for the cost estimated by them. They were required to state within what time they believed the project could be completed, but there was no requirement that they should agree to complete the project within that time,

or any penalty if they failed to do so. The only semblance of bidding, Mr. President, was upon the fee received, upon the rental of equipment, and upon the charge they would make for the use of automobiles, trucks, and teams; but, Mr. President, the Housing Corporation in letting these contracts did not put it upon the basis of what the contractors did compete upon.

That, as a matter of fact, only counted about 20 points out of a possible 100 in determining who should be the contractor. They gave so many points to the estimate of the contractor as to how much the project would cost, although, as I have said, there was no agreement to build the project for the estimated cost. They gave so many points to the contractor as to the time in which he could complete the building, so that, for instance, if a contractor stated that it would cost a million and a half dollars, although he would not agree to build it for that, he would get that advantage in being looked upon as the lowest bidder. If he said it could be built in three and one-half months as against another contractor who would say five months, the three and one-half months fellow, although there was no requirement or obligation upon him to build within three and one-half months, would have that advantage in being looked upon as the lowest responsible bidder.

Mr. POMERENE. Mr. President, I have a curiosity to know who the lawyer was who advised that course.

Mr. LENROOT. The committee has been endeavoring to ascertain that fact. The committee was informed that legal counsel was taken and that the Housing Corporation were advised by written opinion that this was a compliance with the law. Mr. Eidlitz was asked to furnish that written opinion. That opinion was furnished yesterday and was put into the RECORD this morning, so I have it not with me, although I did have it in my pocket yesterday. I wish to say that that written opinion does not in any sense justify or warrant the course that was pursued by the corporation.

Mr. POMERENE. Mr. President, did I understand the Senator to call it a legal opinion?

Mr. LENROOT. The opinion is a good one upon the point that it covers, but it did not attempt or purport to cover the point as to whether the letting of a contract in such a way was in compliance with the law. I will state, further, that Mr. Eidlitz was asked this morning by me whether this legal opinion which he had produced was what he relied upon in taking the course that was pursued. Mr. Eidlitz stated that that was not the sole thing, of course; that members of the Committee on Public Buildings and Grounds of the House had been consulted; and that it was the wish of members of that committee that the work be done in this way.

I may say in passing that, as the Senate will remember better than I—because I was not a Member of this body at that time—the House, as it passed the housing bill, did not require the letting of these contracts to the lowest responsible bidder. That amendment was put upon the bill by the Senate, and it remained on when the bill finally became a law, so that any expression of opinion that the Committee on Public Buildings and Grounds of the House of Representatives might have given to the Housing Corporation had no materiality whatever, because at the time they were discussing it there was nothing in the bill that required the contracts to be let to the lowest responsible bidder.

Mr. President, this contract, so called, was let to the Fuller Construction Co. with a fixed fee of $58,000, and a rental of equipment of $22,000. I will say that the committee has not yet gone into the question of what the value of the equipment was to be, and as to whether or not that was a reasonable rental; but the committee naturally supposed that that was the extent of the profit of the Fuller Construction Co.—$80,000. It developed this morning, however, that while the Fuller Construction Co. was getting three dollars and a half an hour for trucks—three and five ton trucks—and we were told that as many as 40 were used at a time on the work, the man that actually furnished the trucks was getting $3 an hour for them; that while they were getting $1.12½ and $1.25 an hour for teams, the man who actually furnished the teams was getting 75 cents an hour for those same teams. Now, I do not say that the Fuller Co. did not have a right to charge that amount, because they stated $3.50 an hour in their bid, and they stated $9 a day for teams without scrapers and $10 a day for teams with scrapers. I will state in passing that it appeared from the testimony this morning that, while the Fuller Construction Co. were getting a dollar a day additional for the furnishing of a scraper, it also appeared that the value of that scraper was $12, so that the Fuller Construction Co. were getting a rental of $1 per day for scrapers worth $12 apiece. I want to repeat that there is nothing illegal in that. The Housing Corporation accepted that proposition of the Fuller Construction Co., and so, from a legal standpoint, they were justified in doing it; but it is merely an illustration of the way the Government is getting these houses at "wholesale prices." As far as the committee has gotten into this proposition it has not been convinced, I may say, of the economical production of this housing proposition.

I want to get back for just a moment. The statement of the Senator from Missouri [Mr. REED] has been questioned, that $410,000 would be saved by abandoning the Plaza project. I want to read from the testimony of Mr. Eidlitz:

> The CHAIRMAN. Now, then, we get down to this, that by not furnishing this project we would save $310,000.
> Mr. EIDLITZ. How do you figure that; on what basis?
> The CHAIRMAN. $275,000 on the furniture, which you say can be turned back with a slight loss, and $35,000 on the laundry, makes $310,000; and if you stopped work on these buildings at once you would save another $100,000, which would be $410,000. That is the situation, is it not?
> Mr. EIDLITZ. That is about it.

So, Mr. President, there can be no question concerning the saving to the Government by stopping this work now. In my judgment it will be at least $400,000. In my judgment it will be more than that.

Now, just a word, Mr. President, with reference to the contracts outside of the city of Washington, and then I shall conclude.

The committee has not had the opportunity as yet to go into such an investigation of the other projects as has been made of the Plaza project, but the committee finds this: A committee of citizens from Bridgeport, Conn., came before us the other day pleading for a continuation of all of the buildings which had been commenced in the city of Bridgeport by the Housing Corporation. It appeared that in the case of one group of buildings under contract at Bridgeport only the foundations had been put in at this time, and yet the Housing Corporation proposes to go ahead and complete those buildings, while the authority of the Housing Corporation, delegated to them by the President of the United States, and the power of the President of the United States, and the only power that he has with reference to this housing matter, is as follows:

> The President, for the purposes of providing housing, local transportation, and other general community utilities for such industrial workers as are engaged in arsenals and navy yards of the United States and in industries connected with and essential to the national defense, and their families, and also employees of the United States whose duties require them to reside in the District of Columbia * * * is hereby authorized and empowered—

And so forth.

Mr. KENYON. Mr. President, what are those houses at Bridgeport to cost?

Mr. LENROOT. The total cost of the Bridgeport project is $3,440,000. I would not be able to segregate now——

Mr. REED. The houses? I can answer the question. It was stated that the houses would cost from $3,500 to $5,500 apiece.

Mr. KENYON. The cost of the whole project at Bridgeport is the amount the Senator stated?

Mr. LENROOT. Yes; $3,440,000.

Mr. KENYON. How much of that has been expended on the foundations?

Mr. LENROOT. We have been promised those exact figures, but they have not yet been furnished to the committee.

Mr. KENYON. The Senator can not say how much of a saving there will be there in stopping that work?

Mr. LENROOT. No; but while I have not had any extensive experience in building, I do not think there is any man living who, as a business proposition, would say that either the Government or a private citizen, where only the foundations of a building have been put in and some of the material ordered, would save money by going on to complete that building. All business experience is otherwise.

I understand and appreciate the necessity for the passage of this joint resolution at the earliest possible moment, and I shall not occupy the time of the Senate further, except to say that in the case of this Plaza project I think Senators should clearly understand that in voting against the joint resolution they are voting to take $400,000 out of the Treasury of the United States for the purpose of providing houses for 1,800 employees under the conditions that are now existing, when they are so rapidly leaving Washington.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. Yes; I yield.

Mr. POMERENE. Assuming that this joint resolution is passed, what plan has been adopted—or, if none has been adopted, what plan will be recommended—for the disposition of these buildings?

Mr. LENROOT. Speaking only for myself, I would expect that the Committee on Public Buildings and Grounds—the whole

committee, because it is only a subcommittee that is conducting this investigation—would take up that matter and make a recommendation. My own view is that these Plaza buildings should be utilized for hospital purposes, and I shall be ready to join in such a recommendation.

Mr. KIRBY. Mr. President, I have not followed closely the discussion of the joint resolution, and the effect its passage will have upon the projects at different places; but it seems to me that it is better to determine the matter as two propositions and decide whether we should stop the construction work here or whether it should be stopped at the other different places where it is now in progress.

If this were an original proceeding, nobody would now vote to appropriate money to construct buildings to house Government employees. There is no question about that; and at the time this bill was proposed, and before that time, I thought that these different agencies that were being created by the Government, and that would necessarily require the collection of employees in large numbers, ought not to be brought to Washington. I said there was no reason why the Food Administration should not be located in St. Louis or Chicago or the Fuel Administration at one or the other of these places. We do not produce fuel and we do not produce food in Washington in the sense that these things were intended to be regulated by these agencies. Those cities could have easily taken care of and absorbed the employees that necessarily had to be collected without constructing more buildings. I suggested that procedure then, and it was not done. No attention was paid to it. In this bill providing for the housing there is a provision—and I offered one as an amendment to some other bill, if not this one—that they should first consider whether these agencies might not be as well administered in some other city before expending the appropriation for buildings here.

We would not, as I say, as an initial proposition, proceed now along this line; and it may be true, and probably is, as the Senator from Wisconsin says, that the Government has been robbed in the construction of these buildings on the Plaza. I should think so, as an offhand expression of opinion, when they tell me that the construction of these buildings out here will cost $1,800,000. Just from common knowledge and my general information, I should think so. The conditions under which they were constructed, however, may excuse the excessive cost to some extent.

Now, the buildings have been virtually completed. What shall be done with them? Has the purpose that moved the Congress to authorize their construction been accomplished? Has the reason for it ceased? No. They say that Washington is not so much congested as it has been heretofore. Have you heard of prices being more reasonable to these people who were compelled to come here to work during the emergency? No. Have you heard of their accommodations being better or are the living conditions improved? No. The money has been expended. The buildings are down there. Has anybody given the information, or does anybody have information, as to how many persons have applied for rooms in these dormitories? Is there any lack of applications for rooms that would indicate that the buildings, after they have been finished, will not be used by these Government employees? If there is, it has not been disclosed here.

That is the condition. I think the buildings ought to be completed. I do not understand yet why anybody, in official or private life, would ever have had these buildings constructed on the public Plaza, where it was known that they could not be permanent, but must necessarily be razed, and soon. There is no salvage to be realized from these buildings, or not much. They can not be sold as buildings that can be used, since the ground can not be conveyed; and if they are not to be utilized for the purpose for which they were constructed, then it seems to me they ought to be immediately torn down and removed. You would not leave them here in a half-completed condition. They would be valueless to the Government under those circumstances. So far as I am concerned, I am not in favor of converting them into hospitals at all. Some one suggested here that they should be used as a tuberculosis hospital. What would you want with a tuberculosis hospital here in the middle of this city, right by the Capitol of the Nation? It should not be thought of. We must have tuberculosis hospitals, of course, but they should not be erected at the very door of the National Capitol.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. KIRBY. Yes.

Mr. LENROOT. I did not know that anybody had even suggested that.

Mr. KIRBY. Somebody discussed it here yesterday.

Mr. LENROOT. I do not think anyone would think that this was a proper place for a tuberculosis hospital.

Mr. KIRBY. I do not think it is a proper place for any sort of a hospital, so far as I am concerned. They might use these other buildings down here on Nineteenth and B Streets, that are supposed to be temporary in character, for hospital purposes. That might very well be done and the Government might be saved expense thereby.

Mr. NEW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Indiana?

Mr. KIRBY. Yes.

Mr. NEW. I was just about to remark that I think the propriety of using those buildings for hospital purposes would depend almost entirely upon the character of the cases that were to be assigned to the buildings. Certainly they should not be used as tuberculosis hospitals. If you were to assign to them cases of a certain character, that would not be a fit place for them at all; but out at Walter Reed Hospital, for instance, there are a good many soldiers who are convalescent and who are able to get around Washington with comparative ease, but they are remote from the city where they are. It is inconvenient for them to come in on the cars. They have no means of transportation other than the public means. If those convalescent soldiers were permitted to occupy these places down here on the Plaza, where they are within a very few minutes' walk of many places of public interest and within a few minutes' ride of the center of the city, and so on, I think it would be a good place for them; and I think the buildings are adapted to the care of patients of that character.

Mr. KIRBY. Mr. President, while it does not seem to me that they are well located or suitable for hospital purposes, if it should be found that such is the case they might be utilized along that line for the kind of people that the Senator thinks could be taken care of there. So far as my information and knowledge extend, however, the man who is in a hospital needs better accommodations than the man whose physical condition is such that he is not required to go to a hospital; and these buildings ought to be finished in as good style for hospital purposes or better style than for people who are well and do not need physicians. I do not see, therefore, that that furnishes any excuse for not completing the project.

Mr. REED. Mr. President, if the Senator please, I should like to set him right upon that point.

The PRESIDING OFFICER (Mr. GAY in the chair). Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. KIRBY. Yes.

Mr. REED. If the buildings are completed for hospital purposes, they will be completed in a different way than they would for rooms; and if we completed them for rooms, then we would have to tear out and replace. If we stop now, in so far as they are incomplete, the proper kind of finishing could be done for a hospital; and, besides that, the furniture that is to go in—and that constitutes $275,000 of this $400,000—would be utterly unfit for hospitals.

Mr. KIRBY. Conceding that the condition is as stated by the Senator from Missouri, we ought to determine whether we are going to finish them at all or not, and then whether we are going to use them for this purpose for which they were intended in the beginning or whether we are going to change them so as to be adapted to the other purpose. I think we ought not to stop construction at all.

Mr. KING. Mr. President, will the Senator yield?

Mr. KIRBY. Certainly.

Mr. KING. If we intend to convert those uncompleted buildings into hospitals, it is necessary that there shall be a pause at some time and somewhere in the process of construction and an alteration in the plans. We could adopt this joint resolution, which would stop the work of construction, and then when the committee has concluded its investigation, if it determined that it would be wise to utilize them for hospitals, then a plan could be provided under which they could be converted into hospitals, and the saving to which the Senator from Missouri has just referred would then be effectuated.

Mr. KIRBY. It seems to me—and experience, I think, demonstrates it—that when you stop construction on any particular great project, and resume after a time, you lose a great deal in actual value; you have been damaged greatly. It strikes me that the committee might well have come in here and said: "We ought to have these buildings changed to hospital purposes, or we ought to have the whole project abandoned and the buildings razed."

So far as I am concerned, I do not think the project should be abandoned now. I believe it ought to be completed and the buildings ought to be used for the purpose for which they were

constructed and let these people who come here to do war work have an opportunity to get a fairly good place to stay, at a reasonable price, in the city of Washington—a thing that has not been possible within the last year and a half. I am in favor of that being done.

It has not been said that these rooms are not all applied for. It has not been said that even at the rental that they propose to charge down there the project will not produce $960,000 a year. Practically a million dollars a year is what they expect to charge for the use of these buildings when they are completed. That will furnish some little return on the investment and the expenditure, probably. But I never have been much in sympathy with this idea of the Housing Corporation calling in real-estate agents of the city of Washington and having them fix the price which should be charged to the war workers and putting it so nearly equal to the price charged by all the rest of the people in Washington that no great benefit can result if that sort of policy is followed. But I am in favor of completing these buildings, and in favor of their being used for the purpose for which they were constructed, in the hope that, as I say, these war workers in Washington will be given a fair opportunity to secure reasonable accommodations in the city without being subjected to any further extortionate charges.

Mr. NORRIS. Mr. President, while I do not agree with the committee in a portion of the joint resolution that they have proposed, I believe——

Mr. REED. Mr. President, will the Senator yield to me for just a second?

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. REED. Did I understand the Senator from Arkansas to say that this project would bring in $960,000 a year?

Mr. KIRBY. I understand that it is proposed to charge $40 apiece for the accommodations furnished, and that there are 2,000 rooms, and that all of them will be occupied.

Mr. REED. I am making this answer now to save time. The Senator's information is like the information of most men who know only part of the facts. It is proposed to furnish the rooms, to furnish the heat, to furnish the washing, and to furnish food. Of course, the Senator would hardly expect all of that to be profit. Now, the fact is that the man who is to run it—one of these dollar-a-year men—stated to the committee that there would not be one cent of return even on the rooms; that it would cost the entire $40 or $45 a month to pay the expenses incident to running the affair, without charging off anything whatsoever for the use of the buildings, so that the $960,000 will disappear.

Mr. SIMMONS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. SIMMONS. At the time I consented to laying aside the unfinished business I had no idea that the consideration of this joint resolution would occupy more than an hour. The Senator from Nebraska tells me that he will not occupy the floor more than 10 or 15 minutes, and I will yield that much longer; but if the debate is going to continue I shall feel compelled to ask the Senate to take up the unfinished business immediately after the Senator from Nebraska has finished.

Mr. NORRIS. Mr. President, as I have started to say several times, I do not agree with a portion of the joint resolution that the committee have proposed, and yet it seems to me that the committee are entitled to a great deal of commendation for the work they have done and that they propose to do. Their investigation has disclosed a condition of affairs that ought to be given the widest publicity, and with most of their conclusions I am in hearty accord.

It seems to me, from what the committee have shown us, that a great many of these contracts have been made absolutely contrary to and in defiance of the laws that Congress enacted, and that no regard whatever has been paid to the congressional action and to the law under which they ought to have proceeded. I want to beg Senators, however, not to permit that fact to control their votes on a proposition like we have in the case of the Plaza here, where the buildings are practically completed.

I do not know whether this violation of law by those who are responsible for it can be met in any other way; but certainly it will do no good to practically destroy buildings that have been completed, even though the buildings have been constructed illegally, and all the steps with relation to them have been extravagant and out of all reason. Nor will it do any good to consider the legal question that has been presented here, as to whether, under the law, the committee had the right to build any of these buildings on the Plaza—a piece of ground intended for a park—because they have been built. They are there now, and Congress is as much to blame for that as anybody. They have been constructed within plain sight of the Capitol, just across the street from the Senate Office Building, where we have seen the work progress from the beginning. So if there were no legal authority existing for the construction of those buildings where they now are, Congress is at least estopped, it seems to me, from making complaint now.

Some of the things that have been disclosed by the Senator from Wisconsin [Mr. LENROOT] to-day, and by the Senator from Missouri [Mr. REED] yesterday, as to what was done with regard to the construction of these buildings and other buildings in other parts of the country, have been simply dumfounding and astonishing. I am in entire accord with the proposition of stopping the building of any of these structures wherever the work has not progressed so far as to mean that stopping the finishing of the buildings would result in greater damage than to complete them. In the case of the Plaza, however, there is another consideration in addition to that, and it is, to my mind, a very serious one. I refer to the necessity of having additional rooms for Government workers in the city of Washington.

It has been assumed by those who favor the joint resolution that the buildings on the Plaza will be torn down in a year. It seems to me that that is an assumption which is not warranted by the facts. As far as I am concerned, I would oppose tearing them down unless conditions were changed entirely, and there should be no further use for them. I do not believe anybody can give serious consideration to the conditions that confront us without reaching the conclusion that it is going to be several years before the congestion in Washington will be relieved.

Now we are confronted with this proposition: The buildings on the Plaza are mostly completed. I understand that the furniture is already in some of them. I have been told also that there have been more than 6,000 applications for rooms. I understand also that the War-Risk Insurance Bureau alone expects to retain 9,000 employees of their present force as a permanent addition to their force.

We have been confronted since the war has been on with a congestion in Washington that we have tried to remedy in the way of providing by law for those who are compelled to rent property and rent rooms in this city. We know it was a serious proposition and that it interfered seriously with the Government in doing its work. That act was intended to relieve the situation. It is true the congestion may not be as bad now as it was, and it is also true that the force is gradually being reduced, but in the next four or five years there is going to be the same congestion that we have now unless we do something in the way of providing additional rooms.

Mr. President, this congestion is something that we do not, in my judgment, fully appreciate. A member of my family happens to be connected with an organization for the purpose of finding rooms for girls who came from my State and who have been employed in the various departments. This organization came under my observation during the last year. I know something about the question, and I know that its seriousness is simply startling. If we should have cold weather—and we are liable to have it at any time—I am fearful of an epidemic in this city. We have no idea of the overcrowding not only in the houses, but in the street cars. It is something absolutely unendurable. Girls come here and are housed in rooms four or five of them sometimes in one room, with one window, where there ought to be but one person perhaps in the room. In many cases there are three or four occupying only a single hallroom with a small window for ventilation. They are compelled to ride back and forth in street cars that are crowded almost disgracefully. We can know that from observation. I talked with one of the Government clerks last night, and she said when she came from the place where she was working she had to let seven or eight cars go by before she was able to get on a car. We have had good weather until this time, but when bad, cold weather comes there is great danger of the city being in the throes of an epidemic that will mean death to thousands of people.

Somebody may ask how this will help the street car situation. If we could put 3,600 people over here in these buildings and select them from the nearest Government buildings we would take that many people out of the street cars and put them in walking distance of the places where they work. It would not do away entirely with the overcrowding, I concede that, but in most cases it would help very materially.

It seems to me we owe it as a duty not only to the girls who are employed by the Government, but we owe it to everybody in this city to see that this overcrowding ceases. As a matter of public health it seems to me to be an imperative duty. Here we are now confronted with the fact that we have about ready

for occupancy 1,800 rooms and people are ready to go into them. The buildings are almost finished and we are now to take a step that will prevent their occupancy.

It is said that we later on can decide perhaps to use these buildings for a hospital. The committee have taken no testimony on that subject. I am not an expert on it. I have my serious doubts as to whether it is a practical proposition at least. Many of the conveniences of ordinary hospitals could not be had without expending a large additional sum of money. If these rooms are rented, there will be some economy to the Government as compensation.

Mr. REED. Not a penny.

Mr. NORRIS. Yes.

Mr. REED. I have tried to correct that twice. The testimony is that not one penny will be returned to the Government.

Mr. NORRIS. Does the Senator mean to say that the rooms are going to be donated?

Mr. REED. I mean to say that the scheme and plan they have is to charge $45 a month to each occupant, for which they furnish light, heat, water, laundry service, and food, and that the gentleman who is picked out to run it states there will not one single dollar come to the Government for and on account of the use of the buildings.

Mr. NORRIS. That reminds me of another proposition on the Plaza with which I agree with the committee. I do not believe the hospital ought to be completed; I do not believe the theater ought to be completed; but that space ought to be divided up into rooms and used as the balance. If it were a housing proposition outside of the city, where it was a little community of its own and was intended to be a permanent affair, then building a theater and a laundry and entertaining facilities by the housing commission would be proper, but it seems to me entirely improper here in the middle of the city, where all of those things can be obtained as the people who room there want to enjoy them. When you tell me that you are going to rent these rooms for $45 a month, with two in a room, and make no profit, then you are simply making the best argument that has ever been made for all the rent profiteers in Washington that everybody has been condemning since the war began.

Mr. REED. In the opinion of the committee the statement made is simply true, that there is not a real benefit to come to anybody from these rooms managed as it is proposed to have them managed. The benefit will be absorbed in extra cost.

Mr. NORRIS. The Senator of course is taking into consideration the operation of the theater and the laundry?

Mr. REED. Yes. The laundry building has been going on since the armistice was declared. The laundry has been built from the ground up.

Mr. NORRIS. I understood the Senator to say yesterday that only the foundation of the laundry building had been laid.

Mr. REED. No; the side walls are going up. You can see it down here.

Mr. NORRIS. It is not in operation?

Mr. REED. Not yet. The hospital building is not finished yet, but it has the walls up and there has been a marked activity since peace has come. I understand that since the strike ended they have the strikers there rushing the interior work. Now, let me say to the Senator that we may differ about a great many things as to what ought to be done as a general proposition. Let us deal with this question——

Mr. NORRIS. That is what I am trying to do.

Mr. REED. These gentlemen propose to run a hotel. They have their man picked out to run it. He states that it will cost $45 a month to each occupant, and for that they get two meals a day, except on Sunday, when they get three, and that there will be no money coming to the Government. You will have nothing coming to the Government on account of rent. So it would appear that the people who are to occupy the rooms are not to get any cheaper rents than they probably would get if they went out into the town.

Mr. NORRIS. They ought to have a cheaper rent than they can get in the town. The rents are too high for these people now. We have all been complaining about it. But I am not contending here that we ought to run the hotel. I do not want to have the Government run it. I do not want to have the Government run the laundry. I do not want to have the Government run the hospital. I do not want to have the Government run the picture show. I think I would turn this space into rooms, if I could, unless the building has not been 75 per cent completed. I would tear out what has been done for these other purposes, and then there would be some money coming in from the rooms. It is perfectly preposterous to say, even if you would run the hotel and furnish these rooms and two meals a day and $45 from each occupant, which would be $90 a month, that there would not be any profit in it. Either there is profit in it or we ought to apologize to everybody we have called a profiteer in the city of Washington since the war began. I think the price ought to be lower than $45 for room and board.

But, Mr. President, outside of that, if we do not make anything, and I do not want to make a profit as far as I am concerned out of these people, if the rooms were occupied by these workers, it would reduce the congestion just to that extent, and that is the principal thing. I think that means much more than the convenience that goes to the people themselves. It is a subject that every inhabitant who has lived in this city is interested in. It is something that the public health of this city demands, and unless we do something I very much fear that before this winter is over we will be brought face to face with a condition that will be simply beyond description.

Mr. President, there is talk about making a hospital of these buildings. I started to talk about the hospital some time ago. The committee have taken no evidence on that subject; we have just the individual opinion of Members that it might be so used. I can see how some people who are under the control of a hospital might be housed in the building without very much modification. If you put in those who are just recovering from various diseases, as one Senator suggested, who would not be attendants or assistants in the buildings, then you will want the very furniture that the joint resolution provides you shall turn back at a loss which we have already bought and paid for. You will go back and buy it over again, and they will get another profit. But if it is used for a general hospital it will bring into the city of Washington a whole lot more people whom we are anxious to keep out and only add to the overcrowding which already exists. Unless people are put in the rooms who do not need attendants and assistants it will mean many more than those who actually occupy the rooms. I do not know how many more, but everybody knows a great many more, and we will only add that many more people to the congestion which already exists to the point of danger at this minute.

If I thought these buildings were going to be torn down in a year, as the committee have assumed, I would not be so anxious about it. These buildings, with the exception of the roofs, are rather permanent constructions. They have cement foundations; they are built out of hollow tile, as far as I am able to see; they are well built in every respect, unless it be the roofs, and I do not know enough about the material they use for a roof to condemn that. That part may be as good as the balance of the building, but certainly until this overcrowded condition brought on by the war is relieved Congress will not order the buildings to be torn down, at least I hope it will not. The economy of it, it seems to me, would demonstrate that we ought to keep them, and keep them for the purpose for which they were constructed until the present condition passes away, which may be in five or six years. I think, therefore, the joint resolution ought to be amended by striking out the first section:

That all work upon said group of buildings upon the Plaza between the Capitol and the Union Station in the District of Columbia be suspended and all contracts made in reference thereto canceled, and the United States Housing Corporation representing the Government of the United States in said construction be instructed to cancel all said contracts.

If that were taken out and section 2 left it would then provide:

That the United States Housing Corporation representing the Government of the United States be, and the same hereby is, directed to suspend work upon all projects in which it is now engaged in all cases where the construction is not more than 75 per cent completed—

There is also in addition to that a clause which provides—

and to cancel all contracts for furniture and to return whenever possible all unused furniture on hand or in transit.

I move to strike out section 1, and also on page 3, commencing with the word "and," where it appears the second time in line 2, to strike out the balance of the section. The words I would have stricken out read:

And to return whenever possible all unused furniture on hand or in transit.

I do not know even whether that will be necessary. If we complete the Plaza project of course everybody will concede that the furniture that is already bought and a great deal of it installed ought to be kept.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Strike out after the resolving clause all down to and including line 8, and the words "Sec. 2," in line 9; and on page 3——

Mr. NORRIS. Before the Secretary reads it, I am rather of the opinion, as the Senator from Wisconsin [Mr. LENROOT] has just suggested, that I will accomplish all I desire to do by striking out section 1. I am rather of that opinion, too. I will make that motion first.

The SECRETARY. Strike out section 1 and the designation on line 9, "Sec. 2," so that it will start with "That."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Nebraska.

On a division, the amendment was rejected.

Mr. CALDER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. It will be read.

The SECRETARY. On page 3, line 1, after the word "than," strike out "seventy-five" and insert "fifty," so as to read:

In all cases where the construction is not more than 50 per cent completed.

Mr. REED. If the Senator will make that "60 per cent" I will accept it.

Mr. CALDER. All right; I will modify the amendment in that way.

The SECRETARY. Strike out "seventy-five" and insert "sixty" before "per cent."

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York.

Mr. KING. Mr. President, I regret very much the Senator from Missouri has accepted that amendment. Personally I would prefer to have it 90 per cent. I do not want to legalize by any vote of mine or by the action of the Senate any of the illegal proceedings of this commission. As far as I am concerned, I should like to see the commission discharged now from the performance of any duties whatever under the provision of the act. I should like to cut the commission off entirely. I should like to terminate any work that is being done by the commission.

Mr. REED. And you would like to have a receiver to wind it up?

Mr. KING. I would.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York [Mr. CALDER] as modified.

The amendment as modified was rejected.

Mr. CALDER. I renew my amendment to make it 50 per cent.

The SECRETARY. Strike out "75" and insert "50" before "per cent."

Mr. CALDER. Mr. President, the object of this amendment is to save for the country what I believe will be a very considerable sum of money. The building operations of the Housing Corporation are all of a permanent character save alone the one here on the Plaza. These operations are in over 30 different places in the country and are in the main two-story frame or two-story brick houses, built in groups from 50 to 500 in one development. A building 50 per cent completed would have all the side walls up, the roof on, and the floors laid. A building 70 per cent completed might include the plastering, the floors laid, and a part of the plumbing.

I am unwilling without a protest to permit this joint resolution to pass in such shape that we will require these housing propositions in course of construction all over the country to stop where doing so will mean great financial loss. Many of these buildings completed under proper supervision would net nearly what they cost. I would not dream of completing a building where the foundation had only begun, but in the case of a structure inclosed, with the floors laid and the plastering done, not to finish it would be very bad business indeed. There is no market at all for an unfinished building except perhaps through another builder, and he would not take over a project of this character except at great loss to the Government; while in the case of a completed building there are always many prospective purchasers. I trust Senators understand fully that voting down this amendment will simply mean a loss of millions of dollars to the country.

Mr. REED. Mr. President, all that is meant by the joint resolution is that this work has to stop. It does not mean that it can not be renewed again under proper auspices.

The Senator from Utah [Mr. KING] has put his finger on the real question. Should this organization be permitted to go on and continue this work? The contract has been illegally let. I think I can say it has boldly and deliberately violated the law or sought to avoid it. The prices and the method of doing the work do not commend themselves to the committee. They paid $58,000 to a concern to complete this work. While the fee seems large, if that would be their whole compensation we might not object, but when we pay them in addition to that $22,000 for their plans, the price may seem to be large, but we might not object to that. That would be apparently all that ought to be exacted, because we are paying them for their intelligence and for their knowledge and for their supervision. The committee having only started its investigation, finds out that they are getting automobiles from a man who paid $2.75 an hour for them, and they pay him $3 an hour, and they charge the Government $3.50 an hour. The same thing obtains with reference to certain labor. How far this goes we do not know.

And we find another thing. Whereas the Government started into this proposition with the idea that it would erect buildings containing rooms for people to live in, because there is a clause in the act which states "and other community utilities" that has been distorted and twisted into the right to build moving-picture establishments and hospitals, although all the other people in the town go to the general hospitals; laundries, in which washing is to be done for people; and to furnish meals and establish hotels. So the phrase "community utilities" is being distorted into doing anything and everything you want to do. When you find that sort of an organization and that kind of business going on, I think it is time to stop it. Having stopped it, we do not need to throw everything to the dogs and let it go. Some plan can be devised to salvage all these enterprises and to save money, but I do not want this institution to administer upon it.

Mr. CALDER. Mr. President, I agree in the main with what the Senator from Missouri says. I merely wish to add a word. Just as sure as we are here, if this amendment fails, the committee will come again to the Senate and ask to have the joint resolution modified, for it would never do for us to abandon the completion of buildings that are 70 per cent completed and where the material for the entire completion of the work is contracted for and perhaps on the ground. To do this, it seems to me, would be very bad business management, and I do not want Senators to agree to it without fully understanding what they are doing.

Mr. BRANDEGEE. Mr. President, I notice that section 2 directs the Housing Corporation to suspend work upon the projects specified. It does not direct them to cancel the contracts, and I think that would leave the situation rather confused.

I wish I were better informed of the testimony the committee has taken. I can not discuss it critically because I have not seen it in print. But I have a feeling that sufficient attention has not been given to this subject, and that in the short time which has elapsed since the committee started to investigate the question I doubt if they have had an opportunity to become familiar with the different projects that are now in course of completion in the different sections of the country.

I feel that this is a most heroic remedy that is proposed. I do not attempt to justify any exceeding of their authority by the Housing Corporation, if there has been such, and I am not inclined to doubt the judgment of the committee that there has been such, because there are lawyers on the committee and they have compared the law with the testimony. But I do not see myself the necessity for terrific haste in deciding this matter.

I notice that all furniture contracts are to be canceled and the furniture returned. I hardly see the reason for that, unless that provision is limited to the clause which provides for the suspending of the work on buildings only a certain percentage completed, but it is not so limited according to the literal reading of the joint resolution.

I agree with the Senator from New York [Mr. CALDER] that it might be wise in certain localities, irrespective of the exact percentage of completion of a building to continue the existing contract. It may be that a contract made de novo for that same work could have been made cheaper, but the men who are engaged on a particular piece of work and are now working upon it are familiar with that job. They may have their materials on hand, as the Senator from New York has said, and to provide arbitrarily that all over the country all contracts shall be canceled and all work stopped upon all buildings that have not been more than a certain percentage completed it seems to me involves our acting with deficient knowledge.

I want to save all the money that it is possible to save for the Government, but in order to vote intelligently I think we ought to be informed that such a proposition would save money. I think the committee before recommending this proposition ought to be able to demonstrate that if it were necessary to complete the contract which is to be suspended under the provisions of the joint resolution it could be completed cheaper or at least to as good advantage to the Government as it can be completed under the present arrangement.

In anything that I say I do not want to impugn the diligence of the committee in investigating in the short time they have had to devote to this question, nor do I asperse their motives in any respect. I have no doubt they are doing what they think is for the best interests of the Government; but I feel that they

have acted too quickly and have proposed too comprehensive a scheme and too arbitrary a standard by which to judge the merits of these different proposals.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York [Mr. CALDER], which will be stated by the Secretary.

The SECRETARY. In section 2, page 3, line 1, before the words "per centum," it is proposed to strike out "seventy-five" and to insert "fifty."

The PRESIDING OFFICER. The question is on the amendment. [Putting the question.] The amendment is rejected.

Mr. CALDER. I ask for a division, Mr. President.

The question being put on a division, the amendment was rejected.

Mr. REED. Mr. President, on behalf of the committee, I offer an amendment in section 2, page 2, line 12, after the word "all," to strike out the word "projects" and to insert the word "buildings."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri.

The amendment was agreed to.

Mr. BRANDEGEE. Now, let me ask the Senator from Missouri if it is the intention to cancel all contracts for furniture?

Mr. REED. Yes; all of them where the furniture has not been installed.

Mr. KING. All that are executory, I think.

Mr. REED. The joint resolution reads:

Whenever possible all unused furniture on hand or in transit.

Mr. BRANDEGEE. I should think it would only be desired to return furniture or to cancel contracts where the furniture was to be used in the buildings that were prohibited from being completed.

Mr. MYERS. Mr. President, I should like to ask the chairman of the committee what proportion of the buildings on the Plaza, to which the joint resolution refers, is completed?

Mr. REED. I think none of them is absolutely completed, but where they are over 75 per cent completed they can go on to completion under this proposed law.

Mr. MYERS. Will all those have to be abandoned?

Mr. REED. No; those which are 75 per cent completed will go on. This only proposes to stop those that are not 75 per cent completed.

Mr. MYERS. How many are not 75 per cent completed?

Mr. REED. Our information is to the effect that it would be only the laundry which they are putting up and this little cottage over here, which cost several thousand dollars and which they propose to use for a hospital.

Mr. MYERS. Are all the other buildings completed and ready to be occupied?

Mr. REED. There are not any of them completed, but they are more than 75 per cent completed.

Mr. MYERS. And this joint resolution would not affect any building on the Plaza except the laundry and the theater?

Mr. REED. That is our understanding.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

THE PRESIDENT'S VISIT TO VERSAILLES.

Mr. JOHNSON of South Dakota. Mr. President, I am very glad to hear the statement of the Senator from North Carolina [Mr. SIMMONS] that after to-day he would move that the Senate recess and devote all the time of the sessions of the Senate to the consideration of the revenue bill. That is a very important measure, the passage of which the public demands as soon as possible, so that the business interests of the country may know what they will have to face for the next few years. No doubt, Mr. President, its prompt passage will be helpful to the Nation in other ways. It may affect the great peace conference that will soon be gathered at Versailles, the greatest meeting the world will ever see and one in which we are all equally interested. It marks the dawn of a new creation of things. A new earth, as it were, may be the result of that meeting. The power of kings and monarchies will cease to exist. A democracy of the world will be established and the old order will be no more. The past year has given us more history than the past 25 years gave us. We have lived in an age of deeds. Let us hope that the deliberations of the peace conference will add so much of joy and comfort as to greatly ameliorate the terrible sufferings of the past.

The whole world will be at that gathering—the accredited representatives of all the nations, and a great host of others of all classes. The eyes of the world will be turned to Versailles. The fathers and mothers of our Nation will look there for safety in future years; the soldier boys who carried knapsacks and arms on the battle fields of Europe, and those who remained at their posts here waiting willingly for the command to go, will all look there. Demonstrations, no duobt, of all kinds will be held to influence the meeting. Militarism will be there, bolshevikism will be there, socialism will be there, anarchism and all the other "isms" will be there, selfishness and ambition will be there.

The great work that conference has to perform is beyond our conception. It frightens us with its possibilities of failure. We approach the great task which duty demands with hesitancy and uncertainty as to whether we may accomplish what is expected of us, but as a people we must place our trust in our commission and give them all possible encouragement and help. That is our duty as citizens of this Republic. Let us try to do that duty well and with real pleasure and devotion.

I have heard much criticism of late about the President attending the peace conference, and I deeply deplore that criticism. It seems to me utterly uncalled-for and unfair. Of his constitutional rights I shall not argue, and precedents past should not be considered, for none should be compared to the necessity which now arises. The plain facts of existing duty to our Nation, it seems to me, demand his presence there, and no doubt he realized and understood that duty to the Nation and to the world.

A resolution has been introduced to declare his office vacant and letters have been presented strongly criticizing him, all of which should have no place in the CONGRESSIONAL RECORD at this time. Nothing can do more to limit our prestige at that conference than the act of the Senate in permitting this stuff to appear. We hear this criticism on the streets, in the trains, in the hotels, and in Congress—uncalled-for, unjust, and unfair. In large part it is born of politics, pure politics, and is spoken by men who do not understand the meaning of the word, and again by men who understand it too well. The reason some give of their fear that he will not be able to attend to matters here is not going to fool anybody, because those who express it do not believe it themselves. What hurts the average politician is that the great majority of our people are glad he has gone. They want the best brains of the country at that conference, because the best brains of the Old World will be there, and President Wilson must be especially fitted to render unusual assistance to our country. His past life, his efficient management of the affairs of our Nation during the great war just closed, his abundant knowledge of conditions in all the countries of the world especially qualify him for this mission. We must match the skill and genius of the world there at that meeting. Will you tell me that we have men better qualified? Let us be honest and then let us take hold and boost and not act as though we want to make a failure there. Surely we do not want our country to lose this war at the peace table.

They tell us that he did not take Congress into his confidence. Tell me, will you, what he could have done? You do not know, he does not know, no one knows what questions will have to be contended with when the commission gets there. Let us wait and see what they are going to ask the Senate to ratify. Our very acts here are hurting our cause there. You know that, I know that, everyone knows that.

No one should be so foolish as to think we can get everything we want at the Versailles conference. No doubt the claims of a score of the nations of the earth will be at that table to be satisfied, and we must not hope to have it all as we would like. Think of what England has suffered, think of what France has endured, study the destruction of brave Belgium, dwell upon the sacrifices of Italy, the annihilation of the smaller nations of the earth, and then think of our own beloved land. These are the things your thoughts should dwell upon. When you think of that coming event and of the great sacrifices our Nation has made, of the mothers whose sons will never come back and of the fathers and brothers who sleep in that distant land, let us, my friends, stop this quarreling. Let us put an end to this boy's play in Congress long enough to study all the great questions that may confront us as a people. Let us study the proposal for a league of nations. Let us give the best that is in us to these deliberations. It is a big question. Let us handle it in a big way.

The President of the United States has no power to bind this country by treaty unless the Senate ratifies that treaty. So why all this argument and confusion? Let us hope the peace conference will give us a new conception of things; that it will make it impossible ever again to plunge this world into another awful war. A minister said the other day in his sermon that national insanity was the cause of this war; that a friend of his who had been to Germany and talked with the Kaiser told him that Germany was war mad a year before it commenced. The press,

the pulpit, the soldiers, and the military men all talked it, and we can well believe it. And so we as a people must remember what we as a Nation have contended for, what we have morally promised our people and the people of the world, why we entered the war and our purpose in doing so, and then stand by our principles to the end. Our duty should be plain, so clear that everyone may understand it, and there let us rest.

Mr. President, a newspaper article quotes Hon. Winston Churchill, minister of munitions in England, as saying that they enter the peace conference with the absolute determination that no limitation shall be imposed on their rights to maintain their great navy. Personally I hope this is not a correct statement, for, much as we love England and admire her system of government and her statesmen, the future is what we have to look to. We admire her splendid navy, we recognize its indispensable usefulness during the past months and its glorious achievements, and yet we must recognize that it might not be wise to agree to the position taken by Mr. Churchill, if he has been quoted correctly. In future years a Napoleon might come forth in England; a Kaiser might appear upon the scene and be the controlling factor in that beautiful country, with dreams such as the late Kaiser made his life study, and then the mistake would be apparent to all mankind. But we have not reached that demand yet, and I hope we may not. Let me suggest, if you will pardon my presumption, in lieu of the Churchill suggestion, that the great fleets to patrol the waters of the world for safety be owned jointly by the civilized nations of the globe, to guard well the treaty to be made and to safeguard the world from future wars. The war has ended; let us also stop it here in this Chamber.

It has been well said that the Kaiser and God have dissolved partnership. We find him now in the land of windmills and wooden shoes, and the German people are just beginning to sit up and look around. The Hohenzollerns of Germany and the Hapsburgs of Austria have been unhorsed. The Kaiser is on his knees, as all cowards are when brought to bay. His crimes will fill generations to come with horror. Mr. President, if I were a German to-day I would feel that they of my own nationality had done more to traduce the blood that flows in my veins and the veins of my father and family than all the other countries in the world had done, and to-day I should rejoice that his power to do those things had gone, and gone forever.

A league of nations—what a great question! What great possibilities it involves and what a future it opens up! The subject is so great that it scares us. We know it will not affect our commercial condition. We know it will not disturb our moral or religious institutions and that it will not affect our educational institutions. The war has taught us a great lesson. It has taught us the possibilities of a righteous people to overcome oppressors, and, greater yet, it has taught us that right makes might, as exemplified on the battle fields in France and Belgium; but it has not taught us what the future holds for us as a Nation. A league of nations—a wonderful, untried plan! That may teach us much. We have sent our commission to meet the commissions of the world to figure this out for us, to show us its power to prevent future wars, to bring the world closer together in thought and in action, so that we may understand each other better; and let us hope that they may accomplish great things for us. They will do their best. They will give our country and the world the best that is in them. Of course they will. No one doubts that. So let us give them our confidence and our encouragement. I am interested; you are interested; we all are interested.

It will take the best talent in the world to solve the problem of our different national temperaments, its dangers and its safeguards. The war has brought us to a realization of this. The great war ended almost as suddenly as it started. It is over. Now for the reconstruction period, with the peace table as its foundation and the sound judgment of the American people as its guide. The Senate of the United States will have its work to do when the problems are all thrashed out over there and the peace treaty comes to us for ratification and approval. Then we will know what our country was asked to do and be guided by our sense of duty, I dare say.

The senior Senator from Idaho [Mr. BORAH] introduced a resolution the other day which I hope may be adopted and become operative at once in this body. It relates to open diplomacy, a subject of great importance to all countries just now, it seems to me, and especially so if the plan of a league of nations should prevail at the peace conference about to commence its deliberations at Versailles. The greatest danger to any country is the danger of secret treaties binding the people without the knowledge by the people of what they agree as a country to do. The subject is of the greatest importance to us as a people, and so, Senators, let us wait until we see what we are asked to do by this peace council, and then do what we do well and in the open. These questions, the result of this peace-table conference, are of great importance to the American people. Their future destinies depend largely upon the conclusions arrived at. The immediate welfare of the American citizen and his family, and their future as well, rest largely upon its outcome. So let us try to remember what our people sent us here to do when we were sent to Washington to represent them and help our commission there instead of quarreling among ourselves like a lot of schoolboys as to whether the President ought or ought not to have gone.

The fact is he has gone, and, God willing, he will probably reach Brest the last of this week. Personally I am glad he has gone. I recognize his ability, I appreciate his greatness and his influence. There is no man in America who could fill his place at that great gathering; and I do not care what his critics say publicly, they, too, are glad he is there.

With my colleague [Mr. STERLING], I have the honor to represent in this body a State that stands second to none in patriotism. South Dakota furnished more men in proportion to its population than any State in the Union. It raised and furnished more food for the soldiers; it bought more liberty bonds and war savings stamps. It is one of the strongest Republican States in the Union, and I am sure the people of that State are glad the President has gone and will wish him Godspeed on his mission.

And now a word more and I am through. There are three things that our commission should insist on: First, to remember the small nations; second, not to quarrel; and, third, to do justice to all as far as possible. The great danger—and it has been pointed out for weeks—is that the forces opposed to good government and the forces over there which oppose the contemplated plan of a league of nations might succeed in getting the real friends of national democracy, along whatever lines is concluded best, into a quarrel among themselves and thus destroy the usefulness of the peace mission. So we should not let ourselves discuss anything here now that will help our enemies over there to take from us any of the very important benefits that may come to us from the deliberations of that great convention on the continent across the seas. When you attack the right of any man, whether it be the President of the United States or one of the commission he selected to go to that gathering, you are doing that very thing. You are helping to destroy our influence there and thereby bringing harm to our own country, which we as Members of this body are here to protect and defend.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. Mr. President, before proceeding to the further consideration of the revenue bill I wish to say that what has just happened makes it very apparent, if any headway is to be made of such a character as would justify reasonable expectation that the pending bill can be passed in the time that it must be passed in order to become effective, that it will be necessary each day when the morning hour is over that I shall decline to yield the floor for the consideration of any other measure. Of course, there may be some things of such great importance and of such an emergent character that it would be necessary for me to disregard a fixed rule of that sort; but, with an exception as to cases of that character, I wish to state now, so that Senators may not feel, when I decline to have the revenue bill laid aside for some other measure, that I am discriminating in any way against them, that from now on after the morning business is disposed of, where we have adjourned, instead of taking a recess, I shall insist upon having the revenue bill taken up, and I shall not yield to any other bill.

I think when we concluded the session on yesterday the Secretary had just finished reading the section relating to inheritance taxes.

The PRESIDING OFFICER. The reading of the bill will be resumed.

The Secretary resumed the reading of the bill, beginning on page 137, line 1.

The next amendment of the Committee on Finance was, under the head "Title V—Tax on transportation and other facilities, and on insurance," section 500, page 137, line 3, after the word "after," to strike out "November 1, 1918," so as to read:

SEC. 500. That from and after ———, there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 500 of the revenue act of 1917.

The amendment was agreed to.

The next amendment was, on page 137, line 12, after the word "another," to strike out "and a like tax on the amount

paid for such transportation within the United States of property transported from a point without the United States to a point within the United States," so as to make the clause read:

(a) A tax equivalent to 3 per cent of the amount paid for the transportation on or after such date, by rail or water or by any form of mechanical motor power when in competition with carriers by rail or water, of property by freight transported from one point in the United States to another.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum. There are a number of Senators who desire to be present when this bill is being considered.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, N. Mex.	Norris	Smoot
Bankhead	Kendrick	Nugent	Spencer
Brandegee	Kenyon	Overman	Sterling
Chamberlain	King	Page	Swanson
Curtis	Kirby	Poindexter	Thompson
Dillingham	La Follette	Pollock	Townsend
France	Lewis	Pomerene	Trammell
Gay	Lodge	Shafroth	Underwood
Gronna	McCumber	Sheppard	Warren
Hale	McKellar	Simmons	Weeks
Harding	Martin, Va.	Smith, Ariz.	Wolcott
Henderson	Mulkey	Smith, Ga.	
Johnson, Cal.	Myers	Smith, Mich.	
Johnson, S. Dak.	New	Smith, S. C.	

Mr. LEWIS. I wish to announce that the Senator from Mississippi [Mr. VARDAMAN] is necessarily detained on public business.

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. KIRBY. I desire to announce the unavoidable absence of the senior Senator from Arkansas [Mr. ROBINSON] on public business.

Mr. CURTIS. I am requested to announce the absence of the senior Senator from Washington [Mr. JONES] on account of official business.

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum is present. The Secretary will continue the reading of the bill for amendment.

The reading of the bill was resumed, beginning on page 137, line 16.

The next amendment of the Committee on Finance was, in section 500, page 137, line 21, after the word "another," to strike out: ", and a like tax on the amount paid for such transportation within the United States of property transported from a point without the United States to a point within the United States," so as to make the paragraph read:

(b) A tax of 1 per cent for each 20 cents or fraction thereof of the amount paid to any person for the transportation on or after such date, by rail or water or by any form of mechanical motor power when in competition with express by rail or water, of any package, parcel, or shipment, by express, transported from one point in the United States to another.

The next amendment was, on page 138, line 10, before the word "cents," to strike out "35" and insert "42," so as to make the paragraph read:

(c) A tax equivalent to 8 per cent of the amount paid for the transportation on or after such date of persons by rail or water, or by any form of mechanical motor power on a regular established line when in competition with carriers by rail or water, from one point in the United States to another or to any point in Canada or Mexico, where the ticket or order therefor is sold or issued in the United States, not including the amount paid for commutation or season tickets for trips less than 30 miles, or for transportation the fare for which does not exceed 42 cents.

The next amendment was, on page 138, line 13, after the word "date," to insert "in connection with transportation upon which tax is imposed by subdivision (c)," so as to make the paragraph read:

(d) A tax equivalent to 8 per cent of the amount paid for seats, berths, and staterooms in parlor cars, sleeping cars, or on vessels, used on or after such date in connection with transportation upon which tax is imposed by subdivision (c).

The next amendment was, on page 138, line 16, after the word "to," to strike out "6½" and insert "8," so as to make the paragraph read:

(e) A tax equivalent to 8 per cent of the amount paid for the transportation on or after such date of oil by pipe line.

The next amendment was, on page 139, after line 10, to insert:

(h) No tax shall be imposed under this section upon any payment received for services rendered to the United States or to any State or Territory or the District of Columbia. The right to exemption under this subdivision shall be evidenced in such manner as the commissioner, with the approval of the Secretary, may by regulation prescribe.

Mr. LA FOLLETTE. I ask that section 500 be passed over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed, and the Secretary read section 501, beginning on page 139, line 17, down to and including line 24, on page 141.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 502, page 142, after line 22, to insert:

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

Mr. LA FOLLETTE. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

Mr. SIMMONS. Mr. President, does the Senator ask that the insurance section shall go over?

Mr. LA FOLLETTE. No.

Mr. SIMMONS. It is expected that the committee will later bring in an amendment to section 503 and section 504; and when those sections have been read I shall ask that each of them may go over.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Insurance," in section 503, page 143, line 5, after the word "after," to strike out "November 1, 1918"; and in line 10, after the words "United States," to insert "(except those taxable under subdivision 15 of schedule A of Title XI," so as to make the paragraph read:

SEC. 503. That from and after ——— there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 504 of the revenue act of 1917, the following taxes on the issuance of insurance policies, including, in the case of policies issued outside the United States (except those taxable under subdivision 15 of schedule A of Title XI), their delivery within the United States by any agent or broker, whether acting for the insurer or the insured; such taxes to be paid by the insurer, or by such agent or broker.

The next amendment was, on page 143, after line 14, to strike out:

(a) Life insurance: A tax equivalent to 8 cents on each $100 or fractional part thereof of the amount for which any life is insured under any policy of insurance or other instrument, by whatever name the same is called: *Provided*, That on all policies for life insurance only by which a life is insured not in excess of $500, issued on the industrial or weekly or monthly payment plan of insurance, the tax shall be 40 per cent of the amount of the first weekly premium or 20 per cent of the amount of the first monthly premium, as the case may be: *Provided further*, That on policies of group life insurance, covering groups of not less than 25 lives in the employ of the same person, for the benefit of persons other than the employer, the tax shall be equivalent to 4 cents on each $100 of the aggregate amount for which the group policy is issued and of any net increase in the amount of the insurance under such policy.

The next amendment was, on page 144, line 7, before the word "Marine," to strike out "(b)" and insert "(a)."

The next amendment was, on page 144, line 14, before the word "Casualty," to strike out "(c)" and insert "(b)"; in line 17, after the words "damage, or," to strike out "liability (except bonds and policies taxable under subdivision 2 of schedule A of Title XI)" and insert "liability, including mortgage guaranty policies and policies guaranteeing titles to real estate"; and in line 24, after the word "automobile," to insert "fidelity, surety," so as to make the paragraph read:

(b) Casualty insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or obligation of the nature of indemnity for loss, damage, or liability, including mortgage guarantee policies and policies guaranteeing titles to real estate, issued or executed or renewed by any person transacting the business of employer's liability, workmen's compensation, accident, health, tornado, plate glass, steam boiler, elevator, burglary, automatic sprinkler, automobile, fidelity, surety, or other branch of insurance (except life insurance and insurance described and taxed in the preceding subdivision): *Provided*, That in case of policies of insurance issued on the industrial or weekly or monthly payment plan the tax shall be 40 per cent of the amount of the first weekly premium or 20 per cent of the amount of the first monthly premium, as the case may be.

The next amendment was, on page 145, line 8, before the word "Policies," to strike out "(d)" and insert "(c)."

Mr. SIMMONS. I ask to have that section go over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 504, page 145, after line 18, to insert:

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month from the time when the tax became due.

Mr. SIMMONS. I ask to have that section passed over.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Title VI—Tax on beverages," in section 600, page 146, line 2, before the word "That," to insert "(a)."

The amendment was agreed to.

The next amendment was, on page 146, line 7, after the words "tax of," to strike out "$4.40" and insert "$2.20," so as to read:

SEC. 600. (a) That there shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, except such distilled spirits as are subject to the tax provided in section 604, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of $2.20.

Mr. SMOOT. Mr. President, on behalf of one of my colleagues, I simply ask that that amendment be passed over. I do not think there will be any objection other than to the rates, and therefore I am not going to ask that the title go over.

Mr. SIMMONS. Simply that amendment.

The PRESIDING OFFICER. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 146, line 10, after the word "of," to strike out "$8" and insert "$6.40," so as to read:

(or, if withdrawn for beverage purposes or for use in the manufacture or production of any article used or intended for use as a beverage, a tax of $6.40) on each proof gallon, or wine gallon when below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.

The amendment was agreed to.

The next amendment was, on page 146, after line 14, to insert:

(b) That the tax imposed by subdivision (a) on distilled spirits intended for beverage purposes shall not be due or payable on such spirits while stored in any distillery, bonded warehouse, or special or general bonded warehouse, and which, pursuant to any act of Congress or proclamation of the President of the United States, can not be lawfully sold or removed from any such warehouse during the period of prohibition fixed by such act or proclamation; and all warehousing bonds or transportation and warehousing bonds conditioned for the payment of tax on any such spirits so stored on the date such prohibition takes effect shall as to all such spirits actually so stored be canceled and discharged, provided the distiller of such spirits shall in lieu of such bonds and prior to their cancellation execute a bond in a penal sum of not less than $10,000, with sureties satisfactory to the collector of the district, conditioned that the principal shall, during the period of such prohibition, safely keep or cause to be kept in good condition all such spirits and the warehouse in which the same are stored, and shall not remove or suffer to be removed from warehouse, contrary to law, any such spirits during the period of such prohibition; and the bond herein prescribed shall be in such further sum and shall contain such further conditions as the commissioner, with the approval of the Secretary, may by regulations require. The distiller may, subject to the provisions of this section, be permitted to retain in any such bonded warehouse distilled spirits on which, under the terms of any existing bond, the tax imposed thereon becomes due and payable prior to the date such prohibition takes effect: *Provided*, That on the removal of such prohibition the distiller shall, as to all spirits as to which the bonded period fixed by law has not expired and which remain stored in warehouse, execute new and satisfactory bond in the form required by existing law, conditioned for the payment of the tax on all such spirits; and all provisions of existing law relating to such bonded warehouses, or the storage of spirits therein, or to the execution of new or additional bonds, so far as applicable, shall continue in force as to all distilled spirits rebonded under the provisions of this section.

Upon the withdrawal of distilled spirits from bonded warehouse, after the period of prohibition has ended, and under the conditions imposed by section 50 of an act entitled "An act to reduce taxation, to provide revenue for the support of the Government, and for other purposes," approved August 28, 1894, an allowance for loss by leakage or other unavoidable cause, not exceeding 1 proof gallon as to packages of a capacity of not less than 40 wine gallons, may be made in addition to that provided in said section 50, as amended; and a like additional allowance of 1 proof gallon as to each package withdrawn may be made for each period of four months, or fraction thereof, for such spirits as shall have remained in warehouse during the period of prohibition and after the expiration of the maximum leakage period fixed by that section.

Under regulations prescribed by the Secretary, any imported distilled spirits, wines, or other liquors which may be in any customs bonded warehouse under the customs laws on the date such prohibition takes effect shall be permitted to remain therein without payment of any taxes or duties thereon, beyond the three-year period provided in section 2971 of the Revised Statutes, during such period of prohibition; and may be exported at any time during such extended period. Any imported spirits, wines, or other liquors as to which the three-year bonded period may expire after the passage of this act and prior to the date such prohibition takes effect may at the option of the owner remain in bond during such period of prohibition.

The amendment was agreed to.

The next amendment was, on page 149, line 7, before the word "In," to insert "(c)."

The amendment was agreed to.

The next amendment was, on page 149, line 10, after the words "tax of," to strike out "$3.30" and insert "$1.10."

Mr. SMOOT. Mr. President, for the same reason that I asked that the amendment on page 146 go over, and at the request of the same Senator, I ask that this amendment be passed over.

The PRESIDING OFFICER. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was in section 601, page 149, line 18, before the word "Islands," to strike out "West Indian" and insert "Virgin"; and in line 19, before the word "unless," to strike out "recently acquired from Denmark," so as to make the paragraph read:

SEC. 601. That no distilled spirits produced after October 3, 1917, shall be imported into the United States from any foreign country, or from the Virgin Islands (unless produced from products the growth of such islands, and not then into any State or Territory or District of the United States in which the manufacture or sale of intoxicating liquor is prohibited), or from Porto Rico, or the Philippine Islands. Under such rules, regulations, and bonds as the Secretary may prescribe, the provisions of this section shall not apply to distilled spirits imported for other than (1) beverage purposes or (2) use in the manufacture or production of any article used or intended for use as a beverage.

The amendment was agreed to.

The next amendment was, in section 602, page 152, line 5, after the word "of," to strike out "fermentation and" and insert "fermentation" with a comma; in the same line, after the word "the" to insert "filling and"; and in line 6, after the word "fermenting" to strike out "tubs" and insert "tubs, and assessments," so as to make the paragraph read:

The commissioner, with the approval of the Secretary, may by regulations exempt distillers of ethyl alcohol, for use in the production of munitions of war, or for other nonbeverage purposes, from so much of the provisions of sections 3264, 3285, or 3309 of the Revised Statutes, and acts amendatory thereof, respecting the survey of distilleries, the period of fermentation, the filling and emptying of fermenting tubs, and assessments, as, in his judgment, may be expedient: *Provided*, That the bond prescribed in section 3260 of the Revised Statutes shall, in the cases herein provided, be in such sum and contain such further conditions as the commissioner may require.

The amendment was agreed to.

The next amendment was, in section 603, page 152, line 23, after the word "engaged" to insert "against the German Government," and in line 24, after the word "war" to strike out "with the Imperial German Government," so as to make the paragraph read:

SEC. 603. That under such regulations as the commissioner, with the approval of the Secretary, may prescribe, ethyl alcohol of not less than 180° proof, produced at any central distilling and denaturing plant established under the provisions of subsection 2, paragraph N, of section IV of the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, may be removed from such plant to any central denaturing bonded warehouse for denaturation, or may, before or after denaturation, be removed from such plant or from such denaturing bonded warehouse, free of tax, for use of the United States or for shipment to any nation while engaged against the German Government in the present war, and the removal herein authorized may be made in such tank vessels, tank cars, drums, casks, or other containers as may be approved by the commissioner. It shall be lawful, under regulations prescribed by the commissioner, with the approval of the Secretary, for an allowance to be made for leakage or loss by unavoidable accident and without fault or negligence of the distiller, owner, carrier, or his agents or employees, which may occur during the transportation of such spirits or while the same are lawfully stored on either of the premises herein described.

The amendment was agreed to.

The next amendment was, in section 604, page 153, line 16, after the word "tax," to strike out "of $2.20 (or, if intended for sale for beverage purposes or for use in the manufacture or production of any article used or intended for use as a beverage, a floor tax of $4.80) on each proof gallon, and a proportionate tax at a like rate on all fractional parts of such proof gallon," and insert "equal to the difference between the tax imposed by this act and the tax so paid," so as to make the section read:

SEC. 604. That upon all distilled spirits produced in or imported into the United States upon which the internal-revenue tax now imposed by law has been paid, and which on the day after the passage of this act are held by any person and intended for sale or for use in the manufacture or production of any article intended for sale, there shall be levied, assessed, collected, and paid a floor tax equal to the difference between the tax imposed by this act and the tax so paid.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read section 605, section 606, and section 607.

The next amendment of the Committee on Finance was, in section 608, page 157, line 12, after the word "one-half," to insert "of one"; in line 13, before the word "alcohol," to strike out "cent or more of" and insert "cent, or more, of"; in the same line, after the words "manufactured and," to insert "hereafter"; in line 14, after the word "sold," to strike out "or stored, in warehouse"; and in line 20, after the word "law," to insert "to be collected under the provisions of existing law," so as to make the section read:

SEC. 608. That there shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half of 1 per cent, or more, of alcohol, brewed or manufactured and hereafter sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of $6 for every barrel containing not more than 31 gallons, and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law, to be collected under the provisions of existing law.

The amendment was agreed to.

JUSTICE TO EDWARD B. M'LEAN IN THE MATTER OF THE BERNSTORFF CHARGES AGAINST THE WASHINGTON POST.

Mr. LEWIS. Mr. President, with the consent of the eminent chairman of the Finance Committee, at this point I desire to draw the attention of the body to a suggestion of justice to one of our prominent citizens of Washington.

Mr. President, I have received a letter which justifies me in making a motion for the insertion of a small matter in the RECORD. Some one writes me saying that as a Senator I have been addressing certain communications to the Washington Post, and that as a Senator I am addressing them to a paper that is charged by another Senator—referring to the Senator from Minnesota [Mr. NELSON]—with not having been a loyal paper.

Mr. President, I desire at this time to call attention to the fact that the Senator from Minnesota did not say, in the matter referred to, that the Washington Post was not a loyal paper. No one has ever said such. He said, in his observation, on testimony then before him as to Bernstorff and the Post, that up to a certain two years ago the only fair paper in this city was that known as the Star, intimating clearly that in the latter years, since the death of Mr. John R. McLean, there were no objections whatever to be urged by anyone to the fairness of the Post. Now, Mr. President, it was a just tribute to the Star to say it was a fair paper, but if for any reason during the long illness of Mr. McLean, sr., anyone was dissatisfied with the policy of the Post as managed by those intrusted by the senior McLean no one can intimate such as to the management under Mr. E. B. McLean, the son.

I beg to offer at this time the statement of Mr. E. B. McLean, the now owner of the Post, as he gave it, and ask the privilege of having it go in the RECORD that it may be beside the statement of the Senator from Minnesota [Mr. NELSON], that justice may be done to Mr. McLean, but more particularly that the charge made by Mr. von Bernstorff, that he considered or was being entertained in the object of purchasing that paper, be wholly disproved. If there has been at any time any intimation anywhere that the Post is not a fair and loyal and very just and eminent paper, from which the public may gather information of the proceedings of this body, this record may disprove it, and the statement of Mr. E. B. McLean wholly repudiates the mendacity of former Ambassador Bernstorff.

I thank the Senator for allowing me this interruption.

The PRESIDING OFFICER. Without objection the matter referred to will be printed in the RECORD.

There being no objection, the matter referred to is as follows:

[From the Washington Post, Dec. 9, 1918.]

A STATEMENT BY THE EDITOR OF THE POST.

Mr. Bielaski in his testimony before the Senate committee quotes a dispatch from former Ambassador von Bernstorff in which the statement is made that my father, the late John R. McLean, offered to sell or rent the Washington Post to the German Government. That is another of Von Bernstorff's infamous lies. The Post was never offered to him for sale or hire.

My father purchased the Washington Post for me. He managed it in my interest. If any proposition had been on foot to sell the paper or ruin it by handing it over to any special interest I would have known it.

Von Bernstorff was anxious to put through anything that would help his Government. He often lied to his Government and he was often fooled by sharpers, as previous disclosures have proved. This lie regarding the Washington Post is on a par with the rest of the German propaganda.

I am proud of the Post and jealous of its reputation. It never has been and never will be controlled by any foreign government or by any special interest or any political party.

EDWARD B. MCLEAN,
Editor-President.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until to-morrow, Friday, December 13, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *December 12, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

O God, our help in ages past, our hope for years to come, we thank Thee for the privileges of this hour. We pray that with open eyes and understanding hearts we may meet the obligations and enjoy the privileges of this glorious day. Keep our feet from stumbling and our lips from speaking falsely. Guide us into ways of service and gladden our hearts with a sense of duty done, for Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM COMMITTEES.

The SPEAKER laid before the House the resignation of Mr. SANFORD from the Committee on Election of President, Vice President, and Representatives in Congress; also the resignation of Mr. LUFKIN from the Committee on Reform in the Civil Service.

Mr. MANN. Mr. Speaker, I move the election of the Members to the committees indicated by the list which I send to the Clerk's desk.

The Clerk read as follows:

WILLIAM F. BIRCH, of New Jersey, to the Committee on Banking and Currency.
ADOLPHUS P. NELSON, of Wisconsin, to the Committee on Coinage, Weights, and Measures, and Reform in the Civil Service.
FLORIAN LAMPERT, of Wisconsin, to the Committee on Patents, and Election of President, Vice President, and Representatives in Congress.
FREDERICK ESSEN, of Missouri, to the Committee on Flood Control.
WILLFRED W. LUFKIN, of Massachusetts, to the Committee on Immigration and Naturalization.
ROLLIN B. SANFORD, of New York, to the Committee on Military Affairs.

The SPEAKER. Are there any other nominations?

There were no other nominations.

The Members named were elected to the various committees.

JEWISH POPULATION IN POLAND.

Mr. HASKELL. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. HASKELL. Mr. Speaker and gentlemen of the House, at a mass meeting held last Sunday evening in the congressional district which I have the honor to represent, resolutions were adopted protesting against the boycott and massacre of the Jews in Poland and Galicia. The resolutions were unanimously adopted, and I was asked to call them to the attention of the House of Representatives. I send the resolutions to the Clerk's desk and ask that they be read for information, and ask permission to revise and extend my remarks on the resolutions.

The SPEAKER. The resolutions will be read for information, and the gentleman asks unanimous consent to revise and extend his remarks on the resolutions. Is there objection?

There was no objection.

The Clerk read the resolutions, as follows:

Resolutions adopted at mass meeting of the Brownsville Jewish community, held at the Hebrew Free School Auditorium, 400 Stone Avenue, Brooklyn, New York City, Sunday, December 8, 1918.

At the conclusion of the greatest war in history, which has so gloriously ended for the cause of democracy, and at a time when a new era of peace on earth and good will among men is being heralded by mankind after a long period of bloodshed and suffering, the most appalling news has reached us from abroad that in Poland the Jewish population has been singled out for slaughter and extermination; that in Lemberg 1,100 Jews have been brutally murdered; that 600 of them lost their lives in a synagogue, where they sought refuge in the sanctuary of God; that similar outrages are being committed in other parts of Poland and Galicia; and that the lives of tens of thousands of Jews—men, women, and children—are in imminent danger because of a brutal and inhuman policy adopted by the Poles to kill and exterminate the Jewish inhabitants of Poland.

We, the Jewish community of Brownsville, in mass meeting assembled, therefore appeal to the conscience of the American people to register their most emphatic protest against these barbarous crimes against humanity.

We call upon our Government to take steps to stay the hand of the assassin and save thousands of Jews from the impending fate that awaits them at the hands of a cruel and vindictive people, dazed by the prospect of their own freedom.

We call upon the conscience of all mankind to come to the rescue of these helpless people and tell the Poles that murder will not be tolerated.

We call upon the people of Poland and Galicia, amongst whom the Jews have lived for several centuries in peace and amity and have contributed in large measure to their material, intellectual, and civic progress, to stop boycotts, persecution, and massacres of their Jewish neighbors. Standing on the threshold of her own freedom and looking to an enlightened world for sympathy with her aspirations for emancipation, let Poland beware not to stain her hands in innocent blood, for the world will not condone crimes wantonly committed against a defenseless people.

LEAVE OF ABSENCE.

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent for the indefinite leave of absence for my colleague, Mr. MCARTHUR, on account of the serious illness of his wife.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUPRÉ, by unanimous consent, was given leave of absence for three days on account of illness.

WITHDRAWAL OF PAPERS.

Mr. SWITZER was given leave, by unanimous consent, to withdraw from the files of the House, without leaving copies, papers in the case of Ida M. Warner (H. R. 2686, 1st sess., 64th Cong.), no adverse report having been made thereon.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4873. An act for the relief of Calvin Willard Gilfillan.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 4873. An act for the relief of Calvin Willard Gilfillan; to the Committee on Naval Affairs.

THE RAILROADS.

Mr. SIMS. Mr. Speaker, I ask unanimous consent to have a letter of Secretary McAdoo, with reference to the railroads, printed in the RECORD.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD by printing a letter of Secretary McAdoo. Is there objection?

There was no objection.

The letter is as follows:

DIRECTOR GENERAL OF RAILROADS,
Washington, December 11, 1918.

Hon. T. W. SIMS,
Chairman Interstate and Foreign Commerce Committee,
House of Representatives.

MY DEAR JUDGE SIMS: The question of railroad legislation is of such vital importance to the country that I take the liberty of submitting to you my views as to the course that should now be pursued. The war is ended, and we are now confronted with the necessity either of legislating intelligently about the railroad problem at this session of the Congress or of promptly returning the railroads to their owners.

Less than three months of the present session of the Congress remain. It will be impossible, I presume, to secure legislation in this short period providing a permanent solution of the railroad problem. This being true, only three courses are open: (1) Government operation of the railroads for one year and nine months following a proclamation of peace, which would mean, in my judgment, Government operation for a period in no event longer than two years and three months; (2) the prompt return of the railroads to private control; or (3) extension of the period of Federal control to five years.

I am convinced that it is wholly impracticable, as well as opposed to the public interest, to attempt to operate the railroads under the provisions of the present law. In the first place, the time is too short, and, secondly, the present legislation is inadequate.

As to the shortness of time, it is clear to me that the railroads can not be successfully operated under Federal control during the next two years in the face of an automatic transfer to private control at the end of that time or of an earlier relinquishment by proclamation of the President. Every month that passes will bring more clearly to the minds of the officers and employees the fundamental change in management that is impending and the question as to what that change means to the individual. It is against human nature that there can be complete and single-minded attention to duty under such difficult circumstances. This will be especially true on account of the inevitable discussion as to what ought to be done. Already this discussion is in full swing, and its reaction on officers and employees can not be consistent with the complete concentration upon their daily duties. State railroad commissions, railroad security holders, railroad executives, shippers' organizations, and other interests are naturally and properly discussing the subject and proposing various solutions. However desirable the discussion is for the crystallization of public sentiment, it can not result otherwise than to produce a state of uncertainty and ferment among the vast army of railroad officers and employees, who will inevitably feel that they face a rapidly approaching change in management.

No business in the United States so imperatively requires disciplined organization and composed conditions of operation, for officials as well as for employees, as the railroad business. Not only does the safety of the lives of millions of passengers depend upon such disciplined and efficient organization, but the commerce of the country as well. To keep this vast army of officers and employees in a state of uncertainty and ferment for a period of two years would be harmful in the highest degree to the public interest. It would be impossible to prevent a serious impairment of the morale of the railroad organizations.

From the standpoint of needed improvements, the period of two years is entirely too short a time within which to plan and carry out the comprehensive improvements which ought to be made to meet the country's requirements under peace conditions. Many of the improvements could hardly be completed and put into operation inside of the two-year period, and under such circumstances and facing a change to private management at the end of two years it would be unwise in the highest degree to make the improvements and impossible to secure the hearty cooperation of the railroad corporations.

Because of the inadequacy of the present legislation, the authority of the States and the Federal Government has been left in doubt by provisions which I opposed when the bill was under discussion. Conflict between State and Federal jurisdictions will grow more acute under this law. The revolving fund appropriated by the Congress will be insufficient to carry the Federal operation for a two-year period. More than that, it is of the utmost importance to the commerce, industry, and life of the American people that a comprehensive program of improvements to railroad properties shall be carried forward over a period of at least five years; such a program will involve expenditures of at least $500,000,000 per annum, or $2,500,000,000 for the five-year period. The needed funds are not provided for by the present law. Moreover, it is difficult under the present law, without the consent of the corporations, to carry forward a comprehensive plan of joint improvements, which, to be of value to the public, must of itself disregard the selfish and irreconcilable competitive interests of the various carriers. Many terminal improvements, to be genuinely serviceable to the public, must be made without regard to the interest of any particular carrier. Therefore agreements between the Government and the railroads affected will, in many instances, be impossible, and if the Government should proceed with such improvements, using the people's money for the purpose, without securing the carriers' consent, litigation would undoubtedly arise upon the termination of Federal control, with the danger that a large part of the Government's investment in the properties might be lost.

Upon the efficiency of the transportation machine in America depends in great measure the future prosperity of the Nation. Involved in this prosperity is the extension of our foreign trade. We produce so much more than we consume that markets must be found for that surplus. Those markets are the competitive markets of the world. We must be able to enter them upon equal terms with any other nation. Our transportation system, both on land and water, must therefore function at the highest point of efficiency and at the lowest possible cost, if we are to get our reasonable and fair share of the world's trade and in turn be able to keep a prosperous, contented, and happy population at home.

To attempt to continue Federal control under the inadequate provisions of the present Federal-control act and for the very brief period it authorizes would be to multiply our difficulties and invite failure. On the other hand, I am convinced from the experience of the past year that the return of the railroads to the old competitive conditions will be hurtful alike to the public interest and to the railroads themselves. This course, however, will bring fewer evils in its train than the unsatisfactory, if not impotent, Federal control provided for by the present act. The railroads were taken over as a war measure. They have been operated during the past year for the paramount purpose of winning the war. I think it will be generally admitted that the war service has been successfully rendered, and I am sure that experience of great value and benefit has been gained not only for the public but for the railroads themselves during this brief test.

There is one, and to my mind only one, practicable and wise alternative, and that is to extend the period of Federal control from the one year and nine months provided by the present law to five years or until the 1st day of January, 1924. This extension would take the railroad question out of politics for a reasonable period. It would give composure to railroad officers and employees. It would admit of the preparation and carrying out of a comprehensive program of improvements of the railroads and their terminal facilities which would immensely increase the efficiency of the transportation machine. It would put back of the railroads the credit of the United States during the five-year period, so that the financing of these improvements could be successfully carried out. It would offer the necessary opportunity under proper conditions to test the value of unified con-

trol, and the experience thus gained would of itself indicate the permanent solution of the railroad problem.

The American people have a right to this test. They should not be denied it. It is to their interest that it should be done. In my opinion, it is the only practicable and reasonable method of determining the right solution of this grave economic problem.

I am not now and have not been for the past year interested in proving or disproving the theory of Government ownership or any other kind of theory. The railroads have been operated for the past year with the purpose of serving efficiently the paramount needs of the war and at the same time furnishing the best possible service to the public, whether such operation tended to prove or to disprove any theory of railroad control, no matter what it might be. I have formed no opinion myself as to what is the best disposition of the railroad problem, because the test has not been sufficient to prove conclusively the right solution of the problem. I believe that a five-year test will give the American people the right answer. An ounce of experience is worth a ton of theory, and with the start already made under war conditions it would be a comparatively simple matter to complete the test so well begun and thereby gain the invaluable experience which will determine the solution of a problem which has vexed our State and National politics and our economic development for the past generation.

There are those who may say that an extension of five years for such a test will mean Government ownership. Personally I do not believe it. But whether such a test would indicate that the ultimate solution shall be Government ownership or a modified form of private ownership under effective Federal regulation should not cause us to hesitate or refuse to act. It seems to me that in a democracy like ours, where public opinion and the judgment of the majority must finally control, the plain duty is to take those steps which will fully inform public opinion, so that the judgment may be based upon knowledge rather than upon theory. Any test which will illumine the subject so completely that public opinion may operate upon it intelligently would seem to me to be desirable in any circumstances.

In this connection, may I draw your attention to the statement I made before the committee of the Senate on January 21, 1918, in reply to a Senator who asked if I believed "in the Government ownership of railroads." I said:

> I do not, or I have not, at least, felt that it was necessary to take the actual ownership of the railroads. I believe that it will be impossible after the return of peace to restore the competitive conditions to the same extent as they existed prior to the outbreak of the war. I favor some form of governmental regulation and control of a far stronger, more intelligent, and effective character than we have had heretofore, because I am satisfied that a stronger Government control will be demanded and will have to be worked out, both in the interest of the public and in the interest of the security holders of these railroads.

Those who may oppose an extension of five years should face the situation squarely and acknowledge that they prefer the immediate return of the railroads to private control under the old conditions without remedial legislation. It is idle to talk of a return to private control under legislation which will cure the defects of the existing laws. There is neither time nor opportunity for such legislation at present. It is impossible and hopeless for the Government to attempt the operation of the railroads for 21 months after peace under the present law. Therefore the country should squarely face the condition that the railroads must promptly go back into private control with all existing legal difficulties unless the only practical alternative, viz, an extension of time, is promptly granted.

I hope that the Congress in its wisdom will grant a five-year period for a test of unified railroad operation under proper provisions of law which will make that test effective and at the same time take the railroad question out of politics while the test is being made. Unless this is done, I do not hesitate to say the railroads should be returned to private ownership at the earliest possible moment. The President has given me permission to say that this conclusion accords with his own view of the matter.

Cordially, yours, W. G. McADOO,
Director General of Railroads.

AMENDMENT OF LAWS RELATING TO THE JUDICIARY.

Mr. RIORDAN. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

House resolution 465 (H. Rept. 856).

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12001, "A bill to amend an act entitled 'An act to codify, revise, and amend the laws relating to the judiciary,' approved March 3, 1911"; that all general debate shall be confined to the subject matter of the bill; that at the conclusion of general debate the bill shall be considered for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole House on the state of the Union the same shall be reported to the House with such recommendation as the committee may make, whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. RIORDAN. Mr. Speaker, this resolution simply makes in order the so-called judges' bill. It is a simple form of rule, doing nothing except to make the consideration of a bill in order. The time for general debate and the matter of amendment are left wide open for the committee to consider at the time of its consideration. There is no disposition to debate the rule, and if anybody wants any time I will be glad to yield.

Mr. CANNON. There is no limitation on general debate?

Mr. RIORDAN. No; no limitation.

The SPEAKER. It does not limit debate, and it is to be considered under the general rules of the House.

Mr. RIORDAN. Mr. Speaker, I move the previous question.

The question was taken; and on a division (demanded by Mr. WALSH) there were—ayes 68, noes 19.

Mr. WALSH. Well, Mr. Speaker, we ought not to begin the consideration of a measure as important as this without a quorum. I make the point of no quorum.

The SPEAKER. The gentleman from Massachusetts makes the point that no quorum is present, and evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 297, nays 23, answered "present" 4, not voting 109, as follows:

YEAS—297.

Almon	Fairchild, G. W.	La Follette	Sabath
Anderson	Fairfield	LaGuardia	Sanders, Ind.
Aswell	Farr	Lampert	Sanders, N. Y.
Austin	Fields	Lazaro	Sanford
Ayres	Fisher	Lea, Cal.	Saunders, Va.
Bacharach	Flood	Lee, Ga.	Schall
Bankhead	Fordney	Lehlbach	Scott, Mich.
Barkley	Foss	Lesher	Scott, Pa.
Beakes	Foster	Little	Scully
Bell	Francis	Lonergan	Sears
Benson	Frear	Longworth	Sells
Beshlin	French	Lufkin	Shallenberger
Birch	Fuller, Ill.	Lundeen	Sherwood
Black	Gallagher	McFadden	Siegel
Bland, Ind.	Gandy	McKeown	Sims
Bland, Va.	Gard	McLaughlin, Mich.	Sinnott
Booher	Garner	McLemore	Slayden
Borland	Garrett, Tenn.	Magee	Slemp
Bowers	Garrett, Tex.	Mann	Sloan
Britten	Gillett	Mansfield	Small
Brodbeck	Glass	Mapes	Smith, Idaho
Browne	Glynn	Martin	Smith, Mich.
Browning	Good	Mays	Snell
Brumbaugh	Goodall	Merritt	Snook
Buchanan	Goodwin, Ark.	Miller, Minn.	Snyder
Burnett	Gordon	Miller, Wash.	Stafford
Burroughs	Gould	Montague	Steagall
Butler	Graham, Pa.	Moore, Pa.	Steele
Byrnes, S. C.	Gray, Ala.	Moores, Ind.	Stephens, Nebr.
Caldwell	Green, Iowa	Morin	Sterling
Campbell, Kans.	Greene, Vt.	Mott	Stevenson
Campbell, Pa.	Gregg	Mudd	Stiness
Candler, Miss.	Griest	Neely	Strong
Cantrill	Griffin	Nelson, A. P.	Sumners
Caraway	Hadley	Nichols, Mich.	Sweet
Cary	Hamill	Oldfield	Switzer
Chandler, N. Y.	Hamilton, Mich.	Oliver, Ala.	Tague
Chandler, Okla.	Hamlin	Oliver, N. Y.	Taylor, Ark.
Clark, Fla.	Hardy	Olney	Taylor, Colo.
Clark, Pa.	Harrison, Miss.	Osborne	Temple
Classon	Harrison, Va.	Overmyer	Templeton
Cleary	Haskell	Overstreet	Tillman
Coady	Hastings	Padgett	Tilson
Cooper, W. Va.	Haugen	Paige	Timberlake
Cooper, Wis.	Hawley	Park	Tinkham
Costello	Heaton	Parker, N. J.	Towner
Crago	Helvering	Parker, N. Y.	Treadway
Crisp	Hersey	Peters	Vare
Currie, Mich.	Hicks	Phelan	Venable
Dallinger	Hilliard	Platt	Vestal
Darrow	Holland	Porter	Vinson
Dempsey	Hollingsworth	Pou	Volstead
Dent	Houston	Pratt	Walton
Dickinson	Howard	Purnell	Ward
Dies	Huddleston	Quin	Wason
Dill	Hull, Iowa	Ragsdale	Watkins
Dillon	Hull, Tenn.	Rainey, H. T.	Watson, Pa.
Dixon	Husted	Rainey, J. W.	Watson, Va.
Donovan	Hutchinson	Raker	Weaver
Doolittle	Igoe	Ramsey	Webb
Doremus	Ireland	Randall	Welling
Doughton	Johnson, Ky.	Rayburn	Whaley
Drukker	Jones	Reavis	White, Me.
Dunn	Juul	Reed	White, Ohio
Dyer	Kahn	Riordan	Williams
Eagan	Kelley, Mich.	Robbins	Wilson, La.
Eagle	Kennedy, Iowa	Robinson	Winslow
Edmonds	Kennedy, R. I.	Rodenberg	Wise
Elliott	Kettner	Rogers	Wright
Ellsworth	Kincheloe	Romjue	Young, N. Dak.
Elston	King	Rose	Young, Tex.
Esch	Kinkaid	Rouse	Zihlman
Essen	Kitchin	Rowe	
Evans	Kraus	Rubey	
Fairchild, B. L.	Kreider	Rucker	

NAYS—23.

Ashbrook	Graham, Ill.	Mondell	Thompson
Byrns, Tenn.	Greene, Mass.	Norton	Walsh
Cannon	James	Ramseyer	Welty
Cramton	McKenzie	Rankin	Wingo
Denison	McKinley	Scott, Iowa	Woods, Iowa
Dowell	Madden	Sisson	

ANSWERED "PRESENT"—4.

Johnson, Wash.	Moon	Shackleford	Steenerson

NOT VOTING—109.

Alexander	Dewalt	Kearns	Polk
Anthony	Dominick	Keating	Powers
Baer	Dooling	Kehoe	Price
Barnhart	Drane	Kelly, Pa.	Roberts
Blackmon	Dupré	Key, Ohio	Rowland
Blanton	Emerson	Kiess, Pa.	Russell
Brand	Estopinal	Knutson	Sanders, La.
Carew	Ferris	Langley	Sherley
Carlin	Fess	Larsen	Shouse
Carter, Mass.	Flynn	Lever	Smith, C. B.
Carter, Okla.	Focht	Linthicum	Smith, T. F.
Church	Freeman	Littlepage	Stedman
Claypool	Fuller, Mass.	Lobeck	Stephens, Miss.
Collier	Gallivan	London	Sullivan
Connally, Tex.	Garland	Lunn	Swift
Connelly, Kans.	Godwin, N. C.	McAndrews	Thomas
Cooper, Ohio	Gray, N. J.	McArthur	Van Dyke
Copley	Hamilton, N. Y.	McClintic	Voigt
Cox	Hayden	McCormick	Waldow
Crosser	Hayes	McCulloch	Walker
Curry, Cal.	Heflin	McLaughlin, Pa.	Wheeler
Dale, N. Y.	Heintz	Maher	Wilson, Ill.
Dale, Vt.	Helm	Mason	Wilson, Tex.
Davey	Hensley	Morgan	Wood, Ind.
Davis	Hood	Nelson, J. M.	Woodyard
Decker	Humphreys	Nicholls, S. C.	
Delaney	Jacoway	Nolan	
Denton	Johnson, S. Dak.	O'Shaunessy	

So the previous question was ordered.

The Clerk announced the following pairs:

Mr. CARTER of Oklahoma with Mr. COOPER of Ohio.

Mr. DELANEY with Mr. COPLEY.

Mr. DUPRÉ with Mr. DALE of Vermont.

Mr. LINTHICUM with Mr. DAVIS.

Mr. FERRIS with Mr. FESS.

Mr. MCCLINTIC with Mr. GARLAND.

Mr. LITTLEPAGE with Mr. HAMILTON of New York.

Mr. SANDERS of Louisiana with Mr. GRAY of New Jersey.

Mr. BLANTON with Mr. WOODYARD.

Mr. JACOWAY with Mr. EMERSON.

Mr. THOMAS with Mr. LANGLEY.

Mr. CONNALLY of Texas with Mr. JOHNSON of Washington.

Mr. MCANDREWS with Mr. WOOD of Indiana.

Mr. HELM with Mr. KIESS of Pennsylvania.

Mr. POLK with Mr. MCARTHUR.

Mr. PRICE with Mr. MCCULLOCH.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

The SPEAKER. The question is on the resolution.

The question was taken and the resolution was agreed to.

Mr. WEBB. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. WEBB. Under the order adopted, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12001.

The SPEAKER. The gentleman from North Carolina moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of this judiciary bill.

Mr. WALSH. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. WEBB. I do.

Mr. WALSH. Will the gentleman indicate how much general debate he expects to have on this measure and how it is to be determined and controlled?

Mr. WEBB. I want to have an agreement, if we can get it. I first thought, after discussing the question with some Members, that an hour on a side would be satisfactory. I would like to have the gentleman's opinion as to what time he thinks would be required by those who oppose the bill or want to speak on it. Of course, there will be liberal debate under the five-minute rule, and everybody can be heard then.

Mr. MANN. There is no proposition to limit debate at this time. I ask for the regular order.

Mr. WEBB. I was going to make a request that we limit general debate.

Mr. MANN. I beg the gentleman's pardon.

Mr. WEBB. I want to have an agreement, if we can, with gentlemen on the other side or any side opposed to it.

Mr. WALSH. I shall object to giving unanimous consent to restrict general debate to an hour on a side. I certainly object to that.

Mr. WEBB. What is my friend's suggestion?

Mr. WALSH. I think at least two and a half hours on a side.

Mr. WEBB. I hope my friend will not insist on that. We have very liberal rules under the five-minute debate and everybody who wants to be heard can speak 5 or 10 minutes. There is no disposition to cut off debate. I never have adopted that course.

Mr. WALSH. I appreciate the fact, but this is a very important measure and it embodies two separate propositions, and it seems to me we would wish to debate as important a measure as this for three or four hours.

Mr. WEBB. Has my friend requests for as much as two hours?

Mr. WALSH. I have no requests for time except I understand that several gentlemen expect to oppose it and——

Mr. WEBB. I wish every Member of the House to have time who really wants to talk against the bill, but I would not like to give more time than necessary in general debate because I know everybody can speak under the five-minute rule.

Mr. WALSH. I should want 20 or 30 minutes myself.

Mr. WEBB. Let me ask that general debate be limited to three hours, an hour and a half to be controlled by this side and an hour and a half to be controlled by some one opposed to the bill on that side.

Mr. MANN. I think we had better go into the committee without limitation.

Mr. WEBB. Then I will make it two hours on a side. I am sure our side will not consume that much time and I doubt whether the other side will do so.

Mr. DYER. Will the gentleman yield?

The SPEAKER. There is no law or rule compelling the consuming of that time.

Mr. DYER. The gentleman says "his side and the other side," pointing to this side. What does he mean?

Mr. WEBB. I mean those advocating and opposing the bill on your side and ours.

Mr. DYER. I want to say I think most of the Members on this side are in favor of the bill.

Mr. WEBB. I was speaking of those opposed to the bill and those in favor of it.

Mr. WALSH. How is the time to be controlled under the gentleman's proposition? Who is to have control of the time under the gentleman's suggestion?

Mr. WEBB. I suppose the Speaker will designate the gentleman to control the time in opposition to the bill, some one opposed to it——

Mr. DYER. I think the gentleman from Massachusetts, a member of the committee, should probably control the time, so far as those in opposition to it are concerned, as all the other members of the Judiciary Committee are in favor of the bill.

Mr. WEBB. I assume the chairman of the Committee on the Judiciary will control one-half of the time and somebody in opposition control the other.

Mr. MILLER of Minnesota. Do I understand the gentleman from Massachusetts to be opposed to the bill?

Mr. WALSH. I am.

The SPEAKER. Has any member of the Committee on the Judiciary filed a minority report?

Mr. WEBB. No, sir; there has not.

The SPEAKER. Is the gentleman from Massachusetts the only member on the committee fighting the bill?

Mr. WALSH. I appear to be at this time, Mr. Speaker, the only member of the committee who has continued to be opposed to the bill.

Mr. DYER. All the other members of the committee are for it.

Mr. WEBB. And my friend from Massachusetts is opposed to only one portion of it.

The SPEAKER. The Chair should think as a matter of ordinary fairness that the gentleman from Massachusetts ought to control the time.

Mr. WEBB. Then I ask that all general debate on this bill be limited to four hours, two hours to be controlled by myself and two hours by the gentleman from Massachusetts [Mr. WALSH], and all debate to be confined to the bill.

Mr. WALSH. The rules provides that.

Mr. WEBB. I know it does.

The SPEAKER. The gentleman from North Carolina asks unanimous consent, pending the motion to go into the Committee of the Whole House on the state of the Union, that general debate shall not exceed four hours, half of the time to be

controlled by himself and the other half by the gentleman from Massachusetts [Mr. WALSH]. Is there objection? [After a pause.] The Chair hears none. The question now is on going into the Committee of the Whole House on the state of the Union.

The question was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12001, with Mr. BORLAND in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 12001) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

Mr. WEBB. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. WEBB. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. STEELE], who made the report on this bill in behalf of the committee. [Applause.]

Mr. STEELE. Mr. Chairman, the pending bill is intended to fix an adequate compensation for circuit court of appeals and district judges and provide a more perfect method for their retirement, without changing the present time of service and age limit for so doing. It therefore deals exclusively with the judiciary. The Constitution creates three coordinate branches of government, the legislative, executive, and judicial, and having in view the best results for the common welfare conferred upon them independent and complete powers. All power resting inherently in the people, they saw fit in their fundamental law to grant distinctive powers to these respective coordinate departments of government, making each one exclusive and independent within its own sphere of action. Each branch, therefore, has its well-defined limitations, and the preservation of such exact limitations will necessarily best conserve the harmony of the whole. Montesquieu, one of the foremost political philosophers of all time, is said to have been the first to definitely suggest the separation of the legislative, executive, and judicial departments of the Government. His famous treatise on the Spirit of the Laws, which appeared in 1748, dwelt upon the separation powers under the British constitution as the most remarkable feature of that system. The next generation came to regard him as an oracle of political philosophy, and his treatise was one of that small number of books which permanently turned the course of human thought. Both Hamilton and Madison cite it in the Federalist as an unquestioned authority, and Madison frequently refers to this separation of the three powers as the distinguishing note of a free government. Time has grandly vindicated that judgment. A century and a quarter of great political and social changes has proven what Washington declared, that the judicial system is the keystone of our political fabric. At the time of the appointment of the 13 original judges President Washington wrote to Edmund Randolph, his Attorney General, as follows:

Impressed with a conviction that the due administration of justice is the firmest pillar of good government, I have considered the first arrangement of the judicial department as essential to the happiness of our country and to the stability of its political system; hence the selection of the fittest characters to expound the laws and dispense justice has been an invariable object of my anxious concern.

Judges of these courts are not confined in their decisions to mere questions of personal rights, but their decisions frequently extend to the settlement of principles which affect the policy and welfare of the Nation. It is necessary that they should be statesmen as well as jurists. Looking back upon the history of our courts and testing their work solely by results, all must agree they have acted with integrity and wisdom. If there be security for life, liberty, and property in America to-day, it is largely due to the fact that our judges have not been unmindful of their obligations as ministers of justice. "Justice," said Webster, "is the great interest of man on earth. It is the ligament which holds civilized beings and civilized nations together. Wherever her temple stands and so long as it is duly honored there is a foundation for social security, general happiness, and the improvement and progress of our race. And whoever labors on this edifice with usefulness and distinction, whoever clears its foundations, strengthens its pillars, adorns its entablatures, or contributes to raise its august dome still higher in the skies, connects himself in name and fame and character with that which is and must be as durable as the frame of human society." In its final analysis the function of the judiciary rests upon popular sovereignty. It is simply the recognition of the natural and equal rights of man as the basis of a government formed for their protection by its people and regulated by law. It is a system under which every citizen shall be assured by indefeasible right the enjoyment of his life, his liberty, his property in all its forms, his home, his family relations, his freedom of conscience and of speech. The powers of government in all their extent and elaboration come down at last to this ultimate purpose. "The whole machinery of the State," says Lord Brougham, "all the apparatus of the system and its varied workings end in simply bringing 12 good men into a box."

The third article of the Constitution, in three brief sections, epitomizing legislative and judicial experience, created the most remarkable judicial establishment the world has even seen. In the first section it was provided that "the judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall at stated times receive for their services a compensation which shall not be diminished during their continuance in office." In the first section of the second article it was provided that "the President shall at stated times receive for his services a compensation which shall neither be increased nor diminished during the period for which he shall have been elected." The prohibition in the case of the judiciary was against diminishing their compensation, while in the case of the President it was provided that his compensation should be "neither increased nor diminished." These different provisions were no doubt due to the difference in their terms of service, the President serving but for four years, while judges serve for life. It is highly probable that during a life service economic conditions may so change as to render a compensation inadequate which before was considered adequate. Hamilton, one of the principal authors of the Constitution, in the Federalist, No. 79, in his usual brilliant manner, thus discusses the provision:

Next to permanency in office nothing can contribute more to the independence of the judges than a fixed provision for their support. The remark made in relation to the President is equally applicable here. In the general course of human nature a power over a man's subsistence amounts to a power over his will. And we can never hope to see realized in practice the complete separation of the judicial from the legislative power in any system which leaves the former dependent for pecuniary resources on the occasional grants of the latter. The enlightened friends to good government in every State have seen cause to lament the want of precise and explicit precautions in the State constitutions on this head. Some of these, indeed, have declared that permanent salaries should be established for the judges; but the experiment has in some instances shown that such expressions are not sufficiently definite to preclude legislative evasions. Something still more positive and unequivocal has been evinced to be requisite. The plan of the convention accordingly has provided that the judges of the United States "shall at stated times receive for their services a compensation which shall not be diminished during their continuance in office."

This, all circumstances considered, is the most eligible provision that could have been devised. It will readily be understood that the fluctuations in the value of money and in the state of society rendered a fixed rate of compensation in the Constitution inadmissible. What might be extravagant to-day might in half a century become penurious and inadequate. It was, therefore, necessary to leave it to the discretion of the legislature to vary its provisions in conformity to the variations in circumstances, yet under such restrictions as to put it out of the power of that body to change the condition of the individual for the worse. A man may then be sure of the ground upon which he stands and can never be deterred from his duty by the apprehension of being placed in a less eligible situation. The clause which has been quoted combines both advantages. The salaries of judicial officers may from time to time be altered, as occasion shall require, yet so as never to lessen the allowance with which any particular judge comes into office in respect to him. It will be observed that a difference has been made by the convention between the compensation of the President and of the judges. That of the former can neither be increased or diminished; that of the latter can only not be diminished. This probably arose from the difference in the duration of the respective offices. As the President is to be elected for no more than four years, it can rarely happen that an adequate salary, fixed at the commencement of that period, will not continue to be such to its end. But with regard to the judges who, if they behave properly, will be secured in their places for life, it may well happen, especially in the early stages of the Government, that a stipend which would be very sufficient at their first appointment would become too small in the progress of their service.

It has been well said that the judicial branch of the Government is the weakest of all. It has neither the purse nor the sword. The courts are dependent upon the President to furnish marshals to execute their decrees. They are also dependent upon annual appropriations for the bread upon which their judges live. In order to exempt them from undue control of the legislative branch the framers of the Constitution inserted a mandate that they "shall at stated times receive for their services a compensation which shall not be reduced during their continuance in office." This provision was intended to secure, so far as fixed compensation could do it, the independence of the judicial branch of the Government. It was, therefore, left to the discretion of the legislative branch to increase judicial compensation whenever new conditions and enlarged functions springing from increase of population and business made it proper to grant the same. As the legislative branch, charged under the Constitution with this duty, our inquiry must be

whether or not the present compensation is fair and proper and whether "fluctuations in the value of money" and "variations in circumstances" render an increase necessary. The Constitution said they "shall" receive a "compensation." According to its primary significance the word "shall" imports a mandate, a command. And although the word may in obedience to a discoverable constitutional intent be understood in a merely permissive sense, just as words primarily of the latter import may upon like grounds of interpretation be understood as imperative, yet it is well settled that whatever the particular language it will be treated as intended to be mandatory where the purpose is to provide for the doing of something required by public or private justice, the power conferred in such cases implying a duty to exercise it. It follows that by the express language of the Constitution, as well as its unmistakable meaning, Federal judges have a right to insist upon Congress making the contemplated compensation for their services. It is also well settled that the creation of a duty requires its performance in a reasonable way. And here again the language of the Constitution is significant. It says that the judges "shall at stated times receive for their services a compensation," thereby investing Congress with a discretion in fixing it. But it is to be a "compensation," a word which etymologically suggests the image of balancing one thing against another and popularly implies the idea of an equivalent. It can not be conceded at all that Congress can discharge its duty under the Constitution by making an unreasonable compensation, whether merely nominal or grossly extravagant. It is bound to make a fair compensation in view of the nature and extent of the services rendered and to be rendered and the usual and customary remuneration for the performance of similar services. In other words, it must be reasonably compensatory. The discretion given to Congress is a discretion only within that limitation. In view of these plain principles the duty of Congress is not doubtful.

It is not the purpose of this bill to fix any unreasonable compensation as the result of this abnormal time. It is not based upon the war-time cost of living. We all know it is a conservative statement to make that the cost of living since 1903, when judicial salaries were last fixed, is from 50 to 100 per cent greater. This fact was recognized by Congress itself, for by act of March 3, 1911, the salaries of the Justices of the Supreme Court of the United States were increased $2,000—to $14,500—and $15,000 for the Chief Justice of that court, while the salaries of the circuit and district judges were left as fixed under the act of 1903.

The present bill is, therefore, simply part of the delayed program of 1911 and is not to be considered as a new thought upon the subject. In addition to this, from figures submitted to the House when the bill to increase the compensation of postal employees and pensioners was before it, it was shown that the purchasing value of a dollar is but little greater than one-half what it was 15 years ago. Therefore it is quite unnecessary to discuss in detail this phase of the question, for it has been properly adjudicated by the act of the House under the legislation mentioned. The fluctuations in the value of money and variations in circumstances mentioned by Hamilton for increase of judicial compensation may be accepted, therefore, as existing at the present time.

The ideal principle of judicial compensation would be to make it proportionate to the services rendered in each district. To apply this principle in a legislative way, however, to the various judicial districts throughout the United States would be quite impracticable, for the reason that there is a great lack of uniformity in the character and amount of business and cost of living in all the districts. The present method of compensation takes no note of any of these differences. It was suggested, therefore, that the most reasonable method of arranging a variation in compensation according to the importance of the duty and need of the court's work would be to adopt the principle of making population the basis of compensation in the several districts. This method has worked satisfactorily in a number of States, notably in Ohio and Pennsylvania. Increase in population usually results in an increased volume of litigation and cost of living, and taking into account the variations that must necessarily occur in the different districts it was thought to afford a fairer basis for compensation than any other method that could be adopted. Representatives of the judiciary appeared before the committee and approved this method. In a statement submitted to the committee they said:

> This criterion, however, is not absolute. Of necessity it produces some inconsistencies, but not sufficient to affect it as the most reliable guide, for its application will go far to correct what must occur to everybody as a manifest injustice, and wherever there appears on the statistics a seeming discrimination, when the apparent volume of work seems to entitle one district to be in a higher class or another district to be in a class lower than its business statistics would indicate, in such instances another important factor operates in some degree as a corrective, and that is the cost of living. Generally speaking, in the districts having the largest population are located courts where the cost of living is the highest, because they are the districts in which the metropolitan centers occur, wherein of necessity the court sits and the judges must reside.

It was concluded, therefore, to fix a minimum compensation of $6,500 for district judges and an increase at the rate of $500 for each one-half million of population in the district in excess of the first 500,000, with a maximum compensation of $10,000 per year. Circuit judges are to receive a salary of $1,000 in excess of that paid the district judges, with the same provision for an increase up to a maximum of $11,000 per year. The entire cost of this increase of compensation of both district and circuit judges, based upon the population of the different districts according to the last census, would be $237,500. There are now 95 district judges and 31 circuit judges throughout the United States. Including the increases mentioned, the entire cost of the salaries of the judges of the Supreme Court, circuit court, and district courts of the United States is about $100,000 less than the total amount paid by Great Britain and Ireland to the judges of the highest courts of that country, from which we have borrowed our system of laws. It should be remembered, however, that the population of that country is less than one-half the population of the United States and in extent of territory bears no comparison whatever.

It was realized that any bill that might be prepared would be subject to criticism in its practical application to the various districts. This bill, which has been most thoughtfully prepared, is open to the least amount of criticism, first, because it is a return as nearly as possible to the original scale of Federal judicial salary adjustment in use from the foundation of the Government until 1891, when the flat system was adopted; second, the system is not arbitrary, but based upon a general system by which salaries are determined on the basis of population, and population includes volume of work and expense of living. In the third circuit, where I reside, made up of the States of Pennsylvania, New Jersey, and Delaware, its practical application produces in that circuit those inequalities and necessities for compromise which must exist in a law applying to the whole Nation. The largest amount of judicial business in any Federal district is done in New York, the second largest in Chicago, and the third and fourth in Pennsylvania; but Pennsylvania is divided into three districts, hence all these districts fall in salaries behind Massachusetts, for the reason that Massachusetts has but one district and one place to hold a Federal court. The result is that Massachusetts, with less business than either Philadelphia or Pittsburgh, is placed in a higher grade of salaries than Pennsylvania. Again, the expense of living is as high in Delaware as in New Jersey, both of which are in the third circuit, but by reason of population Delaware falls in the lowest scale and New Jersey in a much higher scale. From this will be seen the difficulty of adjustment and the necessity of salary inequality even in one circuit. What is true of Pennsylvania in the application of this law is necessarily true when applied to the whole Union. The flat salary system, however, is much more objectionable than this, and the judges themselves recognize in this system as much equity and justice as any that can be devised.

In this connection it may be interesting to note the salaries paid the various English judges.

Under the "judicature acts" of that country, creating supreme judicial tribunals out of the then existing courts, the new courts consisted of a supreme court of judicature, having two branches, the court of appeal and the high court of justice, while the high court of justice is composed of the King's bench, the chancery, and the probate, divorce, and Admiralty divisions. The judges of these courts are as follows: The lord high chancellor, lords of appeal in ordinary, the master of the rolls, the lord chief justice of England, the lord justices of appeal, and associate justices of the high court. The lord chancellor appoints the associate justices, of whom there are 19 in the King's bench division and 6 in the chancery division. Their salaries are as follows:

Lord high chancellor	$50,000
Lord of appeal in ordinary, House of Lords	30,000
Supreme court of judicature:	
Court of appeal—	
Master of the rolls	30,000
Five justices, each	25,000
High court of justice—	
Chancery division, six justices, each	25,000
King's bench division:	
Lord Chief Justice Reading	40,000
15 justices, each	25,000

Scotland:	
Lord justice general	$25,000
10 associate justices, each	18,000
Ireland:	
Lord chancellor	30,000
2 justices, court of appeal	20,000
Lord chief justice	25,000
5 associate justices, each	17,500

Compared with these, our American salaries seem to be very small, indeed. The present compensation of circuit court judges is but $7,000 per annum, and of district judges $6,000 per annum, fixed by act of Congress of 1903, which, following the act of 1891, was the first general inauguration of the flat-salary plan for all district and circuit judges throughout the United States.

An examination of early legislation by Congress on this subject shows that the salaries of the district and circuit judges in the several judicial districts varied continuously from 1789 to 1891, the time of the passage of the act above mentioned. Under the acts of 1830, 1855, 1866, and, again, in the Revised Statutes of 1873, these salaries varied quite materially. Under this legislation the salaries of the judges of the districts of Massachusetts; northern, southern, and eastern districts of New York; eastern and western districts of Pennsylvania; northern districts of Illinois and New Jersey; and the districts of Ohio have only been increased $2,000 per annum in the last half century. In 1857 the salaries of the judges in these districts were fixed at $4,000 per annum, and apparently remained at that figure until 1891, when they were fixed at $5,000, and in 1903 the general increase to $6,000 was made. Meantime, in the western Pennsylvania and New Jersey districts the salaries of State judges were increased considerably more than 100 per cent. In Pennsylvania the justices of the supreme court now receive $13,000 per annum; judges of the superior court, $12,000 per annum; and the common pleas and orphans' court judges of Philadelphia and Pittsburgh each receive $11,000 per annum. The remaining orphans' court and common pleas judges are compensated on the basis of population, as follows:

From 200,000 to 500,000	per annum	$8,500
From 140,000 to 200,000	do	8,000
From 90,000 to 140,000	do	7,000
Less than 90,000	do	6,000

The judges of the Dauphin County court, where the State capital is located, receive $4,000 per annum extra for trying Commonwealth cases.

Pennsylvania, with a population of about 8,000,000, and New York, with a population of about 10,000,000, each pays its judges more than the United States pays its judiciary for administering justice to more than 100,000,000 people. In New York the justices of the supreme court and intermediate court receive $17,000 per annum. Police magistrates in New York City and Philadelphia receive a greater annual salary than the district judges of the United States located in those cities. This situation, which is not confined to the States mentioned, attracts to the State bench men of the highest talent and frequently operates to the detriment of the Federal bench. A judge should be paid a sum which would permit him to live modestly and decently when he is required to devote all his time and energy to the performance of his public duties. In almost every vocation salaries have been increased in order that people may live decently and meet the rising cost of the necessaries of life. Federal judges, whose duties are of the highest character and who are a part of a coordinate branch of the Government, should at least receive the same consideration given to the employees of the Government. If this bill should become a law, the Federal bench will become attractive to those members of the bar who because of their great ability and standing have lucrative practices and whose family obligations forbid their accepting the honor and responsibility because of the small salary now attached to the office. This will insure to the Federal judiciary of the future men of large experience and fine legal attainments. It will also result in retaining on the bench those judges who for patriotic motives remained during the war but who, without such increase, will find it necessary for financial reasons to resign within the near future.

Former Justice of the Supreme Court Charles E. Hughes, now president of the New York State Bar Association, addressed a communication to Mr. CARAWAY, chairman of the subcommittee in charge of this bill, in which he said, in part, as follows:

I desire to express my hearty approval of the provisions of the bill now pending before your committee with respect to the increase of salaries of Federal judges. The proposed increases are reasonable, and it is of the highest importance, in my judgment, that they should be granted.

Section 3 of the bill reenacts section 260 of the Judicial Code, relating to the retirement of judges who have served 10 years and have reached the age of 70 years. Upon the resignation of a judge, under this section, his judicial functions cease, but he continues receiving his judicial salary for the remainder of his natural life. It frequently happens, however, that a judge qualified to retire is also qualified to perform judicial duties of a limited character which he would be glad to perform. The bill therefore contains a further provision for the voluntary retirement of district and circuit judges who may be called upon to perform such judicial duties as such retiring judges may be willing to undertake. In the last Congress this provision was made the subject of a separate bill and passed both the Senate and House. While on its passage in the Senate, however, it was amended by attaching a provision for an additional judge, and because of this amendment it failed of passage in the House. The merit of this provision is that instead of resigning the judge simply retires and is still enabled to perform such judicial services as he is capable of performing when the business of the district demands it. The district thereby receives the benefit of such services without any additional expense to the Government.

Further provision is made in this section for the retirement of district and circuit judges qualified to retire voluntarily and unable to render efficient services, but who nevertheless remain in office. In such cases the bill authorizes:

The President, if he finds that any such judge is unable to discharge efficiently all the duties of his office by reason of mental or physical disability of a permanent character, may, when necessary for the efficient dispatch of business, appoint, by and with the advice and consent of the Senate, an additional circuit judge of the circuit or district judge of the district in which such disabled judge belongs.

This provision of the bill accords with repeated recommendations of the Department of Justice. Former Attorney General James C. McReynolds, now a justice of the Supreme Court of the United States, in his report as Attorney General dated December 1, 1913, made the following recommendations:

Justices of the United States courts at the age of 70 years, after having served 10 years, may retire upon full pay. In the past many justices have availed themselves of this privilege. Some, however, have remained upon the bench long beyond the time when they were capable of adequately discharging their duties, and in consequence the administration of justice has suffered. The power of Congress to correct this condition is limited by the provision of the Constitution that judges shall hold their office during good behavior. I suggest an act providing when any judge of a Federal court below the Supreme Court fails to avail himself of the privilege of retiring now granted by law that the President be required, with the advice and consent of the Senate, to appoint another judge, who shall preside over the affairs of the court and have precedence over the older one. This will insure at all times the presence of a judge sufficiently active to discharge promptly and adequately the duties of the court.

Mr. Attorney General Gregory made the same recommendation in his reports in December, 1914, December, 1915, and December, 1916, and since then again repeated. We have, therefore, these many requests for the enactment of this legislation from the Department of Justice, made by two different Attorneys General. From these recommendations it appears to be the view of the department that this legislation is urgently needed. The bill, however, is less drastic than the recommendations mentioned. These recommendations would require that the President appoint an additional judge wherever the judge qualified to retire failed to avail himself of this privilege, while the pending bill provides only for such action when such judge is unable to discharge efficiently all the duties of his office by reason of physical or mental disability of a permanent character. The ascertainment of this disqualifying fact rests with the President; but this authority can in no sense be considered as a delegation of the legislative power. That Congress can not delegate legislative power to the President is a principle generally recognized; but this act is not inconsistent with that principle. It does not in any real sense invest the President with the power of legislation. Legislative power is exercised when Congress declares the contingency upon which the President is required to act. What the President is here required to do is simply the execution of an act of Congress. He is the mere agent of the lawmaking department to ascertain and declare the facts upon which its express will is to take effect. What is left to the President is not the legislative determination of what public policy demands, but simple ascertainment of the facts or state of things upon which the law makes or intends to make its own action depend. The practice of Congress in enacting legislation of this character since the organization of the Government has frequently received judicial sanction. A historical discussion of such legislation will be found in Field *v.* Clark (143 U. S., 649). It is recognized in sections 15, 16, 17, and 18 of the Judicial Code, where a circuit judge is authorized, "whenever in his judgment the public interests so require," to designate a district judge or circuit judge to hold a district court in the place of or in aid of any other district judge. See also McDowell *v.* United States (159 U. S., 596). A familiar instance of the exercise of this power by Congress

is the granting of pensions. Its practice is to do this both in individual cases by special acts and collectively by authorizing the Pension Bureau to grant pensions upon certain ascertained facts. Nobody ever questioned the validity of the latter procedure. Whether it shall proceed by special bill in each individual case or declare a policy to be administered by an executive official is within the legislative discretion of Congress. This was settled in the case of Union Bridge Co. *v.* United States (204 U. S., 364).

Under the judiciary article of the Constitution the power is expressly conferred upon Congress from time to time to ordain and establish "inferior courts." This bill refers only to circuit courts of appeal and district courts, and they are "inferior courts" ordained and established by Congress under this constitutional power. The retirement feature of the bill relates only to judges of "inferior courts" who have held a commission for 10 years, have attained the age of 70 years, whose services are inefficient, and who have failed to avail themselves of the law permitting them either to resign or to retire. It does not interfere with the tenure of office or salary of the judge—two features of their office protected by the Constitution. In effect, it simply fixes the status of the judge in question as a member of the court after it has been ascertained that he is unable to discharge efficiently the duties of his office by reason of mental or physical disability of a permanent character. He remains a judge of the court and can still perform judicial duties. It can not be claimed that a judge has a vested right to perform all the judicial powers exercised by him at the time of his appointment, for this would prevent Congress from changing the jurisdiction of the court in any particular. An additional judge could not be appointed to divide the exercise of judicial power, and Congress would be powerless either to add to or diminish the jurisdiction of the courts. And yet Congress in the past has actually deprived a court of its appellate jurisdiction, abolished other courts, and vested the jurisdiction of abolished courts in other judicial tribunals, and directed the judges stripped of their jurisdiction to serve in other tribunals. In United States *v.* Union Pacific Railroad Co. (98 U. S., 569) the court said:

> The discretion, therefore, of Congress as to the number, the character, the territorial limits of courts among which it shall distribute this judicial power is unrestricted, except as to the Supreme Court. * * * We say, therefore, that with the exception of the Supreme Court the authority of Congress in creating courts and conferring on them all or much or little of the judicial power of the United States is unlimited by the Constitution.

It would seem clear, therefore, that the retirement provisions of the proposed bill are in entire harmony with the Constitution, and both legislative and judicial precedents thereunder. It is less drastic in its provisions than any of the bills heretofore proposed on this subject, and practically removes all serious objections to it.

These retirement features are intended to meet conditions which have arisen in the past where, because of the life tenure of this office, some justices have remained in active service when of advanced years and when not capable, because of physical or mental condition, of performing judicial work. The need for this legislation was emphasized by a bill which was before Congress several sessions last past. It is in no way political. The features which were objected to by some Members of Congress when it was under consideration before have been eliminated. It has no application except in instances where judges have reached the age of 70 years, and by reason of physical or mental impairment of a permanent nature are incapable of performing their duties.

Much time and thought have been given to the careful preparation of this bill. It has the support not only of the Judiciary Committee of the House but of practically all the Federal judges throughout the country. It has also received the indorsement of the Attorney General and of a great number of the bar associations of the country. In my judgment it is as fair as any bill that could be devised. Its enactment would be simple justice to the men whose services are essential to maintaining the stability of our political system. Any bill that might be prepared would no doubt be subject to criticism in its application. This bill, however, in the judgment of the committee and of the judges themselves is open to but a minimum of objection or criticism.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. STEELE. I will.

Mr. DYER. The gentleman stated in his opening statement that when he got to that part of this bill which gives the President authority to appoint additional district and circuit judges in certain cases he would point out to the committee wherein this provision differs from the bill which we had up some two years ago, and which was defeated in the House. I remember that in that case the gentleman from Minnesota [Mr. VOLSTEAD], the ranking member on the Republican side of the Committee on the Judiciary, filed a report against that bill. I understood the gentleman from Pennsylvania to say that in this case it was the proposition of the gentleman from Minnesota that was incorporated in this bill.

Mr. STEELE. The gentleman from Minnesota revised——

Mr. DYER. Will the gentleman point out to the committee just the difference between those two propositions?

Mr. STEELE. I would be glad to do it if I had a copy of the old bill here with me. I do not happen to have a copy of the old bill here. If the gentleman from Missouri has such a copy, I would be glad to do it. I was indicating in a general way that the phraseology of this bill was radically different from the old, and that in order for the President to acquire jurisdiction to act at all under this bill a man must be in a state of physical and mental decline and unable efficiently to perform all the duties of his office.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. STEELE. Yes.

Mr. DENISON. I would like the gentleman to explain, if he has an idea on that subject, what the bill means by the President finding that the judge is unable to discharge efficiently the duties of his office by reason of mental or physical disability. How will the President find that? Will it be by a mere arbitrary statement on his part, or will he have to have the man examined in some way?

Mr. STEELE. He will find that as a fact in the best way he can. That will be up to the President. It can not be an arbitrary decision, however.

Mr. DENISON. How can it be prevented from being an arbitrary decision?

Mr. STEELE. Simply because, when the President is advised in that regard, and it is necessary to appoint a judge on the bench, that appointment must be confirmed by the Senate, and if the Senate did not agree with the President in his finding, and refuses to confirm the appointment, he could not, of course, act or perform any judicial function.

Mr. DENISON. The judge, then, that is displaced in a particular case would have only one remedy, and that would be to prevent the confirmation of the new judge by the Senate. Is that the gentleman's proposition?

Mr. STEELE. I first want to take exception to the gentleman's word "displaced." He still performs such judicial functions as he can. He is not displaced. It is not within the power of the Congress or of the President to displace a judge if once appointed. He is there for good behavior, or life, practically, and he can not be removed from office; and all that this bill attempts to do is simply to change his status as a member of that court. Instead of his being senior in commission, as he may possibly be, he simply becomes the junior in commission in the performance of judicial work. He changes his status merely, but does not change his judicial function.

Mr. DENISON. It is a displacement, so far as the office is concerned.

Mr. STEELE. No; except that he is not a senior in commission.

Mr. DENISON. The point I am getting at is, suppose the judge in question disputes, or desires to dispute, the President's judgment as to his physical ability. His only chance to establish it or to defend against that charge is to go before the Senate and prevent the confirmation of the other judge. Is not that so?

Mr. STEELE. In the first place, it is a fact for the President to determine. He usually has an Attorney General who is a trained man to pass upon matters of that kind. Any dispute with reference to it would have to be submitted to the Senate.

Mr. DENISON. It would have to be submitted to the Senate?

Mr. STEELE. Yes.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. STEELE. Certainly.

Mr. ROSE. Under the wording of the present bill, I take it now, there will be no pensioning of the judges, as I understand the term. In other words, the judges are not retired from active service and pensionable when retired, but I understand they will always be considered as judges and be ready to perform duties when called upon, no matter what their ages may be?

Mr. STEELE. That is true under the retirement feature. They are judges, and are supposed to be doing some judicial work. It is not true when they resign. There is still a retirement feature as to those who voluntarily resign.

Mr. OVERSTREET. Mr. Chairman, will the gentleman permit one question?

Mr. STEELE. Yes.

Mr. OVERSTREET. Do the retired judges receive the same salary under this law as they now receive?

Mr. STEELE. The same. The first retirement provision mentioned in this bill is identical with the existing law.

Mr. BURNETT. Not as they receive now, as I understand, but as they will receive, as increased by this bill. Is not that it?

Mr. STEELE. Of course they are entitled to the salary they receive at the time of their retirement.

Mr. BURNETT. I know; but the gentleman's question was whether they would receive the salaries they now receive if retired now.

Mr. STEELE. The salaries they received at the time of their retirement.

Mr. OVERSTREET. I so understood. Of course when the bill becomes a law they will receive the salaries that the bill provides.

Mr. STEELE. That is correct.

Answering the gentleman from Missouri [Mr. DYER], who asked me in reference to the provisions of the bill that was before the House more than a year ago, and contrasting the provisions of that bill with those of the one that is now before the House, I wish, for the information of the House, to read the provisions of the old bill upon the subject. It was as follows:

In the event any such judge of a district court of the United States, having so held a commission or commissions at least 10 years continuously, and having attained the age of 70 years as aforesaid, shall nevertheless remain in office, the President, if in his opinion the public good so requires, may appoint, by and with the advice and consent of the Senate.

Gentlemen of the House will note that in the previous bill the criterion for the appointment was the opinion of the President that the public good so required. The provisions of this bill are that the judge must, from mental or physical condition, be incapable of performing all the duties of his office. It was this provision, as I stated awhile ago, that was drafted by Mr. VOLSTEAD, and after careful consideration by the committee was adopted by it and incorporated in this bill.

Mr. DYER. Will the gentleman yield there?

Mr. STEELE. Yes.

Mr. DYER. Another important difference, as I understand it, between this bill and the previous bill, modified at the suggestion of the gentleman from Minnesota [Mr. VOLSTEAD], is that if this bill becomes a law it will still permit the other judge, that is, the judge who is being given this assistance, but who still remains on the bench, to be a judge in fact.

Mr. STEELE. Absolutely so.

Mr. DYER. Not a supernumerary.

Mr. STEELE. Absolutely so.

Mr. DYER. And if anyone appeared before him for a writ of any kind he would have full authority to issue that writ. In other words, the new judge would not be the only judge of the court.

Mr. STEELE. Not at all.

Mr. DYER. That was the fact under the old bill to which objection was made.

Mr. STEELE. The old judge would perform any judicial functions that he would be capable of performing.

Mr. ROSE. As I understand, under the present law a judge retiring is paid so much salary. The law provides for the amount.

Mr. STEELE. Yes.

Mr. ROSE. Under this proposed bill is there any change in that feature of the law?

Mr. STEELE. There is none. He receives the salary payable at the time of his resignation.

Mr. ROSE. The existing law is not changed by the proposed bill?

Mr. STEELE. No. Now, while I am on the subject of these retirement features of this bill, I desire to have read for the benefit of the House a letter which I received from former Justice Charles E. Hughes, of the Supreme Court, after I had reported the bill to the House, a letter relating to this retirement feature and also relating to the provisions of the bill with reference to the compensation provided. I ask the Clerk to read the letter.

The Clerk read as follows:

JUNE 27, 1918.

Hon. H. J. STEELE,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I trust that House bill No. 12001, increasing the salaries of Federal judges, will not fail to pass. As I have already written to Congressman CARAWAY, I regard it as a highly important measure which should be passed in justice to the judges and in the interest of the public. I stated the grounds of this opinion in my letter to Congressman CARAWAY, and I need not enlarge upon them. I write now to say that I am also in favor of the provisions in House bill No. 12001, relating to the retirement of circuit and district judges. I was not in favor of the provisions embraced in House bill No. 11134, relating to the compulsory retirement of district judges, but these provisions have been eliminated and under House bill No. 12001 circuit and district judges have been put on the same basis with regard to retirement, and these provisions, it seems to me, are eminently wise.

Very sincerely, yours,

CHARLES E. HUGHES.

Mr. STEELE. The provision of this bill with reference to the compensation of judges is new in Federal practice. While it is new so far as the compensation of Federal judges is concerned, it is not new with reference to the experience of a number of the States of the Union which have adopted the same basis of compensation as is incorporated in this bill. The Constitution provides that the judges from time to time shall receive a compensation, and that this compensation shall not be diminished during their term of office. What is meant by "a compensation"? The ordinary meaning of the word "compensation" in the etymological sense of it is the image of a balancing of one thing against another. Popularly we understand it to be an equivalent for something, and the idea therefore of a compensation is that those who render judicial service shall receive an equivalent for that service from the Government.

Mr. GORDON. May I interrupt the gentleman?

Mr. STEELE. Yes.

Mr. GORDON. Suppose a judge who lived in one of these $10,000-a-year districts were detailed to go and hold court in some rural district where the compensation was only $6,500, what would be his compensation while sojourning in this other district?

Mr. STEELE. His compenation is fixed by reference to the place where he is supposed to perform his regular functions. It is extraordinary for him to leave his district and go somewhere else. Judges who leave their homes and go away to perform other duties are provided a reimbursement for their expenses while so doing. It does not add anything to their compensation. It only reimburses them for their additional expenses.

Mr. CALDWELL. As a matter of fact a man coming from a $10,000 district to a rural district is performing an additional onerous duty. He is doing more than $10,000 worth of work.

Mr. STEELE. I agree with the gentleman.

Mr. KINKAID. Suppose that in a State where the statute constitutes one district there is a population say of 3,000,000 people. There will be several district judges there.

Mr. STEELE. Yes.

Mr. KINKAID. Now, are you going to allow additional compensation to each one of the judges on the basis of the whole population?

Mr. STEELE. On the basis of the population of that State.

Mr. KINKAID. Suppose, on the other hand, there is another State with equal population which has five districts, say one judge in each district. Those judges will receive compensation in proportion to the population in their respective districts?

Mr. STEELE. Correct. It operates that way in my own State of Pennsylvania, where there are three districts.

Mr. KINKAID. There are three districts, and several judges in each district?

Mr. STEELE. No; there is but one district judge in one district, and there are two district judges in each of the other two districts, and in that same circuit is the State of Delaware with but a small population.

Mr. KINKAID. I was talking about districts, so as not to get the question confused. Does it not operate to the advantage of each judge in a district where there are two district judges, over the single judge in the district where there is only one? Granting that the population is twice as large, it ought to be consistent, in the district which has two district judges. Now they will get an increase of compensation in proportion to the population of the district. On the other hand, the district that has one judge will get an increase in proportion to the population which one judge should take care of. There will be twice the population, and therefore in a district having two district judges the compensation would be increased twofold for each judge over that in the district that has one judge.

Mr. STEELE. Each district, no matter whether it has one, two, or three judges, will have the salaries fixed according to the population of that particular district. It will be the population of that entire district which will fix the compensation of all judges in that district. Take, for instance, the city of Philadelphia, where there are two district judges in the eastern district of Pennsylvania. Side by side with that is the State of Delaware with a small population. It works out with inequalities in some instances, but on the whole it has been found upon examination that it works out as fairly as any system that can be devised. It has been the judicial experience of those who have had large experience on the bench and who have considered the subject, that population breeds increased

litigation, and an increase of population also increases the expense of living in that particular district. The two things go together.

Mr. KINKAID. If the gentleman will pardon me, I do not like to argue with the gentleman who has the floor, but if I understand correctly, it seems to me that there is a fallacy contained in the bill.

Mr. STEELE. If the gentleman will look over the report of the committee——

Mr. KINKAID. I have read it carefully.

Mr. STEELE. He will find a discussion on that aspect of it.

Mr. GARD. Will the gentleman yield?

Mr. STEELE. I will.

Mr. GARD. The gentleman has given serious consideration in the study of this, and I would like to ask his opinion about this provision on page 2, line 8, where there is found this language:

Provided, however, That the salary of any district judge appointed for more than one district shall be determined on the basis of the aggregate population of the districts for which he is appointed.

Take the instance of two districts in a State. Suppose one district—call it the southern district—has a judge. Suppose there is another district created by subsequent law in which another judge is appointed for the two districts. Under the reading of this bill, as I view it, the man who is appointed for the two districts would get a salary in proportion to the entire population of the State, even though, as a matter of fact, he tried cases only in the district in which he lives. Is it the idea to afford compensation to a judge outside his own district when he does not try any cases outside his own district?

Mr. STEELE. I will answer the gentleman in this way: That provision was intended to meet a different situation than that which the gentleman has suggested. Where a judge is appointed for a single district and performs his function there, of course he is only entitled to a salary upon the basis of the population of that particular district. There are in the country several instances of this character, where there are two judicial districts and only one judge for those two judicial districts. That is the case in Tennessee to-day. I do not know how it happened, but I know that in Tennessee there are three Federal judicial districts and but two judges for those three districts. One judge is appointed for two districts and no other judge is there to perform the duties of that district. If he performs the duties of that office in two districts and no other judge performs the duties, manifestly he should receive compensation based on the population of the two districts, if he does the work in both districts.

Mr. GARD. How about the converse—suppose he does the work in one district and is appointed for two districts?

Mr. STEELE. He would never be appointed for more than one district unless the situation arises such as I have just mentioned.

Mr. DENISON. Will the gentleman yield?

Mr. STEELE. I will.

Mr. DENISON. Will the gentleman state upon what theory the appointment of judges is made for the judicial districts? Is there any special provision of the Constitution or of law that governs the President in the appointment of judges for the district? I am asking so that I may have a better understanding of the subject.

Mr. STEELE. The Judicial Code divides the country into judicial districts. That Judicial Code and the creation of courts was passed under the clause of the Constitution which authorizes Congress to establish inferior courts below that of the Supreme Court.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WEBB. I yield 10 minutes more to the gentleman from Pennsylvania.

Mr. STEELE. The Judicial Code divides the country up into districts, particularly defining their boundaries, and when a district judge is appointed for any particular district the jurisdiction is defined in the Judicial Code.

Mr. DENISON. Can the President appoint a judge for two districts if he wishes to, or two judges for one district?

Mr. STEELE. If the code so stipulates. That is a fact in New York City, in the eastern district of Pennsylvania, and in Chicago, where there is a heavy population and creates a large business for the court.

I was about to state that the basis of population incorporated in the bill is that applied to several States of the Union, notably Ohio and Pennsylvania. I might say with reference to the salaries fixed in this bill that the minimum is $6,500, $500 more than the district judges now receive as a basis of compensation, and we provide that they shall receive an increased compensation to the amount of $500 per annum for each additional half million population beyond the first half million that may be in that particular district.

It was the practice of Congress down to as late as 1891 to fix the compensation for each particular judge in this or that section of the country according to the amount of work that he performed. There was a variation in the salaries down to that time, when the flat salary system was adopted. That was continued in the present judicial salary act of 1903. Some gentlemen may ask, Why do you not include the judges of the Supreme Court in this bill? I answer that in 1911 the compensation of the judges of that court was increased $2,000 per annum, while the salaries of the district and circuit judges were left untouched, so that we are really finishing what was commenced by Congress in 1911.

With reference to the amount fixed here and the basis of it, I wish to say that Pennsylvania, which has adopted this salary system, and has had it for a number of years, has found it works very satisfactorily, and Pennsylvania to-day, even although you may add this increase to the judges' salaries mentioned in this bill, is paying $60,000 per year more for its judicial system than the United States is paying its judges for performing their judicial functions throughout the entire territory of the United States. New York is paying vastly more than that, and if a comparison were made with the compensation paid to the English judges our compensation in this country would seem very small indeed. The lord chancellor of England receives $40,000 per year; the lord chief justice receives $30,000 per year; the associate justices, who are equivalent to our Federal judges, receive $25,000 per year; and the lowest, as I recall, are in Scotland and Ireland, and they receive $18,000 per year. The fact of the matter is that the compensation paid to the judges of Great Britain and Ireland for performing the same judicial functions as our Federal judiciaries perform, although the population is only one-half of that of the United States, is much more than we are paying for our entire judicial system. I shall not take up the time to go into the details of that matter, and in conclusion simply wish to say that this bill has received very careful consideration by the Judiciary Committee.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. STEELE. Yes.

Mr. GOOD. Could the gentleman inform the committee what the salaries of the judges of the Circuit Court of Appeals are?

Mr. STEELE. Seven thousand dollars per year at the present time. This bill provides for a minimum increase of $1,000 per year.

I wish to say that in the framing of this bill and in its consideration the committee has had the assistance of a committee of judges who have taken the matter up. There are a number of judges now upon the bench who by reason of the increased cost of living have informed the committee that unless they receive some relief of the character described in this bill they will be unable to continue upon the bench. In New York City and in Philadelphia the police magistrates are receiving higher salaries than the United States judges are receiving for performing their vast duties in those large cities. With the expansion of the Federal activities that is going on throughout the country and which has resulted in largely increasing the judicial work performed by the judges throughout the country, it seems to me that the compensation provided in this bill is reasonable, and that making population the basis is as fair and equitable as any system that could have been devised.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. STEELE. Yes.

Mr. DEMPSEY. On this question of the number of judges whom the President may appoint in the different districts, does the Judicial Code provide the number? Does it say, for instance, that in southern New York a certain number of judges may be appointed and that in these two districts in Tennessee one judge shall be appointed for the two districts?

Mr. STEELE. The gentleman has stated it correctly.

Mr. DEMPSEY. In other words, it is fixed by the Judicial Code?

Mr. STEELE. Absolutely; and he can not go outside of the congressional authorization.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. STEELE. Yes.

Mr. MADDEN. What does the gentleman say about that part of the bill that provides that the President may retire judges who have served a certain length of time and who have reached a certain age, if they do not retire voluntarily, and put some one else in their place?

Mr. STEELE. I think the gentleman must have been absent from the Chamber when I discussed that phase of the matter.

Mr. MADDEN. I was absent, if the gentleman discussed it, for I did not hear it. I would like to know what the gentleman thinks of the justification of that sort of thing.

Mr. STEELE. I think the gentleman has had the same confusion of thought that a number of other gentlemen have had, that the provisions of this bill are identical with the provisions of the bill that was before the House more than a year ago. The provisions of this bill, however, are entirely different from that bill. That bill gave the President authority wherever in his opinion the public good required it to appoint a judge, whereas this bill provides that he is only authorized to act where by reason of physical and mental disability of a permanent character the judge is disqualified from performing efficiently all of the duties of his office. There can be no justification for a man remaining on the bench who has reached that stage of physical decline.

Mr. MADDEN. Where does the bill say that? Does it say that in that language?

Mr. STEELE. Yes.

Mr. MADDEN. I would like to have the gentleman read it.

Mr. STEELE. It is on page 5, commencing in line 10.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that his time may be extended for five minutes.

The CHAIRMAN. The time for debate has been fixed by the House.

Mr. STEELE. I think if the gentleman reads that portion of the bill that he will agree with me.

Mr. WEBB. I yield 10 minutes to the gentleman from Pennsylvania [Mr. GRAHAM]. [Applause.]

Mr. GRAHAM of Pennsylvania. Mr. Chairman and gentlemen of the committee, I always listen with pleasure and respect to the gentleman from Illinois [Mr. CANNON], who has just taken his seat. I regret when I can not agree with him, as sometimes does occur; but in the main I am happy to say that I do usually accord in sentiment and judgment with what he advocates.

Here is a bill asking for an increase in the salaries of our judges. On the question of the increase in salary I think there will scarcely be an observable opposition. Every man who understands the situation recognizes that the judiciary of this country are underpaid, and have been underpaid for many years. We are performing to-day only an act of unfinished business. We increased the salaries of the Supreme Court judges, but we stopped short of moving down the line to take care of the circuit and district judges. The total increased expense measured by this bill for all the judges of the United States is a little over $237,000, an infinitesimal sum in and of itself; and when we remember the stainless and splendid record of the judiciary of this country every man ought with spontaneity to come to the rescue and say that they ought to be properly paid and properly recognized.

The distinguished gentleman from Illinois [Mr. CANNON] said we ought to have our salaries increased as Congressmen, and gave as a reason that we were called upon for contributions to the Red Cross and to other charities, which are cheerfully given. Are not the judges of the land called upon to make like disbursements? Does not the increase in cost of living weigh just as heavily upon them as it does upon every other citizen in the country? Has not a judge to maintain a certain position of dignity in the community commensurate with his position? Has not a judge to rear, educate, and provide for his family? Where is there anything to compensate him for the life that is spent upon the bench? A lawyer has opportunities for making money that never can come to a judge. The judge is barred practically from entering into any kind of business. The very fact that he has a life tenure is to a large degree a handicap upon him, for when his period of service is ended, when his life is closed, he has had no opportunity to create, augment, or increase his private fortune and leave a provision for his wife or his children who are left behind him.

Mr. FLOOD. Mr. Chairman, may I ask the gentleman a question?

Mr. GRAHAM of Pennsylvania. Certainly.

Mr. FLOOD. I see the force of the gentleman's argument. I should like to know why the judges located in the District of Columbia are not in some way provided for in this bill? Surely the expense of living is as high here as it is anywhere in the country. I should think that some provision ought to be made for the judges of the District of Columbia, even though we do not have an excessive population.

Mr. GRAHAM of Pennsylvania. The gentleman is quite right; but that bill would come under a different classification, I think. The payment, if the old rule of 50–50 prevails, would be borne partly by the District of Columbia and partly out of the Treasury of the United States. I have nothing to say against the proposition which is involved in the question. I simply say that so far as this bill is concerned, so far as the compensation of the judges sitting on our United States court benches is concerned, they are underpaid, and improperly underpaid, and their salaries ought to be increased in a proper and distinct proportion.

Mr. FLOOD. I will ask the gentleman why are not the judges of the Court of Claims here in Washington included?

Mr. GRAHAM of Pennsylvania. I do not know. The matter was not presented in the bill. The bill was considered on its merits as it was presented, and the report of the committee is in support of the bill as presented and acted upon and considered by them.

Mr. FLOOD. Does not the gentleman think the judges of the Court of Claims should be put on a parity with the other judges of the United States courts?

Mr. GRAHAM of Pennsylvania. I am not able to answer that question. It probably is true; but it ought not to hinder or hamper the passage of this bill now. That question was not before the Judiciary Committee, and was not considered by the committee, and therefore you can not, without probably defeating this bill in its passage, attempt to put an amendment at this late hour on this bill now in the nature of a provision for the courts in the District of Columbia or the judges of the Court of Claims.

Mr. REAVIS. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. REAVIS. The gentleman stated a moment ago that taking care of the courts of the District would of necessity come under the fifty-fifty proposition. That would be true so far as the appropriation was concerned, but surely the Committee on the Judiciary has jurisdiction of the salaries of the judges of the District of Columbia; and inasmuch as it was an oversight that the judges of the District of Columbia were not provided for in this bill, does not the gentleman believe that an amendment should be offered that would make provision for them without jeopardizing or embarrassing this bill in any way?

Mr. GRAHAM of Pennsylvania. If the gentleman sees fit to offer an amendment covering those judges, so far as I am concerned I see no objection to it.

Mr. REAVIS. The same thing that inspired the committee to report a bill increasing the salaries of the Federal judges would be equally persuasive regarding the salaries of the judges in the District of Columbia, would it not, the high cost of living, and so forth?

Mr. GRAHAM of Pennsylvania. Yes; surely. I do not know the conditions that affect them, nor do I even know the salaries of the judges in the District of Columbia. I have had no investigation made of that. But I certainly think that if the gentleman wished to offer an amendment of that kind, he is a member of our Judiciary Committee, there is the place where it should have been offered, in order that it might receive full, fair, and thorough consideration.

Now, I want to pass on. The storm center relating to this bill is not as to the question of increasing the salaries nor as to the method of increasing the salaries. I think both those points have been fully and fairly considered.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GARD. Mr. Chairman, I yield 10 additional minutes to the gentleman from Pennsylvania.

Mr. GRAHAM of Pennsylvania. So far as these matters are concerned, there is, as I stated before, very little opposition. The storm center in relation to this bill apparently is with reference to that particular portion of it that provides for the appointment of a judge under certain circumstances by the President of the United States, by and with the consent and concurrence of the Senate of the United States.

We must start with the consideration that there are occasions, rare indeed of course, where there ought to be some power that would correct an evil that everyone acknowledges does exist. Take a district where a judge has served 10 years continuously, is over 70 years of age, is incompetent either from physical or mental causes to discharge all the duties of his office, and the business of that community is being clogged and held up and the community is suffering, why ought there not to be some speedy methods of affording a remedy and quick relief?

We have considered what remedy could be applied. Two years ago a bill was introduced in this House providing for the appointment by the President—and it left it almost absolutely a matter of choice on his part—a matter of his own ipse dixit

whether it should be done. I, with my colleague on the committee, Mr. VOLSTEAD, filed a minority report on the bill and opposed it. In the committee our attitude was in opposition to any measure being inserted here on this subject. Finally, as a compromise, suggested by the gentleman from Minnesota, the language now in the bill was offered and agreed to, because we felt that it furnished, probably, the best and wisest method that could be obtained.

On one occasion, thinking that perhaps it might be a good suggestion, I asked the judges who were consulted by the committee in framing and aiding us in the formation of this bill, why not leave the question of the ascertainment of incapacity of the judges of the same circuit, or a majority of them, in which the man subject to the objection was exercising the functions and duties of his office. Instantly there was a protest. "Oh, you could not get the judges to certify on that point," and so we were obliged to leave it where the bill puts it, that the President must find the fact, and the bill carefully guards what he must find. He must find that the man is incapacitated physically or mentally, permanently—not temporarily but permanently—incapacitated from discharging all the duties of his office. When he so finds he may nominate a man who shall be senior over him in that circuit, but the man himself is not disturbed; his salary continues, and he remains in the service.

Surely, my friends, if the President of the United States dared to exercise the power that is given him in this bill for the purpose of satisfying some political object, do you think that would or could be tolerated, and would it not find rejection of the nominee by the Senate?

Some one has said to me, Suppose a judge past 70—and there are many men who pass that mark who are still in possession of their faculties physically and mentally and probably capable of doing the very finest work on the bench—suppose the man has reached that stage and the President would say: "He has served 10 years, and I will find that he is incapacitated and will attempt to remove him." What would be the response? Do you think, gentlemen of the committee, that the bar of his community would sit idly by and permit any such action against the man who was capable of performing his work on the bench? Do you think for a moment that the community would suffer a competent judge to be removed in this fashion and would not the protest loud and strong sound in the ears of the Members of the Senate and be so potential with them that they would say by their votes that the appointment thus wrongfully made should not be confirmed? If the appointment is not confirmed, what harm has been done? The judge affected by the attempted appointment is still in his place, he is still in office, and the new appointee that the President has nominated has not and can not take his seat, and therefore the matter is just as it was before.

We know of no other or better way to afford relief of what is recognized by us all as a rare evil but nevertheless one actually in the administration of the justice of the country. There are cases where, perhaps, under some false notion a man may seek to hold his place on the bench when he is unfitted to conduct and perform the duties of his office, and when he ought to retire from his place and let the President appoint a new man. Surely in such a case as that, where the business of the district is clogged, there should be a remedy by which that state of affairs could be redressed. We furnish you with the remedy in this bill, the best our united thought could give, and we ask you to see that it is adopted.

Now, one word in answer to a suggestion that was made, I know not from what source such a thought could come, but, said the gentleman, the judges have tried the case and found a verdict in favor of increasing their salary. It was a question between the judges and the taxpayers, but, he said, there was nobody there to represent the taxpayer. Well, sometimes a gentleman may arrogate to himself all the excellencies and all the virtues of humanity and think that no one else is his peer, but I would have him understand that every man of the 21 members of that Judiciary Committee sat there as the representatives of the taxpayers and their counsel, and not a man would have voted for the passage of this bill if it did not commend itself to their better and unprejudiced judgment.

The bill received unanimous and favorable consideration—with perhaps one exception—and the only point of real difference in this committee to-day, as I understand it, is with reference to the clause which I have discussed at length regarding the appointment of a successor over an incumbent who is incompetent by reason of mental or physical defect for the performance of the duties of his office.

The CHAIRMAN (Mr. BORLAND). The time of the gentleman from Pennsylvania has again expired.

Mr. WALSH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. HENRY T. RAINEY].

Mr. HENRY T. RAINEY. Mr. Chairman, the gentleman from Pennsylvania [Mr. GRAHAM], who has just taken his seat, did me the honor to refer in terms to my interruption of the speech of my colleague from Illinois [Mr. CANNON], in which I suggested that we represent here the taxpayers of the United States, and with considerable fervor the gentleman from Pennsylvania responded to that suggestion on my part. I want to say to the gentleman from Pennsylvania that, like himself, I have practiced law for many years. I practiced law for 15 years until I came to the Congress of the United States, and then I gave it up. I represented individuals and some corporations to the best of my ability for 15 years when they paid my fees, but when I came here I quit representing them and commenced to represent all the people of my State in these measures appropriating money which the taxpayers of the United States must contribute. Can the gentleman from Pennsylvania, with his corporate connections, say the same thing? I propose to continue, in spite of the criticisms of corporation lawyers, to represent to the best of my ability what I conceive to be the interests of the people of my State and of the United States.

I say again that the Federal judges of the United States, 126 of them—95 district judges and 31 circuit judges—tried this case, and there was no dissenting opinion. Every one of them agreed that their salaries ought to be raised, and they agreed upon the amount. When I practiced law I had the greatest respect for the Federal judiciary, and that respect continued until this present moment. After deciding this case without a dissenting opinion—and no one has heard of any one of these 126 judges who is opposed to this bill—they came here—12 of them—and appeared before the Judiciary Committee of the House in favor of this proposition to increase their own salaries. I say that with a blush of shame. When other individuals come here for a small compensation to represent their own interests in the corridors of this House and in the committee rooms we call them lobbyists, but when 12 judges, representing 126 Federal judges, come here and lobby—argue, I will say—for an increase in their salaries, to what particular class shall we assign them?

They are entitled to have their propositions and their suggestions weighed by the same kind of evidence that we apply to any other interests that come here before this legislative body. They come here insisting that their salaries, which are now $6,000 per year, be increased so that the minimum salary of a district judge shall be $6,500 and the maximum $10,000, and so that the minimum salary of a circuit judge shall be $7,000 and the maximum $11,000. That is their proposition in a nutshell, and that is all there is to it. Let us understand the position they occupy. Each one of them became a party to an implied contract when he vociferously accepted the position to receive $6,000 a year for his services, and for what period of time? For the period of his natural life. They have the right at the age of 70 years, if they so elect, to retire on the same salary of $6,000 a year. That is the implied contract under which they all assumed to discharge the duties of their office. They come here now, 12 of them, representing 126, who make no objections, and deliberately violate that implied contract. Are they asking these increases for those who shall succeed them when their present terms of office expire? No; they are asking these increases for themselves, during the period of the term for which they have solemnly agreed to serve for $6,000; and they say they are asking it in order that they "may be fair and judicial," in order that they may "adequately discharge the duties of their office." They subscribe here to a letter of Judge Hughes, who urges this reason for increasing the salaries:

> If we are to maintain the high standard of the Federal judiciary and suitably to recognize the great importance of the work of the Federal district and circuit courts, it would seem to be an imperative duty that a readjustment should be made of judicial salaries.

Judge Hughes, in that same letter, says:

> The present scale of salaries paid to the Federal judges is not only unjust to them, but is a serious menace to the administration of justice, and it greatly narrows the field of choice in the selection of judges to fill the vacancies.

The judges who unanimously agreed upon this increase in their salaries then, according to this letter which they present here as a reason for it, have been selected from a field which has been "greatly narrowed," because the compensation is not big enough. In other words, they have been selected from a field, according to the argument of Judge Hughes, of lawyers from whom you could not get the best judges. Yet these judges, who admit by presenting this letter here that they have been selected from a field that has been "greatly narrowed," because the salaries are not larger, come here with that admission, but insist that they are capable at least of determining this one question, namely, that their salaries ought to be increased. They ask that their salaries be increased, as stated here in the report, for

the reason that to them "people are frequently compelled to trust their lives, their fortunes, and their honor." Let us see what there can be in that kind of an argument. Here are a number of them, all of them at present receiving $6,000 a year. There will be 14 of them who will receive $6,500 a year under the provisions of this bill. Then, according to their argument, in order that the lives and property and honor of the citizens of the United States shall be safe in the hands of these 14, we ought to pay each of them $500 a year more, and if the district is larger than that, if it contains a population of 500,000 more, then the lives and the property and the honor of the citizens who are so unfortunate as to live in that larger district can only be conserved by paying each of the judges in districts as large as that $1,000 a year more than they get now.

So in that sort of arithmetical progression the lives, the property, and the honor of the people of the United States are unsafe as the population of the districts increases, and the way to make them safe is to give these judges $500 more for each 500,000 increase in the population of their districts. The report goes on to say not only that the judges themselves appeared, 12 of them, but that representatives of the judiciary appeared before the committee and approved of this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WALSH. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. HENRY T. RAINEY. Mr. Chairman, it was not enough for they themselves to appear, but they appeared here by a representative, and I understand the representative was a former Member of this House and a former Member of the Senate of the United States, one of the great lawyers of the United States. They knew enough about the procedure here to select a most able representative. His fees are so high that, of course, nobody would ever call him a lobbyist when he came here before that committee presenting the argument of these judges.

Five times in the history of the United States the salaries of Federal judges have been increased by legislative action, but every time it was increased not on their initiative but on the initiative of this legislative body.

In 1893, when it was fixed at $6,000, not a representative of the judges appeared before any committee of this House. This House initiated that legislation itself. The judges were modest enough to occupy the position of not asking for that increase. To-day, when every man on the Federal pay roll, and we have nearly one-fourth of the adult population of the United States on the pay roll, is demanding an increase in his salary, the judges come in also and join the general chorus and demand an increase of their salaries. We commenced this business of increasing salaries by increasing our own clerk-hire allowance, and then we tied our hands when all the employees of this Government who are organized came here and demanded that their salaries be increased, and so we proceeded during this war increasing salaries of all employees of this Government who asked that their salaries be increased. But we have pursued the policy of increasing, first, the salaries of those who receive the lowest pay. Now, in the first legislative act that this House undertakes to perform in the opening of the period of reconstruction, we are asked to increase the salaries of 126 judges, who are among the highest paid of all the Federal officials of this Government, and when we have increased the salaries of the highest and when we have increased the salaries of the lowest, we will be compelled to increase every salary in between, and there is no place to stop in these assaults on the Treasury.

The war is over, terms of peace will be signed up in the early spring, and the time has come not to treat the expenditure of $237,500 as an "infinitesimal proposition." We have been juggling with millions and with billions, and the gentleman from Pennsylvania [Mr. GRAHAM] who just preceded me made the startling statement that in this period of reconstruction, when we must commence an effort at retrenchment, that $237,500—that is the amount of the charge on the Treasury if we comply with the wishes of these judges—is an infinitesimal amount. Well, granting that he is right about it, and it is infinitesimal as compared with the amounts we have been appropriating for the protection of this country in time of war, granting he is right about that, and nobody is willing to do that, the principle at stake in the matter, in these earliest days of the reconstruction period, of increasing the compensation of $6,000 a year officials, when prices have already commenced to go down, and when we propose to compel, if we can, still further price reduction, is a dangerous way in which to commence to retrench expenses. I hope this House will have enough courage to refuse this unanimous demand of the district and circuit judges of the United States. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARD. I yield 10 minutes to the gentleman from New York [Mr. SIEGEL].

Mr. SIEGEL. Mr. Chairman, it is not a question of dispute between the gentleman from Illinois [Mr. HENRY T. RAINEY], who has just preceded me, or the gentleman from Pennsylvania [Mr. GRAHAM]. The sole question is whether the judges on the Federal bench residing, for instance, in the State of New York, are to be receiving one-third of the salary which is being paid to judges doing similar work in the State courts. We have 144 judges in the city of New York. A magistrate on the bench receives between $7,000 and $8,000 a year. We have municipal court justices who try municipal court cases up to $1,000, and they get $8,000 a year. We have a court of special sessions that tries dismeanors, and they are getting $9,000 a year, and we have supreme court judges doing the same work which our United States district court judges are doing, and they are getting $17,500 a year. So in the city we see the spectacle of the United States district court judge trying cases involving millions getting $6,000 a year, or one-third of what is being paid to the same kind of a judge doing the same kind of work across the street.

Mr. DYER. What do the appellate judges of the State of New York get?

Mr. SIEGEL. The appellate judges receive $17,500 in the city of New York, first district. The court of appeals judges are getting approximately $13,500.

Mr. PLATT. The supreme court judges get $17,500 in the second district of New York.

Mr. SIEGEL. Twelve thousand dollars, I thought.

Mr. PLATT. I know they are getting $17,500.

Mr. SIEGEL. In your district?

Mr. PLATT. The $12,000 salary begins above my district.

Mr. WALSH. Do any of these judges hold office for life in New York?

Mr. SIEGEL. Practically for life. We reelect them. They are elected first for 14 years and then elected for 14 years again, and are retired at the age of 70 years on full pay.

Mr. DONOVAN. Has the gentleman instanced the experience of Mr. Justice Dowling in regard to his election?

Mr. SIEGEL. Mr. Justice Dowling has been elected once and then reelected and is still on the bench. Republicans and Democrats both combine and put the same man back; they repeatedly do the same thing.

Mr. WALSH. But do they not go through a campaign for reelection?

Mr. SIEGEL. They do not because both parties nominate at the same time and get rid of the expense.

Mr. LITTLE. Does the gentleman think that justice is any better administered by the paying of a judge $17,500—or in courts where they pay less?

Mr. SIEGEL. No; but I do not believe any judge should be worrying whether he is getting sufficient money in order to keep his family going. It has been testified to before the Judiciary Committee that there are judges who have been borrowing money in order properly to support their families. I think a judge ought to be paid a living wage; that he ought to be paid a sufficient amount on which to live on properly, to uphold his dignity in every possible way, and have a chance to educate his children. I could go to work and call your attention to the testimony of Judge Buffington, presiding judge of the third circuit of appeals in Pennsylvania, who testified he was unable to save anything during the entire period of time, and that he was unable to live properly on his salary which the United States had been paying him. I pointed out before the committee the rise in prices in these 15 years. We have increased the salaries of practically everyone else during the entire time except these judges.

Now, there has been some discussion here as to why it is——

Mr. EAGLE. Will the gentleman yield?

Mr. SIEGEL. I will.

Mr. EAGLE. I would like to ask the gentleman's opinion on this point: Does not the gentleman think that any family anywhere in America can live decently, respectably, and properly on $6,000 a year? I will state to the gentleman that I would not raise the salary of a Congressman above $7,500 a year simply because if any of us wishes to do so we can live in Washington in perfect comfort and decency on even $6,000 a year.

Mr. SIEGEL. In answer to that, I will say that there is not a judge upon the bench who is not called upon to contribute his share to charity and other relief work throughout the country. If he is on the bench in New York City, I believe there is not a single judge, who is not exactly compelled, but who contributes at least 10 per cent of his salary to various charities

in New York City. Why should a Federal judge in any of the large cities of the country be compelled to live in a different fashion than the man on the supreme court bench in that same city or the highest judge in that particular city?

There has been some discussion here in regard to the sliding scale, as it is called. The judges in New York, in the Eastern District or Southern District, receive $6,000 a year at the present time. A judge from New Hampshire or Vermont comes down to preside in New York. He gets only $6,000 a year salary, but he gets $10 a day additional while sitting in New York. And we have the spectacle of seeing a judge coming from New Hampshire or Vermont earning $9,000 a year, or $8,500 a year, while his fellow judge, living in New York City, can only receive $6,000 a year, although he does the greatest portion of the work there.

Mr. LITTLE. Just about what is his hotel bill?

Mr. SIEGEL. He does not have his personal expenses in his own home town to pay while in New York City. He is getting $10 a day while down there.

Mr. WALSH. And he will get that $10 a day if this bill passes, will he not?

Mr. SIEGEL. I do not construe it that way.

Mr. WALSH. The gentleman does not construe it at all.

Mr. SIEGEL. I know the work these judges are doing, and I went to see them sufficiently paid.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. LITTLE].

Mr. LITTLE. Mr. Chairman, I am not opposed to a proper raise in the salary of Federal judges and shall vote for it. On the other hand, I have no hesitation in saying to the Federal judges and their friends that if the measure does not suit me I will not support it. We must learn to consider these things aside from personalities.

I find here in this bill that the Federal judges in a district that has the most people will receive the largest salary. I do not like that provision. I do not see any reason for it or any excuse for it. There is no more ability in a big district than there is in a small one. The judges are constantly changed about, and any judge from a district that drew the minimum might be sent to a district that drew the maximum. If Judge Hughes's ideas just quoted are a deciding argument here, we would then say that the people in the big district who received the judge from the little district would not get the best results, because, according to that theory, in order to get exact justice you will have to pay the biggest salaries, so that you would get the lawyers with the largest incomes. But the lawyers with the big incomes are not the ablest lawyers, but simply the best managers of large interests. All of our great jurists came from the country towns almost without exception. If a judge from Kansas goes to New York City and sits in the court there, there is no reason why he should not receive the same salary as the man in New York City. Just a short time ago a judge in the district in which I live, and whose office is right across the street from mine, was sent to New York City. I never heard any complaint. He is an able jurist and did full justice to the situation so far as I have learned.

He is perfectly competent, too, and his salary should be just the same as that of anybody else, and there is no sense in trying to discriminate between these judges in one district and another. They are all liable to perform the same work, and they may be called in any week to do the same work from Baltimore or San Francisco or New York. There is no justice in attempting to classify them.

Mr. LINTHICUM. Does not the gentleman realize the fact that a judge can live more cheaply in the city of Baltimore than in any other city?

Mr. LITTLE. Well, I have heard the gentleman's arguments on the floor, and I have not moved over there yet. There are temptations over there, too, that increase the cost of living. [Laughter.]

Mr. LINTHICUM. Our markets afford the finest delicacies in the way of food, and there is the best champagne over there in the country, and all that.

Mr. LITTLE. Baltimore's temptations are hard to resist, but the economy necessary on a Congressman's salary requires self-denial. They say $10 a day extra is added when the judges are assigned elsewhere, but that will not pay their hotel and railroad fare. The salary should be the same in every district. No discrimination should be made. There is just as much ability in one district as in another. They all do about the same amount of work. Now, I think I have made myself clear on that, and I hope I may pass on to the next phase of the subject.

It is said we need more judges because some men insist on staying on the bench after they are unfitted by age to perform the duties of the position. When this Constitution was framed it was thought that the men who would hold these lofty positions would have sense and manhood enough to occupy them as long as they were useful, and when they ceased to be useful they would have sense and manhood enough to retire. I think a way should be found to retire them without expense to the people. The gentlemen in charge of this bill say this is the only way to get rid of them under the Constitution.

If that is so, the Constitution ought to be amended, and some more expeditious, fair, and equitable way should be provided to get at these old fellows who insist on holding on to the job. The office of judge is intended to be an honor and not a sinecure. The Constitution should be amended so that the situation could be dealt with in some other way than is proposed in this bill, if this is the only way it can be done under the Constitution. The fact is that the Members of this body and those at the other end of the Capitol are authorized by law to make such inferior courts below the Supreme Court as they see fit. Every judge who sits in a court below the grade of Supreme Court so sits by the permission of this Congress, and if there is any defect in the law at present authorizing these judges we ought to make a new law and remedy the defect. Congress is the creator of every Federal court except the Supreme Court and can repeal every law establishing them. Congress in three days' time could deprive every judge on the Federal bench below the Supreme Court of his seat and pass another law similar to it, so that they could be put back or not. If they have so little self-respect that they can not see that point, this Congress should attend to it. Those judges have no business in the world to perform except to decide rows between people. Our business is to pass the laws of the country.

Until I had practiced law a quarter of a century I supposed that courts were organized to do justice between man and man. They are not. They are made primarily to stop rows between people. Society established tribunals to adjust the differences between men so that their difficulties should not disturb the community. If any fellow can get justice in court, so much the better. Of course, the intention of the law is that a man shall get justice, but every lawyer knows that a good deal of the time they do not. A heavy per cent of the cases appealed are reversed, and that would indicate that the same per cent of the original decisions must be wrong. A large number of cases are decided by divided courts on final appeal, showing that that per cent of appeal judges are wrong that number of times.

The Committee on the Judiciary of this body ought to be able to find a better way than to sit here and tell us that this is the only way—to humor these old chaps who do not respect themselves. I think a statute should be enacted to meet this point, and if not I think we should pass a statute to do away with the present law and get rid of the old timber. Why should we allow it to accumulate from year to year? If the judges find we are inclined to do it they will get off the bench. I think the Committee on the Judiciary of this body ought to be able to suggest something better to us than to spend a lot of money to pay three times for work that will only be done once. If this is not possible, the Constitution should be amended. When you make laws for judges in this country, the judge who does the work in my State, or in any other of the smaller States in point of population, should receive the same salary as the judge in any other State. There is no use in classifying these men because they are classified by the amount of work they do.

One gentleman spoke of the judges in New York, who receive $17,500. On one occasion I dropped in to the court of a friend of mine who was on that bench, and he invited me for an hour or so to take a seat with him on the bench, and while I was there I saw his check brought in, and he told me what his salary was, and I observed it was at the rate of $17,500, including a second check to come later. He was a fine judge, but not one whit better than 20 judges out in Kansas, who were paid only $2,500. I was his friend, and I remember he was an aspirant for a seat on the Federal bench at $6,000, but unsuccessfully. Yet over in New York they elected him to a judgeship at $17,500. He would have preferred the Federal bench at $6,000.

Gentlemen, these things do not go by salaries. They go by ability and the confidence people have in the character of their judgment. You ought not to make a discrimination, except according to character and ability. Do not tell me that because New York is rich it can afford to pay its judges that way. That is no argument for spending the hard-earned money of people who are already taxed to the limit. I would have no objection personally to being a judge at $17,500 if I lived there. But the fact that the salaries of judges over there is $17,500 is no reason for raising the salaries of men who accepted lower salaries than that when they were appointed. There is not a Federal judge in the United States who has to meet the expenses which the average Member of Congress has to meet, away from home

half the time, and subject to constant drains in his revenues. You gentlemen who are satisfied with the salaries that you are getting ought to be content with giving Federal judges as much. If you can get along with that, it ought to be enough for a Federal judge. If they can get along on $6,000 a year, they ought to be satisfied with that, or with the salary which you are able to live on. It is preposterous, this idea of running up the salary of a Federal judge to $10,000, when Members of Congress and Senators, who have succeeded Webster and Clay, receive only $7,500.

I am in favor of a reasonable advance. I am in favor of devising some means of making these old chaps, who do nothing, get off the bench, as the Constitution intended them to do. They may not technically violate the law, but they violate its spirit. We should find some way to deal with such conditions appropriately. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. GARD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DONOVAN].

Mr. DONOVAN. Mr. Chairman and gentlemen of the committee, I find myself very much in the position that Mark Twain found himself in one day when he went to church. An eminent divine started to speak, and Mark Twain was quite captivated with his opening remarks. He put his hand in his pocket and took therefrom a $2 bill and had it ready for the time when the collection basket was to be passed. The preacher kept on. Mark listened and put back the $2 bill into his pocket and took out a $1 bill. The preacher kept on talking. He returned the dollar bill and took out half a dollar. Still the preacher kept talking. Mark's enthusiasm was decreasing, and finally he got down to the point where he put the last quarter in his pocket. He then waited a long time for the preacher to finish and finally when the contribution basket was passed Mark reached out his hand and took $2 out of the basket, because he thought he was entitled to that for listening. [Laughter.]

Mr. LITTLE. Will the gentleman yield?

Mr. DONOVAN. Not now. As the gentleman's argument advanced I wondered at the revolutionary procedure that was recommended, and the cure-alls that were proposed and the great dearth of constructive suggestions. I wondered also if this committee had not been given their advantage. Of course, if it has not it is regrettable, and it should charge itself hereafter to see that it obtains such suggestions which may or may not be vital.

Gentlemen, I approach the consideration of this measure not from a political or partisan standpoint. It has been demonstrated by the gentlemen who have spoken that it is neither one nor the other, for we have found learned and distinguished Members on both sides of the aisle taking opposite views. While that is true, I am not so sure but that it is regarded in a parochial and provincial sense. I do not use the word "sectional," for that is not right and should not be used, but I do think it is tinctured and tainted with provincialism and parochialism, and with a selfish interest by some men. I have heard men here proclaim their experience at the bar, some who have been allied to corporate interests, some who were for corporations, and the people, and some who had given up the practice of the law with both. I chance to have the opportunity of being a member of the bar in two States. My practice has never been with corporations. It has generally been for the widow and orphan in surrogate matters. I have heard men in this House say that those who are declaring for this bill are lawyers who appear before Federal judges. I am free from the professional charge, from the partisan, parochial, and also from the provincial aspect of it, for the reason that I have above stated. But, gentlemen, it seems to me that it is a question of common sense. A $6,000 man is a cheap man on the United States bench. There is no question about that. I do not care whether he is a married man, with a prolific family, or whether he has an aged mother to support, or is a bachelor. He is a cheap man, and it is a cheap Government that insists that $6,000 a year is a proper compensation. No one will claim seriously that it is not so.

It has been laid down here that the graduation of salaries is based on population. That is true, but it is not alone on that basis. Correlated with the fact is the further fact, which is undeniable, that where the population is, there is where the business is. Where population and business are, there is where the laborer, the doctor, the preacher, and the mechanic are paid more than in smaller communities. Is not that so? It is undeniable.

You talk about the judge who comes from the far west to go to New York, designated to sit there during a term of court. I tell you, my friends, let him go to the Waldorf, to the Astor, to the Biltmore, or to any of the hotels of that city that befit his station as a United States judge; let him see if he can live on the $10 per diem allowed him under the present law while he is staying there. Why, it would hardly pay his tipping money. Gentlemen, here is the whole question, whether the present salary is a reasonable compensation or whether it is a cheap rate.

The opponents of the bill will say, "Well, now, here is the situation: This is a question of honor; this is a position which ought to be filled by an elderly man, a mature man, who has made his money. It is a dignified position." I tell you, gentlemen, if you appoint that class of men, if a man of that kind is put on the Federal bench, he does not work, he is lazy, and the result is that the people will not get justice. We have been told that the people do not get justice in those courts and that the province of the courts is to stop rows. I beg to differ. The province of the court is to interpret the law. These courts touch civilization itself in the administration of life, liberty, and property. Rows! Why, you would think these men were naught except magistrates or justices of the peace. Gentlemen, it is wrong, it is not fair, and we should see to it that these men who are, as has been so excellently explained here, specially trained and qualified men, should receive this advance in salary. Think of a man spending four years in his academic course, and four years more in law school, and then having enough experience in his work as a lawyer to fit him for a position of this kind, going on the bench for $6,000 a year.

It is said that these salaries are lifted up in bulk. That is not true. They are graduated. There are but four circuit judges who are entitled to $11,000 under the new régime. When you say, "set this measure of compensation by population," you are doing nothing but what, as has been said here, is a return to the practice as it was up to 1891. From 1903 the flat rate has been given. Has the compensation according to population been the rule in the States? Yes. Take the city and county of New York, where the supreme court judges receive $17,500, because it is a congested, busy, thriving place. Those judges work day and night. So it is with the Federal judges. Now, in the county courts outside the city of New York you find that the judges get $3,000, or a little over that. How is it regulated? In accordance with the population, because where the population is, that is where the business and the work is. Take the surrogate of the county of New York. He gets $15,000. There are two of them. What do the county surrogates throughout the State get? They average about $3,000.

You, gentlemen, who are broad, generous, big, and fair, dispel your parochial and provincial ideas, forget your man who is now on the bench, who may not be benefited by this legislation, forget whether he is blind or halting. The question is, Is $6,000 enough for a district judge, and is $7,000 enough for a circuit judge? I plead not guilty, and hope you, the jury, will bring in a verdict to pass the bill. [Applause.]

Mr. WALSH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, I do not think I shall use the amount of time that has been allotted to me, as the matter I want to present now is simply preliminary, and I may hereafter want to develop it somewhat under the five-minute rule.

So far as the first part of the bill is concerned, that part where it seeks to increase the salaries, so far as I am personally concerned, I can see no objection to it, and if an opportunity is given me to vote on that part of the bill, without having the latter part of it attached, I shall vote for it.

However, so far as the latter part of the bill is concerned, that additional matter that has been incorporated, I do not agree with it in substance nor in spirit. I think the intent of the Constitution was that men when they are appointed to these responsible positions should continue during life or good behavior. I believe that the attempt to impose conditions or terms upon their service by a bill of this kind is in contravention to the spirit, if not the letter, of the Constitution.

Mr. GORDON. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. GORDON. What would you do with the judge that had become insane?

Mr. GRAHAM of Illinois. Well, I am not prepared to say.

Mr. GORDON. You would not let him try your case, would you?

Mr. DENISON. The thing to do is for Congress to pass a law authorizing the President to appoint another judge in that district.

Mr. GORDON. That is just what this bill proposes to do.

Mr. DENISON. No; it does not.

Mr. GRAHAM of Illinois. I will answer in my own way. I am not talking about what I would or might do if it were I,

but I am talking about what we can do and what the Constitution provides we shall do. That is the issue. I think no man in the House has adhered more closely to the constitutional provisions than the gentleman from Ohio, and I think he will agree with me that if it is in contravention to the spirit of the Constitution to do this, the gentleman would oppose this kind of a law.

Now, look at it. This is the thought I want you to bear in mind, and if I can find any authority on it I propose to do so and present it hereafter.

This is the provision of the Constitution which I am calling attention to:

> The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation which shall not be diminished during their continuance in office.

The query is this—and I would like to have everybody answer it in their own minds—the Constitution says they "shall hold their offices." What does that mean? Does not the right to hold an office include also in it the right to exercise the duties of the office? Can you conceive of a person being elected to an office or appointed to an office and then by act of the legislature being shorn of the right to exercise the duties of that office? So long as the judge holds the office, does he not have the right to exercise the duties of it? If that be true, does not this act contravene the Constitution when it says that he can be shorn of the right to perform the duties of his office?

The act says the President shall, when he finds some judge is unable to perform his duties, appoint another man who shall be the senior judge and shall tell him what he can do and what he can not do. In other words, the senior judge who is appointed by the President displaces the other judge and absolutely renders it impossible for that other judge to perform the duties of the position to which he was appointed.

The query is whether it is the constitutional prerogative of this body to thus take from the judge who has been regularly appointed to hold his office under the Constitution the right to perform his functions. I doubt the constitutionality of this act, gentlemen, and while I am not prepared to say as a lawyer that it is unconstitutional, I want to put it up to you for you to consider whether we can do, in this indirect way, what the Constitution says we can not do. If I can get time hereafter, and I can find anything on the subject, I want to develop it under the five-minute rule. I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back four minutes.

Mr. GARD. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. KAHN].

Mr. KAHN. Mr. Chairman, I shall favor this bill. The salaries that at present are paid the Federal judges are altogether inadequate, in my opinion. Oh, I have heard Members say you can get splendid legal talent for $6,000 a year to sit on the Federal bench and try the causes that come up there. No doubt you can. You can get a great many men out of every district that has a Representative in this House who would be willing to come here as a Member of Congress for a great deal less than the salaries that are paid to the Members of this House. That is no argument. Pay higher salaries so as to attract the very best men in the legal profession. Then we will be doing our country a real service.

And then this question of the population has been discussed here. Everybody knows that where the population increases the work of the judges increases. Before the Federal courts of this country are tried causes involving millions of dollars. The judge sitting on the bench, hearing the testimony, listens to the lawyer, who is probably paid as high as $100,000 by way of fees. He decides honestly and fearlessly, but he must frequently feel how poor and incommensurate is his own salary compared with the princely fee of the attorney representing a private corporation. I want to say in passing, that in all the history of this Republic we have had a remarkably honest and fearless and learned class of men upon the Federal bench of the country. We must pay salaries to attract the best men to these places. No man with the great prizes in civil practice dangling before him wants to give up the opportunity for amassing a competency in private practice for the mere sake of sitting on the bench at $6,000 a year. Many men, as they grow older, would cheerfully accept judicial appointments if the Government would make it worth while by paying its judges proper salaries. When you think of the many lawyers who have become presidents of corporations that pay more to such presidents for one month's salary than a Federal judge earns in a whole year one can realize the need for bettering the conditions in this country. I maintain that it is the duty of the Representatives of the Government to see to it that adequate compensation is paid to the judges of this country. The gentleman from Illinois [Mr. CANNON] referred to the fact that the House has no voice in the matter of the appointment of judges. The House has no voice in the appointment of practically any appointive officer of the Government, and yet the country has gotten along pretty well nevertheless. Of course, the Senate has to ratify and confirm the appointees provided for in this bill. It seems to me that the time has come when the country, with its great wealth, its great resources, can afford to do justice to the men who occupy the Federal bench. I know that many of these men find it difficult to scrape along on their salaries, especially those of them who live in the larger communities of the country, where the cost of living is high and their expenses are great. I hope the bill will pass without much opposition. [Applause.]

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Chairman, I have been listening to the gentleman from California [Mr. KAHN], and as usual he stands for taking the lid off and letting the salaries go to the top. You have increased the salaries of every employee of the Government, all on the proposition that we were in a war. Thank God the war has ended, and you can not bring that old excuse up here any more. We now are confronting a period of reconstruction. Where is it that the judges in this country are not receiving salary enough? A vacancy was just created in Mississippi, where my good old friend, Judge Niles, departed this life, and a great drove of the best lawyers in the State were importuning Members of the House and the Senate to have them appointed in his place—and they were not cheap-screw lawyers; they were lawyers who stand at the top of the bar, and could do so in New York City or anywhere else in this great Nation. Six thousand dollars a year for life, responsible to nobody, with a man to black his shoes, with a fellow to do everything he wants done, with the appointment of the clerk of the court, and, more than that, with a splendid stenographer, just like a Member of Congress has, is not to be sneezed at. A judge ought to be well paid; but it strikes me that $6,000 a year for life, with the right to retire from the bench when he is 70 years old and to go on as long as he lives receiving that pay, is fairly good pay. If the gentleman from California would think about it, somebody ought to notice the man who is paying the taxes, the farmer and laborer, who is grubbing around in the ground making the produce to feed the world. He is the man who is paying the taxes for all these high salaries. Is he here crying that the Federal judges should have more pay—and they are autocratic enough now, by the way. If there is one autocrat on this earth who surpasses the average city hotel clerk in this era of high cost of living, it is the Federal judge. I do not propose to vote to increase his salary and make him any more autocratic than he is to-day.

It seems to me, when you stop to think about it, that the taxpayer of this country should be considered. Already through necessary taxation, much, of course, incident to war expenditure, you have levied on the people of this country about $35,000,000,000. Over in the other end of the Capitol we have a squabble over a tax bill because we are drawing the little sum of $5,900,000,000 out of the people, and the gentleman from California [Mr. KAHN] not being satisfied with that, says, "Let us make it six billion by increasing the salaries of the Federal judges of the country." I heard a great howl some time ago about increasing the salary of the letter carriers in order to get the mail carried. I never heard of anybody resigning, and it is now proposed not only to increase the lifetime salary of the judges, but to make them bigger autocrats than they have ever been—a man responsible to nobody except the Congress of the United States, which could impeach him if he is guilty of crimes and misdemeanors. It is very seldom that you ever hear of one committing crimes enough to be impeached. Thank God, most of the judges of this country are honest. I want to reply to the gentleman from California [Mr. KAHN] by saying that you do not have to go to a low-salaried man to get somebody who is dishonest. You can find a man who is dishonest who is drawing $100,000 a year just as well as you can the poor man who is getting $500 a year. Salary has nothing to do with it. That has nothing to do with a man being honest. Does the gentleman from California mean to imply that because a man gets $6,000 a year he might be susceptible to taking outside fees or being corrupted? I resent that as an imputation upon the integrity of the honest lawyers of this country who are capable of being put upon the bench, either circuit or district or Supreme Court. All of the judges, as a rule, are honest men. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WALSH. Mr. Chairman, I yield eight minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, what I do not know about courts and judges would fill very many very large volumes.

In my entire life, having now covered a very considerable span, I have been in a court room but a few hours all told. That is perhaps not a reason for congratulation, and I have no doubt that I have missed a great deal by not having had the benefit of attending sessions of courts. In a way, therefore, I am not informed on some of the questions involved in the matter now before us. I think that perhaps we all will agree that the salaries of Federal judges should be increased, the general cost of living in the country having so greatly increased since their present salaries were fixed. In addition to that, and quite as important a consideration, is the fact that the average income of attorneys in the country, so I am told, has very largely increased in the last few years. That is a matter that must be considered in connection with the fixing of the salary of judges, because if we are to secure good and competent men for those positions they must have a salary that bears at least some remote relation to the sum which they could earn as an attorney. Of course, we realize that any salary we may fix will be much below the income of the average prosperous attorney, particularly in the large cities. So I think we can all agree there should be an increase in the salaries of the Federal judges in order to give them an opportunity to live decently and to remove, to at least a reasonable extent, temptation from their pathway. But I am not, however, in favor of this bill, because, in my opinion, the basis on which it is contemplated that salaries shall be fixed is not an equitable one.

I do not believe that the services of a judge are properly measured by the population of the district. In some cases where there are two or three or four judges in a district each judge, taking the population as the basis, may dispose of business arising from a smaller population than a judge sitting alone in a district of less population. In a case like that the basis of population as fixed in this bill is not only inequitable but is absolutely ridiculous. If the committee is going on the theory that the business of the court is determined by the population, if that is a proper basis, then in all cases where there are two or three or four district judges the salary ought to be based on a division of the population of the district by the number of judges in the district. Unless you do that, then population is without merit as a basis on which to fix salaries. Furthermore, it does not follow and it is not a fact that a large population necessarily originates or develops a larger or more important volume of Federal business than a lesser population. Population is sparse in the country in which I live, but one district judge presides over the Federal business of an entire State, and while the population is sparse we have important water rights and mineral questions, we have land questions, we have Indian questions, which never occur or arise in the districts having the largest population. I have no doubt but what the district judge of the District of Wyoming, taking that district as an example, has just as important a jurisdiction and as many and important cases as the average district judge in the districts of large population. The argument is made, so I understand, that the difference in pay for large centers of population, as compared with the sparsely settled regions, should be provided on the theory that it costs more to live in the large city than it does to live in a smaller community. That does not necessarily follow. The gentleman from New York, in discussing the matter a moment ago, called to our attention the present rates at the Biltmore and the Waldorf. Well, I do not assume that it is necessary for a United States judge to hunt up the most expensive hostlery in the community and insist on having the bridal suite for his accommodation. I am of the opinion that a district judge can live in New York City and maintain a proper station there quite as cheaply as he could in the capital of my State. A district judge in New York is not such a conspicuous personage compared with his neighbors and fellow citizens——

Mr. CALDWELL. Will the gentleman yield?

Mr. MONDELL. A district judge in the capital of one of the Middle or Western States is one of the great men of the community, next to the governor, perhaps the best-known man in the community, and unlike the governor, who comes and goes, he is there for a lifetime, looked up to as one of the leaders of the community. He is expected to contribute to every good work and effort of the community. He is expected to maintain a mode of life in keeping with the dignity of the great office that he fills, and, in my opinion, it may cost him just as much to live decently and properly as it costs a judge to live in New York City.

Mr. CALDWELL. Will the gentleman yield?

Mr. MONDELL. And we of the West and of the rural districts are getting a little bit tired of the airs which gentlemen from metropolitan districts take to themselves when they talk of the necessity of large salaries in their communities. I yield to the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. May I have two minutes more?

Mr. WALSH. I yield two additional minutes to the gentleman.

Mr. CALDWELL. The gentleman would expect the judges in New York to live in accordance with the community there in the same respect judges in his district would live?

Mr. MONDELL. Well, I do not think the judges in New York are called upon to ape the airs of the multimillionaires——

Mr. CALDWELL. Has the gentleman ever lived in New York, and does he know about the expense?

Mr. MONDELL. The nouveau-riche, multimillionaires, of our country congregate in New York and blow their money and put on airs and live in extravagance, but that is no reason why a district judge should attempt to ape their manner of living—I am speaking of a district judge or a circuit judge who desires to live decently and in keeping with the dignity of his high office. He, in my opinion, can live nearly as cheaply in New York, unless he tries to ape the very rich folks, as a judge in the capital or larger cities of one of the Central or Western States.

The Federal judges, if they perform the duties of their office, give all of their time and all of their energy and all of their talents to the work of the office, and while I do not insist that a flat rate is the most equitable, yet I do insist that a rate based on population as provided in this bill is not only inequitable but is ridiculous, for it does not take into consideration the fact where there are large populations there are from two to four judges, and if you were to divide these larger populations by the number of judges you would not have more people per judge to furnish business than in one of the large districts having a single judge. We should increase the salaries of the Federal judges, but we should do it on a more equitable plan.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARD. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. CLEARY]. [Applause.]

Mr. CLEARY. Mr. Chairman and gentlemen, the orators who have gone thoroughly over this matter have explained the general meaning and general thought of it, but as a transportation man in and around the city of New York I have had frequent occasions to be present in the court room for days at a time listening to cases being tried by the United States judges; and I know that it is an ordinary thing for people in New York to wonder why these able men, who are sitting on that bench continuously, and busy from morning until night, get less than half the pay of the State supreme court judges.

I have been interested in all forms of transportation. I have run steamboat lines to Albany, the city from which the gentleman there comes, and to Poughkeepsie, and around the harbor, and I know that in the congested marine districts of New York, on the Sound, the rivers, and the harbors, there is so much damage done continually by collisions and otherwise that it takes a year or two years to get a case on the calendar to be tried by one of these district judges. Judge Thomas and Judge Hough and a number of others that I could mention are busy every day, from morning to night, with an accumulation of cases. And they have to possess a peculiar ability. I am not a lawyer and make no pretense to legal knowledge, but I do know that the ordinary cases in the supreme court are governed by statute law. Now, how about the district and circuit judge in trying maritime cases and admiralty cases? There is some law regarding them, of course, but there is the precedent that the judge makes. And there you are. A judge in that court should have sufficient ability to make a precedent that is so clear, that is so fair, that it will form a part of the law in the future. And the lawyers in these courts are frequently heard to say, "It is what Judge So-and-So decided in a similar case." So the judges have to be men of great ability. You can not put an ordinary man in that position, where they have so many cases, and large cases at that, and have him do justice to everybody.

Speaking of the cases in New York, for example, the New York Central Railway have, I think, several hundred tugs and barges; the Pennsylvania Railroad the same; the Cornell Steamboat Co., that runs up the Hudson, at one time, I know, had 58 tugs. There are hundreds of barges and tugs running in every direction, and there follow hundreds of cases in the courts waiting a year or two to be tried.

Now, as I said in the beginning, the thought has always been among fair-minded men—and I have often heard it mentioned in Judge Thomas's case—"Why is this man sitting on the bench, with all the knowledge he is supposed to have and the continuous work that he has to perform for $6,000 a year, when some other man, who has had little or no experience, is getting $17,500?"

That is the way it strikes us as business men.

Mr. SIEGEL. Will the gentleman yield?
Mr. CLEARY. I will.
Mr. SIEGEL. And that is why Judge Thomas left the district court bench and went to the supreme court.
Mr. CLEARY. I was going to mention that. He did that, and the United States court bench lost one of the greatest judges it ever had when it lost Judge Thomas for that very reason. So it is difficult to keep on the bench a man of great ability, a man of great experience, who has served his time in these capacities from year to year, unless he is properly paid.

Now, in regard to this talk of the people and the taxes, it is all very nice, and it would be true if the practice were abused. But when you hire men for special purposes because of their great talent, their great ability, their great experience, their great integrity you can not hire them for small pay, and you should not try to do so. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.
Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. DENISON].

Mr. DENISON. Mr. Chairman and gentlemen, unlike the gentleman from New York [Mr. CLEARY] and the gentleman from Wyoming [Mr. MONDELL], I think I spent most of my time in the 13 or 14 years before I came to Congress in the courthouse, trying cases before both Federal and State judges, and there is no subject in which I feel a greater interest than in the judiciary of the country.

Now, the trouble about this bill in its last analysis is that we are attempting to do by it two or three things that it is impossible for us to do. In the first place, we are attempting to arrange a salary for the Federal judges that will be fair and just to them all, and we can not do that in a country of this kind, because what is a fair and just salary for a judge in New York City would perhaps be excessive for a judge out in some of the Western States, because all of the conditions of living are entirely different and the class of litigation is different. Not only the standard of living and the amount of litigation, but the customary salaries paid to other judges is different in different parts of the country.

The gentlemen from New York have all spoken about the high salaries their State judges are receiving. Of course, we are legislating here for the judges all over the country. We can not pass a law that will increase the salary of the judges of New York alone or give them one salary and the judges in another part of the country a different salary. So that is the difficulty. We have to provide uniformly for the judges all over the country, and there is bound to be an inequality in the situation.

Mr. CALDWELL. Will the gentleman yield?
Mr. DENISON. Yes.
Mr. CALDWELL. Do you not realize that this bill does exactly that thing?
Mr. DENISON. I do not realize that, and it does not do it.
Mr. CALDWELL. It tries to do it.
Mr. DENISON. It may try to do it. But the plan provided in the bill is not an equitable one, but will be inequitable, especially in districts that have more than one judge.

Now, I think that, generally speaking, gentlemen, the salaries of the Federal judges are not adequate, and if you can separate this bill in some way so that we can vote on the increase of salary alone, I may consent to vote for that proposition. I am opposed to the bill in its present form, because of its double aspect. We have had this proposition of forcibly retiring judges up in Congress two or three times before, and the Congress at one time disapproved it, and another time it failed to become the law because of an amendment attached to it. But I do not believe we ought to link the two propositions of increasing salaries and forcibly retiring judges together in order to secure the passage of a measure that, generally speaking, has not met the approval of the Congress. I think they ought to be separated, and if we can separate these propositions I would be willing to vote, I think, for the increase of salary, although I do not think that the increase upon the basis of population is entirely fair or equitable, as has been stated by the gentleman from Wyoming [Mr. MONDELL].

Now, upon this other proposition I think this bill amounts to a forcible retirement of Federal judges, which under the Constitution you can not do directly, and I will explain what I mean. If the President says to the country that a judge is mentally incompetent or is physically incompetent to perform the duties of his office, and if the Senate also says so by confirming the President's appointment of his successor, it would, of course, be a humiliation of that judge and amount to an adjudication that he is incompetent mentally or physically. And does anyone suppose that that judge can go ahead then and continue to serve and perform his duties in the United States court? Of course, he could not do so. So we are attempting by this bill to do in an indirect way what we can not do directly.

Mr. CARAWAY. Mr. Chairman, will the gentleman yield?
Mr. DENISON. Yes.
Mr. CARAWAY. Has the gentleman any objection to retiring a judge who has proven to be physically or mentally unable to administer his court as a judge and to deal out justice between litigants?
Mr. DENISON. Have I any objection to do what with him?
Mr. CARAWAY. Does the gentleman think more of the judge than he does of the people?
Mr. DENISON. No; I do not think more of the judge than I do of the people. But I still have some respect for the plain provision of the Constitution, which provides for the retirement of Federal judges only when they have been guilty of misbehavior, and then they have a right to be heard. If, in any specific case, a judge has become clearly incompetent to perform the duties of his office and it is a matter of such common knowledge that Congress could afford to act, then, of course, we can meet the situation, as we have met the situation heretofore, by an act of Congress providing an additional judge for that district, passed like other legislation after full public hearings and investigations by the House and the Senate. Congress has a clear constitutional right to provide additional judges for any district whenever the necessity may arise from any cause.
Mr. GORDON. Would not that mean an indictment of him worse than a general law?
Mr. DENISON. Not at all, because it would only be done in such a clear case that the country would accept it as proper. I do not believe that the Congress can properly, or should, delegate any of its constitutional power of creating additional judges to the President or to anyone else. The judiciary should never be under any kind of influence or restraint of the executive department of the Government. If the public interests require the creation of another judge because of the alleged mental or physical disqualification of an acting judge, it should be done by Congress itself after full public investigation, in which the judge whose disqualification is alleged ought to have a right to be heard. I do not think we should attempt, as this bill does, to circumvent a plain provision of the Constitution.
The CHAIRMAN. The time of the gentleman from Illinois has expired.
Mr. GARD. Mr. Chairman, what is the amount of time, may I ask, that has been used by the respective sides?
The CHAIRMAN. The gentleman from Ohio has 30 minutes remaining.
Mr. GARD. How much has the gentleman from Massachusetts [Mr. WALSH]?
The CHAIRMAN. The gentleman from Massachusetts has 34 minutes.
Mr. GARD. Does the gentleman from Massachusetts want to use some more time?
Mr. WALSH. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. SCOTT].
The CHAIRMAN. The gentleman from Iowa is recognized for 10 minutes.

Mr. SCOTT of Iowa. Mr. Chairman, I want to say at the outset that I am heartily in favor of that portion of this bill which relates to the increase of salaries to the Federal judiciary. I think they have been underpaid, and I think that their remuneration should be increased. However, I would rather see it a level raise, a uniform salary throughout the several jurisdictions of the United States.

But I am not in sympathy with the latter portions of the bill. I do not believe that that provision tending to coerce resignations is in harmony with the independence of the judiciary which the Constitution of the United States contemplates. I do not believe that we should inject into the judiciary act of the United States any element of indirectness. I believe that whatever we do with respect to those great courts should be done directly and aboveboard. I do not believe that the men who preside over these grent courts should sit in fear of any man or men. I therefore am not in sympathy with the proposed law which says that even the President of the United States, with the advice and consent of the Senate, may coerce a vacation of their positions. And that is what it amounts to. A man who has passed the age of threescore years and ten and has served 10 years upon the Federal bench stands at all times in danger of having the Executive challenge his mental capacity, try him, and convict him, without any opportunity on his part to be heard. No procedure is provided; no opportunity is given for defense.

When the President finds the fact, then he may nominate another man for that district. And the President and the Senate can do more than appoint. They can create another

judgeship—something that has never been done except by legislation, the House concurring in that act. It could be done in the future, as in the past, by a law, a special law, pertaining to each district. If a case arises that necessitates action of this kind, I do not believe it will militate against the situation by giving the House permission to vote with the Senate in creating the new judgeship, because it is the creation of a new judgeship.

So much for that. I want to take advantage of the few minutes I have, however, to call attention to one of the objections to this bill. It seems to me that the able Committee on the Judiciary has been somewhat in a hurry and has become somewhat entangled in one section of this bill. Section 260 of the Judicial Code relates to all judges of the courts of the United States appointed and holding office during good behavior. It embraces every court of the United States, not merely circuit and district courts. Now, in attempting to amend this section—unwittingly, no doubt—the committee has brought in and entangled a provision which in its very nature pertains only to judges of the district and circuit courts, and then provides that the senior circuit judge of the circuit may assign these judges to such other duties within the circuit as the judges may be willing to perform.

Now, here we have a section covering the Court of Claims, for instance, and covering all of the judges of the Court of Claims, all the judges of the Court of Customs Claims, and every other court of the United States, seated here in the District of Columbia, not within the limits of any circuit, not within the limits of any district; and yet we are having this secton say that the circuit judge within the circuit shall assign a judge to his duties in the district or in the circuit when there is not any circuit or any district.

You should amend that section and make the amendment apply only to circuit and district judges, or else you should strike out the latter part of the section entirely. For instance, it provides for the resignation and retirement of the judges of the Court of Claims in a connection which makes resignation and retirement identical; because if they retire and their successor is appointed they can not, as the district or circuit judge could, ever perform any other function. They can not be assigned to any other territory within the circuit, because there is no circuit.

Mr. STEELE. Mr. Chairman, will the gentleman yield at that point?

Mr. SCOTT of Iowa. Yes.

Mr. STEELE. Under the retirement law as it is now judges of the Court of Claims can not be retired. They can resign under the decision of the Supreme Court.

Mr. SCOTT of Iowa. Yes.

Mr. STEELE. And the language of the second clause here, the personal retirement feature, is identical with the law as it now is, and simply extends it.

Mr. SCOTT of Iowa. But the language permits the judge of the Court of Claims to retire and not resign.

Mr. STEELE. Which clause does the gentleman refer to now?

Mr. SCOTT of Iowa. I am referring to that part of section 3 added to the existing law. Instead of resigning, any judge other than the judges of the Supreme Court, which include the judge of the Court of Claims may retire.

Mr. STEELE. The law includes judges of the Court of Claims.

Mr. SCOTT of Iowa. Yes, resigning; but you are permitting here the judge of the Court of Claims to retire under a condition that would be utterly meaningless.

Mr. STEELE. I do not understand what the gentleman means when he says it is meaningless.

Mr. SCOTT of Iowa. Because to retire, under that section, is identical with resignation to a judge of the Court of Claims; he can not be called upon by the senior judge of the circuit, as you provide in the latter part of your amendment.

Mr. STEELE. But on line 23 the gentleman will notice that there is a qualification, where it says:

> But, instead of resigning, any judge, other than a justice of the Supreme Court, who is qualified to resign under the foregoing provisions, may retire.

Mr. SCOTT of Iowa. Yes; and a judge of the Court of Claims is qualified to resign.

Mr. STEELE. Exactly. We are not changing the law in that respect.

Mr. SCOTT of Iowa. But you provide for his retirement, which in his case amounts to resignation, which is already provided for in existing law.

Mr. STEELE. When he reaches the age of 70, as the law now is, if he has been 10 years on the bench, he can resign.

Mr. SCOTT of Iowa. What does that mean?

Mr. STEELE. That means that he will receive his salary and perform no work whatever. Now, under this provision in the bill, when he reaches the age of 70 and has been 10 years in service, instead of resigning he can retire, and can still be called upon to perform judicial work while he receives that compensation from the Government. It is a change in favor of the Government, because the Government then receives his services so far as he can perform services, while now when he resigns he does nothing.

Mr. SCOTT of Iowa. Under what conditions could a judge of the Court of Claims, after he had retired, perform any other judicial function?

Mr. STEELE. Under the retirement law as it is now he could resign when he reaches the age of 70, and then all his judicial functions would cease. He would have nothing whatever to do. The Government would receive no services in return for the salary it would continue to pay him as a retired judge.

Mr. SCOTT of Iowa. I understand that.

Mr. STEELE. Now, he has got to have the same qualifications to retire under this provision here as he has to resign, but the additional fact remains that the Government will receive the value of whatever services he may render in return for the payment of that salary.

Mr. SCOTT of Iowa. What service can a judge of the Court of Claims render after he has retired?

Mr. STEELE. He does not resign.

Mr. SCOTT of Iowa. I know, but when can he be called on to act?

Mr. STEELE. Under the provisions of this bill he is called on to act when he is assigned by the chief justice of the court to do a certain work which he can perform. It is a valuable addition for the benefit of the Government.

Mr. SCOTT of Iowa. When a judge is called by the Chief Justice of the Supreme Court of the United States to perform judicial duties in any other circuit, that pertains only to the circuit judges. You can not assign a judge of the Court of Claims to go out into a circuit or district court.

Mr. STEELE. But he may be ordered by the chief justice of his own court.

Mr. SCOTT of Iowa. That pertains only to district judges.

Mr. STEELE. There is a chief justice of the Court of Claims, and he can call on him.

Mr. SCOTT of Iowa. The chief justice of the Court of Claims has no jurisdiction and is not referred to in this bill. [Applause.] The bill provides for the chief justice assigning the retired judge to duties "in any other circuit." That must therefore mean the Chief Justice of the Supreme Court of the United States.

Mr. GARD. I yield five minutes to the gentleman from Minnesota [Mr. VOLSTEAD], a member of the Judiciary Committee.

Mr. VOLSTEAD. Mr. Chairman, I am in favor of increasing the salaries of these judges. This bill is a good one so far as that feature of it is concerned.

I am not able to agree with my friend from Wyoming [Mr. MONDELL] that the salaries of judges in the more sparsely settled portions of the country should be as large as the salaries of the judges, for instance, in New York, Boston, and other large centers. Anyone who will investigate the question will find that in the large centers the opportunity to earn large fees in the practice of law has been such that it has been absolutely necessary to make the salaries of the judges much larger than they are in the less sparsely settled communities. That is necessary in order to get the better men. The best men are none too good to serve upon the Federal bench. The bill has been drawn to meet that situation, and I do not think it is necessary for me to defend that policy, because I feel sure that the membership of this House recognizes it is a proper one. The increases are small in the more sparsely settled regions. I am satisfied that the public generally will approve of the increases; they are not at all extravagant. There has been a general trend upward, making it more and more expensive to live, and at the same time making more and more attractive the professional pay of attorneys, consequently requiring an increase such as that which has been provided for in the bill.

I want to touch upon one other feature of the bill, the one that appears to cause most of the opposition. It seems to me quite unobjectionable in the form in which it has finally been written in the bill.

The provision in question was offered as a substitute for another provision that I considered very objectionable. Personally I would rather that this provision had not been in the bill, but when you come to examine it it seems to me it will serve a useful purpose. During the years past it has been

very difficult to get rid of men unable to do the work but who were unwilling to resign and who continued on the bench, obstructing and interfering with the administration of justice. Now, it is true that Congress has had the power to provide other judges in such cases, but it is a slow process sometimes, politics occasionally interferes, so that men who ought to be replaced by able and capable men have continued in their positions, in some cases for several years, and thus practically denying justice to the people. Under this provision the President—and I presume in practical application the Attorney General—would investigate to determine whether a man was able to carry on the business as a judge of a district or circuit.

He would obtain his information from lawyers, clients, clerks of the court, and others, and then certify the facts to the President. If the President became satisfied that the business was obstructed by reason of the physical or mental inability of the judge to do the work, an additional judge would be appointed. It seems to me that the President would be in a position to determine whether a new judge ought to be appointed just as well as the Congress could. This bill provides that instead of removing the judge the President shall appoint an additional judge, who shall perform the duties that the old judge is incapable of performing.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GARD. I yield to the gentleman an additional five minutes.

Mr. VOLSTEAD. He will then appoint an additional judge, but the old judge, if capable of doing any part of the work, is still to stay on the bench and is not to be removed.

I do not believe the President would dare to abuse his power under this proposed act; if he did, his action would be open to scrutiny in the Senate, as that body would have to confirm the appointment. I do not think there is anything in the contention of the gentleman from Iowa [Mr. SCOTT] that it would be a threat against the judges. It simply gives power to relieve him of part of his duties by the appointment of an additional judge. He would still be a judge; he would still draw the same salary; he would still retain in the community the same position of prominence and honor and the same power he had before. Personally I think the bill ought to pass, and I intend to vote for it. [Applause.]

Mr. GARD. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. PLATT].

Mr. PLATT. Mr. Chairman, I am not a lawyer and perhaps ought not to speak on this bill; but, unlike the gentleman from Wyoming, I have spent much time in court listening to arguments and testimony, mostly as a newspaper reporter, but sometimes as an interested spectator and interested in legal arguments.

It seems to me, and I think it is undeniable to anybody who has studied the subject and made comparisons of salaries in this country and other countries, that the Federal salaries, from the President down, are too low. We have lately seen a member of the President's Cabinet, the Secretary of the Treasury, retire with the statement that he needed to recuperate his private fortune. He has received a salary of $12,000. Unquestionably he can go to New York and enter into law practice and make $100,000 a year with no difficulty at all. Cabinet ministers receive considerably larger salaries in England than in the United States, and so do most of the judges.

I think it unquestionably true that the Federal salaries are too low, and that we might well raise them all somewhat. The Federal judges receive the lowest of the salaries paid the high officials, and I believe it is true, as I have heard one of my colleagues recently say, that most of the Federal judges in New York City would resign and take State court nominations if such nominations were within their reach. One Federal judge in New York City has recently done so in fact. Not only that, but some would resign and take the position of judge of a county court. The county judge of Westchester County receives $12,000 and the surrogate, or probate judge, receives $10,000. The county judge of Erie County receives $6,000. In Albany County the county judge receives $7,500 and the surrogate the same salary, each of them $1,500 more than the Federal judge in the same place. In the smaller rural counties, the hayseed counties, as the New York newspapers call them, we pay our county judges $3,000 or $3,500, and they are allowed to practice law in the supreme court, so that they often make $7,000 or $8,000 a year. The surrogates, or probate judges, in many counties receive salaries ranging from $2,500 to $3,500 and are allowed to practice law in the supreme court, and undoubtedly frequently make more than the salary of a Federal judge.

Now, it seems to me, it is a peculiar and somewhat humiliating condition when you pay the Federal judges less than the amounts that are paid to the county judges. Furthermore, so far as my acquaintance with Federal judges goes, and it is not large, though I have had the privilege of recommending a number of good men as candidates for Federal judgeships, the candidates are mostly middle-aged men of considerable means. I think you will find in New York and the larger cities that the list of candidates from whom the President has to choose is narrowed down perhaps not exclusively to rich men, but to men pretty well to do. Poor men—men dependent wholly on their salaries—do become candidates, but sometimes they are poor in more senses than one. Generally speaking, we do manage to get good Federal judges, for the life tenure has its attractions; but the field to select from is not as large as it should be. Many good men do not consider the office worth the seeking. Paying a small salary is like paying no salary at all, as they did until recently in the English House of Commons, expecting only rich men to become candidates. Some argue that we ought not to pay salaries to the Members of the House of Representatives, but should elect men successful in life and who have enough money to live on. But in a democracy or a republic that sort of argument hardly goes. We do not think it right to exclude the poor man. We think we ought to pay a sufficient salary for a man to maintain himself in circumstances becoming his position. In New York and in cities like Philadelphia and Chicago a Federal judge can not do that on his salary. He can live comfortably enough, perhaps, in a 15-foot house or maybe a 25-foot house on some side street, but I presume that half his salary would go to the payment of rent if he should take a 25-foot house in a neighborhood near people who would naturally be his friends and associates. They get good men, to be sure, generally speaking, but it looks to me like a very narrow policy on the part of the country to limit the Federal judges to this small salary. Most of the bill is good and I hope it will pass, but I subscribe to a good deal of the criticism that has been made in respect to the latter part of the bill—the retirement feature—by the gentleman from Illinois [Mr. GRAHAM] and others.

Mr. GARD. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. HAMILL].

Mr. HAMILL. Mr. Chairman, I do not think there is any subject pending before Congress which has received so much attention as the one with which the present bill deals. I remember that four or five sessions ago a movement was on foot to increase the pay of the Federal judges, and I am sure the matter has been brought with more or less frequency to the attention of Members ever since. Can there be any question in the mind of anyone laying claim to common sense that the salaries of the district and circuit Federal judges should be increased? Let me compare those salaries with the salaries of the judiciary in a State not very large, my own State of New Jersey. The supreme court justice there gets $12,000 a year, but a supreme court justice deals only with matters of law. A vice chancellor gets $12,000 there, but he deals only with questions of equity. A Federal district court judge has an equally great volume of business to dispose of, consisting not of law cases only, but of equity cases also, and he receives $6,000 a year. By any simple process of arithmetic, taking into consideration the amount of work with which he deals, he ought to get $24,000 a year, and besides that the district court judge has to do with classes of litigation which can not be brought under the jurisdiction of the State courts, such as, for instance, with patent cases, with admiralty cases, and with a very great deal of cases arising out of many Federal statutes which we have passed in the last decade, thus putting upon the shoulders of the district and circuit judges an increasing amount of litigation to be disposed of.

Some objection has been made to the fact that the salaries under this bill are graduated. This is not a new principle in the payment of Federal officers, and it is actually being observed at the present time with other officers of the Federal courts. The salaries of Federal district attorneys can be cited. The Federal district attorney in some of the States gets $3,000 a year. The Federal district attorney in New York gets $10,000 a year.

Mr. SIEGEL. Fifteen thousand.

Mr. HAMILL. The gentleman from New York corrects me and makes my statement stronger by suggesting $15,000. Now, the district attorney, as you know, is the lawyer of the United States to present the cases to the district court, and if he is paid

in some places a larger salary than in others it is a statutory recognition of the fact that the volume of business which he has to dispose of requires and makes just the payment of such an increased salary.

I have seen some men exhibit most pitiful mental anguish on this floor at the prospect of the Constitution being violated by the provision which allows the President in a case where a judge becomes mentally or physically disqualified to appoint a successor. Just imagine such an instance actually occurring. Common sense and the safety of the interests of the people demand a new judge, but the Constitution as it is at present drawn will not allow the removal. The matter is too trivial to be corrected by an amendment to the Federal Constitution, and the only course that is open is to do this matter indirectly and to put the decision into the hands of the most conservative governing influences of the country, the President and the Senate of the United States.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. HAMILL. Yes.

Mr. DENISON. Then, the gentleman's position is that we ought to do indirectly what we can not do directly?

Mr. HAMILL. My position, stated another way, is that we ought to do what common sagacity plainly suggests should be done.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. HAMILL. I greatly regret that my time has run out, for I would like to develop this important matter more fully.

Mr. WALSH. Mr. Chairman, I am opposing the provisions of this bill for two particular reasons, among others. In the first place, I oppose the proposal to increase the salaries of the Federal judiciary because of the manner in which it is sought to be done. I am willing to admit that the district and circuit judges are entitled to an increase in salary, but I do not concede that the proper method of arriving at the increase which should be given is to place it upon the population of the various districts. There are districts which have a population widespread throughout a large area which may be equal to districts more congested of similar population, where the business that is done in one does not at all equal that done in the other, and in considering the recompense that is to be accorded these judicial officers I think we should not confine it simply to the population basis, and we ought to take into consideration also the business that is done. A great deal has been said about the salaries paid in the Empire State of New York and of the business that is done there and of its immense population. I desire to direct the attention of the committee to the fact that in the State of New York the judges are elected for a term of years; that they are political officers; and that the offices do not vest in the incumbent for life; that at the expiration of their term they have to go before the people and ask them to say whether they are willing they should hold that high office for another term of years. Therefore there is no comparison between an office that is filled by the people at an election and an office that is held by an appointment for life.

Attention has been directed to the fact that sometimes a $6,000 judge passes upon a case involving millions of dollars, with a district attorney receiving a salary much more than the judge receives and with a lawyer receiving a fee of $50,000 in that particular case. Well, that has nothing to do with the fixing of the salary of the judge. You can not base salaries on fees paid to an attorney or the fees paid to a district attorney or the amount involved in litigation; you can not base the salary of a judge upon these particular incidents. They may be proper to be taken into consideration, perhaps, in considering the kind and the amount of business transacted in those particular courts, but I wish gentlemen to remember, something that has not been mentioned during this discussion during the afternoon, or if it has it has been referred to but very slightly, that there goes with this office something more than the monetary payment. There goes with it the honor that it is for any man to receive at the hands of the Chief Executive of the Nation designation and appointment to hold office in one of the Federal courts, and that honor should be part of the recompense for holding that office. We can not fix the salary and pay the men all they are worth, because if you did that you would have to base the salary in one district different than it is in another.

Mr. HUSTED. Will the gentleman yield?

Mr. WALSH. I will yield to the gentleman.

Mr. HUSTED. I would like to ask the gentleman if he thinks that $10,000 is an excessive salary for a Federal judge in the city of New York? That is the limit, I think, which is fixed in the bill.

Mr. WALSH. I would say to the gentleman in reply that I do not think $10,000 would be an excessive salary for a judge in the district of New York if there were only one judge in that district, but when you consider the population and the business that is done in the district of New York you must also take into consideration that they do not put all that business upon a single judge, that there are other judges to help out, and that is so in most of the large districts of the country. But, as I said, while I am opposed to the salary provision of this bill, my objection is not as intense as it was when it was proposed to force the consideration of this bill during the midst of a great war several months ago.

I desire to direct attention now to the most objectionable feature of the measure, in my judgment, and to a proposition which I submit is not only dangerous for us to enact, but it is a vicious practice for us to attempt to write into the statutes of this country. We have during the war conferred great powers upon the Executive and upon various other officials of the Government, and we have in doing that sometimes run counter to the interpretation which has been placed upon the Constitution of the United States. Article III, section 1, of the Constitution reads as follows:

> The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation which shall not be diminished during their continuation in office.

The term "good behavior," by interpretation both by legislation and by the court, has come to be considered as meaning during the life of the occupant. We are attempting here to say that the courts of this land shall be under the supervision—of whom? Not of the power that has authority to create the court, but the power that has the authority to appoint the judges after another body has created them. We say to the President, "We confer upon you power to say whether the 14 judges now eligible to retire are competently and efficiently performing the duties of their office," and he can go further and say that they are mentally or physically disqualified to hold that office and because they are not efficiently performing those duties he is empowered to appoint another judge who shall be senior in commission to the man who may have served in that capacity perhaps for some 15 or 20 years, and we are attempting to give to the Chief Executive of the land, whoever he may be, power which was not contemplated when that article of the Constitution was written, and those of you who are familiar with the debates of the constitutional convention will remember how careful and how long was debated the proposition for the appointment and the creation of Federal courts and how carefully it was sought to guard the appointments made to those courts and to keep them free from political or other influence and to make the judiciary independent, yet coordinate. Yet here we are attempting to do indirectly, as has been suggested, that which the Constitution will not permit to be done directly. Why, a year ago last March we had under consideration a bill providing for the retirement of Federal judges. True, it was not sugar-coated at that time, nor was it hitched up to the salary-increase proposition. The two now have been combined, and, as has been suggested by the distinguished gentleman from Illinois, one is expected to drag along the other and to carry this support which, I believe, if they were not connected the retirement feature would not receive.

The other proposition, a year or so ago, provided for retirement if the President thought it for the public good to retire these judges. Now he is given the authority by this bill to retire them if they are not efficiently performing the duties of the office, not saying by that phrase that it is not for the public good. It must be, if we interpret this language truthfully, that the President will act for the public good in attempting to say to a judge, "You are mentally and physically disqualified and therefore should have another appointee to take over the burdens and the labors of this court." And this is the same policy. I beg to recall to the distinguished gentleman from Pennsylvania [Mr. GRAHAM], my colleague upon the committee, who made such an eloquent and able argument in behalf of both features of this bill, the language that he used on March 2, 1917, when this same policy was under consideration and when this proposition was before you to give the President the authority to cripple, and not only cripple but to blast, the reputation of a judge and to cripple the management of the Federal judiciary. The distinguished gentleman from Pennsylvania [Mr. GRAHAM] at that time said:

> I do not approve of the policy of this bill, and doubt its constitutionality.

That, I believe, was his firm conviction at that time, and I submit that by changing the language and the methods, and slightly

the effect of the action of the Executive, has not removed this measure from the cloud of unconstitutionality that surrounds it.

The Constitution has provided that there shall be three coordinate branches of our Government, and if there are to be, if we are to continue having that form of government, I submit to the committee that we ought not to say to the courts of this land, "You are performing the functions of your office subject to the will of the Executive, who at any time, after you have reached the age of 70 and have served 10 years, may find that you are permanently physically and mentally unqualified to officially perform the duties of the office." It is in effect a removal from office, and it does not provide that the judge upon whom this verdict is passed shall have an opportunity to be heard. He only awaits the decree of the Executive.

Now, I suppose perhaps that in the concluding remarks upon the other side we may be cited to the case of Field versus Clark and the case of the Bridge Co. versus United States, which I think were referred to in the very able report of my colleague upon the committee, the gentleman from Pennsylvania [Mr. STEELE], either this year or when the bill was up before. I submit it is different. There is a different proposition here involved than giving the President the right upon finding a certain set of facts to suspend a tariff duty or to put into operation some law that the Congress has passed. There is a difference between that, gentlemen of the committee, and giving the President the right upon a finding of fact to create an office, which right rests with the Congress of the United States, because the appointment of this judge is the creation of an office, and Congress could not delegate that legislative authority, I submit, under the Constitution. Under the plain language of the Constitution it could not delegate that authority to be exercised by the President upon finding a certain state of facts.

Mr. GORDON. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. GORDON. Does not the gentleman distinguish between the addition of an incumbent to an office and the creation of an office?

Mr. WALSH. Well, I will say to the gentleman that the Constitution provides that we shall ordain and establish inferior courts, and that if you create a judge in an existing court you are creating an office and you are clothing the incumbent of that office with all the functions and powers that attach to it, and that creation is of such a character, I submit, as a legislative function, that we can not delegate it to the Chief Executive.

Mr. GORDON. Will the gentleman yield further?

Mr. WALSH. I will.

Mr. GORDON. What would you do in case you had a Federal judge who was physically and mentally incompetent to perform the duties of the office?

Mr. WALSH. In response to the gentleman from Ohio, I will say that I would do as we have done in the past. I would have the people from that district, the members of the bar who are most intimately interested, come before Congress and ask for legislation to give them an additional judge. That was done in the case of Maryland, and in the case of Missouri, and, I believe, in the case of Kentucky, by special enactment; and in that enactment we provided that when the superannuated incumbent of the office died a new judge should not be appointed. And that is the function of Congress, and I submit there is nothing to be gained by giving that to the Chief Executive and giving it in this particular way.

We do, as the gentleman from Ohio possibly may have in mind, in passing a special act, give to the Executive the power to appoint a judge by and with the advice and consent of the Senate. But I submit, sir, that we should act upon these cases, each one upon its own merits, and not give general power. Let us at least give our Constitution the benefit of the doubt.

Now, I am not seeking to reflect upon the present Chief Executive of the United States, but I will say, in view of legislation that has been passed, that if we seek to confer autocratic power such as this, from his experience during the past 20 months as the result of war legislation, I think he is qualified as an expert in the execution of autocratic powers, and that he might, if there are cases now pending where there are judges who refuse to serve, refuse to act, or who are guilty of bad behavior, use this power in a political sense, speaking broadly. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GARD. Mr. Chairman, what I have to say is brought forward not in the interest of the judiciary but in the interest of those whom the judiciary represents. While it is one of the independent parts of the trinity of government, the judiciary represents the people, or should represent the people, quite as much as this popular branch of the legislative assembly, which goes back with an account of its stewardship every two years for approval or disapproval. I think everyone should recognize, too, that political service—and political position on the bench is political service whether it is appointive or elective—carries with it almost necessarily a sacrifice of some financial benefit. Every man who is of a high order of ability—and it is from that order of ability which the Federal courts should be recruited—possesses possibly the ability to earn a greater financial return than comes to him when he occupies a position upon the bench. But this is compensated for in part by the high honor, for it is a high honor to a man who is given place in judgment upon his fellowmen, and who, if he is a Federal judge, is commissioned during his lifetime or during his good behavior. It is a matter which every man, when he assumes a position on the Federal bench, should well weigh, and he should weigh it in the light of his individual responsibility to himself and to his family.

Then, too, it should be considered in the light of opportunity, for a man may have an opportunity for great professional advancement at one bar and may not have a great opportunity at another bar. But all of those things go together to make up a man's consideration for himself and this service, whether he is going to sacrifice actual financial gain for the great honor of sitting upon the Federal bench. But when he assumes the Federal bench it does not mean that he is to be crowded down upon a mere pitiful, beggarly stipend, but it means that he should be properly and reasonably recompensed that his living may be of the standard of living in his community.

I do not hold any brief, nor do I think we should, for the judges of any particular locality. We should pass a bill here, general in its scope, which will afford a fair and reasonable living wage for duty performed on the Federal bench. I think the standard, of course, is the standard of business; I think that the judge who does a great amount of business should receive a higher salary than one who does little court business. But so far as we are able to judge, business follows population. There is a greater business in the congested centers than there is in the rural counties and States of these United States. Therefore, while we may not properly expect to find any arbitrary assumption of entire justice, we may, I think, assume that population regulates business, and toward that end I think the theory upon which this present law is builded is correct. It works well in Ohio, in my own State. We apply it to nisi prius courts based on population, and there has been uniform satisfaction with it for many years.

With the parts to which gentlemen find objection—the two latter sections of the bill—I confess they have my approval as fully and as entirely as the question of salary itself. I think that the thing which the people of the United States want is service; and the particular part of this bill which says that a man may not be compelled to resign but that he may retire, and that his service may be utilized as he can render it, is most commendable, because there are parts of law work—there are parts of the administration of justice—which a man who is advanced in years may do and other things which he may not properly do.

The ideal time for a man to assume a judicial position is when he has a ripe experience, and he should be permitted to make it his life work. He should retain it as long as he has the physical and mental vigor to administer affairs efficiently, but no longer. Therefore I think that there is ample warrant for the last provision in this bill, which comes within the purview of the Constitution of the United States and of adjudications in which it has been held that "the authority of Congress in creating courts and conferring upon them all or much or little of the judiciary power of the United States is unlimited by the Constitution." I say that this is sufficient to establish this procedure, which in effect is this, that instead of having a multitude of special bills when there appears an isolated case we have here a general rule, and I have heard many times—and I have believed that argument—that the establishment of a general principle upon which everything may be based, upon which the individual cases may be determined, is better than the presentation of a special bill for a particular purpose.

Now, my view is that there are not going to be very many cases under this last provision. If there is to be a case of a man 70 years who has been on the bench 10 years and is physically or mentally incapacitated to do the work, there should be some means of affording the people of his district that which they are entitled to; that is, a speedy and efficient adjudication of their cases in court. A man so disqualified can not do this. Therefore, instead of introducing a special bill, instead of there being the necessity continually for special bills,

we here arrange for a standard by which the justice of the district or of the circuit may be maintained at high standard in administration.

Mr. HUSTED. I should like to ask the gentleman a question, if I may.

Mr. GARD. I am glad to yield to the gentleman.

Mr. HUSTED. I want to ask the gentleman if he does not think that the provision of the Constitution which provides that judges shall serve during good behavior was intended to make the judges absolutely independent of the Executive?

Mr. GARD. I do; and I think the judiciary should be absolutely independent of the Executive, but this does not interfere with that.

Mr. HUSTED. Does not the gentleman think it does, to a certain extent?

Mr. GARD. No; I do not think it does, either directly or indirectly.

Mr. HUSTED. Does it not tend to a certain extent to bring them under the influence of the Executive?

Mr. GARD. Absolutely not; because it simply provides that when a man can not do the work and will not resign the President of the United States may make an affirmative finding that he is physically or mentally incapacitated—permanently—and unable to do the business of the court, and in that event he appoints a new judge who is senior in commission, and when the incapacitated judge dies then the position is not to be filled, but the newly appointed judge takes his regular place. It seems to me the new provision is entirely within the purview of the Constitution, and that it establishes a principle which we have been very keen to maintain, and that is the principle of service, for I hold that service means as much to the judiciary as it does to the administrative, the legislative, or even the military.

Mr. HUSTED. There is not any question about that, but it seems to me that this provision, which allows the President to declare a man incompetent, violates to a certain extent that provision of the Constitution which is intended to make the judges absolutely independent of Executive authority and control.

Mr. GRAHAM of Pennsylvania. Will the gentleman from Ohio permit me to interrupt him for a moment?

Mr. GARD. I will be very glad to have the gentleman's question.

Mr. GRAHAM of Pennsylvania. The constitutional provision is that the judge shall be protected in his tenure during good behavior, is it not?

Mr. GARD. Yes; I so understand.

Mr. GRAHAM of Pennsylvania. Now, if a judge is incapacitated to perform his duties, if the business of his office is being delayed and hindered, and if justice is being denied by his obstinately remaining at his post, is he continuing in good behavior?

Mr. DENISON. If it was not good behavior, then the method of removal would be by impeachment, would it not?

Mr. GARD. Of course there is a method of removal by impeachment, yes; but this is not a matter of impeachment.

Mr. EAGLE. Will the gentleman allow me?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GARD. My time has expired. I am sorry I can not yield to the gentleman.

The CHAIRMAN. All time has expired, as the time was fixed by the House.

Mr. GARD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BORLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 12001) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, had come to no resolution thereon.

PAY OF WOUNDED SOLDIERS.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent to print in the RECORD a letter that I received from Gen. Lord touching the matter that was briefly discussed yesterday relative to the pay of wounded soldiers returning from abroad.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to print in the RECORD a letter from Gen. Lord. Is there objection?

There was no objection.

WAR-RISK INSURANCE.

Mr. VARE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the war-risk insurance bill.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on war-risk insurance. Is there objection?

Mr. KITCHIN. It will be the gentleman's own remarks, will it?

Mr. VARE. My own remarks, as well as some newspaper comments.

Mr. KITCHIN. How long is it?

Mr. VARE. It is not very long.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until to-morrow, Friday, December 13, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting draft of legislation for the sale of three abandoned customs boarding stations at New Orleans, La., known as the "Jump," Southwest Pass, and Pass a Loutre, said properties no longer being required by that department (H. Doc. No. 1578); to the Committee on Public Buildings and Grounds and ordered to be printed.

2. A letter from the Secretary of the Interior, transmitting copy of a report as to the necessity and advisability of purchasing lands for the Alabama and Coushatta Indians located in Polk County, Tex., pursuant to the investigations therein directed to be made (H. Doc. No. 1579); to the Committee on Indian Affairs and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting draft of proposed legislation authorizing the acceptance of a correctionary deed to the land composing the site of the new post office in New York City (H. Doc. No. 1580); to the Committee on Public Buildings and Grounds and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting revised estimate of appropriation for defraying the cost of collecting the customs revenues for the fiscal year 1920 (H. Doc. No. 1581); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting supplemental estimate of appropriation required by the office of the Auditor for the War Department for the fiscal year 1919 (H. Doc. No. 1582); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting supplemental estimate of appropriation required by the office of the Auditor for the State and Other Departments for the fiscal year 1919 (H. Doc. No. 1583); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Secretary of the Treasury, transmitting supplemental estimate of appropriation for increase in salaries of officers and employees of the War Department and Military Academy for the fiscal year 1920 (H. Doc. No. 1584); to the Committee on Military Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SANDERS of Louisiana, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 13143) extending the time for the construction of a bridge across the Mississippi River at or near the city of New Orleans, La., reported the same with amendment, accompanied by a report (No. 854), which said bill and report were referred to the House Calendar.

Mr. QUIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 13247) granting a gratuity to members of the United States Army, reported the same without amendment, accompanied by a report (No. 855), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR of Colorado, from the Committee on the Public Lands, to which was referred the bill (S. 2552) to provide for a leave of absence for homestead entrymen in one or two periods and for longer times, reported the same without amendment,

accompanied by a report (No. 857), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SHALLENBERGER, from the Committee on Military Affairs, to which was referred the bill (H. R. 13294) to amend an act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes, approved March 3, 1915, reported the same with amendment, accompanied by a report (No. 859), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TIMBERLAKE, from the Committee on the Public Lands, to which was referred the bill (H. R. 11368) to authorize the Secretary of the Interior to issue patent in fee simple to the National Lincoln-Douglass Sanatorium and Consumptive Hospital Association (a corporation), of Denver, Colo., for a certain described tract of land, reported the same with amendment, accompanied by a report (No. 858), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MONDELL: A bill (H. R. 13350) to add certain lands to the Yellowstone National Park; to the Committee on the Public Lands.

By Mr. IGOE: A bill (H. R. 13351) to provide for the issuance of a certificate of honorable service to persons serving in the regular Navy or Naval Reserve during the present emergency and for the payment of transportation to certain discharged or released enlisted men of the regular Navy; to the Committee on Naval Affairs.

By Mr. ZIHLMAN: A bill (H. R. 13352) authorizing the appointment of a commission to collate information and to consider and recommend legislation to meet the economic and industrial problems of reconstruction; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENCH: A bill (H. R. 13353) to extend the provisions of the homestead laws touching credit for period of enlistment to the soldiers, nurses, and officers of the Army, and the seamen, marines, nurses, and officers of the Navy and Marine Corps of the United States who have served or will have served with the Mexican border operations or during the war between the United States and Germany and her allies; to the Committee on the Public Lands.

By Mr. SHACKLEFORD: A bill (H. R. 13354) to amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916; to the Committee on Roads.

By Mr. NELSON: A bill (H. R. 13355) for the relief of the St. Croix Chippewa Indians of Wisconsin; to the Committee on Appropriations.

By Mr. BORLAND: A bill (H. R. 13356) to provide for demobilizing the military and naval forces of the United States; to the Committee on Military Affairs.

By Mr. MOORE of Pennsylvania: A bill (H. R. 13357) to amend an act approved March 3, 1891, to incorporate the National Conservatory of Music; to the Committee on the Judiciary.

By Mr. SIMS: A bill (H. R. 13358) extending the benefits of the war-risk insurance act to certain civilians employed by the Army; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Kentucky: Resolution (H. Res. 476) providing for payment of expenses of committee to investigate the National Security League and for its sittings during sessions of the House; to the Committee on Accounts.

By Mr. CHANDLER of Oklahoma: Resolution (H. Res. 477) to authorize the Committee on Indian Affairs of the House of Representatives of the Sixty-fifth Congress to investigate the policy and conduct of the Bureau of Indian Affairs in its dealings with the affairs of the Quapaw Indians of Oklahoma; to the Committee on Rules.

By Mr. McKEOWN: Resolution (H. Res. 478) declaring for the immediate discharge from the military service of all soldiers having dependents for which allowances are granted in the War Risk Bureau; to the Committee on Military Affairs.

By Mr. DILLON: Joint resolution (H. J. Res. 366) to acquire title, by purchase, condemnation, or otherwise of large tracts of land now held by corporations or individuals and convert the same into small farms for sale as homes to soldiers, sailors, marines, and others; to the Committee on the Public Lands.

By Mr. LAGUARDIA: Joint resolution (H. J. Res. 367) admitting into the United States 35 puncheons of Gordon's sloe gin, ordered by E. La Montagne's Sons, of New York, before the passage of the food-control act prohibiting the importation of distilled spirits, the delivery of which was delayed on account of war conditions, until after that act went into effect; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAGO: A bill (H. R. 13359) granting an increase of pension to Henry C. McKinley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13360) granting an increase of pension to Thomas C. Wallace; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 13361) granting an increase of pension to Thomas C. Yates; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13362) granting an increase of pension to James Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13363) granting an increase of pension to Alexander Smith; to the Committee on Invalid Pensions.

By Mr. MANN: A bill (H. R. 13364) granting a pension to Nancy Granger; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Resolution of New Korea Association relating to Korean grievances and affairs; to the Committee on Foreign Affairs.

By Mr. ELSTON: Protest of Bay City Radio Club against passage of House bill 13159 and Senate bill 5306; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of United Irish-American Societies of Alameda County, Cal., for political self-determination for Ireland; to the Committee on Foreign Affairs.

Also, memorial of Leo J. McCarthy and M. M. Roach for political self-determination of Ireland; to the Committee on Foreign Affairs.

By Mr. FULLER of Illinois: Petition of the American Licorice Co., of Chicago, Ill., for speedy passage of the revenue bill; also for the same rates of taxation against individuals and partnerships as against corporations; to the Committee on Ways and Means.

By Mr. GRAHAM of Illinois: Memorial of Dale E. Rowe, and sundry other citizens of Rock Island, Ill., and Moline, Ill., protesting against the Alexander bill, House bill 13159; to the Committee on the Merchant Marine and Fisheries.

By Mr. HAMILTON of Michigan: Petition of teachers of Berrien County, Mich., to support the bill known as S. 4967, to create a department of education; to the Committee on Education.

By Mr. RAMSEYER: Resolution of the Croatian Society of Colfax, Iowa; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *December 13, 1918.*

(*Legislative day of Thursday, December 12, 1918.*)

The Senate met at 12 o'clock noon.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harding	Myers	Smith, Ga.
Beckham	Johnson, Cal.	New	Smith, Md.
Cummins	Jones, N. Mex.	Page	Smoot
Curtis	Jones, Wash.	Pollock	Spencer
Dillingham	Kellogg	Reed	Swanson
Fletcher	Kenyon	Saulsbury	Thompson
France	King	Shafroth	Townsend
Frelinghuysen	Kirby	Sheppard	Trammell
Gay	McKellar	Sherman	Underwood
Gronna	McLean	Simmons	Warren
Hale	Mulkey	Smith, Ariz.	Weeks

Mr. CURTIS. I desire to announce that the Senator from New Hampshire [Mr. MOSES] is absent on account of illness.

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is still absent on account of illness.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BORAH, Mr. CALDER, Mr. HENDERSON, Mr. JOHNSON of South Dakota, Mr. LA FOLLETTE, Mr. NORRIS, Mr. POINDEXTER, Mr. SMITH of South Carolina, Mr. SUTHERLAND, Mr. THOMAS, and Mr. WALSH answered to their names when called.

Mr. HENDERSON. I desire to announce that the Senator from Idaho [Mr. NUGENT] is necessarily detained from the Senate.

Mr. SUTHERLAND. I wish to state that my colleague [Mr. GOFF] is absent owing to illness.

Mr. CULBERSON, Mr. GERRY, Mr. HITCHCOCK, and Mr. LENROOT entered the Chamber and answered to their names.

Mr. KING. I wish to announce that the Senator from North Carolina [Mr. OVERMAN], the Senator from Minnesota [Mr. NELSON], the Senator from South Dakota [Mr. STERLING], and the Senator from Delaware [Mr. WOLCOTT] are detained on official business. They are engaged in a hearing of the subcommittee of the Committee on the Judiciary.

Mr. BANKHEAD, Mr. RANSDELL, Mr. CHAMBERLAIN, Mr. MARTIN of Virginia, and Mr. VARDAMAN entered the Chamber and answered to their names.

The VICE PRESIDENT. Sixty-four Senators have answered to the roll call. There is a quorum present.

INVESTIGATION OF SPRUCE PRODUCTION.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of War, relative to an investigation of the spruce-production section of the Aeroplane Division of the Signal Corps of the United States Army, which will be inserted in the RECORD and referred to the Committee on Military Affairs.

The communication is as follows:

WAR DEPARTMENT,
Washington, December 10, 1918.

The honorable the PRESIDENT OF THE UNITED STATES SENATE.

SIR: With reference to the resolution adopted by the United States Senate December 5, 1918, "that the Secretary of War is hereby requested to inform the Senate what, if any, steps have been taken upon the recommendation of Hon. Charles E. Hughes for an investigation of the spruce-production section of the Aeroplane Division of the Signal Corps of the United States Army," I have the honor to inform you that by my direction a comprehensive investigation of the spruce situation was made, and a report rendered, during the month of July, by the Inspector General of the Army, covering all the features of the situation as it then existed.

On November 30 the Inspector General was further directed to send a very competent man to the Northwest to further investigate this situation and complete his report on the whole situation to the present date. In compliance with these instructions the Inspector General has detailed for this duty Maj. H. M. Ray of the Inspector General's Department, whom he considers specially fitted by education and special training, and this office is now engaged in this work. It is the intention of the department that this investigation shall be as thorough and comprehensive as possible.

Very respectfully, NEWTON D. BAKER,
Secretary of War.

REPORT OF BOARD OF ORDNANCE AND FORTIFICATION (H. DOC. NO. 1423).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, the annual report of the Board of Ordnance and Fortification for the fiscal year 1918, which was referred to the Committee on Military Affairs.

REPORT OF FEDERAL TRADE COMMISSION (H. DOC. NO. 1438).

The VICE PRESIDENT laid before the Senate the annual report of the Federal Trade Commission for the fiscal year 1918, which was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a resolution adopted by the House of Representatives of Porto Rico, petitioning Congress to include in such reciprocal commercial treaties as may be negotiated with Spain or any other European nation the importation of Porto Rican coffee free of duty or under the largest tariff rebate possible, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a resolution in the nature of a petition adopted by the Woman's Christian Temperance Union of Roslindale, Mass., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

He also presented a resolution in the nature of a memorial adopted by the Woman's Antisuffrage Association of Massachusetts, remonstrating against the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

Mr. WARREN presented a petition from the Cullen Commercial Co., of Rawlins, Wyo., praying for the enactment of legislation authorizing the Comptroller of the Treasury to expend funds in payment on partially canceled contracts for Government shoes, which was referred to the Committee on Finance.

BILL INTRODUCED.

Mr. GAY introduced a bill (S. 5189) to donate 50 cannon to the State of Louisiana, which was read twice by its title and referred to the Committee on Military Affairs.

THE REVENUE.

Mr. KELLOGG submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. KENYON submitted an amendment intended to be proposed to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. RANSDELL submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

ANNIE T. BRAHAM.

Mr. CALDER submitted the following resolution (S. Res. 385), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, from the miscellaneous items of the contingent fund of the Senate, to Annie T. Braham, sole surviving relative of William E. Burke, late a messenger in the employ of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. I ask that the Secretary may continue the reading of the bill.

The Secretary resumed the reading of the bill at page 157, line 22, section 609.

The next amendment of the Committee on Finance was, on page 160, line 25, to insert in parentheses "in lieu of the internal-revenue tax now imposed thereon by law," and on page 161, line 2, to insert after "spirits" the words "whenever withdrawn and hereafter," so as to make the section read:

SEC. 612. That under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other security as the commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title may withdraw from any fruit distillery or special bonded warehouse grape brandy, or wine spirits, for the fortification of such wines on the premises where actually made: *Provided*, That there shall be levied and assessed against the producer of such wines a tax (in lieu of the internal-revenue tax now imposed thereon by law) of 60 cents per proof gallon of grape brandy or wine spirits whenever withdrawn and hereafter so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within 10 months from the date of notice thereof: *Provided further*, That nothing contained in this section shall be construed as exempting any wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this title.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, on page 161, line 24, to insert after the word "sale" the words "containing sweet wine fortified with grape brandy," so as to make the section read:

SEC. 613. That upon the following articles which are hereafter produced in or imported into the United States, or which on the day after the passage of this act are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid taxes at rates as follows, when sold, or removed for consumption or sale:

On each bottle or other container of champagne or sparkling wine, 12 cents on each one-half pint or fraction thereof;

On each bottle or other container of artificially carbonated wine, 6 cents on each one-half pint or fraction thereof;

On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy, 6 cents on each one-half pint or fraction thereof.

The tax imposed by this section shall, in the case of any article upon which a corresponding internal-revenue tax is now imposed by law, be in lieu of such tax.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, on page 162, line 5, before the word "tax," to insert "internal-revenue," so as to make the section read:

SEC. 614. That upon all articles specified in section 611 or 613 upon which the internal-revenue tax now imposed by law has been paid and which are on the day after the passage of this act held by any person and intended for sale, there shall be levied, collected, and paid a floor tax equal to the difference between the tax imposed by this act and the tax so paid.

The amendment was agreed to.

The next amendment was, on page 162, line 14, before the word "cents," to strike out "20" and insert "30," and in line 16, after the word "wine," to strike out "and a floor tax of 30 cents per proof gallon shall be levied, assessed, collected, and paid upon all grape brandy or wine spirits withdrawn by a producer of sweet wines for the purpose of fortifying such wines and not so used prior to the passage of this act," so as to make the section read:

SEC. 615. That upon all sweet wines held for sale by the producer thereof upon the day after the passage of this act there shall be levied, assessed, collected, and paid a floor tax equivalent to 30 cents per proof gallon upon the grape brandy or wine spirits used in the fortification of such wine.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, in section 618, page 168, line 1, before the word "That," to insert "(*a*)," so as to read:

SEC. 618. (*a*) That under such regulations and upon the execution of such notices, entries, bonds, and other security as the commissioner, with the approval of the Secretary, may prescribe, domestic wines subject to the tax imposed by section 611 may be removed from the winery where produced, free of tax, for storage on other bonded premises or from such premises to other bonded premises (but not more than one such additional removal shall be allowed), or for exportation from the United States or for use as distilling material at any regularly registered distillery.

The amendment was agreed to.

The next amendment was, on page 168, after line 18, to insert:

(*b*) Under regulations prescribed by the Commissioner with the approval of the Secretary, it shall be lawful to produce grape wines on bonded winery premises by the usual method of fermentation, and to transport and use the same, and like wines heretofore produced and now stored on bonded winery premises, as distilling material for the production of nonbeverage spirits in the production of nonalcoholic wines, containing less than one-half of 1 per cent of alcohol by volume, in any fruit brandy or industrial distillery: *Provided*, That all alcoholic spirits so obtained at any industrial distillery shall be denatured, and all spirits so obtained at any fruit distillery shall be removed and used only for nonbeverage purposes or for denaturation.

The amendment was agreed to.

The next amendment was, in section 620, on page 169, line 23, after the word "both," to insert "and in addition thereto by a penalty of double the tax evaded, or attempted to be evaded, to be assessed and collected in the same manner as taxes are assessed and collected," so as to read:

SEC. 620. That whoever evades or attempts to evade any tax imposed by sections 611 to 615, both inclusive, or any requirement of sections 610 to 621, both inclusive, or regulation issued pursuant thereto, or whoever, otherwise than as provided in such sections, recovers or attempts to recover any spirits from domestic or imported wine, or whoever rectifies, mixes, or compounds with distilled spirits any domestic wines, other than in the manufacture of liqueurs, cordials, or similar compounds, shall, on conviction, be punished for each such offense by a fine of not exceeding $5,000, or imprisonment for not more than five years, or both, and in addition thereto by a penalty of double the tax evaded, or attempted to be evaded, to be assessed and collected in the same manner as taxes are assessed and collected, and all wines, spirits, liqueurs, cordials, or similar compounds as to which such violation occurs shall be forfeited to the United States.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I desire to call to the attention of Senators the fact that I have had placed upon the desks of Senators this morning an index to this bill. It should have been prepared earlier, but I have just been able to get it.

The reading of the bill was resumed and continued to the end of section 627, on page 176, line 11.

Mr. LA FOLLETTE. Mr. President, at the request of the senior Senator from Oregon [Mr. CHAMBERLAIN], I ask that the next section be passed over without action upon the amendments.

The VICE PRESIDENT. The Senator refers to section 628?

Mr. LA FOLLETTE. To section 628.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, on page 176, line 17, after the word "half," to insert "of one"; in line 19, after the word "to," to strike out "30" and insert "15"; in line 20, after the word "all," to strike out "unfermented grape juice"; in line 23, after the word "drinks," to insert "(except fruit or berry juice)"; at the beginning of line 26, to strike out "20" and insert "10"; on page 177, line 3, after the word "containers," to strike out "at over 10 cents per gallon"; and, at the beginning of line 4, to strike out "of 2 cents per gallon" and insert "equivalent to 5 per cent of the price for which so sold," so as to make the section read:

SEC. 628. That there shall be levied, assessed, collected and paid in lieu of the taxes imposed by sections 313 and 315 of the revenue act of 1917—

(a) Upon all beverages derived wholly or in part from cereals or substitutes therefor, and containing less than one-half of 1 per cent of alcohol, sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 15 per cent of the price for which so sold; and upon all ginger ale, root beer, sarsaparilla, pop, artificial mineral waters (carbonated or not carbonated), other carbonated waters or beverages, and other soft drinks (except fruit or berry juice), sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 10 per cent of the price for which so sold; and

(b) Upon all natural mineral waters or table waters, sold by the producer, bottler, or importer thereof, in bottles or other closed containers, a tax equivalent to 5 per cent of the price for which sold.

The VICE PRESIDENT. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 629, on page 177, line 9, after the word "imposed," to strike out "on" and insert "in respect to," and after line 14 to insert:

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

So as to make the section read:

SEC. 629. That each manufacturer, producer, bottler, or importer of any of the articles enumerated in section 628 shall make monthly returns under oath in duplicate and pay the taxes imposed in respect to such articles by such section to the collector for the district in which is located the principal place of business, containing such information necessary for the assessment of the tax, and at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulation prescribe.

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

The amendment was agreed to.

The next amendment was, in section 630, page 177, line 22, after the word "after," to strike out "November 1, 1918"; in line 24, after the words "tax of," to strike out "2 cents" and insert "1 cent"; and on page 178, line 7, after the word "business," to strike out "*Provided*, That in cases where the charge for any such article is 7 cents or less, the tax shall be 1 cent," so as to make the section read:

SEC. 630. That on and after ——— there shall be levied, assessed, collected, and paid a tax of 1 cent for each 10 cents or fraction thereof of the amount paid to any person conducting a soda fountain, ice-cream parlor, or other similar place of business, for drinks commonly known as soft drinks, compounded or mixed at such place of business, or for ice cream, ice-cream sodas, sundaes, or other similar articles of food or drink, when any of the above are sold on or after such date for consumption in or in proximity to such place of business. Such tax shall be paid by the purchaser to the vendor at the time of the sale and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 502.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I am perfectly willing that these amendments shall be adopted at this time, because I think they ought to be adopted if this section is to be retained in the bill as it finally passes; but I expect to offer a substitute for the whole section, and if that amendment is agreed to of course this section would be eliminated.

The VICE PRESIDENT. That would be a motion to strike out and insert. So no advantage will be lost by the adoption of the amendments.

The reading of the bill was resumed.

The next amendment was, under the head of "Title VII.—Tax on cigars, tobacco, and manufactures thereof," in section 700, page 178, line 25, before the words "per thousand," to strike out "$2" and insert "$1.50," so as to make the paragraph read:

On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $1.50 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 4, before the words "per thousand," to strike out "$5" and insert "$4," so as to make the paragraph read:

On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, $4 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 6, before the words "per thousand," to strike out "$8" and insert "$5.40," so as to make the paragraph read:

If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, $5.40 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 8, before the words "per thousand," to strike out "$12" and insert "$9," so as to make the paragraph read:

If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, $9 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 11, before the words "per thousand," to strike out "$16" and insert "$12," so as to make the paragraph read:

If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $12 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 14, before the words "per thousand," to strike out "$20" and insert "$15," so as to make the paragraph read:

If manufactured or imported to retail at more than 20 cents each, $15 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 16, after the word "thousand," to strike out "if manufactured or imported to retail at less than 2 cents each, $4.10" and insert "$2.90," so as to make the paragraph read:

On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $2.90 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, after line 18, to strike out:

If manufactured or imported to retail at 2 cents or more each, $5.10 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 21, before the words "per thousand," to strike out "$9.60" and insert "$7.20," so as to make the paragraph read:

Weighing more than 3 pounds per thousand, $7.20 per thousand.

The amendment was agreed to.

The next amendment was, on page 179, line 23, after the word "cigars," to strike out "or cigarettes," and on page 180, line 2, after the word "cigar," to strike out "or, in the case of cigarettes, the ordinary retail price thereof when sold in packages of less than 40," so as to make the paragraph read:

(b) Whenever in this section reference is made to cigars manufactured or imported to retail at not over a certain price each, then in determining the tax to be paid regard shall be had to the ordinary retail price of a single cigar.

The amendment was agreed to.

The next amendment was, on page 180, line 7, after the word "cigars," to strike out "or cigarettes," so as to make the paragraph read:

(c) The commissioner may, by regulation, require the manufacturer or importer to affix to each box, package, or container a conspicuous label indicating the clause of this section under which the cigars therein contained have been tax-paid, which must correspond with the tax-paid stamp on such box or container.

The amendment was agreed to.

The next amendment was, in section 701, page 181, line 6, before the word "cents," to strike out "26" and insert "18," so as to make the paragraph read:

SEC. 701. (a) That upon all tobacco and snuff manufactured in or imported into the United States and hereafter sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of 18 cents per pound, to be paid by the manufacturer or importer thereof.

The amendment was agreed to.

The next amendment was, in section 702, page 183, after line 12, to insert:

In the case of any person making due return as required by the commissioner of the stock of all such articles on such date so held by him, the tax imposed by this section shall apply only to the excess of manufactured tobacco and snuff over 50 pounds, to the excess of cigars over 1,000, and to the excess of cigarettes over 3,000.

Mr. SIMMONS. Mr. President, the semicolon at the end of line 18 should be a period. I move that that amendment be made.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 703, page 184, line 4, before the word "cent," to strike out "1" and insert "one-half"; in line 5, before the word "containing," to strike out "2 cents" and insert "1 cent"; in line 6, before the word "cent," to strike out "1" and insert "one-half"; and in line 7, after the word "tubes," to strike out "2 cents" and insert "1 cent," so as to make the paragraph read:

SEC. 703. That there shall be levied, collected, and paid, in lieu of the taxes imposed by section 404 of the revenue act of 1917, upon cigarette paper made up into packages, books, sets, or tubes, made up in or imported into the United States and hereafter sold by the manufacturer or importer to any person (other than to a manufacturer of cigarettes for use by him in the manufacture of cigarettes) the following taxes, to be paid by the manufacturer or importer: On each package, book, or set, containing more than 25 but not more than 50 papers, one-half cent; containing more than 50 but not more than 100 papers, 1 cent; containing more than 100 papers, one-half cent for each 50 papers or fractional part thereof; and upon tubes, 1 cent for each 50 tubes or fractional part thereof.

The amendment was agreed to.

The next amendment was, on page 184, after line 17, to insert as a new section the following:

SEC. 704. That section 35 of the act of August 5, 1909, be, and is hereby, repealed, to take effect April 1, 1919.

That section 3360 of the Revised Statutes be, and is hereby, amended to read as follows:

"SEC. 3360. (a) Every dealer in leaf tobacco shall file with the collector of the district in which his business is carried on a statement in duplicate, subscribed under oath, setting forth the place, and if in a city, the street and number of the street, where his business is to be carried on, and the exact location of each place where leaf tobacco is held by him on storage, and, whenever he adds to or discontinues any of his leaf-tobacco storage places, he shall give immediate notice to the collector of the district in which he is registered.

"Every such dealer shall give a bond with surety, satisfactory to, and to be approved by, the collector of the district, in such penal sum as the collector may require, not less than $500; and a new bond may be required in the discretion of the collector or under instructions of the commissioner.

"Every such dealer shall be assigned a number by the collector of the district, which number shall appear in every inventory, invoice, and report rendered by the dealer, who shall also obtain certificates from the collector of the district setting forth the place where his business is carried on and the places designated by the dealer as the places of storage of his tobacco, which certificates shall be posted conspicuously within the dealer's registered place of business, and within each designated place of storage.

"(b) Every dealer in leaf tobacco shall make and deliver to the collector of the district a true inventory of the quantity of the different kinds of tobacco held or owned, and where stored by him, on the 1st day of January of each year, or at the time of commencing and at the time of concluding business, if before or after the 1st day of January, such inventory to be made under oath and rendered in such form as may be prescribed by the commissioner.

"Every dealer in leaf tobacco shall render such invoices and keep such records as shall be prescribed by the commissioner, and shall enter therein, day by day, and upon the same day on which the circumstance, thing, or act to be recorded is done or occurs, an accurate account of the number of hogsheads, tierces, cases and bales, and quantity of leaf tobacco contained therein, purchased or received by him, on assignment, consignment, for storage, by transfer or otherwise, and of whom purchased or received, and the number of hogsheads, tierces, cases and bales, and the quantity of leaf tobacco contained therein, sold by him, with the name and residence in each instance of the person to whom sold, and if shipped, to whom shipped, and to what district; such records shall be kept at his place of business at all times and preserved for a period of two years, and the same shall be open at all hours for the inspection of any internal-revenue officer or agent.

"Every dealer in leaf tobacco on or before the 10th day of each month shall furnish to the collector of the district a true and complete report of all purchases, receipts, sales, and shipments of leaf tobacco made by him during the month next preceding, which report shall be verified and rendered in such form as the commissioner, with the approval of the Secretary, shall prescribe.

"(c) Sales or shipments of leaf tobacco by a dealer in leaf tobacco shall be in quantities of not less than a hogshead, tierce, case, or bale, except loose leaf tobacco, comprising the breaks on warehouse floors, and except to a duly registered manufacturer of cigars for use in his own manufactory exclusively.

"Dealers in leaf tobacco shall make shipments of leaf tobacco only to other dealers in leaf tobacco, to registered manufacturers of tobacco, snuff, cigars, or cigarettes, or for export.

"(d) Upon all leaf tobacco sold, removed, or shipped by any dealer in leaf tobacco in violation of the provisions of subdivision (c), or in respect to which no report has been made by such dealer in accordance with the provisions of subdivision (b), there shall be levied, assessed, collected, and paid a tax equal to the tax then in force upon manufactured tobacco, such tax to be assessed and collected in the same manner as the tax on manufactured tobacco.

"(e) Every dealer in leaf tobacco—

"(1) Who neglects or refuses to furnish the statement, to give bond, to keep books, to file inventory, or to render the invoices, returns, or reports required by the commissioner, or to notify the collector of the district of additions to his places of storage; or

"(2) Who ships or delivers leaf tobacco, except as herein provided; or

"(3) Who fraudulently omits to account for tobacco purchased, received, sold, or shipped—

Shall be fined not less than $100 or more than $500, or imprisoned not more than one year, or both.

"(f) For the purposes of this section a farmer or grower of tobacco shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him."

The amendment was agreed to.

The next amendment was, on page 188, line 13, to strike out "November 1, 1918," and leave a blank, so as to read:

TITLE VIII.—TAX ON ADMISSIONS AND DUES.

SEC. 800. (a) That from and after ——— there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 700 of the revenue act of 1917.

The amendment was agreed to.

The next amendment was, on page 188, line 17, to strike out "2 cents" and insert "1 cent," and in line 20, after the word "admission," to strike out the proviso in the following words:

Provided, That in cases where the charge for admission is 7 cents or less, and in the case of children under 12 years of age where an admission charge for such children is made, the tax shall be 1 cent.

So as to read:

(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, including admission by season ticket or subscription, to be paid by the person paying for such admission.

The amendment was agreed to.

The next amendment was, on page 189, line 7, to strike out "2 cents" and insert "1 cent," so as to read:

(2) In the case of persons (except bona fide employees, municipal officers on official business, persons in the military or naval forces of the United States when in uniform, and children under 12 years of age) admitted free or at reduced rates to any place at a time when and under circumstances under which an admission charge is made to other persons, a tax of 1 cent for each 10 cents or fraction thereof of the price so charged to such other persons for the same or similar accommodations, to be paid by the person so admitted.

The amendment was agreed to.

The next amendment was, on page 189, line 17, before the words "per centum," to strike out "5" and insert "10"; in line 20, to strike out "30" and insert "50" before "per centum"; and in line 22, to strike out "904" and insert "903," so as to read:

(3) Upon tickets or cards of admission to theaters, operas, and other places of amusement, sold at news stands, hotels, and places other than the ticket offices of such theaters, operas, or other places of amusement, at not to exceed 50 cents in excess of the sum of the established price therefor at such ticket offices plus the amount of any tax imposed under paragraph (1), a tax equivalent to 10 per cent of the amount of such excess; and if sold for more than 50 cents in excess of the sum of such established price plus the amount of any tax imposed under paragraph (1), a tax equivalent to 50 per cent of the whole amount of such excess, such taxes to be returned and paid, in the manner provided in section 903, by the person selling such tickets.

The amendment was agreed to.

The next amendment was, on page 190, line 4, to strike out "904" and insert "903," so as to read:

(4) A tax equivalent to 50 per cent of the amount for which the proprietors, managers, or employees of any opera house, theater, or other place of amusement sell or dispose of tickets or cards of admission in excess of the regular or established price or charge therefor, such tax to be returned and paid, in the manner provided in section 903, by the person selling such tickets.

The amendment was agreed to.

The next amendment was, in line 10, before the words "per cent," to strike out "25" and insert "10," so as to read:

(5) In the case of persons having the permanent use of boxes or seats in an opera house or any place of amusement or a lease for the use of such box or seat in such opera house or place of amusement (in lieu of the tax imposed by paragraph (1)), a tax equivalent to 10 per cent of the amount for which a similar box or seat is sold for each performance or exhibition at which the box or seat is used or reserved by or for the lessee or holder, such tax to be paid by the lessee or holder;

The amendment was agreed to.

The next amendment was, in line 15, to strike out "2 cents" and insert "1 cent" before "per cent," so as to read:

(6) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any public performance for profit at any roof garden, cabaret, or other similar entertainment, to which the charge for admission is wholly or in part included in the price paid for refreshment, service, or merchandise; the amount paid for such admission to be deemed to be 20 per cent of the amount paid for refreshment, service, and merchandise; such tax to be paid by the person paying for such refreshment, service, or merchandise.

The amendment was agreed to.

The next amendment was, on page 191, line 2, after the word "organizations," to insert "or organizations conducted for the sole purpose of maintaining symphony orchestras and receiving substantial support from voluntary contributions," so as to read:

(b) No tax shall be levied under this title in respect to any admissions all the proceeds of which inure exclusively to the benefit of religious, educational, or charitable institutions, societies, or organizations, or organizations conducted for the sole purpose of maintaining symphony orchestras and receiving substantial support from voluntary contributions, or exclusively to the benefit of persons in the military or naval forces of the United States, or admissions to agricultural fairs none of the profits of which are distributed to stockholders or members of the association conducting the same.

The amendment was agreed to.

The next amendment was, on page 191, line 24, to strike out "November 1, 1918," and leave a blank; on page 192, line 2, before the words "per cent," to strike out "20" and insert "10"; in line 6, after the word "organization," to strike out "or to any produce exchange, board of trade, or other similar organization maintaining a place where produce or merchandise is sold, or to any stock exchange"; and in line 10 to strike out "club, exchange," and insert "club," so as to make the section read:

SEC. 801. That from and after ——— there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 701 of the revenue act of 1917, a tax equivalent to 10 per cent of any amount paid on or after such date, for any period after such date, (a) as dues or membership fees (where the dues or fees of an active resident annual member are in excess of $10 per year) to any social, athletic, or sporting club or organization; or (b) as initiation fees to such a club or organization, if such fees amount to more than $10, or if the dues or membership fees (not including initiation fees) of an active resident annual member are in excess of $10 per year; such taxes to be paid by the person paying such dues or fees: *Provided*, That there shall be exempted from the provisions of this section all amounts paid as dues or fees to a fraternal society, order, or association, operating under the lodge system. In the case of life membership a life member shall pay annually, at the time for the payment of dues by active resident annual members, a tax equivalent to the tax upon the amount paid by such a member, but shall pay no tax upon the amount paid for life membership.

The amendment was agreed to.

The next amendment was, on page 193, line 5, to strike out "club, organization, or exchange" and insert "club or organization," so as to make the section read:

SEC. 802. That every person (a) receiving any payments for such admission, dues, or fees shall collect the amount of the tax imposed by section 800 or 801 from the person making such payments, or (b) admitting any person free to any place for admission to which a charge is made, shall collect the amount of the tax imposed by section 800 from the person so admitted. Every club or organization having life members, shall collect from such members the amount of the tax imposed by section 801. In all the above cases returns and payments of the amount so collected shall be made at the same time and in the same manner as provided in section 502.

The amendment was agreed to.

The next amendment was, in line 13, after the word "paid," to strike out "in lieu of the taxes imposed by section 600 of the revenue act of 1917," so as to read:

TITLE IX.—EXCISE TAXES.

SEC. 900. That there shall be levied, assessed, collected, and paid upon the following articles sold or leased by the manufacturer, producer, or importer, a tax equivalent to the following percentages of the price for which so sold or leased—

The amendment was agreed to.

The next amendment was, in line 18, to strike out "Automobile" and insert "Automobiles, motorcycles, automobile," and in line 20 to strike out "(including tires, inner tubes, parts, and accessories therefor sold on or in connection therewith or with the sale thereof)," so as to read:

(1) Automobiles, motorcycles, automobile trucks, automobile wagons, automobile trailers or tractors, 5 per cent.

The amendment was agreed to.

The next amendment was to strike out lines 23, 24, and 25 in the following words:

Other automobiles or motorcycles (including tires, inner tubes, parts, and accessories therefor sold on or in connection therewith or with the sale thereof), 10 per cent.

The amendment was agreed to.

The next amendment was, on page 194, line 1, to strike out "(3)"; in line 2 to strike out "or (2)"; and in line 4 to strike out "or (2), 10" and insert "5," so as to read:

Tires, inner tubes, parts, or accessories, for any of the articles enumerated in subdivision (1), sold to any person other than a manufacturer or producer of any of the articles enumerated in subdivision (1), 5 per cent.

The amendment was agreed to.

The next amendment was, on page 194, line 6, to strike out "(4)" and insert "(3)"; in the same line, before "organs," to strike out "pipe" and after "organs" to insert "(other than pipe organs)"; in line 7 to insert "music boxes"; and in line 10, before "per cent," to strike out "10" and insert "5," so as to read:

(3) Pianos, organs (other than pipe organs), piano players, graphophones, phonographs, talking machines, music boxes, and records used in connection with any musical instrument, piano player, graphophone, phonograph, or talking machine, 5 per cent.

The amendment was agreed to.

The next amendment was to strike out lines 11 and 12, in the following words:

(5) Positive moving-picture films containing a picture ready for projection, 10 per cent.

The amendment was agreed to.

The next amendment was, in line 13, to strike out "(6)" and insert "(4)"; in line 21, to strike out "games," and insert "games ("; in line 22, to strike out "games" and insert "games),"; and in the same line, to strike out "other" and insert "similar," so as to read:

(4) Tennis rackets, nets, racket covers and presses, skates, snowshoes, skis, toboggans, canoe paddles and cushions, polo mallets, baseball bats, gloves, masks, protectors, shoes and uniforms, football helmets, harness and goals, basket-ball goals and uniforms, golf bags and clubs, lacrosse sticks, balls of all kinds, including baseballs, footballs, tennis, golf, lacrosse, billiard and pool balls, fishing rods and reels, billiard and pool tables, chess and checker boards and pieces, dice, games and parts of games (except playing cards and children's toys and games), and all similar articles commonly or commercially known as sporting goods, 10 per cent.

The amendment was agreed to.

The next amendment was, on page 195, line 1, to strike out "(7)" and insert "(5)," and in the same line, after "therefor," to strike out "6" and insert "3," so as to read:

(5) Chewing gum or substitutes therefor, 3 per cent.

The amendment was agreed to.

The next amendment was, in line 3, before "Cameras," to strike out "(8)" and insert "(6)," and after "Cameras," to strike out "weighing not more than 100 pounds," so as to read:

(6) Cameras, 10 per cent.

The amendment was agreed to.

The next amendment was, in line 5, to strike out "(9)" and insert "(7)," and in line 6, to strike out "10" and insert "5," before "per centum," so as to read:

(7) Photographic films and plates, other than moving-picture films, 5 per cent.

The amendment was agreed to.

The next amendment was, in line 7, to strike out "(10)" and insert "(8)," and in the same line, before "per centum," to strike out "10" and insert "5," so as to read:

(8) Candy, 5 per cent.

The amendment was agreed to.

The next amendment was, in line 8, to strike out "(1)" and insert "(9)"; in line 12, after the word "engaged," to insert "against the German Government"; in line 13, after the word "war," to strike out "with the Imperial German Government, 25 per cent in the case of pistols and revolvers and"; and in line 15, after the words "per centum," to strike out "in the case of all other firearms and shells and cartridges," so as to make the paragraph read:

(9) Firearms, shells, and cartridges, except those sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, the District of Columbia, or any foreign country while engaged against the German Government in the present war, 10 per cent.

The amendment was agreed to.

The next amendment was, after line 16, to insert:

(10) Hunting and bowie knives, 10 per cent.

The amendment was agreed to.

The next amendment was, in line 18, to strike out "(12)" and insert "(11)"; and, in the same line, to strike out "bowie knives," so as to read:

(11) Dirk knives, daggers, sword canes, stilettos, and brass or metallic knuckles, 100 per cent.

The amendment was agreed to.

The next amendment was, in line 21, to strike out "(13)" and insert "(12)"; in the same line, to strike out "Electric" and insert "Portable electric"; and before the words "per cent," to strike out "10" and insert "5," so as to read:

(12) Portable electric fans, 5 per cent.

The amendment was agreed to.

The next amendment was, in line 22, to strike out "(14)" and insert "(13)"; in line 23, before the word "containers," to insert the word "thermostatic," and after the word "containers" to strike out "10" and insert "5," so as to read:

(13) Thermos and thermostatic bottles, carafes, jugs, or other thermostatic containers, 5 per cent.

The amendment was agreed to.

The next amendment was to strike out from lines 24 to line 2, on page 196, inclusive, in the following words:

(15) Tapestries and textiles for furniture coverings or hangings in the interior decoration of buildings, and imported and American rugs (made principally of wool), 10 per cent.

The amendment was agreed to.

The next amendment was, on page 196, line 3, to strike out "(16)" and insert "(14)," so as to read:

(14) Cigar or cigarette holders and pipes, composed wholly or in part of meerschaum or amber, humidors, and smoking stands, 10 per cent.

The amendment was agreed to.

The next amendment was to strike out lines 6 and 7 in the following words:

(17) Photographs, productions, or reproductions, 10 per cent.

The amendment was agreed to.

The next amendment was to strike out line 8 in the following words:

(18) Cash registers, 10 per cent.

The amendment was agreed to.

The next amendment was, in line 9, to strike out "(19)" and insert "(15)," in line 10, before the words "per cent" to strike out "10" and insert "5," and after the words "per cent" to insert "; if the manufacturer, producer, or importer of any such machine operates it for profit, he shall pay a tax in respect to each such machine put into operation equivalent to 5 per cent of its fair market value," so as to read:

(15) Automatic slot-device weighing or vending machines, 5 per cent; if the manufacturer, producer, or importer of any such machine operates it for profit, he shall pay a tax in respect to each such machine put into operation equivalent to 5 per cent of its fair market value.

The next amendment was, in line 14, to strike out "(20)" and insert "(16)," so as to read:

(16) Liveries and livery boots and hats, 10 per cent.

The amendment was agreed to.

The next amendment was, in line 16, to strike out "(21)" and insert "(17)" before the word "Hunting," and after the word "Hunting" to insert "and shooting," so as to read:

(17) Hunting and shooting garments and riding habits, 10 per cent.

The amendment was agreed to.

The next amendment was to strike out line 18, in the following words:

(22) Bathing suits, 10 per cent.

The amendment was agreed to.

The next amendment was to strike out lines 19 to 24, inclusive, in the following words:

(23) Articles made out of any of the following furs: Seal, Hudson seal, Russian or Hudson Bay sable, ermine, silver fox, natural black fox, natural blue fox, natural American mink, fisher, otter, kolinsky, squirrel, skunk, or mole; or articles of which any such fur is the component material of chief value, 10 per cent.

The amendment was agreed to.

The next amendment was, at the top of page 197, to insert:

(18) Articles made out of any fur, or articles of which fur is the component material of chief value, 10 per cent.

The amendment was agreed to.

The next amendment was, in line 3, to strike out "(24)" and insert "(19)," so as to read:

(19) Yachts and motor boats; and pleasure boats and canoes if sold for more than $15, 10 per cent; and

The amendment was agreed to.

The next amendment was, in line 5, to strike out "(25)" and insert "(20)"; in the same line, before the word "soap," to insert the word "toilet" and to strike out "10" before "per cent" and insert "3," so as to read:

(20) Toilet soap and toilet-soap powders, 3 per cent.

The amendment was agreed to.

The next amendment was to insert after line 12:

The taxes imposed by this section shall, in the case of any article in respect to which a corresponding tax is imposed by section 600 of the revenue act of 1916, be in lieu of such tax.

Mr. SMOOT. I desire to call the attention of the Senator from North Carolina to the fact that there is a mistake in the date. It should read "the revenue act of 1917" instead of "1916." We might just as well have the change made now.

Mr. SIMMONS. The Senator has verified it?

Mr. SMOOT. Yes; it is absolutely right. I move that amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 197, line 18, after the word "section," to strike out "900" and insert "900, or leases or licenses for exhibition any positive motion-picture film containing a picture ready for projection"; in line 22, to strike out the words "sells or" and insert "sells" before "leases," and after "leases," to insert "or licenses"; on page 198, line 2, before "leased," to strike out the words "sold or," and, after "leased," to insert "or licensed"; in line 4, before the word "lease," to strike out the words "sale or," and, after "lease," to insert "or license"; in line 5, before the word "leased," to strike out "sold or" and insert "sold," and, after "leased," to insert "or licensed," so as to make the section read:

SEC. 901. That if any person manufactures, produces, or imports any article enumerated in section 900, or leases or licenses for exhibition any positive motion-picture film containing a picture ready for projection, and, whether through any agreement, arrangement, or understanding, or otherwise, sells, leases, or licenses such article at less than the fair market price obtainable therefor, either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or (b) with intent to cause such benefit, the amount for which such article is sold, leased, or licensed shall be taken to be the amount which would have been received from the sale, lease, or license of such article if sold, leased, or licensed at the fair market price.

The amendment was agreed to.

The next amendment was, on page 198, to strike out lines 7 to 12, inclusive, in the following words:

SEC. 902. That there shall be levied, assessed, collected, and paid upon all gasoline, naphtha, and other similar petroleum products having a flash point below 100 degrees Fahrenheit, as tested by the Tagliibue open-cup tester, and suitable for motor power, sold by the manufacturer, refiner, or importer, a tax of 2 cents a wine gallon.

The amendment was agreed to.

The next amendment was, in line 13, after "SEC.," to strike out "903" and insert "902"; in line 14, after "paintings," to strike out "and statuary" and insert "statuary, art porcelains, and bronzes"; in line 16, after "artist," to insert: "and upon

antique furniture sold by any person"; in line 17, before "per cent," to strike out "10" and insert "5"; and in line 18, after "sold," to insert: "This section shall not apply to the sale of any such article to an educational institution or art museum," so as to make the section read:

SEC. 902. That there shall be levied, assessed, collected, and paid upon sculpture, paintings, statuary, art porcelains, and bronzes, sold by any person other than the artist, and upon antique furniture sold by any person, a tax equivalent to 5 per cent of the price for which so sold. This section shall not apply to the sale of any such article to an educational institution or art museum.

The amendment was agreed to.

The next amendment was, in line 20, after "Sec.," to strike out "904" and insert "903" before the word "That," and after the word "That" to strike out "each manufacturer, producer, or importer of any of the articles enumerated in section 900 or 902, and every person selling any article enumerated in section 903" and insert "every person liable for any tax imposed by sections 900, 902, or 905"; and in line 25, after the word "imposed." to strike out "on such articles by this title" and insert "by such sections," so as to make the section read:

SEC. 903. That every person liable for any tax imposed by sections 900, 902, or 905 shall make monthly returns under oath in duplicate and pay the taxes imposed by such sections to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulations prescribe.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, in section 904 (903), page 199, after line 5, to insert:

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

The amendment was agreed to.

The next amendment was, on page 199, after line 12, to strike out section 905, in the following language:

SEC. 905. (a) That on and after November 1, 1918, there shall be levied, assessed, collected, and paid a tax equivalent to 20 per cent of so much of the amount paid for any of the following articles as is in excess of the price hereinafter specified as to each such article, when such article is sold on or after such date for consumption or use—

(1) Carpets and rugs, including fiber, except imported and American rugs made principally of wool, on the amount in excess of $5 per square yard;

(2) Picture frames, on the amount in excess of $10 each;

(3) Trunks, on the amount in excess of $50 each;

(4) Valises, traveling bags, suit cases, hat boxes used by travelers, and fitted toilet cases, on the amount in excess of $25 each;

(5) Purses, pocketbooks, shopping and hand bags, on the amount in excess of $7.50 each;

(6) Portable lighting fixtures, including lamps of all kinds and lamp shades, on the amount in excess of $25 each;

(7) Umbrellas, parasols, and sunshades, on the amount in excess of $4 each;

(8) Fans, on the amount in excess of $1 each;

(9) House or smoking coats or jackets, and bath or lounging robes, on the amount in excess of $7.50 each;

(10) Men's waistcoats, sold separately from suits, on the amount in excess of $5 each;

(11) Men's and boys' suits or overcoats, not including uniforms of officers in the military or naval forces of the United States, on the amount in excess of $50 each;

(12) Women's and misses' suits, cloaks, and coats, on the amount in excess of $50 each, or, when made up by a tailor or seamstress, on the amount in excess of $50 in value each;

(13) Women's and misses' dresses, on the amount in excess of $40 each, or, when made up by a tailor or seamstress, on the amount in excess of $40 in value each;

(14) Women's and misses' hats, bonnets, and hoods, on the amount in excess of $15 each;

(15) Men's and boys' hats, on the amount in excess of $5 each;

(16) Men's and boys' caps, on the amount in excess of $2 each;

(17) Men's, women's misses', and boys' boots, shoes, pumps, and slippers, not including shoes or appliances made to order for any person having a crippled or deformed foot or ankle, on the amount in excess of $10 per pair;

(18) Men's and boys' neckties and neckwear, on the amount in excess of $2 each;

(19) Men's and boys' silk stockings or hose, on the amount in excess of $1 per pair;

(20) Women's and misses' silk stockings or hose, on the amount in excess of $2 per pair;

(21) Men's shirts, on the amount in excess of $3 each;

(22) Men's, women's, misses', and boys' pajamas, nightgowns, and underwear, on the amount in excess of $5 each; and

(23) Kimonos, petticoats, and waists, on the amount in excess of $15 each.

(b) The tax imposed by this section shall not apply to any article enumerated in paragraphs (2) to (8), both inclusive, of subdivision (a), if such article is made of, or ornamented, mounted, or fitted with, precious metals or imitations thereof or ivory, or to any article enumerated in subdivision (20) or (21) of section 900.

(c) The taxes imposed by this section shall be paid by the purchaser to the vender at the time of the sale and shall be collected, returned, and paid to the United States by such vender in the same manner as provided in section 502. As used in this subdivision the term "vender" includes a tailor or dressmaker making up women's or misses' suits, cloaks, coats, or dresses.

Mr. KENYON. Mr. President, I should like to have that whole section go over, as I propose to offer an amendment to the original text. I think I shall ask that the amendment may be printed, and let the whole section go over.

The VICE PRESIDENT. It will be so ordered.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 906, page 202, line 8, before the word "That," to strike out the numerals "906" and insert "904"; in the same line, after the word "after," to strike out the words "November 1, 1918"; in line 16, after the word "ivory," to insert "(not including surgical instruments)"; in line 19, after the word "sold," to insert "by a dealer"; in line 20, before the words "per cent," to strike out "10" and insert "5"; and after line 20, to strike out "This section shall not apply to any such articles sold by any person whose principal business is not the sale of such articles for consumption or use and whose gross receipt from the sale of such articles (during the preceding year ending June 30) for consumption or use does not exceed $200," so as to read:

SEC. 904. That on and after ——— there shall be levied, assessed, collected, and paid (in lieu of the tax imposed by subdivision (e) of section 600 of the revenue act of 1917) upon all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semiprecious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with, precious metals or imitations thereof or ivory (not including surgical instruments); watches; clocks; opera glasses; lorgnettes; marine glasses; field glasses; and binoculars; upon any of the above when sold by a dealer for consumption or use, a tax equivalent to 5 per cent of the price for which so sold.

The amendment was agreed to.

The next amendment was, on page 203, line 5, after the word "imposed," to strike out "on" and to insert "in respect to," so as to make the clause read:

Every person selling any of the articles enumerated in this section shall make returns under oath in duplicate (monthly or quarterly as the commissioner, with the approval of the Secretary, may prescribe) and pay the taxes imposed in respect to such articles by this section to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulations prescribe.

The amendment was agreed to.

The next amendment was, on page 203, after line 10, to insert:

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

The amendment was agreed to.

The next amendment was, on page 203, after line 16, to strike out "section 907," as follows:

SEC. 907. That on and after November 1, 1918, in addition to the tax imposed by section 906, there shall be levied, assessed, collected, and paid, a tax equivalent to 10 per cent of the amount paid for any article commonly or commercially known as jewelry, composed in whole or in part of plantinum, when sold on or after such date for consumption or use.

Such tax shall be paid by the purchaser to the vendor at the time of the sale and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 502. The vendor shall include in all returns made under this section the name and address of each purchaser, the price of each article sold to him, and a description thereof, including the quantity and value of the plantinum contained therein.

The amendment was agreed to.

The next amendment was, on page 204, after line 6, to insert:

SEC. 905. That on and after the 1st day of ———, 1919, any person engaged in the business of leasing or licensing for exhibition positive motion-picture films containing pictures ready for projection shall pay monthly an excise tax in respect to carrying on such business equal to 5 per cent of the total rentals earned from each such lease or license during the preceding month. If a person owning such a film exhibits it for profit he shall pay a tax equivalent to 5 per cent of the fair rental or license value of such film at the time and place where and for the period during which exhibited. If any such person has, prior to December 6, 1918, made a bona fide contract with any person for the lease or licensing, after the tax imposed by this section takes effect, of such a film for exhibition or profit, and if such contract does not permit the adding of the whole of the tax imposed by this section to the amount to be paid under such contract, then the lessee or licensee shall, in lieu of the lessor or licensor, pay so much of such tax as is not so permitted to be added to the contract price. The tax imposed by this section shall be in lieu of the tax imposed by subdivisions (c) and (d) of section 600 of the revenue act of 1917.

The amendment was agreed to.

The next amendment was, in section 908, page 205, line 3, after the word "Sec.", to strike out the numerals "908" and to insert "906"; in the same line, after the word "after," to strike out "November 1, 1918"; in line 7, after the word "each," to strike out "10" and to insert "25"; and in

line 8, after the word "sold," to insert "by a dealer," so as to make the clause read:

SEC. 906. (a) That on and after ——— there shall be levied, assessed, collected, and paid (in lieu of the taxes imposed by subdivisions (g) and (h) of section 600 of the revenue act of 1917) a tax of 1 cent for each 25 cents or fraction thereof of the amount paid for any of the following articles when sold by a dealer on or after such date for consumption or use.

The amendment was agreed to.

The next amendment was, on page 206, line 10, after the word "body," to insert:

Provided, That the provisions of this section shall not apply to the sale of medicinal preparations which are not advertised to the general lay public.

The amendment was agreed to.

The next amendment was, on page 206, after line 20, to strike out section 909, as follows:

SEC. 909. That upon all articles (other than second-hand articles) enumerated in section 906 upon the sale of which no tax was imposed by section 600 or 602 of the revenue act of 1917, and which on the day after the passage of this act are held and intended for sale by any person, there shall be levied, assessed, collected, and paid a floor tax equivalent to the tax imposed by section 900 of this act upon the sale of such articles. This tax shall be paid by the person so holding such articles.

The taxes imposed by this section shall be assessed, collected, and paid in the same manner as provided in section 1306 in the case of floor taxes upon articles upon which the tax imposed by existing law has been paid.

The amendment was agreed to.

The next amendment was, on page 207, after line 8, to strike out section 910, as follows:

SEC. 910. That upon all articles (other than second-hand articles) enumerated in section 900 in respect to which the tax imposed by section 600 or 602 of the revenue act of 1917 was payable, and which on the day after the passage of this act are held and intended for sale by any person, there shall be levied, assessed, collected, and paid a floor tax equivalent to the difference between (a) the tax imposed by section 900 of this act upon the sale of such articles and (b) the corresponding tax imposed by section 600 of the revenue act of 1917.

The amendment was agreed to.

The next amendment was, on page 207, after line 18, to insert as a new section the following:

SEC. 907. That under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe, the tax imposed under the provisions of this title shall not apply in respect to articles sold or leased for export and in due course so exported. Under such rules and regulations the amount of any internal-revenue tax erroneously or illegally collected in respect to exported articles may be refunded to the exporter of the article, instead of to the manufacturer, if the manufacturer waives any claim for the amount so to be refunded.

The amendment was agreed to.

The next amendment was, under the heading "Title X.—Special taxes," in section 1000, page 208, line 8, after the word "corporation," to insert "other than a life insurance company"; and in line 11, after the word "of," to strike out "so much of the fair average value of its capital stock for the preceding year ending June 30 as is in excess of $5,000. In estimating the value of capital stock the surplus and undivided profits shall be included," and insert: "the excess over $5,000 of the amount of its net assets shown by its books as of the close of the preceding annual period used by the corporation for purposes of making its income-tax return; but if the corporation made no such return, then of the excess over $5,000 of the amount of its net assets shown by its books as of the 30th day of June preceding"; so as to make the paragraph read:

(1) Every domestic corporation other than a life insurance company shall pay annually a special excise tax with respect to carrying on or doing business, equivalent to $1 for each $1,000 of the excess over $5,000 of the amount of its net assets shown by its books as of the close of the preceding annual period used by the corporation for purposes of making its income-tax return; but if the corporation made no such return, then of the excess over $5,000 of the amount of its net assets shown by its books as of the 30th day of June preceding.

The amendment was agreed to.

The next amendment was, on page 208, line 21, after the word "corporation," to insert "other than a life insurance company"; and in line 24, after the word "capital," to strike out "actually invested" and insert "employed," so as to make the paragraph read:

(2) Every foreign corporation other than a life insurance company shall pay annually a special excise tax with respect to carrying on or doing business in the United States, equivalent to $1 for each $1,000 of the average amount of capital employed in the transaction of its business in the United States during the preceding year ending June 30.

The amendment was agreed to.

The next amendment was, on page 209, after line 2, to strike out:

(b) In computing the tax in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included.

The amendment was agreed to.

The next amendment was, on page 209, at the beginning of line 8, to strike out "(c)" and insert "(b)."

The amendment was agreed to.

The next amendment was, on page 209, at the beginning of line 13, to strike out "(d)" and insert "(c)."

The amendment was agreed to.

The next amendment was, in section 1001, on page 209, line 16, after the word "annually," to strike out "in lieu of the taxes imposed by section 407 of the revenue act of 1916"; in line 19, after the word "pay," to strike out "$100" and insert "$40"; on page 210, line 5, after the word "was," to strike out "not more than $2,000, $50; if such value was more than"; and in line 6, after the numerals "$2,000," to strike out "and" and insert "or more but," so as to read:

SEC. 1001. That on and after January 1, 1919, there shall be levied, collected, and paid annually the following special taxes—

(1) Brokers shall pay $40. Every person whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, other securities, produce or merchandise, for others, shall be regarded as a broker. If a broker is a member of a stock exchange, or if he is a member of any produce exchange, board of trade, or similar organization, where produce or merchandise is sold, he shall pay an additional amount as follows: If the average value, during the preceding year ending June 30, of a seat or membership in such exchange or organization was $2,000 or more but not more than $5,000, $100; if such value was more than $5,000, $150.

The amendment was agreed to.

The next amendment was, on page 210, line 13, after the word "pawnbroker," to insert: "If the gross receipts of such pawnbroker for the preceding year ending June 30 were $2,000 or more but not more than $5,000, he shall pay $100 additional; if such gross receipts were more than $5,000 he shall pay $150 additional," so as to make the paragraph read:

(2) Pawnbrokers shall pay $100. Every person whose business or occupation it is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be regarded as a pawnbroker. If the gross receipts of such pawnbroker for the preceding year ending June 30 were $2,000 or more but not more than $5,000, he shall pay $100 additional; if such gross receipts were more than $5,000 he shall pay $150 additional.

The amendment was agreed to.

The next amendment was, on page 210, line 18, after the word "pay," to strike out "$50" and insert "$40," so as to make the paragraph read:

(3) Ship brokers shall pay $40. Every person whose business it is as a broker to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a ship broker.

The amendment was agreed to.

The next amendment was, on page 210, line 23, after the word "pay," to strike out "$50" and insert "$40," so as to make the paragraph read:

(4) Customhouse brokers shall pay $40. Every person whose occupation it is, as the agent of others, to arrange entries and other customhouse papers, or transact business at any port of entry relating to the importation or exportation of goods, wares, or merchandise, shall be regarded as a customhouse broker.

The amendment was agreed to.

The next amendment was, on page 211, line 16, after the word "representations," to insert "and not including edifices owned by religious, educational or charitable institutions, societies or organizations where all the proceeds from admissions inure exclusively to the benefit of such institutions, societies, or organizations or exclusively to the benefit of persons in the military or naval forces of the United States," so as to make the paragraph read:

(5) Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250, shall pay $50; having a seating capacity of more than 250 and not exceeding 500, shall pay $100; having a seating capacity exceeding 500 and not exceeding 800, shall pay $150; having a seating capacity of more than 800, shall pay $200. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, and not including edifices owned by religious, education, or charitable institutions, societies, or organizations where all the proceeds from admissions inure exclusively to the benefit of such institutions, societies, or organizations or exclusively to the benefit of persons in the military or naval forces of the United States, shall be regarded as a theater: *Provided*, That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated: *Provided further*, That whenever any such edifice is under lease at the time the tax is due, the tax shall be paid by the lessee, unless otherwise stipulated betwen the parties to the lease.

The amendment was agreed to.

The next amendment was, on page 212, after the word "pay," at the end of line 4, to strike out "$200" and insert "$100," so as to make the paragraph read:

(6) The proprietor or proprietors of circuses shall pay $100. Every building, space, tent, or area, where feats of horsemanship or acrobatic sports or theatrical performances not otherwise provided for in this section are exhibited shall be regarded as a circus: *Provided*, That no special tax paid in one State, Territory, or the District of Columbia

shall exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be imposed for exhibitions within any one State, Territory, or District.

The amendment was agreed to.

The next amendment was, on page 212, line 16, after the word "pay," to strike out "$20" and to insert "$15," and on page 213, line 1, after the word "than," to strike out "$200" and insert "$100," so as to make the paragraph read:

(7) Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay $15: *Provided*, That a special tax paid in one State, Territory, or the District of Columbia shall not exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be required for exhibitions within any one State, Territory, or the District of Columbia: *Provided further*, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations: *Provided further*, That an aggregation of entertainments, known as a street fair, shall not pay a larger tax than $100 in any State, Territory, or in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 213, line 16, after the word "operating," to insert "or renting"; in line 17, before the word "automobiles," to strike out "sight-seeing" and insert "passenger"; in the same line, after the word "automobiles," to insert "for hire"; and at the beginning of line 18 to strike out "a tax equivalent to 10 per cent of the gross receipts during the preceding year ending June 30 from the operation of" and insert "$10 for each such automobile having a seating capacity of more than two and not more than seven, and $20 for," so as to make the paragraph read:

(11) Persons carrying on the business of operating or renting passenger automobiles for hire shall pay $10 for each such automobile having a seating capacity of more than two and not more than seven, and $20 for each such automobile having a seating capacity of more than seven.

The amendment was agreed to.

The next amendment was, on page 213, after line 22, to strike out:

(12) Every person carrying on the business of a brewer, distiller, wholesale liquor dealer, retail liquor dealer, wholesale dealer in malt liquor, retail dealer in malt liquor, or manufacturer of stills, as defined in section 3244 as amended and section 3247 of the Revised Statutes, in any State, Territory, or District of the United States contrary to the laws of such State, Territory, or District, or in any place therein in which carrying on such business is prohibited by local or municipal law, shall pay, in addition to all other taxes, special or otherwise, imposed by existing law or by this act, $1,000.

The payment of the tax imposed by this subdivision shall not be held to exempt any person from any penalty or punishment provided for by the laws of any State, Territory, or District for carrying on such business in such State, Territory, or District, or in any manner to authorize the commencement or continuance of such business contrary to the laws of such State, Territory, or District, or in places prohibited by local or municipal law.

(13) Persons engaged in any trade, business, or profession whose gross receipts therefrom for the preceding year ending June 30, exceed $2,500, shall pay $10. If such person is a wholesaler, he shall pay $5 additional.

This subdivision shall not apply to agriculture, to any person subject to any special tax under this section or under section 1000, 1002, 1005, or 1007, or to persons paying special taxes upon the business of manufacturing, rectifying, or dealing in distilled spirits, malt liquors, stills, oleomargarine, adulterated, process, or renovated butter, filled cheese, or mixed flour.

And insert:

The taxes imposed by this section shall, in the case of persons upon whom a corresponding tax is imposed by section 407 of the revenue act of 1916, be in lieu of such tax.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, has paragraph (13) been adopted, or was that all taken as one amendment? It is on page 214.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). That was considered as one amendment.

Mr. JONES of Washington. I ask that that go over.

Mr. SIMMONS. To what section does the Senator refer?

Mr. JONES of Washington. I had in mind especially the paragraph numbered (13) stricken out on page 214. I have received several telegrams that I think affect that provision.

Mr. SIMMONS. What does the Senator wish to go over—all after line 16 on page 214 down to and including line 2 on page 215?

Mr. JONES of Washington. No; I think simply the provision on page 215. I see that the committee has stricken out the provision on page 214, and I think that is what the senders of these telegrams wanted done with it. I do not know what the effect of the amendment on page 215 is, so I will ask that that may go over until I have an opportunity to examine it. I have no objection to the amendment striking out the paragraph on page 214. All that I ask to go over is lines 3, 4, and 5 on page 215.

Mr. SIMMONS. Mr. President, that has nothing to do with the matter stricken out.

Mr. JONES of Washington. I have no objection, then, to having these paragraphs stricken out; but I want the proposed amendment on lines 3, 4, and 5, page 215, to go over.

The PRESIDING OFFICER. Lines 3, 4, and 5, page 215, will be passed over.

Mr. SIMMONS. As I understand, the amendment striking out the part before those lines has been agreed to?

The PRESIDING OFFICER. That amendment has been agreed to. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 1002, page 215, line 21, after the word "pay," to insert "$24, and," and in line 22, after the word "thereof," to insert "in respect to the excess over 200,000 pounds," so as to make the paragraph read:

Manufacturers of tobacco whose annual sales exceed 200,000 pounds shall each pay $24, and at the rate of 16 cents per thousand pounds, or fraction thereof, in respect to the excess over 200,000 pounds.

The amendment was agreed to.

The next amendment was, on page 216, line 11, after the word "pay," to insert "$24, and," and in line 12, after the word "thereof," to insert "in respect to the excess over 400,000 cigars," so as to make the paragraph read:

Manufacturers of cigars whose annual sales exceed 400,000 cigars shall each pay $24, and at the rate of 10 cents per thousand cigars, or fraction thereof, in respect to the excess over 400,000 cigars.

The amendment was agreed to.

The next amendment was, in section 1003, page 217, line 5, before the word "tons," to strike out "net" and insert "gross"; in line 6, after the word "for," to strike out "trade" and insert "trade, fishing"; in line 11, before the word "tons," to strike out "net" and insert "gross"; and, in line 14, before the word "tons," to strike out "net" and insert "gross," so as to make the paragraph read:

SEC. 1003. That 60 days after the passage of this act, and thereafter on July 1 in each year, and also at the time of the original purchase of a new boat by a user, if on any other date than July 1, there shall be levied, assessed, collected, and paid in lieu of the tax imposed by section 603 of the revenue act of 1917, upon the use of yachts, pleasure boats, power boats, and sailing boats of over 5 gross tons, and motor boats with fixed engines not used exclusively for trade, fishing, or national defense, or not built according to plans and specifications approved by the Navy Department, a special excise tax, to be based on each yacht or boat at rates as follows: Yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats of over 5 gross tons, length not over 50 feet, $1 for each foot; length over 50 feet and not over 100 feet, $2 for each foot; length over 100 feet, $4 for each foot; motor boats of not over 5 gross tons with fixed engines, $10.

The amendment was agreed to.

The next amendment was, in section 1004, page 218, after line 21, to insert:

If the corresponding tax imposed by section 407 of the revenue act of 1916 was not payable by stamp, the amount paid under such section for any period for which a tax is also imposed by this title may be credited against the tax imposed by this title.

The amendment was agreed to.

The next amendment was, on page 219, after line 2, to strike out:

SEC. 1005. That on and after January 1, 1919, every person any part of whose business consists of the retailing of merchandise through or upon orders received by mail shall pay annually a special excise tax equivalent to 1 per cent of the gross amount in excess of $100,000 received by such person from such retail sales during the preceding year ending June 30.

The amendment was agreed to.

The next amendment was, on page 219, after line 9, to strike out:

SEC. 1006. That 60 days after the passage of this act, and thereafter on July 1 in each year, and also at the time of the purchase of a new or used automobile or motorcycle by a user, if on any other date than July 1, there shall be levied, assessed, collected, and paid upon the use of automobiles and motorcycles a special excise tax at rates as follows: Motorcycles, $5; automobiles (other than electric) of 23 horsepower or less, $10; more than 23 horsepower and not more than 30 horsepower, $20; more than 30 horsepower and not more than 40 horsepower, $30; and more than 40 horsepower, $50; electric automobiles, $5 per horsepower and 50 cents for each 100 pounds of weight.

In the case of a tax imposed at the time of the purchase of an automobile or motorcycle on any other date than July 1, and in the case of the tax taking effect 60 days after the passage of this act, the amount to be paid shall be the same number of twelfths of the amount of the tax as the number of calendar months (including the month of sale or the month in which is included the sixty-first day after the passage of this act, as the case may be) remaining prior to the following July 1.

For the purposes of this section the horsepower of all automobiles other than steam or electric shall be computed as follows: Square the diameter of the cylinder in inches, multiply by the number of cylinders, and divide by two and one-half. In the case of steam or electric automobiles, the horsepower for the purposes of this section shall be the horsepower rating fixed and advertised by the manufacturer or importer thereof at the time when sold by him.

The amendment was agreed to.

The next amendment was, on page 220, after line 13, to strike out:

SEC. 1007. That on and after January 1, 1919, every manufacturer of automatic vending or weighing machines who operates such machines shall pay annually a special excise tax equivalent to 5 per cent of the gross amount received by him from such operation during the preceding year ending June 30.

The amendment was agreed to.

The next amendment was, on page 220, after line 19, to insert:

SEC. 1005. That any person who carries on any business or occupation for which a special tax is imposed by sections 1000, 1001, or 1002, without having paid the special tax therein provided, shall, besides being liable for the payment of such special tax, be subject to a penalty of not more than $1,000 or to imprisonment for not more than one year, or both.

The amendment was agreed to.

The next amendment was, on page 221, line 3, to change the number of the section from "1008" to "1006."

The amendment was agreed to.

The next amendment was, in section 1006, page 221, line 6, after the word "on" to strike out "and after January 1, 1919," and insert "or before July 1 of each year"; in line 13, after the word "on" to strike out "and on or before the 1st day of July, annually thereafter"; in line 13, after the word "pay" to insert "the"; and in the same line, after the word "taxes" to strike out "as follows" and insert "hereinafter provided"; so as to make the paragraph read:

SECTION 1. That on or before July 1 of each year every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, or gives away opium or coca leaves, or any compound, manufacture, salt, derivative, or preparation thereof, shall register with the collector of internal revenue of the district his name or style, place of business, and place or places where such business is to be carried on, and pay the special taxes hereinafter provided.

The amendment was agreed to.

The next amendment was, on page 221, after line 15, to insert:

Every person who on January 1, 1919, is engaged in any of the activities above enumerated, or who between such date and the passage of this act first engages in any of such activities, shall within 30 days after the passage of this act make like registration, and shall pay the proportionate part of the tax for the period ending June 30, 1919; and

Every person who first engages in any of such activities after the passage of this act shall immediately make like registration and pay the proportionate part of the tax for the period ending on the following June 30.

The amendment was agreed to.

The next amendment was, on page 222, line 6, after the word "they," to insert "in the course of their professional practice," so as to make the paragraph read:

Importers, manufacturers, producers, or compounders, $24 per annum; wholesale dealers, $12 per annum; retail dealers, $6 per annum; physicians, dentists, veterinary surgeons, and other practitioners lawfully entitled to distribute, dispense, give away, or administer any of the aforesaid drugs to patients upon whom they in the course of their professional practice are in attendance, shall pay $3 per annum.

The amendment was agreed to.

The next amendment was, on page 225, line 11, after the word "practitioner," to insert "in the course of his professional practice," so as to make the paragraph read:

It shall be unlawful for any person to purchase, sell, dispense, or distribute any of the aforesaid drugs except in the original stamped package or from the original stamped package; and the absence of appropriate tax-paid stamps from any of the aforesaid drugs shall be prima facie evidence of a violation of this section by the person in whose possession same may be found; and the possession of any original stamped package containing any of the aforesaid drugs by any person who has not registered and paid special taxes as required by this section shall be prima facie evidence of liability to such special tax: *Provided*, That the provisions of this paragraph shall not apply to any person having in his or her possession any of the aforesaid drugs which have been obtained from a registered dealer in pursuance of a prescription, written for legitimate medical uses, issued by a physician, dentist, veterinary surgeon, or other practitioner registered under this act; and where the bottle or other container in which such drug may be put up by the dealer upon said prescription bears the name and registry number of the druggist, serial number of prescription, name and address of the patient, and name, address, and registry number of the person writing said prescription; or to the dispensing or administration, or giving away of any of the aforesaid drugs to a patient by a registered physician, dentist, veterinary surgeon, or other practitioner in the course of his professional practice in personal attendance upon such patient, and where said drugs are dispensed or administered to the patient for legitimate medical purposes, and the record kept as required by this act of the drugs so dispensed, administered, distributed, or given away.

The amendment was agreed to.

The next amendment was, on page 226, after line 14, to strike out:

SEC. 1009. That section 6 of such act of December 17, 1914, is hereby amended to read as follows:

"SEC. 6. That the provisions of this act shall not apply to decocanized coca leaves from which all cocaine and other related alkaloids or associated salts have been extracted, nor to preparations of such decocanized coca leaves."

The amendment was agreed to.

The next amendment was, on page 226, line 21, to change the number of the section from "1010" to "1007."

The amendment was agreed to.

The next amendment was, on page 227, line 23, to change the number of the section from "1011" to "1008."

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, on page 234, line 18, after the word "thereof," to strike out "and on all policies of guaranty and fidelity insurance, including policies guaranteeing titles to real estate and mortgage guarantee policies"; in line 23, after the word "except," to strike out "such as may be" and insert "fidelity and surety bonds taxable under subdivision (b) of section 503, and bonds," and in line 25, after the word "cents," to strike out the proviso in the following words:

Provided, That where a premium is charged for the execution of such bond the tax shall be 1 cent on each dollar or fractional part thereof of the premium charged: *Provided further*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision.

So as to read:

SCHEDULE A.—STAMP TAXES.

1. Bonds of indebtedness: On all bonds, debentures, or certificates of indebtedness issued by any person, and all instruments, however termed, issued by any corporation with interest coupons or in registered form, known generally as corporate securities, on each $100 of face value or fraction thereof, 5 cents: *Provided*, That every renewal of the foregoing shall be taxed as a new issue: *Provided further*, That when a bond conditioned for the repayment or payment of money is given in a penal sum greater than the debt secured, the tax shall be based upon the amount secured.

2. Bonds, indemnity and surety: On all bonds executed for indemnifying any person who shall have become bound or engaged as surety, and on all bonds executed for the due execution or performance of any contract, obligation, or requirement, or the duties of any office or position, and to account for money received by virtue thereof, and on all other bonds of any description, made, issued, or executed, not otherwise provided for in this schedule, except fidelity and surety bonds taxable under subdivision (b) of section 503, and bonds required in legal proceedings, 50 cents.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, on page 237, line 18, after the word "merchandise," to strike out "at" and insert "at, or under the rules or usages of," so as to read:

5. Produce, sales of, on exchange: Upon each sale, agreement of sale, or agreement to sell (not including so-called transferred or scratch sales), any products or merchandise at, or under the rules or usages of, any exchange, or board of trade, or other similar place, for future delivery, for each $100 in value of the merchandise covered by said sale or agreement of sale or agreement to sell, 2 cents, and for each additional $100 or fractional part thereof in excess of $100, 2 cents.

The amendment was agreed to.

The next amendment was, on page 241, after line 23, to insert:

15. On each policy of insurance, or certificate, binder, covering note, memorandum, cablegram, letter or other instrument by whatever name called whereby insurance is made or renewed upon property within the United States (including rents and profits) against peril by sea or on inland waters or in transit on land (including transshipments and storage at termini or way points) or by fire, lightning, tornado, windstorm, bombardment, invasion, insurrection or riot, issued to or for or in the name of a domestic corporation or partnership or an individual resident of the United States by any foreign corporation or partnership or any individual not a resident of the United States, when such policy or other instrument is not signed or countersigned by an officer or agent of the insurer in a State, Territory, or district of the United States within which such insurer is authorized to do business, a tax of 5 cents on each dollar, or fractional part thereof of the premium charged: *Provided*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision.

Any person to or for whom or in whose name any such policy or other instrument is issued, or any solicitor or broker acting for or on behalf of such person in the procurement of any such policy or other instrument, shall affix the proper stamps to such policy or other instrument and for failure to affix such stamps with intent to evade the tax shall, in addition to other penalties provided therefor, pay a fine of double the amount of the tax.

The amendment was agreed to.

The next amendment was, on page 243, beginning with line 1, to strike out:

TITLE XII.—ADVISORY TAX BOARD.

SEC. 1200. That there is hereby created a board to be known as the "advisory tax board," hereinafter called the board, and to be composed of five members to be appointed by the President of the United States, by and with the advice and consent of the Senate. The board shall remain in existence during the continuance of the present war with the Imperial German Government and for a period of 12 months after the termination of such war, as declared by proclamation of the President.

Vacancies in the membership of the board shall be filled in the same manner as an original appointment. Any member shall be subject to removal by the President. The President shall designate the chairman of the board. Each member shall receive an annual salary of $9,000, payable monthly, together with actual necessary expenses when absent from the District of Columbia on official business.

SEC. 1201. That the Secretary or the commissioner may and on the request of any taxpayer directly interested shall, submit to the board any question relating to the interpretation or administration of the internal revenue laws, and the board shall report its findings and recommendations to the Secretary or the commissioner, as the case may be.

SEC. 1202. That the board shall have its office in the Bureau of Internal Revenue in the District of Columbia. The expenses and salaries of members of the board shall be audited, allowed, and paid

out of appropriations for collecting internal revenue, in the same manner as expenses and salaries of employees of the Bureau of Internal Revenue are audited, allowed, and paid.

SEC. 1203. That the board shall have the power to summon witnesses, take testimony, administer oaths, and to require any person to produce books, papers, documents, or other data relating to any matter under investigation by the board. Any member of the board may sign subpœnas and members and employees of the Bureau of Internal Revenue designated to assist the board, when authorized by the board, may administer oaths, examine witnesses, take testimony, and receive evidence.

The amendment was agreed to.

The next amendment was, on page 244, after line 14, to insert:

TITLE XII.—TAX ON EMPLOYMENT OF CHILD LABOR.

SEC. 1200. That every person (other than a bona fide boys' or girls' canning club recognized by the Agricultural Department of a State and of the United States) operating (a) any mine or quarry situated in the United States in which children under the age of 16 years have been employed or permitted to work during any portion of the taxable year; or (b) any mill, cannery, workshop, factory, or manufacturing establishment situated in the United States in which children under the age of 14 years have been employed or permitted to work, or children between the ages of 14 and 16 have been employed or permitted to work more than eight hours in any day or more than six days in any week, or after the hour of 7 o'clock p. m., or before the hour of 6 o'clock a. m., during any portion of the taxable year, shall pay for each taxable year, in addition to all other taxes imposed by law, an excise tax equivalent to 10 per cent of the entire net profits received or accrued for such year from the sale or disposition of the product of such mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment.

SEC. 1201. That in computing net profits under the provisions of this title, for the purpose of the tax there shall be allowed as deductions from the gross amount received or accrued for the taxable year from the sale or disposition of such products manufactured within the United States the following items:

(a) The cost of raw materials entering into the production;

(b) Running expenses, including rentals, cost of repairs, and maintenance, heat, power, insurance, management, and a reasonable allowance for salaries or other compensations for personal services actually rendered, and for depreciation;

(c) Interest paid within the taxable year on debts or loans contracted to meet the needs of the business, and the proceeds of which have been actually used to meet such needs;

(d) Taxes of all kinds paid during the taxable year with respect to the business or property relating to the production; and

(e) Losses actually sustained within the taxable year in connection with the business of producing such products, including losses from fire, flood, storm, or other casualties, and not compensated for by insurance or otherwise.

SEC. 1202. That if any such person during any taxable year or part thereof, whether under any agreement, arrangement, or understanding or otherwise, sells or disposes of any product of such mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment at less than the fair market price obtainable therefor either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person; or (b) with intent to cause such benefit; the gross amount received or accrued for such year or part thereof from the sale or disposition of such product shall be taken to be the amount which would have been received or accrued from the sale or disposition of such product if sold at the fair market price.

SEC. 1203. (a) That no person subject to the provisions of this title shall be liable for the tax herein imposed if the only employment or permission to work which but for this section would subject him to the tax, has been of a child as to whom such person has in good faith procured at the time of employing such child or permitting him to work, and has since in good faith relied upon and kept on file a certificate, issued in such form, under such conditions and by such persons as may be prescribed by a board consisting of the Secretary, the commissioner, and the Secretary of Labor, showing the child to be of such age as not to subject such person to the tax imposed by this title. Any person who knowingly makes a false statement or presents false evidence in or in relation to any such certificate or application therefor shall be punished by a fine of not less than $100, nor more than $1,000, or by imprisonment for not more than three months, or by both such fine and imprisonment, in the discretion of the court.

In any State designated by such board an employment certificate or other similar paper as to the age of the child, issued under the laws of that State, and not inconsistent with the provisions of this title, shall have the same force and effect as a certificate herein provided for.

(b) The tax imposed by this title shall not be imposed in the case of any person who proves to the satisfaction of the Secretary that the only employment or permission to work which but for this section would subject him to the tax, has been of a child employed or permitted to work under a mistake of fact as to the age of such child, and without intention to evade the tax.

SEC. 1204. That on or before the 1st day of the third month following the close of each taxable year, a true and accurate return under oath shall be made by each person subject to the provisions of this title to the collector for the district in which such person has his principal office or place of business, in such form as the commissioner, with the approval of the Secretary, shall prescribe, setting forth specifically the gross amount of income received or accrued during such year from the sale or disposition of the product of any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment, in which children have been employed subjecting him to the tax imposed by this title, and from the total thereof deducting the aggregate items of allowance authorized by this title, and such other particulars as to the gross receipts and items of allowance as the commissioner, with the approval of the Secretary, may require.

SEC. 1205. That all such returns shall be transmitted forthwith by the collector to the commissioner, who shall, as soon as practicable, assess the tax found due and notify the person making such return of the amount of tax for which such person is liable, and such person shall pay the tax to the collector on or before 30 days from the date of such notice.

SEC. 1206. That for the purposes of this act the commissioner, or any other person duly authorized by him, shall have authority to enter and inspect at any time any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment. The Secretary of Labor, or any person duly authorized by him, shall, for the purpose of complying with a request of the commissioner to make such an inspection, have like authority, and shall make report to the commissioner of inspections made under such authority in such form as may be prescribed by the commissioner, with the approval of the Secretary of the Treasury.

Any person who refuses or obstructs entry or inspection authorized by this section shall be punished by a fine of not more than $1,000, or by imprisonment for not more than one year, or both such fine and imprisonment.

SEC. 1207. That as used in this title the term "taxable year" shall have the same meaning as provided for the purposes of income tax in section 200. The first taxable year for the purposes of this title shall be the period between 60 days after the passage of this act and December 31, 1919, both inclusive, or such portion of such period as is included within the fiscal year (as defined in section 200) of the taxpayer.

Mr. SMITH of Georgia. I know there are several Senators who desire to be heard on this provision, and I therefore ask that it may go over.

The PRESIDING OFFICER. Without objection, the amendment goes over.

The reading of the bill was continued.

The next amendment was, on page 251, line 3, after the word "appointed," to strike out "from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law" and insert "as provided by law," so as to read:

TITLE XIII.—GENERAL ADMINISTRATIVE PROVISIONS.

SEC. 1300. That hereafter the salary of the commissioner shall be $10,000 a year. The difference between the amount appropriated under existing law and the salary herein established shall, for the period between the passage of this act and July 1, 1919, be paid out of the appropriations for collecting internal revenue.

SEC. 1301. (a) That hereafter there may be employed in the Bureau of Internal Revenue, in lieu of the deputy commissioners whose salaries are now fixed by law, five deputy commissioners and an assistant to the commissioner, who shall each receive a salary of $5,000 a year, payable monthly. The assistant to the commissioner may be authorized by the commissioner to perform any duties which the deputy commissioners may perform under existing law.

(b) The salaries of collectors may be readjusted and increased under such regulations as may be prescribed by the commissioner, subject to the approval of the Secretary, but no collector shall receive a salary in excess of $6,000 a year.

(c) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1919, the sum of $7,500,000 for the expenses of assessing and collecting the internal-revenue taxes as provided in this act, including the employment of necessary officers, attorneys, experts, agents, inspectors, deputy collectors, clerks, janitors, and messengers, in the District of Columbia and the several collection districts, to be appointed as provided by law.

Mr. SMOOT. I ask that that may go over.

The PRESIDING OFFICER. Without objection, the amendment goes over.

The next amendment was, on page 251, line 7, after the word "equipment," to insert "furniture," and in line 9, after the word "reference," to insert "not to exceed $500 for street car fares in the District of Columbia," so as to read:

telegraph and telephone service, rental and repair of quarters, postage, and the purchase of such supplies, equipment, furniture, mechanical devices, printing, stationery, law books and books of reference, not to exceed $500 for street car fares in the District of Columbia, and such other articles as may be necessary for use in the District of Columbia and the several collection districts: *Provided*, That not more than $2,750,000 of the total amount appropriated by this section may be expended in the Bureau of Internal Revenue in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 251, line 15, to insert the following additional proviso:

Provided further, That not more than $60,000 of the total amount appropriated by this section may be expended for salaries and traveling expenses of members of an "advisory tax board," to be appointed by the commissioner, with the approval of the Secretary. Under rules and regulations prescribed by the commissioner, with the approval of the Secretary, the secretary of the commissioner may, and on the request of any taxpayer directly interested shall, submit to the board any question relating to the interpretation or administration of the internal-revenue laws. Such board shall have the power to summon witnesses, to take testimony, administer oaths, and require any person to produce books, papers, documents, or other papers relating to any matter under investigation by the board. Such board may be continued for two years.

Mr. SMOOT. In line 21 the word "of" should be stricken out where it occurs the second time and "or" should be inserted after the word "Secretary," so as to read: "with the approval of the Secretary, the Secretary or the commissioner may." I move that amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 253, line 23, before the word "Islands" to strike out "West Indian" and insert "Virgin" and after "Islands" to strike out "acquired from Denmark," so as to read:

SEC. 1304. That there shall be levied, collected, and paid in the United States, upon articles coming into the United States from the Virgin Islands a tax equal to the internal-revenue tax imposed in the United States upon like articles of domestic manufacture; such articles shipped from such islands to the United States shall be exempt from the payment of any tax imposed by the internal-revenue laws of such islands: *Provided*, That there shall be levied, collected, and paid in such islands, upon articles imported from the United States, a tax equal

to the internal-revenue tax imposed in such islands upon like articles there manufactured; and such articles going into such islands from the United States shall be exempt from payment of any tax imposed by the internal-revenue laws of the United States.

The amendment was agreed to.

The next amendment was, on page 254, to strike out lines 20 to 23, inclusive, in the following words:

Whenever in the judgment of the commissioner necessary he may require any person, by notice served upon him, to make a return or such statements as he deems sufficient to show whether or not such person is liable to tax.

And to insert:

The commissioner, with the approval of the Secretary, may require any person, whether liable to tax or not, to file returns of income or such statements as may be deemed by him to be sufficient to show whether or not such person is so liable.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, on page 256, after line 10, to strike out section 1308, as follows:

That, except as otherwise specially provided for in this act, whoever fails to make any return required by this act or the regulations made under authority thereof within the time prescribed or who makes any false or fraudulent return, and whoever evades or attempts to evade any tax imposed by this act or fails to collect or truly to account for and pay over any such tax, shall be subject to a penalty of not more than $1,000 or to imprisonment for not more than one year, or both, and in addition thereto a penalty of double the tax evaded, or not collected or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected.

And in lieu thereof to insert:

(a) That any person required under Titles V, VI, VII, VIII, IX, X, or XII, to pay, or to collect, account for and pay over any tax, or required by law or regulations made under authority thereof to make a return or supply any information for the purposes of the computation, assessment, or collection of any such tax, who fails to pay, collect, or truly account for and pay over any such tax, make any such return, or supply any such information at the time or times required by law or regulation shall, in addition to other penalties provided by law, be subject to a penalty of not more than $1,000.

(b) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax, make such return, or supply such information at the time or times required by law or regulation, or who willfully attempts in any manner to evade such tax shall be guilty of a misdemeanor and, in addition to other penalties provided by law, shall be fined not more than $10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

(c) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax shall, in addition to other penalties provided by law, be liable to a penalty of the amount of the tax evaded or not paid, collected, or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected: *Provided, however*, That no penalty shall be assessed under this subdivision for any offense for which a penalty may be assessed under authority of section 3176 of the Revised Statutes as amended, or of section 605 or 620 of this act, or for any offense for which a penalty has been recovered under section 3256 of the Revised Statutes.

(d) The term "person" as used in this section includes an officer or employee of a corporation or a member or employee of a partnership who, as such officer, employee, or member, is under a duty to perform the act in respect of which the violation occurs.

The amendment was agreed to.

The next amendment was, in section 1309, page 258, after line 12, to insert:

The commissioner, with such approval, may, by regulation, provide that any return required by Titles V, VI, VII, VIII, IX, or X to be under oath may, if the amount of the tax covered thereby is not in excess of $10, be signed or acknowledged before two witnesses instead of under oath.

The amendment was agreed to.

The next amendment was, in section 1310, page 258, line 18, before the word "That," to insert "(a)," so as to read:

SEC. 1310. (a) That in the case of any overpayment or overcollection of any tax imposed by section 628 or 630 or by Title V, Title VIII, or Title IX the person making such overpayment or overcollection may take credit therefor against taxes due upon any monthly return and shall make refund of any excessive amount collected by him upon proper application by the person entitled thereto.

The amendment was agreed to.

The next amendment was, at the top of page 259, to insert:

(b) Wherever in this act a tax is required to be paid by the purchaser to the vendor at the time of a sale, and such sale is made on credit, then, under regulations prescribed by the commissioner, with the approval of the Secretary, the tax may, at the option of the vendor, be returned and paid by him to the United States as if paid to him by the purchaser at the time of the sale, and in such case the vendor shall have a right of action in any court of competent jurisdiction against the purchaser for the amount of the tax so returned and paid to the United States.

The amendment was agreed to.

The next amendment was, in section 1312, page 259, line 24, after the word "under," to strike out "Title," and to insert "Titles"; and on page 260, line 5, after the word "price," to insert:

If a contract of the character above described was made with any person other than a dealer, the tax collected under this act shall be the tax in force on May 9, 1917.

So as to read:

SEC. 1312. (1) That (a) if any person has prior to May 9, 1917, made a bona fide contract with a dealer for the sale or lease, after the tax takes effect, of any article in respect to which a tax is imposed under Titles VI, VII, or IX, or under subdivision 13 of Schedule A of Title XI, or under this subdivision, and (b) if such contract does not permit the adding of the whole of such tax to the amount to be paid under such contract, then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of such tax as is not so permitted to be added to the contract price. If a contract of the character above described was made with any person other than a dealer, the tax collected under this act shall be the tax in force on May 9, 1917.

The amendment was agreed to.

The next amendment was, on page 260, after line 8, to strike out:

(2) If (a) any person has prior to September 3, 1918, made a bona fide contract with a dealer for the sale or lease, after the tax takes effect, of any article in respect to which a tax is imposed under Title VI, VII, or IX, or under subdivision 13 of Schedule A of Title XI, or under this subdivision, and (b) such contract does not permit the adding, to the amount to be paid under such contract, of the whole of the difference between such tax and the corresponding tax imposed by the revenue act of 1917 (or, in the case of articles in respect to which no corresponding tax was imposed by such act, the whole of the tax imposed by this act), then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of such difference (or, in the case of articles in respect to which no corresponding tax was imposed by such act, so much of the tax imposed by this act) as is not so permitted to be added to the contract price.

And in lieu thereof to insert:

(2) If (a) any person has prior to September 3, 1918, made a bona fide contract with a dealer for the sale or lease, after the tax takes effect, of any article in respect to which a tax is imposed under Titles VI, VII, or IX, or under subdivision 13 of Schedule A of Title XI, or under this subdivision, and in respect to which no corresponding tax was imposed by the revenue act of 1917, and (b) such contract does not permit the adding, to the amount to be paid under such contract, of the whole of the tax imposed by this act, then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of the tax imposed by this act, as is not so permitted to be added to the contract price. If a contract of the character above described was made with any person other than a dealer, no tax shall be collected under this act.

(3) If (a) any person has prior to September 3, 1918, made a bona fide contract with a dealer for the sale or lease, after the tax takes effect, of any article in respect to which a tax is imposed under Titles VI, VII, or IX, or under subdivision 13 of Schedule A of Title XI, or under this subdivision, and in respect to which a corresponding tax was imposed by the revenue act of 1917, and (b) such contract does not permit the adding, to the amount to be paid under such contract, of the whole of the difference between such tax and corresponding tax imposed by the revenue act of 1917, then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of such difference as is not so permitted to be added to the contract price. If a contract of the character above described was made with any person other than a dealer, the tax collected under this act shall be the tax in force on September 3, 1918.

Mr. SMOOT. Mr. President, on page 261, line 24, before the words "corresponding tax," the word "the" is omitted and should be inserted, so as to read "the whole of the difference between such tax and the corresponding tax imposed." I move that amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 262, line 7, before the word "The," to strike out "(3)" and to insert "(4)," so as to make the clause read:

(4) The taxes payable by the vendee or lessee under this section shall be paid to the vendor or lessor at the time the sale or lease is consummated, and collected, returned, and paid to the United States by such vendor or lessor in the same manner as provided in section 502.

The amendment was agreed to.

The next amendment was, on page 262, line 12, before the word "The," to strike out "(4)" and to insert "(5)," so as to make the clause read:

(5) The term "dealer" as used in this section includes a vendee who purchases any article with intent to use it in the manufacture or production of another article intended for sale.

The amendment was agreed to.

The next amendment was, in section 1314, page 262, line 20, after the word "That," to strike out "under rules and regulations prescribed by the Secretary"; in line 21, after the word "par," to strike out "and" and to insert "with an adjustment for"; and on page 263, line 1, after the word "taxes," to insert "and any other taxes payable other than by stamp," so as to make the section read:

SEC. 1314. That collectors may receive, at par with an adjustment for accrued interest, certificates of indebtedness issued by the United States and uncertified checks in payment of income, war-profits, and excess-profits taxes and any other taxes payable other than by stamp, during such time and under such regulations as the commissioner, with the approval of the Secretary, shall prescribe; but if a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions the same as if such check had not been tendered.

The amendment was agreed to.

The next amendment was, on page 263, after line 8, to insert:

SEC. 1315. That section 3315 of the Revised Statutes, as amended, is hereby amended to read as follows:

"SEC. 3315. The Commissioner of Internal Revenue may, under regulations prescribed by him with the approval of the Secretary of the Treasury, issue stamps for restamping packages of distilled spirits, tobacco, cigars, snuff, cigarettes, fermented liquors and wines which have been duly stamped but from which the stamps have been lost or destroyed by unavoidable accident."

The amendment was agreed to.

The next amendment was, on page 263, in line 18, to change the number of section "1315" to "1316."

The amendment was agreed to.

The next amendment was, on page 264, after line 21, to insert:

(c) That the paragraph of section 3689 of the Revised Statutes, as amended, reading as follows:

"Refunding taxes illegally collected (internal revenue): To refund and pay back duties erroneously or illegally assessed or collected under the internal-revenue laws" is hereby amended to read as follows:

"To refund and pay back duties or taxes erroneously or illegally assessed or collected under the internal-revenue laws, and to pay judgments, including interest and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal-revenue laws, notwithstanding any limitations imposed by the act of June 20, 1874."

The amendment was agreed to.

The next amendment was, on page 265, line 10, to change the number of the section from "1316" to "1317," and after line 12 to insert:

SEC. 3164. It shall be the duty of every collector of internal revenue having knowledge of any willful violation of any law of the United States relating to the revenue, within 30 days after coming into possession of such knowledge, to file with the district attorney of the district in which any fine, penalty, or forfeiture may be incurred, a statement of all the facts and circumstances of the case within his knowledge, together with the names of the witnesses, setting forth the provisions of law believed to be so violated on which reliance may be had for condemnation of conviction.

SEC. 3165. Every collector, deputy collector, internal-revenue agent, and internal-revenue officer assigned to duty under an internal-revenue agent, is authorized to administer oaths and to take evidence touching any part of the administration of the internal-revenue laws with which he is charged, or where such oaths and evidence are authorized by law or regulation authorized by law to be taken.

The amendment was agreed to.

The next amendment was, on page 270, in line 9, after the word "law," to insert "or by regulation made under authority of law"; on page 271, in line 8, after the word "tax," strike out "50" and insert "25"; and in line 13, after the word "tax," strike out "100" and insert "50," so as to read:

SEC. 3176. If any person, corporation, company, or association fails to make and file a return or list at the time prescribed by law or by regulation made under authority of law, or makes, willfully or otherwise, a false or fraudulent return or list, the collector or deputy collector shall make the return or list from his own knowledge and from such information as he can obtain through testimony or otherwise. In any such case the commissioner may, from his own knowledge and from such information as he can obtain through testimony or otherwise, make a return or amend any return made by a collector or deputy collector. Any return or list so made and subscribed by the commissioner, or by a collector or deputy collector and approved by the commissioner, shall be prima facie good and sufficient for all legal purposes.

If the failure to file a return or list is due to sickness or absence, the collector may allow such further time, not exceeding 30 days, for making and filing the return or list as he deems proper.

The Commissioner of Internal Revenue shall determine and assess all taxes, other than stamp taxes, as to which returns or lists are so made under the provisions of this section. In case of any failure to make and file a return or list within the time prescribed by law, or prescribed by the Commissioner of Internal Revenue or the collector in pursuance of law, the Commissioner of Internal Revenue shall add to the tax 25 per cent of its amount, except that when a return is filed after such time and it is shown that the failure to file it was due to a reasonable cause and not to willful neglect, no such addition shall be made to the tax. In case a false or fraudulent return or list is willfully made, the Commissioner of Internal Revenue shall add to the tax 50 per cent of its amount.

The amount so added to any tax shall be collected at the same time and in the same manner and as part of the tax unless the tax has been paid before the discovery of the neglect, falsity, or fraud, in which case the amount so added shall be collected in the same manner as the tax.

The amendment was agreed to.

The next amendment was, on page 271, line 20, to change the number of the section from "1317" to "1318"; in line 21, after the word "this," to strike out "title" and insert "Act"; and at the top of page 272, to insert:

The district courts of the United States are hereby invested with such jurisdiction to make and issue, both in actions at law and suits in equity, writs and orders of injunction, and of ne exeat republica, orders appointing receivers, and such other orders and process, and to render such judgments and decrees, granting in proper cases both legal and equitable relief together, as may be necessary or appropriate for the enforcement of the provisions of this act. The remedies hereby provided are in addition to and not exclusive of any and all other remedies of the United States in such courts or otherwise to enforce such provisions.

So as to make the section read:

SEC. 1318. That if any person is summoned under this act to appear, to testify, or to produce books, papers, or other data, the district court of the United States for the district in which such person resides shall have jurisdiction by appropriate process to compel such attendance, testimony, or production of books, papers, or other data.

The district courts of the United States are hereby invested with such jurisdiction to make and issue, both in actions at law and suits in equity, writs and orders of injunction, and of ne exeat republica, orders appointing receivers, and such other orders and process, and to render such judgments and decrees, granting in proper cases both legal and equitable relief together, as may be necessary or appropriate for the enforcement of the provisions of this act. The remedies hereby provided are in addition to and not exclusive of any and all other remedies of the United States in such courts or otherwise to enforce such provisions.

The amendment was agreed to.

The next amendment was, on page 272, line 12, to change the number of the section from "1318" to "1319."

The amendment was agreed to.

The next amendment was, on page 273, line 1, to change the number of the section from "1319" to "1320."

The amendment was agreed to.

Mr. SMOOT. Mr. President, before the Secretary proceeds to read Title XIV, I desire to call the attention of the Senator from North Carolina to line 23, on page 272, where it reads, "and upon conviction thereof shall be fined not more than $1,000 or by imprisonment not exceeding one year, or both," it should read "and upon conviction thereof shall be punished by a fine of not more than $1,000 or by imprisonment not exceeding one year, or both."

Mr. SIMMONS. Undoubtedly, Mr. President, that amendment should be made.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In section (1318) 1319, page 272, line 23, after the words "shall be," it is proposed to strike out the word "fined" and to insert the words "punished by a fine of."

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the heading "Title XIV—General provisions," in section 1400, page 273, line 17, after the first word "That," to strike out "any provision of any act inconsistent with any provision of this act is hereby repealed, subject to the limitations provided in subdivision (b)" and insert:

the following parts of acts are hereby repealed, subject to the limitations provided in subdivision (b):

(1) The following titles of the revenue act of 1916:
Title I (called "Income tax");
Title II (called "Estate tax");
Title III (called "Munitions manufacturers' tax"), as amended;
Title IV (called "Miscellaneous taxes").

(2) The following parts of the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917:
Title III (called "Estate tax");
Section 402 (called "Returns of dividends").

(3) The following titles of the revenue act of 1917:
Title I (called "War income tax");
Title II (called "War excess-profits tax");
Title III (called "War tax on beverages");
Title IV (called "War tax on cigars, tobacco, and manufactures thereof");
Title V (called "War tax on facilities furnished by public utilities, and insurance");
Title VI (called "War excise taxes");
Title VII (called "War tax on admissions and dues");
Title VIII (called "War stamp taxes");
Title IX (called "War estate tax");
Title X (called "Administrative provisions");
Title XII (called "Income-tax amendments").

The amendment was agreed to.

The next amendment was, on page 275, line 1, after the word "Such," to strike out "provisions" and insert "parts of acts"; in line 7, after the word "such," to strike out "provision" and insert "part of an act"; in line 9, after the word "thereof," to insert "*Provided*, That, except as otherwise provided in this act, no taxes shall be collected under Title I of the revenue act of 1916 as amended by the revenue act of 1917, or Title I or II of the revenue act of 1917, in respect to any period after December 31, 1917"; in line 14, before the word "collection," to insert the word "the"; in line 15, after the word "taxes," to insert "by the United States or by the collector from the executor of the decedent or out of the property of the decedent"; in line 19, after the word "amended," to insert "by the act entitled 'An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes,' approved March 3, 1917"; and in line 25, after the word "this," to strike out "Act: *Provided further*, That in" and insert "act," so as to make the paragraph read:

(b) Such parts of acts shall remain in force for the assessment and collection of all taxes which have accrued thereunder, and for the imposition and collection of all penalties or forfeitures which have accrued and may accrue in relation to any such taxes, and except that the unexpended balance of any appropriation heretofore made and now available for the administration of any such part of an act shall be available for the administration of this act or the corresponding provision thereof: *Provided*, That, except as otherwise provided in this act, no taxes shall be collected under Title I of the revenue act of 1916 as amended by the revenue act of 1917, or Title I or II of the revenue act of 1917, in respect to any period after December 31, 1917: *Provided further*, That the assessment and the collection of all estate taxes by the United States or by the collector from the executor of the decedent or out of the property of the decedent, and the imposition and collection of all penalties or forfeitures, which have accrued under Title II of the revenue act of 1916 as amended by the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917, or Title IX of the revenue act of 1917, shall be according to the provisions of Title IV of this act.

The amendment was agreed to.

The next amendment was, at the top of page 276, to insert the word "In," so as to make the paragraph read:

In the case of any tax imposed by any part of an act herein repealed, if there is a tax imposed by this act in lieu thereof, the provision imposing such tax shall remain in force until the corresponding tax under this act takes effect under the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 276, after line 5, to insert:

Title I of the revenue act of 1916 as amended by the revenue act of 1917 shall remain in force for the assessment and collection of the income tax in Porto Rico and the Philippine Islands, except as may be otherwise provided by their respective legislatures.

The amendment was agreed to.

The next amendment was, on page 276, after line 10, to insert:

SEC. 1401. That section 1100 of the revenue act of 1917 is hereby repealed, to take effect on July 1, 1919, and thereafter the rate of postage on all mail matter of the first class shall be the same as the rate in force on October 2, 1917: *Provided*, That letters written and mailed by soldiers, sailors, and marines assigned to duty in a foreign country engaged in the present war may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.

Section 1107 of such act is hereby repealed, to take effect July 11, 1919.

Mr. SIMMONS. Mr. President, the Senator from Georgia [Mr. HARDWICK] requested me to have one or both of these sections which relate to the postal rates go over. I think he referred only to that with reference to second-class matter, but I am not sure, and therefore I will ask that this section go over, and also that the other section go over when it is reached.

The PRESIDING OFFICER. Without objection, the section just read by the Secretary will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 276, after line 21, to insert:

SEC. 1402. (a) That section 1103 of the revenue act of 1917 is hereby repealed.

(b) Section 1101 of such act is hereby amended to read as follows:

"SEC. 1101. That on and after July 1, 1919, the rates of postage on publications entered as second-class matter (including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, shall be 1 cent per pound or fraction thereof for delivery within the first and second zones applicable to fourth-class matter, and 1½ cents per pound or fraction thereof for delivery within any other zone."

(c) This section shall take effect July 1, 1919.

Mr. SIMMONS. I ask to have that section passed over also.

The PRESIDING OFFICER. The section will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 277, line 13, to change the number of the section from "1401" to "1403."

The amendment was agreed to.

The next amendment was, on page 277, line 20, to change the number of the section from "1402" to "1404."

The amendment was agreed to.

The next amendment was, on page 278, line 1, to change the number of the section from "1403" to "1405."

The amendment was agreed to.

The next amendment was, on page 278, line 6, to change the number of the section from "1404" to "1406."

The amendment was agreed to.

The next amendment was, on page 278, line 8, to change the number of the section from "1405" to "1407."

The amendment was agreed to.

The reading of the bill was concluded.

Mr. SIMMONS. Mr. President, I am advised that the senior Senator from Virginia [Mr. MARTIN] desires to call up a bill which, I think, ought to be passed speedily, and I have therefore consented, and now ask, that the unfinished business may be temporarily laid aside.

The PRESIDING OFFICER. The Chair hears no objection to laying aside the bill temporarily.

CALLING OF THE ROLL.

Mr. SMOOT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Johnson, S. Dak.	Mulkey	Smith, Md.
Beckham	Jones, N. Mex.	Myers	Smoot
Cummins	Jones, Wash.	Norris	Sutherland
Curtis	Kendrick	Page	Swanson
Dillingham	Kenyon	Poindexter	Thomas
Fletcher	Kirby	Pollock	Thompson
France	La Follette	Pomerene	Townsend
Frelinghuysen	Lenroot	Ransdell	Trammell
Gay	Lewis	Saulsbury	Underwood
Gerry	Lodge	Shafroth	Walsh
Gronna	McCumber	Sheppard	Warren
Hardwick	McKellar	Simmons	Weeks
Henderson	Martin, Va.	Smith, Ariz.	Williams

Mr. SUTHERLAND. I announce the absence of my colleague [Mr. GOFF] on account of illness.

Mr. FRANCE. I desire to announce the absence of the Senator from Missouri [Mr. REED] and the Senator from Maine [Mr. FERNALD] on official business of the Senate.

Mr. HENDERSON. I desire at this time to announce the absence of the Senator from Idaho [Mr. NUGENT] on necessary business.

The PRESIDING OFFICER (Mr. KENYON in the chair). Fifty-two Senators have answered to their names. A quorum is present.

TRANSPORTATION OF GOVERNMENT EMPLOYEES.

Mr. MARTIN of Virginia. Mr. President, from the Committee on Appropriations I report back favorably, with one small amendment, the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services no longer are required; and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Appropriations, with an amendment.

Mr. MARTIN of Virginia. Mr. President, there is only one committee amendment, and I will hand a memorandum of it to the Secretary. I can read it here, however, if necessary. The amendment is, on lines 12 and 13, page 2, to strike out the words "the foregoing limitation of 10 days shall operate" and in lieu thereof to insert:

The time within which transportation shall be applied for shall be 20 days.

The PRESIDING OFFICER. The Senator from Virginia, on behalf of the committee, offers an amendment, which will be stated by the Secretary.

The SECRETARY. On page 2, lines 12 and 13, it is proposed to strike out "the foregoing limitation of 10 days shall operate" and in lieu thereof to insert:

The time within which transportation shall be applied for shall be 20 days.

The amendment was agreed to.

Mr. CURTIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. It is proposed to insert as a new section at the end of the bill, or to add, the following:

SEC. 7. That the provisions of this act shall apply to the men who were offered employment by an agent of the Department of Labor, and who were taken from their homes under a promise of six months' employment or more, but who were given less than 90 days' employment.

Mr. CURTIS. Mr. President, I offer that amendment because I have received several letters from people who were brought East under a promise that they would be given a year's employment. Some of them were given only a week's employment, and some had employment for only 10 or 15 days. They were then discharged and forced to pay their way back home.

I want to read two or three of these letters. I have some 10 or 12 of them, but I will read only a few of them, so the Senate may know just how these men were treated:

BALTIMORE, MD., *September 17, 1918.*

Mr. C. CURTIS.

DEAR SIR: We came here from Independence, Kans. The Government agent there told us we would have a year's work, no matter whether the war stopped or not. Now, we are cut down $2.10 a day in our wages and five and one-half days a week, and we can not make both ends meet, as I have three small children at home.

What we want is our fares home. We have worked 24 days, and as we were misinformed as to the conditions here we would like to go back at once. I have never seen a fire since we came here and have caught the worst cold.

Please write at once. There are two of us.

I am, yours, MALCOLM HUME.

The second letter is as follows:

LARNED, KANS., *November 2½, 1918.*

Hon. CHARLES CURTIS,
Washington, D. C.

DEAR SIR: On or about September 15 this year we were called on by the Government employment office of Hutchinson, Kans., to give up our employment and ship to Curtis Bay, Md., to work in ordnance depot, with the understanding that this work was just starting and that we would have one year's work. However, we found that the bulk of this work had been done earlier in the year and that said work was only an addition, and our employment only lasted seven days, minus two hours. We demanded our transportation home, and were told that there was nothing doing. We then came down to the District of Columbia and found 8 or 10 days' work on the housing proposition, and were laid off until the work was started at Twenty-first and B Streets, which was about 30 days. Working 3½ days, and that work shut down, leaving us less than fare home.

Someone has made a mistake, as we were not needed in that country at all, and we feel that it is no more than just that they reimburse us for our transportation home, which amounts to $50 each, as we were deprived of our earning capacity practically for two months and also forced to wire home and borrow money to return home on.

If you think this is due us, we ask you as our Representative to use your influence to get us that that is justly due us.

Thanking you for this favor.

Our address is:

L. E. RIGGS,
216 East Twelfth Street, Larned, Kans.
WALTER OREBAUGH,
Dodge City, Kans.

The third letter is as follows:

BALTIMORE, MD., *November 19, 1918.*

Mr. CHARLES CURTIS,
Washington, D. C.

SIR: I am writing you in regard to getting transportation back to Topeka. We was promised a long job with time and one-half for overtime and double time for Sunday. We got no Sunday work at all, and only getting in 44 hours a week; so you see it will be a hardship on us to have to pay our transportation back home. I thought perhaps you could get something done for us if anyone could. Hoping to hear from you at once in regard to the matter, I remain,

Yours, most truly, R. F. LANE,
710 West Fayette Street.

The fourth letter is as follows:

ARK CITY, *November 18, 1918.*

DEAR SIR: I will answer your letter I received yesterday and was glad to hear from you. I got a letter from Mr. Sterns and I answered it the next day, but I guess he never got it. I gave him all the details of my work. I told him I was at work at Curtis Bay for S. H. and M., and that I was at work on those magazines they was building there and that my number was 2712, and that the superintendent's name was Mr. Craft, and that my foreman's name was Mr. O. D. Lott—there may be more than one Lott there—they have the letter he wrote me there and also the receipts I got for my fare, and that I only got to work seven days and that I was sick all the way home and that I was under the doctor's care about two weeks after I got home, and that I had lost about five weeks' work, and that my family had to live all of that time, besides paying house rent and my fare home. Well, I will close for this time. Hoping to hear from you soon, I remain,

Yours, respectfully, S. O. PAXTON,
415 North D Street, Ark City, Kans.

I took up this matter with the department and received in reply a letter which I will read. I may say that I referred Mr. Riggs's case and several others, some eight or ten, to the department. This is the reply:

DEPARTMENT OF LABOR,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, December 4, 1918.

MY DEAR SENATOR: Mr. Post has directed me to keep you informed of the state of the investigation into the case of Mr. L. E. Riggs, of Larned, Kans., which you referred to the department upon the 18th.

In response to telegraphic request, the director of employment for Kansas has made inquiries at Hutchinson regarding the complaint. His report states that no promise was made to the men with respect to any definite period of employment, but that the agent for the company which had the contract at Curtis Bay assured them that they would have several months' employment. An attempt is now being made to do something through the contractor. Regardless of the place where the blame is properly laid, the men have evidently been done an injustice which the department will do all in its power to right.

I shall keep you advised further.

Cordially, HUGH REID,
Private Secretary.

Hon. CHARLES CURTIS,
United States Senate, Washington, D. C.

Since receiving this letter I have received another letter stating that they have no appropriation out of which they could pay transportation or reimburse these people, and that they have been unable to get anything out of the contractors.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from New Mexico?

Mr. CURTIS. Certainly.

Mr. JONES of New Mexico. I am very much in accord with the views of the Senator from Kansas, but I should like to suggest an amendment to his amendment.

Mr. CURTIS. I will ask the Senator to wait until I finish my statement, and then I shall be perfectly willing to have the amendment considered.

Mr. JONES of New Mexico. Very well; I will do that.

Mr. CURTIS. Now, the truth of the matter is that the representatives of the Government did tell these men that they would have a year's employment. I do not care what they say; it is not reasonable to believe that twelve or fifteen men, living in different communities, not having talked with each other, would write as to the promises that were made them, and all of them be mistaken.

Mr. JONES of New Mexico. Mr. President, it was just on that point that I wished to make a suggestion, if the Senator from Kansas will permit me to do so.

Mr. CURTIS. I am perfectly willing to listen to the Senator.

Mr. JONES of New Mexico. I was going to suggest that perhaps in practically all of these cases it would be impossible to establish the fact that the men were promised six months' work. Now, we know that these advertisements were made, and that the men had reason to expect that they would obtain work for at least a reasonable length of time; and what I wanted to suggest to the Senator from Kansas was that we may avoid that difficulty by giving this right of transportation to all who have actually had less than 90 days of employment.

Mr. CURTIS. That is what this amendment does.

Mr. JONES of New Mexico. No; if the Senator will permit me, I have his amendment before me, and it reads as follows:

SEC. 7. That the provisions of this act shall apply to the men who were offered employment by an agent of the Department of Labor, and who were taken from their homes under a promise of 6 months' employment or more, but who were given less than 90 days' employment.

It will be difficult in many cases to establish a promise from the Department of Labor for at least six months' employment. From my own State I know a number of men were taken for the purpose of being employed in the war industry only a month or two before the armistice was signed, and they have had no opportunity for employment; but I doubt if you can establish the fact that in each of such cases there was a specific promise of not less than six months' employment. But whether there was or not, they went at the request of the Department of Labor, and went undoubtedly with the view that they would have employment for a considerable period of time.

I would suggest, therefore, that the Senator from Kansas eliminate from his amendment the words "six months," so that it will read:

That the provisions of this act shall apply to the men who were offered employment by an agent of the Department of Labor, and who were taken from their homes under a promise of employment or work, but who were given less than 90 days' employment.

Mr. CURTIS. I will modify the amendment in that respect if the Senator will just erase the words "six months" with a pencil and send it to the desk.

Mr. NORRIS. May I interrupt the Senator while the modification is taking place? Why does the Senator confine it to representations made by the Department of Labor?

Mr. CURTIS. Because in every case that was presented to me the party said agents of the Department of Labor made the representation.

Mr. NORRIS. It occurs to me that very likely there will be cases where the representation was made by representatives of other departments. Why should they not be covered here by striking out the words "Department of Labor" and saying "representatives of the Government"? If this happened in any other case, they ought to be reimbursed just the same as in the Department of Labor.

Mr. CURTIS. I am perfectly willing to have that modification made.

Mr. NORRIS. I suggest to the Senator from New Mexico, while he is modifying the amendment, to make it apply to all departments.

Mr. SAULSBURY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Delaware?

Mr. CURTIS. For a question.

Mr. SAULSBURY. For a question. I wish to know if the Senator's amendment covers the cases of the employment of men at the time the armistice was signed, or would it cover employees of the Government who came here from time to time, possibly stayed only a few days, and left of their own accord? I have been told that there were hundreds every day leaving the employ of the Government when they were really needed, and that they were going home. It does not seem to me that this amendment should apply to them.

Mr. CURTIS. The amendment was intended to apply only to such men as left home under the promise of being given work, men who were promised work for a long period, and then, after working for a week or more, were notified that there was no more work for them, and who were forced to go back home.

Mr. SAULSBURY. I find no fault with such a provision as that.

Mr. CURTIS. That was the case with the gentleman who called upon me. As I stated, I have received some 12 letters from men who were in that situation. One of them was an expert brick mason. He was taken to Curtis Bay under an agreement that he would have at least one year's work, six days a week, with extra pay for Sunday and for overtime. He was limited to five and one-half days a week. Then he was given employment for less than 30 days, and he had to pay his expenses back home. I take it that if you are going to pay the expenses of clerks who came here without any promise as to the length of time they would be employed, you ought in fairness pay these laboring men their expenses back home who do not receive as large salaries. They are not asking for an extra month's pay. They have no extra month's pay. In fact, some of them came here and worked only seven days.

Mr. POMERENE. Mr. President——

Mr. CURTIS. I yield to the Senator from Ohio.

Mr. POMERENE. Knowing the Senator from Kansas as well as I do, I want to inquire why he is so ungallant as to confine the benefits of his amendment to men alone?

Mr. CURTIS. I think these outside places were given only to men, and women were employed mostly here in Washington, and they are provided for in the original bill.

Mr. TOWNSEND. Mr. President——

Mr. CURTIS. I yield to the Senator from Michigan.

Mr. TOWNSEND. Can the Senator tell us whether any estimate has been made as to how much money it is going to take to meet the requirements of the bill?

Mr. CURTIS. The Senator will have to ask the Senator from Virginia, the chairman of the committee.

Mr. TOWNSEND. May I ask the Senator from Virginia?

Mr. MARTIN of Virginia. It is impossible to make an estimate of any value. We have no idea how many of these people will have to be dispensed with or what their transportation home may cost. I think, at a rough estimate, $200,000 will probably be required.

Mr. TOWNSEND. Does the Senator believe that there will be anybody who came here to work for the Government and chose to return home for any cause who would not receive this compensation?

Mr. MARTIN of Virginia. Of course, there are many of them who will not receive transportation. It will be only those who were brought here for war service and whose services have been dispensed with.

Mr. TOWNSEND. Is it not true that an appeal was made to all parties throughout the country for help, and therefore everybody can claim that he or she came here under the representation held out by the Government?

Mr. MARTIN of Virginia. Suppose that is true. Of course, they came here under the representation that the Government needed help, by advertisement and by the statements of agents. People came here at the call of the Government and rendered faithful service until the war ended, and when the Government discharges them it ought to pay their expenses home. The Senator can not discharge his coachman or his cook without notice or without paying them something for it. When a man pays wages he can not employ people and discharge them summarily and pay no attention to them whatsoever. This does not go that far. This permits them to get back home. It does not give the money to buy the ticket, but furnishes transportation which is nontransferable and must be used in five days.

Mr. TOWNSEND. Is it not a fact that the object of the bill is largely to remove from the District people who are now encumbering it?

Mr. MARTIN of Virginia. That is a strong inducement with me, but in addition it is an act of justice to give transportation to people who were brought here and put in the Government service and abruptly and summarily dismissed from that service. It simply pays their transportation home, and I think it is a very just provision.

Mr. TOWNSEND. I have no doubt there are many cases where that is true. I do know, however, as I think the Senator and everybody else knows, that people from all over the United States gave up their jobs at home with the idea that it would be better to work in Washington. Many of them were tired of the job they had on hand and came here, and left after a little while of their own motion. They were not forced to go.

Is it supposed that the bill can be so construed as to pay the expenses back home, sleeping-car expenses included, of thousands of employees who have been here on a sort of vacation? It is a fact that there are thousands of employees in the service of the Government who have been of absolutely no value whatever to the Government. There is no one who has visited the departments who has not found that to be true.

I want to be as generous as anybody can be, but to present a blanket proposition to pay the expenses back home of thousands of employees, without any information as to what the drain upon the Treasury will be, it seems to me, is a question at this time that ought to have more consideration than has been presented to the Senate.

Mr. MARTIN of Virginia. Will the Senator kindly yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Virginia?

Mr. CURTIS. I yield.

Mr. MARTIN of Virginia. I will wait until the Senator gets through and then I will answer the suggestion of the Senator from Michigan.

Mr. CURTIS. Mr. President, first I want to say to the Senator from Virginia that the amendment I have offered only applies to men who were brought here under representations of the agents of the Government and were not given work but who were willing to work. Some of these men, as I stated, were experts—brick masons, carpenters, plasterers—and they were told they were slackers if they did not come East to work for the concerns that were constructing buildings for the Government. They gave up good places at home and came East and were not permitted to work long enough to earn money to buy tickets home. As was said by one of these men, he had to wire home to get the money to buy his ticket. In each case the cost of transportation back home is given and in no case was sleeping-car fare included; all of us who travel know what sleeping-car tickets cost. I will state that I bought a ticket home the other day with sleeping-car accommodations and it cost me $57.72. These men say that their transportation home, many of them living farther than Topeka, was about $50.

Mr. MARTIN of Virginia. Mr. President, I simply want to answer the suggestion made by the Senator from Michigan [Mr. TOWNSEND].

The bill as reported from the committee provides only for parties employed by the Government since the declaration of war whose employment has been terminated by the Government without delinquency or misconduct on their part. They are people who came here and were employed on war work and have been discharged from the service of the Government without any delinquency on their part. It applies to those engaged in war work summarily dismissed from service without notice and simply gives them transportation home. It is transportation and no money. It is nontransferable. The transportation is issued to the employee, and he can not transfer it. He must use it within five days after issuance. It does seem to me it is a very just thing to compensate these people by giving them the cost of transportation back home when they have come here and worked for the Government faithfully and have been discharged from the service summarily without any delinquency or fault on their part whatever.

Mr. WEEKS. Mr. President, if it is the purpose of the bill to compel bureau or departmental officials to do their duty and to discharge those who are not needed by the Government—if it is necessary to do that by passing the bill—it might have my approval. But presumably departmental officers are doing their duty in this respect and are discharging employees as rapidly as it can be done.

The confusion that will arise out of this measure is well illustrated by the questions that have been asked here relating to the amendment that has been offered here by the Senator from Kansas. If we accept his amendment—and it seems on the face of it to be just—there will be innumerable similar instances in which the Government will have made a precedent that will justify their demands being acceded to.

Most of these people have come to Washington because they have been allured here by the higher wages and the shorter hours that they could obtain. They have come very largely of their own free will. I do not mean to detract from the service which they have performed, yet everybody knows that there have been a very large number of incompetents here, untrained men and women who have been receiving very high compensation. There can not be any obligation on the part of the Government to pay a bonus to those who have not performed the very highest quality of service.

Mr. JONES of New Mexico. Mr. President——

Mr. WEEKS. I am speaking of bonuses. If we are going to pay these employees of the Government a bonus, we should pay others. These people, those employed in Washington, for

example, have been receiving the same wages as the old and trained clerks who are in the regular service, and more wages in many cases, and very frequently, if not almost invariably, they have not been as efficient.

There is no estimate made of the cost of this measure. All the Senator from Virginia says is that it may amount to several hundred thousand dollars. I maintain that the present condition of the finances of the country do not warrant Congress in paying bonuses to anyone which the Government has not obligated itself to do. If there are Government employees who have been making promises to people to come here which they had no right or justification in doing those employees should be punished for so doing. It should not be the business of the Government to appropriate money to carry out promises which the promiser had no authority for making. That is not a course that ought to be followed.

I do not know that other Senators agree with me at all in this matter, but I must say that in my judgment we are taking an ill-advised step to pass such legislation as this, which has no estimate and which I believe is unjustifiable. I shall vote against the bill.

I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I desire to call the attention of the Senator from Massachusetts to the fact that the situation here in Washington is one of the least of the evils. There was made an effort throughout the entire country to get laborers for the munition plants and that sort of thing, and they practically levied an assessment upon the various States of the country, specified the number of men whom they wanted from each State. I know that in my own State, just within two or three weeks of the signing of the armistice, a number of men were gotten to go out of that State, through an appeal to their patriotism day after day, to work in the munition plants, and they looked upon it as simply answering a demand and an appeal from the Government. They were called upon by their sense of patriotism to do it. They were promised this work, or, at any rate, the ability to get the work was held out to them, and they left their ordinary vocations and went at the personal solicitation of some representative of the Department of Labor. There was a labor agent appointed for each State in the Union, I believe, certainly in the Western States, and that State labor commissioner found the number of men who were expected from that State, and he, through his subagent, made it his particular duty to secure the requisite number.

Those men, under those circumstances, went into this employment. Now, after the armistice is signed the work has ceased and they are away from home. Many of them were poor men to begin with, and why should they be called upon to suffer, under those particular circumstances, more than any other citizens of the country? Why should they not be made whole in that respect, so long as the taxpayers of the country are able to make them whole? We can limit the matter so as not to include those referred to by the Senator from Michigan, who voluntarily separated themselves from the Government service, and have it apply only to those who are discharged by the Government when their services are no longer needed.

Mr. WEEKS. I was not aware of any such propaganda as that described by the Senator from New Mexico. Quite likely the conditions in his State are somewhat different from what they are in mine or in the locality where I live, where, generally speaking, additional employees in munitions factories and other places have come from that immediate neighborhood or from the same State. But, in any case, it does not seem to me that a reasoning man could have given up his employment in his own locality to come to Washington or to any other place without considering that that employment must cease as soon as the war ended, and if he had been looking after his own interests and those of the Government as well he would have stipulated at that time that his transportation should be paid to and from the place where he was to be employed. If agents of the Department of Labor were inducing men to leave their homes and go to a place where they could be employed they should have had authority to stipulate in that agreement that the transportation of those men should be paid.

These post facto methods of taking money out of the Treasury in a way that is going to make a precedent to be followed in other cases do not and never have appealed to me, and I object to its being done.

Mr. BORAH. Mr. President, I suppose the real merit of the bill lies in the fact that it may induce the departments to dispense with the services of some of the employees after their services have really ended. I do not state this as showing a universal practice, but in two instances within the last few days employees of the Government have told me that they have reported to the heads of the department that they felt that the work for which they had been called here was finished; that the particular work which they were doing was at an end; and that they desired to quit and return home, and both individuals were discouraged from separating themselves from the pay roll and were asked to wait to see if they could not find something else for them to do; and one waited a week without doing anything.

I can not understand the disposition of the department to retain these employees. I do not know that this is anything like a general practice, but it calls my attention to the fact that there ought to be some way to encourage the department to let people go home when they have finished their work, especially when they desire to go.

Mr. President, the bill provides that for three months and a half these parties may continue in the employ of the Government and receive the benefits of the bill. Why would it not be a good idea to fix the limit of the bill at January 15, 1919, so that the departments and the people who are interested in getting the money out of the bill will look about and see whether there is any necessity for their staying here? I can not see why you should postpone it until the 31st of March, three months and a half. While it has this merit, that it will encourage them to go and get rid of them in that way, and perhaps save the Government, it will not do so if we pay their way and still continue to employ them two or three months after their services are really ended.

I have no doubt at all that there are hundreds and hundreds of these employees who could leave here to-morrow and the Government would be just as well off. I am not speaking disrespectfully of their services at all, but because their services have ended.

I understand there is an amendment pending.

Mr. CURTIS. There is.

Mr. BORAH. When that amendment is disposed of I am going to offer an amendment to strike out "March 31" and insert "January 15."

Mr. MARTIN of Virginia. Mr. President, I did not make any allusion to the amendment of the Senator from Kansas, which seemed to be based on the statement that agents of the Government had promised these people employment for a specific time. Everybody knows that there was not any officer or agent of the Government authorized to make any such promise. It is simply ludicrous for them to expect Congress to appropriate money to fulfill promises made by irresponsible agents of the Government throughout the country, and that is all it is.

Mr. President, the gist of this whole matter is that it appealed to me—and I think it will appeal to most people—to make some provision for the young women who have been doing war work in this city; and it is chiefly the women, it is not the men. If only the men were concerned, I would never have voted to report the bill. Very few men will be benefited by it. It is intended to relieve young women who have been here doing war work in this city and find their employment suddenly ended; and the bill provides that it must be ended by the Government and not by themselves, that it must be without any fault or delinquency whatever on their part.

I submit to Senators that this should be done for the young women who have come here during the war period to do work for the Government at the solicitation of the Government, who have been employed by the Government and who have worked faithfully and honestly until the Government discharges them, and who have not been delinquent in any respect. The bill provides that none whose relations with the Government are severed because of delinquency on their part shall have any benefit under the bill.

Mr. McCUMBER. Mr. President——

Mr. MARTIN of Virginia. I yield to the Senator from North Dakota.

Mr. McCUMBER. I wish to suggest to the Senator from Virginia that as I understand the bill there is no provision made as to the length of time of service. In other words, if one served since April 6 and received $1,400 a year, that person would be entitled to his or her cost of transportation to his or her home.

Mr. MARTIN of Virginia. That is correct.

Mr. McCUMBER. Heretofore we have never granted that right to others who were discharged from month to month in all our departments. Does not the Senator think those who have earned $1,400 to $1,800 a year, or $150 a month, could have saved enough in six or eight months to have bought their tickets home?

Mr. MARTIN of Virginia. I will say to the Senator that those receiving more than $1,400 a year are not included in the terms of the bill.

Mr. McCUMBER. Even as to those who are receiving $1,400 and have been here a year and a half; have not those persons earned enough to pay $50 transportation back to their homes?

Mr. MARTIN of Virginia. The expenses of living in Washington have been very great.

Mr. McCUMBER. It is equally great to all others who have been living here.

Mr. MARTIN of Virginia. That is true. I do not say that if these young women had been very economical they might not have saved money enough to get home, but they were brought here by the Government; they have done faithful work; they are not dropped for their delinquencies or anything of that sort whatsoever, but are discharged by the Government summarily and unexpectedly, and I say some consideration should be paid to them.

Mr. McCUMBER. I do not want——

Mr. MARTIN of Virginia. As I said just now to the Senator from Michigan, the Senator could not discharge his coachman or cook under the law without a month's notice or without paying a month's wages.

Mr. McCUMBER. I do not want to allow the statement that they have done faithful work to go unchallenged.

Mr. MARTIN of Virginia. If they have not——

Mr. McCUMBER. One moment. If the Senator means that they were willing to do faithful work, I will accept that statement, but as a matter of fact we have had 50 per cent more clerks than could be used, and a great many of them were lying around and doing almost nothing, some of them not half a day's work each day, simply because there were too many of them. They were crowded in the offices, and there was no room for them. I am willing to pay those the cost of sending them back home.

I am not criticizing the bill because of that, but I do criticize the method of employing 50 per cent more than we need in our departments. I especially think the bill is meritorious because I know a great many people had only just arrived here and had to do a week's work and were discharged. Of course, we should send them back home and pay their expenses home, but I do not want it to go unchallenged that all these people here had plenty of work to do.

Mr. President, I wish to offer an amendment.

Mr. MARTIN of Virginia. I will be glad if the Senator will wait until I get through with my remarks.

Mr. McCUMBER. I thought the Senator had concluded. I beg the Senator's pardon.

Mr. MARTIN of Virginia. Mr. President, it is young women chiefly and not men who compose the class intended to be benefited by the bill, and those who make up the class under the provisions of the bill are the young women who are here working, some of them, it is true, at a fair compensation, but a great many of them in these war times at $75 a month. For instance, I know personally of a young woman of high qualifications who has been working for $75 a month, with the expense of living in the city doubled. I am not surprised that they find themselves when leaving the Government service without any money to buy a ticket home.

Mr. SMITH of Georgia. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Georgia?

Mr. MARTIN of Virginia. I do.

Mr. SMITH of Georgia. I had brought to my attention the fact that there are a great many young women here who are making from $900 to $1,000 a year, who thought they were going to work 12 months longer and have not saved anything. I am not defending their having been brought here. I think the Government would have been just as well off if 25 per cent of them had never come, and they would have been a great deal better off if they had stayed at home. Every time one writes to me from my State about coming I write back, "Do not come; you are better off at home. I urge you to stay."

But I want to say to the Senator that I know there are a great many of these girls who do not get more than $900 to $1,000 a year. They thought they were here for at least 12 months more, and they have not saved anything. I believe it is a wise course to help them to go home, and I should be glad to have them go by the early part of January.

Mr. SMITH of Maryland. Mr. President, I desire to say that the fact is that these ladies are here without money and they can not get home unless they are provided with money by the Government.

Mr. SMITH of Georgia. That is absolutely true. The girl who has tried to live here for nine months past on $900 could not have saved anything. The Government is to blame for bringing them here; that is the truth about it. There was not any necessity for bringing a great many of them here. Government officials had no business advertising for them and begging them to come. A good many of them came because they thought——

Mr. MARTIN of Virginia rose.

Mr. SMITH of Georgia. The Senator from Virginia yielded to me.

Mr. MARTIN of Virginia. I did, and I am not complaining at all.

Mr. SMITH of Georgia. I merely wish to make this further statement. We advertised all over the country, urging them to come, and a good many of these girls really thought they were coming here to work and to help whip the Germans just as were the boys who went into the Army. I did not agree with them. I thought they would have better helped to whip the Germans if they had stayed at home. The Government, however, is responsible for their presence here, and I think it is as little now as we can do to help these girls, if they quit work by the middle of January, to go home. I hope Senators will vote for that. The truth is, I should have been willing to give them 30 days' pay and transportation home.

I thank the Senator from Virginia for yielding to me. I merely wanted to make the statement which I have made.

Mr. NORRIS. Mr. President, will the Senator from Virginia yield to me?

Mr. MARTIN of Virginia. I will.

Mr. NORRIS. Mr. President, I want to suggest to the Senator from Virginia that, in addition to the reasons he has given in favor of this legislation, it strikes me that he might well have also stated that another reason why a great many of these girls find themselves now without money enough to go home is that they have subscribed for bonds, and are now paying for those bonds on the installment plan. They have answered the call of the Government in that respect. I presume that 95 per cent of them—perhaps 99 per cent of them—have subscribed to liberty bonds. That is one of the reasons why they find themselves without money. They have not only subscribed for other issues, but they have subscribed for bonds of the fourth loan, for which they are now paying on the installment plan.

Mr. MARTIN of Virginia. Mr. President, no doubt there has been some surplus of clerks in Washington, but we have all got into the habit of making very reckless charges about there being two or three times as many clerks here as are needed. I do not believe it. I believe there has been some abuse in that regard, but surely we can not visit that on these girls who have, in my opinion, done faithful, honest, and efficient work. The young women employees in the departments in this city are, so far as I know, entitled to thanks and commendation from the country for the excellent work which they have done. They now find themselves suddenly dropped from the pay roll; they are here in the city of Washington without means to get home. I can not think it possible that any considerable number of Senators on the floor of the Senate will be willing to deny them transportation back home when their services are suddenly and unexpectedly dispensed with. As I said a moment ago, one can not dispense with the services of his coachman or his cook in that way. By the law of the land you are compelled to give them a month's notice or pay them a month's wages.

These young ladies who are working for the Government in these departments and are summarily ordered home, under the provisions of this bill will not receive transportation home if they have been delinquent in any respect. The bill provides on its face that they must be dismissed by the Government; they are not leaving voluntarily, but in cases where they have been guilty of no negligence or fault of any sort, but are suddenly and unexpectedly dismissed from the service, they are to be given transportation home.

I can not conceive of any good reason why that should not be done. I think I may safely say that every Senator on this floor knows that if there are any who have been struggling to keep down expenses and to protect the Government Treasury from unjust raids, I am one of those who have been engaged in that work; and yet I never more earnestly advocated anything in my life than I now advocate that these young women who came here to serve the Government and have done so faithfully be transported to their homes. They have been suddenly discharged, and in justice to themselves and in accordance with the usages of the country and of all civilized countries, they ought not to be summarily dismissed without any consideration whatever. We merely furnish them transportation home; it is not money which is to be given to them, but it is a ticket home, which is nontransferable, and a penalty of $100 is imposed on any one of them who tries to sell the ticket. They are also required to use the ticket within five days after they have received it. We thus do justice to these young ladies, and at the same time relieve this city from a congestion which is very serious, very painful, and very inconvenient to all the people who live here or who have to come here for any purpose.

I never presented a bill to the Senate in my life that I felt was more meritorious and more just than this bill to transport these young women to their homes when they have come here to serve the Government, and have served it faithfully. No one

can receive any benefit under the provisions of the bill unless her work has been faithful and satisfactory.

Mr. WARREN. Mr. President, I desire to ask the chairman of the committee if he does not think that the passage of this measure will lead to a better treatment of the whole matter, resulting in the earlier discharge of these employees? Many of them lack the money with which to get home, and so the disposition on the part of those in the department under whom they are working will be to retain them. Will this not have the effect of securing the discharge of such employees earlier and sending them home, and in that way work in the interest of economy?

Mr. MARTIN of Virginia. I have no doubt of it. If I were the head of one of the departments I have no hesitation in saying that I would put off as long as I could the discharge of one of these young women when she had done faithful work and I knew that she was without the means with which to get home.

Mr. WARREN. So would I. And now, Mr. President, I desire to ask the Senator from Virginia another question. Is it not better for the morale of the departments to dispense with the services of these no longer needed employees at as early a date as possible, and, in doing so, to accord them the same consideration which they would receive if they were in private employment?

Mr. MARTIN of Virginia. Beyond a doubt.

Mr. WARREN. As the Senator from Virginia has said, nobody turns his employees out without a crust; they do not turn them out without having the means to get home. It seems to me that the departments ought to immediately proceed to reduce their force to the lowest possible point. That would be better for the finances of the Government, better for the clerks who are to be discharged, and better for the morale and the work of the employees who still remain in the departments.

Mr. MARTIN of Virginia. Beyond a doubt that is true. Before I take my seat, let me say to the Senator from Idaho [Mr. BORAH], who, I think, suggested an amendment to limit the operation of this bill to January, that a great many of these young women can not be dispensed with, though many of them can be.

Mr. BORAH. Mr. President, let us put the date at January 15. It will not take long to pass another bill. If we put it over until the 31st day of March the discharge of these employees will be very slow until about the 25th day of March.

Mr. MARTIN of Virginia. I will say to the Senator from Idaho, Mr. President, that 5,000 of these employees have been discharged, and I do not think there is any reason to suppose that the discharge of others will be very slow. I think there is an earnest desire in all of the departments to dispense with the services of the employees who are useless. I think we had better not take "two bites at a cherry"; that we had better provide to meet this evil while we are at it. The demonstration here this evening shows that it is not so certain about our passing another bill. When this bill shall have been passed I think Congress will feel that it has met its responsibility and will not be likely to pass another. I think the bill as it passed the other House and as it has been reported from the Senate committee makes a very reasonable provision for this whole matter. I hope the Senator from Idaho will not insist on an amendment, but will let the bill go through as it is. I think it relieves a real necessity, an urgent and immediate necessity; that it is demanded by justice and fair dealing. The bill ought to be passed for that reason, as well as for the purpose of relieving the congestion in this city.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Kansas [Mr. CURTIS].

Mr. McCUMBER. I desire to offer an amendment to the amendment, but I was waiting until the Senator from Virginia had completed his remarks.

Mr. President, I do not think there is anyone in the Senate who objects to the passage of this bill in a proper form. Personally I can see quite a little difference, however, between granting this right to those who have served a year and a half and those who have served but three weeks. I know a couple of girls who came from my State who have only served three weeks, who now find that they must return home. If the Government pays the price of their tickets one way they will not be even; they will still be at a loss.

There ought to be some limitation, it seems to me; a general stopping point. The Senator, of course, thinks that it ought to be granted to everyone who has been in the service since the 6th day of April, 1917. I think that I ought to ask, in all fairness, why that right ought not to be also granted to the men who have come here to labor and who have been here for nine months or over?

Mr. MARTIN of Virginia. This legislation is not limited to women. I merely stated that they were to be its chief beneficiaries.

Mr. McCUMBER. I know; but here is an amendment that applies to laborers; and as it applies to laborers, I suppose that most of them are men, and the amendment offered by the Senator from Kansas provides that only those may receive the benefit of the legislation who have secured less than 90 days' work.

Mr. President, I think probably one of the strongest arguments against the claim of the suffragettes that the women of the country can not receive fair consideration by the male sex is the very fact that you grant them a privilege far more liberal for them than you are proposing to grant to the laborers. The laborers who came down here, according to the statement of the Senator from Kansas, were actually receiving very much less per diem than these girls were receiving, and it costs just exactly as much for one of these men to go back to Kansas as it would to send women back to Kansas. Why should you make the distinction by granting the right to but one class? I assume that if you adopt this amendment you are making a different rule—a far less favorable rule—wherever it applies to laborers.

Mr. CURTIS. Mr. President——

Mr. McCUMBER. I yield to the Senator from Kansas.

Mr. CURTIS. I inserted in my amendment the limit of 90 days because in all of the letters received by me it was stated that none of the men had been given over 30 days' work, and I thought if I limited it to 90 days it would cover the cases complained of and that it would be fair to all concerned.

Mr. McCUMBER. Yes; but the Senator from Kansas can not fail to see the inconsistency in the bill itself, as it will be should his amendment be adopted, for it will then provide that Government employees receiving $1,400 a year will receive this benefit, even though they have rendered service for a year and a half, while those who came down here and could only get 95 days' Government work must pay their own way back. I certainly think it is very far from right.

But what I rose for particularly, Mr. President, was to call the Senator's attention to what I believe is an error in his amendment that ought to be corrected. The amendment proposes to add a new section, as follows:

SEC. 7. That the provisions in this act shall apply to the men who were offered employment by an agent of the Department of Labor or other governmental department, and who were taken from their homes under a promise of employment, but who were given less than 90 days' employment.

What is meant by the words "given less than 90 days' employment"? If one leaves his employment after 10 days or 3 days because he does not like the kind of work, he has had less than 90 days' employment. I suggest to the Senator that we ought not to grant this privilege to those who refused to perform any service; and I suggest as an amendment that he strike out the words "who were given less than 90 days' employment" and insert in lieu thereof the words "who were unable to secure more than 90 days' service under Government employment." That would make clear and definite that it applies only to those who did not leave of their own volition.

Mr. CURTIS. Mr. President, the difficulty with the Senator's amendment is that these people did not work for the Government after they were brought East. They were induced to leave home at the request of Government agents to work for private concerns which were engaged on Government contracts.

Mr. McCUMBER. Very well. Then, if they were not employed under the Government, let it read, "who were unable to secure more than 90 days of such service." What I want to do is to protect the Government against sending back to Idaho or to California or anywhere else those who came here and refused to work when they got here.

Mr. CURTIS. In answer to a question asked by one of the Senators on the other side, I stated that it was my intention to cover only such persons as had come East in good faith and had been deprived of employment by reason of the fact that there was nothing for them to do. I did not intend that the amendment should apply to those who left their employment of their own volition, and so far as I am concerned I will accept any amendment the Senator may suggest along that line.

Mr. McCUMBER. Well, I suggest that there be stricken out the words "but who were given less than 90 days' employment" and insert "but who were unable to secure more than 90 days' employment."

Mr. CURTIS. That is perfectly satisfactory to me.

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota to the amendment of the Senator from Kansas.

The amendment to the amendment was agreed to.

Mr. THOMAS. Mr. President, I should like to inquire of the Senator from Kansas what legal authority is possessed by any representative of the Government to guarantee anybody a year's work?

Mr. CURTIS. There is no such authority reposed in anyone; but the Senator will remember, if he visited any of the motion-picture shows, that there was thrown on the screen an invitation to labor not to accept any position except one tendered through an agent of the Government.

Mr. THOMAS. Yes; I saw that.

Mr. CURTIS. Then, the Four Minute Men, who were sent out to talk to labor, stated to the men that they would be unpatriotic if they accepted any employment that was not tendered them through the Government; and agents of the Government, apparently properly authorized, appealed to men in Kansas, Colorado, and other States, saying, "If you will go East and work in the factories or help erect buildings, you will have at least one year's employment," and they went for that reason and with that understanding.

Mr. THOMAS. Let me ask the Senator whether, if they had that power and authority, we should not pay these men for one year's work instead of sending them home?

Mr. CURTIS. I think not. They will be perfectly satisfied if they get their transportation home. As one man said, he had lost five weeks, but he asked nothing for that.

Mr. THOMAS. Let me ask the Senator how many men this amendment will probably cover?

Mr. CURTIS. I stated a moment ago that I did not know; but I have in my possession letters from 12 men.

Mr. THOMAS. Would this amendment cover the case of men who had never come to Washington at all, but who, for example, were sent from San Francisco to Seattle or from Denver to Topeka?

Mr. CURTIS. This amendment is intended to cover just that class of men. The men I have in mind went to Curtis Bay, Md., instead of coming to Washington.

Mr. THOMAS. Then, does not the Senator see that this amendment, if given such general application, would in all probability result in great abuse of a kind which it would be practically impossible for the Government to guard against, and that it would entail an enormous additional charge upon the Treasury?

Mr. CURTIS. Well, Mr. President, the men would be required to make a showing that they left their homes and reported at some other place and had done some work.

Mr. THOMAS. That is the easiest thing in the world to do.

Mr. CURTIS. Then, the matter could be traced back to the State from which they came, or their testimony could be taken. It would be easy to show whether or not they were asking for the relief in good faith.

Mr. THOMAS. That is the easiest thing in the world to do, and it is quite as easy to assume that the statement would be made that they were promised in some way a year's work. Apart from the fact that I think this bill is entirely wrong, my principal objection to this amendment is that it opens the door for enormous probability of abuse, and will result in all probability in the expenditure by the Government of several million dollars.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kansas as amended.

Mr. CURTIS. I ask for a division.

On a division the amendment as amended was rejected.

Mr. BORAH. Mr. President, I move to strike out the words "March 31," in line 14, on page 1, and insert in lieu thereof "January 15."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 1, line 14, it is proposed to strike out "March 31" and in lieu thereof to insert "January 15."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Idaho.

Mr. MARTIN of Virginia. Mr. President, just a moment. I merely wish to say that I hope the amendment will not be adopted. It is impossible for these clerks to get through with the necessary work of the Government by the 15th of January. If we are going to give them any relief, I do hope we will give them relief that will amount to something.

Mr. BORAH. Mr. President, if the clerks are needed here until the 31st of March, there is very little reason for giving them transportation home. The theory is that they are being suddenly discharged by reason of the unexpected condition which has arisen. There are many of them, hundreds of them, who will go now if they understand that they must go now or not get transportation home. The amendment I have offered would give a month in which the services of these people could be dispensed with.

Mr. MARTIN of Virginia. There are 30,000 of them who are not needed permanently, but the Government can not dispense with the services of 30,000 of these clerks within the next month.

Mr. BORAH. Mr. President, of course we will not dispense with the services of 30,000 clerks within the next month, but we could dispense very easily, in my judgment, with the services of 10,000 of them, and perhaps that is all whose services will be dispensed with until the departments are forced to discharge them all.

Mr. MARTIN of Virginia. Oh, no.

Mr. BORAH. I wish to call attention to another matter in this connection. We have started out here apparently with a view to economizing in a reasonable way in governmental expenditures. I am perfectly willing to pay the transportation home of the clerks if they are going home, and going at once or as soon as the Government is through with their services; but I am not willing that they shall stay here and work for two or three months and then have the Government pay their way home, taking into consideration the kind of work which will be performed for the next two or three months. There is not sufficient disposition on the part of the departments to curtail these expenses. The same spirit of extravagance which characterizes bureaucracy at all times characterizes it now, and unless we ourselves fix a limit there will be no limit put on in regard to these matters.

I was told a few days ago, Mr. President, that when the war ended the Government had typewriting machines piled up in the different places by the hundreds, and even by the thousands, and there was a question as to what could be done with those typewriters—how they could be disposed of. Now, I learn from the Government Advertiser, which has come in within the last two days, that the Government has just purchased 385 Remington and 2,510 Underwood typewriters, at a cost of $170,387.50, with literally hundreds or thousands of typewriters piled up in different places in Washington, some of them never used at all and some of them just as good as they were when they were new. That is the kind of shameless extravagance that is going on here all the time. Why continue this relief for two or three months, when these girls should be home for Christmas and serve their Government and their families and themselves by being at home? Let us put a limit and start the hegira now.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Idaho. [Putting the question.] By the sound, the ayes appear to have it.

Mr. MARTIN of Virginia. I ask for a division.

On a division the amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. TOWNSEND. Mr. President, I wish to ask the Senator from Virginia a question about this bill. The Senator has presented a strong case, stating that many of these employees are practically without means; that they have not any funds with which to return home; that we want to get rid of them; and that it is necessary to pass this bill in order to accomplish that purpose. How is this bill going to become a law? Does the Senator know?

Mr. MARTIN of Virginia. Mr. President, I am concerned about the exercise of my own duty; I am not troubling myself about the exercise of the presidential duty. If the Senator wants to know anything about that, he has the same opportunity to find out that I have.

Mr. TOWNSEND. Well, it is a mighty poor one that I have.

Mr. MARTIN of Virginia. Well, I have none. I do not know at all. I merely know that I have advocated and propose to continue to advocate such bills as I think are just and right, and if they fail to become laws it will be through no fault of mine. My duty is finished when I vote for them in the Senate.

Mr. TOWNSEND. I do not question the sincerity of the Senator, and I quite agree with him that it is proper for Congress to proceed to discharge its duty as it sees fit; but I am nevertheless curious in regard to this matter, and I thought the Senator might be able to enlighten me, especially as he is urging, as other Senators have urged, emergency legislation and insisting that something must be done now. It is in my thought, however, that nothing can be done now, for the President does not expect to get back here until spring, which will be after these people have suffered and perhaps died—too late for this relief to reach them.

Mr. MARTIN of Virginia. The Senator apparently knows more about that than I do. I do not know whether the President will be back in the spring or before that time. I am not speaking for the President; I do not know when he will return; but I propose to discharge my duty on the floor and rely on him to discharge his in the Executive chair.

Mr. SUTHERLAND. Mr. President, I should like to ask the Senator from Virginia, if this bill is passed, is it at all likely that the payments under it will be made within any reasonable time? If they are not made quicker than payments are made under the war-risk insurance act, the beneficiaries of the bill will hardly get any relief from it.

In this connection, Mr. President, I should like to read a telegram from Fairmont, W. Va., dated to-day and directed to me, as follows:

Many wives and mothers of men in the service have received no funds from the War-Risk Bureau for four months. They do not want loans from the Red Cross, but the money due them from the Government. As Christmas draws near the situation becomes critical. Can you help us?

Mrs. Jos. Rosier,
Chairman Civil Relief.

It seems that the War-Risk Bureau are behind four months in the payments to the beneficiaries who are the dependents of soldiers serving on the other side, and there is great complaint upon that score. While we are taking care of the temporary clerks in the departments here, many of whom are deserving, something should be done, if possible, to remedy this situation which is very acute and very critical.

The PRESIDING OFFICER. The question is, Shall the bill be read a third time?

The bill was read the third time and passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. LA FOLLETTE. Mr. President, I ask leave to submit a minority report (S. Rept. 617, Pt. 5) upon the pending bill.

The PRESIDING OFFICER. The views of the Senator will be received and printed.

EXECUTIVE SESSION.

Mr. SIMMONS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Saturday, December 14, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate December 13 (legislative day of December 12), 1918.

FEDERAL TRADE COMMISSION.

Huston Thompson, of Colorado, to be a member of the Federal Trade Commission for the term expiring September 25, 1919, vice Harris, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 13 (legislative day of December 12), 1918.

ASSISTANT APPRAISER OF MERCHANDISE.

Martin F. Tanahey to be assistant appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N. Y.

POSTMASTERS.

ILLINOIS.

Katherine Adams, Riverton.

LOUISIANA.

Chester A. Thompson, Ville Platte.

VIRGINIA.

Rose A. Milligan, Urbanna.

REJECTIONS.

Executive nominations rejected by the Senate December 13 (legislative day of December 12), 1918.

POSTMASTERS.

GEORGIA.

Henry M. Miller, Colquitt.
Walter W. Daves, Cartersville.

HOUSE OF REPRESENTATIVES.

FRIDAY, *December 13, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

O Lord, our Lord, how excellent is Thy name in all the earth. We thank Thee, O God, for the testimony of Thy truth upon the earth, and ask Thee to bless us in our part of its propagation. We would thank Thee this morning that in Thy providence the President of the United States has arrived safely overseas. We pray that in the councils of the nations he may be guided by wisdom, truth, and courage. Be with us this day, we pray Thee, in the homeland. Guide our steps aright and lead us into paths of service and of light, for Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BRAND, for four days, on account of illness.

To Mr. CLARK of Florida, for one day, on account of illness.

To Mr. LUNN, for 10 days, on account of important business.

To Mr. ASHBROOK, indefinitely, on account of the illness of his wife.

To Mr. PRICE, for 10 days, on account of important business.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bill and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 4785. An act to incorporate the American Committee for Relief in the Near East; and

S. J. Res. 194. Joint resolution directing the United States Housing Corporation to suspend work upon all projects where construction is not more than 75 per cent completed and to cancel all contracts for furniture, and for other purposes.

SENATE BILL AND JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate bill and joint resolution of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 4785. An act to incorporate the American Committee for Relief in the Near East; to the Committee on the Judiciary.

S. J. Res. 194. Joint resolution directing the United States Housing Corporation to suspend work upon all projects where construction is not more than 75 per cent completed and to cancel all contracts for furniture, and for other purposes; to the Committee on Public Buildings and Grounds.

PAY OF WOUNDED SOLDIERS.

Mr. MANN. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, the other day I called attention to a telegram I had received from West Baden, Ind., stating that the soldiers at the hospital had not been paid for many months. Yesterday the gentleman from Kentucky [Mr. SHERLEY] inserted in the RECORD a letter from Gen. Lord giving his statement in reference to the matter of the pay of overseas soldiers, and saying that he would have an officer sent to West Baden. I received yesterday a telegram from Virginia relating to the same subject which I would like to have read.

The Clerk read as follows:

RICHMOND, VA., *December 12, 1918.*

Hon. JAMES R. MANN,
Washington, D. C.:

Your statement in Congress in regard to pay of wounded men is absolutely confirmed by men returned to hospital here. Men with whom I have talked stated that they are in arrears from 5 to 11 months. Large proportion of them are entirely without money except such as have telegraphed for and received money from home. Since their return the people of Richmond who know of this condition are outraged at the treatment of the men at the hands of the War Department, and sincerely hope that your action in Congress will cause the injustice to be remedied.

HENRY E. BASKERVILLE.

Mr. MANN. Mr. Speaker, I appreciate the difficulties which the War Department encounters in paying these men who are detached from their regular organizations. And yet it does seem to me that they ought to find a way by such investigation as may be necessary to pay at least something to all the men returned and sent to the hospitals, so that a man at a hospital may have at least a little money. Gen. Lord explains what they are doing, but unless the men are paid the injustice exists.

Mr. GARNER. Will the gentleman yield?

Mr. MANN. Yes.

Mr. GARNER. I agree fully with the gentleman from Illinois that every effort possible ought to be made to get the money to these men, and especially those in the hospitals, where they ought to have all the assistance possible. But does not the gentleman realize that everything possible is being done, and does not the gentleman know that Gen. Lord is one of the ablest men in this country and that he is responsible to the War Department for this particular work? I want to say that I do not think there is any more intelligent, patriotic, or efficient man in the War Department than Gen. Lord.

Mr. MANN. I never heard of Gen. Lord until I saw his name in print. But if he is able and efficient, as I have no doubt he is, and if he is an able executive Army officer, and I have no doubt of that, yet the fact remains that these men are not being paid. Gen. Lord or the Secretary of War, or somebody else, ought to change the present arrangements so that they can be paid.

Mr. MADDEN. If the gentleman will yield, I have a letter from a soldier this morning, and he sets forth the fact that he made an allotment to his wife, that his allotment has been deducted from his pay, but that she has not had a dollar since last July and neither has he.

Mr. DOWELL. The statement made by the gentleman from Illinois is not only true in that case, but in thousands of other cases. It seems that this department has not made any attempt to pay the wives of soldiers, and they will not even answer the correspondence when these wives send letters.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to proceed for two minutes along the line suggested by the gentleman from Illinois.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. Mr. Speaker, at the present moment, in the Committee on Appropriations, before the legislative subcommittee, hearings are in progress, and have been since 10.30 this morning, for appropriations for the War Risk Bureau. Mr. Herbert Brown, now in charge of that work, has been testifying as to the difficulties that have been encountered by the bureau in making allotment pay to the wives and to the dependents of our enlisted soldiers. There have been great difficulties, according to his testimony, confronting the bureau in the allotment of pay to wives. There are instances where pay has not come to the wives of the soldiers of our enlisted men. They are rare, but are occasioned by the difficulties of administration. These mistakes are being ironed out. There is a tremendous task imposed on the bureau in this award of allotment of 4,000,000 soldiers. According to the testimony one-third of the entire enlisted force have made allotments to wives and dependent mothers. In many cases, as I recollect, 18,000 allotments to dependents in class B, so called, mothers, fathers, brothers, and sisters, had to be canceled because they were not warranted by the facts, which involved a saving of $500,000 to the Government. It is a great task, and a greater task is going to fall on the bureau by reason of the discharge of the men—30,000 a day—where allowances or compensation are to be awarded; but these allotments are going on and methods are being arranged whereby they can pay the money for all these claims. There are great difficulties that confront the bureau in the administration of this stupendous work. It is easy enough to pick out individual instances where they have received no allotment, but we know that they are the rare exception and that the wives have generally received allotments in due season.

I hold no brief for Mr. Brown, but I do know that they are employing clerks by the thousands in order to pay the allotments and pay the insurance that will come due and the compensation to those who have been injured.

Mr. RUCKER. Mr. Speaker, I ask unanimous consent to address the House for two minutes and a half.

The SPEAKER. Is there objection?

There was no objection.

Mr. RUCKER. Mr. Speaker, in connection with the remarks that have just been made I want to say that I have some information which I regret to say I do not feel privileged to give in full—that is, I do not feel authorized to give the name of my informant. I will state that the party who gave the information is not a Member of Congress, but is an employee of the Government. If the report which reaches me through channels which I think are reliable is true, one trouble down at the War-Risk Bureau arises from gross negligence and almost the criminal conduct of some one in authority in that bureau. I speak plainly. If an investigation should be had—I state upon my official responsibility—I believe I can furnish unquestioned and satisfactory proof of the fact that while the boys were in the Army fighting more than 300,000 letters, many of them containing allotments, applications for allowances, applications in behalf of widows and wives who had been deserted, and all that sort of thing, were dumped into a heap and left there without having been opened, and when some clerk discovered this and opened up three or four thousand of them some one higher in authority said that no more of those letters should be opened, because it was making too much work. I do not assert that this is true on my personal knowledge. I do not personally know that it is true, but I do say that if an investigation should be had I shall apologize to the House if I can not furnish proof to verify what I have stated here this morning. Every mail brings to each and every one of us letters from wives and from mothers by the dozens, showing that they have received nothing for months and months, and to the extent that gentlemen are decrying against that sort of conduct, I indorse it from whatever source it comes. It ought not to be so. That bureau has the largest force of any bureau in the Government and ought to perform its duties.

Mr. MADDEN. And they are increasing it all of the time.

BOARD OF REGENTS, SMITHSONIAN INSTITUTION.

Mr. SLAYDEN. Mr. Speaker, I ask unanimous consent for the present consideration of Senate joint resolution 187, providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, by reason of the death of Hon. Charles Warren Fairbanks, of Indiana, be filled by the appointment of Robert S. Brookings, of Missouri.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SLAYDEN, a motion to reconsider the vote by which the resolution was passed was laid on the table.

NATIONAL SECURITY LEAGUE.

Mr. JOHNSON of Kentucky. Mr. Speaker, in the absence of the gentleman from Georgia, Judge PARK, who is the chairman of the Committee on Accounts, I am directed by that committee to report House resolution 476, which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

Resolved, That all expenses that may be incurred by the special committee under H. Res. 469, adopted December 10, 1918, authorizing said special committee to make certain investigations set out in said resolution, to an amount not exceeding $25,000, shall be paid out of the contingent fund of the House of Representatives on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts, evidenced by the signature of the chairman thereof.

Also that the committee be, and hereby is, authorized to have done such printing and binding as, in the opinion of the committee, may be necessary; also that the committee may sit during sessions of the House.

The SPEAKER. The question is on agreeing to the resolution.

Mr. ROBBINS. Mr. Speaker, I would like to have explanation of what this is. It is not exactly clear to me.

Mr. JOHNSON of Kentucky. This is providing money to make the investigation of the National Security League.

Mr. GARNER. Mr. Speaker, does the gentleman think that the committee will use $25,000?

Mr. JOHNSON of Kentucky. I have no idea of how much will be used, but I hope the committee will not use that much. I think I can assure the gentleman that the committee will be as economical as possible.

Mr. GARNER. I realize from the personnel of the committee that it will be economical, but it occurs to me that $25,000 is rather a large sum to begin with. Of course the committee may need that much money to conduct the investigation, but it occurs to me that $10,000 would be all the money they would need unless the investigation is going to lead further than anybody now anticipates.

Mr. JOHNSON of Kentucky. Mr. Speaker, the matter has already arisen in the committee as to whether or not the committee will be compelled to go to New York and also to Chicago. If so, the railroad fares and the hotel bills are going to come pretty high.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. GARRETT of Tennessee. The resolution as reported from the Committee on Accounts does not limit in any way the character of the assistance that the committee may employ.

Mr. JOHNSON of Kentucky. I will say to the gentleman that in that respect this is a copy of the resolution that was adopted when the committee made the East St. Louis investigations.

Mr. GARRETT of Tennessee. If the gentleman will permit, the resolution upon which the report from the Committee on Accounts was predicated in that instance fixed the matter of the clerical employment or the employment of counsel. The report from the Committee on Rules in that case, if I may be permitted, provided that the committee should have authority to employ such legal and clerical assistance as it might require. The resolution which was brought in by the Committee on Rules this time made no such provision.

Mr. JOHNSON of Kentucky. I can say to the gentleman the committee is not going to employ any attorney.

Mr. GARRETT of Tennessee. Perhaps it ought. It might find itself in the position——

Mr. JOHNSON of Kentucky. That question was brought up in the committee, and the committee was unanimous upon that point, that it would not employ an attorney as such.

Mr. GARNER. Does the gentleman anticipate the employment of counsel in this case?

Mr. JOHNSON of Kentucky. I do not.

Mr. GARNER. This is merely for the expenses of the witnesses.

Mr. JOHNSON of Kentucky. If whoever should be employed as a clerk should happen to be an attorney he would be employed as clerk and not as an attorney.

Mr. GARNER. The expense largely devolves, I assume, on clerical assistance of the committee and the expenses of the committee in New York or Chicago and the expenses of witnesses brought to testify before the committee.

Mr. JOHNSON of Kentucky. Yes; we may have to bring a lot of witnesses here.

Mr. GARNER. Is that the major item of your contemplated expense?

Mr. JOHNSON of Kentucky. Yes.

Mr. MANN. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I do.

Mr. MANN. I understood the gentleman to say this was a report from the Committee on Accounts.

Mr. JOHNSON of Kentucky. Yes; a unanimous report.

Mr. SANFORD. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I will.

Mr. SANFORD. When was that meeting held by the Committee on Accounts?

Mr. JOHNSON of Kentucky. This morning.

Mr. SANFORD. Without notice?

Mr. JOHNSON of Kentucky. Upon notice received by me yesterday from the chairman of the committee, Judge PARK.

Mr. SANFORD. No notice was received by me, and I think I was entitled to notice.

Mr. JOHNSON of Kentucky. I will say to the gentleman I got my notice yesterday, a written notice, and when I got to the committee room this morning the clerk of the committee said the chairman of the committee would not be present, and as I was the next on the list I was asked to preside; and the clerk also said that the gentleman had resigned from the committee——

Mr. SANFORD. I have not resigned from the committee; I am a member of the committee and was entitled to notice and should have had it. Will the gentleman tell me how many members of the committee were present?

Mr. JOHNSON of Kentucky. About the resignation I know absolutely nothing——

Mr. SANFORD. I do. Will the gentleman kindly tell me how many members of the Committee on Accounts were present when they reported this resolution?

Mr. JOHNSON of Kentucky. There was a quorum.

Mr. SANFORD. Does the gentleman mind telling me how many?

Mr. JOHNSON of Kentucky. I think there were five.

Mr. SANFORD. That is not a quorum, I believe.

Mr. JOHNSON of Kentucky. The clerk of the committee announced there was a quorum.

Mr. SANFORD. I do not know that is the clerk's business.

Mr. JOHNSON of Kentucky. Yes; that is the clerk's business.

Mr. MANN. I understood the gentleman to say the special committee had decided it would not have an attorney.

Mr. JOHNSON of Kentucky. Yes.

Mr. MANN. Then I should think, with all due deference to the special committee, it might be able to tell better whether it needed an attorney after getting into the investigation.

Mr. JOHNSON of Kenucky. Well, I think so, too; and, as I said when the committee took that action, the committee could reverse itself afterwards and employ an attorney if it should find it necessary, but it is the present purpose of the committee to get through without counsel, if possible.

Mr. ROBBINS. May I ask the gentleman from Kentucky a question? Inasmuch as you are going into this without counsel, may I ask who the committee are?

The SPEAKER. The Chair announced the committee, and it is in the RECORD.

Mr. JOHNSON of Kentucky. I refer the gentleman to the RECORD.

Mr. HAMILTON of Michigan. Will the gentleman yield for a question?

Mr. JOHNSON of Kentucky. I do.

Mr. HAMILTON of Michigan. What is the history of these investigations? Do committees generally use up the whole amount authorized?

Mr. JOHNSON of Kentucky. I can say I have served on but one, and in that instance the committee did not use all the money.

Mr. HAMILTON of Michigan. I suppose it is something of a temptation?

Mr. JOHNSON of Kentucky. I do not think so at all.

Mr. STAFFORD. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I do.

Mr. STAFFORD. It has been my distinct privilege to serve on two of these committees, one the very noted Mann committee to investigate pulp and paper manufacture, which I believe established a record as to expenditure, and, though we labored for 10 months, the total expenditures did not exceed $10,000. It was also my privilege to serve on the Mulhall, the famous Michael Martin Mulhall investigating committee of which the distinguished gentleman from Tennessee [Mr. GARRETT] was the chairman, and I believe that our total expenditures did not exceed in that instance, though we labored for many months, $10,000.

Mr. GARRETT of Tennessee. Three thousand five hundred dollars was the total expenditure.

Mr. STAFFORD. The gentleman from Tennessee advises me $3,500, so I do not believe there is any basis for the claim that there is any undue desire on the part of Members of Congress to use all the amount of money that has been authorized. The same way also with the St. Louis investigation. I will inquire of the gentleman from Kentucky, because I know it was not a very expensive investigation, what was the total expenditure in that case?

Mr. JOHNSON of Kentucky. I will say that was somewhat expensive for the reason the committee sat nearly five weeks over at East St. Louis, and our stenographer's bill was $1,700 or $1,800; and I recall perfectly well that when the first hotel bill was presented to me it was over $1,600, and it jumped me very considerably. Out of $7,500, if I remember correctly, that committee spent about $6,000.

Mr. STAFFORD. That certainly was not a large amount, considering the time devoted to the work and that most of the work was in St. Louis, away from Washington, where hotel expenses had to be paid.

Mr. GARRETT of Tennessee. Mr. Speaker, if the gentleman will permit just a moment, I have no objection to the resolution, but I did desire to call attention to this condition. Always, until now, when bringing in a resolution providing for the appointment of a special committee, the Committee on Rules has provided that it should have clerical assistance or should have authority to employ counsel if it should find it necessary. So far as I now remember, no resolution providing for a special committee during the last eight years, at least, has failed to carry that provision. This resolution did not carry that, however, because of the fact that some time since a point of order was raised when we were creating a committee of the House, the Water Power Committee. That provided that that committee should have authority to choose a clerk. The gentleman from New York [Mr. SANFORD] raised a point of order, and the Speaker felt constrained to hold that that destroyed the privileged character of the resolution. Therefore, the Committee on Rules in drafting this resolution did not make any provision of that sort. It was expected, of course, that the Committee on Accounts would define with some degree of definiteness the assistance that might be required. This resolution does not define it with definiteness, and this is no reflection upon the special committee, of course. It does not define any character of employee that that committee shall have.

Mr. WALSH. Will the gentleman yield?

Mr. GARRETT of Tennessee. The gentleman from Kentucky [Mr. JOHNSON] has the floor.

Mr. JOHNSON of Kentucky. I yield to the gentleman.

Mr. WALSH. Can the gentleman state how much the Committee on Rules expended for counsel during the Lawson leak investigation?

Mr. GARRETT of Tennessee. I think it was $15,000. That is my recollection.

All I wanted to say about this is that I believe it would be wise for both committees, if we have occasion to do anything of this sort in the future, to try to define in some specific degree what shall be employed. Of course, this House has every confidence in the committee that has been selected. It does not follow the usual form, either the one from the Committee on Rules or the resolution from the Committee on Accounts.

Mr. REAVIS. Will the gentleman yield to me?

Mr. JOHNSON of Kentucky. I will.

Mr. REAVIS. I do not believe that anybody can forecast just how many avenues this committee will have to enter in its

effort to make a good-faith and searching investigation of the proposition that is submitted to it. We are not to determine whether or not this organization has slandered Representatives or misrepresented the record of Members of this House. We are to determine, if possible, if I understand the resolution, whether or not the National Security League was organized for some sinister purpose, seeking to control the Congress of the United States for its own financial benefit and cloaking its real purpose under the garb of patriotism and loyalty. We have gone far enough in this to have learned that there are numerous avenues into which we must make search. It is not an easy proposition. I do not know how extensive it will be, but if it is worth doing at all, it is worth doing thoroughly. [Applause.] And so far as I am concerned, I would not care to serve on that committee if the committee were not given every opportunity to completely uncover the real character of the National Security League. I do not believe that it will require $25,000 to do it. I do know from my knowledge of the personnel of this committee that no part of the appropriation will be expended unnecessarily. It was suggested that it might cost that sum, and to save the committee the annoyance of coming back to Congress and asking for further appropriation, in case such action was necessary, the amount we asked covered to the limit of reasonable probability the amount of money that would be used or needed in this investigation. If you are going to limit the committee in its expenditure, in its effort to find the truth of this matter; if you are going to appoint a committee on investigation, and then so limit the appropriation that the investigation would necessarily be superficial, it would be my judgment that you would better not go into it at all.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

SESSION CLERKS TO COMMITTEES.

Mr. JOHNSON of Kentucky. Mr. Speaker, in the same capacity I present another resolution from the Committee on Accounts.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 468.

Resolved, That the Committee on Expenditures in the Department of Agriculture, the Committee on Expenditures in the Department of Justice, the Committee on Expenditures in the Department of the Interior, the Committee on Expenditures in the Department of Commerce, the Committee on Expenditures in the Department of Labor, the Committee on Expenditures in the Navy Department, the Committee on Expenditures in the Post Office Department, the Committee on Expenditures in the State Department, the Committee on Expenditures in the Treasury Department, the Committee on Expenditures in the War Department, the Committee on Public Buildings and Grounds each be allowed a clerk at the rate of $125 per month during the third session of the Sixty-fifth Congress, beginning December 2, 1918; that the Committee on Enrolled Bills be allowed a clerk at the rate of $6 per diem during the third session of the Sixty-fifth Congress, beginning the 2d day of December, 1918; that the Committee on Rules be allowed an assistant clerk at the rate of $100 per month during the third session of the Sixty-fifth Congress, beginning the 2d day of December, 1918. Salaries of said clerks to be paid out of the contingent fund of the House.

Mr. SANFORD. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Kentucky. I do.

The SPEAKER. How much time does the gentleman from Kentucky grant to the gentleman from New York?

Mr. JOHNSON of Kentucky. How much time does the gentleman want?

Mr. SANFORD. Five minutes.

Mr. Speaker, I do not think the Members of the House will permit this resolution to pass under the circumstances. In fact, I hope the gentleman from Kentucky [Mr. JOHNSON] will be generous enough to withdraw the resolution. It was pending in the Committee on Accounts a week or so ago, and at my request a special committee was appointed, of which I was a member—a subcommittee of three—to investigate the necessity for this resolution. The subcommittee met and an arrangement was made with the clerk to have present the clerks of these several committees, many of whom, to my knowledge, were not in Washington and have not been for some months. Many of the committees named in this resolution need a clerk and should have the same. Many others of the committees named in this resolution do not need a clerk, and although a clerk has been provided upon the statement of its necessity by the chairmen, for nearly a year there has in some instances been absolutely no public duty for the clerks to perform. In some cases they have used their clerks as campaign managers and wholly for political purposes, to my knowledge.

While this matter was then pending before this subcommittee it was rumored in the Committee on Accounts that I am not a member of that committee. That misunderstanding arose naturally. It was expected that I would resign from that committee. I have not done so. I am a member of the subcommittee appointed to investigate this very resolution. Therefore, the committee holds a meeting this morning bright and early, without any notice to me, on account of that misunderstanding, and reports this resolution, which it is my duty to investigate. I therefore present the matter to the House. I ask the gentleman from Kentucky to withdraw the resolution, to correct the error that has been made, and to return this resolution to the committee.

Mr. JOHNSON of Kentucky. Mr. Speaker, I will say to the gentleman from New York that at the meeting of the Committee on Accounts several days ago, to which he has referred, I was not present. I knew nothing whatever of the resolution until the meeting of the committee this morning. The clerk of the committee this morning stated to those of the committee who were present that this matter had been referred to a subcommittee and that the subcommittee had reported favorably upon the resolution. Thereupon the committee took it up and ordered its favorable report.

Mr. SANFORD. The subcommittee had not reported, to my knowledge. I tried on several occasions——

Mr. JOHNSON of Kentucky. The gentleman must give the committee credit for the information coming from the clerk. The clerk of the committee said that the subcommittee had made a favorable report on it.

Mr. SANFORD. That is my very point. There is so much misunderstanding with reference to it that I think the House would like to have it straightened out. I have tried for two days to find the clerk, and I have been at the committee room four or five times, and I could not find him. Apparently he was not looking for me, but he was on hand bright and early this morning when the committee met.

Mr. JOHNSON of Kentucky. The call for the meeting of the committee was for 10.30 o'clock.

Mr. SANFORD. But it did not include me. That is the point.

Mr. JOHNSON of Kentucky. It is my opinion, without having noticed the clock, the committee commenced the transaction of business about 15 minutes after that, or about 15 minutes of 11, which I do not regard as very early this morning.

Mr. SANFORD. This matter may not be very important. I do not know whether it is or not. But I do wish to emphasize my point of view, that the House should not act with such uncertainty and confusion, which arise wholly out of a misunderstanding. I think the gentleman from Kentucky should withdraw the resolution.

Mr. GILLETT. Mr. Speaker, will the gentleman permit a question?

Mr. SANFORD. Yes.

Mr. GILLETT. Who were the members of the subcommittee?

Mr. JOHNSON of Kentucky. I did not ask. The gentleman from New York could suggest who they are.

Mr. SANFORD. I am one of the members.

Mr. JOHNSON of Kentucky. The gentleman from Massachusetts will remember that I stated that I was not present at that meeting.

Mr. SANFORD. Mr. BRODBECK and Mr. MCLEMORE.

Mr. GILLETT. I wondered if they had made a report in the absence of the gentleman from New York.

Mr. SANFORD. I do not know. There was supposed to be a meeting of the subcommittee yesterday, but I was late in coming to it, and then I went out to find the clerk, and was not able to find him or the members of the subcommittee. I presumed that they had adjourned.

Mr. JOHNSON of Kentucky. Mr. Speaker, in view of what has been stated, I ask that the resolution be rereferred to the Committee on Accounts.

The SPEAKER. The gentleman from Kentucky asks that the resolution be rereferred to the Committee on Accounts. Is there objection?

There was no objection.

ASSIGNMENT OF CLERKS TO CERTAIN COMMITTEES OF THE HOUSE.

Mr. JOHNSON of Kentucky. Mr. Speaker, I send another resolution to the desk.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 460.

Resolved, That clerks to committees of the House during the session provided for by the legislative, executive, and judicial appropriation act for the fiscal year ending June 30, 1919, be, and they are hereby, assigned for the present session of Congress to the following committees, to wit: Committee on Education, Committee on Railways and Canals, Committee on Reform in the Civil Service, Committee on Alcoholic Liquor Traffic, Committee on Invalid Pensions (assistant clerk), Committee on the Judiciary (additional assistant clerk), Committee on Enrolled Bills (assistant clerk), Committee on Disposition of Useless Executive Papers.

Mr. SANFORD. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Kentucky. I do.

Mr. SANFORD. That is exactly in the same situation as this other resolution. I make the same request with respect to that, Mr. Speaker.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask that the resolution be rereferred to the Committee on Accounts.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that the resolution be rereferred to the Committee on Accounts. Is there objection?

There was no objection.

CONFERENCE ON WATER-POWER BILL.

The SPEAKER. The Chair desires to state that when he appointed the conferees on the water-power bill (S. 1419) Mr. LA FOLLETTE, of the State of Washington, was one of them, but for some reason, sickness, I think, in his family, he could not attend the first session of the conference committee, and the Chair appointed Mr. SINNOTT, of Oregon, in his place. Mr. SINNOTT asks that Mr. LA FOLLETTE be returned to the place, and the Chair reappoints him.

LEAVE TO ADDRESS THE HOUSE.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to proceed for three minutes.

Mr. WALSH. I want to ask the gentleman, for what purpose?

Mr. McKEOWN. I do not think a Member of this House must disclose the purpose every time he asks unanimous consent to make a few remarks. If the gentleman wants to object, he can object.

Mr. WALSH. I object.

The SPEAKER. The gentleman from Massachusetts objects.

Mr. McKEOWN. I make the point of no quorum, Mr. Speaker.

The SPEAKER. The gentleman from Oklahoma makes the point of no quorum. The Chair will count.

Mr. McKEOWN. Mr. Speaker, I will withdraw that point.

The SPEAKER. The gentleman from Oklahoma withdraws the point.

AMENDMENT TO LAWS RELATING TO THE JUDICIARY.

Mr. WEBB rose.

The SPEAKER. For what purpose does the gentleman from North Carolina rise?

Mr. WEBB. I want to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12001.

Mr. MANN. Mr. Speaker, a point of no quorum was made.

The SPEAKER. The point was withdrawn by the gentleman.

Mr. MANN. We should have order here, so that we can hear the proceedings. The gentleman must have spoken to himself when he withdrew it. Gentlemen should speak loud enough to be heard.

The SPEAKER. The Chair desires Members to speak louder.

Mr. McKEOWN. I withdrew that point, Mr. Speaker.

The SPEAKER. I know, but the gentleman from Illinois could not hear it. Hardly anybody else heard it but the Speaker.

The gentleman from North Carolina [Mr. WEBB] moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12001. The question is on agreeing to the motion.

The motion was agreed to.

The SPEAKER. The gentleman from Missouri [Mr. BORLAND] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12001) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, with Mr. BORLAND in the chair.

The CHAIRMAN. The House is in Committee of the Whole on the state of the Union for the further consideration of H. R. 12001, which the Clerk will report by title.

The Clerk read the title of the bill (H. R. 12001) to amend an act entitled "An act to modify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The CHAIRMAN. General debate being exhausted, the Clerk will proceed to read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same hereby is, amended to read as follows:

"SEC. 2. The salaries to be paid to the district judges shall be $6,500 per annum, except that in districts having a population of over 500,000 the district judge or each of the district judges appointed for those districts, respectively, shall receive annually additional compensation at the rate of $500 for each half million of population or part thereof in their respective districts, in excess of the first 500,000; which additional compensation, as the same may be ascertained, as aforesaid, in the said several districts, respectively, together with said sum of $6,500, shall be the annual salary payable to the district judge or each of the districts judges in such districts, respectively: *Provided, however*, That the salary of any district judge appointed for more than one district shall be determined on the basis of the aggregate population of the districts for which he is appointed. Such salaries shall be paid in equal monthly installments, beginning on the first day of the month next following the approval of this act, and the amount to be so paid in the several districts, under the provisions of this act, shall be ascertained by the Attorney General of the United States, from the last Federal census, and certified by him to the proper disbursing officer or officers. As soon after the 1st day of January next succeeding the taking of any future Federal census as may be practicable, any changes in such salaries, due to changes in population, shall be ascertained and determined by the Attorney General of the United States, and shall become effective on and after the 1st day of July next following: *Provided, however*, That at no time shall the salary of any district judge be diminished during his continuance in office, nor shall the salary of any district judge at any time exceed the sum of $10,000 a year."

Mr. WALSH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 1, strike out all of lines 7 to 11, inclusive, and all of page 2 and lines 1 and 2, on page 3, and insert:

"SEC. 2. Each of the district judges shall receive a salary of $8,000 a year, to be paid in monthly installments."

Mr. GORDON. I move an amendment to that amendment. The salary ought not to be more than that of a Member of Congress—$7,500.

The CHAIRMAN. The gentleman from Massachusetts has the floor on his amendment.

Mr. WALSH. Mr. Chairman, in offering this amendment I have retained the langunge of section 2 of the judicial code, with the exception of the amount to be paid as salary, and I have increased the salary paid under the present law, which is $6,000, to $8,000, making it applicable to each district judge in the United States. Now, there may be those who believe that in some districts an increase of $2,000 would not be warranted because of the amount of business that may be done there, and that in other districts it is not sufficient for the amount of business that is transacted, but I submit when you take into consideration the increases that have been made for other officials, and take into consideration the 128 judges that I believe there are, an increase of $2,000 is equitable, and it will be sufficient in those districts where business may not at the present time warrant such an increase to cover a gradual growth of business in those districts, and it will be a proper sum to pay the judges in the districts where business has increased. It will also be in conformity with the plan which has been adhered to heretofore in most of the increases that have been made, particularly in the judiciary, of putting the judges of all the districts upon the same plane as far as compensation is concerned, and it will permit the transfer of a judge to another district, and it will be known that the man who is transferred is getting the same salary.

Mr. RUCKER. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Missouri.

Mr. RUCKER. Does the gentleman's amendment propose to increase the salaries now written in the bill?

Mr. WALSH. No.

Mr. RUCKER. It does not increase the amount proposed in the bill?

Mr. WALSH. My amendment proposes a flat increase for all the judges. The scheme provided in the bill would give some judges a $500 increase and some judges a $4,000 increase, based upon the population of the districts. Now, I propose to amend the existing law, and that instead of paying all the district judges $6,000 we shall pay each of them $8,000.

Mr. RUCKER. Does not the gentleman think that is a little too high?

Mr. WALSH. It may be that $7,500 would be sufficient.

Mr. RUCKER. For many years, of course, I have had nothing to do with district judges or any other kind of judges, but speaking now with profound respect for the judiciary——

Mr. WALSH. Certainly, I know the gentleman has that.

Mr. RUCKER. I have that respect for them, but I think that if there is any class of American citizens who are autocratic in the last degree, Federal judges constitute that class. They sit when they please, adjourn when they please, take recesses when they please, and go wherever the devil they please, and do less hours of work than any class of men in the country; and I am not much in favor of taxing the people to pay increased salaries to these men who enjoy life tenure of office and who do the minimum of work.

Mr. WALSH. As the gentleman states, there may be district judges who are in a position to take things comparatively easy, but I think the tendency in the courts is for the judges to work much harder than they formerly did, particularly in some of the larger districts.

Mr. RUCKER. That is a very gratifying tendency, but I am afraid it is not going to operate very long or very extensively.

Mr. WALSH. I will admit that I have not had a very great deal to do with the Federal judges recently.

Mr. RUCKER. My opinion is that when we begin to increase salaries we ought to increase the small salaries, where the people work practically all the year, and do not get much pay.

Mr. WALSH. Does not the gentleman appreciate that we have done that?

Mr. RUCKER. No; we have not done that in any substantial degree at all.

Mr. WALSH. When you take the percentage of increase, it is considerable.

Mr. RUCKER. If the gentleman will yield to me further——

Mr. SHERWOOD. Does not the gentleman think he has got his figures too high?

Mr. WALSH. I have no objection to an amendment being offered to fix the salary at $7,500.

Mr. STEVENSON. I move to amend the amendment by striking out "$8,000" and inserting "$7,500."

The CHAIRMAN. The gentleman from South Carolina offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amend the amendment by striking out $8,000 and inserting in lieu thereof "$7,500."

Mr. SHERWOOD. That is too high yet.

Mr. STEVENSON. Mr. Chairman, I think the Federal judiciary are entitled to some increase in their compensation, and I have no complaint to make of them. Until I came here I had done nothing else for the last 30 years and more except practice law. These Federal judges have a great deal to do, and it takes a high order of talent to enable a man to be a decent Federal judge or any other kind of a judge.

But I do not want to establish the precedent here of this Congress making discrimination between judges of the same class because they live in different communities. The proposition is made here to base every salary on the amount of population in their district, and that makes a sliding scale which is to be adjusted after each census. Here you have this situation: Take the southern district of New York. It is perfectly possible and entirely probable that that district may be subdivided into two districts. You will have established a set of judges with salaries of $10,000. Suppose you divide it into two districts and you cut it below the limit of the $10,000 a year, and you have judges in the district whose salary is fixed at $10,000 a year and whose salary can not be reduced during the term of office, and therefore you have them serving in a district whose population does not justify and does not give the $10,000 salary, and yet you can not prevent their getting it as long as they live.

That is one reason, and the other reason is—and there is a good deal said about the salaries of the supreme court justices of the court of appeals in different States. We can only deal with the people whom we create and whom we take care of. We can not establish an equality between our judges and the judges of the State; we can only maintain the equality among our own people.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. LAGUARDIA. Then, will the gentleman tell me why it is that when a judge from another district comes into New York he receives $10 a day additional pay?

Mr. STEVENSON. The judge from New York who goes to South Carolina also receives $10 a day additional; there is entire equality and no discrimination.

In the southern district of New York you have four district judges. Divide up the population among them and they serve 800,000 people apiece. Taking the eastern district of South Carolina, that judge holds court in four different places and has to be away a large part of the time; yet he serves 850,000 people also. The proposition here is to leave him $6,500 and put four district judges of New York at $10,000 apiece. This establishes a discrimination between the judges whom we create and whose compensation we fix that is not proper under our duty.

It is also said that if we send a judge to New York he gets $10 additional a day. They send a judge down to South Carolina and he gets the additional pay. The judge in the district of South Carolina holds admiralty court in New York a month of every year, and has for several years, I am informed. He goes there and gets his expenses paid. The judge in New York, if he wants a trip, gets assigned to the western district of South Carolina, goes to Asheville, into a high climate, and holds court, and he gets $10 a day additional. So it seems to me that we are going to establish a precedent of discrimination as among our own judges.

The proposition is advanced in the report of the committee that there are very few people and a very small amount of business in Nevada, and therefore her judge ought not to be paid as much as the judges in the district of New York or Chicago. Follow that principle out and you would say that the Senator from New York should be paid about ten times as much as you pay the Senator from Nevada. In other words, take South Carolina and Texas. South Carolina's Senator would be entitled to about one-quarter as much as Texas, and the same way in a great many other States. When you begin the policy of discrimination among the officers we create, who are coordinate and equal in every respect, you do that which will rise up to plague us for all time hereafter, and we ought not to begin it now. [Applause.]

Mr. GRAHAM of Pennsylvania. Mr. Chairman, the gentleman from South Carolina lays too much stress altogether on establishing a precedent. He forgets the fact that precedent existed in this country from 1789 down to 1891, by making a discrimination between the pay of the judges in different parts of the United States and giving them different salaries, based on the idea of population and the amount of business. This bill is not establishing precedents. This bill is restoring a condition that has been recognized as a wise and sane one for over a century in the history of this country.

In addition to that, the idea of equality pay which he advocates with respect to judges is running counter to the stream of human experience in every other direction. Why do you not make every postmaster in the United States get the same salary and the same pay. You discriminate between the rural districts and the great centers and pay the postmasters in the larger cities a greater amount because they have a greater amount of business. There is no basis upon which this line of compensation can be prescribed better than the one proposed here.

In addition, I want to ask gentlemen to remember that in the large centers the opportunities for making money are greater. The bar has more opportunities to earn compensation for their work far in excess of anything that would be paid on the bench. In such a district as that you can not draw to the bench the best and ablest man to sit upon it and administer justice. I trust that what has received the unanimous consent or approval, with one exception, of our committee will receive the approval of the House. [Applause.]

Mr. KAHN. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I will.

Mr. KAHN. I want to call the gentleman's attention to the fact that in the last legislative appropriation bill the salaries for independent treasurers run this way in different sections of the country: In Baltimore the assistant treasurer gets $4,500; Boston the assistant treasurer gets $5,000; Chicago he gets $5,000; in Cincinnati he gets $4,500; in New Orleans he gets $4,500; in New York he gets $8,000; and in Philadelphia $5,000, and so on. So do the various collectors of customs throughout the country receive different salaries, depending upon the amount of work which they perform.

Mr. GRAHAM of Pennsylvania. That exactly supports the statement I made, that this effort to put all of these salaries upon a flat level is running counter to the stream of human experience and the wisest judgment that has been exercised in this legislative body on almost every subject.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. STEVENSON. Is it not a fact that the discrimination which existed from 1789 to 1891 was repealed, and such precedents as it established was repudiated, and are you not trying to reenact it now?

Mr. GRAHAM of Pennsylvania. No. I was answering the gentleman's proposition that this bill was intended to establish a precedent by showing that the practice of discrimination had existed for nearly a century up to the date which I named.

Mr. STEVENSON. My proposition is that you are trying to reestablish a precedent which has once been repudiated by this Congress.

Mr. GRAHAM of Pennsylvania. That would be a wise thing to do in any case, when you find that that which was existing and approved for a century was a proper proposition and the new departure was erroneous.

Mr. WALSH. Mr. Chairman, will the gentleman yield.

Mr. GRAHAM of Pennsylvania. Yes.

Mr. WALSH. I would like to ask my colleague on the committee if he does not think that if a man has a position which he holds for life it should make some difference?

Mr. GRAHAM of Pennsylvania. No. On the contrary, I think that the appointment for life, while it has some advantage of certainty, has the disadvantage of being a handicap upon a man who is deprived of entering into any business of any kind except the administration of his office as judge.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DYER. Mr. Chairman, this proposition of graduated increase of pay for the Federal judiciary was given the most careful consideration by the Committee on the Judiciary for many weeks. We had before us not only, as some one has said, some representatives of the judiciary but we had before us members of the bar from many States. I submitted this proposition to the bar association of my State and of my city and it met with their approval. We have heard here letters read approving of this method of increasing the pay of these judges by men of the highest character, who are members of the legal profession, including former Justice Hughes, of New York. This bill ought to pass as it has been written, after it has been considered, as I have said, by the Judiciary Committee and by the judiciary of the entire country. It was most carefully considered by the Judiciary Committee of this House, and that committee practically unanimously is for this bill as it has been presented. As has been stated by the gentleman from Pennsylvania [Mr. GRAHAM] and others, you must give consideration in increase of pay to the big centers of population where business comes pertaining to the Federal bar and the judiciary.

Mr. FAIRFIELD. Mr. Chairman, will the gentleman yield?

Mr. DYER. Yes.

Mr. FAIRFIELD. I would ask the gentleman whether it requires a higher order of intelligence and greater ability to preside over a district in the centers of population than it does in the Middle West or the West or the South?

Mr. DYER. I would say to the gentleman that in his State of Indiana there is, in my opinion, one of the ablest men that sits in any court in the United States—Judge Anderson.

Mr. GORDON. And they are fixing his salary at $6,500.

Mr. DYER. And, Mr. Chairman, go to Indianapolis, where they have a splendid bar association, and you will find men appearing almost week after week before Judge Anderson in important litigation where the lawyers receive more pay in one case than does a man of that great ability—Judge Anderson—receive in a whole year for presiding over that court. So it is in other cities in other States.

Mr. HUSTED. Mr. Chairman, will the gentleman yield?

Mr. DYER. Yes.

Mr. HUSTED. I would like to ask whether population was considered a just and fair basis of fixing salaries by the judiciary affected by the bill, so far as they were represented before your committee? Did the judges who are affected by this bill consider population as a fair and just basis for fixing the salaries of the judiciary?

Mr. DYER. To a large extent.

Mr. STEELE. I will say in answer to the gentleman from New York, if the gentleman from Missouri will permit, that a committee of the judiciary—the entire judiciary of the United States—appeared before the Committee on the Judiciary of this House and stated that this basis of adjusting their salaries had been under consideration by the judiciary themselves and met with their entire approval; and, if the gentleman will permit another statement, I will say that the increase proposed in this amendment will be no saving to the Treasury at all, but will simply result in unfair distribution of the salaries, something that is not asked by the judiciary themselves.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. DYER. Yes.

Mr. JOHNSON of Washington. Does not the gentleman think that in the hearings, on page 4, where the classification of judges is presented, the arrangement should be reversed? The first class is given as of the smallest population and smallest salary. Will not the classes be reversed in the public mind? When one speaks of a first-class judge one will think of a $10,000 judge, and the judge in the lowest classification will be regarded as inferior, which is not intended, of course. But will not the tendency of the public mind be to classify judges in the order in which they are paid?

Mr. DYER. I do not think so. They do not do that with reference to other Federal appointees.

Mr. JOHNSON of Washington. Something like postmasters, first class, and so on.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. DYER. Yes; and in this connection I ask unanimous consent that my time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KEARNS. It has been stated by the chairman of the committee that there appeared before your committee representatives from the judges' associations throughout the country.

Mr. DYER. And also the bar associations.

Mr. KEARNS. I just wondered if those judges who are to receive an increase of only $500 were represented?

Mr. DYER. Yes; and I will say to the gentleman that among those whom I distinctly remember as indorsing this bill is one of the judges who receives $6,000, and who would receive $6,500 under this bill, who for a number of years presided over the Judiciary Committee of this House with very great distinction, Judge Clayton, of Alabama. There is no division as to the fixing of this salary. The judges all over the country agree that it is the right and proper thing.

Mr. GORDON. Will the gentleman yield?

Mr. DYER. I will yield.

Mr. GORDON. Is it not a fact that all the judges who came before you on the bill were from large centers of population?

Mr. DYER. No; and I told the gentleman among others was Judge Clayton, and we have letters from judges from all over the country.

Mr. GORDON. They are all in favor of the increase in salary?

Mr. DYER. Even from those who would receive $6,500 as a maximum salary.

Mr. ASWELL. Will the gentleman yield?

Mr. DYER. I will.

Mr. ASWELL. The gentleman states that the judges are unanimous for this bill. Is it not a fact all the judges will be increased thereby, and of course they would be unanimous?

Mr. DYER. Even from those who would only be increased $500. But, Mr. Chairman, there is one proposition here that you and I must consider now and together, and that is whether we are going to enact some legislation that is badly needed, not only in increasing the pay but in remedying the situation in several parts of this country, and that is the other proposition; and, gentlemen of this House, we can stand together and enact a bill of this kind that has been so carefully considered, so unanimously agreed to by the Committee on the Judiciary and by the bar association and lawyers of the country.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DYER. I do.

Mr. HUDDLESTON. The gentleman referred to Judge Clayton, judge of the middle district of Alabama, and he is also the judge of the northern district of Alabama. Will the gentleman permit me to call his attention to the fact that this bill as written will fix Judge Clayton's salary, taking into consideration the population of the northern district of Alabama, which is presided over by another judge, in which he does no business whatever?

Mr. DYER. That goes to show, Mr. Chairman, I take it, that the great centers of population of the country are the places where the greatest amount of work is done by the judiciary, where they sit day after day and week after week and only have a month or two of vacation away from their arduous duties the year around. Those men ought to be paid, and they ought to be paid a salary commensurate with the business they do and that accords with the practice of the bar in those States. In other words, Mr. Chairman, there ought not to be appointed to these great places men who have not the ability and who do not stand high in their bar associations where appointed, and they should not be compelled to sit performing work of that high character where lawyers come in and try a case in which they receive, as I stated, double the amount of the salary of the judge in one fee.

Mr. GORDON. Does the gentleman want to say these judges are drafted?

Mr. ROBBINS. Will the gentleman yield?

Mr. DYER. I will.

Mr. ROBBINS. Was there not evidence before the committee also that unless the salary was increased of the Federal judiciary a number would be compelled to resign?

Mr. DYER. And some have already done so, and some believe they will be compelled to do so. In some of the great cities of this country you can not rent a decent house in which a judge should live for less than half of the money he receives in compensation.

Mr. ROSE. Will the gentleman yield?

Mr. DYER. I will.

Mr. ROSE. Does the gentleman know any judgeship where the salary paid was so exceedingly low that it went begging because of a vacancy?

Mr. DYER. You can find men, of course, who will accept everything that is offered. You can find in your city and my city probably 500 or a thousand men who would accept the appointment of a Federal judgship, men who ought not to be appointed——

Mr. RAKER. Does the gentleman mean to say that in his city or in any other city a man who is not fit is accepted?

Mr. DYER. No; I do not say that; but I say they are liable to be appointed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WEBB. Mr. Chairman, I desire, if possible, that we have some agreement about the time to be consumed on this amendment.

Mr. GORDON. Your committee has consumed all the time so far. It has all been on one side, and I would like to be heard in favor of the amendment.

Mr. WEBB. I beg the gentleman's pardon, but members of the committee have opposed the amendment.

Mr. GORDON. The last speaker spoke on the same side as the gentleman from Pennsylvania [Mr. GRAHAM], and he got 10 minutes.

Mr. WEBB. I have no disposition to cut off my friend from Ohio, but I want to have some agreement in reference to limitation of time on this amendment, and I shall be very glad to do so in order that Members may know when debate closes.

Mr. WALSH. Will the gentleman consent to 20 minutes on a side?

Mr. WEBB. That is agreeable to me. I wanted to have some limitation.

Mr. GORDON. I would like 10 or 15 minutes.

Mr. STAFFORD. As to 20 minutes on a side, does the gentleman mean 20 minutes on a side based upon the aisle or 20 minutes on a side based upon the proposition?

Mr. WEBB. For and against the amendment.

Mr. WALSH. That does not include the gentleman from Ohio?

Mr. RUCKER. Mr. Chairman, I want to get in on this somewhere, and I want to be included on one side or the other.

Mr. GORDON. I am for the amendment, and I would like 10 minutes.

Mr. WALSH. I suggest we let the debate run a little.

Mr. WEBB. I ask unanimous consent that all debate on these two amendments be closed in 20 minutes on a side, 20 minutes for those in favor of the amendment and 20 minutes for those opposed to it.

Mr. GORDON. I object to that. Fifteen minutes has been used up in favor of the amendment and five against it so far.

Mr. WEBB. As suggested by my friend from Wisconsin, I make the request of 30 minutes on a side, 30 minutes for those in favor of the amendment and 30 minutes for those opposed. That is an hour.

Mr. RUCKER. Mr. Chairman, reserving the right to object, who would control that time, so that I may know whether I get in or not?

Mr. WEBB. I hope the committee will agree to that length of time. It is very generous, it seems to me, and will give everybody who wants an opportunity to make a five-minute talk.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that the debate on the Walsh amendment and the Stevenson amendment be limited to one hour, one-half of the time to be granted to those in favor of the amendments and one-half to those opposed.

Mr. GORDON. Mr. Chairman, reserving the right to object, will the gentleman give me 10 minutes of that time? You have had 15 minutes against this amendment and only 5 for it.

Mr. WEBB. I will be glad to yield to the gentleman five minutes, and if the other side——

Mr. GORDON. That is satisfactory. Will the other side give me five?

Mr. WALSH. Yes.

Mr. RUCKER. Mr. Chairman, reserving the right to object, I would like to know if I can get in on that time?

The CHAIRMAN. Is there objection?

Mr. RUCKER. I object if I can not get some response to my question.

Mr. WEBB. I do not know to whom he has addressed it.

Mr. RUCKER. Mr. Chairman, I have three times now reserved the right to object, and have asked the gentleman through the Chair if I could get some time of that 30 minutes.

Mr. WEBB. So far as I am concerned, I will be happy to have the gentleman get five minutes.

Mr. RUCKER. I wanted 10 minutes. Can I get five from the other side?

Mr. WALSH. Yes; I think I can give the gentleman five minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RUCKER. I may not want it.

Mr. CANNON. Mr. Chairman, I would like to ask the gentleman from North Carolina just how broad his request is?

Mr. WEBB. Mr. Chairman——

Mr. CANNON. Is it on the amendment?

Mr. WEBB. It is on the amendment offered by the gentleman from Massachusetts [Mr. WALSH] and the amendment offered by the gentleman from South Carolina [Mr. STEVENSON].

Mr. CANNON. And that is as far as the request goes?

Mr. WEBB. Mr. Chairman, I want to say just one word on these amendments. I am very much in hope that the committee will not adopt either one of them. I come from a section of the country where the judges will get a smaller salary than they will get under the bill in New York City. I do not share in the prejudices which some gentlemen seem to exhibit here between judges who live in rural sections and those who live in populous sections like Pittsburgh, New York, Philadelphia, and Chicago. I know from my experience in living in Washington, and being in New York and other big cities, that it costs a man more to be a judge in New York City, Philadelphia, Chicago, and Pittsburgh than it does to be a judge in North Carolina, and I can not see any sense in the prejudice attempted to be aroused between the judges in the various sections of the country. For a hundred years, as has been stated, Congress recognized that very thing. Up to 1893 there was never an equality of salaries of the Federal judges. Take South Carolina, the State that the gentleman [Mr. STEVENSON] hails from, and I wish to say that John C. Calhoun was jealous of the rights of South Carolina, and yet when he was in the United States Senate they paid the judges down there $2,750 a year and paid them $3,750 in New York City. It costs more to live in the large cities. The fees of the lawyers are bigger in the big cities. The salary of a judge in South Carolina amounts to more than the salary of a judge in New York City. I have always contended that these judges ought to be paid graded salaries.

Mr. ASWELL. Did the gentleman ever know the judge to go back to the practice of law?

Mr. WEBB. Yes; Members of Congress do not often go back either, voluntarily.

The time has come when we must pay our judiciary a salary which is commensurate with the dignity of the office and the duty they perform and the cost to them of their performance of duty. Otherwise we will lose some of the best men we have on the bench. We pay our United States judges less in New York City than the State judges of New York, 52 of them, are paid. Those State judges get $17,500 for the work they do as State judges, while we expect to get the best talent in New York City for Federal judge for $6,000 a year.

Therefore this graded scale which we have so carefully worked out and which has met the approval, as has been stated, of the judges of the United States, not because the salaries were increased but because it meets with their sense of justice and because they realize it costs less to live in some parts of the country than in others.

Mr. DENISON. I would like to ask the gentleman what he thinks of the point made by the gentleman from South Carolina [Mr. STEVENSON] that in case the southern district of New York happened to be divided some of the judges would be drawing $10,000 salary for just a few population? What would the gentleman think of that?

Mr. WEBB. My judgment is that the southern district of New York will never be divided. It is too compact. We would have more judges instead of dividing the district.

Mr. DENISON. It will be conceded it might be done?

Mr. WEBB. I do not think it would be done.

Mr. RUCKER. If you have another judge, you give two judges the salary you give one now.

Mr. WEBB. Mr. Chairman, I reserve the balance of my time.

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. GORDON].

Mr. WEBB. Mr. Chairman, I also yield to the gentleman five minutes.

The CHAIRMAN. The gentleman is recognized for 10 minutes.

Mr. GORDON. Now, Mr. Chairman, about all the time that has been consumed up to date has been against this amendment.

I am in favor of the amendment supplemented by the amendment of the gentleman from South Carolina [Mr. STEVENSON]. A great many erroneous things have been said about this proposition. In the first place, they are calling all the Federal judges in as witnesses to the fact that they are in favor of raising their salaries. That is a very remarkable situation. Have you anybody as witnesses that have not a self-interest in this question whom you can call? This question ought to be determined not by the testimony of interested witnesses but upon the question of the public interest.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield for a question?

Mr. GORDON. No; I will not. I want to say something myself. [Laughter.]

Now, we have had our attention called to the fact that the collectors of customs are paid fees in accordance with the amount of their collections. We have had that cited as a precedent for fixing the salaries of judges according to the amount of business done. Of course, that has no application whatever. Men who collect money on a percentage basis receive more compensation the more money they collect. There is no question about that, but that has no relation to Federal judges. The gentleman from North Carolina [Mr. WEBB] seems to think that the lowest salary fixed in this bill is about the measure of what the lawyers in his district are entitled to. [Laughter.] Well, I am not specially acquainted with the bar of North Carolina, but I have no doubt they have able lawyers in North Carolina as well as in New York. There is no sense in fixing salaries upon a scale like that. The duties of Federal judges are fixed by law. They are exactly and precisely the same in every district in the United States, and you can not defend successfully the proposition of giving a graded salary to them, dependent upon their place of residence.

The gentleman from South Carolina [Mr. STEVENSON] called attention to exactly what will happen here if they ever divide one of these districts. The Constitution prohibits the decrease of a salary of a judge during his incumbency, and if you divide a district and reduce the population in consequence, there you are. There is nothing in the argument that the value of the service rendered is in proportion to the population. If the business of a court is more than a judge can attend to the statute provides for sending additional judges into that district to clean up the docket, and that is what has been done. In 1891 Congress had sense enough to see the absurdity of fixing the salary of a Federal judge in one district at a different figure from what it was in other districts. It thereupon amended the statute making the salaries uniform, and it provided for the transfer of judges from one district to another in order to dispose of business pending upon the docket. That answers every possible reason that can be advanced, and this is going back to a bad precedent.

Reference has been made to the fact that in Ohio and Pennsylvania they have enacted legislation discriminating in favor of the cities as against the rural districts in reference to salaries and compensation of public officials. Well, of course, they have done that because the large city delegations got together and "put it across." That is all there is to it. [Laughter.] You need not tell me that there is any substantial, sensible reason for discriminating in the salaries of judges, because there is not, and there has been no intelligent reason given here up to date. I think the salaries of Federal judges ought to be fixed at about $7,500 a year, and it ought to be made general.

Mr. STEVENSON. The same as the salary of Congressmen?

Mr. GORDON. Yes. You might just as well say that some Member of Congress who represents a rural district here ought not to be paid as much as the distinguished gentleman from Pennsylvania [Mr. GRAHAM], because he comes from the city of Philadelphia. There is absolutely no more sense or logic in fixing the salaries of your judges on the basis of the place of their residence than there is for fixing the salaries of your Congressmen since the amendment of the statute providing for the transfer of judges so as to dispose of the business pending before them; none whatever. I hope that the amendment of the gentleman from Massachusetts [Mr. WALSH], as amended by the proposition of the gentleman from South Carolina [Mr. STEVENSON], fixing the salaries at the uniform rate of $7,500, will be adopted. It ought to be.

Now, the gentleman from Missouri [Mr. DYER] calls attention to the fact that the salaries of assistant treasurers of the United States occupying the positions of heads of Subtreasuries under the law that we have tried repeatedly to repeal—and which ought to be repealed, because their service no longer amounts to anything—he calls attention to the fact that their salaries were based upon the business that the Subtreasuries transacted, and he insists that that should be used as a precedent for fixing the salaries of Federal judges. Of course, there is no analogy between the duties of a Federal judge and the duties of a collector of public money or a subtreasurer.

Mr. DENISON. On the theory of this bill, what salary in the gentleman's opinion should a Senator receive as compared with a Member of the House?

Mr. GORDON. Well, a Senator from the State of New York perhaps ought to receive $25,000, while a Senator from the State of Nevada might receive $3,000. [Laughter.]

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. GORDON. Yes.

Mr. GREENE of Vermont. Right in line with the gentleman's own suggestion, if a judge had his residence in a rural district and was not given much business and went to help out a judge in New York, say, he ought to have a raise in pay, or some increase of compensation, while he is working in New York?

Mr. GORDON. Of course.

Mr. GREENE of Vermont. I know; but that would be absurd.

Mr. GORDON. Yes. Gentlemen, I hope the House will consider this legislation carefully. Many Members do not agree with me in the opinion that there ought to be any raise at all, but I would gladly vote for a general increase to $7,500 a year for these judges. But on careful consideration I do not think that the Members of this House can justify themselves in discriminating between the salaries of judges in one place and another. That thing was tolerated for a hundred years in this country, and finally, when the enormity of it began to be apparent, it was abolished, and very properly abolished. It was then provided that in those districts where there was not much business and in other districts where the business was congested a transfer of judges might be made. That is the law now, and that answers every possible argument as to discriminating between the salaries of these incumbents in these offices. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Ohio yields back two minutes.

Mr. WALSH. To which side?

The CHAIRMAN. One minute to each side.

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

The CHAIRMAN. The gentleman from Wisconsin is recognized for five minutes.

Mr. STAFFORD. Mr. Chairman, I protest against the policy of paying unequal salaries to the judiciary of this country. If that policy is ever adopted it will be found so unsatisfactory that you will have to raise all the salaries to the top limit. There is no justification whatsoever for paying the district judge in Chicago, Judge Landis, $9,500 and paying the district judge in my home city, Judge Ferdinand Geiger, $7,500, when the cost of living in their respective home cities is about the same, and especially when Judge Geiger is a member of the same circuit court of appeals and sits beside Judge Landis, as he frequently does. It would be an inequality and an injustice to have one of those judges receiving $9,500 and the other receiving but $7,500. There is no reason why you should pay the judge in Minnesota $9,000 just because that State is all in one district and pay the judges in Wisconsin $7,500 because Wisconsin is divided into two districts.

There are many inequalities that will come to plague this Congress if you once adopt this arbitrary policy. It will be a premium against the division of districts. It will result in the districts remaining as they are, say, for instance, in Indiana, where under the present bill the district judge is to receive a salary of $9,000. Instead of dividing the district into territorial units so as to give a better administration of justice, it will be the policy to add district judges there, so that they can receive the maximum salary.

It has been stated that the system proposed in this bill is in line with the fixing of the salaries of postmasters. I say the fixing of the salaries of postmasters at the even grade of $6,000 is the policy that should be adopted in this bill, of fixing uniform salaries of the judges. We should fix the salaries of district judges throughout the country uniformly so as to obtain the same character of ability.

In these large cities—in Philadelphia, in Pittsburgh, and in New York—there are a greater number of men who are able and willing to accept this uniform salary, and they should not have accorded to them a salary which is so much higher than in the neighboring States. The gentleman from New York refers to

what he calls the $10-a-day increase. I deny that it is an increase. The statute is absolutely clear that when district judges are away from their homes sitting as members of the Circuit Court of Appeals its judges are allowed $10 a day for actual expenses. Is it contended that these judges receive an increase of compensation for having their living expenses when they are away from home paid back to them at a sum not exceeding $10 a day? They get that when they go away from their homes in their individual districts. It is not considered as increased compensation. I will not cast the slur upon the judiciary of this country that when they go from their homes they make returns of anything else than their actual living expenses, for which the statute prescribes. The testimony shows that these judges only return their actual hotel expenses when they are serving as members of the Circuit Court of Appeals.

Mr. RUCKER. They always return $10 a day, do they not?

Mr. STAFFORD. They do not. There are many who do not, and the testimony shows that they do not.

Mr. RUCKER. I never heard of one who did not.

Mr. STAFFORD. We had this whole question up in the House some years ago, when the judicial code was under consideration, and the statute is absolute, saying that they are to be allowed their actual living expenses, not to exceed $10 a day.

Now, I protest that the population is no criterion whatsoever as to the amount of work that a district judge does or of the character of the work that he does. In these times a district judge down in Arizona may have the same responsible litigation before him that a district judge in New York or Philadelphia may have, and we should have the same character of ability in Arizona as we have in New York or in Pennsylvania.

Mr. REAVIS. I am a member of the subcommittee of the Committee on the Judiciary that has jurisdiction and control over the question of the increase of the number of Federal judges. It happens that a small State has made application before that committee for an additional judge, because the work is more than the present judge can do.

Mr. STAFFORD. The gentleman confirms what I am saying. It is not the population that ought to determine, because the country over instances are numerous where these district judges are burdened. It is not the character of the work, because we must assume that all these district judges have on occasion the same character of work.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I was promised five minutes by the gentleman from North Carolina [Mr. WEBB]. Will some gentleman representing him accord me a few minutes?

Mr. STEELE. How many minutes would the gentleman like?

Mr. STAFFORD. I think I can conclude in three minutes.

Mr. STEELE. All right.

The CHAIRMAN. The gentleman is recognized for three minutes additional.

Mr. STAFFORD. The only question in determining what our policy should be is to fix the salary at a figure that will attract the character of men who will be able to administer the high duties of a district judge, and that salary should be the same throughout the country. There are high-priced corporation attorneys in every district of this country—in Arizona, in the arid West. There are men in New York City who have such financial returns that the honor of the district bench will not attract them, but the salary should be such—$7,500, in my opinion—that no man with honorable motives should be deterred from seeking the bench and continuing there without any outside support.

Mr. STEELE. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman.

Mr. STEELE. The gentleman a while ago referred to the $10 a day as being actual reimbursement for actual expenses. I think the House should have the benefit of the statute. Will the gentleman object to reading that portion of the statute for the benefit of the House—section 259?

Mr. STAFFORD. I am asked by the gentleman from Pennsylvania to read as to the traveling expenses. I have not here my notations of the code——

Mr. STEELE. That is the provision of the code.

Mr. STAFFORD. I know the gentleman is a member of the Judiciary Committee, but the gentleman is not calling to the attention of the House the language incorporated in the sundry civil appropriation act, which limits this $10 a day to actual expenses.

Mr. STEELE. The Judicial Code does that likewise.

Mr. STAFFORD. I will read it:

SEC. 259. The circuit justices—

That is, the members of the Supreme Court assigned to these respective circuits—

the circuit and district judges of the United States, and the judges of the district courts of the United States in Alaska, Hawaii, and Porto Rico, shall each be allowed and paid his necessary expenses of travel, and his reasonable expenses (not to exceed $10 per day) actually incurred for maintenance, consequent upon his attending court or transacting other official business in pursuance of law at any place other than his official place of residence, said expenses to be paid by the marshal of the district in which such court is held or official business transacted, upon the written certificate of the justice or judge.

And that has been also strengthened by a provision in the sundry civil appropriation act, which restricts the expenditure of this money to the actual expenses of the judge.

Now, Mr. Chairman, there are so many inequalities that will arise if the plan suggested by the committee is adopted. Think of it, in the circuit court of appeals Judge Landis draws $9,500, where living expenses are no greater than they are in Milwaukee, and another beside him receives $7,500. Are you in favor of those inequalities—the inequality of allowing a district judge in New York City, Philadelphia, and Pittsburgh just because of an arithmetical computation, not because of the character of the litigation, not because of the amount of work, because the district judges in outside communities have just as much work as judges in the large metropolitan centers. I appeal to you to vote down this archaic, arbitrary policy of 10 years ago, when it was found not a proper basis in fixing the salary of the judges of this country. [Applause.]

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Missouri, Mr. RUCKER.

Mr. STEELE. Mr. Chairman, I also yield five minutes to the gentleman from Missouri, Mr. RUCKER.

Mr. RUCKER. Mr. Chairman and gentlemen, as I understand the proposition the bill under consideration proposes to increase the salaries of Federal judges by amounts ranging from $500 to $4,000, depending on population and the amount of business, one or both. The gentleman from Massachusetts [Mr. WALSH] seeks to amend by making the salary of the judges uniform, fixing it at $8,000. The gentleman from South Carolina [Mr. STEVENSON] seeks to amend that amendment by reducing the amount to $7,500.

I am opposed to the bill and to both of the pending amendments. Much of the argument here is based on the fact that this is a unanimous report from the Committee on the Judiciary. Of course the report is unanimous, because we learn from each member of the Judiciary Committee who has spoken in support of the bill that the testimony was all one way, and they, sitting as a jury, were bound to find in accordance with the preponderance of evidence, and the evidence, it appears, was all one way. All of the district judges of the country, it seems, and representatives from State and national bar associations, probably interested in lawsuits pending in those courts, and who perhaps did not want to incur the displeasure of the circuit judge or the district judge, appeared before the committee and advocated this legislation. The testimony was all one way, and, of course, the committee returned a verdict in accordance therewith.

I am not influenced either by the testimony adduced, the argument made, or by fear of any result to me by reason of my attitude. An argument is made by the gentleman from Missouri [Mr. DYER] that the committee was warned that if Congress fails to obey the order which has been issued by these distinguished gentlemen, the children of fortune, more blest than any other class of people in America, that they, the Federal judges, will resign from the judicial positions they hold. Well, let me reply to him that when one of them resigns, in my judgment, there will be a ratification meeting in the community in which he lives if not all over his district. [Laughter.]

Mr. LAGUARDIA. Will the gentleman yield?

Mr. RUCKER. No.

Mr. LAGUARDIA. Would that apply to the Secretary of the Treasury?

Mr. RUCKER. Oh, the gentleman from New York is a high flier and I am too timid to go up with him. He will excuse me. [Laughter.] They say that in congested districts the judges have so much expense to bear that they ought to have this raise of salary. My Lord, I never heard it said that living expenses are any higher any place than they are in Washington to-day.

I stated in a colloquy this morning, and I repeat, the office of Federal judge approaches autocracy more nearly than ought to be tolerated in a free country if that country hopes to continue to be free. A district judge does not begin his court until he pleases; he convenes his court at his own sweet will, at about 10 or 11 o'clock in the morning; works up to about 12, takes a recess for lunch of two hours or two hours and a half; works again until about 4, and then you could plead with him, as I have seen done, to save a citizen from bankruptcy by hearing a motion or a witness which would not require more than five minutes, and he would refuse and in an arbitrary spirit adjourn his court until 10 o'clock the next morning regardless of the great financial loss to those who were dragged into his court, in most instances against their will. I know what I am talking

about, and gentlemen who hear me know that what I say is true.

In the State courts, where the judges are elected by the people, when the hour of adjournment arrives, if the lawyer informs the court, "We have a dozen witnesses here on expense, and can not you hear them to-night?" he will do so and thereby avoid much anxiety, expense, and disappointment.

I will tell you what ought to be done; instead of raising the salary, as the gentleman from Missouri [Mr. DYER] says, in order to keep Federal judges in the service we ought, if we will lay aside sentiment and cowardice, to amend the Constitution of the United States and provide that these judges who deal with the liberties and property rights of their fellow citizens shall be elected for a stated term by the voters of the country. [Applause.] Elect these judges by the people and then they will convene court at 8 or 9 o'clock in the morning, do a reasonable amount of work each day, and stop that abominable city practice of taking two hours for lunch, a custom which has spread until it has permeated every bureau of the Government in the Nation to-day. Go down to the departments now to transact business and you may find the stenographer, but you can go from room to room only to be told that the high-up officials are at lunch. They take lunch from 11 o'clock to 3 [laughter], and under such conditions there is no wonder prices are high and the pay roll of Government clerks is staggering. [Laughter.]

What we ought to do instead of raising salaries is to amend the Constitution and provide, as I said—and I repeat it—that every one of these judges shall be elected by the people and have somebody to whom he is responsible for his conduct.

Now, why raise these salaries? Oh, gentlemen, it is nice to obey the will and do the bidding of the officeholder, but I beg of you to pause and consider for a moment your duty to the already overburdened people of America, people who in the last three years, on account of the great issues involved, have willingly and patriotically submitted to a burden of taxation the like of which no country on earth, at least this country, ever witnessed before.

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. RUCKER. I have not the time. The people whom we serve are now burdened with taxation; and all over the country hundreds of thousands of loyal people—men and women—who are engaged in what they are pleased to call "war work," are pleading with us, begging of us, to give them an increase of salary; thousands are to-day begging of this Congress to give them money enough with which to return to their homes, if their services can not longer be utilized. If we grant this class of people relief we will only give them a pittance. But when it comes to this aristocratic, arrogant class—the Federal judges—I speak advisedly, and will not apologize to any district or circuit judge for my language—when we come to deal with them, gentlemen here contend that $500 increase must be allowed to judges in the rural districts, but that in the congested districts we must give the judge an increase of $4,000—more by way of increase to a salary already quite high enough than 90 per cent of the men who are performing patriotic and valiant services for the country earn in a year. I say to you that if you will brace up, if you will gird your loins and be true to yourselves and true to the great body of the people of this Nation, true to the patriotic people who are patiently suffering the enormous burdens which conditions compelled us to place upon them, you will make answer to the committee that reported this unjust and indefensible bill, that while its report is justified, because the evidence is all one way, we have considered the bill in the light of present-day conditions, and we send it back with the suggestion that if these circuit judges or district judges do not want to serve, for God's sake let them resign, and the quicker the better. Gentlemen talk about the amount of work they do. That is the curse of it. The district judge who is most popular is the one who has the least to do, as a rule. Gentlemen of the House, I know I stand alone; I know I have no support here in the views I express. I am not dull enough to indulge the hope that my appeal to this House will convert any man's judgment, but though I stand alone, though I cast the only vote, I am resolved and determined that I will never yield to a great officeholding class to put additional burdens upon the people of my district and yours—burdens which I do not believe they ought to be required to bear.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. LITTLE].

Mr. LITTLE. Mr. Chairman, the principal complaint here seems to be that the lawyers of the great cities—which are not very numerous—can make more money off the bench than they can on. I regard that as unimportant. All of the great men, or at least most of the great men of this country, have been compelled to choose between the accumulation of wealth and the acquirement of honor and renown through the gratitude and applause of their fellow men. If the lawyers in the great cities would rather make money than achieve distinction on the bench, that is their affair; but that is no reason why the people of some other State should pay taxes in order to bestow on them greater salaries than they give their own judges for the same work; and that is the long and short of this whole discussion. As a matter of fact, practically all the great judges of the American bench came from the smaller towns. It would be difficult to enumerate any serious list of learned and distinguished jurists on the bench who did not, and if the attorneys in the big cities want to grow rich instead of going on the bench, this country can do what it has always done before, go to the smaller towns and country communities and get its great judges. There is no reason why your people or my people should increase their taxes in this way to meet such an alleged emergency.

One feature of this, of course, is the difficulty lawyers have in discussing the question of the salary of the man before whom they must make their living. They seem to think it is contempt of court for taxpayers to discuss the necessity of increasing a judge's salary. There is an ancient axiom that the ruling passion is strong in death and every great emergency. In one of Kipling's stories he tells us of an English derelict, a wreck of manhood, in India, who was rescued from some opium den and brought to a suitable hospital and afforded every advantage that modern science could give. He did not recover. As he lay there, surrounded by the best of surgeons and the kindest of nurses, his poor, distorted, dwarfed, and ruined mind groped only in the past, and as his pitiful soul winged its way from its earthly surroundings he muttered, "Not guilty, your honor."

Yesterday on this floor I heard something which reminded me of that tale, and which perhaps explained why the judges of New York City receive such ample salaries as we were told of. The gentleman from New York City [Mr. DONOVAN] who followed me on the floor said: "The question is, Is $6,000 enough for a district judge and is $7,000 enough for a circuit judge? I plead not guilty, and hope you, the jury, will bring in a verdict to pass the bill." A judge is mentioned, and Tammany Hall pleads not guilty.

There is no charge here against the gentleman from Tammany or those he represents, as there was none against the Englishman. Yet, as the Englishman left this mortal plane there lingered only in his memory the recollection of his crimes. As the gentleman from Tammany Hall takes the floor here for almost the first time, it is perhaps the instinct of Tammany Hall that forces him to say to us when a judge is mentioned, "I plead not guilty."

"Not guilty, your honor. I am in favor of paying $11,000 or $17,000 to a judge." It is only some western revolutionary who would have the audacity to challenge the demands of a tribunal before which he may some time be summoned. Tammany Hall may have big salaries for little judges before whom she appears at the bar of justice to plead for her clients or members, perhaps expecting reciprocity—and getting it—but that is no reason why the people where I live should be afraid of the dispensers of justice.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. LITTLE. No.

Mr. LAGUARDIA. Mr. Chairman, the gentleman is reflecting upon the New York bench, and I resent that.

Mr. LITTLE. I request that order be maintained. When the gentleman from New York City discussed me yesterday he refused to yield to a question and did not print in his speech the remark I made.

Kansas asks no favor from any judge or any tribunal. All we ask is justice, and justice we have been able to get so far pretty well, and intend to have hereafter, whatever salaries are paid.

Mr. LAGUARDIA. Mr. Chairman——

The CHAIRMAN. Does the gentleman yield?

Mr. LITTLE. No, I do not. I asked for order.

Mr. LAGUARDIA. The gentleman is reflecting upon the Members of this House.

Mr. LITTLE. Not as much as the gentleman is by disturbing the ceremonies here.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. LITTLE. May I ask three minutes more, Mr. Chairman?

Mr. STEELE. My time is already taken up.

Mr. LITTLE. I ask unanimous consent for three minutes in which to finish.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. LITTLE. I will after the three minutes are up, if I have finished.

Mr. LAGUARDIA. Surely you will let me reply——

Mr. LITTLE. You can reply. The gentleman from your city yesterday did not let me interrupt him and I did not cry for help. All Kansas wants is a fair fight. All men look alike to us in Kansas.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the time may be extended for three minutes, and that he may have those three minutes. Is there objection?

There was no objection.

Mr. LITTLE. If the men who plead "not guilty" fixed the salaries of the judges in New York City, I am not surprised they run up to $17,500. Of course, gentlemen of the committee, it is somewhat difficult for a lawyer to oppose a raise in salary of the men before whom he makes his living. But that is not the question here. The only question is whether we want to raise men's salaries from $6,000 to $8,000 or from $6,000 to $10,000. Has anybody in this House demanded that his salary be raised from $7,500, and yet you know that every man in this House is put to an expense beyond that of any judge in his community, by reason of the extra expense here and the various demands upon him. You know it is impossible for a man to save anything here upon the salary he gets at this time if he has the average district of from 40,000 to 60,000 voters. If some great society appoints a man here, if he comes from a district in which only 4,000 or 5,000 vote, he may escape the responsibilities of those who represent the live wires that do America's thinking. I am in favor of raising the salaries of these judges before some of whom I practiced for 30 years to such salary as we receive, and I would vote for that, but if a man comes here and shakes his fist in my face and tells me I can not challenge the demand of any tribunal that happens to want us to pay over the money of the taxpayer, I demand his authority to dictate to the Representatives of the American people what shall be done with the people's money. You and your committee have heard everything these judges had to say, and it is proper you should. But what have you heard from the taxpayers who are to pay this money? You do not come here as attorneys who practice before a bench; you come here, gentlemen, as the direct representatives of the taxpayers of this country and——

Mr. SIEGEL. Will the gentleman yield?

Mr. LITTLE. And it is for them you should be thinking. It is the taxpayers whom you represent, not the judges, gentlemen. If you give them as much as you get, that is as much as generosity will suggest or justice should allow. I believe the gentleman here from New York wants to ask me a question. Go to it!

Mr. LAGUARDIA. It is very kind of the gentleman.

Mr. LITTLE. It is better than your colleague did for me yesterday.

Mr. LAGUARDIA. Has the gentleman any information as to the bench of New York, how it is made up? He made his statement as to Tammany judges, and I want to say that the judges on the bench of New York, candidates of Tammany, are some of the ablest jurists in the country. The gentleman has made a statement, and he does not know what he is talking about.

Mr. LITTLE. The gentleman suggests I do not know what I am talking about when I speak of the courts of New York; perhaps——

Mr. LAGUARDIA. We have lawyers practicing there——

Mr. LITTLE. He says they have lawyers practicing there. There were kings before Agamemnon and there are lawyers who do not live in New York City. John Marshall was one of them. The gentleman wants to know if I know what I am talking about. I once spent several hours sitting on the bench in New York—curiously observing McIntyre try a case—by the side of James A. Blanchard, of the supreme court, at his courteous request. I happen to know he had been a candidate for a position on the Federal bench at a salary of $6,000, and he was soon after elected judge of the Supreme Court of New York at a salary of $17,500, so I guess they did not get any better man at $17,500 than we can put upon the Federal bench of New York City for $6,000. Justice Blanchard was a learned and distinguished jurist who valued his work above his salary. Every lawyer in this country is more or less familiar with the bar of the metropolis. The country knows more about New York City than the city does about the country, evidently.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LITTLE. Is there any other question anybody wants to ask? I believe the gentleman from New York [Mr. SIEGEL]——

Mr. SIEGEL. The gentleman is charming, and would he answer a question——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SIEGEL. I ask unanimous consent that the gentleman's time be extended for one minute.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the time of the gentleman from Kansas be extended for one minute, not to be taken out of the time allotted. Is there objection? [After a pause.] The Chair hears none.

Mr. SIEGEL. I would like to ask the gentleman how it is he mentions the name of a justice who is dead instead of giving us a live one?

Mr. LITTLE. I do not happen to be personally familiar with any of the recent judges. My time is limited. Besides, when I begin to divulge my store of information some New Yorker objects. Are there any other questions?

Mr. REED. Will my colleague yield?

Mr. LITTLE. Yes.

Mr. REED. Why should not we raise the salary of the other arm of the Federal court, the farmer who goes and serves as juryman for a month and receives, I think, $3 a day, and has to pay for his living in the city?

Mr. LITTLE. That is a pertinent question. I expect the $3 man hardly had the means to present his claim. I suppose they would want the salaries of the jurors in the cities raised, however. No, gentlemen, this country must hold out the same prize to one lawyer in one place as it does to another in another place, and that is all there is to that. The greatest judges we have had have come from the country, and if we should have to return to that practice no harm will be done to the jurisprudence of this great Republic. David J. Brewer, of Leavenworth, never practiced law in a town of more than 5,000 people. He never held court in a city of 20,000 till the President honored the Federal bench by his appointment. Possibly in the annals of a hundred years New York City can cite from her lengthy list of jurists one instance of learning as ample, scholarship as thorough, diction as polished, character as stable, judgment as sound, and a legal mind as gifted as that of David Brewer, of Kansas.

Mr. STEELE. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. MAGEE], a member of the committee.

Mr. MAGEE. Mr. Chairman, as a member of the committee I feel that I ought to say a word upon this proposition. I am against the amendment and favor the provisions in the bill because I think that those provisions are fair and just. I have not any fault to find with any other man's opinion, but what the committee has striven to do is to base the compensation of Federal judges upon the work that is required of them in the different localities, and there is nothing new in this practice. Now, we are entirely accustomed to it to-day in the State of New York. There we have a number of justices of the supreme court, and justices of the supreme court in Greater New York severally receive an annual salary of $17,500 a year. I do not hold any brief for Tammany Hall, but Tammany Hall does not fix that salary. The salary of a justice of the supreme court up the State is $10,000 a year, and all the salaries are fixed by the State. Nobody in the State has ever complained so far as I know in reference to this difference in salary.

Mr. GORDON. Will the gentleman yield?

Mr. MAGEE. Yes; if the gentleman will get me some additional time.

Mr. GORDON. I will ask unanimous consent for it.

Mr. MAGEE. I have only a few minutes.

Mr. GORDON. Does the gentleman base that discrimination against other State judges on the ground of the high cost of living in New York or on the cost of high living in New York?

Mr. MAGEE. It is generally regarded as based upon the greater cost of living in the city of New York. It costs more to live there. It is also based upon the further fact that by reason of the large population the duties required of a judge are greater. And nobody complains.

Mr. GORDON. That does not apply in the Federal court, where they can send outside judges in to help out with the work?

Mr. MAGEE. They send outside justices into the city of New York to help the justices there.

The point I make is that there is nothing new in the application of the principle involved in this bill, and that the principle involved has been in operation in the State of New York for some years and nobody complains. Now, for instance, gentlemen—and the only purpose of every Member of the House, I assume, is to be fair and just to these Federal judges—what we want is a high standard of the judiciary, and it seems to me

that we owe it to ourselves and to the country to pay our Federal judges such salary as will draw to the bench all over the country the best legal talent procurable.

Mr. WALSH. Will the gentleman yield?

Mr. MAGEE. Yes.

Mr. WALSH. What would the gentleman say to a condition such as this, where a single judge represents an entire State, and might under the provisions of the committee bill get a salary of $10,000, and next year we might divide that State into two districts and the Federal judge to be appointed under the committee bill would get $7,500? There would be two districts of the same size, with one judge getting $10,000 and the other $7,500.

Mr. MAGEE. Who would divide the State into two districts?

Mr. WALSH. The Congress.

Mr. MAGEE. The question would then come before you. I assume, if any such question does come before the House hereafter, that the House will exercise its judgment and horse sense in doing whatever is fair and just in reference to the proposition. And that is the point exactly. I have not any fault to find with any man's views, and I respect the man who differs with me in opinion. My only purpose is to be fair and just.

Take it in my own State, further. We have more than 60 counties in the State of New York. Yet I venture to assert, and I think the record will bear me out, that so far as the county judges in the State are concerned, that no two of them receive the same salary. A judge in a county like Albany, Onondaga, Oneida, Monroe, or Erie, where there is a large population, receives a much larger annual salary than a county judge of a less populous county.

Mr. GORDON. Will the gentleman yield right there?

Mr. MAGEE. Yes.

Mr. GORDON. Do the judges in the city of New York, who receive $17,500, average higher in point of ability and character than judges up State who receive only $10,000?

Mr. MAGEE. I am not going to pass upon the legal ability of any man on the bench. That is not the point I make at all. The point I make is that we ought to take into consideration the cost of living in a locality and we ought to take——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAGEE. I would like just half a minute more.

Mr. WALSH. I yield to the gentleman two minutes more.

Mr. MAGEE. And we ought to take into consideration also the work required of the judge. I have talked with justices up the State about the justices in the city of New York, and they are willing to concede that a justice in the city of New York is required to do more work than a justice up State; that the duties required of him are greater and the cost of living is more. They do not find fault because the justices in New York City get more pay than they. They consider it fair and just, and I think that we ought to be fair and just. It is not fair to say that they are coming here to plead their own cause or came before the Judiciary Committee to do so. I do not look upon the question in that light at all. They impressed me that they came very reluctantly before the Committee on the Judiciary. They came there because we wanted them to come and hear what they had to say. And when you hear a judge whose name is almost a household word all over these United States say to you that the salary which he receives is barely sufficient to afford him and his family the necessaries of life, it seems to me it is time for the House to take into consideration the condition that actually exists. We ought to be fair in dealing with the judges of our courts. [Applause.]

Mr. GARRETT of Tennessee. Will the gentleman from New York yield?

Mr. MAGEE. I will.

Mr. GARRETT of Tennessee. In the case of the county judges in the gentleman's State, to whom he has referred, are those judges paid out of the county treasury or out of the State treasury?

Mr. MAGEE. I think that the salaries are fixed by the State and paid by the respective counties. That is my opinion.

Mr. BENJAMIN L. FAIRCHILD. That is correct.

Mr. LITTLE. Will the gentleman yield for a question?

Mr. MAGEE. I will.

Mr. LITTLE. Did any of these gentlemen testify they could not live on $8,000 a year?

Mr. MAGEE. I did not hear any gentleman testify.

Mr. LITTLE. You did not hear——

Mr. MAGEE. Any gentleman testify.

Mr. LITTLE. Or make any statement that he could not live on $8,000?

Mr. MAGEE. The statements they made are in the hearings of the committee, I think. You can find them there.

Mr. LITTLE. I suspected that.

The CHAIRMAN. The gentleman from Iowa [Mr. SCOTT] is recognized for five minutes.

Mr. SCOTT of Iowa. Mr. Chairman and gentlemen of the committee, I shall vote for the amendment, either upon the basis of $7,500 level salary or $8,000.

Objection has come from some members of the committee to this amendment, generally, I think, based on one or two grounds: First, that a graduated scale of salaries will bring out a better class of men for the position; and, second, that it accords more equitably with the amount of work in the respective districts.

I do not believe that either one of these contentions is borne out by the truth. I concede the contention of the gentleman from Pennsylvania [Mr. GRAHAM] that there are many lawyers in the large cities who can command large incomes, notably men long trained in corporation law and having large corporations as their clientele. But I say it seriously, gentlemen, I am not yet ready to concede that that class of men affords the best material, the most desirable material, to place upon the Federal bench of the United States. My experience in the practice of law for 30 years—and I have had considerable practice in the Federal courts—leads me to believe that from the country towns of considerable size, from the smaller cities, from the large cities among that class of lawyers who have not attained the highest remuneration, you find the best, the soundest, and most reliable minds and characters.

Now, with respect to the amount of work done by men acting as judges in the centers of population as compared with those in districts more rurally situated, I do not agree with the gentlemen in their contention. Take, for instance, my own district. It embraces half of Iowa—a Western State. It contains no large cities, but it contains four divisions, and in that district one judge is compelled to hold terms of court in every one of those divisions. We all know, those of us who have practiced law, that in connection with every term of court there is a great deal of work that goes on, whether that term be short or long, and that there is much greater work in holding four terms of court in different parts of a State than there is in connection with holding the same number of days at one place and in one term.

Now, again, I venture to say that there is not one of these judges in the large centers of population but would, by choice, rather sit at home all the time, where he can be with his family all of the time, eating at his own table, than go out in a rural district, embracing a whole State or half a State, and in some instances two States, and be away from his home three-fourths or five-sixths of his time, traveling about and subject to all the inconveniences of traveling away from home. These are burdens; these are matters that should be considered with respect to those judges who are not located in centers of population. They are men whose mental attainments, whose moral attainments, and whose general judicial character equal those of any who may reside in the centers of population.

The very essence of the judicial system is uniformity and equality. We have not a hundred or more district courts in the United States. We have but one district court in the United States, and its jurisdiction extends throughout the whole territory of the United States, and all men upon the bench of that court should be treated alike. [Applause.]

Mr. WALSH. Mr. Chairman, may I inquire how much time there is remaining to those who favor the amendment?

The CHAIRMAN. The gentleman from Massachusetts has four minutes remaining. The gentleman from North Carolina [Mr. WEBB] has eight minutes remaining.

Mr. STEELE. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. DEMPSEY].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. DEMPSEY. Mr. Chairman and gentlemen of the committee, we seem in our discussion of this amendment to have lost sight of what really is before the House, or at least many of those who have been discussing the question seem to have lost sight of it.

The question is a simple one, whether we shall increase the salaries at a flat rate, making $7,500 the salary throughout the United States, or whether we shall make increases differing in the different parts of the United States according to population.

I take it that there is no substantial difference in this body upon the question as to whether or not there should be an increase. I take it that there is substantial agreement in this body that there should be an increase, and both amendments are directed to an increase.

One or two gentlemen seemed to feel that there should not be an increase at all. My learned friend from Ohio [Mr. GORDON] recognizes the fact that the general opinion of the House was not against dividing it according to population, because the consensus of opinion of all of those who have spoken, or a great

majority of those who have spoken, seemed to be in favor of dividing according to population. Then the gentleman from Ohio says that the judges that came here were unanimous in favor of the proposition because of an increase of salary. That was not at all what the Committee on the Judiciary reported. They did not come here primarily to advocate an increase of salary, and yet they have the same right as any other employee has to advocate an increase of salary. But they came here at the request of the Committee on the Judiciary to tell how that increase should be made, the manner of the increase. Although numbers of those who came came from districts where the increase would be small, although many who came came from the districts where the increase would be $500 as against the possible increase of $4,000, yet they were unanimous in saying that the increase should be according to population.

Then the gentleman from Ohio says: "Why, the postmaster should not be a criterion; the collector of customs can not furnish an example, because in those instances you award your compensation according to the amount of money that is collected." Why, yes; you award it according to the amount of business that is done, and it is measured in that instance by money. In the instances of judges it is measured by the amount of judicial business which they transact, and the one is just as good a gauge as the other. And then, to clinch his argument, the gentleman from Ohio says: "Why, if you are going to make a difference with judges, why not make a difference with Members of Congress?" He forgets that Members of Congress are based upon population according to the census nearest to the election. So you have, so far as Members of Congress are concerned, a basis absolutely and wholly upon population, and upon population ascertained in the most exact and careful way.

So I say, gentlemen, if you go into any of the States in this Union you will find that where judicial officers are chosen by the localities they receive salaries according to the size of the population. You will see that if there is a large county with a small county adjoining it the large county will pay a salary of $6,000 or $8,000 or $10,000 a year to its county judge or surrogate or probate officer, and you will see that if the adjoining county has a population of one-fifth the salary will be proportionately smaller. You will find that condition all over the country.

And then the gentleman from Ohio says we should not be bound by precedent. He said we would simply be reviving a bad precedent. Why, the bad precedent prevailed for a hundred years, and the trial of something else has lasted only about 10 years, and we have found that it is a bad thing, and after consultation with the judiciary itself the Judiciary Committee came in here and all but one of the members of that committee recommend that the method provided by this bill be adopted. I say to you, gentlemen, that as we look at this question we find that salaries should be increased, we find that the precedent of 100 years, against the precedent for 10 years, has been for increasing it in this way, and when we look at the various States we find that in every State in the Union where there is a large county you have large salaries, and where there is a small county you have small salaries.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEELE. Will the gentleman use his time?

Mr. WALSH. I yield the remainder of my time to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, after listening to this prolonged discussion, I take it that the object and purpose of this bill providing for an increase of salaries is that there may be attracted to the judiciary more competent men. In Pennsylvania we have increased the salaries of the common pleas judges to $6,000 a year, and I dare say that there is no State in the Union that can show more capable judges than the State of Pennsylvania. We have such a high regard for the judiciary in Pennsylvania, from whence came that master mind of jurisprudence, John Bannister Gibson, and another and one of the greatest jurists of the past century, Justice Agnew, that we have abolished the system of nominating judges by political parties, and we strive to secure the best that can be had through a nonpartisan ballot. In two judicial districts in my congressional district there are two Democratic judges selected on the nonpartisan theory. And in the district represented by my friend Mr. LESHER they have two judges who were elected on the same theory.

I do not agree with my friend from Missouri [Mr. RUCKER], who says that he is here to protect the taxpayers of his district by keeping down the salaries of the judges. It is my opinion that if good, decent salaries attract to the bench more efficient judges, then indeed by that method alone do you save money for the taxpayers, so far as the judiciary are concerned. For instead of getting judges who are inefficient, as my friend said, getting hundred-dollar men for hundred-dollar salaries, we get high-class, efficient men, and instead of 50 per cent of their cases being reversed for their erroneous decisions on law points and sent back for expensive retrial, we will get 90 per cent or 95 per cent or 100 per cent men if you give them 100 per cent salaries. That is the object and purpose, to my mind, and it is well contended here that inasmuch as the purchasing power of a dollar to-day is but 47 per cent of what it was in 1914, with the salaries of railroad employees and of men engaged in every vocation raised from 50 to 200 and 500 per cent, what objection can be offered against raising the salaries of efficient judges? No argument can be offered to refute the proposition that a man living in a large city has to pay more to subsist than a man living in the country. We all know that to be the fact. Therefore, while I am satisfied to vote for $8,000 or $9,000, I hope that the bill may go through in such form as to pay the difference between what it costs in the country and what it costs in the city. In any event we may all feel highly justified in voting for an increase, as increases are being paid everywhere, and in the present instance increases are contemplated to bring efficiency and consequent ultimate economy. [Applause.]

The CHAIRMAN. The gentleman from Pennsylvania [Mr. STEELE] has three minutes remaining.

Mr. STEELE. We have no further time to take up, and I ask for a vote.

The CHAIRMAN. The question is on the amendment of the gentleman from South Carolina [Mr. STEVENSON] to the amendment of the gentleman from Massachusetts [Mr. WALSH].

Mr. STAFFORD. I ask unanimous consent that that amendment may be again reported.

The CHAIRMAN. Without objection, it will be reported.

The Clerk read as follows:

Amendment offered by Mr. STEVENSON to the amendment offered by Mr. WALSH: Strike out "$8,000" and insert "$7,500."

The question was taken; and, on a division, there were—ayes 72, noes 72.

The CHAIRMAN. On this vote the ayes are 72 and the noes are 72, and the Chair votes aye.

Mr. WEBB. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. WEBB and Mr. STEVENSON.

The committee again divided, and the tellers reported—ayes 93, noes 84.

Accordingly, the amendment to the amendment was agreed to.

The CHAIRMAN (Mr. BARKLEY). The question is upon the amendment of the gentleman from Massachusetts [Mr. WALSH] as amended.

The question being taken, on a division (demanded by Mr. MANN) there were—ayes 82, noes 62.

Accordingly, the amendment as amended was agreed to.

Mr. HENRY T. RAINEY. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HENRY T. RAINEY: Strike out the paragraph.

Mr. GORDON. Mr. Chairman, may we not have that paragraph reported?

Mr. HENRY T. RAINEY. My motion is to strike out the section that has just been amended.

Mr. BUTLER. Mr. Chairman, it is impossible to hear what is being said. What is the motion?

The CHAIRMAN (Mr. BORLAND). Will the gentleman from Illinois state his amendment and what section it applies to?

Mr. HENRY T. RAINEY. Section 2.

Mr. ROBBINS. That has not been read.

Mr. HENRY T. RAINEY. I move to strike out the section that has just been amended.

The CHAIRMAN. The section which has just been amended is section 1 of the bill, which includes section 2 of the Judicial Code.

Mr. HENRY T. RAINEY. I move to strike it out.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. HENRY T. RAINEY moves to strike out the following, page 1, line 7:

"SEC. 2. Each of the district judges shall receive a salary of $7,500 a year."

Mr. MANN. Mr. Chairman, the Clerk has not correctly reported the motion. The gentleman moves to strike out section 1.

Mr. WALSH. No; he is moving to strike out the section which has just been amended.

Mr. MANN. That is section 1 of the bill.

The CHAIRMAN. The Clerk will read section 1 of the bill.

Mr. HENRY T. RAINEY. As amended.

The Clerk read as follows:

Mr. HENRY T. RAINEY moves to strike out section 1, which reads as follows——

Mr. HENRY T. RAINEY. As amended.

The Clerk read as follows:

That section 2 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same hereby is, amended to read as follows:

"SEC. 2. Each of the district judges shall receive a salary of $7,500 a year, to be paid in monthly installments."

Mr. HENRY T. RAINEY. Mr. Chairman, I move to strike out the section.

Mr. STAFFORD. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. What was the agreement in the committee as to the time of debate on the amendment and all amendments thereto?

The CHAIRMAN. Thirty minutes was allowed on each side of the Stevenson and Walsh amendments.

Mr. CANNON. Mr. Chairman, I would like to understand what we are voting on. As I understand it, section 2 as numbered here is section 2 of this bill.

The CHAIRMAN. The Chair will inform the gentleman from Illinois [Mr. CANNON] that the House has just amended section 1 of the bill, which includes section 2 of the Judicial Code. The gentleman from Illinois now moves to strike out section 1 of the bill as amended. The Clerk will read section 1 as amended.

Mr. SAUNDERS of Virginia. Mr. Chairman, I rise to a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SAUNDERS of Virginia. There is section 2 on the first page of the bill, line 7. That section 2 runs down through page 2 onto page 3. Is that section 2 the entity which the gentleman from Illinois proposes to strike out?

The CHAIRMAN. The Chair so understands it. The gentleman moved to strike out section 1 of the bill as amended. The Clerk will report section 1 as amended.

The Clerk read as follows:

That section 2 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same hereby is, amended to read as follows:

"SEC. 2. Each of the district judges shall receive a salary of $7,500 a year, to be paid in monthly installments."

Mr. HENRY T. RAINEY. Mr. Chairman, my amendment is to strike out the section as amended. The amendment has this effect: The amendment fixes the salaries of the district judges uniformly at $7,500 per year. This still leaves the salaries of the circuit judges at the rate fixed by the bill. In other words, this amendment does not satisfy anybody. The section as amended now does not meet with the approval of the committee, it does not meet with the approval of any of the judges, and it does not meet with the approval of this House.

Mr. STEVENSON. Will the gentleman yield?

Mr. HENRY T. RAINEY. Yes.

Mr. STEVENSON. The section that deals with the salaries of the circuit judges has not yet been reached. It is not accurate to say that the amendment will leave them as fixed by the bill, because I think that there will be a motion to amend that when we get to it.

Mr. HENRY T. RAINEY. There is no doubt there will be a motion to amend it. We are told by the committee that the judges unanimously favored the increase in their salaries and that they favored the increase suggested by the committee according to the graduated methods in this bill. As I stand here, through 130 years of time there comes ringing down to me the prophetic voice of Thomas Jefferson. I wish I could quote his exact language. In effect he said: "The Federal judiciary is the great object of my fears. That body, with resistless footsteps and unalarming advance, proceeds to gather unto itself more and more power."

In the days of Thomas Jefferson this body was composed largely of men who came directly from the land. Even Thomas Jefferson could hardly have foreseen in his criticism of the Federal judiciary and their great powers that 130 years from that time this body would be composed entirely of lawyers who practiced, all of them, before the Federal judiciary. And he could hardly have foreseen that a united Federal judiciary would come before this body, the majority of whom practice before them, and ask the men who practice in their courts to increase their salaries. And yet that is the situation which confronts us to-day. We are told that they did not initiate this proposition themselves. Nobody has heard that they are opposed to it. We are told that suggestions came from the bar associations throughout the United States. I am not much impressed with a suggestion of this character that comes from the bar associations of the United States, because I remember distinctly the opposition of the bar associations, speaking for all the lawyers of this country, to being taxed. The American Bar Association and our State bar associations throughout the country held meetings and protested against the clause carried in the last revenue law which sought to impose a tax upon lawyers whose incomes exceeded $6,000 a year. The American Bar Association most violently in their resolutions protested against it and sent to each Member of this House, whether he was a lawyer or belonged to some other profession or calling, a copy of the resolutions. The bar associations of the different States sent representatives here to lobby with the committee and the membership of this House, protesting against this tax. In that clause we taxed physicians and surgeons, and not a single physician or surgeon in the United States protested against the tax. It remained—and I blush to make the statement—for the lawyers to do it throughout this country. They have already won their fight against paying this tax, and they are about to win their fight to take money out of the National Treasury and divide it up among the judges before whom they practice.

The lawyers who protested most violently in the hour of this country's peril against being taxed appear here now, insisting that this additional sum shall be taken out in peace times from the Treasury of the United States. They come not with clean hands. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois to strike out the paragraph.

The question was taken, and on a division, demanded by Mr. HENRY T. RAINEY, there were—ayes 28, noes 91.

So the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to strike out the first word of the section, and ask unanimous consent to proceed for 10 minutes out of order.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes out of order. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, the Members of the House may have noticed in the morning paper an item in reference to the increased use of the telephone and telegraph wires. I send to the Clerk's desk and ask to have read in my time an item which appeared in the Washington Post of this morning.

The Clerk read as follows:

FIVE MAY USE ONE PAIR PHONE WIRES—NEW INVENTION ALLOWS 40 TELEGRAPH MESSAGES TO BE SENT AT ONE TIME.

Postmaster General Burleson yesterday made public a letter from Theodore N. Vail, president of the American Telegraph & Telephone Co., announcing the invention and development by the technical staff of the Bell system of "a practical system of multiplex telephony and telegraphy, by the use of which it is now possible to increase manyfold the message-carrying capacity of long-distance telephone and telegraph wires."

"With this new system," said Mr. Vail's letter, "four telephone conversations over one pair of wires are simultaneously carried on, in addition to the telephone conversations provided by the ordinary methods. Thus, over a single pair of wires a total of five telephone conversations are simultaneously operated.

"In telegraphy as well as in telephony sensational results have been attained by the new system.

"The nature of these developments is such that, if desired, wires may be used partly for telephone and partly for telegraph. A pair of wires is available either for 5 simultaneous telephone conversations or for 40 simultaneous telegraph messages, or partly for one and partly for the other."

Mr. Vail said that an installation of the multiplex telephone system between Baltimore and Pittsburgh had been in service for more than a month.

Mr. MANN. Mr. Chairman, gentlemen of the House will readily recognize the tremendous importance of any new invention or scheme which will permit one telegraph wire to be used for the transmission of 40 messages at the same time. It is now claimed, I believe, that under certain conditions one wire may be used for the transmission of four messages, though I think it is seldom, in practice, used for more than two messages at one time, and the use of one telephone wire for the transmission of five telephone conversations going on at the same time will be a matter of remarkable economy and efficiency. I call attention to this because the matter in a way originated in the House of Representatives. In the appropriation bill for the fiscal year 1910, which was passed in the Sixtieth Congress, there was the following item in the Army appropriation bill:

Wireless telephone apparatus: For the purchase and development of wireless telephone apparatus, $30,000.

In the deficiency appropriation bill in the Sixty-first Congress there was this item:

The funds appropriated in the act approved March 3, 1909, for the purchase and development of wireless telephone apparatus are hereby made available for the purposes heretofore appropriated during the fiscal year ending June 30, 1911.

We are constantly making appropriations for investigation and research in the various branches of the Government. Sometimes they produce wonderful positive results, and sometimes they produce valuable negative results. As a rule, they add something to the information of the public, even if they do not accomplish any other good. Proceeding under these appropriations, or this appropriation as reappropriated, the Signal Service branch of the Army undertook to develop something along the line of what is now known as wired wireless telegraphy. We are all more or less familiar with the idea of sticking a post high up in the air, connected in a way with wires, and sending forth an energy from that wire which diffuses everywhere throughout space in every direction. These gentlemen in the Army, or some of them—and I think particularly probably it was the man who then had charge of this branch of the service, now the general in charge of the Signal Service, then Maj. Squiers, under Gen. Allen, who was then the Chief Signal Officer—conceived the notion that there might be a method, not of scattering the energy in every direction, but possibly a method could be devised of controlling the energy so that it would run along a wire and instead of being scattered all around could be concentrated along a wire. In 1911 four patents were issued to Maj. Squiers, now Gen. Squiers, for the benefit of any person in the United States, for this wired wireless. I can not undertake to speak technically or to explain it so that technical people could understand, but the theory is that by not such a high frequency as is used with the wireless, but still a high frequency as compared with the ordinary telegraph, they send a power along the wire, on the outside of the wire, possibly penetrating a very slight distance into the wire, and while a telephone message under this perfected apparatus can be sent through the wire by the electrical energy that is passing through it, by this high frequency they can send by the telephone four messages which go on outside of the wire. I am told there is an advantage in that. We are all familiar with the noises which come from contact with the earth of the telephone wire. This wired wireless on the outside of the wire does not have those noises, and is perfectly plain.

The present process is patented in the interest of the people of the United States for the benefit of anyone. Of course, great credit is due to Mr. Vail and the American Telephone Co. for having taken up this idea and developing the apparatus especially for its use in commercial purposes. A number of years ago while these experiments were going on there were wires in use between the Bureau of Standards and the War Department, and I was told long ago at one time that the telephone company, which had rented a wire to the people in the Signal Service, were very much surprised, if not slightly chagrined, to learn that they were using the outside of the wire, without the telephone company ever having discovered that there was any disturbance or use of it at all. It is said this scheme is now in use between Pittsburgh and Baltimore. I am not familiar with any part of the new discoveries, except as stated in this article, but we can all recognize that the House, seldom complimented from the outside, may take a compliment to itself in that it provided the funds in the first instance for making an experimental use of the telephone, which is likely to make a greater change in the operation of telegraph and telephones than any that has been made, except in the origin in the first place. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, when I read the article in the paper this morning to which the gentleman has referred my memory ran back to an address delivered here in the House—a very brief address, as I recall it—by Mr. Samuel Smith, of Michigan, then the chairman of the Committee of the District of Columbia. I suppose that must have been in the Sixty-first Congress.

Mr. MANN. In connection with the Telepost Co., I suppose.

Mr. GARRETT of Tennessee. In connection with the Telepost Co., in which he undertook to state what had been developed by this company, and I think I remember that he referred very lucidly to this question. Was that in connection with an appropriation that we made that he spoke?

Mr. MANN. No; that had nothing to do with an appropriation we had made and had nothing to do with this.

Mr. GARRETT of Tennessee. Had nothing to do with this?

Mr. MANN. And I do not think the Telepost Co. knew anything about it.

Mr. RUCKER. Mr. Chairman, will the gentleman permit me in his time to say a word?

Mr. MANN. Yes.

Mr. RUCKER. Both the article which most of us must have read and the remarks of the gentleman from Illinois are interestin -very interesting. The gentleman is always more capable of calling our attention to what Congress has done in the past than any man on the floor on either side, and always does it with accuracy and in a very pleasing way. If I can get the gentleman, with his wonderful power, to suggest to the man who invented the wonderful contrivance by which four people can talk at once to develop a plan to make the telephone operator four times as efficient the gentleman will be a benefactor to the world.

Mr. MANN. If I can invent a scheme by which one person could talk at all through the telephone I should be very much pleased with myself, or if I can invent a scheme by which one person can get a chance at a telephone once in a while I should be very much pleased with myself, but I apprehend this system will be put in practical use, and it will make a great deal of difference even about the "hello" girls. [Applause.]

The Clerk read as follows:

SEC. 2. That section 118 of the act aforesaid be, and the same is hereby, amended to read as follows:

"SEC. 118. There shall be in the second, seventh, and eighth circuits, respectively, four circuit judges; in the fourth circuit, two circuit judges; and in each of the other circuits, three circuit judges, to be appointed by the President, by and with the advice and consent of the Senate. Each circuit judge shall reside within his circuit. The circuit judges in each circuit shall be judges of the circuit court of appeals in that circuit, and it shall be the duty of each circuit judge in each circuit to sit as one of the judges of the circuit court of appeals in that circuit from time to time according to law: *Provided*, That nothing in this section shall be construed to prevent any circuit judge holding district court or otherwise, as provided for and authorized in other sections of this act. The circuit judges shall receive, respectively, a salary equal to $1,000 in excess of the highest salary paid, under the provisions of section 2 of this act, to any of the district judges of the judicial districts comprised within the judicial circuit for or from which the said circuit judges shall be appointed. Such salaries shall be paid in equal monthly installments, beginning on the first day of the month next following the approval of this act, and the amount to be so paid in the several circuits, under the provisions of this act, shall, from time to time, be ascertained and certified to the proper disbursing officer or officers by the Attorney General of the United States, and, when subject to be changed, become effective, as provided in section 2 of this act: *Provided, however*, That at no time shall the salary of any circuit judge be diminished during his continuance in office, nor shall the salary of any circuit judge at any time exceed the sum of $11,000 a year."

Mr. STAFFORD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 10, after the word "Senate," insert "They shall receive a salary of $8,500 a year each, payable monthly," and strike out all the remainder of the section after line 18 on page 3.

Mr. STAFFORD. Mr. Chairman, as the House knows, the present judges of the circuit court of appeals receive $1,000 more than the district judges are now receiving under the law, namely, $7,000. The House has declared its judgment in favor of a flat salary increase for all the district judges at $7,500. This amendment I have proposed conforms to the established policy of the Government in paying the judges of the circuit court of appeals $1,000 additional, or $8,500. In fact, the bill as it is written recognizes the idea of providing $1,000 additional to that paid to the district judges receiving——

Mr. STEVENSON. Will the gentleman yield?

Mr. STAFFORD. I shall be glad to do so.

Mr. STEVENSON. If the bill is left standing just as it is, will it not pay all of them $8,500; in other words, $1,000 more than the district judge? The district judge is fixed at $7,500 and it will leave it exactly where the gentleman would leave it.

Mr. STAFFORD. Yes; but there is language written into the bill by the Judiciary Committee to have it harmonize with the plan of salary increase based on population. The amendment I have proposed is virtually the identical language of the Judicial Code, section 118, with the exception that instead of $7,000 I substitute $8,500. In further answer to the remark of the gentleman from South Carolina, I direct his attention to the incongruity in the language which would follow by reason of the language in the proviso on page 4:

Provided, however, That at no time shall the salary of any circuit judge be diminished during his continuance in office, nor shall the salary of any circuit judge at any time exceed the sum of $11,000 a year.

This language is not in harmony with the amendment that fixed the salary of the district judges at $7,500.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was agreed to.

Mr. FLOOD. Mr. Chairman, I offer an amendment as a separate section after section 2 of the bill.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Add as a new section, following line 10, on page 4, the following:

"SEC. 3. That section 136 of the act aforesaid be, and the same is hereby, amended to read as follows:

"'SEC. 136. The Court of Claims, established by act of February 24, 1855, shall be continued. It shall consist of a chief justice and four judges, who shall be appointed by the President, by and with the advice and consent of the Senate, to hold their offices during good behavior. Each of them shall take an oath to support the Constitution of the United States and to discharge faithfully the duties of his office. The chief justice shall be entitled to receive an annual salary of $8,000 and each of the other judges an annual salary of $7,500, payable monthly, from the Treasury.'"

Mr. STAFFORD. Mr. Chairman, I reserve the point of order on the amendment just offered.

Mr. FLOOD. Mr. Chairman, this amendment is a reenactment of section 136 in the Judicial Code down to the point where the salaries of the judges are fixed. The amendment increases the salaries by $1,500. It gives the Chief Justice of the Court of Claims, who now receives $6,500, $8,000, and the other members of the court $7,500 a year, the sum that has been provided in this bill for district judges. The other members of the court get now $6,000 apiece. I think, Mr. Chairman, this amendment should appeal to every Member of this House. It has been recognized by the Committee on the Judiciary and by the members of the Committee of the Whole that owing to the increased cost of living, increased work of the judges, some increase should be made in their salaries, and I believe it is generally conceded that there is no place in this country where the cost of living is higher than it is in Washington.

This is a most important court. Its jurisdiction extends to cases from all over the country and its work has been tremendously increased as a result of war and recent legislation.

Mr. LITTLE. Will the gentleman yield? When does the term expire under the present statute?

Mr. FLOOD. It does not expire at all. Does the gentleman mean when do the terms of the judges expire? They are appointed for life or during good behavior.

Mr. LITTLE. If we do not enact this will the court terminate?

Mr. FLOOD. No; this is simply an amendment to the present law to increase the salaries of the judges $1,500.

Mr. LITTLE. I get the gentleman now.

Mr. JUUL. Will the gentleman yield?

Mr. FLOOD. Yes.

Mr. JUUL. Outside of the salary increase there are no changes in the gentleman's amendment in the present law?

Mr. FLOOD. None at all. It does not change the number. There are five now. This amendment provides for five and simply makes an increase of $1,500 to each judge of this court.

Mr. MANN. Will the gentleman yield for a question?

Mr. FLOOD. I will.

Mr. MANN. The gentleman offers his amendment as being in line with the idea of increasing the salaries of the district and circuit judges?

Mr. FLOOD. I do.

Mr. MANN. Why should we not at the same time increase the salaries of the Customs Court judges or the District Supreme Court judges, or the District Court of Appeals judges, and other Federal judges, who are practically Federal judges?

Mr. FLOOD. Here in the District of Columbia?

Mr. MANN. Yes.

Mr. FLOOD. I am in favor of doing that, but I did not care to put it in this particular amendment, because I did not think this was a proper place to put it. I am very heartily in favor of increasing those salaries.

Mr. MANN. I am not offering any amendment and do not intend to offer any along those lines, but it seems to me if we increase the salaries of one set of judges in the District of Columbia—and I think it is a proper increase if it comes in the proper way—it ought to be done at the same time with the others—in other words, not to make it understood that a judge gets his increase in the District of Columbia as a mere matter of wire-pulling with Congress. That is perfectly proper, and I assume that the gentleman is familiar with some of the judges of the Court of Claims, and thinks that they ought to be protected?

Mr. FLOOD. I know some of the gentlemen.

Mr. MANN. I know some of the gentlemen, and I think the Court of Claims is very well thought of. But, apparently, no one in the Customs Court, so far as I have any indication, has any friend in this court. Whether anybody on the court of appeals or the District Supreme Court has somebody to speak for them here or not, I do not know.

Mr. REAVIS. I think it is only fair that, as the gentleman from Virginia [Mr. FLOOD] appears here as a special pleader, to say that he knew I had an amendment and was prepared to introduce it, providing for an increase for the court of appeals of the District and the Supreme Court of the District.

Mr. GREENE of Vermont. Is some provision made for the increase of the salaries of the judges of the United States Court of Customs Appeals?

Mr. REAVIS. Not unless some other gentleman on the floor has charge of it.

Mr. FLOOD. Mr. Chairman, the jurisdiction of the Court of Claims is a very large and important one. It has jurisdiction of cases from all over the country, contracts made with the United States covering river and harbor improvements, infringement of the patent laws, and many other matters that have come to that court as the result of recent enactments growing out of war legislation. The cost of living here is just as high as the cost of living anywhere else. It is one of our most important courts, and it does seem to me that if the district judges are to have their salaries increased to $7,500 the judges of the Court of Claims ought to get the same salary. They now get the same salary that the district judges get. I trust the amendment will be adopted.

Mr. STAFFORD. Mr. Chairman, under the reservation of the point of order, I wish to direct an inquiry to some member of the committee reporting this bill. I wish to inquire the reason for making a recommendation for increases for district and circuit judges when they did not make a recommendation for the increases of the judges of the Court of Claims, the judges of the Customs Court of Appeals, the Supreme Court of the District of Columbia, and other minor courts?

Mr. WEBB. I think I can answer my friend by saying that the Court of Claims and the Customs Court are special courts created by statute, and are separate courts from the district and circuit courts of the United States. Really, in my judgment, I think the judges of the Supreme Court of the District are included in this bill.

Mr. STAFFORD. Under what section?

Mr. WEBB. The Supreme Court of the United States has held that they are district courts of the United States and have district court jurisdiction plus what nisi prius jurisdiction arises here in Washington.

Mr. STAFFORD. Are the salaries of the members of the district court and of the Supreme Court of the District paid for under the general authorization of section 2 of the Judicial Code?

Mr. WEBB. There is another provision, I think, which makes the District of Columbia pay half the salaries of these District judges and the United States the other half. That is because probably more than half of the work done by these supreme court judges of the District arises in a local way in the District.

Mr. STAFFORD. Is not there a separate section of the Judicial Code, or some other statute, that provides especially for the payment of the salaries of the members of the Supreme Court of the District?

Mr. WEBB. I think so. I think there is a provision somewhere that requires half of their salaries to be paid out of the funds of the District and half out of the Treasury of the United States.

Mr. STAFFORD. The gentleman has not answered my original inquiry as to the reason why the committee did not consider the judges of the Court of Claims and the judges of the Court of Customs Appeals.

Mr. WEBB. I did not consider them as belonging to the judicial system of the United States. They are special courts and quite different than the district and circuit courts of the United States. But, frankly, I do not see why these judges should not be paid as much as any other judges in the District of Columbia, because the work is heavier than ever before and will be heavier from now on. The fact is they perform more drudgery work than any of the other judges.

Mr. STAFFORD. I reserved the point of order so as to get the information. I withdraw the point of order.

Mr. WALSH. I make the point of order, Mr. Chairman.

Mr. RUCKER. Will the gentleman withhold that?

Mr. WALSH. I make the point of order that it is not germane. I would like to be heard on the point of order. Mr. Chairman, this is a bill to amend certain sections of what is known as the Judicial Code, and each of its sections, except the fourth section, which provides when the amendments to the Judicial Code shall take effect, is restricted to certain sections of the Judicial Code, namely, to section 2, section 118, and section 260. The first section applies to district judges. The second applies to circuit judges. The third applies to each of the judges of those two Federal courts.

Now, it is proposed by the amendment offered by the gentleman from Virginia [Mr. FLOOD] to amend section 136 of the Judicial Code, which amendment is not related in any way to sections 2, 118, and 260. It relates to an entirely different court and to entirely different officials, and it seeks to increase the salaries of the judges of that court by incorporating a new section in this bill.

Now, I submit it is not competent for a committee having under consideration a bill limited to three sections of the Judi-

cial Code, covering two branches of the judicial system, to amend that measure by incorporating an increase of salaries for another branch of the judicial machinery of the United States.

If this amendment were in order it would be in order to offer amendments to increase the compensation of the referees in bankruptcy or the clerks of the courts, the United States marshals, and all the other officials and officers of the judiciary, which are provided for in the Judicial Code.

I want to direct the Chair's attention to section 781 of the Manual, which is to the effect that simply because the matters may be related they are not necessarily germane, where it is held that on a proposition to enact a general tariff bill it was not in order to provide for a tariff board.

Now, I submit, Mr. Chairman, that in a measure such as this the only germane amendment that can be offered must be to the branches of the judiciary that are provided for in this bill and to the provisions that are made in the bill with respect to those two courts.

I think that is all I have to say. I believe the gentleman from Illinois wishes to submit his views.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] is recognized.

Mr. MANN. Mr. Chairman, I think we are all familiar with the general rule, that where there is only one specific provision in a bill it is not in order to offer an amendment relating to some other specific provision; also that where there are two specific provisions in a bill it is in order to offer an amendment relating to a third specific provision of the same class. Those decisions have been so common and so frequent that there can be no controversy about the general statement.

Now this bill is a bill to amend the judiciary title. It contains two sections relating to the salaries of district and circuit judges. It contains two sections relating to the appointment, I believe, of district and circuit judges. It covers practically the subject of at least district and circuit judges.

It would not be in order, Mr. Chairman, I take it, to offer an amendment to this bill relating to judges which affected, for instance, the appointment of a marshal or a district attorney, although they are connected with the court. But here is a bill which undertakes to fix the salaries of Federal judges throughout the country.

Now, the Court of Claims is as much a Federal court as the district court or the circuit court, and to say that we can fix the salaries of the two classes of judges—the district judges and the circuit judges, two classes—but can not fix the salaries at the same time of another class of Federal judges, seems to me to be overruling all the precedents and all the rulings.

If this bill were brought in simply to cover the salaries of district judges, then you could not offer an amendment to fix the salaries of circuit judges. If it had been brought in to fix merely the salaries of circuit judges you could not have brought in an amendment to fix the salaries of district judges. But the bill coming in to fix the salaries of two classes of Federal judges, it seems to me it is in order to offer an amendment to fix the salaries of another class of Federal judges, almost on all fours with the general proposition that if you have a bill here for the construction of one public building or the admission of one Territory it is not in order to offer an amendment for the construction of another public building or the admission of another Territory, but if you have a bill here for the construction of two buildings you can add a third, or if you have a bill for the admission of two Territories you can add a third, being along the same line.

If it were an entirely different class and introduced a different subject matter entirely, it would not be in order. But this does not introduce a different subject matter. The subject matter of this bill is the salary. It introduces a third class of Federal courts, where two classes are already embraced in the bill.

Mr. STAFFORD. Mr. Chairman, the Chair in determining whether or not this amendment is in order must consider the bill as it is presented to the House for consideration. If the Chair holds that the amendment is in order, then the Chair would have to hold in order any amendment amending any section of the Judicial Code. If the bill that has been presented were a general bill, amending generally the salaries of district and circuit judges, without regard to the amendment of certain sections of the Judicial Code, you might hold consistently that an amendment extending it to a third class, namely, the Court of Claims, would be in order. But this bill in its very form, as presented, shows that the Committee on the Judiciary merely considered the amendment of three sections of the Judicial Code, namely, section 2, section 118, and section 260. Any germane amendment to any of these sections when offered would be in order.

But I respectfully contend that it is not within the power of the committee to offer an amendment amending any other section of the Judicial Code, even though it relates to salaries, because this bill is a bill amending only these sections, and the amendments that might be offered must be limited to germane amendments connected with that section.

We had the very question up here three years ago, as I recollect—perhaps four years ago—on the Post Office appropriation bill. That committee brought in, with other amendments, two or three—three, as I recall—sections amending in minor particulars the Criminal Code. I would like to have the attention of the Chair; otherwise I do not care to proceed. That bill, brought into the House, amended three sections of the Criminal Code referring to the transmission through the mails of matters involving fraud on the public; three sections, as I remember, amending three different sections in minor particulars of the Criminal Code. The gentleman from California [Mr. RANDALL] attempted to annex an amendment that would have been in order if he could have used some other section of the Criminal Code, but it was not germane to the amendments of the sections of the Criminal Code that the Committee on the Post Office and Post Roads had recommended and which were under consideration in the House.

I then argued, and the gentleman from New York, Mr. Fitzgerald, and the gentleman from Kentucky [Mr. SHERLEY] joined in the argument and supported my position, pointing out to Speaker CLARK that if a bill was brought into the House amending three sections of the Criminal Code it would not be in order to offer an amendment changing another section of the Criminal Code. I have asked Mr. Sabine, in charge of the library, to find that debate for me. After a long argument, running perhaps an hour or more, the Speaker held that the amendment of the gentleman from California was not in order.

In determining whether this amendment is germane the Chair can not pass upon the kindred character of the subjects involved in the subjects under consideration. The whole question is, Is there before the House consideration of the subject matter relating to the salary increases of the judges of the Court of Claims? And the chairman of the Committee on the Judiciary admits that they did not even consider that subject. The very rule of germaneness is for the protection of the House, so as not to take up for consideration matters that have not been considered, or given even subsidiary consideration, by the committee considering the main proposition.

Mr. BANKHEAD. Will the gentleman yield in that connection?

Mr. STAFFORD. I yield to the gentleman from Alabama.

Mr. BANKHEAD. Does the gentleman undertake to differentiate between the circuit and district courts, and the Court of Claims here in the District of Columbia, as affecting their jurisdiction or statutory powers? Are they not in the same class, as members of the Federal judiciary?

Mr. STAFFORD. I admit that it is, but I hold that the rules of the House must be observed, and that this bill as it was introduced and as it has been reported limits the consideration to germane amendments to three sections of the Judicial Code.

If this bill had attempted by another section some general amendment outside of the Judicial Code, whereby the Chair might hold that the whole sphere of legislation embodied in the Judicial Code was under consideration, that might be a handle on which to hang the amendment offered by the gentleman from Virginia. But for the safety and protection of the House the Chair should follow the ruling of Speaker CLARK, when a similar question was presented, that when a bill is presented amending two or three sections of the statute it is not in order to amend other sections of the statute.

Why, if this is in order we can amend any section of the Judicial Code. The Chair can not hold that we are limited only to amendments relating to salaries. The Chair can not rule that way, because these amendments are not limited merely to salaries. They include the termination of the office of the incumbent. Accordingly, anything that is germane or related to those sections may be amended. But if you are going to adhere to the prior rulings you can not take into consideration as germane any amendments to sections of the Judicial Code which are not before the House for consideration.

Mr. BANKHEAD. Is the Chair ready to rule on the proposition?

The CHAIRMAN. The Chair will hear the gentleman from Alabama.

Mr. BANKHEAD. The remarks made by the distinguished gentleman from Illinois [Mr. MANN] are so clearly within the established precedents that propositions of this sort are in order, that it seems to me the Chair will not hesitate; but I desire to call the attention of the Chair particularly to the

section of the manual in which the precedents on this proposition are cited.

Section 780 is on the proposition that specific subjects are germane to general propositions of the class.

That was the reason I asked the gentleman from Wisconsin if he undertook to differentiate the class in which the Court of Claims fell, as contradistinguished from the circuit and district courts of the United States, and he very frankly admitted that there was no distinction in class. Therefore with that admission, which is undoubtedly correct, the status of the matter is brought clearly within the section which provides that a general subject may be amended by specific propositions of the same class. If the Chair will refer to those citations he will find that to a bill admitting several Territories into the Union, an amendment adding another Territory was held germane. To a bill providing for the construction of buildings in each of two cities an amendment providing for similar buildings in several other cities was held germane. To a resolution embodying two distinct phases of international relationship an amendment embodying a third was held germane.

So here we have the clear-cut proposition of an amendment offered which only attempts to bring a third entity of the same class within the purview of the provisions of the section, and it seems to me that under the logic of the situation as well as under the precedents there can be no question in the mind of the Chair as to the correct ruling on the proposition.

Mr. TOWNER. Mr. Chairman, just one suggestion. It will be understood, I think, by those who are familiar with the Judicial Code that it is an entity. It is a particular chapter of the law. It is chapter 231 of the statutes of the United States. All of the provisions of the Judicial Code are a unit, because they embrace all of the provisions of the statutes which until the time when they were codified and brought together were scattered throughout the statutes of the United States passed at different times. Now, those who are familiar with the Judicial Code know that we have the provisions for the circuit courts of the United States in a series of subdivisions of the Judicial Code. We have the provisions regarding the district courts of the United States in a series of subdivisions of the Judicial Code. We have the provisions regarding the Court of Claims in a still further subdivision of the Judicial Code. Embraced in the provisions for the district court is the provision for the salaries of the judges. Embraced in the particular subdivision for the circuit court are embraced the salaries of the circuit judges, and likewise for the judges of the Court of Claims. Now, we have this situation: We have a bill here which prescribes and fixes the salaries of the circuit judges and the district judges in the Judicial Code. They belong to the same class, the salaries of United States judges. Now, it is sought to further fix the salaries for another class of judges of the United States courts, to wit, the Court of Claims. I certainly think that is within the rule prescribed whereby when two of a class are included in a bill a third is germane. I think the statement made by the gentleman from Illinois [Mr. MANN] is absolutely correct, that if we should support the objection we would be overruling a long line of decisions. We have now here presented two provisions of the same class to which is to be added a third. It seems to me that it is within the rule.

Mr. STAFFORD. Mr. Chairman, if the Chair desires, the citation that I referred to I have now before me.

The CHAIRMAN. The Chair would like to hear the gentleman.

Mr. STAFFORD. It is contained in volume 54 of the CONGRESSIONAL RECORD, part 2, pages 1047 to 2104, second session of the Sixty-fourth Congress.

I direct the attention of the Chair to the debate found on pages 1486 and 1487.

As I stated to the Chair in my opening remarks, there were amendments carried in the bill to three different sections of the Criminal Code, and the gentleman from California offered an amendment to recommit and add a new section of a somewhat similar kind. The question was whether that amendment was germane, whether it could be considered, in view of the fact that it was not an amendment to the three sections offered by the Post Office Committee. Mr. SHERLEY made this argument:

> Now, what is the fact? The fact is, if this was not an appropriation bill at all and you were undertaking to amend a section in the Penal Code, you could only amend it in order by offering an amendment that was germane to it, and in point of fact that was true as to the amendment carried in the bill.

Further on he says:

> This would not be in order to this section if we had up the Penal Code and did not have up an appropriation bill at all, for the very plain reason that it is not in any sense germane to the section to which it is offered.

> Everybody knows the rule to the effect that if you are dealing with two subjects it is germane to add an additional subject, but if you are dealing with one class it is not germane to add another class to that particular paragraph or section.

Permit me to say that the gentleman from California [Mr. RANDALL] attempted by his first motion to recommit one of the sections that had been reported back to the House. Later he offered the new section, as follows:

> Mr. RANDALL moves to recommit to the Committee on the Post Office and Post Roads, with instructions to report the same back forthwith, with the following amendment: Page 34, after line 13, insert a new section as follows:
>
> "SEC. —. No letter, postal card, circular, pamphlet, newspaper, or publication of any kind, containing any advertisement or solicitation of a sale of any spirituous, vinous, malted, fermented, or other intoxicating liquors, shall be deposited in or carried by the mails of the United States, or be delivered by any postmaster or letter carrier.

And so forth.

The gentleman from Kentucky [Mr. SHERLEY] made the point of order on the motion that it was legislation on an appropriation bill and not germane to anything in the bill. After an argument participated in only by gentlemen in favor of the proposition the Speaker sustained the point of order, as he did to the prior amendment.

Mr. MANN. Mr. Chairman, as I remember the case distinctly, the precedent cited by the gentleman from Wisconsin has no application whatever to the present case.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Virginia presents an amendment in the form of a new section changing the salaries fixed by the judicial code for the judges of the Court of Claims. The point of order is made upon that amendment that it is not germane, in that the pending bill relates only to the salaries of certain of the United States judges, to wit, the United States district and circuit court judges, and that it is not in order by amendment to change the salary of other classes of the United States judges.

If the question related to any single section the question of germaneness would have to be measured by that section, but the amendment of the gentleman from Virginia is presented as a new section to the bill itself.

The bill itself undertakes to change the salary of the United States district and circuit judges and the third section undertakes to regulate the right of retirement of the judges who are appointed to serve during good behavior. The answer is made to the point of order that while one specific proposition can not be amended by another specific proposition, yet the rule is limited by the further proposition that where the bill or proposition under consideration applies not to specific cases but to a general class of subjects the rule of germaneness must apply to that class, and that in this case the class affected by the bill are the judges of the United States courts.

The Chair has heard with much interest the argument of the gentleman from Wisconsin based upon the point of order made to the Post Office appropriation bill last year. As the Chair recalls that, without looking over the argument at that time, the proposition was to amend several sections of the criminal code relating to matter that might be transmitted through the mails of a treasonable character.

It was proposed to amend that by introducing an amendment to another section of the code relating to the advertisement and solicitations for the sale of liquor. In the opinion of the Chair such an amendment was considered not to be germane because it did not relate to the subject matter of the bill under discussion.

In the case now before the House the Chair is constrained to say that he believes the rule is a salutary one, which confines the House and the committee to amendments clearly germane to the subject of the bill as presented by the committee to the House. But the precedents seem to indicate, and to the Chair's mind do indicate, that when the bill relates to a certain class of subjects an amendment is germane which relates to the same class of subjects, even though it may not be embraced in the same identical section. In this case there are three sections of the bill. The first section is amended in that portion which governs the salary of district judges and the second section relating to circuit judges. The third section relates to the retirement of judges of the courts of the United States who hold office during good behavior. By reference to the amendment of the gentleman from Virginia [Mr. FLOOD], section 136 of the Judicial Code, which he seeks to amend, provides:

> The Court of Claims, established by act of February 24, 1855, shall be continued. It shall consist of a chief justice and four judges, who shall be appointed by the President, by and with the advice and consent of the Senate, and hold their office during good behavior.

In other words, there are two propositions embraced in the bill before the House—one the change of salaries of certain judges of the United States and the other the right of retirement of certain judges of the United States. Any amendment

which is urged to these propositions must be germane to both of those propositions. It must relate to the salaries of judges of the United States, or that class of judges who would be affected by the particular retirement law, which is also a part of the pending measure. In the opinion of the Chair, the judges of the Court of Claims of the District of Columbia are in the same general class as the judges provided for in the pending bill. Therefore an amendment altering their salaries is germane as an amendment to the pending bill. The Chair therefore overrules the point of order.

Mr. CARAWAY. Mr. Chairman, I desire to be recognized in opposition to the amendment. I very much hope that this amendment will not be agreed to. There has not been a person before the committee asking for an increase in the salaries of the judges of the Court of Claims. There has been before the committee, and there is pending now, a bill looking to giving to the court two masters. They have asked for these, and there have been extensive hearings. The judges of the court themselves have been before the committee and have asked for these two officers of the court, saying it would enable the court to do its work more satisfactorily, but no one suggested that a change in the salary of these judges was desirable or necessary. A proposition came before the committee, brought by an attorney of the District of Columbia and advocated by him solely, to increase the pay of the judges of the Supreme Court of the District of Columbia and of the Court of Appeals of the District of Columbia. The committee did not agree to that, and, as I said, there was not any suggestion from any source that the judges of the Court of Claims should have an increase in their salary. I was never overly enthusiastic for this bill, but under certain conditions I was willing to vote for it. However, if we now, without an opportunity to know anything about the facts, are to have entirely unrelated increases in salaries applying to people who form no part of the judicial system as it was contemplated, I do not think the members of the committee ought to feel themselves under any obligation to support the changed measure. This is not a threat. I realize that it is nobody's concern as to how I vote. I am just expressing my opinion about it. I do not think an amendment increasing the salary of these men beyond the salary of the ordinary district court judge—particularly as these men have only a quasi judicial character to perform, because they have no jurisdiction of persons and merely pass on claims—should be placed in this bill, particularly in view of the fact that the judges themselves have never asked for it. When they were before the committee there was no contention that their salaries were not sufficient. They wanted to have two masters to aid the court in handling and summing up the facts. I sincerely hope that because there are meritorious cases of judges who have not only to deal with property but with the lives and liberties of American citizens, who have been underpaid, in the judgment of the committee, and therefore ought to be taken care of in a modest increase of salary, that that will not be assigned as a reason for rushing in and raising everybody's salary. It appears to me to be unwise; and, certainly, if you are going to increase the salaries of the judges of the Court of Claims I do not see why you should not increase the salaries of the Supreme Court and of the Court of Appeals of the District of Columbia, or anyone else that, under the ruling of the Chair, could be brought within the provisions of the bill.

Mr. SWITZER. Has the Court of Claims power or jurisdiction to enforce its own decrees?

Mr. CARAWAY. Oh, no.

Mr. BUTLER. It only finds the facts.

Mr. CARAWAY. It usually does not find them. I want to appeal to the friends of this measure, who believe, everything considered, that it ought to pass, not to load it down here by the increase of the salaries of men who themselves have never thought of asking for an increase of salary. There was no opportunity given to the committee to consider the matter and I sincerely hope the amendment will be voted down. I shall under the circumstances vote against the bill if the amendment is agreed to. If the chairman sees fit to consent to these changes without reference to the will of the committee, I regret to do it, but will do so.

Mr. CANNON. Mr. Chairman, I can not agree with the gentleman from Arkansas [Mr. CARAWAY]. It does not follow at all because the Committee on the Judiciary has not considered the question of increasing the salaries of the judges of the Court of Claims, that therefore the House should not consider that germane amendment. After all is said and done, the committees of the House do not control the House.

Mr. CARAWAY. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Yes.

Mr. CARAWAY. The bill as originally prepared sought to grant increases upon the basis of population. The amendment offered by the gentleman from Virginia to increase the salaries of the judges of the Court of Claims takes no cognizance of that, and does not agree with the amendment offered a moment ago by the gentleman from South Carolina which fixes the salary at $7,500, but so arbitrarily fixes the salaries of these judges that they will be out of proportion to any other.

Mr. FLOOD. They are the same as district judges, they get the same salary as district judges, and this fixes the salary the same as the district judges.

Mr. CANNON. After all is said and done, the committees are the creation of the House and they do not bind the House. When the report of the committee comes before the House, whether the committee has investigated a particular matter or not, any germane amendment or any amendment in order under the rules of the House, it is proper to consider it in the House. I have high respect for the gentleman from Arkansas and I have high respect for the Committee on the Judiciary, and high respect for the other committees that prepare legislation for the consideration of the House, but, good God! when a measure comes in here to say that simply because the committee did not consider this or that amendment therefore the House ought not to agree to it is ridiculous. Just let me say a word. The fact that the judges of the Court of Claims have not appeared before the committee agonizing for an increase in their salaries perhaps is to the credit of the judges.

Well, let me tell you. I have some familiarity, being upon the Committee on Appropriations, having been appointed over a quarter of a century and its chairman for 14 years, I know about the important work done by the Court of Claims. It is a court that has long existed, and they have passed after great investigation on cases submitted to them wholesale. I think I can safely say they have passed on—I was going to say millions—but thousands and thousands of claims and have rendered judgment in many cases. There are many cases referred to that court for investigation and report to Congress, and such investigation means great labor.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON. I would like just two or three minutes longer, perhaps five minutes more; I will get through within that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. SHERWOOD. What is the salary of the judges of the Court of Claims?

Mr. CANNON. Six thousand dollars, the same as district judges, and by amendment that has been increased to $7,500, and this amendment proposes to increase the salary by $1,500. Now, they render judgments that are final, involving hundreds of millions of dollars, subject to appeal, of course, to the Supreme Court of the United States. Many of them are not appealed, some of them are, and now at the close of this great war, with the great number of contracts that are being canceled, with the great number of claims that are to come before this court and will come before them, I submit that the amendment should be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. FLOOD and Mr. BANKHEAD) there were—ayes 73, noes 27.

So the amendment was agreed to.

Mr. REAVIS. Mr. Chairman, I offer an amendment as a new section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 4, line 10, add as a new section the following:

"SEC. 4. The salary of the Chief Justice of the Court of Appeals for the District of Columbia shall be $9,000, and the salary of each associate justice of the Court of Appeals for the District of Columbia shall be $8,500. The salary of the Chief Justice of the Supreme Court of the District of Columbia shall be $8,000, and the salary of each associate justice of the Supreme Court of the District of Columbia shall be $7,500. The salaries provided for in this section shall be paid as now provided by law."

Mr. GARD. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. GARD. The point of order made against the amendments proposed by the gentleman from Nebraska is that neither are germane to the purposes in the bill. The title of the bill and the purpose of the bill is to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary." In that reference is made to three sections, the first being section 2 of that act and the next section 118 of that act and the third section 260 of that act. In the act relating to the judiciary certain courts are enumerated. They are courts of the United States. They are the district courts, they are

the courts of claims, they are the Court of Customs Appeals, they are the circuit courts and the Supreme Court of the United States, and those are all the courts enumerated. Apart from that, there is a court created in the District of Columbia. Now, the District of Columbia, as everyone knows, is a Federal reservation, of which the Congress of the United States has complete legislative charge, and the jurisdiction of those courts enumerated in the amendment offered by the gentleman from Nebraska are peculiar to the District of Columbia and have no part in the general system of the judiciary. As I understood the ruling of the Chair a moment ago, it was to hold that any amendment might be in order which affected the general judicial code and the provisions which were sought to be carried in the general judicial code by reason of the purview of this bill. Now, the bill affects district judges of the United States, it affects circuit judges of the United States, and it affects those judges of the United States who are competent to retire under certain provisions, as set out in section 216. The amendment provides those judges shall be paid in accordance with existing law, and I ask the Chair's special attention to this. The bill we are considering is a bill which provides that the salaries of judges of the United States shall be paid out of the general revenues of the United States. The amendment which is offered by the gentleman from Nebraska [Mr. REAVIS] provides that half of those salaries is to be paid by the people of the United States, by the general taxpayers of the United States, and half through the revenues of the District of Columbia, thereby indicating a separate and distinct limited part of the judiciary, for such this is. The title of the judiciary, in so far as it affects the District of Columbia, is contained, not in the Judicial Code and not in the Statutes of the United States, but in a compilation of statutes in force for the District of Columbia. Very necessarily, owing to the peculiar character of this legislative and political reservation, laws and the administration of laws in the District of Columbia are entirely different from laws and the administration of laws outside of the District of Columbia. There is not the same general use, there is not the same general extension of authority, under this limited law as there is under the law affecting broadly the provisions of the Judicial Code.

In section 260 of this law which provides a new scheme of arrangement that one who is authorized to resign may, instead of resigning, retire, it provides how he may retire and what his designation may be. It provides upon his retiring the senior judge of the circuit may authorize him to perform such judicial duties as he is willing to perform, or the Chief Justice may authorize him to perform such judicial duties in any other circuit as such retired judge may be willing to undertake. There is no authority for the Chief Justice appointing any retired judge of the District of Columbia to any other work, nor is there any legislative or statutory authority for the sending of any judge of the Supreme Court of the District of Columbia into any other territory for service. Their service is limited. It is limited in a territorial sense; it is limited in a judicial sense; it is limited for a very necessary purpose, that this District of Columbia is a Federal reservation for certain purposes, and the great purpose is the administration of law necessary to carry on the General Government within the Federal reservation.

Therefore, Mr. Chairman, I make the point of order, and make it, I say, upon the soundest sense of reason, that there can be no possible reason by which a judge of the Supreme Court of the District of Columbia may be associated in any feature with the general judicial code of the United States, and, therefore, that any amendment proposed in this bill to that effect is not germane. I have no fault to find with the general scheme of compensation, because if there be any necessity for additional compensation, owing to increased cost of living, of course that may affect the judges of the Supreme Court of the District of Columbia. But we are not at that point. And I make the point of order that there is absolutely no authority in this bill, or any law associated with the bill, for the purpose of amending it with an entirely foreign, distinct, and different court.

Mr. REAVIS. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Nebraska desire to be heard?

Mr. REAVIS. Just a word, if I may, Mr. Chairman.

If the Court of Appeals in the District of Columbia is within what we know as the Federal courts, there can be no question that, according to the ruling made by the Chair a short time ago, this amendment is germane to the bill. It does not appeal to me as a matter of particular consequence whether the Court of Appeals of the District of Columbia and the Supreme Court of the District of Columbia are a part of the judicial code which this bill seeks to amend. Under the ruling of the Chair, it would seem to me that that question was eliminated. In my judgment, the Court of Appeals of the District of Columbia and the Supreme Court of the District of Columbia are distinctly Federal tribunals, created by the Federal Congress. Of course, their jurisdiction is limited to the Federal reservation known as the District of Columbia, but the mere fact that they may not be comprehended in the judicial code and that their creation is a matter of statute without that code would not render this amendment subject and obnoxious to the point of order that it was not germane to the subject matter of this bill.

The subject matter of this bill, as I understand it, is for the purpose of fixing the salaries of the Federal judges. True, those judges prescribed by the legislation are judges whose salaries are fixed by the judicial code, and the legislation fixing a new salary would require an amendment to that judicial code. But that is merely a means to an end. An amendment of the judicial code is not the subject matter of the legislation. It is the salary to be paid to Federal judges. Now, if within the meaning of that term the judges of the Court of Appeals for this District and the judges of the Supreme Court for this District are within the class known as Federal judges, constituting what is known as Federal courts, then this amendment under the ruling of the Chair is germane. And I submit that the point of order is not well taken.

Mr. WALSH. Mr. Chairman, I simply desire to direct the Chair's attention to one of the contentions of my colleague on the committee, the gentleman from Nebraska [Mr. REAVIS], by saying that if the Chair will examine the judicial code he will see that the courts of the District of Columbia are not embraced within the Federal judicial system. They are a separate branch, but they have conferred upon them certain Federal jurisdiction. But they are not embraced within the judiciary of the United States, and if we can incorporate amendments here for the courts of the District of Columbia that are not embraced within the Federal Judicial Code we can offer an amendment, I submit, which amendment would be germane, to increase the salary of the territorial judges of Alaska and Hawaii; and that the ruling of the Chair, as applied to the court, contained in the amendment just adopted, if applied strictly to this amendment, must necessarily lead to the conclusion that this amendment falls outside of that class.

Mr. REAVIS. Will the gentleman yield?

Mr. WALSH. I yield.

Mr. REAVIS. The Court of Appeals of the District of Columbia has an appellate Federal jurisdiction, has it not?

Mr. WALSH. It has; conferred upon it by a special statute and not by the judicial code.

Mr. REAVIS. It has the power of review of certain decisions in the Patent Office and power of review of certain decisions of the Postmaster General—distinctly a Federal jurisdiction, is it not?

Mr. WALSH. Those particular powers are Federal powers; yes.

Mr. REAVIS. And could be conferred only by the Congress?

Mr. WALSH. But they have not been conferred by the judicial code, nor does that conferring of jurisdiction make them a part of the judicial system of the United States.

Mr. REAVIS. Then, if I understand the gentleman, the point of order, in his mind, is good, because the authority creating the Court of Appeals of the District of Columbia is not within the judicial code?

Mr. WALSH. Because the authority conferring certain jurisdiction upon the Court of Appeals for the District of Columbia does not make that a Federal court, except as confined to the particular jurisdiction conferred upon it.

Mr. REAVIS. It is a court having Federal jurisdiction but not a Federal court?

Mr. WALSH. In certain instances.

Mr. GRAHAM of Illinois. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. GRAHAM of Illinois. On this point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. GRAHAM of Illinois. A question has been raised in argument here, Mr. Chairman, as to whether the judges of the courts here in the District of Columbia are properly within the purview of the general designation of United States judges; and in view of the fact that the Supreme Court has decided that matter I think it might be well to call the Chairman's attention to an adjudged case. In the case James against the United States, in the Two hundred and second United States Supreme Court Reports, the question arose under a statute

which is the same statute which we will consider under section 260 of this bill.

When any judge of any court of the United States resigns his office, after having held his commission as such at least 10 years, and having attained the age of 70 years, he shall, during the residue of his natural life, receive the same salary which was by law payable to him at the time of his resignation.

Now, the Supreme Court, in passing upon the question as to whether that applies to judges in the District of Columbia, had the following to say:

On behalf of the Government it is, as we have said, contended that Justice James was not entitled to the benefit of this statute, because that statute only embraced judges of such courts of the United States as were within the purview of section 1 of Article III of the Constitution, and it is insisted the Supreme Court of the District of Columbia was not so embraced. We think the premise upon which this contention rests is wholly devoid of merit. The words of the statute, "when any judge of any court of the United States resigns his office," are broad enough to embrace all courts created by the United States, without taking into view the particular constitutional authority which was exercised in such creation. It is true that the statute excludes the conception that it was intended to apply to judges of courts created by Congress, when the term of office was of limited duration. Conversely, however, in our opinion, the text of the statute leaves no room for question that its provisions were intended to apply to a judge of any court of the United States holding his office by a life tenure, such as during good behavior. Indeed, as it is conceded at bar, that from the period of the enactment of the statute down to the present time it has, without interruption or deviation, been construed by the legislative and executive departments of the Government as applicable to justices of the Supreme Court of the District of Columbia, we do not deem it necessary to determine whether the Supreme Court of the District of Columbia is an inferior court within the meaning of section 1 of Article III of the Constitution, since even if it be not a court of that character it is nevertheless a court of the United States within the meaning of Revised Statutes, section 714.

The section referred to is the one that will be hereafter discussed, and which is similar to section 260 in this bill. I think it right to state this to the Chairman, so that he may have the benefit of it in his ruling.

The CHAIRMAN. The Chair thanks the gentleman. The Chair is ready to rule.

The gentleman from Nebraska [Mr. REAVIS] presents an amendment increasing the salary of the chief justice and associate justices of the Court of Appeals of the District of Columbia. The contention is made that this amendment is not germane to this bill; that these judges do not fall within the same general class as the judges whose salaries are affected by the bill under consideration by the House.

The question is not free from difficulty, because in a certain sense the judges of the Court of Appeals of the District of Columbia are United States judges; and yet they are judges of a local or Territorial character, taking the place in this Federal reservation of the Territorial judges in the Territories of the United States elsewhere. The question of germaneness does not depend wholly upon whether in some sense these judges are United States judges. If it did, then recourse might be had to the opinion of the Supreme Court of the United States, cited by the gentleman from Illinois [Mr. GRAHAM]. This bill which is before the House is a bill to amend an act to codify, revise, and amend the laws relating to the judiciary, this being the prime purpose of the bill before the House, and it amends the Judicial Code in certain particulars, namely, by increasing the salaries of certain classes of judges mentioned in that Judicial Code. Congress has placed the stamp of its opinion upon what constitutes the courts of the United States by defining in the Judicial Code the five courts or five branches of the court—the Supreme Court, the District Court, the Circuit Court, the Court of Customs Appeals, and the Court of Claims. Such being the judgment of Congress, it has defined the class to which the rule of germaneness must apply. The amendment offered by the gentleman from Nebraska does not seek to amend the act which this bill is directed to amend at all, but is simply directed at certain other courts which in a certain sense are also classed as courts of the United States. In the opinion of the Chair the point of order that the amendment is not germane is well taken, and the point of order is therefore sustained. The Clerk will read.

The Clerk read as follows:

SEC. 3. That section 260 of the act aforesaid be, and the same is hereby, amended to read as follows:

"SEC. 260. That when any judge of any court of the United States, appointed to hold his office during good behavior, resigns his office after having held a commission or commissions as judge of any such court or courts at least 10 years continuously, and having attained the age of 70 years, he shall, during the residue of his natural life, receive the salary which is payable at the time of his resignation for the office that he held at the time of his resignation. But instead of resigning, any judge, other than a justice of the Supreme Court, who is qualified to resign under the foregoing provisions may retire, upon the salary of which he is then in receipt, from regular active service on the bench, and the President shall thereupon be authorized to appoint a successor; but a judge so retiring may nevertheless be called upon by the senior circuit judge of that circuit and be by him authorized to perform such judicial duties in such circuit as such retired judge may be willing to undertake, or he may be called upon by the Chief Justice and be by him authorized to perform such judicial duties in any other circuit as such retired judge may be willing to undertake.

"In the event any circuit judge or district judge, having held a commission or commissions at least 10 years continuously, and having attained the age of 70 years as aforesaid, shall nevertheless remain in office and not resign or retire as aforesaid, the President, if he finds that any such judge is unable to discharge efficiently all the duties of his office by reason of mental or physical disability of permanent character, may, when necessary for the efficient dispatch of business, appoint, by and with the advice and consent of the Senate, an additional circuit judge of the circuit or district judge of the district to which such disabled judge belongs. And the judge so entitled to resign or retire shall be held and treated as if junior in commission to the remaining judges of said court, who shall, in the order of the seniority of their respective commissions, exercise such powers and perform such duties as by law may be incident to seniority. In districts where there may be more than one district judge, if the judges or a majority of them, can not agree upon the appointment of officials of the court, then the senior judge shall have the power to make such appointments.

"Upon the death or resignation of any circuit or district judge so entitled to resign, following the appointment of any additional judge as herein provided, the vacancy caused by such death or resignation of the said judge so entitled to resign shall not be filled, but the number of judges then in office shall be reduced accordingly."

Mr. GARD and Mr. WALSH rose.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. GARD. Mr. Chairman, I offer the following amendment and ask that it be reported.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GARD: Amend page 5, line 9, by striking out the period after the word "undertake" and inserting a comma and the following: "Or he may be called upon either by the presiding judge or senior judge of any other such court and be by him authorized to perform such judicial duties in such court as such retired judge may be willing to undertake."

Mr. GARD. Mr. Chairman, this amendment was prepared and submitted by the gentleman from Pennsylvania [Mr. STEELE] and was inspired by a colloquy yesterday between the gentleman from Pennsylvania and the gentleman from Iowa [Mr. SCOTT], in which the gentleman from Iowa called attention to the fact that this section was in need of some clarification. This is simply offered to perfect the text in accordance with the idea advanced by the gentleman from Iowa.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. GARD].

The amendment was agreed to.

Mr. WALSH. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 4, line 11, beginning with section 3, strike out the section down to and including line 11, on page 6.

Mr. WEBB. Mr. Chairman, it seems that this will be the only mooted question remaining in the bill, and I should like to have some agreement as to the time that we shall consume in debating the amendment. I should like a suggestion from my friend as to how much time he will desire. I think the committee are anxious to finish the bill to-night, and I hope my friend from Massachusetts will assist us in that.

Mr. WALSH. I shall be very glad to do so. I think 15 or 20 minutes on a side will be sufficient.

Mr. WEBB. I ask unanimous consent that debate on this motion to strike out the section may close in 30 minutes, 15 minutes to be assigned to those in favor of the motion and 15 to those opposed to it.

Mr. WALSH. Will the gentleman make that 20 minutes on a side?

Mr. WEBB. Yes; I will amend my request and make it 20 minutes on a side.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate upon this motion to strike out the paragraph and all amendments thereto——

Mr. MANN. There could be no amendment to his motion.

The CHAIRMAN. Upon the amendment of the gentleman from Massachusetts close in 40 minutes.

Mr. WEBB. Will my friend agree to make that request cover all debate on the section itself? Then we can give notice as to when we will vote on the bill. Has anyone any amendment to offer?

Mr. MANN. I want to ask the gentleman from North Carolina with reference to the last paragraph of this section, to suggest a possible amendment.

Mr. WEBB. Very well. I will be very glad to have the gentleman do it.

Mr. MANN. This paragraph provides that—

Upon the death or resignation of any circuit or district judge, so entitled to resign, following the appointment of any additional judge as herein provided, the vacancy caused by such death or resignation of the said judge so entitled to resign shall not be filled, but the number of judges then in office shall be reduced accordingly.

Mr. ASWELL. Mr. Chairman, a parliamentary inquiry. I move to strike out the enacting clause of this bill.

Mr. MANN. Who has the floor?

The CHAIRMAN. The gentleman from Louisiana [Mr. ASWELL] is offering an amendment.

Mr. MANN. But who had the floor? We were having a debate here, and the gentleman from Louisiana was not recognized to offer an amendment.

The CHAIRMAN. The gentleman from Illinois, as the Chair understands, is asking a parliamentary inquiry.

Mr. MANN. No. I was asking the gentleman from North Carolina [Mr. WEBB], who had the floor, a question.

The CHAIRMAN. The Chair understood that the gentleman from North Carolina had the floor to prefer a request for unanimous consent.

Mr. MANN. Nobody could take him off the floor by a motion, then.

The CHAIRMAN. The gentleman from North Carolina.

Mr. STAFFORD. Would not the gentleman from Massachusetts have the floor on his motion to strike out, and was not an endeavor being made to come to an agreement as to time on that motion?

The CHAIRMAN. The gentleman from Massachusetts [Mr. WALSH] offered an amendment, which was duly reported, and pending his being recognized to debate his amendment the gentleman from North Carolina [Mr. WEBB] rose, and by tacit consent preferred a request for unanimous consent. The whole matter is now before the committee.

Mr. ASWELL. Mr. Chairman, the gentleman from Louisiana was recognized and had a right to make a preferential motion, had he not?

The CHAIRMAN. The gentleman from Louisiana rose to a parliamentary inquiry, as the Chair understood him, but the Chair is advised that at the proper time the gentleman's motion is preferential to a motion to strike out the paragraph.

Mr. ASWELL. Will the Chair state when that time will arrive?

The CHAIRMAN. It will arrive when the gentleman from North Carolina yields the floor, and the question arises between the debate upon the motion of the gentleman from Massachusetts [Mr. WALSH] and the preferential motion offered by the gentleman from Louisiana [Mr. ASWELL].

Mr. WEBB. I ask unanimous consent that the gentleman from Illinois may finish his question now.

Mr. ASWELL. Mr. Chairman, a parliamentary inquiry. Will this motion be in order during this debate of 20 minutes on a side?

The CHAIRMAN. The Chair is advised that if the gentleman offers a preferential motion before debate is begun upon the motion of the gentleman from Massachusetts, he will be entitled to offer it.

Mr. MANN. The paragraph does not provide what shall happen if a judge retires. The bill provides that a man who reaches the age of 70, having served 10 years, may resign or retire. Nature provides that he may die. You say in the bill that if an extra judge has been appointed, and the man on the bench dies or resigns, that vacancy shall not be filled. But suppose he retires. Then you have provided in another place in the bill that an appointment shall be made to fill that vacancy. Evidently that is not what you want to do.

Mr. WEBB. That is the language that was used in the Senate and the House, and we thought it covered it.

Mr. MANN. Ought it not to provide that on the death, resignation, or retirement the vacancy should not be filled?

Mr. ASWELL. Mr. Chairman, what is before the House?

The CHAIRMAN. The question of unanimous consent asked by the gentleman from North Carolina.

Mr. ASWELL. I demand the regular order.

The CHAIRMAN. The regular order is, Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

Mr. ASWELL. Now, Mr. Chairman, I make a motion to strike out the enacting clause.

The CHAIRMAN. The gentleman from Louisiana offers a preferential motion to strike out the enacting clause. The Clerk will report the motion.

The Clerk read as follows:

Page 1, lines 1 and 2, strike out the enacting clause.

Mr. ASWELL. Mr. Chairman, I merely want to say one word. We are soon to have 2,000,000 American soldiers return here without anything except their uniform, and some gentlemen on the other side objected to giving them that. This Government owes nearly $40,000,000,000. This is no time to pass a bill of this kind. This bill is inexcusable and indefensible at this particular time, and I ask that my motion to strike out the enacting clause be supported.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana.

The question was taken, and the motion was rejected.

Mr. ASWELL. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The gentleman from Louisiana makes the point of no quorum. The Chair will count. [After counting.] One hundred and forty-three Members present, a quorum.

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I desire the attention of the committee to the proposition that this section is unconstitutional, and for that reason I shall support the motion to strike it out. I want to call particular attention of the gentlemen of the committee to the language of the Constitution:

ARTICLE III.

SECTION 1. The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish

Now, this language follows:

The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall at stated times receive for their services a compensation, which shall not be diminished during their continuance in office.

Gentlemen who have any knowledge of the proceedings of the Constitutional Convention in formulating the Constitution know what difficulties the convention had to overcome. In the first place they desired to establish a Government that would be firm, that would be strong, and that would take the place of the unsatisfactory and weak confederation that had preceded it. They gave to the President of the United States very great constitutional powers, but they recognized at the same time that it was necessary that those powers should be very carefully limited. The principal thought in the minds of the members of the convention was that in order to secure such safeguards there should be a strong line of demarcation drawn between the three great divisions of the Government—the executive, judicial, and legislative. The various provisions of the Constitution were drawn with reference to that proposition. This provision of the Constitution which I have read was one to secure the judicial powers of the Government against the encroachment of the Executive power. If the Executive power, having created judges and then finding that they were unsatisfactory, could dismiss them as it could other appointees, then it gave the President the power to control the judiciary, and this they sought to prevent by the provisions in which they said that the judges should hold office for life or during good behavior, so that they could not be removed, and that their compensation should not be diminished, so that they might be starved out of office.

Now we have a provision in this bill which allows the Executive to do the very thing that the Constitution sought to prevent—in other words, to dismiss or discharge at his will, whenever he shall so determine, judges whom he has appointed, and whom the Constitution provides shall serve for life or during good behavior. That is the effect of the provision of this bill which this motion seeks to eliminate. Whenever the President shall conclude that any judge is incapacitated he may appoint a successor, who shall take over the duties of the office. To Congress is given the power to determine when additional judges are necessary; but this power and duty we surrender to the Executive. The Constitution declares that no one, not even the President, may remove an obnoxious judge. This provision gives the President that power.

That, gentlemen, is a violation of the Constitution of the United States. There is no way in which I think that can be avoided.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WALSH. I yield the gentleman two minutes more.

Mr. STEELE. Will the gentleman yield?

Mr. TOWNER. For a brief question.

Mr. STEELE. I want to call the gentleman's attention to the fact that when the circuit court of appeals was created the circuit court was abolished, and the circuit judges on the bench were stripped of their powers and were directed to perform the duties of district judges, and again when the commerce court was abolished they were divested of their powers and directed to perform the duties of district judges, and this legislation was sustained by the Supreme Court.

Mr. TOWNER. We have gone over that, and the very reason given by the Supreme Court was that they were not stripped of their powers; that they were given the same powers in existence before; that a mere change of name from circuit judge, having the same jurisdiction, did not deprive them of their office.

Mr. STEELE rose.

Mr. TOWNER. I can not go further with my explanation, if the gentleman will pardon me. When you say that a man shall be retired upon the request or the declaration or the demand of the President of the United States and that another shall take his place who can take all of the business that appertains to that office out of his hands, you not only retire him, but you, in effect, remove him from his office. In this provision you give to the President of the United States the power to say that whenever any judge is unsatisfactory in the performance of his duties under the circumstances stated he shall be removed and another substituted in his place.

Mr. WEBB. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. WEBB. Of course, this is a pretty big constitutional question that the gentleman is arguing.

Mr. TOWNER. Yes; and I wish we had more time to devote to it.

Mr. WEBB. Does the gentleman think that so eminent a man as Mr. Justice Hughes would say he regards this provision as eminently wise if he thought it was unconstitutional?

Mr. TOWNER. I think that Judge Hughes never gave the constitutional question any consideration at that time.

Mr. WEBB. Oh, yes; Judge Hughes had this under consideration for quite a while.

Mr. GRAHAM of Pennsylvania. Yes; he did, in the section letter.

Mr. WALSH. There is not a word about the constitutionality of it.

Mr. WEBB. I read from the letter of June 27, 1918, addressed to Hon. H. J. STEELE:

> I was not in favor of the provisions embraced in House bill No. 11134, relating to the compulsory retirement of district judges, but these provisions have been eliminated, and under House bill No. 12001 circuit and district judges have been put on the same basis with regard to retirement, and these provisions, it seems to me, are eminently wise.
>
> Very sincerely, yours,
>
> CHARLES E. HUGHES.

Mr. TOWNER. That does not reach the proposition. Judge Hughes may think such provisions wise, but, with the greatest respect, I can not agree with him as to their wisdom. But he does not say they are constitutional, and there is nothing to indicate that he considered the constitutional question. I think gentlemen ought to consider this simply upon its merits. The desire of gentlemen to provide a means by which some judge they have in mind might be gotten rid of in a method that is unconstitutional ought not to lead them to violate the Constitution of the United States. [Applause.]

Mr. WEBB. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. MANN. Mr. Chairman, a parliamentary inquiry. Was the rule adopted limiting debate, the rule to limit debate on the section and all amendments thereto?

The CHAIRMAN. The unanimous-consent request, as the Chair recalls it, was only upon the Walsh amendment.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, the motion before the committee is a motion to strike out section 260; and I would like to have the attention of the members of the committee, because what I have to say I am saying in support of the section as it stands and because I believe the section as it stands ought to be supported. The first part of this section makes no alteration in the existing law. The second part of the section introduces a new feature, and that is what has been denominated in these debates the retirement feature. I ask the members of the committee to remember that that retirement feature was in a bill reported by our committee, passed upon by the House, approved in this House, and passed by the Senate, so that the question is not a new one, but is one that has been approved and carries great benefits with it. I recall an instance in our third circuit where the matter was under consideration. The presiding judge of the circuit stated that it was his desire, if he had the power, to call in Judge Gray, who had resigned, but that he could not because the resignation cut off his official function. Therefore it was that he suggested the framing of such a bill as this, and the bill was framed and presented to the committee and considered by the House and passed, and was regarded as a most beneficial addition upon the question of the resignation of judges. It put as a reserve force those gentlemen who were able to discharge some of the duties of the office, but who wished to retire from the more active work after their service of 10 years, and passing the age of 70. They constituted a retired list which could be called upon, if they would be willing to serve, to help out in any emergency in the business and work of the court. I respectfully submit to you gentlemen that that paragraph ought to be retained irrespective of what your opinion may be of the last clause or section of the bill.

Mr. GILLETT. I understand the gentleman from Massachusetts inadvertently included that, and that he is going to except that from his amendment.

Mr. GRAHAM of Pennsylvania. If he is, that removes any cause for further argument. But it has not been stated. His motion is to strike out the section.

Mr. WALSH. The gentleman knows that I expected to ask to modify my amendment.

Mr. GRAHAM of Pennsylvania. But the gentleman has not done it yet.

Mr. WALSH. I assured the gentleman that I would make that request.

Mr. GRAHAM of Pennsylvania. That is sufficient. Then, I pass from that point to the third paragraph and the only remaining part of this section. While previously debating this subject of the appointment of a judge in a case where a man had served 10 years continuously and had passed the age of 70 years and yet held on to the office and its duties I stated that the question of the appointment of a judge who would be senior to him without removing him from his office was one which caused difference of opinion, and as the original act was framed, the one which was considered two years ago, it was objectionable, and I joined with the gentleman from Minnesota [Mr. VOLSTEAD] in filing a minority report. The provisions of that act were drastic in the extreme and were not limited as they are in the section which is now before you for your consideration.

When we considered this bill in committee my colleague on the committee, to whom I referred, offered an amendment embodying the language that is now contained in this bill and by that amendment disarmed our objections and we agreed to pass the bill with this new provision as amended. Now, what is this amended provision? Is it constitutional?

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAHAM of Pennsylvania. May I have just a couple of minutes more?

Mr. WEBB. I yield two minutes more to the gentleman.

Mr. GRAHAM of Pennsylvania. This is a constitutional question, and it is hard to debate a constitutional question in two minutes, and I wish simply to advert to what the gentleman from Iowa said, that this portion of the bill was unconstitutional. The original bill was unconstitutional, but I think this is not, for the judge here is not deprived of his office, and, as my colleague from Pennsylvania [Mr. STEELE] pointed out, it has been decided that as to his duties the legislative power to change or alter them is no violation of the constitutional provision that gives him tenure of office during good behavior, and during the course of debate I ventured the suggestion that possibly it might be construed that a man over 70 who had served 10 years continuously, who was incompetent to discharge the duties of his office by reason of physical or mental disability, but still maintained that position, might not be exercising "good behavior" in the office so as to be entitled to be considered as within the protection of the Constitution. But aside from that question there is no invasion of the constitutional protection, for all the power that is given to the President is to ascertain a state of facts, and when a state of facts is found showing that a man on the bench is incompetent to perform the functions—discharge the duties of his place—when that fact is found, the President may nominate a man, not a successor, but one to aid the community where this evil exists in getting rid of the evil consequences to business and to the administration of justice, and then that appointment must be confirmed by the Senate, and surely an outraged bar if this power were improperly used would reach the Senate and prevent the confirmation, and, if the confirmation is prevented, then what injury has been done? The man is vindicated and remains in his office, no harm is done, the successor fails of appointment, and the conditions are unchanged.

Mr. DENISON. If the gentleman will yield, if the successor fails of appointment, does not the gentleman think some harm has been done to the man over whom one has been appointed?

Mr. GRAHAM of Pennsylvania. On the contrary, I think what might have been before a rumor or suggestion against him has been met in the open and defeated and shown not to be the truth and he is stronger than he was before, and surely there ought to be some remedy provided for an evil such as this which exists in a number of cases.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WALSH. Mr. Chairman, in accordance with the assurance I gave the gentleman from Pennsylvania and members of the committee I ask to modify my motion according to the language which the Clerk has at the desk.

The CHAIRMAN. The Clerk will report the modification, without objection.

There was no objection.

The Clerk read as follows:

Mr. WALSH moves to strike out lines 10 to 25, inclusive, on page 5, and lines 1 to 5, inclusive, on page 6.

Mr. WALSH. Now I yield two minutes to the gentleman from Massachusetts [Mr. GILLETT].

Mr. GILLETT. Mr. Chairman, I was glad to yield three minutes of my time to the gentleman from Iowa, because I simply wish to state the reason why I shall vote for this amendment. It seems to me that aside from the question of constitutionality it is merely a question of balancing the advantages and disadvantages. It happens occasionally that a man attaining the age of 70 years, and with the right of retiring, is not willing to retire, although he is inefficient and incapable of performing his duties. Such an occurrence seems improbable, but we find from experience once in a while that is the case, and the question arises how to meet it. To-day we meet it by a bill in Congress, and when a judge will not retire, although he is incapable of performing his duties, Congress can easily authorize another judge, and it seems to me it is not putting the Nation to a great inconvenience to demand that.

Instead of that, this law provides that the President shall decide whether a man is inefficient or is not. The Executive is always subject to the temptation to appoint a new judge when it is not necessary. He is constantly besieged by Congressmen and others for appointments, and personally I think it is much wiser to leave the law as it is to-day, and compel Congress to authorize a new judge, than it is to subject the Executive of the United States to the pressure and temptation which I suspect might sometimes be yielded to of appointing a new judge when it is not really necessary, and imposing a slight upon the judge who is the senior by making him the junior. Inasmuch as I say a balance must be cast between the present system and this proposed system, it seems to me the balance of advantage is leaving the law as it is. I would rather leave the power with Congress than transfer it to the President. Therefore, I shall favor the striking out of this provision. [Applause.]

Mr. WEBB. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. VOLSTEAD].

Mr. VOLSTEAD. Mr. Chairman, I believe the provision in question is a wise one, though I realize others disagree with me.

I think we must judge the future by the past. In a large number of instances judges who have had the opportunity to retire under existing law refused to do so. The amendment that we add in this bill to the retirement law I do not believe will change matters to any great extent. You can readily see why judges refuse to resign. When they resign they give up their power, their prominence, and importance in the district and, so to speak, become nobodies in the estimation of the public. They are not willing to do that, and they refuse to do it in almost every instance. Now, that has been our experience. When you come to Congress for relief politics often interferes and interminable delays occur; business piles up month after month and year after year, resulting in absolute denial of justice. That has been the situation.

This proposition is not to retire these judges arbitrarily. We do not ask anything of that kind. We realize that would be a violation of the Constitution. We simply say by this bill that when the Attorney General, or any one in the community where this judge lives, can satisfy the President that there is necessity for additional help, because the judge has become mentally or physically incapable of performing his duties, the President shall appoint additional help; but we provide that the old judge may remain on the bench and wear his honors until he dies. We humiliate nobody. All we are after is sufficient judges to perform the public service. That is all this section provides for; without it, justice must suffer. We ought not to deny justice; we ought not to continue a system such as the one we seek to remedy. The Attorney General has repeatedly appealed to us, time and time out of mind, for this relief. It can not be secured through Congress. It ought to be had, it seems to me, through an act such as this. [Applause.]

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, in the general debate on this subject I called attention to what my views were and suggested a query as to whether the last section of the act was constitutional, and said that if I could find authority on the matter I would later present it.

I am happy to say that there is ample authority on the question as to what constitutes an office. The query I suggested to the committee then was this, that if a man holds his tenure by the Constitution, which says he shall hold during life or good behavior, could we by legislative enactment take away from this officer the right to exercise the functions of his office? I have no doubt at all, gentlemen, from the decided cases on this matter, that we can not do so by legislative enactment. The only way I think that the judge of the United States court, appointed by virtue of the Constitution and holding his tenure of office under constitutional limitation, can be removed is by constitutional change. The definition of an office is well set out in Machem on Public Offices and Officers. And it is stated to be this:

A public office is the right, authority, and duty, created and conferred by law, by which for a given period, either fixed by law or enduring at the pleasure of the creating power, an individual is invested with some portion of the sovereign functions of the Government, to be exercised by him for the benefit of the public. The individual so invested is a public officer.

The Supreme Court of the United States, in a leading case on the subject, marked out what the term "office" meant as stated in our Constitution. And this is the digest of it:

An office is a public station, or employment, conferred by the appointment of the Government.

Now, this is what I want to call your attention to:

The term embraces the ideas of tenure, duration, emolument, and duties.

That was decided by Justice Swayne in the United States against Hartwell, in Sixth Wallace, United States Reports, on page 385.

Mr. GRAHAM of Pennsylvania. Will the gentleman permit a question?

Mr. GRAHAM of Illinois. Yes; but my time is quite limited.

Mr. GRAHAM of Pennsylvania. How does the language of this bill deprive the incumbent of an office either of his term or of his official duties?

Mr. GRAHAM of Illinois. Is that the question?

Mr. GRAHAM of Pennsylvania. That is the question.

Mr. GRAHAM of Illinois. I will answer that by saying that you do by indirection what you can not do by direction, in this way: You say you will not peremptorily enforce the withdrawal of this judge or force his resignation by law, but you will do this—you will have the President appoint in his district another judge, who is his senior and who can say to him whether he shall perform the duties of his office or not. And so the senior judge who is appointed deprives the other man of his office if he desires to do so, and deprives him of all right at all to perform the duties of his office. Can you imagine a judge holding his office who has no right to perform any part of the duties of his office?

Mr. GRAHAM of Pennsylvania. Is not that true of every case in which there is a senior and a junior?

Mr. GRAHAM of Illinois. I say to you that you must govern your right to regulate whether a judge of the United States shall perform his office or not within constitutional inhibitions. You can not legislate a United States judge out of office whose term and tenure are fixed by the Constitution. You must do it by the Constitution, and here you are attempting to do something that you can not do by legislative enactment.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. GORDON. Do not you think we can pass a law abolishing a judicial district and thereby terminating the tenure of the judge?

Mr. GRAHAM of Illinois. No.

Mr. GORDON. Congress abolished 14 Federal judges that John Adams appointed.

Mr. GRAHAM of Illinois. You can not abolish the office of judge by legislating away his district.

Mr. GORDON. I would like to see that authority.

Mr. GRAHAM of Illinois. It has been done in the case of Federal courts. You may abolish the courts, but you do not thereby abolish the judges. They still hold their offices. You can not deprive them of the right to hold their offices, and a part of the holding of such an office is the exercise of judicial duties.

Mr. IGOE. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. IGOE. Does the gentleman think it would be unconstitutional to appoint an additional judge in a district where there is only one judge?

Mr. GRAHAM of Illinois. Not at all. That is what you ought to do in a district where the judge is incapacitated. What you want to do here is to put into the hands of the Executive the right to put this man out of office and deprive him of the right to perform the duties of his office by indirection.

Blackstone, the great expounder of the English common law, defined an office as "a right to exercise a public or private employment and to take the fees and emoluments thereunto belonging." (2 Com., 36.) The Supreme Court of Maine, in Third Greenleaf, page 481, said that the term "office" "implies a delegation of a portion of the sovereign power to and the possession of it by the person filling the office." The Supreme Court of Illinois likewise held in Bunn against People (45 Ill., 397) that the conferring of an office involves a delegation to the individual of some of the sovereign functions of government to be exercised by him. The case I have heretofore cited, United States against Hartwell, was followed and approved in United States against Germaine, in the Ninety-ninth United States Reports, page 511, and Auffinordt against Hedden (137 U. S., 327).

It is evident, therefore, that the right to hold an office includes the right to exercise the duties of it. The legislative authority may limit the duties by restricting the size of the district or limiting the jurisdiction to a certain class of cases, but so long as the district continues you can not by legislation prevent the judge from exercising the duties of his office. And this bill does that. It says that on the making of a certain finding by the President another judge may be appointed, who shall be the senior judge, and shall prescribe what if any duties the original judge shall perform; if the senior judge wills that he do nothing, he can do nothing. He has a district and he is a judge, his tenure is fixed by the Constitution as for life or good behavior, and yet he can not perform a single function of his office except to draw his salary. What a travesty this is. By it you would emasculate the judicial office when held by a judge of over 70.

In Thomas against Owens (4 Md., 189), it was said that where the constitution has prescribed the qualifications, the possession of which shall entitle an individual to hold office under the State, it is not within the power of the legislature to change or add to them unless such power be given to the legislature either in express terms or by necessary implication. It was also held in a well-considered case in Ohio—State against Brewster (44 Ohio St., 589), that where the term of the officer is fixed by the constitution the legislature can neither extend nor abridge it. In Commonwealth against Gamble (62 Pa. St., 343), it was said that where the tenure and term of office are fixed by the Constitution, such provisions as the Constitution make are beyond the power of the legislature to alter or destroy.

There can be no doubt about this. If a district or circuit judge is guilty of misbehavior he can be impeached, otherwise he holds his office with the right to enjoy it for life. If a change in this system is desirable then the change must be a constitutional one.

And beyond the constitutional question is the equally important one presented by this bill: Is it good public policy to give to the Chief Executive the right to pass upon the capacity and usefulness of a Federal judge after he arrives at the age of 70 years? By an ex parte proceeding the President may, if this bill becomes the law, find any judge who has been on the bench 10 years and is over 70 incapable. The judge can not be heard at this proceeding—he has no right of appeal. The finding may be political, it may even be malicious, but there is no recourse. Over the head of every Federal judge who comes within the purview of this bill there will hang the constant sword of an Executive order condemning him as a man further unfit for respectable service to the country. He lives and serves with the constant knowledge that his tenure of office is at the behest and by the grace of the Executive, and that by the stroke of his pen a political Executive may shatter his usefulness and send him dishonored to seclusion and disgrace. Should such a power be given to the executive branch of our Government to thus control indirectly the courts of the country, and, by its misuse, to perhaps influence the decisions of our courts of justice? I can not believe it. It is not enough to say that such abuses would not occur. They might occur and that is sufficient reason why this provision of this bill should not be the law.

I am entirely willing to vote for a reasonable increase in the salaries of the judges of our Federal courts; I would vote for the provision increasing their salaries to $7,500 a year. But if, in order to do so, I must vote for this last provision of the bill giving the Executive power over our judges I shall not vote for the bill at all. I can not bring my mind to consent to a provision that is so altogether vicious and dangerous.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAHAM of Illinois. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

Mr. WEBB. Mr. Chairman, we have one more speaker on this side.

Mr. WALSH. I yield four minutes to the gentleman from Illinois [Mr. DENISON].

Mr. WEBB. No; there will be two short ones on this side.

The CHAIRMAN. The gentleman from Illinois is recognized for four minutes.

Mr. DENISON. Mr. Chairman and gentlemen of the committee, I have serious doubt of the constitutionality of this provision, but aside from the constitutionality of it I have very grave fears in regard to the construction that may be placed upon the language used in the section.

This section provides that the President, if he finds that any judge is unable to discharge efficiently any of the duties of his office by reason of his mental or physical disabilities, may when necessary appoint another judge, by and with the advice and consent of the Senate. I fear that the Senate will place this construction upon that, that the question of finding the physical or mental disability of the judge is one exclusively for the President, and that the Senate, in considering the confirmation of the newly appointed judge, must be confined to the sole question of his qualifications for the office.

Now, if the Senate places that construction upon this language of the bill, then the Senate will only enter into the question of the qualifications of the new judge appointed, leaving the question of finding as to the mental or physical disability of the acting judge exclusively to the President. I think the language in the bill clearly implies that that will be done.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. GRAHAM of Illinois. As I understand it, these hearings as to the disability of the judge will be ex parte, from which the judge has no right of appeal to any tribunal?

Mr. DENISON. Certainly. I think that under this bill it will be exclusively the privilege of the President to make the finding as to the disability of the acting judge. He can do it in any way he wants to; and when he makes a finding satisfactory to himself he will simply send in the nomination of another judge for that district and the Senate will simply have the right to consider the qualifications of the new judge and not the disqualifications of the old judge. The bill in its present form gives no one the right to review or question the finding of the President. If that should be the construction of the provision by the Senate—and I think it will be—then you can see the danger that lies in this provision of the bill.

In the next place, gentlemen, if the Senate should not give it that construction, and if the Senate should hold that they would have the right in considering the new appointment to consider the disqualifications of the old judge, then whenever the Senate would enter into that inquiry and find differently from the President, finding, for instance, that the old judge was not disqualified, the appointment of the new judge would not be confirmed. Now, I ask the gentleman from Pennsylvania if that would not be a grave injustice to the new judge, because he would then stand before the courts and the bar and before the whole country as discredited, as unconfirmed by the Senate after the President had nominated him for the office?

Mr. GRAHAM of Pennsylvania. Replying to your question, is it not a fact that whether or not the appointment is appropriately made is one for review by the Senate? For instance, if the President appointed a man judge of a district where there was no vacancy would not the Senate have the right to consider that and say there is no vacancy and refuse to confirm, and if he made the appointment in a place where the judge was not incompetent would not the Senate have the right to say that the judge is not incompetent?

Mr. DENISON. I think not, under the language used in the bill. The gentleman knows, as we all know, that when the President appoints a judge and the Senate refuses to confirm him it is because of some disqualification of the man appointed. If the gentleman from Pennsylvania should be appointed by the President to a judicial position where the President had concluded that an acting judge was disqualified, and the Senate should refuse to confirm the gentleman from Pennsylvania, I say it would be a grave reflection on the gentleman from Pennsylvania, and a great injustice to him, and it would be so considered all over the country. I think that is very undesirable. On the other hand, when the Senate should find that the acting

judge is disqualified, does anyone think that that judge could continue to perform his duties? There would be an adjudication that he is mentally unfit or physically unfit, and he would have had no chance whatever for a hearing. I say that would be a great injustice to the acting judge. So whatever view the Senate might take of its duty under this law, there is bound to be a great injustice to one or the other, or both. [Applause.]

The fact is, if this bill becomes a law, every Federal judge who has served 10 years and has reached the age of 70 years will feel that his mental and physical condition is under the scrutiny of the President. He will know that there are many able men about him wanting his place. He will be bound to feel under constraint, or intimidation, or under a fear that without his knowledge he may be found by the President to be disqualified in some way and another judge appointed. The natural result would be to coerce or constrain the judge to retire. Such a law will strike at the independence of the judiciary and have the effect of doing indirectly what we can not do directly, and for these reasons I think this section of the bill should be stricken out.

Mr. WALSH. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has three minutes remaining.

Mr. WEBB. And I have eight minutes?

The CHAIRMAN. The gentleman from North Carolina has eight minutes.

Mr. WEBB. I yield four minutes to the gentleman from Ohio [Mr. GARD].

Mr. GARD. Mr. Chairman, there are three things guaranteed in the Constitution to one who holds a judicial position, and not one of the three is infringed by the language that the gentleman seeks to strike out. The things that the Constitution holds firmly for are the term, the duties of the office, and the salary.

There are, fortunately, only a few isolated cases where one who has occupied a position on the Federal bench does not realize his own limitations. He does not realize that with the encroachment of years or from disease he has become inefficient and incapacitated to perform the duties for which he was appointed. I am of those who believe that a man on the bench, or whatever capacity in public life, ought to be prepared at all times to do the work, and ought to be efficient and have capacity to do the work. But when a man on the Federal bench has no longer capacity, either by physical or mental impairment, there should be somebody on the bench to do the work, because the position of judge is not a sinecure created for the individual; it is a position for the adjudication of differences between the people in his district. It is necessary to have some one capable of adjusting the differences and act on the points of law brought out before him. Therefore the section provides that if one is permanently incapacitated by physical or mental disability, then the President of the United States first must affirmatively find that, and, second, he may appoint a temporary judge, because that is all it is, to do the work. This is simply to give assistance to disabled judges, which I believe is entirely within the purview of the Constitution, because there is no impairment of a single right of this incapacitated judge. He may still resign, he may still retire, and he has all the rights he can have except the right of a physically and mentally impaired man to pass on the public business brought in the court. Therefore I view it entirely within the Constitution and to be within the public policy which keeps these men in the judicial position of the highest standard of service. [Applause.]

Mr. WALSH. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. MAGEE].

Mr. MAGEE. Mr. Chairman, while I am in favor of increasing the salary of Federal judges and shall vote for the bill in any event, yet I hope that the amendment offered by the gentleman from Massachusetts will prevail. As I understand, it strikes out the second and third paragraphs of section 3, which provides that if any judge is unable to discharge efficiently all the duties of his office by reason of mental or physical disability of a permanent character the Executive may appoint an additional judge.

That is a tremendous power to be conferred on the Executive. It rests with him to determine as a question of fact whether the existing judge is mentally or physically disabled. Assume that the President should determine that a judge was suffering from mental disability, I do not know exactly what that phrase means, but I assume mental aberration. If that fact should be found, it seems to me it follows that such a judge would not be in a mental condition to try cases. I would not want to try a case before a judge suffering from mental disability or have a judge suffering from mental disability decide a case for my client. Further down in the paragraph it provides:

> And the judge so entitled to resign or retire shall be held and treated as if junior in commission to the remaining judges of said court, who shall, in the order of the seniority of their respective commissions, exercise such powers and perform such duties as by law may be incident to seniority.

Now, it is apparent that if a judge is suffering from mental disability the only remedy which you can apply to him is to retire him and put a sane judge in his place. In addition to that, this paragraph, in my judgement, is a partisan paragraph. It might have some weight in causing a Federal judge to be subservient to the Executive, to have some fear that the Executive might displace him. I say that is an autocratic power that we ought not to confer upon anybody.

Mr. WEBB. Will the gentleman permit a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WEBB. Mr. Chairman, I believe I have four minutes. I want to ask my friend, How are you going to retire one of those mentally disqualified judges? We are supposing a case where he will not retire, and he can not work, and you will not let us put in a judge to help him.

Mr. MAGEE. I will answer the gentleman's question if I may be permitted to do so. It was stated here on the floor yesterday, especially by the distinguished gentleman from Illinois, that time and again an act has been passed relieving such a condition where it existed.

Mr. WEBB. That is, at the request of the judge. I helped to do that in the case of Judge Moody.

Mr. MAGEE. If such a condition arises, the House can remedy it; but I say we should not put it in the power of anybody to humiliate a Federal judge.

Mr. WEBB. Mr. Chairman, I do not suppose there is anybody in this House who is any more careful of the dignity and rights of the judges than I am. I know we all feel that way, and I do not know of any Member of the House who is any more careful about the dignity and the prerogatives of the judges than are the judges themselves, and this provision of this bill is indorsed by the Federal judges of the United States because the great majority of them know that there are a few instances of two classes. One is where men have been on the bench until they are so old that they can not do the work. I had a case brought to my attention the other day. A lawyer presented to a judge a draft of an order and the judge said the lawyer would have to fix it up in another way. The lawyer acted on the suggestion of the judge and framed the order as the judge had suggested. Then he took it back to the judge and the old man did not remember anything about the order at all. Now you can not impeach a man of that kind. He has not committed any crime. There are two classes of cases. One of them is that of an honest old judge who wants to stay in office and fight it out. In nine cases out of ten he will request the President to appoint a relief judge. The other case is that of old, effete, worn-out men who do not know just exactly what they are doing. You hate to impeach them, they will not retire, and they can not work.

Mr. HUSTED. Will the gentleman yield for a brief question?

Mr. WEBB. I have only two minutes left. If I have the time, I will be glad to yield to my friend. I say that the judges themselves think this is a wise provision, because they indorse it. I do not suppose there is any man in America of higher judicial character and honor than Charles E. Hughes, and he wrote a letter saying this is a wise provision.

Gentlemen think somebody is going to commit a crime, that somebody is going to reflect on the integrity of a judge or going to take his office away from him. I challenge anybody to show where this provision takes any power away from a judge. It just simply gives the new and younger man, whether appointed by a Republican or a Democratic President, the power to get to the front and do the hardest work. The old judge remains in office until he wants to retire or until he dies. There is no taking away of his rights, there is no reflection on him. Ordinarily, I expect the new judge will be appointed at the request of the old judge, who will say, "I can not do the work, and I will be glad to have the help of a younger man until I die or retire." I had a judge who was 74 years old tell me, "I want to die in harness, but I can not do the heavy work of this district. I should like to have an additional judge." And I imagine that judge would write to the President and ask him to give him an additional judge to help him out. I hope this paragraph will not be stricken from the bill.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment of the gentleman from Massachusetts [Mr. WALSH].

The question being taken, Mr. WALSH demanded a division.

The committee divided, and there were—ayes 57, noes 98.

So the amendment was rejected.

Mr. MANN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 6, line 6, after the word "death," strike out the word "or" and insert, after the word "resignation," the words "or retirement"; and make the same amendment in line 9; and strike out after the word "filled" in line 10 the balance of the section.

Mr. WEBB. Mr. Chairman, I think that amendment is all right, and I thank the gentleman for suggesting it. It makes the meaning of the section clearer.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. WEBB. Mr. Chairman, I move that the committee do now rise and report the bill with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. BORLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 12001 and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. WALSH rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. WALSH. To offer a motion to recommit.

The SPEAKER. The gentleman will send it to the Clerk's desk.

The Clerk read as follows:

Mr. WALSH moves to recommit the bill to the Committee on the Judiciary with instructions to report the same forthwith, with an amendment striking out all of the matter embraced between line 10, on page 5, and line 5, on page 6, inclusive.

Mr. WALSH. Mr. Speaker, this motion to recommit includes the amendment which was offered in the Committee of the Whole——

Mr. WEBB. Mr. Speaker, is this matter debatable?

Mr. WALSH. It is, if I am recognized.

Mr. WEBB. I move the previous question.

Mr. WALSH. I have the floor, Mr. Speaker.

The SPEAKER. The gentleman from Massachusetts has the floor.

Mr. WALSH. It simply provides for striking out of the bill that section which gives the President opportunity upon a finding of facts——

Mr. CRISP. Mr. Speaker, I rise to a point of order. My understanding is that the rule providing for the consideration of this bill provides that the previous question shall be ordered. If the previous question was ordered, then I submit under the rules of the House a motion to recommit is not debatable.

The SPEAKER. The previous question having been ordered under the rule, the debate is not in order.

Mr. WALSH. Mr. Speaker, the previous question was ordered on the bill, but not on the motion to recommit. There is nothing in the rule which provides that the previous question shall be ordered on the motion to recommit, but I submit to the point of order.

The SPEAKER. The rule provides that the previous question shall be ordered on the bill and all amendments thereto. The question is on the motion to recommit.

The question was taken.

Mr. WALSH. Mr. Speaker, I demand a division.

The House proceeded to divide.

Mr. WALSH. Mr. Speaker, I shall ask for the yeas and nays.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and seventy-eight Members present, not a quorum. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. The question is on the motion to recommit.

The question was taken; and there were—yeas 113, nays 168, answered "present" 3, not voting 149, as follows:

YEAS—113.

Anderson	Gallagher	Longworth	Sanders, N. Y.
Aswell	Gallivan	Lufkin	Schall
Austin	Gillett	Lundeen	Scott, Iowa
Birch	Glynn	McCulloch	Sells
Black	Graham, Ill.	McFadden	Sinnott
Bland, Ind.	Green, Iowa	McKinley	Slemp
Bowers	Greene, Mass.	McLaughlin, Mich.	Sloan
Britten	Greene, Vt.	Madden	Snell
Burroughs	Griffin	Magee	Stafford
Cannon	Hadley	Mann	Stephens, Miss.
Cary	Hamilton, Mich.	Miller, Wash.	Sweet
Chandler, Okla.	Haugen	Mondell	Switzer
Classon	Hawley	Moores, Ind.	Temple
Cramton	Hersey	Mott	Tilson
Dallinger	Hicks	Nelson, A. P.	Timberlake
Davis	Husted	Norton	Tinkham
Dempsey	Ireland	Osborne	Towner
Denison	James	Paige	Treadway
Dill	Johnson, Wash.	Parker, N. Y.	Vestal
Dillon	Jones	Platt	Voigt
Dominick	Juul	Pratt	Walsh
Dowell	Kearns	Purnell	Ward
Dunn	Kennedy, Iowa	Ramseyer	Wason
Elliott	King	Rankin	Wheeler
Ellsworth	Kinkaid	Rayburn	Wilson, Ill.
Esch	Kraus	Reavis	Woods, Iowa
Fairchild, B. L.	Lampert	Rogers	
Fairfield	Langley	Rowe	
Focht	Little	Sanders, Ind.	

NAYS—168.

Alexander	Dixon	Kincheloe	Sanford
Almon	Donovan	Kitchin	Saunders, Va.
Ayres	Dooling	Lazaro	Scott, Mich.
Baer	Doolittle	Lea, Cal.	Scott, Pa.
Bankhead	Doremus	Lee, Ga.	Scully
Barkley	Doughton	Lehlbach	Shallenberger
Barnhart	Dyer	Lesher	Sherley
Beakes	Eagan	Lever	Sherwood
Benson	Eagle	Lobeck	Siegel
Beshlin	Edmonds	Lonergan	Sisson
Bland, Va.	Elston	McKeown	Slayden
Borland	Farr	McLaughlin, Pa.	Small
Brodbeck	Fisher	Maher	Smith, Mich.
Browne	Flood	Mansfield	Smith, T. F.
Browning	Foss	Mapes	Snook
Brumbaugh	Foster	Martin	Snyder
Burnett	Francis	Merritt	Steagall
Butler	Gard	Montague	Steele
Byrnes, S. C.	Garner	Morgan	Stevenson
Caldwell	Garrett, Tex.	Neely	Sumners
Campbell, Pa.	Goodwin, Ark.	Nichols, Mich.	Tague
Candler, Miss.	Gordon	Oldfield	Taylor, Ark.
Caraway	Graham, Pa.	Oliver, Ala.	Taylor, Colo.
Carew	Gray, Ala.	Oliver, N. Y.	Tillman
Chandler, N. Y.	Hamill	Olney	Venable
Clark, Pa.	Haskell	Overstreet	Vinson
Cleary	Hastings	Peters	Volstead
Coady	Heaton	Phelan	Walton
Collier	Heflin	Quin	Watkins
Connally, Tex.	Helvering	Ragsdale	Watson, Pa.
Cooper, W. Va.	Hilliard	Rainey, H. T.	Watson, Va.
Cooper, Wis.	Hollingsworth	Rainey, J. W.	Webb
Copley	Howard	Raker	Welling
Crago	Huddleston	Ramsey	Welty
Crisp	Humphreys	Randall	Whaley
Crosser	Hutchinson	Riordan	Wilson, La.
Currie, Mich.	Igoe	Robbins	Wingo
Curry, Cal.	Johnson, Ky.	Romjue	Winslow
Darrow	Kahn	Rose	Wise
Davey	Kehoe	Rouse	Wright
Delaney	Kennedy, R. I.	Rubey	Young, N. Dak.
Dickinson	Ketner	Sabath	Young, Tex.

ANSWERED "PRESENT"—3.

Byrns, Tenn.	Moon	Wood, Ind.

NOT VOTING—149.

Anthony	Essen	Heintz	Miller, Minn.
Ashbrook	Estopinal	Helm	Moore, Pa.
Bacharach	Evans	Hensley	Morin
Bell	Fairchild, G. W.	Holland	Mudd
Blackmon	Ferris	Hood	Nelson, J. M.
Blanton	Fess	Houston	Nicholls, S. C.
Booher	Fields	Hull, Iowa	Nolan
Brand	Flynn	Hull, Tenn.	O'Shaunessy
Buchanan	Fordney	Jacoway	Overmyer
Campbell, Kans.	Frear	Johnson, S. Dak.	Padgett
Cantrill	Freeman	Keating	Park
Carlin	French	Kelley, Mich.	Parker, N. J.
Carter, Mass.	Fuller, Ill.	Kelly, Pa.	Polk
Carter, Okla.	Fuller, Mass.	Key, Ohio	Porter
Church	Gandy	Kiess, Pa.	Pou
Clark, Fla.	Garland	Knutson	Powers
Claypool	Garrett, Tenn.	Kreider	Price
Connelly, Kans.	Glass	La Follette	Reed
Cooper, Ohio	Godwin, N. C.	LaGuardia	Roberts
Costello	Good	Larsen	Robinson
Cox	Goodall	Linthicum	Rodenberg
Dale, N. Y.	Gould	Littlepage	Rowland
Dale, Vt.	Gray, N. J.	London	Rucker
Decker	Gregg	Lunn	Russell
Dent	Griest	McAndrews	Sanders, La.
Denton	Hamilton, N. Y.	McArthur	Sears
Dewalt	Hamlin	McClintic	Shackleford
Dies	Hardy	McCormick	Shouse
Drane	Harrison, Miss.	McKenzie	Sims
Drukker	Harrison, Va.	McLemore	Smith, Idaho
Dupré	Hayden	Mason	Smith, C. B.
Emerson	Hayes	Mays	Stedman

Steenerson	Swift	Waldow	Wilson, Tex.
Stephens, Nebr.	Templeton	Walker	Woodyard
Sterling	Thomas	Weaver	Zihlman
Stiness	Thompson	White, Me.	
Strong	Van Dyke	White, Ohio	
Sullivan	Vare	Williams	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. BYRNS of Tennessee with Mr. GOOD.

Mr. MCLEMORE with Mr. RODENBERG.

Mr. THOMAS with Mr. SWIFT.

Mr. BOOHER with Mr. BACHARACH.

Mr. MCCLINTIC with Mr. GARLAND.

Mr. LITTLEPAGE with Mr. HAMILTON of New York.

Mr. SANDERS of Louisiana with Mr. GRAY of New Jersey.

Mr. BLANTON with Mr. WOODYARD.

Mr. POLK with Mr. MCARTHUR.

Mr. HELM with Mr. KIESS of Pennsylvania.

Mr. MCANDREWS with Mr. WOOD of Indiana.

Mr. JACOWAY with Mr. EMERSON.

Mr. HULL of Tennessee with Mr. STRONG.

Mr. FERRIS with Mr. FESS.

Mr. PRICE with Mr. GRIEST.

Mr. DUPRÉ with Mr. DALE of Vermont.

Mr. BLACKMON with Mr. STINESS.

Mr. SULLIVAN with Mr. MILLER of Minnesota.

Mr. SIMS with Mr. MUDD.

Mr. CARTER of Oklahoma with Mr. COOPER of Ohio.

Mr. LINTHICUM with Mr. HAYES.

Mr. BELL with Mr. GOULD.

Mr. CLARK of Florida with Mr. COSTELLO.

Mr. DENT with Mr. DRUKKER.

Mr. DALE of New York with Mr. REED.

Mr. LUNN with Mr. STEENERSON.

On this vote:

Mr. ASHBROOK (for) with Mr. DEWALT (against).

Mr. WOOD of Indiana. Mr. Speaker, I voted "yea," but I see that I am paired with the gentleman from Illinois [Mr. MCANDREWS], and I withdraw my vote of "yea" and answer "present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. RUBEY. Division, Mr. Speaker.

Mr. HENRY T. RAINEY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Missouri [Mr. RUBEY] demands a division, and the gentleman from Illinois [Mr. HENRY T. RAINEY] demands the yeas and nays. The question is on ordering the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Forty-eight gentlemen have risen, not a sufficient number.

Mr. RUBEY. Mr. Speaker, I make the point of no quorum.

Mr. BUTLER. Mr. Speaker, I make the point of order that the roll call shows that there is a quorum present.

The SPEAKER. We just this minute took a roll call, and a quorum was shown to be present.

Mr. HENRY T. RAINEY. Mr. Speaker, I demand the other side.

The other side was taken, and 172 Members rose.

The SPEAKER. Forty-eight is a sufficient number, and the Clerk will call the roll on the passage of the bill.

The question was taken, and there were—yeas 193, nays 79, answered "present" 3, not voting 158, as follows:

YEAS—193.

Anderson	Chandler, N. Y.	Doughton	Hadley
Austin	Chandler, Okla.	Dunn	Hamill
Baer	Clark, Pa.	Dyer	Hamilton, Mich.
Beakes	Classon	Eagan	Haskell
Benson	Cleary	Elston	Hastings
Beshlin	Coady	Esch	Haugen
Birch	Cooper, W. Va.	Essen	Hawley
Bland, Va.	Copley	Fairchild, B. L.	Heaton
Borland	Crago	Farr	Heflin
Bowers	Crisp	Fisher	Hicks
Britten	Crosser	Flood	Hilliard
Brodbeck	Currie, Mich.	Foss	Hollingsworth
Browning	Curry, Cal.	Francis	Howard
Brumbaugh	Dallinger	Gallagher	Huddleston
Burnett	Darrow	Gard	Humphreys
Burroughs	Delaney	Gillett	Husted
Butler	Dempsey	Glass	Hutchinson
Byrnes, S. C.	Dill	Glynn	Igoe
Caldwell	Dillon	Graham, Pa.	Johnson, Ky.
Campbell, Pa.	Donovan	Gray, Ala.	Johnson, Wash.
Carew	Dooling	Greene, Vt.	Juul
Cary	Doremus	Griffin	Kahn
Kearns	Montague	Robbins	Stevenson
Kehoe	Moores, Ind.	Rogers	Sumners
Kennedy, R. I.	Morgan	Rose	Sweet
Kettner	Mott	Rouse	Tague
Kinkaid	Neely	Rowe	Taylor, Colo.
Langley	Nelson, A. P.	Sabath	Temple
Lazaro	Nichols, Mich.	Sanders, Ind.	Tilson
Lea, Cal.	Norton	Sanders, N. Y.	Timberlake
Lee, Ga.	Oliver, N. Y.	Sanford	Tinkham
Lehlbach	Olney	Schall	Treadway
Lesher	Osborne	Scott, Mich.	Venable
Lever	Overstreet	Scott, Pa.	Vestal
Little	Paige	Scully	Vinson
Lobeck	Parker, N. Y.	Sherley	Volstead
Lonergan	Peters	Siegel	Ward
Lufkin	Phelan	Sinnott	Wason
Lundeen	Platt	Slayden	Watson, Pa.
McFadden	Powers	Slemp	Watson, Va.
McKeown	Pratt	Sloan	Weaver
McLaughlin, Mich.	Ragsdale	Small	Webb
McLaughlin, Pa.	Rainey, J. W.	Smith, Mich.	Wilson, Ill.
Magee	Raker	Smith, T. F.	Winslow
Maher	Ramsey	Snell	Wright
Mann	Randall	Snook	Young, N. Dak.
Mapes	Rankin	Snyder	
Merritt	Reavis	Stafford	
Miller, Wash.	Riordan	Steele	

NAYS—79.

Alexander	Dowell	Kraus	Shallenberger
Almon	Eagle	Lampert	Sisson
Aswell	Elliott	McCulloch	Steagall
Ayres	Ellsworth	McKinley	Stephens, Miss.
Barkley	Fairfield	Madden	Switzer
Barnhart	Foster	Mansfield	Taylor, Ark.
Black	Gallivan	Martin	Tillman
Bland, Ind.	Garrett, Tex.	Moon	Towner
Candler, Miss.	Goodwin, Ark.	Oldfield	Voigt
Cannon	Graham, Ill.	Oliver, Ala.	Walsh
Caraway	Greene, Mass.	Purnell	Watkins
Collier	Helvering	Quin	Welling
Connally, Tex.	Hersey	Rainey, H. T.	Welty
Cooper, Wis.	Ireland	Ramseyer	Wheeler
Cramton	James	Rayburn	Wilson, La.
Davey	Jones	Romjue	Wingo
Denison	Kennedy, Iowa	Rubey	Wise
Dickinson	Kincheloe	Saunders, Va.	Woods, Iowa
Dixon	King	Scott, Iowa	Young, Tex.
Doolittle	Kitchin	Sells	

ANSWERED "PRESENT"—3.

Byrns, Tenn.	Dominick	Garner

NOT VOTING—158.

Anthony	Fess	Kelley, Mich.	Roberts
Ashbrook	Fields	Kelly, Pa.	Robinson
Bacharach	Flynn	Key, Ohio	Rodenberg
Bankhead	Focht	Kiess, Pa.	Rowland
Bell	Fordney	Knutson	Rucker
Blackmon	Frear	Kreider	Russell
Blanton	Freeman	La Follette	Sanders, La.
Booher	French	LaGuardia	Sears
Brand	Fuller, Ill.	Larsen	Shackleford
Browne	Fuller, Mass.	Linthicum	Sherwood
Buchanan	Gandy	Littlepage	Shouse
Campbell, Kans.	Garland	London	Sims
Cantrill	Garrett, Tenn.	Longworth	Smith, Idaho
Carlin	Godwin, N. C.	Lunn	Smith, C. B.
Carter, Mass.	Good	McAndrews	Stedman
Carter, Okla.	Goodall	McArthur	Steenerson
Church	Gordon	McClintic	Stephens, Nebr.
Clark, Fla.	Gould	McCormick	Sterling
Claypool	Gray, N. J.	McKenzie	Stiness
Connelly, Kans.	Green, Iowa	McLemore	Strong
Cooper, Ohio	Gregg	Mason	Sullivan
Costello	Griest	Mays	Swift
Cox	Hamilton, N. Y.	Miller, Minn.	Templeton
Dale, N. Y.	Hamlin	Mondell	Thomas
Dale, Vt.	Hardy	Moore, Pa.	Thompson
Davis	Harrison, Miss.	Morin	Van Dyke
Decker	Harrison, Va.	Mudd	Vare
Dent	Hayden	Nelson, J. M.	Waldow
Denton	Hayes	Nicholls, S. C.	Walker
Dewalt	Heintz	Nolan	Walton
Dies	Helm	O'Shaunessy	Whaley
Drane	Lensley	Overmyer	White, Me.
Drukker	Holland	Padgett	White, Ohio
Dupré	Hood	Park	Williams
Edmonds	Houston	Parker, N. J.	Wilson, Tex.
Emerson	Hull, Iowa	Polk	Wood, Ind.
Estopinal	Hull, Tenn.	Porter	Woodyard
Evans	Jacoway	Pou	Zihlman
Fairchild, G. W.	Johnson, S. Dak.	Price	
Ferris	Keating	Reed	

So the bill was passed.

The Clerk announced the following additional pairs:

On the vote:

Mr. BYRNS of Tennessee (against) with Mr. GOOD (for).

Mr. DEWALT (for) with Mr. ASHBROOK (against).

Mr. LAGUARDIA (for) with Mr. CONNELLY of Kansas (against).

Mr. MILLER of Minnesota (for) with Mr. SHOUSE (against).

Mr. WHALEY (for) with Mr. DOMINICK (against).

Until further notice:

Mr. GARNER with Mr. LONGWORTH.

Mr. WALTON with Mr. WILLIAMS.

Mr. BYRNS of Tennessee. Mr. Speaker, I voted "nay." I have a pair with Mr. GOOD, who was called away to-day on account of important business. I therefore wish to withdraw my vote of "nay" and vote "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. BYRNS of Tennessee, and he answered "Present."

Mr. BROWNING. Mr. Speaker, my colleague, Mr. BACHARACH, has been called to his home on account of illness in his family. He requested me to say that if he were present he would vote "yea."

Mr. BENJAMIN L. FAIRCHILD. Mr. Speaker, my colleague, Mr. HAMILTON of New York, was very anxious to vote on this bill, but he was unable to be present, and he wishes me to announce that if he were present he would vote "yea."

Mr. GORDON. Mr. Speaker, am I entitled to vote on this bill?

The SPEAKER. No; not unless you were present and listening when your name was called.

The result of the vote was announced as above recorded.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. JOHN W. RAINEY, by unanimous consent, was granted leave of absence indefinitely on account of illness.

CHANGE OF REFERENCE.

The SPEAKER. By inadvertence House bill 13355, for the relief of the St. Croix Chippewa Indians in Wisconsin, was referred to the Committee on Appropriations, when it ought to have been referred to the Committee on Indian Affairs. Without objection, it will be rereferred to the Committee on Indian Affairs.

There was no objection.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 42 minutes p. m.) the House adjourned until to-morrow, Saturday, December 14, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Navy, transmitting a tentative draft of a bill to give precedence to permanent officers in the higher grades of the Navy (H. Doc. No. 1585); to the Committee on Naval Affairs and ordered to be printed.

2. A letter from the chairman of the Federal Trade Commission, transmitting annual report of the Federal Trade Commission for the fiscal year ended June 30, 1918 (H. Doc. No. 1438); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

3. A letter from the Public Printer, transmitting statement relative to purchases, exchanges, and repairs of typewriter machines in the Government Printing Office covering the period from July 1, 1917, to June 30, 1918 (H. Doc. No. 1586); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SIMS, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 12990) to authorize the Kingsdale Lumber Corporation to construct a bridge across Lumber River, near the town of Lumberton, N. C., reported the same with amendment, accompanied by a report (No. 861), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. GOODWIN of Arkansas, from the Committee on Claims, to which was referred the bill (H. R. 1650) for the relief of W. T. Dingler, reported the same without amendment, accompanied by a report (No. 860), which said bill and report were referred to the Private Calendar.

Mr. WATKINS, from the Committee on War Claims, to which was referred the bill (S. 463) for the relief of the heirs of Joshua Nicholls, reported the same with amendment, accompanied by a report (No. 862), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9869) granting a pension to Carrie C. Fry; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13076) granting a pension to Presley F. Black; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 13355) for the relief of the St. Croix Chippewa Indians of Wisconsin; Committee on Appropriations discharged, and referred to the Committee on Indian Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. OLDFIELD: A bill (H. R. 13365) to prohibit gambling in cotton futures and other cotton products; to the Committee on Agriculture.

By Mr. DENT: A bill (H. R. 13366) permitting any person who has served in the Army in the present war to retain his uniform and personal equipment, and to wear the same under certain conditions; to the Committee on Military Affairs.

By Mr. BROWNE: A bill (H. R. 13367) to amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916; to the Committee on Roads.

By Mr. STEENERSON: A bill (H. R. 13368) to permit certain officers and enlisted men to retain parts of their equipment and their uniforms and to wear the uniform upon occasions of ceremony; to the Committee on Military Affairs.

By Mr. GILLETT: A bill (H. R. 13369) granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of Massachusetts, to construct a bridge across the Connecticut River between Springfield and West Springfield, in said county and Commonwealth; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTAGUE: A bill (H. R. 13370) for the extension and completion of the United States Capitol; to the Committee on Appropriations.

By Mr. WATKINS: A bill (H. R. 13371) to provide for a site and public building at Mansfield, La.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13372) to appropriate $100,000 for the improvement of navigation on Red River, in Louisiana and Arkansas; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 13373) to appropriate $30,000 to remove logs from Sabine River, and condemn and expropriate them; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 13374) to establish and maintain a fish-hatching and fish-cultural station in the State of Louisiana; to the Committee on the Merchant Marine and Fisheries.

By Mr. RANDALL: A bill (H. R. 13375) to make section 5 of the post-office appropriation act for the fiscal year ending June 30, 1918, as amended by section 1110, war-revenue act of October 3, 1917, applicable to the District of Columbia; to the Committee on the Post Office and Post Roads.

By Mr. MOON: Joint resolution (H. J. Res. 368) extending the period of Government control and possession of the telegraph and telephone systems of the United States, and authorizing the Postmaster General to fix the appraised value of the elegraph and telephone systems; to the Committee on the Post Office and Post Roads.

By Mr. HAMILL: Joint resolution (H. J. Res. 369) requesting the commissioners plenipotentiary of the United States of America to the international peace conference to present to the said conference the right of all the Ukrainian territories to freedom, independence, and self-determination; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DYER: A bill (H. R. 13376) for the relief of William Elder; to the Committee on Claims.

By Mr. ELLIOTT: A bill (H. R. 13377) granting an increase of pension to Benjamin T. Pool; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 13378) granting an increase of pension to Benjamin V. Carey; to the Committee on Invalid Pensions.

By Mr. HASKELL: A bill (H. R. 13379) to amend the military record of Richard Parke; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 13380) granting a pension to William M. Metzger; to the Committee on Pensions.

By Mr. HICKS: A bill (H. R. 13381) granting an increase of pension to John H. Terry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13382) for the relief of Theodore Bloom; to the Committee on Claims.

Also, a bill (H. R. 13383) granting a pension to Marie Merz; to the Committee on Pensions.

By Mr. LESHER: A bill (H. R. 13384) granting a pension to Mary A. Adams; to the Committee on Invalid Pensions.

By Mr. PRATT: A bill (H. R. 13385) granting a pension to Ellen W. Carpenter; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 13386) granting an increase of pension to John P. Bradfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13387) granting an increase of pension to Robert A. Hays; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 13388) granting a pension to Josephine A. Davison; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 13389) granting a pension to Myra E. Stephen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13390) granting an increase of pension to Charles C. Mauch; to the Committee on Pensions.

By Mr. WELTY: A bill (H. R. 13391) granting an increase of pension to Henry H. Shell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BROWNING: Resolutions of Pomona Grange No. 8, Patrons of Husbandry, Gloucester County, N. J., opposing increase of postal rates on periodicals; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Resolution of automobile industry asking Congress to increase appropriations to aid extension of export trade; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH: Resolution of the Optimist Club of Milwaukee urging Representatives in Congress to give hearty support to the flag bill; to the Committee on the Judiciary.

By Mr. FULLER of Illinois: Petition of Carson, Pirie, Scott & Co.; W. M. Hoyt Co.; Western Felt Works; and Simonds Manufacturing Co., all of Chicago, urging passage of the revenue bill before December 31, 1918; to the Committee on Ways and Means.

Also, memorial of Military Order of Legion of the United States, Commandery of the State of Illinois, for the enactment of volunteer officers' retirement bill, S. 130; to the Committee on Military Affairs.

By Mr. LUNDEEN: Petition of Ancient Order of Hibernians in mass meeting assembled at Minneapolis, Minn., demanding self-determination and freedom for Ireland; to the Committee on Foreign Affairs.

By Mr. RAKER: Resolutions adopted by the New Korea Association, presenting the grievances of Korea to the Government of the United States; to the Committee on Foreign Affairs.

By Mr. SNYDER: Protests from residents of the thirty-third New York district, against the enactment of legislation restricting the use of wireless apparatus; to the Committee on the Merchant Marine and Fisheries.

By Mr. STEENERSON: Petition in favor of the enactment of House bill 12880 and Senate bill 4922, signed by John P. Gardiner, commissioner of labor for the State of Minnesota, St. Paul, Minn.; to the Committee on Education.

SENATE.

SATURDAY, *December 14, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, the entering in of Thy law giveth life, and in the midst of the unsolved problems of this day we seek to conform our lives, our thinking, and all that we do to the law of God, that there may be light along the pathway which leads us to the realization of the great ideals for which we stand as a Nation. Guide us this day in the discharge of our duties. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Thursday, December 12, 1918, when, on request of Mr. VARDAMAN and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PERSONAL EXPLANATION—HOG ISLAND SHIPPING PLANT.

Mr. VARDAMAN. Mr. President, I rise to a question of personal privilege. My attention has been called to a special dispatch from Philadelphia, Pa., published in the Washington Post of yesterday, which I send to the desk and ask to have read.

The VICE PRESIDENT. It will be read.

The Secretary read as follows:

PHILADELPHIA, *December 12.*

The lie direct has been given to Senator VARDAMAN, of Mississippi, by Rear Admiral Francis T. Bowles, assistant general manager of the Emergency Fleet Corporation.

Senator VARDAMAN in the Senate on Tuesday said the construction of the Hog Island shipyard was "one of the most infamous transactions that mar the pages of American history." He agreed, he said, with Senator KING, of Utah, who had declared "there was a great deal of vulgar robbery, stealing, and thievery by men engaged in the Hog Island enterprise."

Senator VARDAMAN said he thought there was enough evidence in the hands of the Senate Committee of Commerce to justify cancellation of the contract made with the company that constructed the Hog Island shipyard.

Admiral Bowles's heated retort to these charges was in a telegram to Senator FLETCHER, chairman of the Senate Committee on Commerce. The message follows:

"You and your committee will appreciate that this statement that the contract for the construction of Hog Island shipyard and building of ships there is an infamous transaction reflects upon all parties to it, and therefore particularly upon Admiral Capps and myself. Senator VARDAMAN has had every opportunity to know the truth, and he knows that his statement is a deliberate lie.

"At a time when every effort is being made by myself and the administration of the shipyard to organize to the best advantage a large force of men for the construction of vessels, such statements are detrimental to the interests of the United States and a gross injustice to every man connected with this enterprise."

Mr. VARDAMAN. Mr. President, years ago I would have experienced an unholy delight in taking satisfaction on the carcass of the self-convicted conscienceless slanderer who uttered that telegram. But I have passed that stage in moral growth. I have come to the conclusion that nothing is proven by physical combat except the superiority of brute force and the determination of that fact is hardly worth while.

Now, what I said about the Hog Island enterprise was uttered upon the floor of this Chamber as a United States Senator under the sanctity of an oath to uphold the Constitution, the laws of the country, and protect the interests of the American people against the greed, cupidity, avarice, and criminality of the outlaws of society. I was discussing a public enterprise and one which I know and everybody else knows is as far from being faultless as sin is far from virtue. It is an enterprise that no honest man could defend in all of its details. It is one of these peculiar enterprises that have grown up since the declaration of war, which was conceived by its promoters in private life in the sin of selfishness and brought forth swaddled in the American flag to serve a selfish purpose.

Let us for a moment consider its history. A number of highly respectable financiers came together, formed a corporation, bought a hog wallow, which was rightly named "Hog Island," capitalized it at probably double or treble its real value, and then leased it to the United States for a site for a shipbuilding plant. The land was valued at $1,700,000, and the rent charged the Government of the United States was 6 per cent on estimated value of the land, if my memory serves me correctly. This same corporation undertook and agreed to build, the Government of the United States paying all expenses, this shipbuilding plant at an estimated cost of $21,000,000 without fees or plus per cent.

The profits which the shipbuilding corporation was to receive as a commission for the patriotic service to be rendered by it was 4 or 5 per cent on the value of the ships to be built by this plant. The work in the construction of the plant had not proceeded very far, however, before it was determined by the corporation, which we are told was organized for patriotic purposes, that the building might be facilitated by subletting contracts at a fixed fee of 5 per cent upon the estimated cost of the work.

Some of the contractors, it appeared from the testimony, had stock in the parent corporation with which the Government contracted to build the plant without fees. Everyone knows, who has paid any attention to the investigation of this enterprise, that in the beginning of the building of the plant the grossest extravagance in the payment of wages, the most glaring incompetency was shown in the purchase of material, and in the general management of the company. Every man called to the service of this corporation had his wages doubled and, in some instances, quadrupled. The head man, who had been the

directing head of the contracting firm of Stone & Webster, who received from Stone & Webster $12,000 per year while serving them, was put at the head of the shipbuilding corporation with a salary of $25,000 per year. For everything that was done of a similar nature the United States Government was charged and plundered accordingly.

It will also be remembered that when this corporation undertook the construction of the Hog Island shipping plant it tried to induce the Government to fix its commission for the work it was to perform at 10 per cent, but it was finally forced down to, I think, 5 per cent. When asked by members of the committee to state what the constructing corporation had done or was to do to justify it in asking the Government to pay it 5 per cent on the ships to be built in the Hog Island yard, we were told that it was the "know how" which they were furnishing the Government; and, Mr. President, I want to say just here that, after looking over the matter carefully, I am within the bounds of conservatism when I say that there was not a member of that corporation who knew any more about shipbuilding than the Democratic emblem does about the nebular hypothesis or a prairie dog knows about the political economy of the planet Mars. It was just a piece of graft, pure and simple, but they justified their extraordinary demand by saying that, if the members of the corporation did not themselves know anything about shipbuilding, the corporation furnished the Government of the United States men who did know how. With the salaries that were paid the men, certainly the United States Government did not need this corporation to act as its labor agent in securing capable men to do Government work, especially when you consider the fact that the Government paid twice and three times as much for their services as they could have gotten from private employers in the labor markets of the country.

I want the United States Government to deal fairly and justly with its citizens, but I think that every dollar the Government pays to this corporation as commission on ships built by the shipbuilding plant at Hog Island will be nothing less then robbery of the Public Treasury.

Mr. President, I was about to overlook the fact that the plant which these patriots for pelf were to construct at an estimated cost of $21,000,000, I am told, has cost over $60,000,000; and I think it has completed but one ship. Of course, I want to be fair with them. I am sure they have a good many ships on the ways. I will ask the chairman of the Committee on Commerce to correct me if I am mistaken. I think the corporation has completed but one ship. Am I correct about that?

Mr. FLETCHER. I think, Mr. President, there has been one ship delivered, accepted, and put in service; but there are other ships, I do not know how many more, that are launched. I understand that there are other ships on the ways; in fact, a ship under construction on each of the 50 ways.

Mr. VARDAMAN. I understand there are a great many on the ways.

Mr. JOHNSON of California. Mr. President, as to the one ship to which the Senator refers, is it not that particular ship which subsequently had difficulty in floating and had to be reriveted?

Mr. VARDAMAN. I can not answer the Senator about that. I hope to get those facts later, but if it does not float it will be in keeping with pretty nearly everything they have done since the plant was begun.

Mr. FLETCHER. I can not of my own knowledge say there was difficulty in regard to its floating; but it is the first that was launched there, and it might be expected that there was further work to do on it.

Mr. JOHNSON of California. Was it required to be reriveted?

Mr. FLETCHER. I do not know about what work was required after it was launched. Possibly there was some reriveting or additional riveting to be done, but it is actually in service. It has been received, accepted, delivered, and inspected and given a satisfactory classification by both Lloyd's and the American Bureau of Shipping.

Mr. VARDAMAN. The building of one ship is a great work. Will the Senator state how much Government money has been spent up to date?

Mr. FLETCHER. How much on the yard and in construction?

Mr. VARDAMAN. How much has been squandered on the Hog Island enterprise?

Mr. FLETCHER. I do not concede that anything has been squandered there. I think the Hog Island plant itself has cost more money than was expected.

Mr. VARDAMAN. How much more?

Mr. FLETCHER. The Senator will find the statement on page 10 of our hearings. Mr. Piez says:

> Mr. PIEZ. The original estimate, which was a very hastily prepared one and on a basis of plans that were subsequently materially modified, was $21,000,000. Then we gave them the contract for a second type of ship, Senator, that we know as class B, a troop ship of 15 or 16 knots speed. Their estimate after they got that, recognizing the additional complications in making two types of ships instead of one, was that the yards would cost about $27,000,000 or $28,000,000. I think the most recent estimate was $58,000,000.

Mr. VARDAMAN. Is it not a matter of fact that it has cost over $60,000,000 up to date. But that is a small matter, Mr. President, that the public——

Mr. FLETCHER. That is possible as to the entire yard and equipment; but the Senator will remember that the yard finished and completed is quite different from the yard which was originally contemplated.

Mr. VARDAMAN. Probably so; but I am surprised that such high-priced know howism should be so unreliable.

Mr. FLETCHER. It has been added to immensely, and material changes have been made in their equipment—cranes, warehouses, railroads, and all that sort of thing.

Mr. VARDAMAN. I would not under the circumstances deal unfairly with them. I am willing to concede that there are a great many ships on the way, and in the course of time they will be completed. I do not want to do this corporation an injustice. I hardly think from the impression I have from the hearings that I should have to borrow from the vocabulary of my friend the versatile Senator from Illinois [Mr. LEWIS] and one or two other Senators in order to have a vocabulary sufficientiy full to describe all the failures and to characterize the failures they have made and the infamy of the transaction of which they are guilty.

Mr. JONES of Washington. Mr. President, with reference to the matter of delivering ships, I do not question the statement of the chairman of the committee; he may have much more reliable information than I have; but I want to say to the Senator that three or four days ago a very reliable gentleman told me, as a matter of fact, that the ship has not yet been delivered.

Mr. FLETCHER. The gentleman is altogether mistaken. I have it from Mr. Rossiter, I have it from Mr. Piez, and I have it from half a dozen sources that that ship has been accepted and delivered.

Mr. VARDAMAN. I hope the Senator will pardon me. I will concede that they have made one ship.

Mr. FLETCHER. They have made more than one, but they have delivered one. They have launched a number of others, and there are fifty on the ways. If all the rivets that have been driven into the 50 ships had been concentrated into 10 ships, you would have had 10 ships completed before now. They have driven rivets enough to complete practically their program, but they extended the work over 50 ships instead of confining it to a smaller number, and the contractor was ordered to proceed that way.

Mr. VARDAMAN. If they are building ships, in the language of Robert Burns—in plowman's phrase—God send them speed. I do not want to misrepresent them.

Mr. FLETCHER. I am sure the Senator does not, and I am simply trying to help him in that direction by stating the facts; that is all.

Mr. VARDAMAN. The Senator is very kind. I want to say, Mr. President, that the time has come when this robbery of the Government in the name of patriotism should be stopped; really it should never have been begun.

I remember when the president of this corporation came before this committee. He made the most glorious promises. He said, "We want to build the ships; we want to win the war; send us to the penitentiary after we win the war; but let us build ships." Of course, the fact that 4 or 5 per cent was paid them upon the value of every ship constructed had nothing to do with that burst of patriotism on his part.

There are some people in this country who seem to regard it as their God-given privilege, belonging exclusively to them, to wrap their well-fed carcasses in the American flag, and, with the words of patriotism upon their flyblown, impious lips, go over the country denouncing everybody who dares question their right to continue this nefarious business. I, for one, shall continue to denounce it and to call attention to it. As soon as I can get hold of the report of the Department of Justice which deals with this question and can again go over more carefully the investigations of the Commerce Committee I shall have more to say on the subject. In the meantime I hope the Commerce Committee will go further in the matter and make a report of the results of its investigation. Let the pitiless sunlight of publicity shine in upon the dark and devious ways of these

patriots for perquisites. Let every other enterprise which is tainted with fraud undergo similar investigation. It is more necessary that the Republic shall be preserved and the people saved from plunder than that the delicate feelings of these dollar-hearted, sordid-souled sinners shall be respected.

I repeat, Mr. President, the Hog Island enterprise is a disgrace to the administration. It is an affront to every man who wore a uniform at home or gave his life for his country in the trenches of France. It is an outrage upon the toiling taxpayers of the land.

SENATOR FROM MICHIGAN.

Mr. TOWNSEND. Mr. President, I desire to present the certificate of election of Senator Elect TRUMAN H. NEWBERRY, which I ask to have read and filed.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read the certificate.

Mr. POMERENE. Mr. President, I move that this commission be referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. The Senator from Ohio moves that the certificate be referred to the Committee on Privileges and Elections.

Mr. TOWNSEND. I ask that the usual course be taken with this certificate and that it be filed.

The VICE PRESIDENT. The question is on the motion of the Senator from Ohio.

Mr. POMERENE. On that I ask for the yeas and nays.

Mr. PENROSE. Mr. President, I rise to an inquiry. All the previous credentials that I have noted when I have been in the Chamber have been ordered by the Chair to lie on the table.

The VICE PRESIDENT. They have been ordered to be placed on file.

Mr. PENROSE. That is the same thing, I suppose, and I am at a loss to understand why an exception should be made in this particular case.

The VICE PRESIDENT. The Chair is not responsible for the motion.

Mr. PENROSE. But I rose to an inquiry, Mr. President, of the Senator from Ohio.

Mr. POMERENE. Mr. President, I do not want to renew the discussion which took place here some weeks ago. I am satisfied that this matter will have to be investigated; and I believe that it should go to the Committee on Privileges and Elections. The record already shows the expense account in this case, and it shows, in my judgment—and I do not intend to prejudge when I make this statement—that the person whose commission comes here had knowledge of the fact that these expenditures were being made.

Other matters have been called to my attention, and I think it is due to the gentleman whose commission is now presented that there shall be an investigation, whether at this session or later I do not know, but that is a matter which will be determined later, I dare say. For the present, however, I insist that this commission shall go to the Committee on Privileges and Elections.

Mr. LODGE. That is a debatable question.

Mr. TOWNSEND. Mr. President, I am not objecting at this time to any investigation as to the election of this elected candidate, but there is now nothing for the Senate to do, it seems to me, but to place this certificate on file. This Congress has nothing to do with this man taking his seat. The next Congress will have full power to act, and can act as it sees fit. I do not wish anything concealed; I know of nothing that can be concealed; but I simply ask that this certificate, which is in proper form, shall take the usual course and be placed on file. When the proper time comes it may be considered.

Mr. POMERENE. Mr. President, not to repeat what was said on a former day, perhaps of the last session, it has come to my knowledge that a movement was on foot in the State of Michigan for a recount in this case. An investigation, which has been made, results in the conclusion that under the law of the State of Michigan, as it has been construed by the supreme court of that State, there can be no recount. The statutes of the State of Michigan provide, so I am informed, that after an election and the counting of the vote, the ballots are returned to the ballot boxes and sealed up, and they are there to remain until the next general election. The next general election in Michigan takes place early in April, so I am informed. Then these ballots are to be destroyed.

I have also been advised that in one precinct in Michigan it has already been discovered that 103 votes which ought to have been counted were not counted for one of the other candidates; that in another precinct 25 votes have not been counted; that in another between 40 and 50 votes have not been counted; and in a fourth that between 50 and 60 votes have not been counted. I am not saying that this is a fact, but I am saying that the facts are such as to justify this Senate in taking some action which may result in doing justice as between the candidates, and to the Senate itself as well.

I may have some information on the subject to present at a later day, but I am simply, in very general terms, indicating to the Senate what it is said will be developed.

Mr. TOWNSEND. Mr. President, the Senator's statement shows how unreliable his information must be. There has been no opportunity for a recount, and there could be no possible determination at this time of the question whether or not votes have been counted. That is a question, however, which will be perfectly open. There will be no ballots destroyed. The only body that has a right to recount is the Senate when this man, whose certificate of election has been presented, has been sworn in. At that time the Senate will have an opportunity to contest the election, if it sees fit, the same as the House has in the case of Members of that body, and the facts can all be secured. But there is nothing that this Senate at this time can do. All that the Senator's committee attempted to do before was to investigate the primary election, with a view of passing legislation controlling elections and primaries. These credentials are correct. If they are not correct, I submit that that is a question which the Senate can determine. This man's credentials are here for filing; they should be filed; and then, if there is any question as to the legality of his election, when he comes to take his seat that question can be investigated, and there is provision for such action made by the Senate itself.

The VICE PRESIDENT. The question is on the motion of the Senator from Ohio.

Mr. LODGE. Mr. President, this seems to me an effort to do by indirection what the Senate declined to do directly. This certificate is correct in form, and its authenticity is not questioned. The Senate refused, rightly as I think, in the case of the Senator from New Hampshire [Mr. MOSES] to discuss the right to a seat over which they had no possible jurisdiction. This Senate has no possible jurisdiction of any kind over this seat from Michigan. That can only belong to the next Senate. The credentials offered are regular, authentic, and in proper form; and it seems to me there can be properly no discrimination in the treatment accorded between this and other credentials which have been filed without objection. If, Mr. President, this treatment can be imposed upon these credentials, then it can be imposed upon every one of the other credentials that are here on file. It would open the door, in my judgment, to a very unfortunate situation and would contradict all of the unbroken precedents of the Senate, including the precedent that was established only the other day by direct vote. I trust that the Senate will not at this time undertake to assume jurisdiction of a case to which this Senate can have no possible relation and over which it has no power.

Mr. THOMAS. Mr. President, I am somewhat interested in the position taken by eminent Senators upon the other side of this Chamber regarding the nature of the Senate. I recall two or three years ago some of us whose terms of service were quite recent insisted that the rules of the Senate, like the calendar and the pending unfinished business, should expire with the Congress of which that Senate was a part. We were told by Senators who had been here for many years that not only was the Senate a continuous body, but the intimation was very strong that whoever denied it did so at the expense of his intelligence. At any rate, it was impossible for us to secure any consideration of the rules upon the theory that succeeding Senates were independent of each other. I recall that in one instance I was referred by my very good friend, the then Senator from New York, Mr. Root, to the statesmen of the past—Clay, Webster, Benton, and others—for information regarding the continuous character of the Senate. I availed myself of that suggestion to investigate the subject, and found that the references were correct. Now we are told that a certificate of election of a Senator whose term is to begin on the 4th of next March is not a subject for consideration by this Senate, but by the Senate of the next Congress; that is to say, by a different Senate; that is to say, that the Senate is continuous for some purposes but not continuous for others; that is to say, that it is largely a matter of political convenience whether the Senate shall be considered as continuous or noncontinuous.

Now, without regard to the propriety or the impropriety of referring this certificate to the Committee on Privileges and Elections, I think that it is a good time to emphasize the proposition that this is either a continuous body or it is not. It certainly can not be continuous for one purpose and noncontinuous for another; continuous for some matters of immediate importance and noncontinuous for other matters of immediate importance.

Mr. President, I have also made very slight investigation of the precedents regarding this subject, and I find that the history of the Senate is quite replete with instances, particularly immediately after the Civil War and during the period of reconstruction, when certificates of election, regular in form, were referred to the Committee on Privileges and Elections, and where many of those holding such certificates never did succeed in securing seats in the Senate. Of course, it may be said that times then were "out of joint," but it may be said now also that times are "out of joint."

I know nothing, Mr. President, of a personal nature regarding the expenditure of money in the State of Michigan, but I know something about the expenditure of money in my own State through the official reports which have recently been filed, and these justify the effort which I made in the Committee on Finance, and which I shall here renew, to place a tax of 100 per cent as a part of the income tax on every patriot who is so benevolent or generous as to subscribe more than $500 to each campaign.

Mr. TOWNSEND. Mr. President, I had not supposed that there would be the slightest question as to this certificate taking the usual course; but inasmuch as the chairman of the Committee on Privileges and Elections desires that it be used to establish a precedent in the Senate, I am going to withdraw the certificate at this time.

The VICE PRESIDENT. Is there any objection to the withdrawal of the certificate?

Mr. ASHURST. Mr. President, I happen to be a member of the Committee on Privileges and Elections, and I do not think the impression which is prevailing here to the effect that the chairman of the committee [Mr. POMERENE] is establishing a precedent is correct. I have not had time to examine the question particularly, but I remember that when the credentials of the Senator from Oregon [Mr. CHAMBERLAIN] were presented the chairman of the Committee on Privileges and Elections at that time objected and asked that they be referred, as, indeed, they were referred, to the Committee on Privileges and Elections, although those credentials were regular on their face and in proper form. It seemed that there was some dispute as to the authority of the Oregon Legislature, and the credentials were referred, and, so far as I know, properly referred, although I was not a Member of the Senate at that time. Now, whether the credentials should be withdrawn at this time and presented at a later day will make no difference. There is going to be no disposition to prejudge the alleged election of Mr. NEWBERRY; but Senators, if any there be, who imagine that they may escape the duty of investigating these large expenditures are chasing a rainbow. The account as filed showed an expenditure of $176,000 in the primary election alone in Mr. NEWBERRY's behalf. The question which has been before us for a long time will again be presented, to wit, Is this Senate going to seat men who come here with soiled and stained credentials and present such credentials at that bar?

The Senator from Colorado spoke of an "election" in Colorado. Why, they had no election there. They had an auction. An election for Senator in Colorado! It was an auction, and we are not going to escape the duty of investigating these questions. The day is coming—it is almost here—when a poor man does not dare offer himself as a candidate for the Senate unless he is backed by some millionaire's club. It is our duty to investigate these conditions, and if the Colorado Senators sit supinely here and fail to call for an investigation I shall have no sympathy for any situation that may arise in their State.

I hope the chairman will insist on his motion that these credentials be referred to the committee, as I believe has been the uniform custom when a charge of this sort has been made.

The VICE PRESIDENT. Is there any objection to the request?

Mr. ASHURST. Why, yes; I object.

Mr. BRANDEGEE. Mr. President, the fifth section of the first article of the Constitution of the United States provides:

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

A certificate has just been presented to the Senate in regular form, authenticated by the proper officials of a State, certifying that a certain gentleman has been duly elected a Senator of the United States, to take his office on the 4th day of next March, and to serve as a Senator in this body for six years from that time. Under the Constitution, it seems to me that the Senate will be the judge of the qualifications and the election and the returns of that Senator when he gets here, if they are called in question. If I recall substantially the provision of the corrupt-practices act, inhibiting the expenditure of more than a certain amount of money in a campaign for the office of Senator, it provides that if the Senator violates the provisions of the act, or if they are violated by others in his behalf, with his knowledge and consent, the office shall be declared vacant.

Mr. President, I fail to see the relevancy of the suggestion of the Senator from Colorado as to the Senate being a continuing body. I believe that it is a continuing body.

Mr. THOMAS. Mr. President, will the Senator permit me to interrupt him?

Mr. BRANDEGEE. Certainly.

Mr. THOMAS. My own opinion is that the Senate is not a continuing body, except in a very peculiar sense. I simply gave what seemed to be the consensus of opinion here on one or two occasions.

Mr. BRANDEGEE. I did not mean at all to intimate that the Senator believed it to be a continuing body. I say, I think his suggestion in relation to that subject is irrelevant to the case in question. I believe the Senate to be a continuing body, thereby differing from the Senator from Colorado. I believe it to be a continuing body, as a body one-third of the membership of which changes every two years.

Without, however, discussing that question, this gentleman whose certificate has just been tendered here does not pretend or claim to be a Member of this body now. In point of fact, the certificate which has just been tendered here, if tendered on the 4th day of next March, would be subject to the same motion and subject in all respects to the same conditions as it is now, except that now it seems to me that this Senate has nothing to do about the qualifications of the Senator elect. He is not a Senator yet. He is a private citizen. How is this body to be the judge of the qualifications of one of its Members who has not yet qualified as a Member?

Mr. LODGE. Mr. President, will the Senator allow me to interrupt him?

Mr. BRANDEGEE. Certainly.

Mr. LODGE. The argument about the continuing nature of the Senate related to the rules. The rules exist in this Senate. Mr. NEWBERRY does not exist as a Senator in this Senate, and you can not continue him, because he does not exist here.

Mr. BRANDEGEE. After the Senator elect has become a Member of this body, Mr. President, by taking the oath of office, if he has violated or if in his election the provisions of the secret-ballot law, or the corrupt-practices act, or whatever the official name of that act may be, have been violated, the remedy is in the hands of the Senate. Nothing is lost; nothing can be lost; nothing is waived; no advantage is achieved by anybody in receiving and placing on file a communication from the proper authorities of the sovereign State of Michigan. If it is found later on that the asseverations contained in the certificate are not true, and that Mr. NEWBERRY was not duly elected a Member of this body, he will be unseated; but to say now that before he becomes a Member of the body the Senate would proceed, through its authorized Committee on Privileges and Elections, to conduct an elaborate investigation, going into the facts and taking all the testimony in relation not only to his election to his office, or his alleged election, but to the primary in his State for the nomination for the office, seems to me to be going far afield, and contending for a construction of the Constitution which has never, to my knowledge, been asserted previously.

It seems to me that the regular order in this case, as in all similar cases, is to place the credentials on file; and if anybody rises in his place here upon petitions requesting such action, or upon information and belief, or for any reason satisfactory to himself, and makes charges or establishes a prima facie case that will convince the Senate that it ought to conduct an investigation into the circumstances of this election, if the Senate believes it should it will so vote. But to start in now, with neither the candidate nor the evidence nor the charges, if there are any, before us or within the jurisdiction of this body, seems to me to be utterly premature and utterly irregular, and would result in the establishment of a precedent which I am sure would come home to plague us in the future, and would put every Senator who runs for reelection in the future in the position of having to meet and defend the title to his office before he had qualified for it, and would be an encouragement to everybody—his enemies politically and those in his own party who were disappointed by his nomination—in some way or other, without asserting responsible charges, to subject that Senator to the defense of a suit before he had arrived to claim the office to which his State authorities had asserted he had been duly elected.

So, inasmuch as neither the dignity nor the rights of the Senate can be in any way waived or affected by receiving these credentials in the customary manner and placing them on file, and inasmuch as the whole subject is still open to complete investi-

gation afterwards, I hope that the motion of the Senator from Ohio to commit this certificate to the Committee on Privileges and Elections will not prevail.

Mr. FLETCHER. Mr. President, the plain provision of the Constitution, section 5, is that—

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

The Senate proceeds in this sort of a case through its Committee on Privileges and Elections. A certificate is presented here. The person certified to be elected may not have been elected; the person certified to be qualified may not be qualified within the judgment of this body. This Senate is to determine that question; and it proceeds to determine it first by having the certificate, which is the evidence submitted, referred to its committee for examination and for such investigation as that committee feels ought to be given the subject.

Mr. BRANDEGEE. Mr. President——

Mr. FLETCHER. It seems to me clearly a question that comes now, at the very threshhold, to determine whether this party who is certified to have been elected was really elected; whether this party who is certified to have been qualified was really qualified to hold this position. Those are matters which this body has jurisdiction to determine. Under the Constitution its duty is to determine those matters.

Now, surely I am not in error when I recall that when our friends on the other side were in the majority in this body the universal practice was to refer these certificates to the Committee on Privileges and Elections.

Mr. BRANDEGEE. Oh, no; Mr. President.

Mr. LODGE. Oh, no.

Mr. BRANDEGEE. The Senator from Florida is mistaken about that.

Mr. FLETCHER. I do not know of any exception to that rule. When my credentials were presented here, the chairman of the Committee on Privileges and Elections asked to have them go to that committee. I remember distinctly that the distinguished Senator from Michigan, Mr. Julius C. Burrows, was chairman of that committee, and he took possession of those credentials; and my recollection is that in every instance the credentials were turned over to the Committee on Privileges and Elections. If they found everything all regular and decided that the person certified to was qualified and was elected, and the returns were properly certified here, then they reported favorably, and the matter was closed in that way. That was the practice.

Mr. BRANDEGEE. Mr. President, let me ask the Senator what his recollection is about this matter: When the certificates of all the newly elected Senators—which is the regular order, as I understand—are referred in a mass, at the time when they are to take their seats, to the Committee on Privileges and Elections for the purpose of ascertaining whether or not the certificates are regular in form, does the Committee on Privileges and Elections at that time, without any question being raised as to their election and their qualifications, proceed to conduct an investigation to determine that fact?

Mr. FLETCHER. They would have authority to do that if that question was presented.

Mr. BRANDEGEE. I did not ask the Senator that. Of course, they have authority to do it if the certificates are referred to the committee by the Senate for that purpose; but in cases where those credentials—as is generally done when Senators are elected—are referred to the Committee on Privileges and Elections in the absence of charges or a question being raised as to their qualifications, is anything ever done except to report them favorably as being regular in form according to the blanks sent out by the Secretary of the Senate?

Mr. FLETCHER. I think that is correct; but, then, who is to say whether charges will be made or not? The indications are that charges have been made in this instance. I do not know precisely what form that has taken, but the chairman of the Committee on Privileges and Elections tells the Senate that there are certain matters which the committee ought to consider in reporting upon this case.

Mr. THOMAS and Mr. BRANDEGEE addressed the Chair.

Mr. FLETCHER. How far they will reach we can not foretell, and we ought not to foreclose the Senate.

Mr. BRANDEGEE. Mr. President, it will be impossible to foreclose the Senate, if the Senator will pardon me; and I do not want the assertion of the Senator to go unchallenged when he states, as I understand him to state, that there are charges pending. Where are they, and who makes them?

Mr. FLETCHER. I say the indications are that there will be charges.

Mr. BRANDEGEE. Well, I see no indications——

Mr. FLETCHER. I am not a member of the committee.

Mr. BRANDEGEE. The indications are that they are going to try to get some, perhaps; but I know of no indication that there are charges pending. The chairman of the committee certainly has not made any such charges.

Mr. FLETCHER. Of course, if there are no charges made, then the committee has nothing to pass upon. There could not very well be any charges made, as a Senator suggests, until the matter is before the body that can consider the charges.

Mr. THOMAS. Mr. President, will the Senator yield to me?

Mr. FLETCHER. I yield.

Mr. THOMAS. I should like to inquire whether my memory serves me right, and the memory of some other Senators, that in 1913 the Vice President, by general order, referred all certificates of election of Senators to the Committee on Privileges and Elections?

The VICE PRESIDENT. That is correct.

Mr. THOMAS. Let me ask if there was any protest or exception to it?

The VICE PRESIDENT. Not at the time.

Mr. BRANDEGEE. Mr. President, those were Senators who were to take their seats in this body at that time, were they not?

Mr. PENROSE. Mr. President, I think I can throw some light on that matter, for I remember it very well. The credentials were all referred to the Committee on Privileges and Elections for the purpose of examining their correctness as to form, and they were immediately reported out to the Senate.

The VICE PRESIDENT. The Chair has a distinct recollection of the reason why they were referred at that time. They have not all since been referred to the Committee on Privileges and Elections, but there was a reason given by the Chair. The Chair does not know whether it appealed to the Senate or not. It had not anything to do with any charges which were being made against anybody. It simply had to do with the Chair's theory that under the seventeenth amendment, when Senators were elected by the people, it was the duty of the Committee on Privileges and Elections rather than the duty of the officers of the State to determine whether the Senator was elected and his credentials in proper form. That was before the Senate adopted a form of certificate and the credentials were in different forms.

Mr. FLETCHER. I was about to say, Mr. President, that the complete answer to the question about the jurisdiction of this Senate to consider and pass upon the matters involved in an issue of this kind, to determine the election and qualifications of Members of the body, is furnished by the very fact that the credentials are submitted to this Senate.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. FLETCHER. Certainly.

Mr. ASHURST. The Senator from Michigan [Mr. TOWNSEND] requested unanimous consent to withdraw the credentials, to which I objected. I now desire to withdraw my objection, after consultation with the chairman of the committee.

The VICE PRESIDENT. Is there any objection to the withdrawal of the credentials?

Mr. THOMAS. Mr. President, I object.

The VICE PRESIDENT. Then the question is on the motion of the Senator from Ohio [Mr. POMERENE] that the credentials be referred to the Committee on Privileges and Elections.

Mr. KENYON. Mr. President, I do not rise to object, but I am one of those who believe that the Newberry campaign expenses ought to be investigated, and I so voted in the committee. At the same time it seems to me to be very clear that these credentials should be received by the Senate, and I shall so vote, though these positions may seem to be somewhat inconsistent. I will refer to that in a moment. The question is argued here to-day of the right of Congress to investigate the election and primary before the beginning of one's term. I have no doubt about it in my own mind at all. We have a national law relating to campaign contributions. It seems idle to say that Congress can not investigate a statement which upon its face might be claimed to be a violation of that law, if for no other reason than that the law has been violated. Surely the investigation could be made to secure information looking to further legislation.

Again, the position that a Senator must present himself here before there can be an investigation has little force. Suppose Mr. NEWBERRY decided that he would not present himself at all to the Senate, or suppose that any other Senator thought there was such evidence of fraud and corruption in his election or in the primaries that he would not present himself and ask for the seat, would it be contended that the Senate was without power to investigate that election? The grossest frauds might be perpetrated and the light of investigation never shine in.

The point that I particularly refer to is this: The Senate Committee on Privileges and Elections decided that this matter

should not be investigated by this Congress. That was the purport of the vote. It was not a partisan vote, either. There was no politics, I think, in it. One Republican voted in favor of the authority to investigate and two Democrats voted against it. That seems to me rather in the nature of a res adjudicata as to this question, and the proper way to reach it would be for a motion in the committee to reconsider the action of the committee when those who voted contrariwise come to the conclusion that they were wrong. Feeling that it is in the nature of res adjudicata, and feeling that the only question here is the regularity of the certificate, I shall vote to receive the credentials, although I shall vote in committee and everywhere else for an investigation. The statement filed of a primary expense of $176,000 is enough prima facie to warrant an investigation. I should think Mr. NEWBERRY would welcome such investigation.

Mr. JONES of New Mexico obtained the floor.

Mr. THOMAS. Will the Senator yield to me for a moment?

Mr. JONES of New Mexico. I simply wish to ask a question.

Mr. THOMAS. Just a moment. I withdraw my objection.

The VICE PRESIDENT. Is there any further objection on the part of anyone else?

Mr. THOMAS. I did not, of course, intend to cut off the Senator from New Mexico.

Mr. JONES of New Mexico. I understand perfectly.

Mr. President, I rose for the purpose of making an inquiry of some member of the Committee on Privileges and Elections, and I intend to address my inquiry to the Senator from Iowa [Mr. KENYON], who is a member of that committee. I should like to know whether the committee has considered the question of difference between the affidavit as to the expenditures to be placed on file and the certificate of election from the governor. I have not investigated the question myself, but it occurs to me that the affidavits which are required by law to be filed here should be read into the certificate and considered as a part of the certificate. When it appears on the face of the affidavit, as stated by the Senator from Ohio, that a much larger expenditure has been made in this election than the law permits, should not that be taken into consideration and does not that establish a prima facie case of the invalidity of the certificate itself? It seems to me that when this large expenditure appears upon the record of the Senate, in compliance with the requirements of law, the showing made by that affidavit becomes a part of the certificate itself, and prima facie the person presenting the certificate is not entitled to a seat in this body. I think the presumption goes further, that where it appears from the record established under the law that a much larger expenditure has been made than was permitted by the law, the presumption is, and can only be removed by positive evidence, that the candidate himself is responsible for that situation.

I should like to know of the Senator from Iowa if that phase of the question has received any consideration by the committee?

Mr. KENYON. I prefer the chairman of the committee to state what was considered by the committee. I think that question the committee had under consideration, but I may be wrong.

Mr. BRANDEGEE. Mr. President, the certificate, of course, in question is made by the proper officials of the State, the governor or the secretary of state, whoever it may be, attesting each other's signatures. The affidavit as to expenses is filed by the candidate. It is filed, I think, several times, once for the primaries and once for the election, and perhaps at certain times before and after the date of the primaries and the election. They are on file in the office of the Secretary.

Mr. LODGE. They are regular.

Mr. BRANDEGEE. They appear to be regular on their face. The certificate of election by the duly constituted State officer is offered here. It has not yet been placed on file; it is pending. How one can be read into the other I do not quite understand.

The theory advanced by the Senator from New Mexico that because the affidavit filed by the candidate and filed in the office of the Secretary of the Senate contains figures which seem larger to him than they ought to be, that it thereby creates a presumption that the man is guilty, and that it is upon the defendant, who is presumed to be innocent until proved guilty, to prove that he is innocent, seems to me to introduce a new doctrine into the law of this country.

Of course there is no such prima facie evidence, and there is no evidence whatever or presumption of evidence of guilt until you establish that the large expenditures which exceeded, if they did exceed, the amount provided by law were made with the knowledge and consent of the candidate; and there is no presumption one way or another about that until you take evidence to find whether the candidate knew, or ought to have known, or whether the law implied knowledge to him on that point. No presumption will stretch to a guilty knowledge with intent until there is some evidence to prove it or to prove the circumstances in connection with the transaction.

Mr. BORAH. Mr. President, is the certificate withdrawn?

The VICE PRESIDENT. The Chair has been unable to determine whether there is any objection to the withdrawal of the certificate or not. The Chair hears none, and the certificate is withdrawn and stricken from the record.

Mr. BORAH. If the Senate will indulge me for just a moment——

The VICE PRESIDENT. Will the Senator from Idaho pardon the Chair? If Senators will look at Rule VI relative to the presentation of credentials, they will ascertain what can be done by the Senate. The Senator from Idaho will proceed.

ABOLITION OF CONSCRIPTION.

Mr. BORAH. Mr. President, there is an election pending now in England, a matter with which ordinarily we would not be concerned. But a statement has been made by the present Premier of England upon a subject matter which, it seems to me, does concern us. I wish to read a single paragraph from his last night's statement or speech:

> On the eve of this important election, which means so much for the country, I wish to make it clear beyond all doubt that I stand for an abolition of conscript armies in all lands. Without that the peace conference would be a failure and a sham. These great military machines are responsible for the agonies the world has passed through, and it would be a poor ending to any peace conference that allowed them to continue. Any delegate who represents Great Britain at that conference must labor to the end I have stated.

With that statement, Mr. President, I am in full and hearty accord. It is the first concrete proposition practical in its bearings with reference to this proposition of world peace that I have seen. I sincerely hope that that which the Premier evidently expressed will happen, to wit, that the people of England will indorse his position, and that the peace conference will carry it into as effectual a result as it is possible for it to do. Conscription is the basic principle of militarism. Without it great military autocracies would be impossible. The world will be grateful to Lloyd George if he forever puts the ban on conscription in all lands and countries.

SENATOR FROM WISCONSIN.

Mr. POMERENE. I present a report (No. 614, pt. 2) from the Committee on Privileges and Elections on Senate resolution 360, relating to the Senator from Wisconsin [Mr. LA FOLLETTE]. I ask that the same be printed for the information of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

HOG ISLAND SHIPPING PLANT.

Mr. FLETCHER. Mr. President, before we get away from the subject raised this morning by the Senator from Mississippi [Mr. VARDAMAN] and without attempting to discuss in any way the occasion for his remarks, inasmuch as he expressed himself to the effect that he desired to be fair and just with reference to the Hog Island enterprise, I wish to say just a word or two about it.

The fact was mentioned that the yard there had cost some $60,000,000, whereas it was stated that the original estimate was for some $21,000,000. That is scarcely accurate. There was, in fact, really no estimate ever submitted for that yard as it stands now. There was a general discussion about the cost of the yard, and there was a statement made with reference to its probable cost. But later when they went into the enterprise they found that they would need many things they had not figured on, and in order to make it a complete yard, properly equipped and efficient in every way, they went to very much larger expense and built a very much better and larger yard than had been at first contemplated.

It will be remembered that the Shipping Board, or rather the Emergency Fleet Corporation, has been in supervisory control of the whole enterprise, and after it had been discovered what the contracts were with reference to Hog Island and the other agency yards of the Government, located at Bristol, Pa., known as the Merchants, and located at Newark Bay, known as the Submarine Boat Yard, and after these contracts were laid before the committee and these undertakings had been explained to the committee, and we had some information—quite a good deal—as to what was going on at Hog Island, Admiral Bowles was sent there by the United States Shipping Board Emergency Fleet Corporation to have direct supervision of the three agency yards. Up to that time some $19,000,000 had been spent at Hog Island. Since then the entire expenditures have been under the supervision of Admiral Bowles, representing the Emergency Fleet Corporation.

As I said, the yard was very much enlarged; and not only that, but since Admiral Bowles went to Philadelphia to look after the enterprises, and especially the Hog Island enterprise, 60 additional ships were contracted to the American International Shipbuilding Corporation, the contractors at Hog Island. The original contract contemplated 50 ships of type A and 70

ships of type B, and there were added to those 120, 60 more ships of 7,500 tons.

Of course, I grant that the cost has been enormous there. The cost has been very unusual, very high, not only at Hog Island but at the Merchants Yard at Bristol and at the Submarine Boat Yard at Newark and other yards of the country.

I think it is fair to say that one reason for the excessive costs was that we were demanding ships be built immediately, in the quickest way possible, such was our need. The contractors were instructed to build ships without attempting to do it upon a business, economic basis, without regard to cost, in effect, because we needed the ships, and it was felt we must sacrifice economy for speed. It was under those conditions and in those circumstances that all these yards have been operated. The ships have cost a great deal more than they would cost in normal times, for the reason, as I said, that speed was the chief consideration and economy was secondary.

Now the Emergency Fleet Corporation has changed that in a good many ways. In the first place, they have eliminated in this yard and elsewhere the overtime feature. Where men worked beyond eight hours they had been paid extra for anything above that. They have eliminated the Sunday work. On Sundays they had been paid for double time. Those items have been eliminated under the present regulations, and that, of course, will save very materially in the future.

In justice also to the contractors at Hog Island I know the Senator from Mississippi will agree that the Government is to pay the actual cost of the land. There are 915 acres of that land, something over 2 miles of water front, and the precise price that the land was contracted to the American International Co. is the price the Government is to pay, plus the 6 per cent, I believe the Senator stated, I am not sure whether it is five or six. That is really immaterial; but there is no profit made upon that purchase at all. The Government gets it at just what it costs the company, enjoys the use of it until the purchase price is paid, plus interest at the rate of 6 per cent per annum. It is not a mere lease, it is that together with a contract to buy, at the option of the Government.

Mr. KIRBY. Mr. President——

Mr. FLETCHER. I yield to the Senator from Arkansas.

Mr. KIRBY. Aside from the proposition about the enormous and excessive cost apparently of these matters, what business has any official in the United States of America to denounce a Senator as a liar for a statement made on the floor of the Senate?

Mr. FLETCHER. I am not attempting to discuss that feature of the matter at all.

Mr. KIRBY. That feature, it seems to me, might very well be discussed by the Senate.

Mr. FLETCHER. I do not think it needs any discussion by me. The Senator from Mississippi attended to that. That is not the object of my saying what I am submitting to the Senate. I am simply discussing the question of the charge of waste and extravagance at Hog Island, as well as at other yards, but particularly at Hog Island, and, with reference to this particular enterprise, I am saying, as the Senator from Mississippi charges the administration with responsibility for it, very properly it must take that responsibility, because the Shipping Board made this contract, and in fairness to the administration and to the Shipping Board and to the public and to everybody, it ought to be understood, I think, that the International Co. is not making any profit upon the land constituting the site of that yard. We got it for what they secured it under their contract. Of course, they may have paid more for the land than it was worth; they claim not, and that matter was examined at the time.

Mr. VARDAMAN. I do not think there is any doubt about that; but can the Senator tell the amount? The Senator knows the amount that has been spent by the Government to raise that land. Three hundred acres of this hog wallow were about 5 feet below high water, and are kept up solely by the dike which was built around the land. Does the Senator know how many million dollars have been spent to fill that up?

Mr. FLETCHER. I could not say.

Mr. VARDAMAN. Of course, the Senator knows that if the Government does not carry this thing on the Government can not escape the loss of the millions of dollars that have been planted there in the form of gravel and sand, which raises this land up above high water.

Mr. FLETCHER. I quite agree that it is impossible for the Government to ever reimburse itself there except by acquiring the title to the land. The expense of filling in was enormous, and particularly during the severe winter during which that work was carried on; but I am saying that the Government must buy this land. It is a Government enterprise. It would be folly for the Government not to complete the purchase of that land, for the Government has invested, all told, I take it, somewhere near $60,000,000 on that yard. That includes, I think, the filling in, the bulkheading, the warehouses, the machinery, equipment, and pretty nearly everything that was done there. The piles had to be driven when the ice was some 3 to 4 inches thick; they had to be driven by the assistance of steam being forced into the ground ahead of the piling, in order that it might be driven. Sometimes the ice had to be dynamited and had to be taken out of the way before the piles could be put in. A great deal of the work on the piling which was done under those circumstances, of course, was very expensive. The entire cost of putting in the piling, docking, the dredging, equipping the yards, and building the ways, and everything else is included in the figures of total cost which has been mentioned. It costs something to build a shipway—and there were 50 of them there—and equipping them with cranes, tracks, and machinery costs something. It requires time to do it. It also costs something to build the numerous railroad tracks, warehouses, and other buildings which were necessary to equip the yard; for everything there—I think the whole cost is included in the item of $60,000,000.

Ordinarily five or six years would be a reasonable time in which to complete that yard. This work was done in less than 12 months.

It takes time to build a steel ship. The record of riveting at Hog Island is better than at either of the other agency yards.

Mr. VARDAMAN. It would seem to me that $60,000,000 ought to cover a great many items. The Senator states, as I understand, that when the corporation undertook the construction of this plant there was a very hasty estimate made as to its cost. What did we pay those people for? Does the Senator defend the carelessness of the Emergency Fleet Corporation or anybody else in the expenditure of millions upon millions of dollars of the money of this Government, without going into this matter and understanding it before spending the money? The Senator certainly does not defend the enormous price which was paid for labor, as to which subsequently, after we had protested against it, two or three hundred thousand dollars of the expense was cut off. The Senator does not defend these people for taking this man Goodenough from a salary of $12,000 a year, and the moment he was put on the Government pay roll paying him $25,000 a year. That is in keeping with everything that has been done there. I know that everything was sacrificed to speed, but I do not see how the sacrifice can be carried to the extent of condoning such reckless prodigality in the expenditure of public funds.

Mr. FLETCHER. Mr. President, what I am saying with reference to that is that this yard has been very materially changed from the original plan and design to its present capacity. It has been very materially enlarged and extended and is a different yard from that originally contemplated. Of course, the original estimate can not be pressed as a fair and accurate estimate of the cost of the present yard. I am saying with reference to the extravagant expenditure as to wages, and that sort of thing, that the contractors are not responsible for that. The wage scale was fixed by a board, which determined the wages in the various shipyards. We can not lay that to the contractors. I am also saying that we must acquire that property. The Government can not afford to invest $60,000,000 in that plant without going on and completing the purchase of the land and thereby owning it.

I believe myself there was a mistake made in the very outset in attempting too big a yard. We ought not to have had a yard of 50 ways in one place. I think that a yard of from 10 to 20 ways—at any rate, not exceeding 20 ways—would be big enough to be located in any one community. When we get beyond that we are undertaking too much, we are crowding too much, we are congesting too much, we are making necessary the putting up of housing facilities and various other facilities which would not be required if the yard were not so enormous. This is the largest yard in all the world; there is nothing equal to it anywhere. It is a colossal achievement. Hog Island is a city of some 30,000 people, where 18 months ago it was a swamp. Most of them are employed in this work of building ships for the Government. I do not know whether or not the Government will continue to operate these 50 ways permanently, but probably the Government will for some time, and then can use them by leasing some of the ways out or changing them, or something of that sort. I think the original undertaking was too big. It would have been better to build that number of ways in different localities instead of concentrating them at one point. However, it is a great yard, completed in marvelously quick time.

Mr. THOMAS. Mr. President——

Mr. FLETCHER. I want to finish.

Mr. THOMAS. I simply want to ask the Senator a question. My information is that none of these ways—I think there are 50 of them—are covered, and that consequently work is prac-

tically impossible to be carried on during the inclement seasons of the year. I should like to inquire of the Senator from Florida if that is true?

Mr. FLETCHER. I think it is true that they are not covered, but I am not well advised if that is not the case as to the ways nearly everywhere.

Mr. THOMAS. I know nothing about it, but that is my information.

Mr. FLETCHER. I think there are scarcely any ways anywhere that are covered.

Mr. THOMAS. A shipway does not need to be covered in the Senator's section of the country, but my information is that unless and until they are covered they can not be operated during the cold season. I know nothing about it personally.

Mr. FLETCHER. I think the Senator from Colorado must be wrongly informed about that, for they have been operating these ways in the worst kind of weather.

Mr. THOMAS. They were building them then.

Mr. FLETCHER. They were building them, but they have been building ships in them during pretty severe weather. I do not think it is necessary to cover shipways. I think perhaps it might be better in some respects, but that would call for a very great expenditure, for each of these ways has railroads, tramways, and immense cranes to carry the material back and forth to and from the hull under construction. I do not see how we could operate them very well unless they had very high roofs, and I doubt if it is feasible to cover the ways.

However, passing from that, it will be remembered also, and it is but fair to these contractors to say that they get nothing for their services in the construction of the yard. Under their contract their fee is limited to so much for the building of each ship. A statement is made, which is printed in our hearings, and which we may conclude to go into—at any rate, it ought to be cited here—as a claim by the contractors. I read from the hearings, on page 22, as follows:

> Now that the yard has been practically completed—and a work for which the agent in normal times would have received a fee of practically $5,000,000 has been contributed to this Nation without any compensation whatsoever, but at a cost to the agent of an amount probably in excess of $1,000,000—I think it but just to the American International Corporation that this letter should be printed as a part of your hearings.

In other words, this contractor, the International Co., would have been justly entitled to a fee of $5,000,000 for its services, or compensation to that amount for the construction of this yard, whereas it gets absolutely nothing for it under the contract, and it has furnished its organization, its service, its time, and its energies for many months without any compensation whatever, at an actual cost of approaching $1,000,000, except in so far as that may enter into their compensation for the building of the ships.

Mr. VARDAMAN. Mr. President, the Senator seems to lose sight of the fact that the greater part of the work of construction was done by subcontractors who received a fixed fee of 5 per cent.

Mr. FLETCHER. Some of the work was contracted for, undoubtedly, and I presume the greater part of it.

Mr. VARDAMAN. I think 91 per cent of it. I never heard of any of it being done except in that way; and that was done for the purpose of getting around the terms of the contract, which prevented the corporation from charging any fee.

Mr. FLETCHER. It had to be done either in that way, or it had to be done by employing people; and that was considered the customary way and the most economical way to have the work done.

Mr. ROBINSON. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Arkansas will state his parliamentary inquiry.

Mr. ROBINSON. I do not desire to interrupt the Senator from Florida, but I desire to know whether morning business has been concluded?

The VICE PRESIDENT. We have had no morning business this morning.

Mr. FLETCHER. I know that is the case, Mr. President; but the Senator need not make the point, for I have about concluded.

Mr. ROBINSON. I merely wish to inform the Senator that I desire an opportunity that the morning business may be proceeded with.

Mr. FLETCHER. Very well.

Mr. JOHNSON of California. Mr. President, as a member of the Commerce Committee I can not permit to go unchallenged the defense of the Hog Island project which has just been interposed by the chairman of that committee [Mr. FLETCHER]. I will occupy, however, less than three minutes in presenting to the Senate a few pertinent suggestions which I think ought to be in their minds, if they deal with this subject at all.

First, the mode in which this particular shipyard was constructed was a mode which never should have been adopted. It was a mode by which private individuals were permitted without stint to dip into the Treasury of the United States and spend as they saw fit unlimited sums of money belonging to the people.

Secondly, you might justify that because of the necessities and emergency of war, but the fact remains that they did not deliver the goods; that the ships have not been built after this mode of construction was followed.

Thirdly, the Senator, who is chairman of the Commerce Committee, defends the price which was paid for the land. The fact is that just prior to the contract being made under which the Government was obligated, in case it availed itself of its option to pay $1,800,000, the owners of this land had contracted to sell it for $800,000, and an option of that sort was of record. So much for the price of the land.

Fourthly, the price that it was estimated that this particular shipyard was to cost was $20,000,000. Say it was a hasty estimate, if you choose, nevertheless the fact is that we have expended $60,000,000 there up to this date.

Next, we have expended the people's money in that shipyard to give to private individuals and private corporations certain percentages for what this distinguished admiral who insults a Senator of the United States says was the "know how." We developed in the testimony that not only did we pay the percentage in the contract for the "know how" of the original contractor, but we then paid a percentage for the "subknow how" and a percentage for the next "subknow how" of the next contractor. That is, we took these distinguished gentlemen who knew so much about shipyard construction, who said they would give their knowledge to us for a certain percentage or profit on ships, and then they let contracts to others for a certain percentage, the others knowing how to do what they themselves presumably did not know how to do. So we paid the percentage for the "know how," and then we paid a percentage for the "subknow how."

Mr. FLETCHER. Mr. President, the Senator knows perfectly well that the contractor was not to get any percentage on the construction of the yard.

Mr. JOHNSON of California. No; they were to get it on the building of the ships, and they were to construct the yards. That was the great desideratum and the great consideration—that they had such tremendous and extraordinary knowledge that they would construct that yard; and they performed in part by paying a percentage for a "subknow how."

Then, beyond that, when we dealt with the particular technical organization of one of these intertwined corporations that was doing this work, we paid them 100 per cent additional for the technical men of their organization.

All these things are matters of record—every one of them. I can not discuss them in detail this morning, but they are sufficient to demonstrate that there has been an extravagance in connection with this yard that beggars description; and if an admiral of the United States Navy—I do not know whether or not he is now an officer—but if an admiral who is in the service of the United States designates any statement that there has been extraordinary extravagance and outrageous extravagance there as a lie, that admiral ought to be court-martialed and removed from the service of the United States Government.

Mr. LENROOT. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of California. Certainly.

Mr. LENROOT. The chairman of the committee, Mr. FLETCHER, in speaking of the land where this enterprise is located, said there was a contract of purchase, and I think the Senator from California has inferentially stated the same thing.

Mr. JOHNSON of California. I did not mean to do so.

Mr. LENROOT. It was, as a matter of fact, only leased with an option to purchase, which must be exercised within a very limited time after the completion of ships, and if at that time the Shipping Corporation should not have the money with which to carry out the option, or Congress should fail to act, the Government is powerless, and these millions of dollars must go to the International Corporation.

Mr. REED. Mr. President, before the Senator from California takes his seat, I wish to ask him if he can state how many ships have actually been completed at the Hog Island shipyard?

Mr. JOHNSON of California. I am told this morning by the chairman of the committee that one ship has actually been built. Until he made that statement I did not think there was a single

solitary ship that had been completed there. I know that the time for the delivery of these ships has run past.

Mr. SUTHERLAND rose.

Mr. REED. Did the Senator from West Virginia rise to speak on this matter?

Mr. SUTHERLAND. No; on another matter.

The VICE PRESIDENT. We are trying to get through with the morning business. We have not reached petitions and memorials as yet. There have been half a dozen objections to this discussion, but they seem to get nowhere. Petitions and memorials are in order.

PETITIONS AND MEMORIALS.

Mr. GRONNA. I present resolutions adopted by the Farmers' National Committee on War Finance, which I ask to have printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

THE FARMERS' NATIONAL COMMITTEE ON WAR FINANCE,
Washington, D. C., December 11, 1918.

To Members of the Congress:

The revenue bill reported by the Senate Finance Committee will raise less than $6,000,000,000 during the current fiscal year, whereas the House revenue bill would raise $8,140,000,000. The Farmers' National Committee on War Finance submitted briefs to both the Ways and Means Committee and the Senate Finance Committee, pointing out in detail how nearly twelve and a half billion dollars could be raised by taxation during the current fiscal year. On behalf of the farmers of America, and in view of the resolutions adopted by organized labor, I think I can appropriately say with the indorsement of organized labor, the Farmers' National Committee on War Finance respectfully asks the Congress to enact a revenue bill which will raise the sum we suggested in our briefs to the committees noted above. We shall not attempt to make any lengthy argument, but merely cite to you certain facts regarding the national income in appealing to you to enact a just revenue bill. First, may we note that America, like every belligerent in this war, is threatened with a spread of bolshevism?

WHY SHOULD CONGRESS FOSTER BOLSHEVISM?

For the Congress of the United States to enact a revenue bill which will raise less than $6,000,000,000 would probably do more than any other single thing to spread bolshevism here, because it would serve notice upon the American people that the interests of the privileged and wealthy classes of the country are regarded by Congress as paramount to the rights of the people. The number of deaths in America every year from preventable diseases, of which poverty is the basic cause, is about five times as large as the total number of American troops killed in this war. It is literally unthinkable that the Congress should agree to a proposition to saddle more of the cost of this war, which has been a prolific breeder of millionaires, upon the workers of the country in order that these few thousand wealthy men may augment their unearned incomes, and already huge fortunes, out of this war. You, gentlemen, appreciate that the concentration of wealth due to privilege in this country is a continuing menace.

TIME TO SET OUR OWN HOUSE IN ORDER.

Now that the forces of kaiserism and militarism have been successfully defeated, it is an essential part of statesmanship to set our own house in order. To tax the workers and producers instead of the wealthy and privileged will be to set our house in disorder. The Secretary of the Treasury estimates that the national debt, after we have paid the costs of the war, will be about $25,000,000,000. Some of the bonds issued are to run for 30 years, so that an amount nearly equal to the capital borrowed will probably have to be paid in interest on the loans. This makes a staggering total of nearly fifty billions, including loans to our allies. The figures from official sources, which the committees of both Houses dealing with war finance have had at their command, show that the total national income this year is approximately $72,000,000,000. The estimated net income of corporations for the present year is $9,600,000,000. The personal income subject to the income tax is estimated at about eleven and a half billions, after deducting for dividends. You are aware, doubtless, that less than 2 per cent of the population own 65 per cent of the wealth and that some 23,000 individuals own about one-quarter of the wealth. In all human probability America will never be in a better position to pay a large part of the cost of the war than it is to-day, because of the large money incomes received during the war. The huge war profits of this current year are, in point of fact, not greater than in 1917, when they were approximately $10,450,000,000 The excuse offered for reducing the amount to be raised by taxation is that the business interests of the country must not be interfered with. This is only a pretext.

WHOM DOES CONGRESS REPRESENT?

The Government has demonstrated that it can raise large loans from many subscribers of small amounts, and the issue before Congress is clearly one which can not be concealed, whether the wealth of the country and the profits directly attributable to the war, which have continued to increase during the last three or four years, shall be taken for the cost of the war or whether this burden shall be saddled upon the workers over a long period of years. With our national wealth and national income our entire outlay for the war could easily be paid within 10 years. No legitimate business enterprise will suffer in any way through this policy, because the Government can, if it will, raise money for undertakings through popular subscription, and it would be merely an act of justice to permit those of small means to invest their meager savings in highly productive commercial and industrial enterprises instead of reserving such enterprises as the sole opportunity of those who already possess large means. No liberal who loyally supports the purposes for which we entered the war can understand why the Senate Finance Committee voted to reduce the income-tax rate on incomes between ten and one hundred thousand dollars. In 1916 there were 177,120 families, largely individuals, who received incomes between these ranges, and their total net taxable income was nearly three and a third billion dollars. The total income of that class for this year will probably be close to $4,000,000,000. Neither can any fair-minded person understand how any individual can be permitted to retain an income of one to twenty millions until the cost of the war is fully met, nor why Congress should sanction such unpatriotic selfishness, though this has been done in both the House revenue bill and the Senate revenue bill. Had the German military machine defeated the forces of liberty, the recipients of these huge incomes and possessors of these swollen and privileged fortunes would have paid much more dearly than if they should be taxed as heavily proportionately as the poorest families in America, which is less than we ask. We regret exceedingly that the method of financing the war evidently contemplated by Congress should give even the appearance of justification to the false charge that America entered the war to enable a few individuals to amass huge fortunes therefrom. The enactment by Congress of the revenue bill proposed by the Senate would serve notice not only upon the American people but upon the world that the Congress has repudiated the noble purposes for which we entered the war and has deferred to the greed of un-American profiteers and despised the rights of the common people.

COLOSSAL FORTUNES ARE INCITERS TO WAR.

As you are well aware, colossal fortunes secured through privilege, as is the case with every large American fortune, and huge incomes are a prolific inciter to warfare, and valuable and even essential as is a league of nations to assure permanent peace, nevertheless America will not be fully safe against the temptation to aggressive warfare in the future unless it can compel immediately equality of financial sacrifice in paying for this war. We have demonstrated to many of you previously nearly twelve and a half billion dollars can be equitably secured by taxation during the current fiscal year from the following sources: War-profits tax, $3,875,000,000; income tax, $6,000,000,000; corporation tax, $555,000,000; customs, $230,000,000; tax on value of unused and inadequately used land, $500,000,000; miscellaneous, excise, etc., $1,321,215,000.

We therefore very earnestly request the Congress promptly to enact such a bill and to avoid the charge which it can not otherwise escape of placing unjust burdens upon the soldiers, sailors, and men in other branches of the service, and upon the countless millions of American toilers who have devoted their utmost effort to the successful prosecution of the war in order to secure economic freedom and justice, as well as to destroy political autocracy.

LETTER TO CHAIRMAN SIMMONS.

On December 4 I wrote Chairman Simmons, of the Senate Finance Committee, the following letter, to which I have not yet received a reply:

"We have been asked by many representative farmers to inquire regarding the status of the war-revenue program, and specifically on the following points. Would you be good enough to inform us?

"1. In view of the fact that huge war and excess profits and large incomes have been received during this year and that it is highly improbable that there will be such profits and incomes next year, why were the rates of taxation on incomes of $10,000 to $100,000 so materially reduced by the Senate Finance Committee?

"2. Is it true that it would not be constitutional to enact a revenue bill which would be retroactive, so that if no revenue bill applying to the calendar year 1918 is enacted during the present calendar year the rates of the revenue bill in force would necessarily apply for the current calendar year, under which rates incomes are very lightly taxed and war profits escape practically untouched?

"3. If large war profits and incomes are not taken now, have they not escaped forever?

"4. Has not 'big business' so adjusted its business by now that it can escape much of the taxes collected under the present revenue bill?

"5. What explanation can be offered for the failure of Congress to enact a revenue bill promptly with at least something of the alacrity with which the several liberty-loan campaigns have been organized and conducted?

"There is unfortunately a widespread impression that the enactment of the revenue bill by the House last summer was merely a campaign measure and that there was no intention on the part of the Senate to enact the rates provided in the House revenue bill into law. We can not conceive that anyone would so trifle with a matter of such serious import and shall therefore very deeply appreciate your replying to our questions.

"Yours, very truly, BENJAMIN C. MARSH,
"Executive Secretary."

Mr. GRONNA. I also present a telegram from the Devils Lake Journal, of North Dakota, which I ask to have printed in the RECORD.

There being no objection, the telegram was ordered to be printed, as follows:

DEVILS LAKE, N. DAK., *December 11, 1918.*

HON. A. J. GRONNA,
United States Senator,
Senate Office Building, Washington, D. C.:

Just as mail-order houses are sapping life blood from country merchants, so are Nation-wide periodicals, magazines, and city dailies sapping life blood from country press by carrying mail-order advertising, which in turn destroys country merchants and through unfair mail privileges drive country papers out of business. The zone postal rate is step in right direction and to repeal it would be great backward step. Please stand by country press. Make publishers pay the cost of transporting their output through the mails. At least help publishers who have made North Dakota what it is.

DEVILS LAKE JOURNAL.

Mr. FLETCHER. I present a telegram from the North Florida Chamber of Commerce, which I ask to have inserted in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TALLAHASSEE, FLA., *December 13, 1918.*

Senator D. U. FLETCHER,
Washington, D. C.:

Recommend Government control of railroads as asked by Mr. McAdoo, for reason more likely to extend and construct new railroads through lands to be made farms for returning soldiers, and also will tend to keep labor steady and prevent strikes, as occurred under private ownership. Means great deal to development of Florida and other sections of United States.

NORTH FLORIDA CHAMBER OF COMMERCE.

Mr. FLETCHER. I also present a telegram, in the nature of a memorial, from citizens of Ocala, Fla., relative to Government ownership of railroads, which I ask to have printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

OCALA, FLA., *December 13, 1918.*

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.:

We, the undersigned citizens of Ocala, wish to express to you and to your colleagues through you our absolute disapproval of Government ownership of railroads and telegraph and cable companies, and believe that they should be returned to their owners. It is our earnest conviction that this policy is taking us away from true democracy and means one more step toward the autocracy of socialism. We trust that when this measure comes before the Senate and House for action that you will take counsel of your constituents, and we believe that they will agree with the above by an overwhelming majority.

JAKE BROWN.	LOUIS R. CHAZAL.
J. E. CHACE.	H. D. STOKES.
Z. C. CHAMBLISS.	A. E. GERIG.
W. S. BULLOCK.	W. M. GIST.
T. T. MUNROE.	GEORGE MACKAY.
J. M. THOMAS.	L. W. DUVAL.

PUBLIC BUILDING AT PRINCETON, IND.

Mr. REED, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 10663) to convey a strip of land on the site of the Federal building at Princeton, Ind., reported it without amendment.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KENDRICK:

A bill (S. 5190) to grant recommended promotions to officers and men of the United States Army (with accompanying papers); to the Committee on Military Affairs.

By Mr. MYERS:

A bill (S. 5191) for the relief of private owners of lands within or near the Bitter Root, Lolo, or Missoula National Forests, Mont.; to the Committee on Public Lands.

By Mr. LENROOT:

A bill (S. 5192) for the construction of a bridge across Rock River at or near Jackson Street, in the city of Janesville, Wis.; to the Committee on Commerce.

By Mr. OVERMAN:

A bill (S. 5193) to donate the big German gun captured by Company I, Three hundred and twenty-first Infantry, Eighty-first Division, marked "Three over A" and "Ersats" over "Bremsfussigkait," to the city of Asheville, N. C.; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 5194) to provide for the incorporation of certain companies engaged in foreign trade; to the Committee on the Judiciary.

By Mr. ROBINSON:

A bill (S. 5195) granting an increase of pension to Silas W. Norris (with accompanying papers); and

A bill (S. 5196) granting an increase of pension to Oscar S. Pomeroy; to the Committee on Pensions.

By Mr. FERNALD:

A bill (S. 5197) granting a pension to Melville L. McCorison (with accompanying papers); to the Committee on Pensions.

THE REVENUE.

Mr. SPENCER submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. GRONNA submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. NEW submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

SITES FOR MILITARY HOSPITALS.

Mr. ROBINSON submitted the following resolution (S. Res. 386), which was read and referred to the Committee on Public Buildings and Grounds:

Resolved, That the Committee on Public Buildings and Grounds be, and is hereby, authorized and directed to investigate the selection and acquisition of sites for military hospitals, and contracts and expenditures for the repair, acquisition, and construction of such hospitals. Also what additional hospital facilities are required and what existing public buildings, if any, are available for use as hospitals.

BREWERS' GERMAN PROPAGANDA.

Mr. SMITH of Georgia. Mr. President, on yesterday I made a statement before the subcommittee of the Judiciary Committee which is investigating the charges against the United States Brewers' Association and allied organizations. I ask consent of the Senate that the statement which I there made be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The statement referred to is as follows:

STATEMENT OF SENATOR HOKE SMITH, OF GEORGIA, MADE DECEMBER 13, 1918, BEFORE THE SUBCOMMITTEE OF THE JUDICIARY COMMITTEE OF THE SENATE, APPOINTED TO INVESTIGATE CHARGES AGAINST THE UNITED STATES BREWERS' ASSOCIATION AND ALLIED ORGANIZATIONS.

"Senator SMITH. Mr. Chairman and gentlemen, on Sunday there appeared in several of the morning papers references to the mention of my name in a letter or report that was presented on Saturday before your committee.

"These newspaper accounts were quite vague, but stated in substance that among the many documents introduced before your committee one addressed to William Byard Hale and supposed to have been written by C. M. Jacobs, of Chicago, gave an account of the work of the American Embargo Conference and referred to me as either supporting the principles of the conference or giving moral support to it.

"As I knew nothing about the American Embargo Conference or C. M. Jacobs, I applied to your secretary Monday for a copy of the paper which made reference to me. He did not furnish it to me until late yesterday afternoon, giving as his explanation of the delay the large number of documents put in evidence and the further fact that the one in which there were a few lines referring to me was very long and he did not succeed in finding it sooner.

"I have now the paper before me. It is a typewritten communication addressed to Byard Hale, signed 'The American Embargo Conference.' The paper is quite lengthy and refers to a great many different things connected with what seems to have been the work of this American Embargo Conference, which was described as seeking to build up public sentiment in favor of forbidding the shipment of war supplies to the allies.

"The paper purports to have been written in July, 1915. The passage referring to me is in this language:

"'The visit of the press men gave us the opportunity to drive home the fact that ours was an American organization; that all of its members had to be voters; and when it was shown that the organization was receiving the moral support of such men as Senators HITCHCOCK, Works, and HOKE SMITH, they departed satisfied that this was one organization that was not a "pro-German movement."'

"I only wish to say, Mr. Chairman, that I can not recall ever having heard of C. M. Jacobs before last Sunday. I knew nothing of the American Embargo Conference or its purposes. I never had relations, dealings, or communications of any character with it or its members. I never gave the organization support of any kind, and when the Hitchcock amendment, forbidding the exportation of war supplies to the allies, was before the Senate I voted to lay it on the table.

"The subject of an embargo on war supplies was not before any committee upon which I served, and the only time—so far as I can recall—it was before the Senate I voted to lay it on the table.

"Again let me say, I never had any connection with this association, and I never gave it any support at any time.

"Senator OVERMAN. Do you not suppose, Senator, that this was a mere inference on account of the fight you made in the Senate in behalf of the shipment of cotton abroad?

"Senator SMITH. Well, I was conscious of the fact that for a while in 1915, when I was seeking to enforce the right of American citizens to ship noncontraband goods through neutral ports into Germany and Austria, it was supposed and even charged by some that I was seeking to help the Germans. In point of fact, I was entirely indifferent to the Germans. I was moved solely by the fact that I believed rights of American citizens were being illegally disregarded, and especially by the fact that my own constituents who raised cotton had been cut off from a large market, many of them ruined in the fall of 1914 and the winter of 1914–15 by the low price of cotton caused in large part by the loss of their markets. I was conscious of the fact that the fight I was making in favor of my constituents was misjudged in some quarters; but I deemed it my duty to do what I could to secure for my constituents the right to sell their cotton in every market to which they were entitled.

"Senator OVERMAN. And they at that time were almost ruined by the low price of cotton caused by the loss of markets.

"Senator SMITH. In confirmation of your suggestion, I may say I received letters during the winter of 1914 and 1915 every day—distressing letters—from men whose children were taken out of school, whose stock and farms were lost, who were just financially ruined by the unprecedented low price of cotton, due

to the war, and, in part, to the loss of one of their biggest markets, Germany and Austria. They had in prior years sold 3,000,000 bales a year into Germany and Austria, and the loss of that market, together with the big crop, put the price of cotton down below the cost of production. The suffering on the part of my immediate constituents was very great, and I agitated their right all through 1915 to get cotton into Germany and Austria. The hope that they might have a broader market and the threat to create a broader market helped somewhat the market price, and I believe it did induce British interests to come into the market in the fall of 1915 and take over a large quantity of cotton.

"Senator KING. I suppose your position, in part, was this, Senator SMITH, that a belligerent may not of its own volition determine that anything and everything is contraband and interdict the shipment by neutral nations of everything that they may denominate contraband.

"Senator SMITH. That was one of my positions; but Great Britain stopped shipments six months before they undertook to make cotton contraband. Conceding that it was not contraband, they stopped it, and then they undertook to make it contraband. I cited England's own action in the Russian-Japanese war, in which Great Britain protested such treatment of her Indian cotton by Russia and forced Russia to permit that cotton to go free to Japan.

"Senator STERLING. One claim was made, was it not, Senator SMITH, that England found contraband concealed in bales of cotton shipped?

"Senator SMITH. Yes; but I believe there was no truth in that claim. I challenged those making the claim to name a single instance and submit it to investigation. I do not see how cotton could be baled with copper inside of the bale. I never learned of an instance in which it was done. Cotton was seized on the ocean without regard to its being contraband or noncontraband. All shipments of cotton to enemy countries were stopped by Great Britain.

"Senator OVERMAN. And afterwards there was a change of attitude, so that the people were saved from absolute ruin?

"Senator SMITH. Yes; and, frankly, I believe that British agencies went into the market as large purchasers and helped to steady the price of cotton in the fall of 1915, making up, in a measure, for the markets cut off.

"Senator OVERMAN. Then, for the crop of 1915 a reasonable price was paid?

"Senator SMITH. By the fall of 1915 cotton went back to 12 cents.

"Senator STERLING. What was the lowest price?

"Senator SMITH. It had been as low as 5 cents. There really was no market at all for a while. It could not be sold always for 4 cents a pound.

"Senator OVERMAN. You could not sell it at all.

"Senator SMITH. The small farmer raised his crop on borrowed money and had to settle his debts in October and November. He had little market for his cotton in the fall of 1914. Where there was a market the price did not pay what he had borrowed to make the crop. His horses went; his partly-paid-for land went, in many instances. In other instances the children were stopped from school, and the situation was pathetic. The letters that I received from my constituents all over Georgia during the fall of 1914 were distressing.

"Senator OVERMAN. The banks sent telegrams here saying that they were threatened with bankruptcy, because they could not collect their debts.

"Senator SMITH. Yes.

"Senator OVERMAN. This money having been advanced by them to make the crop, they were in bad shape.

"Senator SMITH. Had not the price of cotton risen in the fall of 1915 bankruptcy would have swept over the whole of the cotton-growing States.

"Senator STERLING. Subsequently you got an unprecedentedly high price?

"Senator SMITH. Subsequently the cost of production rose very greatly and the price, like prices of other things, was high. The price has not been higher for cotton in proportion to the prewar prices than for other agricultural products, and the cost of producing the crops has been larger in proportion, because the greater part of the increase in the cost of producing crops has been in the increased cost of labor. No other agricultural crop requires the amount of labor that cotton does. Every boll of cotton must be picked by human fingers, and from the time you start the crop until the time you put your cotton in the gin human labor attaches to it.

"Senator OVERMAN. Notwithstanding that, when the resolution came up, you voted to table it?

"Senator SMITH. Oh, yes; that was an entirely different thing. That was sending munitions to Europe.

"Senator NELSON. I remember the incident very well. I was curious to see what you would do on the Hitchcock resolution, and you voted, as you say, against it.

"Senator SMITH. Yes. My object was to force our rights, if I could, to ship noncontraband to Germany through neutral ports; rights that the President had asserted in his letter of March 31; but whether or not I succeeded in doing that I sought to keep up an agitation in the hope that the market might be strengthened. I also wished to impress upon the British Government, as far as possible, the extent to which they were oppressing a portion of the people of the United States by disregarding their clearly established rights and to induce more liberal purchases from London so as to steady and protect the market. I know that a more liberal price was accorded the cotton crop in the fall of 1915 by British interests.

"This is the only paper before you that refers to me, so far as I know.

"Senator OVERMAN. That is the only one.

"Senator NELSON. Yes; that is the only paper.

"Senator OVERMAN. Are you through, Senator?

"Senator SMITH. Yes.

"Senator OVERMAN. There have been some names mentioned in these records that have been sent here. Of course, we can not tell what is in the records before they are read. The names of numerous gentlemen have been mentioned and we have accorded a hearing to everybody who wanted to be heard in regard to it. Senator HITCHCOCK's name was mentioned as well as yours, and he made a statement on the floor of the Senate which is printed in the CONGRESSIONAL RECORD, and at his request I am very glad to have that statement put in the record of this committee.

"Senator SMITH. I thought of presenting to the Senate the reference to myself, but I concluded the best course was to discuss it before your committee.

"Senator KING. I think that this situation, Senator SMITH, illustrates the great danger that may result from a lax interpretation of the rules of evidence in the admission into records of hearsay, and oftentimes testimony that does not rise to the dignity of hearsay, and good men and innocent men are frequently misunderstood and misrepresented by that sort of testimony. We ought to be very careful in the admission of testimony that reflects upon people where the evidence is not valid or proper.

"Senator OVERMAN. I want to say that this evidence having been furnished by the Intelligence Department of the Army and the Department of State, and most of it from the Department of Justice, was not voluntary. In pursuance of the resolution, and under the instructions of the committee, I requested, as chairman of this committee, that all the documents and evidence in regard to the brewers and in regard to German propaganda should be sent here by some agent of the department for investigation, and these names have come out in certain documents that were found in the Department of Justice, and it is not the intention of this committee to reflect upon anyone, and it accords a hearing to everyone whose name is mentioned here, and is glad to do it. The mention of persons was not volunteered by any department of the Government but comes about in response to letters that I wrote to these departments asking them to furnish evidence that they may have in regard to German propaganda, and, of course, documents are furnished and names are mentioned in the documents, as yours was, Senator, where there was just somebody who wrote a letter stating an opinion that different persons were in sympathy with them, as in your case. Of course, there is nothing to support such a suggestion in your case.

"Senator SMITH. I understood that the Department of Justice did not put this letter in with any view of criticizing me, and the mention of my name was just incident to a long story about other things; still, as it was in the letter, I wished the same record to contain my statement with reference to it.

"Senator OVERMAN. We are very glad to put it in.

"Senator SMITH. I am much obliged to you."

PAYMENT OF THE WAR DEBT BY GERMANY.

Mr. POINDEXTER. Mr. President, I present the statement which I send to the desk, and I ask unanimous consent to have it read.

The VICE PRESIDENT. Is there any objection?

Mr. FLETCHER. What was the request?

The VICE PRESIDENT. To have read something; the Chair does not know what. Is there any objection? The Chair hears none. The Secretary will read as requested.

Mr. POINDEXTER. I will state that it is an editorial from the Oakland Enquirer of December 3, 1918. After it has been read I wish to occupy about one minute in reference to it.

The Secretary read the editorial, as follows:

[From the Oakland Enquirer, Dec. 3, 1918.]

MAKE THE HUN PAY OUR WAR DEBT.

The fighting is over. The natural thirst for power may prolong war conditions, to keep us under the rule of the centurion. Thousands of American soldiers rest in graves that dot an alien landscape. The wounded and maimed are coming home. American prisoners of war are emerging from captivity embittered by every torture that the iron hand can inflict.

The day of plain speaking is here. The President goes to the peace conference to represent the wish of the American people. Does that mean the wish of the small number of parochial politicians, Socialists, and dreamers of bad dreams, or does it mean the wish of 110,000,000 of free-born people, who have furnished the money to be spent and the blood to be spilled in the great struggle?

If the latter, how does the President know the wish of the American people? They have not been consulted. From the entry of America into the war not a single appeal has been made to the patriotic initiative of American freemen. "Do as you are ordered or take the consequences" has been the rule of many of the commissions, and the people have sacrificed their liberties and their lives that the war might be won. And now what? All that we know is that the President goes to the peace conference to urge certain academic ideas of his own concerning an unexplained "freedom of the seas," which has existed for many generations, and the removal of economic barriers between nations, and a league of nations such as has never existed and never will.

How far do these empirical propositions represent the wish of the American people? What material or moral gain do they promise?

At that peace conference France will get back her Rhine Provinces; Denmark her stolen territory; England the German colonies in Africa, to enjoy hereafter the Pax-Britannica; Australia will get the German islands in the Pacific; the Balkan nations will get an ethnological autonomy; Italy will get the irredenta occupied by her people, and will control both shores of the Adriatic; Greece will get Constantinople and control the Dardanelles and the Bosphorus, and all lands devastated by the Hun will get indemnity. Read that over with the map of Europe before you and remember that our soldiers died to make all this possible, and that we, the people, have spent $30,000,000,000 to train, arm, transport, and feed and clothe them.

As a recompense are the American people to be fed on the dry husks, or are we to get what belongs to us?

If we understand the wish of the American people, it is for liberty at home and not State socialism. The German Empire was the greatest Socialist State that ever existed. The State socialized the railways, telegraphs, and telephones, dictated the occupations the people should engage in, and compelled the civilian population to pace the lock step of socialism and the army to keep the goose step of the soldier. Do the American people want that? No; they do not. At the peace conference they have one wish—that Germany pay our war debt. If the President is deaf to this wish, it means that for four generations to come we must submit to a burden of taxation that will sap the foundation of our industry, and, like a vampire, suck the blood from our economic arteries, lower our standard of living, and send us backward. The President's repudiation of this wish will mean that our soldiers come home to bend their backs to a load of taxation such as their sires and grandsires never knew. They have done the fighting; they have liberated the world. Is not that enough? Does the President want them also to pay the bill?

Gather any group of Americans and put to them plainly the issue, "Shall Germany pay our war bill?" and they will answer, "That is our demand."

The great cities of Germany are unharmed. Her mines, mills, factories, and fields are unimpaired. Her economic resources are affluent. She will have neither army nor navy to support. The war has been brought home to her only in the sentimental humiliation of defeat. Make her feel it by paying our war bill to the last dollar, if it takes a century to do it. That is the wish of the American people. They want it because it is justice. Germany can not give us back our dead, but she can be made to leave our sorrow for the dead the only burden left upon us by the war.

If we are to do all for the world we have done and then be left to pay the bill, we become the Don Quixote of the nations, wearing a barber's basin for the helmet of Mambrino and going forth to be spent in conflicts that pay us back in honors that will not pay taxes.

Mr. POINDEXTER. Mr. President, the introduction of this editorial—which, in my judgment, very ably and cogently states the proposition that Germany should be made to pay the expenditures of the United States in this war of defense—was occasioned by a statement which I read in the public press a day or two ago from the Secretary of the Navy, who, I assume, spoke for the administration, in which the Secretary of the Navy, undertaking to state the position of this Nation on this question, said that the United States did not want, and would not have, any war indemnity.

I do not think that the Secretary of the Navy, in assuming that position, represents the public opinion of the United States. He does not represent, at least, the opinion of many people. He does not represent my opinion. I agree with the argument contained in this editorial. In litigation between parties in the courts, the successful party, who has the meritorious cause and obtains the judgment, obtains also, as a part of the decision of the court, the costs of the litigation. This greatest of all issues which has been tried out in the court of war has been decided in favor of the United States; and the United States is entitled in justice, in morals, in international law to demand its costs.

The time has gone by when the attitude of altruism and generosity in dealing with the great trusts of government should be maintained. The rights of the American people, the burdens of the American people, are not matters in which the officials of the Government who for the time being are responsible for the conduct of its affairs have a right to exercise their personal ideas of generosity. It is the duty of the Government of the United States to assert and to maintain the interests of the people of this country. Those interests demand that we shall be reimbursed for the tremendous expenditures which have been laid upon the backs of our people for the conduct of this righteous war. Our allies are perfectly willing that we should share in the war indemnity; and I, for one American citizen, resent the attitude expressed by the Secretary of the Navy, the spokesman of the administration, of rejecting the proffered indemnities which in the calculations that have been made have been set aside by the allies as the share of the United States.

ALLOTMENTS TO DEPENDENTS OF SOLDIERS.

Mr. SUTHERLAND. Mr. President, I called the attention of the Senate yesterday to the very serious situation that exists with reference to the payment of allotments to dependents of soldiers around through the various States. I know that every Senator here has received numerous complaints of this character. I think it is of the very utmost importance that these dependents out in the States shall receive promptly the amounts due them. There is no reason why this should not be done, and I expect to continue to call the attention of the Senate and of the country to this matter until some improvement is made.

I desire to have printed in the RECORD a letter upon that subject. While we are talking about the millions that have been spent, and about some of which there is some question as to whether they should have been spent, it is only right that we should take up these amounts which have been appropriated for the benefit of the dependent wives and mothers and others around through the country of our soldiers and pay them the amounts which are necessary for their very existence.

The VICE PRESIDENT. Is there any objection to printing in the RECORD the matter referred to by the Senator from West Virginia? The Chair hears none.

The letter is as follows:

ST. MARYS, W. VA., *December 12, 1918.*

HON. HOWARD SUTHERLAND,
Washington, D. C.

MY DEAR SENATOR: I am writing you in the interest of Mrs. Marion S. Tice, of St. Marys, W. Va., who is a widow lady. Her son, Franklin L. Tice, No. S 3734731, Company 11, One hundred and fifth-fourth Depot Brigade, is at Camp Meade, Md. He made to his mother an allotment out of his pay, but she has never received but $10 on it, and that was more than four months ago. More than one month ago I wrote the department in regard to this matter for her, but have never had any word from them, not even the courtesy of a reply. I feel that this case should be investigated by some one. I am not in position to do much in the matter, as you know, except to write them. I am a member of the legal advisory board for this county, and it is made my duty to advise and assist registrants and the men in the Army, also their dependents; but when the department is not inclined to even answer my letters or to act in the matter, I am at the end of my authority. Therefore I am writing you in regard to this matter. This boy was the only support this mother had. She has been sick and was at the time they took him in the Army away from her. He has done his part by making her an allotment. Now, it does seem to me that she should have this money. She has no other means of support. I know that she has for the last several weeks been taken care of largely by friends and neighbors. Now, if our Government has to do things this way, it seems to me that there is something very wrong in this matter. It has been more than four months since she received one cent of this allotment. I do not like to complain, but when things go this way I feel that I can not help but to put up a "kick." The Government requires us to do this work. Then not to give it the least bit of attention when we write them regarding it makes me feel that there is something very, very wrong somewhere.

Senator, I hope that you will take this matter up at once and let me hear from you. I am herewith sending you her card advising her of the allotment and hope that after you have examined it you will return it to me for her, as this is all she has.

With kindest personal regards and best wishes, and thanking you in advance for this favor, I beg to remain.

Yours, very truly,

C. P. CRAIG.

Mr. BRANDEGEE. Mr. President, in view of what the Senator from West Virginia [Mr. SUTHERLAND] has said about the allotments to the families of soldiers, I desire to have the Secretary read to the Senate a copy of a letter which has been received by a friend of mine from a soldier in one of the near-by camps in relation to the demobilization. After the letter is read I will remark on it for a minute.

The VICE PRESIDENT. In the absence of objection, the Secretary will read the letter.

The Secretary read as follows:

NOVEMBER 7, 1918.

I am writing you these few lines to see if this chapter can help us soldier boys here at Camp Jamison, Ordnance Cos., Amatol, N. J. Our living conditions have gotten to be something intolerable.

We are not doing any work of importance, but still the Government is keeping us here. We are in cold tents, without sufficient heat, half-cooked food, and not a sufficient amount of food. Our pay is being withheld.

The most of us here are men with families, and we want to be mustered out to return to our families, as we are drafted men, and it seems to us as if the Government has forgotten that we are here.

We will certainly be grateful if you will try and have the Government to look into the matter. We made no complaint during the war, but now the war is over and we want to return home.

Yours, respectfully, ——— ———.

Mr. BRANDEGEE. Mr. President, that is a copy of a letter that was written to a member of the Red Cross here, who handed it to me with the statement that they were in receipt of large numbers of letters of similar character from soldiers detained in these cantonments throughout the country. Of course, personally I know nothing of the facts, but I do not believe that the soldiers who write these letters are willfully attempting to deceive anyone. Of course, I can appreciate that they can not all be discharged at once; and I assume, of course, that the war is only over so far as the fighting has ceased. Technically I assume that the war is on until the President issues his proclamation and peace is declared; but I suppose and hope that the policy of the Government is going to be to do everything possible to hasten the return of these men to their business and to their families, and while they are being detained in these camps, even if they are detained uselessly, it is certainly within the power and authority of the Government to see that they have proper heat and proper food.

I hope the Military Affairs Committee will investigate this question and find the facts and apply a remedy if the facts warrant it.

CANCELLATION OF GOVERNMENT CONTRACTS.

Mr. OVERMAN. Mr. President, I hold in my hand some correspondence in which I know every Senator will be interested. It relates to contracts canceled by the Government. I ask that it be printed in the RECORD and referred to the Committee on Military Affairs. It is a letter from a manufacturer whose contract has been canceled, and the reply to the letter, from Col. R. W. Lea, showing that the manufacturer can not be paid by reason of a statute, because the contract was not signed by the proper officer of the Government, but the order was made and signed by a subordinate officer.

Every Senator has some cases like this in his State. There are thousands of them outstanding, and there is bound to be some legislation on the subject. Now, while I am not in favor of validating every contract, it might be well to take up the question of whether we ought not to have a committee on arbitration to settle these questions.

For example, an order is given for a million pounds of coffee. It is canceled. The man has the material on hand. He has some equity for which he is entitled to be paid. In this case a great many wagons were ordered and a great amount of equipment for the making of wagons was purchased. The Government ordered the manufacturer to do the work, and the man did it. Now he can not be paid for what he has furnished, because under a statute, passed, I think, during the Spanish-American War, the auditor can not pass the voucher because the contract was not signed by the proper officer of the Government.

These officers have been going about and giving orders all over the United States. There are millions of dollars of contracts outstanding. There is no way for the manufacturers to get their money unless there is some legislation on the subject, and a bill for the purpose is now pending.

I ask to have printed in the RECORD the letter from the manufacturer and the letter from Col. Lea to him, and the letter of a very eminent lawyer, who is the head of the Purchasing, Storage, and Traffic Division, in regard to this matter, in which he sets forth fully the information which the Committee on Military Affairs ought to have when they have this bill before them. I ask that it be printed in the RECORD without reading.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

WILSON, N. C., *December 7, 1918.*

Hon. LEE S. OVERMAN,
Washington, D. C.

DEAR SIR: The writer called to see you yesterday morning, but found you were on an investigation committee; consequently left without making any interruptions.

The object of calling to see you was in getting a final settlement from the War Department, covering war activities of the Hackney Wagon Co., on orders placed by the Quartermaster Department, Motor and Vehicle Division.

We are inclosing you copy of letter given the writer in person by this division, signed by Col. R. W. Lea, which explains itself. We are also inclosing you copy of contract, showing form of contract which they made with the Hackney Wagon Co.

To be perfectly plain and frank, we are going to state that the Hackney Wagon Co. has tied up in investments of war materials for Government escort wagons and parts and in investments of equipment and machinery to make these wagons and parts approximately $400,000, and by canceling all of these orders it has placed the Hackney Wagon Co. in a very embarrassing position with the banks who financed us in this undertaking. Our unfilled contracts with the Government amount to approximately $600,000. These were to be completed by June 1, and we would have made shipments of approximately $100,000 per month and would have completed these contracts by that time.

Since cancellation of contract we have made claim on the War Department for approximately $235,000, which is the actual inventory of all material on hand, with no cost or overhead charges added on direct cost of raw materials and manufacturer's labor cost included, less the salvage we could use on this material.

It strikes us, in order to relieve these embarrassing conditions to ourselves and other small manufacturers, that the Government should either authorize us to complete these contracts or pass some legislation immediately whereby we could receive remuneration for this expenditure which we have gone to in purchasing these materials and making the necessary changes to get in shape to do this work.

We will further state that these orders came to us unsolicited; we were in a way commandeered by the War Department to put 50 per cent of our output on this work.

We assure you that any efforts you make to speed up this legislation and put it through will be very much appreciated and long remembered by this company and its officers.

With very kindest regards, we remain,

Yours, very truly,

HACKNEY WAGON CO.,
By W. N. HACKNEY, *Treasurer.*

WAR DEPARTMENT,
OFFICE OF THE QUARTERMASTER GENERAL OF THE ARMY,
Washington, December 5, 1918.

No. 451.7.
From: Motors and Vehicles Division, Vehicle Branch, O. D. of B. & S. G. S., 3750 Munitions Building, Washington, D. C.
To: Hackney Wagon Co., Wilson, N. C.
Subject: Termination of contracts.

1. This office is in receipt of your statement showing amount which you claim due from the Government on account of the suspension of your contract owing to the cessation of hostilities.

2. Without going into the figures submitted, you are informed under decision of the Comptroller of the Treasury, dated November 25, 1918, no payments can be made to contractors when the contract was signed by an agent of the contracting officer and not by the contracting officer himself without new legislation.

3. That portion of the decision of the comptroller follows:

"As to outstanding contracts not signed by the officer named as contracting officer, their validity is open to question, and is dependent upon proof of the fact, if it be a fact, that the officer who signed was a duly authorized contracting officer and made the agreement with the contractor and that the officer named as contracting officer did not. The statute clearly requires the act of one officer in the making and signing and wholly negatives the idea of one officer signing for another.

"The purpose of section 3744, Revised Statutes, has been so clearly stated many times by the Supreme Court, and the result of failure to comply with it has been so often pointed out by that court, that I do not cite or discuss the cases. The decisions of this officer have followed the interpretation of the statute as announced by that court and have been uniform for 40 years or more.

"This office is anxious to do all in its power to meet the situation referred to in your letter and to facilitate settlement with contractors legally entitled to payment on the termination of their contracts. Cases involving only equitable claims can not be settled by executive officers without new legislation."

By authority of the Director of Purchase.

R. W. LEA,
Colonel, Quartermaster Corps,
In charge Vehicle Branch.

WAR DEPARTMENT,
PURCHASE, STORAGE, AND TRAFFIC DIVISION,
Washington, December 12, 1918.

Hon. LEE S. OVERMAN,
United States Senate.

MY DEAR SENATOR: I have before me the letter from the Hackney Wagon Co. to you, dated December 7, 1918, which you handed me with a request for information as to the status of this company's contract with the War Department.

The situation is exactly as stated in the Hackney Wagon Co.'s letter and in the letter from Col. Lea to the wagon company. During the period when every effort was being made to obtain sufficient supplies for the Army some technical requirements of law, relative to the execution of contracts, were overlooked by officers who had come into the service from civil life and were not familiar with the special and peculiar rules affecting Government contracts. One of the errors which was quite common was the signing of contracts in the name of the contracting officer by a deputy. Most of the wagon contracts made by the Quartermaster Corps, including the contract with the Hackney Wagon Co., were signed in this way.

As long as deliveries of material covered by such contracts were being accepted, there was no trouble, because under the decisions of the courts goods delivered to and accepted by the Government may be paid for at the agreed price, regardless of any informality in connection with the form or execution of the contract. Now, however, acceptance of delivery of materials no longer required has ceased, and supplemental contracts are being made whereby the contractors, for fair consideration agreed upon, consent to a cancellation of the original contracts. No distinction would be made between contractors whose contracts were signed by the contracting officer and those whose contracts were signed by a deputy of the contracting officer but for a recent ruling of the Comptroller of the Treasury to the effect that contracts executed by a deputy are not binding obligations on the Government, and that consequently in such cases the consent of the contractor to a cancellation does not constitute consideration for a payment to him. Acting on this ruling, he has declined to allow payments to contractors on such supplemental contracts.

The manufacturers who took these contracts in many cases did so against their will and under the pressure of inability to obtain materials, fuel, or transportation to carry on their usual business. They were not familiar with the technical rulings affecting Government con-

tracts and without question accepted any contract which Government officials gave them. Under the ruling of the Comptroller of the Treasury they now find themselves in the unfortunate position of having made large expenditures and incurred large obligations for which they have no legal claim against the Government. In many cases bankruptcy will result unless some method is found to protect them.

In my opinion, all such contracts should be immediately validated by legislation so as to put the contractors holding them on the same footing as other more fortunate contractors whose contracts were properly executed, and thereby enable the War Department to deal with all on the same basis.

In addition to the class of cases of which the Hackney Wagon Co.'s case is typical, there are two other classes where there is danger of contractors suffering great hardship without fault on their part. In the rush to get necessary supplies for the troops it was the common practice to advise the contractor that his bid had been accepted and to urge him to proceed with the work in advance of the preparation and execution of a formal contract. As a result, actual production was always several weeks ahead of the making of contracts, so that when the armistice was signed and purchasing ceased there were many contractors who had proceeded in good faith to carry out contracts not yet formally executed. The Comptroller of the Treasury, in a recent letter to the Secretary of War, questions the right of the War Department to execute such contracts if the material contracted for is not now needed for the supply of the Army. If this ruling stands and nothing is done to relieve the situation, many contractors will be severely penalized because of their patriotic endeavor to cooperate with the War Department in producing Army supplies at the highest possible speed. In my opinion, the doubt raised by the letter of the comptroller should be removed by legislation specifically authorizing the execution of such contracts. The War Department will then be in a position to settle with these contractors on the same basis that it settles with other contractors who are so fortunate as to have their contracts in hand.

The third class of cases arises out of a misapprehension as to the law governing the use of purchase or procurement orders in lieu of contracts signed by both parties. The statutes in regard to different bureaus of the War Department differ widely on this point; for instance, the Quartermaster Corps is authorized to make contracts in any amount where deliveries are to be made within 60 days under such regulations as to form of contract as the Quartermaster General may prescribe. (Army appropriations act for the fiscal year 1916, approved Mar. 4, 1915.) The Engineers, however, may not expend any amount in excess of $500 out of War Department appropriations, except by formal contract executed as prescribed by section 3744 of the Revised Statutes. Nevertheless, owing to a misunderstanding, the Engineers made all of their purchases by means of purchase orders, signed by the contracting officer but not by the contractor. This was unimportant so long as deliveries were accepted, but now that no further deliveries are desired the contractor discovers that, under the ruling of the Comptroller of the Treasury, he has nothing on which he can base a claim against the Government for compensation for his expenditures in carrying out the order. In my opinion, either these purchase orders should be given by legislation the status of formal contracts or the War Department should be authorized by legislation to confirm them by formal contracts, so that equitable settlements may be made with contractors who have proceeded in good faith and without knowledge that the Government was not legally obligated.

A bill has been introduced by Senator CHAMBERLAIN (S. 5109) authorizing settlements by the War Department with contractors coming within all of these three classes, but, in my opinion, the remedy provided is not adequate. The settlement authorized by the bill is quite different from the settlement which would have been made if formal contract had been executed, and which will be made with other contractors who have formal contracts; and I can see no valid reason why all contractors should not be treated alike when their difference in status, so far as they are concerned, is purely accidental. This could be accomplished by legislation along the lines suggested in this letter.

The correspondence with the Hackney Wagon Co. is returned herewith.

Respectfully, yours,

W. W. PICKARD,
Chief Award and Contract Branch,
Purchase Administrative Division.
Office of the Director of Purchase and Storage.

THE COAL SITUATION.

Mr. JONES of Washington. Mr. President, prior to the beginning of the war, I am reliably informed, the charge for storing coal in the bins in the District of Columbia was 25 cents a ton. I have also been informed that sometime ago the fuel administrator for the District of Columbia fixed the maximum charge for doing this work at 75 cents a ton. I am also reliably informed that this order is not being lived up to at all, that no attention is paid to it, and that a charge is made which is greater than 75 cents a ton.

I therefore introduce the resolution which I send to the desk, and ask for its immediate consideration. It is designed to ascertain whether or not the fuel administrator is taking any steps to enforce his order.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 387) was read, as follows:

Resolved, That the fuel administrator for the District of Columbia be directed to inform the Senate what steps he is taking to enforce the order made fixing the maximum charge for putting in or storing coal at 75 cents a ton in the District of Columbia, and, if no steps are being taken to enforce said order, to inform the Senate why this is not being done, and by what authority of law was said order issued.

The VICE PRESIDENT. Is there any objection to the immediate consideration of the resolution?

Mr. REED. Mr. President, I have no objection to asking for the information, if it is done in a form which does not appear to involve the sanction of the Senate to this order.

Mr. JONES of Washington. Of course, I have not intended to do that at all.

Mr. REED. The fuel administrator in Washington, of course, has just as much authority to fix the price for putting in coal as he has to fix the price of any man's wages, and it is time that this assumption of arbitrary power should cease everywhere in the United States.

Mr. JONES of Washington. I want to say to the Senator that I am not assuming that he had authority; but, as I understand, he issued the order, and now I want to see what he has done in the way of trying to enforce it.

Mr. REED. If the Senator will strike out the words which appear to be a sanction by the Senate of this regulation, I have no objection.

Mr. JONES of Washington. If the Senator will indicate the words he wishes to have stricken out, I will gladly do it.

Mr. REED. Let me see the resolution.

Mr. JONES of Washington. I ask leave to withdraw the resolution for a moment so that the Senator may have an opportunity to read it.

The VICE PRESIDENT. Without objection, the resolution will be temporarily withdrawn.

Mr. JONES of Washington subsequently said: Mr. President, I offer the resolution in a modified form, and I ask unanimous consent for its immediate consideration. The amendment suggested by the Senator from Missouri [Mr. REED] is entirely satisfactory.

The VICE PRESIDENT. The Secretary will read the resolution as modified.

The Secretary read the resolution, as follows:

Resolved, That the fuel administrator for the District of Columbia be directed to inform the Senate what steps he is taking to enforce the order made fixing the maximum charge for putting in or storing coal at 75 cents a ton in the District of Columbia, and if no steps are being taken to enforce said order to inform the Senate why this is not being done.

The resolution as modified was considered by unanimous consent and agreed to.

THE REVENUE.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is House bill 12863.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SPENCER. Mr. President, I was out of the Chamber yesterday when subsection 18 of section 900, Title IX, was reached. I desire that the action of the Senate by which the amendment was agreed to may be reconsidered.

The VICE PRESIDENT. Without objection, it will be reconsidered.

Mr. SPENCER. I ask that it may go over, to be considered with the amendment which I filed this morning.

The VICE PRESIDENT. Without objection, it will go over.

Mr. SMOOT obtained the floor.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	New	Smith, S. C.
Bankhead	Johnson, S. Dak.	Norris	Smoot
Brandegee	Jones, N. Mex.	Page	Spencer
Colt	Jones, Wash.	Penrose	Sterling
Curtis	Kendrick	Poindexter	Sutherland
Dillingham	Kenyon	Pollock	Thomas
Fernald	King	Pomerene	Thompson
Fletcher	Kirby	Ransdell	Townsend
France	La Follette	Reed	Trammell
Frelinghuysen	Lenroot	Robinson	Vardaman
Gay	Lewis	Saulsbury	Walsh
Gerry	McCumber	Sheppard	Warren
Gronna	McKellar	Sherman	Watson
Hale	McLean	Simmons	Weeks
Harding	Myers	Smith, Ariz.	
Hitchcock	Nelson	Smith, Md.	

Mr. CURTIS. I desire to announce the absence of the Senator from New Hampshire [Mr. MOSES] on account of illness. I will let this announcement stand for the day.

Mr. SUTHERLAND. I wish to state that my colleague [Mr. GOFF] is unavoidably absent, owing to illness.

Mr. McKELLAR. I desire to announce the unavoidable absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

The PRESIDING OFFICER (Mr. THOMAS in the chair). Sixty-two Senators have answered to their names. There is a quorum present.

Mr. SMOOT addressed the Senate. After having spoken for nearly an hour and a half, Mr. SMOOT said:

Mr. President, I have here a great many other matters that I intended to put into the RECORD, but I do not want to do so.

I will say to the Senator from North Carolina that the next question I desire to discuss is a most important one, and I have been asked by a number of Senators to get it up into such shape that they can answer the letters on the subject that have come to them. I refer to the relief provisions of this bill. I am quite sure that there is no Senator here who has studied the bill but who feels that the bill is a great improvement over the House bill in its relief measures in the clarification of paragraphs as written in the House that it would have been hard for anybody really to understand. I do not feel like entering upon that subject to-night and quitting in the middle of it; but if the Senator from North Carolina wants to insist upon going on to-night, I will get somebody to read these articles or items that I desire to go into the RECORD, and then I will continue my remarks on Monday morning.

Mr. SIMMONS. The Senator must understand that I have not in anything I have said stated that I wanted to interfere with his argument. If the Senator wishes that his argument, or whatever it may be called, shall go over until Monday, I certainly have no objection to pursuing that course.

Mr. SMOOT. Of course, I do not feel like going on to-night, with my throat in the condition it is, and I do not think the Senator would gain any time by having the Senate remain in session this Saturday afternoon. We all want to get everything cleared up if we can. The Senator must know that there is no disposition on the part of any Senator to delay the passage of this bill. I am certainly satisfied of the truth of what I state here. Of course, questions may come up for future discussion and I shall briefly speak on them and ask for a vote of the Senate at an early day. I know of no bill of its magnitude and of such interest to the people of the country that has ever been passed as this bill. If it were not Saturday afternoon I would go on, but really I do not want to do so.

Mr. SIMMONS. I understand the Senator says he has finished his argument——

Mr. SMOOT. On this one subject.

Mr. SIMMONS. On expenditures, and is now about to proceed to another subject.

Mr. SMOOT. The elief provisions of the bill—and I wish to say to the Senator that I have it in such shape that I can present it here condensed upon every subject, so that if there is any Senator who desires to know just what are the relief provisions of the bill of any one section he can simply turn to the relief measure, if it is section 231, and also tell just exactly where other relief measures covering the same thing can be found.

Mr. SIMMONS. I have no doubt the statement of the Senator is a very valuable one and will be very serviceable to the Senate. I am glad he has given the labor necessary to make a statement of that sort. If the Senator feels like he ought not to go on to-night——

Mr. SMOOT. I certainly feel that way.

Mr. SIMMONS. I, of course, shall not insist, but I had hoped that if the Senator discontinued his remarks this afternoon we might take up the bill where we left off and go on with it this afternoon.

Mr. SMOOT. I wish to say to the Senator the very first thing is the inventory provision, one of the most important sections of the whole bill, and not particularly that section but other parts of the bill that have reference to it. I think it vital to the bill. Sometimes I think that the relief provisions have gone almost too far, and yet as a whole I think they are absolutely necessary in order to maintain the business of the country in a position to meet the requirements upon it.

Mr. SIMMONS. The Senator has alluded to one of the most important sections in the bill, and it is being dealt with, I think, in a spirit of very great liberality, and one which will be greatly appreciated by the people of the country. Of course, if there is objection to taking up that subject this afternoon because Senators who may desire to present their views on this important question are absent, we can let it go over until Monday.

Now, I wish to ask if the Senator from Wisconsin [Mr. LA FOLLETTE], upon whose motion the income-tax sections of the bill that we have just reached were passed over, would be ready to go on this afternoon?

Mr. LA FOLLETTE. I am not.

Mr. SIMMONS. The Senator would not be willing for the Senate to take up any of those sections and discuss them and act upon them this afternoon?

Mr. LA FOLLETTE. I do not want to interfere with the Senator, because I desire to proceed as rapidly as possible, but——

Mr. SIMMONS. I am just trying to see if we can not go on this afternoon.

Mr. LA FOLLETTE. I do not want to have them disposed of this afternoon, or if they are voted upon I want them voted upon with a unanimous-consent agreement that they shall be reconsidered whenever amendments are prepared and ready to be offered to them.

Mr. SIMMONS. I wish to say to the Senator that it would be the worst sort of policy to take up a section of the bill for the purpose of discussion without having any purpose to act on it when the discussion is terminated.

Mr. SMOOT. If the Senator desires to insist on going on, we can go on with the bill and when the bill gets into the Senate, the Senator from Wisconsin could offer his amendments.

Mr. SIMMONS. I wish to ask the Senator from Wisconsin another question. I am deeply interested in expediting the bill in every way I can, because I think the country is a little impatient about the bill being passed, and I think the requirements of the department with reference to its administration are such that we can not afford to waste any time which we could utilize to advantage. If we can not utilize the balance of the time this afternoon to advantage, of course the bill will have to go over; but in this connection I wish to ask the Senator from Wisconsin if the bill goes over until Monday will the Senator then be ready?

Mr. LA FOLLETTE. Mr. President, I am not going to ask the Senator to forego proceeding with the bill this afternoon or at any other time when he desires to proceed with it. I am not going to take any responsibility. I shall be ready with my amendments as soon as I can prepare them.

Mr. SIMMONS. I am not complaining——

Mr. LA FOLLETTE. When I have them ready I shall offer them here, and if it becomes necessary for me to move to reconsider anything adopted before I have the privilege of offering them I shall take that course.

I have not had the opportunity, Mr. President, to have the services of the expert, who has been at the elbow of the chairman of the committee for two or three months, until yesterday morning for about two hours.

Mr. SIMMONS. He was at the service of the whole committee.

Mr. LA FOLLETTE. Not at the service of the whole committee at the time when the committee was not in session. When the committee was not in session I know a good deal of the time of the expert was taken up by the chairman of the committee.

Mr. SIMMONS. When the Senator asked for him he was turned over to the Senator.

Mr. LA FOLLETTE. He was turned over to me yesterday morning for two hours.

Mr. SIMMONS. I do not think there is any occasion for the Senator to become excited about it. I simply wanted to find out whether, if the bill went over, he would be in any better position on Monday than he is now.

Mr. LA FOLLETTE. I am unable to say, not being certain that I would have the services of the expert in figuring out the percentages that were necessary for me to have computed in order to prepare the amendments for this portion of the bill.

Mr. SIMMONS. Mr. President, in view of the statement of the Senator from Wisconsin, I wish to say that for next week I am going to move to take a recess instead of an adjournment.

Mr. SMOOT. That is satisfactory.

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). The Chair calls the Senator's attention to the fact that it would be out of order to move a recess at this time, as the Senate has agreed to meet to-morrow at 11 o'clock.

Mr. SIMMONS. That is very true, but the motion can be made to-morrow.

The PRESIDING OFFICER. It can be made to-morrow.

Mr. SIMMONS. What I started to say is that on Monday, when we take up the bill, as far as I can I shall insist that we act upon the amendments as we reach them. Of course, I know there will be some exceptions to that rule, but in the main I am going to insist upon taking up the amendments and disposing of them as we reach them. I regret very much that under the circumstances we can not go on longer with the bill this afternoon.

Mr. NEW. Will the Senator yield to me for a moment?

Mr. SIMMONS. I yield.

Mr. NEW. I offer an amendment to the bill, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. It will be so ordered, without objection.

Mr. SIMMONS. I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Sunday, December 15, 1918, at 11 oclock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *December 14, 1918.*

The House met at 12 o'clock noon.

Rev. Earle Wilfley, pastor of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

Our Father God, we thank Thee this morning for the pathway of life that sometimes seems hard, but which, if we walk in it aright, becomes a path of pleasantness and peace. So we ask Thee for strength, O God, to do that which is pleasing in Thy sight and which commends itself to the sense of right of all men. We would remember before Thee this morning especially, our Father, our soldier heroes who are returning in constantly increasing numbers from the battle front, some of them broken and maimed in body, but, we thank Thee, undaunted in spirit. Bring them home, O God, with honor and with the plaudits and praise of a grateful Nation and to the loving devotion of those to whom they are so dear.

Wilt Thou bless the session of this House to-day and make us worthy of Thy blessing? For Jesus' sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION.

The SPEAKER laid before the House the following communication:

HOUSE OF REPRESENTATIVES,
Washington, December 10, 1918.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

MY DEAR SIR: I have this day forwarded to the governor of Virginia my resignation as a member of the House of Representatives from the Sixth Virginia district, to take effect on Monday, December 16.

Sincerely, yours,

CARTER GLASS.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed with amendments the bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 13261. An act providing for the transportation from the District of Columbia of governmental employees whose services no longer are required.

SPEAKER PRO TEMPORE.

The SPEAKER. At the memorial service for Senator TILLMAN to-morrow the Chair appoints the gentleman from South Carolina [Mr. LEVER] to act as Speaker pro tempore.

POST-OFFICE APPROPRIATIONS.

Mr. MOON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Post Office appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, with Mr. TAYLOR of Colorado in the chair.

Mr. OLIVER of New York. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] Seventy-two Members present; not a quorum. The Clerk will call the roll.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Anthony	Cox	Fess	Hayes
Ashbrook	Crisp	Flynn	Heaton
Bacharach	Curry, Cal.	Francis	Heintz
Benson	Dale, N. Y.	French	Helm
Blackmon	Dale, Vt.	Fuller, Mass.	Hensley
Blanton	Davey	Gallivan	Hicks
Borland	Davis	Gandy	Hood
Bowers	Decker	Garland	Howard
Brand	Delaney	Glass	Hull, Iowa
Britten	Denton	Good	Humphreys
Brodbeck	Dewalt	Gould	Hutchinson
Brumbaugh	Dies	Graham, Pa.	Jacoway
Caldwell	Dill	Gray, N. J.	Johnson, S. Dak.
Carlin	Dooling	Griest	Johnson, Wash.
Carter, Mass.	Drane	Griffin	Kahn
Carter, Okla.	Dunn	Hadley	Keating
Clark, Fla.	Eagan	Hamill	Kelly, Pa.
Coady	Eagle	Hamilton, N. Y.	Key, Ohio
Collier	Edmonds	Harrison, Miss.	Kiess, Pa.
Connelly, Kans.	Emerson	Harrison, Va.	Knutson
Cooper, Ohio	Estopinal	Haugen	Kreider
Costello	Ferris	Hayden	Lampert
Larsen	Nelson, J. M.	Sanders, La.	Thomas
Linthicum	Nicholls, S. C.	Schall	Tinkham
Little	Nolan	Scott, Pa.	Van Dyke
Littlepage	Oliver, Ala.	Scully	Vare
Lobeck	O'Shaunessy	Shackleford	Vestal
London	Park	Sherley	Voigt
Lunn	Powers	Shouse	Waldow
McAndrews	Price	Siegel	Watson, Pa.
McArthur	Ragsdale	Smith, C. B.	White, Ohio
McClintic	Rainey, J. W.	Smith, T. F.	Wilson, Ill.
McLaughlin, Pa.	Reavis	Stedman	Wilson, Tex.
Maher	Riordan	Steele	Winslow
Mason	Roberts	Sterling	Woods, Iowa
Mays	Rodenberg	Stiness	Woodyard
Moore, Pa.	Rowe	Strong	Zihlman
Morin	Rowland	Sullivan	
Mudd	Russell	Swift	

The committee rose; and the Speaker having resumed the chair, Mr. TAYLOR of Colorado, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 13308, the Post Office appropriation bill, finding itself without a quorum, had caused the roll to be called, when 280 Members responded to their names, and he reported a list of the absentees.

The committee resumed its session.

The CHAIRMAN. By unanimous consent general debate was limited to six hours, three hours to be controlled by the gentleman from Tennessee [Mr. MOON] and three hours by the gentleman from Minnesota [Mr. STEENERSON]. The gentleman from Minnesota has used 40 minutes. The gentleman from Tennessee has not occupied any time. He is now recognized.

Mr. MOON. Mr. Chairman, if I am permitted, I will attempt to discuss some of the facts connected with the bill and some of its main features as they may appear to me. To that end, inasmuch as I have no manuscript or notes or orderly line of discussion, I ask the close attention of the House. A little later on I shall discuss other matters of national importance while I have the floor. The Post Office Department had a very small beginning. I believe the sum of about $17,000 was expended the first fiscal year for the service, to the very great disgust and chagrin of the people and statesmen of that day. We have lived to see this bill, under the development of the department, reach the enormous sum of three hundred and sixty odd millions of money. The present bill carries $359,000,000 in round numbers. And yet, with the extension of this service all over the United States, with its extension to thirty odd nations by convention, carrying the mail to the four quarters of the earth, this great department of the Government for the fiscal year ending June 30, 1918, secured a revenue of some $19,000,000 surplus, after all expenses of the department were paid, to be turned into the National Treasury to meet general expenses. This is greatly to the credit of Postmaster General Burleson and his postal forces. In the development of a great business institution like this, affecting each and every citizen of the country, the Congress should be liberal and encourage progressive measures in the service for the benefit of the people.

I recollect within my service on the committee that the bill carried only $89,000,000 with a deficit of $17,000,000. That was the beginning of the rural free delivery, a wise and valuable service, that is not yet a paying service, but a service on which we lose much. The people are entitled to the best possible mail service. The employees of the Government are entitled to just and adequate compensation for this service. Therefore the increase in the pay of the low-salaried mail clerks, carriers, and others has been provided for in this measure. As we have in the past extended and improved the service and increased moderately the salaries of employees we have benefited the public and made the department self-sustaining as a whole and produced a surplus revenue. Let us move forward to the full development of this splendid service.

The Post Office Department is one of very ample power. It carries the mails by footmen, by rail, by boat, by ships, by motor vehicles, horse-drawn vehicles, by aeroplanes, and we carry it by truck from the city to the country. We are developing this great system all along the line. Of necessity there must be experiments, experiments for a long period that will not pay, and yet are of such value and service to the country that we ultimately resolve them into the fixed system of administration.

Take the rural free delivery—is there any man in this House that would want the rural delivery to cease with its 45,000 routes and carriers carrying the mail to the people of the whole country? Yet that service lacks 20 odd millions of money to pay its way.

We have attempted to secure an increase in the rates of second-class matter. We are carrying the second-class matter of the United States at a loss of more than $60,000,000 after the recoupment of $20,000,000 under the last revenue measure, yet we must carry second-class matter, the papers of the country.

We have another service, the aeroplane service. It is new, it is untried, and it is experimental. It may prove of great benefit and advantage and it may not. The experiment, I am advised, as shown by the report of the Postmaster General, so far as the long routes are concerned, is entirely satisfactory. It is compensatory on the route between Chicago and New York. It has not been a paying service between Washington and New York, but it is more and more becoming perfected.

Now, only a moment on that section. The committee has transferred the aeroplane service from the steamboat and other power-boat service to the inland transportation, and we are providing for $2,185,000 for that service. The reason is that we want the experiment made quickly, promptly, and effectively, so that if the Government is inclined to make permanent this service it may obtain it quickly. The complete experiments can not be made properly for less money than that. The committee raised the estimate of the department for that purpose.

By the way, I may say that the aeroplane service is one that is more expeditious by far than any other service, and the cost is perhaps twice that of any service, both as to postage and otherwise, but it is a service that will be in its nature special, and if used, and it probably will be, will be entirely compensatory. The motor truck has united the farm with the city, and brings the purchasers of commodities in the city to a close market with the country, and the country to the city, and so far has proved very effective.

Mr. GARD. Mr. Chairman, will the gentleman yield?

Mr. MOON. Yes.

Mr. GARD. May I ask the gentleman to enlighten the House as to what the postage rates are for the carriage of mail by aeroplane?

Mr. MOON. Six cents for letters. There have been, I believe, 31 motor routes established. The experiment has been made upon 19 routes, where the facts have been fully collected and all information ascertained over a period beginning the 1st of July and ending the 30th day of September. That experiment shows that the Government of the United States has received a revenue from those 19 routes of $8,889, net, over all expenses incurred in the operation. This would indicate that every route that might be established from a great city going out into the country for the collection of produce and carrying from the cities the goods to the country will be compensatory or self-paying. That service, if it is limited to the large cities, will have instead of 31 routes, now in force, some 250. That is practically the limit to which that service will go. Those routes will unquestionably yield a great revenue, and we have provided in this bill for $1,000,000 for further experiment along that line.

These are the new features of the bill to which I call your attention. There is contained in this bill also that legislation which we passed in the last Congress reclassifying the railway mail clerks, the postal clerks, and carriers, fixing the compensation for them, and also the compensation for the rural carriers as fixed in the last bill. This bill seeks to make permanent the law that was temporary by the provisions of the previous bill. We provide here so that the postal clerks shall have that vacation when holidays come fixed by the President in pursuance of law that are had in the other departments of the Government. Strange to say, they have not enjoyed fully that privilege heretofore. A reclassification of all of the official positions in connection with the Post Office Department and a readjustment of salaries upon a basis that will be equitable and just is altogether essential at this time. There are divisions in this department where men sitting side by side, doing identically the same work through the same length of hours, where one clerk may receive $1,200 and the other $1,400, an inequality which calls for relief. We have provided, therefore, in this bill for a commission to be appointed under the provisions of the act that will look into the questions and reclassify the salaries and report to the Congress for its actions.

The other features of the bill are practically the same that are usually carried in the annual appropriation law. The increases granted in the amount necessary for the service are due to the normal increase in the service in the instances where it is increased, but where by reason of economy in administration services may be combined, and a decrease has been effected, that decrease appears on the face of the bill.

These are the features of the bill which I felt necessary to call your attention to before the discussion under the five-minute rule, when, of course, every paragraph of this bill will be thoroughly discussed, if not understood by the House, and such information given as we are capable of giving.

The Congress changed the method of compensation to railroads for carrying the mails a year or two since from the weight basis to the space basis, with which you are familiar. While under the new system the railroads are amply compensated for the space used and the transportation of the mails, a saving of over twelve millions of dollars in the last fiscal year has been made to the Government by this change in the law.

Mr. Chairman, the development of the power of the Government under the section of the Constitution that authorizes the establishment of post offices and post roads has not only kept pace, but it has advanced beyond the development of many other powers of the Government as provided under the Constitution. We all understand the theory of our Government, that it is a representative Republic under a Constitution, that neither the Federal Government nor the State Government is a complete sovereignty; that is, the States have certain reserved rights (or the people thereof) that are sovereign in their nature that they alone can exercise. There are certain inalienable rights that neither State nor Federal Government has that belong to the citizens. The greatest of the three in the trinity of sovereignty is the Federal Government, and although we speak of its powers (as they are) as delegated powers, although we proclaim that the Federal Government can not go beyond the powers expressly granted to it in the Constitution, or those fairly implied from the powers granted to carry into effect those granted or delegated powers, still, though limited, the power is greater, tenfold greater, even in a few (much less all) the sections of the Constitution than all the powers that have been reserved to the States.

I shall not in this connection undertake to unfold the development and growth of governmental power under that clause of the Constitution that provides that Congress shall have the power to regulate commerce. I shall not undertake to show you, as I might, that under the banking and currency clause of the Constitution the Federal Government might drive all men out of the banking business and establish banks and loan money. Its powers under the sections where it has power delegated are exclusive. It is an omnipotent power, and all the other powers of Government may be called into requisition to enforce a single power within that Constitution, where fraud or injustice is attempted to be perpetrated upon the exercise of jurisdiction under the powers. So he who thinks that there is any supreme power in the United States that is effective save locally other than that delegated in the Federal Constitution has misconceived the extent of the Federal power.

What is the meaning of those simple little words in the Federal Constitution that Congress shall have power "to establish post offices and post roads"? Does it alone mean the place where letters may be deposited for the purpose of distribution to the people, carried by instrumentalities, by which they are distributed? Does it mean simply that you have the right to lay out the path to be traveled by the carrier under that clause? In view of the meaning of the terms as understood when the Constitution was framed it was impliedly, if not expressly, conferring upon Congress the exclusive jurisdiction to control, manage, and own, if it sees fit, every means of communication of intelligence. What have we done under that power in the control of intelligence or the communication of intelligence? We have said what mail matter may be sent. We have said it may be a letter, a postal card, a book, a newspaper, or a parcel-post package. We have defined the limit of the parcel-post package. If we can limit it to 50 pounds, we can, by the same power and authority, fix it at 100 pounds, and if at 100 pounds we can fix it at 1,000. There is no limit to the legislative discretion on this question. What as to the instrumentalities? We have called into requisition the pedestrian, the man with the vehicle, be it horse drawn or motor, and, as I have already said, the steamboat, the railroad, and the aeroplane.

Then if you have the right to do that, as you have, you have the right to establish the means by which the communication of intelligence can be conveyed. Then, necessarily, as an implied power from that expressed power in the Constitution, you have the right to own those instrumentalities. You have the right in your legislative discretion, which can not be controlled by the court or any other power on a question like this, the right to authorize the Government to own the thing out of which those instrumentalities may be made. How far, then, can you go in the exercise of that power? You can unquestionably own the vehicles, which you do own in many instances, by which the mails are carried and delivered. You can lease or own the steamboat or ship for that purpose; you can lease or own the railroad for that purpose, though under another power of the Constitution controlling commerce railroads may also be owned. You may own the telegraph and telephone for that purpose. It is a prime means of communication of intelligence more quickly, more expeditiously, than any that we have.

How much further can you go? If you can own the instrumentalities and own the things necessary to construct them,

can not you by virtually the same power own the coal mines that become necessary to give you the fuel to propel the engines and steamships that carry your mail? Can not you own the forests from which you obtain the material by which you can construct, as you have the right and the power to do, the cars and ships for this purpose? It may be said that Congress will never go so far as to extend this power along these lines, that it would be an invasion of the field of private enterprise that could not be and must not be tolerated. True enough. Let me tell you that when this wondrous Constitution is fully enforced and when all the power of the Federal Government both political and in the administration of its economical affairs has been fully developed, when every advantage to the Federal institution has been obtained that can be obtained under the Constitution, you will have in these United States an imperial republic greater than any Government in the exercise of its power that ever lived upon this earth.

The day is not far distant when the task of the American statesman shall be to ascertain to what extent the legislative, executive, and judicial discretion under the Constitution may prevail in the interests of the citizens and yet preserve strong, powerful, and effective Federal institutions. But, while these things are all true, there must be a proper development of the powers of government. The Post Office Department is entitled to every auxiliary that will give aid to the people in obtaining intelligence. This Government has the powers of a monopoly on this question. We ought to go to the verge of obtaining the means, at least, and the right to control the transmission of intelligence. That is done most effectually through the telegraph and telephone.

The postal system of the United States can not be, it will not be, more than half developed until these magnificent auxiliaries are attached to it, in my judgment, for the purpose not of an increase of revenue, though it would bring an increased revenue of many millions, perhaps hundreds of millions, but for the legitimate constitutional purpose of the maintenance of a post office system, the establishment of roads, the use of roads for that system; and when I say roads in this connection I mean the electric wire that flashes the intelligence from one part of the world to another quickly, as well as the established rural route. This is a progressive proposition for the development of a department under the Constitution, and provide it with the instrumentalities to which it is entitled to make it a perfect power in the interests of the people.

But, they say, you will invade the field of private business. My answer is that control of the means of communication of intelligence is a monopoly that under the Constitution belongs to the Government and if private individuals have exercised that power, as they have the power of government in other respects, there is no injustice of depriving them of it and restoring the power under the Constitution where it belongs and where it ever has been and must be if the Constitution is obeyed in the government of the United States. Then there are but a few of these great telegraph companies in the country to be effected. The Government should own them as a necessary auxiliary to the postal system. The Government should not enter upon this field without the slightest regards to the existing rights of the telegraph companies, although under the Constitution it might do so. It would neither be wise nor just to do it because the Government has tolerated the use of the telegraph and telephone by private companies, which are primarily a part of the system of the Post Office Department. Having procured the use of the means of intelligence which belongs to the department to be exercised by private corporations before taking it over it ought to compensate those corporations. Now this is no new question. I hold in my hand the Statutes at Large of the United States. You will find on pages 221 and 222 the act of Congress of July 24, 1866, on the subject of the telegraph.

I insert it:

Be it enacted, etc., That any telegraph company now organized, or which may hereafter be organized under the laws of any State in this Union, shall have the right to construct, maintain, and operate lines of telegraph through and over any portion of the public domain of the United States, over and along any of the military or post roads of the United States which have been or may hereafter be declared such by act of Congress, and over, under, or across the navigable streams or waters of the United States: *Provided*, That such lines of telegraph shall be so constructed and maintained as not to obstruct the navigation of such streams and waters or interfere with the ordinary travel on such military or post roads. And any of said companies shall have the right to take and use from such public lands the necessary stone, timber, and other materials for its posts, piers, stations, and other needful uses in the construction, maintenance, and operation of said lines of telegraph, and may preempt and use such portion of the unoccupied public lands subject to preemption through which its said lines of telegraph may be located as may be necessary for its stations, not exceeding 40 acres for each station; but such stations shall not be within 15 miles of each other.

SEC. 2. *And be it further enacted*, That telegraphic communications between the several departments of the Government of the United States and their officers and agents shall, in their transmission over the lines of any of said companies, have priority over all other business, and shall be sent at rates to be annually fixed by the Postmaster General.

SEC. 3. *And be it further enacted*, That the rights and privileges hereby granted shall not be transferred by any company acting under this act to any other corporation, association, or person: *Provided, however*, That the United States may at any time after the expiration of five years from the date of the passage of this act, for postal, military, or other purposes, purchase all the telegraph lines, property, and effects of any or all of said companies at an appraised value, to be ascertained by five competent, disinterested persons, two of whom shall be selected by the Postmaster General of the United States, two by the company interested, and one by the four so previously selected.

SEC. 4. *And be it further enacted*, That before any telegraph company shall exercise any of the powers or privileges conferred by this act, such company shall file their written acceptance with the Postmaster General of the restrictions and obligations required by this act.

Approved, July 24, 1866.

The telegraph companies then recognized that they were seeking to invade the field of Federal jurisdiction on the question of the transportation of intelligence. The Congress recognized that fact, and therefore when in the first section they conferred certain powers upon the telegraph company, yielding to it in part its sovereignty in interstate matters and in the control and construction with reference to means of communication, giving to a private corporation a part of the power that the sovereign possesses, it reserved—what? The right to put an end at any moment to the private ownership of telegraph companies then in existence or that might thereafter be in existence. And we find in the third section of the act a power conferred to take over telegraph lines as an adjunct, where, in the Constitution, it belongs alone, to the Post Office Department. That third section provides that in pursuance of this act—and I quote not the language but the substance of it—the Congress may take over, own and control, and operate as a part of the postal system the telegraph lines of the United States.

It provides that a commission of five shall be appointed—two by the Postmaster General, two by the telegraph companies, and the fifth one by the four appointed—whose duty it shall be to investigate and appraise the value of the lines owned by different companies and report the same with a reasonable value to the Congress of the United States, that it may take over the lines. What did that mean? What was the interpretation of the Congress then? That must be its interpretation now. It was that the telegraph naturally, as a means of communication and the best means of communication, was inevitably linked with the Federal postal system and essentially a part of that system. Therefore, when private corporations were permitted to develop it and obtain the benefits to which the sovereign was entitled in the first instance it laid the burden by law on the corporation to abandon its hold upon this public instrumentality and, when Congress should demand, to return the telegraph where it once was, as an instrument auxiliary to the postal system of the United States. Hence the law, hence the construction, forsooth, not merely of the policy but of the constitutional right and privilege of the Congress to control this means of communication.

The time, in my judgment, has come when Congress must reassume its jurisdiction over this question for the benefit of the people. He, indeed, is foolishly inclined who thinks there is an invasion anywhere of private rights in doing so. It is but a resumption of the power of government temporarily abandoned and now proposed to be resumed. I have introduced a resolution which will carry into effect the provisions of the act of July 24, 1866.

Mr. GARD. Will the gentleman yield?

Mr. MOON. I will.

Mr. GARD. Is it the gentleman's purpose to include this very interesting statute in his remarks so that we may have the benefit of it?

Mr. MOON. Yes.

Congress is not without authority under the Constitution to extend its power and "to lengthen its cords and strengthen its stakes" on every foot of American soil, but in doing it, if it undertakes the exercise of a power that is merely an implication upon an implication, entitled to be enforced by other provisions of the Constitution if necessary to its enforcement, it may run your Government, and will, into an imperialism. It may make the Federal head too strong. There may, and ought to be, perhaps, a limitation, as I have remarked, upon the legislative discretion in reference to these features. But will the country permit the Congress to be shorn of that power so clearly belonging to it, not as an implied power merely, but as a self-evident power under the terms of the Constitution? I hold, sir, that this postal system will have accomplished and can accomplish only half-way the purposes for which it was intended if you do not restore to its jurisdiction, the exclusive jurisdiction, the power

that it has under the Constitution to control every means of communication of intelligence, particularly the splendid, the magnificent means of communication—the telegraph.

You would let the Government be maimed and crippled in the exercise of its power and private corporations continue to exercise governmental functions if you refuse the right under this statute to the restoration of this instrumentality.

I know that there are two views of constitutional construction that must be considered. I speak not particularly of this telegraph question now, because I think that is too clear to need argument to elucidate it; but generally, in speaking of the construction of the Constitution and the powers under it, we can very readily demonstrate how a government may run to an excess on either view of construction. Why, a monarchy is the parent of despotism; the republic is a creator of liberty. An extreme monarchy is dangerous to human rights; an extreme democracy is just as dangerous to human rights.

The government with a constitution, the government with representatives under that constitution to enforce it, a government that is limited to the exercise of the powers of the constitution fairly, is the only safe government for a people. If you give over the great railroads of your country, with the millions of employees, to the control of government ultimately and finally—and that does not apply to the means of communication I have been discussing, of the telegraph—if you turn over the railroads of the country with its millions of employees, with the power under this section and under the commerce section of control, if you give the broad construction to all the other powers of government by which the forces of government in its administration may be increased in power and number, you will soon bring a condition under which the people will be forced to contest and to redeem the government from its employees. You will provide a dangerous despotism which must be avoided, I insist, at sometime by proper constitutional limitation.

Yet, on the other hand, if you so broaden the powers of the people as to destroy representative government, and shall leave to the people at the ballot box the determination of controversies between the citizens; if you shall, like ancient Athens, permit them to banish the citizen by the private ballot; if you shall give to the populace the means and exclusive right of a veto upon legislation, you will have destroyed the principles of human liberty, because you will have destroyed the spirit of the Constitution and representative government under it. But let us not fear any dangers of this sort when we simply bring back to the Federal Government and restore to its jurisdiction one of the arms of its administration to which it is entitled under the Constitution for the promotion of the business and social welfare of all the people.

Mr. BLACK. Will the gentleman yield?

Mr. MOON. I will.

Mr. BLACK. Has the Government of the United States ever owned any telegraph companies? Has it ever gone into the telegraph business? The gentleman says it will be simply restoring something to the Government.

Mr. MOON. Restoring the right.

Mr. BLACK. It has not been exercised?

Mr. MOON. The Government of the United States exercised the right to control the telegraph during and after the war of 1861–1865, just as it is doing now under the military power of the Government. But the telegraph companies were a new thing——

Mr. BLACK. Will not the gentleman admit there is a difference between the question of control and that of ownership and operation?

Mr. MOON. Oh, of course. Anyone in the world who knows the meaning of the English language knows that control means one thing and ownership another thing. My insistence is that under the Constitution you have not only the right of control which we have now under the law and which is exercised, exercising it strictly—and you always have had it—but you have got the right to own that instrumentality just as much as you have got the right to own the post office, just as much as you have the right to own the building in which you collect the mail, or the vehicles upon which it is carried.

But I want to depart from that discussion. I was only speaking of the danger of the exercise of some of our powers of government and the danger of the failure to exercise others.

There is not so much danger in the exercise of the power that will bring the beneficent results that the ownership of the telegraph and telephone will bring as in the exercise of a power, in my judgment, that would bring to this Government millions of employees, with high prices that would be established at the expense of other citizens of this Government.

But, Mr. Chairman, if I may be indulged for a few moments, under the license allowed in this debate, I will speak of that all-absorbing question—our foreign relations and the duties and responsibilities of this Government. We need offer no apology for our entry into the great European war, because Germany, in the enforcement of her imperious will, sank our ships, murdered our citizens, and denied our international rights upon the high seas.

That alone was a sufficient justification for our entry into the war, and I would not place this war, which so far as we are concerned was waged against the Central Powers of Europe, upon any other ground than the just casus belli which I have mentioned. And yet it will be a source of profound pleasure to the world and to the American people particularly to know that that action inured to the benefit and protection of human rights throughout the earth.

Did you ever think that maybe the Government of the United States was primarily, by its teachings, responsible for the conditions that brought on this great European war? Have you forgotten that we have taught the doctrine of liberty and the equality of all men, and of government resting alone upon the consent of the governed, of equal opportunities and rights to the private citizen?

Have you forgotten that we discarded the doctrine of kings and of nobles and prevented the conferring of titles under the Constitution? That great position which the Government took in the affairs of nations has had its influence. It has influenced political action through all the years since the Constitution was framed. It has mollified by its influence unquestionably the power that Great Britain exercised under her unwritten constitution. It beckoned France to the contest for liberty in a republic against an imperial government. It encouraged the people in every section of the world who were demanding a government of the people, by the people, and for the people. It was a wonderful doctrine to teach to a world benighted in despotism and inured not to citizenship, but to the position of slaves under imperial government for all the centuries.

Mr. KING. Mr. Chairman, will the gentleman yield there?

Mr. MOON. Yes.

Mr. KING. Why are we fighting Russia to-day?

Mr. MOON. We are not fighting Russia. I know we have made no declaration of war against her.

Mr. Chairman, when the gentleman interrupted me with his question I believe I was speaking of the influence of the Government of the United States over the nations of the earth. We were teaching the doctrine that every man is an uncrowned king, that he is entitled to equal participation with others under the law and under the Constitution. There was another idea prevailing in a great portion of Europe. Germany was teaching the doctrine of "Kultur," the doctrine that whatever she saw fit to do she had the right to do, without regard to morality, truth, treaty stipulations, or religion.

Those ideas of government—one making for imperialism, with all power of government centered in the emperor, and the other, with all power of government centered in the individual citizen—were antagonistic. They could not forever contend in debate. They must find, finally, a solution on the field of battle. This great European contest was, therefore, a contest of ideas, a contest of two civilizations for the control of the destinies of men. The United States listened with profound interest as she heard the declaration of war by Germany against France. She listened with deep sympathy when Germany, hurling her legions to the gates of Paris, passed over the prostrate form of Belgium in violation of her treaty obligations. She listened when now chaotic Russia, then living under an imperial government, had caught the spark of human liberty and was moving her forces to the defense of the allies. She listened and heard the tread of troops beyond the sea pass down historic highways from the ancient city of the Cæsars to the frontiers where liberty must live or forever perish. We saw the whole world lighting the conflagration of war. We entered it in defense of the rights of American citizenship. We went thither with two millions of men.

The lines of France and Great Britain and Italy were standing solid, receiving the shock of war from the advancing invaders, now receding and now advancing, until the tide of battle was rolled back by the French upon the Marne. We saw the second and third attacks with millions of men in the ranks of war. Then we saw the flag of the Republic cross the seas. We saw it unite her soldiers beneath it with the banners of Great Britain and France and Italy. We saw that onward movement that at last drove the Germans beyond the Rhine, that forced the abdication of the Emperor and the Crown Prince, and stayed not from their fall the tottering thrones of Bulgaria and Austria-Hungary. Under the influence exercised by the mighty power, under the mighty power of the arms of the allies the doctrine of human liberty has advanced over the earth. Germany, Austria-Hungary, and Turkey plead for peace. Democracy triumphs forever over "kultur" and divine right of kings.

Mr. Chairman, it is a remarkable fact that upon that very day when the armistice was signed—November 11, 1918—the British forces operating in the Holy Land having destroyed the power of the Turk and pursued and driven his fleeing legions from Palestine and Syria, that her army quietly, with dignity, moved into the city of the immortal king, the sacred city of Jerusalem. And for what shall it be? The restoration, we trust, of a nation that has been scattered throughout the ages, a nation without a country, without a home, a nation whose sons have been born under every clime, and which in war and in peace has added honor, dignity, and prosperity to the land of the flag to which they adhered. Let us hope that Israel shall be united again and take her stand among the nations of the earth. We would not have the Jews who live in our great cities renounce their native land, or all those in Europe, perhaps, go back to the land of their fathers, but to the millions of Jews in Poland and central Europe and Asia it will prove an asylum of freedom.

Can we not see them as they return to the land of their father, protected against the despotism of Turkey, protected against that despotism even before the power of Turkey was asserted upon the banks of the Jordan? We see the Jews passing from every land in great caravans, going back to the home of their ancestors. Some pass—

> Where Moab's rock a vale infolds,
> Where the aged sire was laid alone
> To slumber while the world grows old.

The tomb of Moses shall be a Mecca. They seek the caves where rest the bones of the progenitors of that great race. Some came by the Sea of Galilee. We see them with their Christian deliverers as they go down the streets of Jerusalem, stop at the market place where once was the house of Peter. They stop where the temple was, where the Christ boy contended with the wise men. They stop and witness the scenes along the highways of that beautiful city. They walk in Gethsemane. They go where Pilate sat in judgment. They go out on the road that led to Calvary, where He who spake as never man spake, bore the cross upon His back and wore a crown of thorns. They go there beholding no more the red crescent banner of the bloody Turk raised in despotism to sustain the creed of the false prophet Mohammed and to sanction murder, crime, and rapine, but behold floating from the very spot where the Son of man died for the redemption of the world the banner of modern Christian civilization, come to restore them to freedom forever. That is what this great war can do and will do for the Jewish people if rightly determined.

Mr. Chairman, my idea of democracy, and the hopes and aspirations of our people, was expressed in part by me in this House on the 9th of April, 1912, in a speech from which I quote as follows:

> Let us rejoice to see the principles of democracy spreading over the earth; I do not mean a partisan democracy, but that great democratic thought that makes the world restless to-day; that great innate force for good that has actuated men in all the ages—the love of freedom, the love of justice; that love that finds for its habitat no particular section, but lives the world over; that great spirit of democracy that whispered words of hope into the ears of men before Aaron was a priest, Moses a prophet, or David a king—ever seeking justice, ever standing for the right—that spirit that survived the chariot wheels of the pagan warrior, the battle-ax of the Romans, the inquisition of the Spaniards, and the cannons of Great Britain; that spirit that has lived to kindle the fires on every altar erected to human liberty, that has opened the doors of every temple where men worship their Creator in obedience to their own consciences; that has loosened the shackles of slaves and placed the crown on the brows of the martyrs to truth; that catches the humble boy by the hand and leads him into the path of rectitude and bids him follow it as the only open way to the pinnacles of immortal fame.
>
> That spirit, standing under the shadow of the cross, that has echoed the divine proclamation for 2,000 years of "Peace on earth and good will to men"; that directed the hand that wrote the Declaration of Independence and hovered over the cradle of the Republic, may it live until every kingdom shall fall and every empire shall be dissolved, that government in obedience to the will of the governed may arise upon their ruins. Then the nations shall know that it was not the hand of man, but the fingers of God that fixed the stars on the flag of the Republic to light the path of liberty through all the ages to come.

Has that day dawned?

Shall the sun of human liberty continue to ascend until it reaches its zenith?

The mighty struggle in Europe is ended. Throne after throne has fallen. May republics arise on their ruins. On Monday, in Paris, there meets the greatest council that ever sat in the world's history. They shall determine, as far as their powers go, not merely the boundaries of Kingdoms and Empires and Republics, but they shall determine those questions that reflect the individual rights and welfare of great nations. And what can they do? We say that Germany must be punished. It is not for us to advise what that council shall do. We say that Germany must be made to pay the cost of the war, that Great Britain shall be indemnified, that the bleeding bosom of France shall be healed, that the tricolors which so gloriously floats over Versailles and Notre Dame to-day shall float forever nestling over Alsace and Lorraine.

We say that Belgium must be restored. If it can be done it should be done. But if the German Empire were sold to-day at the highest market price for every foot of her soil, if all the personal property that belonged to her people were converted into cash, if her 68,000,000 of people were given to slavery for 40 years, she could not compensate the world for the wrongs and injuries that she has done, even though the goddess of stern justice wrote the decree with her hand guided by the angel of mercy nestling at her side. There must be a peace, not of retaliation and revenge. The burden must be laid upon Germany and the German people and all their allies for the sins of their government as far as they can bear it, but Germany can not rightfully be destroyed by the decree of democracy. Her people must be given a government of their own. She may be shorn of her ships, she ought to be prohibited forever from the practice of those methods that would sustain the doctrines of her kultur. She ought to be deprived of her colonies and confined within the borders of her own home government, and given the right to proceed in the world to the pursuit of life, liberty, and happiness that we have demanded for the nations of the world.

But what of the United States? What return shall we have for the generous gift of $20,000,000,000 of money to the cause of liberty? What shall we have in return for the blood of "the bravest of the brave" that has been shed under our flag upon foreign lands in the defense of our rights and liberties and in support of the governments of Europe contending against the most imperial dynasties of all the ages? Nothing, nothing! We seek no reward. We ask no indemnity. We shall quietly withdraw the flag of the Republic from the banners with which it has been associated. Let us pray that it shall be returned over the soldiers of the Union without a star dimmed or a stripe tarnished, still the flag uncompromised in foreign lands or at home, that shall ever be the emblem of a great and free people exercising a supreme sovereignty under the Constitution, a sovereignty that must not and will not be impaired by treaty or otherwise, either for peace or for any other purpose. We love peace. We fight and we die for peace. But the peace that come to republics by the will of imperial arbitrators upon any great national issue where we desire to protect the constitutional rights and liberties of our people will not be the peace of freedom. It will be the peace of slavery. When our boys return we shall meet them with a greeting that is worthy of them and their valor; and as they bear our standard back to our shores a hundred millions of American citizens will salute it. The unconquered banner of an unconquerable people. "The flag to liberty given, whose every hue was born in heaven." [Applause.]

Mr. STEENERSON. Mr. Chairman, the Committee on the Post Office and Post Roads have agreed to the provisions of this bill making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and which carries in round numbers $360,000,000. In other words, it appropriates for the expenses of carrying on this great service about a million dollars a day.

I think it is rather remarkable that in these times of partisanship the committee was, so to speak, unanimous on most of the provisions of the bill. The new legislation carried covers salary increases or making permanent the increases of a year ago.

The only two items that I recall on which there was a division and on which there probably will be a division when the bill comes up for consideration are the two items of aeroplane service and motor-truck service.

I will not now take the time of the House to discuss the objections to these items. I desire to say a few words in regard to the general postal service for the past year. We have noticed in years before that a great stress has been laid by the administration officials upon the ability to produce a postal surplus. As I pointed out a little more than a year ago, that desire to show a postal surplus went so far as to compile figures that were, if not erroneous, misleading, in the way they were placed, to show a surplus that did not, in fact, exist, and which I established by a Treasury Department statement made pursuant to my request. It wiped out the boasted surpluses of the 1915–16 period. After the detailed statement the whole was embraced in a summary, as follows:

Summary.

(Part 3.)

[Treasury gained (+); Treasury lost (−).]

1912	−$1,575,986.80
1913	+ 2,389,018.12
1914	+ 3,134,973.06
1915	− 6,724,275.27
1916	− 300,362.22
Net loss 1912–1916	− 3,076,633.11

TREASURY DEPARTMENT, *January 31, 1917.*

However, the method of determining a postal surplus is simple. It consists under the law of 1835 of the difference between the audited receipts and the audited expenditures during the fiscal year. Of course, with expenditures and receipts exceeding a million dollars a day it is easy to postpone a few bills at the last end of the year, if you want to show a surplus that does not exist, but its punishment is that you will get a deficit the next year or year after, because these bills must be paid at some time. The practice I do not think has prevailed to any great extent, but the fact that it has been discussed in official reports by the department shows that there has been an exaggerated idea about the merits of a postal surplus. I think it is due to a mistaken idea of what the Postal Service is. The correct theory is that it is a public facility instituted to serve the people; whenever the receipts are not sufficient to pay for the service the rates should be increased, and when the rates are so high as to produce a postal surplus of some magnitude it would be the duty of Congress to either improve the service, make it more expeditious, reliable, and efficient, and improving the conditions of the personnel, the employees engaged in this arduous task of distributing the mails, or reduce the rates of postage. Therefore, it seems to me that a very large surplus or a very large deficit should be avoided.

The largest deficit we have had in recent years was in 1915 when there was a deficit of nearly $12,000,000. Last year and this year the statement shows a considerable surplus. In fact, the difference between the audited receipts and the audited expenditures this year shows a surplus of nineteen and one-half million dollars, a very remarkable showing, especially in view of the fact that the salaries of nearly all the employees were increased. The expense of carrying on the service was also increased, and yet there is a surplus of nineteen and a half million dollars.

Mr. BLACK. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. BLACK. In 1918 the only salaries increased were 10 below $1,000. The letter carriers were not increased with the beginning of July 1, 1918, which would be reflected in the next fiscal year.

Mr. STEENERSON. The gentleman will find that the salaries have been increased for the fiscal year of 1918 from what it was in 1917. Other expenses for carrying on the service increased. The star routes let that year were let at a higher price than formerly. Supplies were purchased at higher prices, and certainly the appropriations were increased, as the gentleman from Texas knows very well. Now, the wages have increased, and the price of supplies having increased all around, it is remarkable that there should be so large a surplus this year, and it is worth while, I think, to consider the reasons.

When I spoke about the increase in compensation of those who render services I did not include one of the most important parts of the service. I refer to the railway transportation. Remarkable as it may seem, the cost to the Government of transportation by rail of mail matter has very greatly decreased, but certainly the decrease has been accentuated very largely since the passage of the space-plan law of 1916, which went into effect November 1 of that year. It includes the whole of the fiscal year of 1918.

Before that law went into effect it was estimated by department officials that the per ton per mile cost of mail transportation, including railway post-office pay, was 10.26 cents. I have computed what it was last year. Now, that computation is based on the most accurate figures that have ever been obtained, for the reason that in the dispute between the railroad companies and the Government as to putting in force the space-plan law there was a general weighing of the mail matter throughout the United States. Formerly there was only a quadrennial weighing. Last year there was a complete weighing of the mail matter throughout the whole United States, all that transported by rail. Of course, some of the mail does not reach the railroad, but if it only traveled by rail a few miles it was included in the weighing. The weighing was continued for 35 days in the spring, and these days are supposed to have the most nearly average volume of mail.

I have figures here showing there was 826,000,000 ton-miles of mail. Of course, we do not usually compute mail by the ton-mile. We all know there are 2,000 pounds in a ton, and if you transmute the ton-miles into pound-miles you would have 1,000,652,000,000 pounds of mail carried 1 mile.

Now, if you simply carried a piece 1 mile, that would indicate the total volume of the mail; but the mail is carried more than 1 mile. It is believed that 400 miles represents the average haul, and some put it as high as 500 miles. If you divide that large sum of pound-miles by 400 we have about 4,225,000,000 pounds as the total weight of the mail that travels by rail.

Of course there is a percentage of mail that does not reach the railroads, and it has been estimated as high as 10 per cent. However, for the purpose of this argument here, I shall not take it into account. If you divide the total amount of railway mail pay as it is now—$53,000,000—by the total number of pounds, you will find that during the fiscal year 1918 the railway mail pay was reduced to 6.4 cents per ton-mile, or, in other words, a reduction of nearly 40 per cent. They show in their reports how many car-miles have been saved. They reduce the service to 60-foot car-miles, and they show that 32,824,260 full 60-foot car-miles have been saved by the economy of placing heavier loads on each car. This "saving," they say, was equal to 15 trains of 10 cars each every day in the year between New York and Chicago. Instead of using the space they authorized—and you will find that on page 101 of the Postmaster General's report they used a less sum—here is their table:

Miles of service per annum prorated to 60-foot car basis:	
Nov. 1, 1916	272, 794, 837. 13
June 30, 1918	220, 290, 652. 83
Decrease	52, 504, 184. 30
Per cent of decrease, 19.24.	
Total authorized rate of compensation per annum:	
Nov. 1, 1916	$64, 447, 982. 47
June 30, 1918	52, 022, 070. 43
Decrease	12, 425, 912. 04
Per cent of decrease, 19.28.	

How could that be done? As was stated by my colleague on the committee, Mr. MADDEN, it was saved by economy in loading. Instead of using the space authorized, they waited with a car until they could get a full load, and they are paying only for the space; and if they could get two loads on one 60-foot car, they would save one-half. They have actually saved, according to the best figures, between twelve and thirteen millions of dollars on their own basis. I have made a calculation myself from official figures.

I have taken the rate of pay as it was prescribed by the weight law and as they now pay and I find there is a difference of $20,000,000 last year. Perhaps the department's estimate will be $14,000,000, but it is immaterial whether it will be $14,000,000 or $20,000,000. That is a very large reduction, especially in view of the fact that the volume of mail has increased at a greater rate than ever before in the history of the country. Out of the 826,000,000 ton-miles that were transported by railway we know about how much there was of each class. It is desirable that each class should pay its way, and I think they are coming nearer to it now than ever before. This weighing of mail last year is the most complete determination of the total volume of mail that has ever been made. We can approximate the volume of each class. Two years ago the Post Office Department estimated after a sample count in the various offices that there were 1,000,000,000 pieces of parcels weighing nearly 2 pounds each. There has been an increase of probably 14 per cent since, so, too, multiplying the number by average weight of each piece, we get two billions and a quarter pounds. At the estimated income from those at 3 cents a pound, that would bring in some $67,000,000. The second class is paid by the pound, and, of course, it is weighed when it is put into the post office, so that of all mail matter there is no kind whose quantity is so easily ascertained, because all you have to do is to look at the number of cents paid and you have the number of pounds. It amounted to 1,170,000,000 pounds, which is a little more than one-half of the volume of parcels, but it pays only between $11,000,000 and $12,000,000 of revenue. The third class, perhaps, amounts to thirty to thirty-five millions. That embraces small books weighing less than 8 ounces, all circulars, circular letters, and mail matter that really pays quite a good deal of revenue, so I presume there is a profit on that. The first-class mail is the most profitable of all. When mail rates were 2 cents an ounce, it was estimated that it took 45 letters to make a pound—they are so much underweight on the average.

Of course, if they weighed an ounce each, that would be 32 cents a pound, each letter having full weight, but the revenue from the first-class mail runs to about 85 cents a pound, or even as high as 90 cents, the estimates varying. In 1907 they figured it cost 49 cents a pound to transport and handle first-class mail. Of course, everybody knows it is more expensive; everybody knows that it ought to have, if it has not, a more expeditious way of being transported, and, in modern war language, it should be given priority. There are many pieces to the pound, and that fact necessitates a larger clerical force. But even at that they make a profit of about 40 cents a pound. This will, therefore, explain to you why we have a postal surplus this year.

I was about to analyze the reason for the present postal surplus. I have given one in the fact that there is a very large

reduction in railway mail pay of 40 per cent of the ton mileage from what it was some years ago before the space plan was inaugurated and because of the economies thereby accomplished. There has been a reduction in pay all of the way from $12,000,000 to $15,000,000 in face of the fact that the volume of mail has been constantly increasing at the rate of 4½ to 5 per cent in weight. What is the other cause, if any there be, why the receipts are so large? The receipts were $388,000,000. Of course, you all know that the war-revenue law imposes a 3-cent rate on first-class mail and a 2-cent rate on postal cards, but that was required by that law to be estimated monthly and paid into the Treasury as a war revenue. The Postmaster General has in compliance with that, as he says, estimated it at $44,500,000 for the seven months after the passage of the act, until the end of the fiscal year. That leaves $344,000,000 as the revenue at the old 2-cent rate. It is to be noted that the Postmaster General's report does not credit in any way the war conditions for any of the increase in revenues, but it blames the war for delays in the carrying of the mail. His excuse for slow transportation and for delay in the mail is war, but he never mentions that the great surplus he has produced is very largely due to the war. The detailed report of the department does show these two things. It shows that at the cantonments the first-class mail was enormous.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. AYRES. If the surplus is due to war conditions, will the gentleman please explain in what way?

Mr. STEENERSON. I am about to do that.

Mr. AYRES. Very well.

Mr. STEENERSON. The war produced an abnormal increase in first-class mail, which is profitable—that is stating it in a very short word—and the details are found in the Postmaster General's report in reviewing these things.

Mr. AYRES. Will the gentleman yield for a question?

Mr. STEENERSON. Just wait a minute until I answer the first one. The gentleman must not load me up with two at a time.

Mr. AYRES. Certainly; that is all right.

Mr. STEENERSON. On page 6 he says:

> The combined postal receipts derived from the military branch post offices, exclusive of money-order business, approximate $1,000,000 a month, an amount greater than the receipts of a post office serving a city of 2,000,000 population.

Now, that is just here at home. Now, everybody with common sense can understand that when boys are sent away from their homes, from the farms and shops, to serve in the military camps here in the United States that letters will follow and letters will go from them home at a more numerous rate than before, so the war did stimulate first-class business, which shows a profit, as I have shown, of 40 cents a pound. In addition to that, if the gentleman will be patient, the Post Office Department report says that during the last fiscal year, 1918, the mail of our expeditionary forces abroad was not handled by the Post Office Department, except within the United States. All the mails—35,000,000 letters, first-class, and 15,000,000 and 16,000,000 parcels—they say were delivered to the military forces at the port of embarkation. There is no dispute about that; but here, on page 9, I think it is, they go on to say—I will read it:

> With the taking over of the mail by the military authorities the Post Office Department was at once furnished with the list of the units in France and the field postal stations with which they are being served. The Army organized a postal corps of 1,885 enlisted men and 115 officers—

And so forth.

So there are 2,000 men who acted as postal clerks in distributing this mail, and consequently the Post Office Department, which received the revenue, was relieved from paying those 2,000 clerks which they would have done if they were not turned over to them by the military authorities.

Mr. HUDDLESTON. Will the gentleman yield on that point?

Mr. STEENERSON. What is on the gentleman's mind?

Mr. HUDDLESTON. The military did not take over the Postal Service until nearly the close of the last fiscal year.

Mr. STEENERSON. The gentleman is in error.

Mr. HUDDLESTON. When did the military take it over?

Mr. STEENERSON. It says here the beginning of the fiscal year, June 30, 1917. No; on pages 6 and 7 the report of the department says the military took control June 1, last.

Mr. MADDEN. If my colleague will yield to me, the transportation charges across the ocean were eliminated also?

Mr. STEENERSON. I am coming to that. Now, here is a case where there is stipulated the amount of first-class mail which is profitable, and there is some profit upon the parcels going to foreign countries which are light in weight and pay a very large rate, because they are outside of the average zone. These military transports carried that mail, and they never paid them a cent. Hence you will find that the expense of the foreign mail which goes on ships carrying mail last year was at least $1,000,000 less than it was before. Why? With 2,000,000 soldiers and all the civilians that followed over into Europe, imagine the volume of mail that went across which paid first-class and parcels, and yet the payment for transportation by ships across the ocean was decreased.

If they had been carried under the legal rate on ships going abroad I venture to say it would cost $3,500,000 or $4,000,000 in addition. If we had furnished 2,000 clerks abroad, say, at $1,500 apiece, that would be $3,000,000, and presumably the clerks abroad would have cost $4,000,000. That expense was saved or avoided by the Postal Service, but they got all the revenue. Now, I am speaking of this not in criticism of the Post Office Department, not at all, but I am speaking of it because I want to show you that the large postal surplus of this year is not due to a normal state of business and that it can not be expected to continue in the future. We can not expect to have this enormous volume of domestic first-class and foreign first-class and parcel-post mail after the war ceases, and if it does continue you can expect that the expense thereof will be charged to the Postal Service and not to the War Department. Now, this accounts, more than accounts, for all the surplus. If we take these things into account there would be a deficit of very nearly $20,000,000, in my opinion. But assuming that we will have prosperous times in the future, we may avoid such a loss. Now, with regard to the railway service let me say this: I used to be considered a granger and for many years advocated stringent laws with reference to railroads, and I was sent to the legislature as an antirailroad member, representing the people. I do not believe I have any particular prejudice in favor of railroads. In regard to railway mail pay, I would say I believe it is the correct principle that we should pay for all the service rendered at a compensatory rate, at a fair rate; that you should not compel anybody to work for less than the service is reasonably worth. I do not care whether it is a railroad company or an individual. In the space-plan law we provide a $1,000 fine to any railroad company refusing to carry the mail at the rates prescribed by the Postmaster General, and when we have made a penal offense of $1,000 to refuse to carry this stuff, is it fair for us to turn around and say, "You must carry it for less than it costs you"? Evidently that would not be fair. If the compensation of the railroads by the space plan has decreased 25 per cent it is a question whether in the face of increased operating expenses it is compensatory.

The Government increased railroad freight rates 25 per cent, entailing an extra burden on the people of $600,000,000 per annum, but the freight it ships in the form of mail enjoys a reduced rate. Consequently the small country merchant, whose freight bills are increased, has a harder time to meet his city competitor, who distributes his merchandise by mail and enjoys the same old rates. In 1900, in fact as late as 1901, I think, the proportion of postal receipts paid for railway transportation was 36 per cent. It gradually was reduced until it came down to 21 per cent. In 1915 it was 21 per cent; last year it was 17 per cent of the total receipts.

Statement of total postal receipts and expenditures for railroad transportation of mails, 1900 to 1918, inclusive.

Year.	Postal receipts.	Railroad transportation.	Per cent of total postal receipts paid to railroads.
1900	$102,409,000	$37,300,000	36
1901	111,600,000	38,200,000	34
1902	121,800,000	39,500,000	32
1903	134,200,000	41,400,000	31
1904	143,600,000	44,000,000	31
1905	152,800,000	45,000,000	29
1906	167,900,000	47,000,000	28
1907	183,600,000	50,000,000	27
1908	191,500,000	48,500,000	25
1909	203,600,000	49,900,000	24
1910	224,100,000	49,400,000	22
1911	237,900,000	50,600,000	21
1912	246,700,000	51,700,000	21
1913	266,600,000	52,000,000	19
1914	287,900,000	66,200,000	19
1915	287,200,000	59,600,000	21
1916	312,000,000	61,700,000	20
1917	329,700,000	62,700,000	19
1918	344,000,000	61,000,000	17

The practice of express companies of paying 50 per cent of receipts has recently been adopted by the United States Railroad Administration. That business is analogous to parcel post, only

there is no limit on weight of packages. My colleague on the committee, the gentleman from Illinois [Mr. MADDEN], pointed out that there had been delay in the mail. The Postmaster General's report boasts of the number of car-miles that they have saved. If by the economy in loading, as it is said, you can save half the transportation by holding a car until the end of the day, if you thereby delay the letters for New York or Philadelphia one day it is poor economy. You pay the railroad company less, but you do more damage to the business public.

Now, it is not a sporadic complaint that comes to us. It is universal. I venture to say that there is not a Member of this House who has not had complaint about delay in the mail. And the Postmaster General's report seeks to excuse that by war conditions. Ever since the European war began the war has been the goat of the Post Office Department. When there was a lack of revenue, the war was blamed. They never give credit. This war is now blamed for delay in the mail. If a man waits two days to get a letter from Yonkers down to Wall Street, in New York City, they say it is war conditions that are to blame. I received a telegram yesterday from the Merchants' Association of New York, in which they say that they have timed the passage of letters from one part of New York City to the other, and that it took a day and a half or two days.

But I think my colleague on the committee [Mr. MADDEN] hit the nail exactly on the head when he said that it was due to an inordinate desire to economize by loading too heavily under the space plan. They have taken off these thousands of cars, which they say they have saved, and they have had fewer dispatches of mail. Now, that is all right, so far as merchandise is concerned, but it will not do for first-class mail. It seems to me it is strange that the department has not awakened to the fact that this is the cause. They can not have this war to blame forever. It will soon end, possibly. And I think you will find that if they continue to get the mail service from the railroads at the present economic rate, there will be a less quick dispatch than there was formerly. If space plan as operated reduces the pay below a fair compensation it is unjust. If, on the other hand, it delays the mail, it is unwise and expensive. But I almost forgot to say that this saving upon which the department places so much emphasis—the saving in railway mail pay—has not yet been sanctioned. This is a most remarkable thing. They count it as absolutely saved before they know. The space-plan law had a provision to the effect that the existing law for transportation of mail, except as therein modified, shall continue in effect until the Interstate Commerce Commission, under the provisions thereof, fixed a fair and reasonable rate of compensation for such transportation service. And then it goes on and gives them jurisdiction to determine whether the space plan is fair and just and whether the rate prescribed in the space plan is correct or not. And then it provides that, except as the department, for an experiment, puts it into effect, the rates under the old law shall continue. Now, when that was put in there it was supposed they were going to experiment with a small part. A great many people thought it was that, a small part of the railroad. But they put the space plan into effect throughout the whole United States, except on routes that were simply too light in traffic to justify hiring 3-foot compartments. Under the space plan they are divided into 3-foot, 7-foot, 10-foot, 15-foot, 30-foot, and 60-foot space, car length, and where the mail was so light they could not afford to pay even for 3 feet, then they continued it under the old law—under the weight plan. All the routes of the United States are put under the space plan, and they have computed the pay and paid them under the space plan, although the law said it should not take effect until a favorable decision by the Interstate Commerce Commission.

Now, I went down there to get the exact amount they would pay under the space plan. It seems these two plans are in force to-day. "If the Interstate Commerce Commission decides that the space plan is unjust, then what would you pay?" They could not tell me. They know what they have paid.

Mr. MANN. Will the gentleman yield for a question?

Mr. STEENERSON. Yes.

Mr. MANN. In reference to the space plan, do they work the mail on the train under that plan?

Mr. STEENERSON. To some extent, but to a very much less extent than they did formerly, because they do not authorize space enough to work it. In fact, Mr. Praeger, I believe, last year, or his man in charge of the Railway Mail Service, said that they have reduced the railway mail clerks by 1,200. They are put in as distributors in the terminals.

Mr. MANN. How do they arrange about local mail that is put on the train at all stations?

Mr. STEENERSON. Oh, that is not distributed at all. That goes by to some other post office, where they open it and send it back. There has been a great deal of complaint about that. There are a lot of mail cars that have no clerks on, and no mail can be put on such cars.

Mr. MANN. Now, let me ask you a question for information. Take the Illinois Central Railroad, running from Cairo to Chicago. There are a great many stations along the line of the road—post offices. When they put their mail sack on the train is the mail worked on the train?

Mr. STEENERSON. No. It has got to be worked at the starting point and put into a separate sack for each of those small places, and the pouches are thrown off.

Mr. MANN. I am talking about the mail that is put on the train at the small places. Part of the mail goes to Chicago.

Mr. STEENERSON. I think in most cases it goes to Chicago.

Mr. MANN. Part is addressed to Chicago, part is addressed to New York, part is addressed for eastern points, and part addressed to western points. Say, on a train going north, that mail is put on the train. Is that mail worked on the way to Chicago or not worked until it gets to Chicago?

Mr. STEENERSON. I would not be positive about that, although I have been on those mail cars several times since the space plan was inaugurated. But I do know that a great deal less mail is worked in transit than before, because they have not got the space in the cars.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. STEENERSON. Certainly.

Mr. McKENZIE. Is it not a fact that practically on all railroad lines they have what are called local mail trains, and that on those local mail trains the mail is worked by the postal clerks on the postal cars, although perhaps on the fast through trains that carry mail that is not done?

Mr. STEENERSON. Well, I have had a great deal of trouble about that kind of a case, where they will not furnish the clerks to work the mail even on those trains. You have got to assort it at the beginning of the route and put it in a separate pouch, and that pouch is thrown out.

Mr. McKENZIE. Pardon me. Suppose I mail a letter at my home town, on the Chicago & Great Western road, 140 miles west of Chicago, and address it to Freeport, Ill., about 35 miles away. My understanding is that that mail sack from my local home town is put on the train and is thrown on the table, and that letter that would be addressed to Freeport, Ill., would be thrown into a sack that would go to Freeport, and so on. It would not be sent to Chicago and sent back.

Mr. STEENERSON. That may be, if they have a clerk to do it. They do not have them on all cars.

The saving by means of the space plan can not be said to be an accomplished fact, for its justice and validity are yet to be determined. An adverse decision might wipe out all this surplus. It is a little premature to count this as an absolute surplus, because we have this contingent liability, depending on the decision of the Interstate Commerce Commission.

There is a provision in this bill authorizing, I believe, $2,300,000 for motor-truck service. The gentleman from Tennessee [Mr. MOON], the chairman of the committee, explained how enormously profitable the motor-truck service has been. The hearings before the Committee on the Post Office and Post Roads justifies that statement, and the Post Office Department report justifies it. They made about 80 per cent profit on this motor-truck service. However, upon cross-examination the Assistant Postmaster General admitted that in arriving at the income of the motor-truck service on those routes they counted all the postage. So I asked them if a letter or parcel that came from Manila, say, to Hawaii, and from Hawaii to San Francisco, and from San Francisco to Harrisburg, was put on a route from Harrisburg down to the East, they would count the postage on that as having been earned my the motor-truck service, and he had to admit that that was the case. They count all the postage that all these packages bear, and then they have a system of figuring that easily can be found to be false. I have not the time to go into it, but it stands to reason that it can not be possible that you can make such an enormous profit in carrying parcels if you count all the expense. It may be that there is a day or two or a month or two or three months in a year where you have this profitable business, but there may be months or half a year or more when there is little or no business. And the remarkable thing about this motor-truck service is that they parallel the railroads. They run parallel in most every instance to an existing railroad line, and the railroads, of course, are anxious for business. How is it, then, that by motor trucks you can carry at such a vast profit this business which otherwise would be moved by rail? It may be, but I can not understand it. I have my doubts, and consequently I have my doubts about appropriating this vast sum.

There is another thing that I want to call attention to when we come to discuss that item, that under the provision of a

law which was placed as a rider on the Post Office appropriation last year they are furnished trucks for nothing by the War Department. They are turned over free, and, of course, that item of cost does not appear.

Now, under this item they are going to spend $2,300,000, and some say it will be increased to $10,000,000. It is not segregated—so much for automobiles, and so much for this, and so much for operation, and so much for the chauffeurs. Oh, no. It is simply a lump sum, and it includes improvement of roads. It might be all used for the improvement of roads, and it might be all used for automobiles, in the discretion of the Postmaster General. You remember how hard we fought here when we passed the road law. We wanted a correct apportionment. We did not want to trust the discretion of the Postmaster General in distributing the money for roads, and so we made a careful calculation, that was very fair, that was not to discriminate against localities or States. But under this, in these times of war, they say we must confide in the Government, and therefore they give it discretion to build roads wherever they please.

Mr. RAMSEYER. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. RAMSEYER. I wish to ask the gentleman about the provision for the improvement of highways, in line 18, page 23, of the bill:

> The improvement of highways, the purchase, manufacture, exchange, and repair of equipment—

And so on. That is a change of existing law. My impression is that those words "the improvement of highways" were slipped in there; that that subject was not before the committee.

Mr. STEENERSON. I can not remember that I heard of that in the committee at all. I was out trying to frame another provision, and perhaps it happened while I was out.

Mr. MOON. That whole paragraph is new.

Mr. STEENERSON. This is a new provision. I have here the committee print which shows exactly what is new. The new parts were printed in italics. I presume it is a new version of a part of an old law:

> For experimental motor-vehicle truck service in such localities of the United States as the Postmaster General may select, the establishment and extension of such service, the improvement of highways, the purchase, manufacture, exchange, and repair of equipment, supervision and maintenance, and expenses incidental to conveyance and marketing of produce and commodities, $1,000,000.

Mr. RAMSEYER. Does the gentleman contend that the phrase "improvement of highways" was in last year's law authorizing the experiment with motor trucks?

Mr. STEENERSON. I will read the section of the current appropriation act. It is section 7 of last year's appropriation act:

> SEC. 7. That to promote the conservation of food products and to facilitate the collection and delivery thereof from producer to consumer, and the delivery of articles necessary in the production of such food products to the producers, the Postmaster General is hereby authorized to conduct experiments in the operation of motor-vehicle truck routes in the vicinity of such cities of the United States as he may select, and under such rules and regulations as he may prescribe, and the cost of such experiments, not exceeding $300,000, may be paid by the Postmaster General out of any unexpended appropriations of the Postal Service, and the Postmaster General shall report the result of such experiments to the Congress at the earliest practicable date.

The gentleman is absolutely right. There is nothing about highways in last year's law. In fact, I did not know it was in there at all until I saw this bill printed; but we have waived all points of order based on the fact that it is new legislation, so that we will have to debate it on the merits when the time comes.

There is another item here that carries $2,185,000 for airplane service. That is in addition to the fact that this law authorizes the War Department to furnish the airplanes for nothing.

Mr. MOON. May I suggest to the gentleman from Minnesota that when we removed the airplane proposition from the steamboat proposition, with which it was heretofore connected, by the action of the committee we reduced the steamboat proposition from $245,000 to $185,000 and we did not increase the inland transportation appropriation at all, so that the airplane appropriation now falls under the inland transportation appropriation without any increase whatever in the totals.

Mr. STEENERSON. That is correct.

Mr. MOON. So if it should transpire that a reduction can be made in the use of the money for inland transportation by the use of it for airplanes, there can be nothing lost in that case.

Mr. STEENERSON. The gentleman from Tennessee points out that this appropriation for airplanes is taken out of the appropriation for transportation of mails by railways and that it does not increase the total. It does, however, increase the amount that could be spent for airplanes.

Mr. BANKHEAD. If my friend will pardon me, in connection with the airplane proposition I want to ask a question.

Mr. STEENERSON. I will be glad to yield to the gentleman.

Mr. BANKHEAD. I notice here in the airplane proposition an appropriation of $2,185,000, which provides for the purchase of airplanes and the operation and maintenance of the airplane service. I wondered if the committee took into consideration in connection with that matter the possibility of making available the Army and Navy airplanes that probably will go out of actual service when peace is consummated, instead of purchasing them?

Mr. STEENERSON. The committee were aware that the law of last year did authorize the turning over of these airplanes to the Post Office Department, and they were told at the hearing that the department might also purchase airplanes from private manufacturers.

Now, $2,000,000, or nearly $3,000,000, for these two items is a liberal amount for an experiment. I want to call attention to another remarkable thing about automobiles, seeing we are on the automobile subject.

For a great many years the mail in the large cities was transported from the station to the post office and back again by what they called the screen-wagon service. That was a contract service. Two or three years ago it was abolished, and automobiles owned and operated by the Government were substituted. Part of the service in the cities was also performed by underground tubes. The service performed by the tubes was similar to that which was performed by the screen-wagon service. That is, it transported the mails between the station and the post office. The amount required when the Government had these contracts was $2,300,000.

This year we appropriate $6,700,000. There has been an increase of nearly 300 per cent in the cost of transporting the mail in the cities. Why should that be? The Post Office Department tells us that they have accomplished a wonderful saving this year. My colleague, Mr. MADDEN, has asked several times how it could be that they claimed such a saving last year. They said we are saving because we asked for no more this year than we asked last year, and there has been a growth in the mail service. We passed the bill, and then they went over to the Senate and had it increased $735,000. So automobiles seem to be in favor, although the expense of transporting the mail in the cities has increased nearly 300 per cent in three years, or at least 250 per cent, and they still say that they are saving us a large amount. They say that they are going to save us millions by the motor-truck and automobile, and other millions are going to be saved with great expedition of the mail by aeroplanes.

I may be of a suspicious nature, but it looks to me as though the automobile industry, which everybody knows is a great combination, having the most complete organization in every State in the Union, beyond that of any other manufacture or mercantile branch in the world, have great influence in this matter. They hold conventions, good-roads meetings, and put through constitutional amendments seeking to appropriate millions and millions of dollars of the States in order to build roads upon which joy riders can ride from Chicago to Frisco. Of course they do not reach the backwoods in my district with their fine macadam roads that cost $20,000 a mile, but they are doing a good work no doubt for roads, and they do good work for the automobiles. They are selling automobiles by the million, and they certainly have a good customer in Uncle Sam. He buys all the automobiles, and they are used up in three or four years, and yet the expense of this item is enormously increased.

Evidently they propose to wipe out the railroads altogether, because the motor-truck routes are paralleling the railroads. They say they can do it for about one-fifth. At least they do it for one-fifth of the postal revenue, as they figure.

It must be that the Post Office Department intends to supplant railroads by motor trucks, and, as the gentleman from Tennessee said, they may in time be prepared to carry a 1,000-pound parcel-post package. Instead of having railroads we will have motor-truck routes with steel-surface highways. Evidently there is a movement on the part of the automobile industry, which includes the aeroplane industry and the Oil Trust, to wipe out every other kind of transportation. They have wiped out the underground transportation in New York City and substituted automobiles, thereby selling new ones, and they now propose to wipe out the railroads, because they can get automobiles from the War Department, and no railroad can compete with them.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. GREEN of Iowa. I am much interested in the matter of motor transportation. Can the gentleman say whether in the estimate of the cost of transportation the amount of depreciation and loss caused by the upkeep and subsequent casting aside of the automobile has been fairly taken into consideration?

Mr. STEENERSON. I think the Fourth Assistant Postmaster General has covered everything. If he has not, he will; he is the most expert talker I ever listened to, and if he can not explain it nobody on earth can. [Laughter.]

Mr. GREEN of Iowa. How about his figures?

Mr. STEENERSON. I have not had time to analyze them, but I wish the gentleman from Iowa, who is on the Ways and Means Committee, would take hold of Mr. Blakslee's figures. I am afraid if he did there would not be much left. As it is, he proved before the committee that, like Col. Sellers, there were "millions in it; millions in it." That is the way the Fourth Assistant Postmaster General talked about motor trucks. Evidently he wants to wipe out transportation by railroads, and the motor-truck manufacturers are with him. They are going to do it not only by means of that sort of transportation, but by aeroplane transportation.

Well, although I was the first man to ever offer an appropriation of $50,000 for the experiment in aeroplane transportation of mail, I have not gone wild over the idea. I asked them when they were going to have it out in St. Paul and Minneapolis, in my State. They said in the spring. I did not want my territory to be overlooked. Minneapolis, for instance, and St. Paul can have their letters mailed in the evening at 7 or 8 o'clock and at 9 o'clock in the morning or 10 o'clock in the morning they are in Chicago. That is almost as good as transportation by aeroplanes, because people would not be up during the night and the mail would not be delivered.

Mr. MOON. Then the gentleman would not want the more expeditious service out there, would he?

Mr. STEENERSON. I will say to the gentleman that I have not finished yet. [Laughter.] I do not think it will amount to anything; but besides the aeroplane mail we have the telegraph. We can telegraph in a few hours if we could have as good service as we had before the war, but the war has disorganized everything in the way of telegraph service, so that service is not as good as it used to be. But if we have normal times I could telegraph Chicago and get an answer back in an hour. If you do not want to do that, you could telephone. You could telephone from Milwaukee at a reasonable rate, and I can not see any very urgent necessity for carrying mail by aeroplanes between these points. Yet if the rest of the country is going to have this spectacular service—this great means of advertising the department worthy of George Creel—we want it in Minnesota.

Mr. SLOAN. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. SLOAN. I note what the gentleman said about efficiency and the figures of the department, especially of the Fourth Assistant. Does the gentleman think the efficiency found in this department would warrant the Government in buying the telegraph and telephone lines so as to extend opportunities for efficiency in the Post Office Department?

Mr. STEENERSON. Mr. Chairman, how much time have I used?

The CHAIRMAN. The gentleman has used 1 hour and 15 minutes.

Mr. STEENERSON. Mr. Chairman, I shall undertake to answer the question of the gentleman from Nebraska [Mr. SLOAN], although I had not intended to discuss that feature. If he desires to have my view upon it, I shall be very glad to give it.

Mr. SLOAN. I certainly desire it.

Mr. STEENERSON. Mr. Chairman, I listened to the gentleman from Tennessee [Mr. MOON] upon that point with great attention. I thought at one time he was going to decide against Government operation of both telephone and telegraph and the railroads. He cited the Constitution as thoroughly as any constitutional lawyer could, with great emphasis. In my view, there never was any constitutional question about this matter. I do not believe anyone can raise a question of whether the United States has the power and authority under that clause of the Constitution granting it power to establish post offices and post roads, to own and operate telephones and telegraphs. I believe they can, and it was quite unnecessary for the gentleman from Tennessee to convince me it was constitutional. Moreover, I will say this, that in the nature of things communication by telephone and telegraph is very similar to communication by letter, and therefore there is nothing inherent in the difference that would preclude the Government from performing one function as well as the other. I believe in Government ownership and operation of a public utility like this whenever it appears likely that the public will thereby be served more efficiently and economically, but whether this will prove true as to any or all of these telephone and telegraph companies is a question that ought to be carefully considered.

If there exists a valid objection it is not founded on constitutional grounds. The gentleman from Tennessee, in pursuing the subject, did come very near to the real point of objection. While I should like and I hope to see some day when the Government shall operate the Postal Service, including the telegraph and telephones, with efficiency and without partisanship or politics, without carrying on a publicity campaign throughout the year to make things true that are not true, advertising surpluses that do not exist—if it should become a business institution free from politics—then I think I should like to see that department carry on this other activity.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. STEENERSON. The gentleman will excuse me until I have finished. There is another objection, not founded upon the ability of the Government to do the business, not founded upon the Constitution, but founded on the same objection that exists to assuming the numerous functions of railway transportation and various other things that we have been doing during the war. I said the gentleman from Tennessee came very near pointing out the objection, but he did not pursue it to its final logical conclusion. The real objection to assuming all these activities at this time lies in the fact that it is dangerous to free institutions. [Applause.] History and logic and science all tell us the reason why there is and must be a difference between the organizations of society in a militant state and in a peaceful state. The problem of republics has always been to develop military capacity without developing the military spirit; in other words, without becoming an autocracy or a despotism. I think one of the greatest accomplishments of any people in the world was what the American people did in organizing for war. It was not only an organization that was compelled and required by law, but an organization inspired by voluntary effort upon the part of the people.

A military organization depends upon rank. There is a regimentation from the common soldier to the sergeant, to the lieutenant, to the captain, and so on up to the general and commander in chief. One head must control it in order to make it efficient and hurl it at the enemy. It has been the history of the world that no industrial society organized upon liberal principles could be efficient in war. This has been thrown up against us always, and against a republican form of government, because of inefficiency in war. You have not got the organization.

De Tocqueville, in his Democracy in America, says:

> All nations which have been obliged to sustain long and serious warfare have consequently been led to augment the power of their government. Those who have not succeeded in this attempt have been subjugated. A long war always reduces nations to the wretched alternative of being abandoned to ruin by defeat or to despotism by success.

It was fortunate for us that we were not called into battle instantly, because over there the allies held the fort while we were coming for a year or more. We had in that time an opportunity to change from the peaceful, industrial, mercantile society into a militant society. Hence Congress was asked to confer these powers upon the President, and we readily, without regard to party, showered these powers upon him, almost buried him. The President has still to do this and to do that. As a matter of fact, he has to depend upon hundreds of thousands of agents whom he never sees to do these things. That was necessary and proper. I think it is Ferraro, in his work on militarism, that lays down this rule, that where militarism is developed to its highest point, there the army is the people mobilized, while in time of peace the people are the army quiescent. It is so complete that it only requires notice of conflict to become a military machine.

I once read an article, written by a man whose name I have forgotten, on the life of Lincoln—a very thoughtful article—and in it he mentioned this doctrine about militarism; and he says that the example of Washington, followed by the example of Lincoln, after engaging in the Revolutionary War and in the Civil War, the American people following their lead and laying down a military organization and becoming an industrial and peaceful community was the most wonderful thing in history. If the American people look upon that as a lodestar to follow, then our institutions will be safe. If, on the other hand, the same thing should happen here as happened in the ancient States of Greece and Rome, and we continue a military organization, a complete unit of command, then popular government will be destroyed. In comparatively modern times we have Napoleon as an example. He was elected first consul, but after he had engaged in those wars and had his armies complete, then what was the use of having an election? There was not a Pope good

enough to crown him. He was the autocrat supreme, and he placed the crown on his own head. There you have autocracy grown out of militarism. Have we not these lessons before us? The army was the controlling power. Have we not the lessons on this continent to the south of us, coming where military despotism has prevailed? The danger of assuming the telegraph, the telephone, and the railroad systems consists, as suggested, in the installation of an army of millions of men whose tenure of office and whose compensation are dependent upon the party in power.

If you have three or four or five million Government employees, with their friends, how long will it be before, by increase of salary or promise of increase, a President can perpetuate himself, either in his own person or in the person of his son-in-law or some other relative? I say that there never was a greater menace to the very foundations upon which our Government rests—popular, representative government—than in the piling up of these Government activities, however efficiently those activities may be performed. It is not a question whether the Government can perform these activities; it is a question of what becomes of your country. If we disregard the sanctified example of George Washington, who laid down his power to go back to his farm; if we disregard the glorious example of the immortal Lincoln, who had an army larger than any Caesar or Napoleon ever had; if we do not follow the advice of Grant that the people go back to their farms, where they will need their horses for their spring plowing, and assume peaceful occupations, but proceed to install millions and millions of Government employees by virtue of the perpetuation of the conditions which existed during the war, then it necessarily must follow that any man who reaches the presidential chair can, if he so desires, perpetuate his office, and the voice of the people will be overcome.

Mr. SLOAN. Will the gentleman yield right there?

Mr. STEENERSON. I was just answering the gentleman's question. [Laughter.] I will yield, although the answer is not complete.

Mr. SLOAN. Just at that point, in the matter of granting that power, this control and ownership, what does the gentleman have to say about the other countries that have exercised this function? Do not they generally deprive the public officials, the servants who do this work, of the right of franchise before assuming the power?

Mr. STEENERSON. I do not know.

Mr. SLOAN. They do; they say in some of the European countries——

Mr. STEENERSON. But they have a more complete and developed civil-service system. In nearly all foreign countries they have a civil-service system that is as nearly as possible free from politics, and we have not as yet. We hope to have it some day, but have not as yet. Government is growth and development, and I do not believe we can expect to have such a civil-service system for some time. If we had it now and it was so that these employees who are proposed would not interfere with politics and destroy the very institutions upon which our Government rests, I would not object. In itself it seems very meritorious, but there is another thing——

Mr. MOON. Will the gentleman yield?

Mr. STEENERSON. I will.

Mr. MOON. If I gathered from the gentleman correctly, he not only does not doubt the constitutional power but he thinks it would be a proper thing provided we can administer the matter properly?

Mr. STEENERSON. That is it exactly. I think the gentleman from Tennessee agrees with me somewhat if there was no danger.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. STEENERSON. Let me say one word before I yield to the gentleman from Michigan. I want to say that war brings many evils, and among others is the evil of profiteering, and I believe that the man who unduly profits by war conditions, whether in manufacturing or in commerce or otherwise, that the war profiteer is the most despicable person on the face of the earth. [Applause.] But worse than he, I say, is the man in power who by reason of war conditions tries to embezzle the power given him by reason of war conditions and will not disgorge them after the war is over. [Applause.] I say when you give me the power because of war, and when the reason for it is over and I seek to make it impossible, I am not acting in good faith; it constitutes an embezzlement of power which is worse than profiteering. [Applause.] Now, I will yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Is it not true under private ownership of telephone lines, or telegraph lines for that matter, all persons can use them to their fullest extent and to their utmost desire? Now, what is to be gained by Government ownership?

Mr. STEENERSON. Well, I will say to the gentleman that he has omitted one main reason which he ought to advance.

Mr. SMITH of Michigan. That is what I would like to know.

Mr. STEENERSON. That is when you intrust your message in a hot campaign to the Western Union or the Postal Telegraph Co. or the telephone company you know that they are in duty bound to keep it secret, and if you have Government employees politically influenced, where are you? Are they not going to disclose in a secret way the very message upon which your election depends, or will they not refuse to transmit or delay the message until the occasion for it has gone? There is a vast danger in partisan manipulation of telephone and telegraph services which we must weigh before we determine that question.

Mr. SMITH of Michigan. But aside from war time and political campaigns, when we are having normal times I would like to know whether there is any advantage, and if so what the advantage is, in having public ownership, if there be any?

Mr. STEENERSON. If I have not spoken in vain, the gentleman appreciates there can be efficient service under both, and I have not said one was going to be very much more efficient than the other.

Mr. SMITH of Michigan. That is what I wanted to hear.

Mr. STEENERSON. The bonds and stocks of these wire companies, I am told, are over $2,000,000,000; the revenue about $415,000,000 annually. There are over 20,000 farm telephone companies. There are 927 reporting to the Interstate Commerce Commission of over $50,000 annual receipts. There are 9,585 smaller companies that filed reports. The employees number hundreds of thousands. Just why cooperative farm telephone lines should be seized by the Government as a war necessity no one understands. Is it simply to carry out a fixed desire without consulting the people? I will insert an address on rural telephones in Europe, by G. Odell, that is very instructive.

Mr. SLOAN. Will the gentleman yield further?

Mr. STEENERSON. I will.

Mr. SLOAN. Then, one of a somewhat cautious or suspicious nature like myself might infer from what the gentleman says that the management of the Post Office Department has not been entirely devoid of politics during the last five or six years?

Mr. STEENERSON. Well, I do not believe I can answer that. I take for absolute verity the statement made from this rostrum that politics were adjourned, and consequently I must decline to go into any details.

Mr. SLOAN. As I understand, the gentleman does that personally, but the gentleman does not assume to do it for the House, because some of us might not entirely agree.

Mr. STEENERSON. I am willing to assume politics is adjourned when it is announced it is adjourned.

Mr. SLOAN. Did that apply over here on Capitol Hill or Palatine Hill, at the other end of the Avenue?

Mr. STEENERSON. Mr. Chairman, I decline to be drawn into a discussion of that. How much time have I used?

The CHAIRMAN. The gentleman has used an hour and 35 minutes this time, and the Clerk informed the Chair that the gentleman had used 40 minutes the other day, whereas the Clerk now says he used 45 minutes.

Mr. STEENERSON. No; I used 40 minutes, which was given to Mr. MADDEN. I now yield the floor. [Applause.]

TELEPHONES IN EUROPE.

[From an address by Frank G. Odell, executive secretary National Conservation Congress, Dec. 8, 1916.]

Public ownership in theory is one thing. The actual working of public ownership is quite another thing. The future of any great and necessary public utility under public ownership can only be properly forecasted by a survey of what has actually been done where it has been tried for years. Such has been the effort of the writer. It is hoped that this paper will present new and important facts for the consideration of the reader.

SCARCITY OF RURAL TELEPHONES ABROAD.

Remarkable as it may seem, the rural telephone service of those countries which have public ownership is developed to so limited an extent that it seems to be considered unworthy of notice in the official reports of most of such countries. Great Britain is the only exception to this rule. In this country a special effort has been made for the eight years prior to the present war to extend the telephone into the country districts. This effort is consecutively noted in several recent reports of the British postmaster general under the heading, "Rural party lines—Farmers' lines."

The extent to which this effort has succeeded is shown by the total of such telephones in service at the date of the last official report (Mar. 31, 1915), namely, 2,265. This represents 1 telephone for each 4,290 of British rural population in the United Kingdom, as compared with a rural telephone in the United States of 1 for each 10 of population—or 1 telephone for each alternate family.

FARM TELEPHONES IN ENGLAND.

This remarkable development of the farm telephone in Great Britain—remarkable for its conspicuous failure to develop—is more noteworthy, because it is based on a very reasonable rate, to wit:

If the line connects three subscribers to the mile, each subscriber per year $14.61
If the line connects two subscribers to the mile, each subscriber per year 17.05

When the efforts of the British post-office department, offering as low as this, can only secure 2,265 farmers as telephone users in eight years in all of England, Scotland, Wales, and Ireland there must be something wrong in the British system.

Some of these inherent defects may be found in the interminable delay in securing installation of service, such as that noted by Hon. Mr. Goldsmith of the British parliamentary telephone committee, who called attention in a parliamentary debate on this subject to the fact that nine farmer applicants in Cornwall were still waiting for their telephones after a lapse of three years from the filing of their applications.

When it is considered that the applicant for service in Great Britain must pay full rental for a year in advance, the state of mind of these Cornish farmers may be better imagined than described.

It is generally conceded that the British post office is the most efficient in the world. It should be, therefore, especially competent to work out the experiment of public ownership. The obligation to do this rests peculiarly upon the British Government for the reason that the courts of that country have decided that "A telephone is a telegraph under the telegraph acts of 1863 and 1869, although the telephone was not in existence or contemplation when those acts were passed.

The telephone system of the United Kingdom shows a deficit for the last year reported (1914–15) of $540,657, while the deficit in telegraph operations for the seven years preceding 1914 amounts to $30,659,444. Similar conditions as to losses in operation are to be found generally in the reports of government-ownership countries.

EUROPEAN PERCENTAGES OF DEVELOPMENT.

The rarity of rural telephones in Great Britain and continental Europe is worthy of more than passing notice. In order to make even the discouraging financial showing which is characteristic of publicly owned utilities abroad, it is necessary to develop the service in urban districts. This is indicated by the facts as to percentages of telephone development.

The city of Paris alone has 32 per cent of all the telephones in France; Vienna has 37 per cent of all the telephones in Austria; and Brussels has 37 per cent of all the telephones in Belgium. Rural development has been strangled for the sake of immediate revenue, which is in itself insufficient to develop the districts served on modern lines, so that there is complaint all along the line.

Germany prides itself on taking care of its farmers, but after a 10-year struggle for revision of telephone rates, in which the Government admitted frequently that small communities were unjustly discriminated against, all efforts proved futile and the old rates stand. Consequently the farm telephone is practically unknown in Germany, and no mention of this class of service is to be found in the official reports of that country.

Official statistics show that in the United States the rural telephone rate averages from one-third to one-half the urban rate. In foreign countries the rural rate is generally nearly as high as the urban rate. The inevitable tendency of this condition is to retard rural telephone development by making rural costs approximately city costs.

GOVERNMENT-OWNERSHIP RESTRICTIONS.

In addition to this, government-ownership countries usually impose burdensome line and service charges, still further hampering rural development. This is aptly illustrated by the following quotation from the report of the government-ownership committee of the Farmers' National Congress:

"Government restrictions on rural telephone service: Foreign telephone rate schedules, as generally quoted, do not indicate what the subscriber in rural districts actually has to pay for his telephone service. In addition to the scheduled rates there are extra charges based upon the length of the subscriber's line. In France, for example, the Government furnishes free of charge only that portion of a rural telephone line which is located within 1¼ miles of the exchange.

The contribution toward the cost of construction is at the rate of $3.86 per 110 yards of line (metallic circuit). The annual contribution toward maintenance costs is at the rate of 39 cents per 110 yards of line (metallic circuit). The scheduled rates for local (exchange) service in rural districts consist of an annual subscription, or "ready to serve," charge which allows no outward calls and a charge of 2 cents for each outward call. The annual subscription ("ready to serve") charge varies as follows:

First year	$19.30
Second year	15.44
Third year	11.58
Fourth and subsequent years	7.72

When the additional line charges are taken into consideration, it is therefore evident that in order to secure telephone service the French farmer who lives 3 miles from a telephone exchange must pay as follows:

First year, $138.30, plus 2 cents per outward local call.
Second year, $26.36, plus 2 cents per outward local call.
Third year, $22.50, plus 2 cents per outward local call.
Fourth and subsequent years, $18.64, plus 2 cents per outward local call.

The rate of 2 cents per outward call by itself would appear to make the cost of rural telephone service in France prohibitive. An average of three outward calls per working day, or, say, 900 outward calls per year, entails a charge as great as the average cost of complete telephone service in the United States. Moreover, the contributions toward the cost of construction and the annual maintenance costs of subscribers' lines can not be divided among adjacent rural subscribers.

The independent form of farmers' cooperative or joint stock telephone associations, which is common in the United States, is unknown under Government ownership in Europe and is probably impossible under existing forms of governmental administration in European countries.

EXPERIENCE OF SWISS FARMERS.

In 1910 the Swiss Government made a detailed inquiry into the telephone rates of that country. While this inquiry was in progress the farmers of Switzerland thought it an opportune time to register a vigorous protest against the high line charges which the Government imposed upon them—for in Switzerland, as in France, a rural subscriber must pay extra for that portion of his line which is beyond 1¼ miles from the exchange.

Acting at what appeared to be the psychological moment, the Swiss Farmers' Association earnestly requested the Government to abolish these extra line charges. In the report on the results of its rate inquiry the Government dismissed the request of the farmers' association in the following language:

"The abolition of the extra charges for the portions of subscribers' lines beyond the free radius (1¼ miles from the exchange), as required by the Swiss Farmers' Association, is made impracticable by important considerations. For one thing, such a measure is quite inopportune at the present time, when the question is to add to the revenues of the telephone administration by increasing certain of the rates.

"To show the importance of the request it may be mentioned that in the year 1909 the revenue from line charges amounted to about 445,000 francs ($89,000). If these line charges are abolished the consequent loss in revenue must be offset by a further increase in the annual subscription charges of about 15 francs ($3). * * * Such a large general rate increase in the interests of a relatively small number of subscribers can not be approved. * * * One can not ask the administration to construct especially costly lines in the interest of a few subscribers unless correspondingly more revenue is received from them." (Supplementary report of the Federal council to the committee of the national council on the "Proposition to increase telephone rates," Mar. 21, 1911.)

It is not surprising, therefore, that the rural-telephone development in Switzerland is so small that it is not deemed worthy of special classification in official reports of that country.

FRANCE'S RURAL TELEPHONES.

The logical effect of burdensome regulations of this nature is aptly illustrated by a brief study of the rural telephones in France.

Like Switzerland, Germany, and other European countries, rural telephones are not specifically noted in the French reports. One may search them in vain for any clue to what is being done by the Government of France to carry the science of communication to the farmer's door.

This is not to suggest that the French Government is neglectful of the farmer, for it is not. The French farmer was borrowing money on 70 years' time at 3 and 4 per cent interest before half the American States were admitted to the Federal Union. Agriculture has been one of the greatest concerns of the French Government. One has but to reflect how her peasants paid the German war indemnity after the war of 1870 by the creation of the beet-sugar industry to understand that the Government of France is not neglectful of the farmer.

But in France, as in other European countries, the telephone, like the telegraph, is of necessity a Government monopoly, in order to have all means of rapid communication under control of the Government for military purposes. When Napoleon the Great developed the optical telegraph, he set in motion a train of militaristic influence which will never cease on the Continent until world peace is assured by the new brotherhood of man.

The writer was so fortunate as to secure access to a telephone directory of France of the year 1914, listing in one volume, about the size of the Chicago telephone directory, every telephone subscriber in the French Republic outside the exchange area of Paris. This made possible a concentrated study of rural-telephone development.

RURAL DEVELOPMENT COMPARISONS.

For this purpose the Department of Aisne, in northern France, was selected, having a population of nearly 520,000. This department was prior to the war the best-developed agricultural district of the Republic. Any statistical results attained from this study will, therefore, be exceedingly favorable to the French rural telephone system as a whole.

Every telephone subscriber in this district was counted and carefully tabulated, segregating those engaged in agricultural pursuits. This district was then compared with the strictly rural county of Custer, in central Nebraska, which has approximately the same geographical area. The results of this comparison are shown in the following table:

Comparison of telephone in rural districts in United States and France.

	Department of Aisne.	Custer County, Nebr.
Area in square miles	2,860	2,588
Population	518,991	25,688
Total telephones	4,212	4,077
Number of telephones per 100 population	0.81	15.88
Number farmers' telephones	452	2,527

Without taking into consideration the difference in population, Custer County has almost six times as many farmers' telephones as the Department of Aisne. In proportion to population, Custer County, Nebr., has nearly twenty times the number of telephones in the Department of Aisne.

The foregoing examples illustrate the way in which rural telephone development is strangled in Europe. They might be extended in the experience of practically every European country. To the student who desires to base opinion on ascertained facts these examples are a revelation of the limitations which inhere in the bureaucratic methods of Old World civilization.

Mr. MOON. Mr. Chairman, there are some important tables in the report of the committee, and I ask unanimous consent that the report (No. 849) of the committee, which is very brief, be printed in the RECORD, and also a letter from the Postmaster General in reference to this bill.

The CHAIRMAN. Without objection, the request is granted. There was no objection.

The committee report is as follows:

The Committee on the Post Office and Post Roads, in presenting the bill making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, submits the following:

The appropriations for the fiscal year ending June 30, 1919, were $361,477,577. The estimates of the Post Office Department for the fiscal year ending June 30, 1920, including all revisions of estimates, amount to $368,782,577. The committee recommends appropriations to the amount of $359,657,577.

The appropriation for aeroplane mail service has been transferred from the item "Steamboat and other power-boat service" to that of "Inland transportation by railroad routes," and by a proviso to the latter item the Postmaster General is authorized to expend not exceeding $2,185,000 for the purchase of aeroplanes and the maintenance of aeroplane service, an increase of $1,885,000 over the amount of $300,000 originally estimated by the department for this service.

In the item for "Village delivery service," office of the Fourth Assistant Postmaster General, the committee recommends an appropriation of $1,250,000, an increase of $530,000 over the estimate of the department.

This appropriation also covers the new provision in the bill for delivery service to communities adjacent to cities having city-delivery service.

In the item "Experimental motor-truck service," office of the Fourth Assistant, the act of June 2, 1918, making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1919, authorized an expenditure of not exceeding $300,000 out of any unexpended appropriations for the Postal Service, for the maintenance of motor-truck service. The committee recommends an appropriation of $1,000,000 for this service, an increase of $700,000 over the estimate of the Post Office Department.

The appropriations in this bill are, of course, fixed on the basis of existing law and not on the amount of increases allowed in the last bill in addition to the regular appropriations. If the provisions of sections 2 and 3 of this bill are adopted by the House, then the appropriations herein provided must be increased. To meet the requirements of these sections would add, in some instances, 15 per cent and in other instances 20 per cent of the salaries to the total appropriations. There is an increase, as shown in the bill, in the salaries of fourth-class postmasters and a 50 per cent increase in the appropriation to cover the cost of clerical service in post offices of the third class.

The salary increases herein provided for are made permanent law, and the days set aside by the President to be observed as holidays by the other departments of the Government are also made holidays within the meaning and intent of the postal laws, and postal employees performing service on such holidays will be granted either compensatory time or pay for overtime.

There is a very clear necessity for a reclassification and readjustment of the salaries of all postal employees on a just basis, and in order that the necessary information may be obtained and a proper basis recommended, the third section of this bill provides for a commission for that purpose, consisting of five Members of each House of Congress.

The report of the Postmaster General sets forth the use of the money heretofore appropriated and the revenues to be expected and expended during the coming fiscal year. It shows that for the fiscal year ending June 30, 1918, the revenues of the Post Office Department exceeded the expenditures to the amount of $19,626,774.08 after deducting all losses.

The following tables set forth by items the appropriations for 1919, the estimates of the Post Office Department for 1920, and the committee recommendations for 1920 in the office of the Postmaster General and the four assistants, and also the total of all appropriations for the Postal Service for 1919, the estimates of the Post Office Department for 1920, and the recommendations of the committee for 1920:

Post Office appropriation bill, 1920.

	Appropriated, 1919.	Estimate for 1920.	Committee recommendation, 1920.
POSTMASTER GENERAL.			
Gas, light and power, equipment shops	$4,500	$4,500	$4,500
Post-office inspectors:			
Salaries	968,100	783,700	783,700
Per diem	350,000	350,000	350,000
Clerks, division headquarters	154,100	134,000	134,000
Traveling expenses	43,850	43,850	43,850
Livery hire	45,000	45,000	45,000
Miscellaneous expenses	7,500	7,500	7,500
Payment of rewards	25,000	25,000	25,000
Special Assistant Attorney General	6,000	6,000	6,000
Travel expenses, Postmaster General	1,000	1,000	1,000
Total	1,605,050	1,400,550	1,400,550
FIRST ASSISTANT POSTMASTER GENERAL.			
Compensation to postmasters	35,000,000	35,000,000	35,000,000
Compensation to assistant postmasters	4,075,000	3,680,000	3,680,000
Clerks and employees, first and second class post offices	62,750,000	55,000,000	55,000,000
Compensation to printers, mechanics, etc	71,070	61,800	61,800
Compensation to watchmen, messengers, etc	1,989,500	1,912,500	1,912,500
Clerks in charge contract stations	1,180,000	1,200,000	1,200,000
Temporary and auxiliary clerk hire	3,428,572	6,500,000	[6] 6,500,000
Separating mails	730,000	750,000	750,000
Unusual conditions	150,000	200,000	200,000
Allowances to third-class offices	2,400,000	[1] 3,300,000	3,300,000
Rent, light, and fuel, first, second, and third class post offices	6,500,000	7,300,000	7,300,000
Miscellaneous items, first and second class post offices	400,000	700,000	700,000
Letter carriers	49,100,000	41,000,000	41,000,000
Substitutes for letter carriers	4,685,715	4,685,715	4,685,715
Letter carriers, new offices	94,000	75,000	75,000
Vehicle allowance	6,700,000	9,750,000	9,750,000
Mail messenger service	2,700,000	3,500,000	3,500,000
Car fare and bicycle allowance	625,000	700,000	700,000
Street car collection	9,000	9,000	9,000
Detroit River postal service	7,250	7,250	7,250
Car fare, special delivery service	13,000	14,000	14,000
Fees to special delivery messengers	3,200,000	4,200,000	4,200,000
Travel expenses, First Assistant Postmaster General	1,000	1,000	1,000
Total	185,809,107	179,543,265	179,546,265

[1] Revised estimate; original estimate, $3,000,000.

Post Office appropriation bill, 1920—Continued.

	Appropriated, 1919.	Estimate for 1920.	Committee recommendation, 1920.
SECOND ASSISTANT POSTMASTER GENERAL.			
Inland transportation:			
Star routes, Alaska	$430,000	$255,000	$255,000
Steamboats	1,185,000	[1] 1,185,000	1,185,000
Railroads	60,645,000	61,500,000	61,500,000
Freight or expressage, postal supplies	95,000	120,000	120,000
Railway Mail Service	32,500,000	28,385,590	28,385,590
Traveling expenses, railway mail clerks	1,613,959	1,613,959	1,613,959
Actual necessary expenses, division superintendent	48,000	55,297	55,297
Rent, light, etc., Railway Mail Service	732,156	832,156	832,156
Per diem, assistant superintendents	2,420	3,100	3,100
Electric and cable car service	555,000	545,000	545,000
Transportation of foreign mails	5,800,000	4,700,000	4,700,000
Censorship of foreign mails	1,020,000		
Balances due foreign countries	681,700	681,700	681,700
Travel expenses, Second Assistant Postmaster General	1,000	1,000	1,000
Total	105,909,235	99,877,712	99,877,712
THIRD ASSISTANT POSTMASTER GENERAL.			
Manufacture adhesive postage stamps, etc	1,100,000	[2] 1,380,000	1,380,000
Manufacture stamped envelopes, etc	3,000,000	3,000,000	3,000,000
Agent and assistants to distribute stamped envelopes	18,400	18,400	18,400
Manufacture postal cards	580,000	[3] 500,000	500,000
Ship, steamboat, and way letters	150	150	150
Limited indemnity:			
Domestic mails	670,000	[4] 1,600,000	1,600,000
International mails	10,000	10,000	10,000
Travel expenses:			
Third Assistant Postmaster General	1,000	1,000	1,000
Postal Saving System	500	500	500
Total	5,380,050	6,510,050	6,510,050
FOURTH ASSISTANT POSTMASTER GENERAL.			
Stationery for the Postal Service	725,000	886,000	886,000
Postmarking, rating, and other stamps	275,000	375,000	375,000
Twine and tying devices	370,000	420,000	420,000
Miscellaneous equipment	400,000	480,000	480,000
Expenses, shipment of supplies	193,900	194,000	194,000
Miscellaneous expenses, post-route maps, etc	20,000	[5]	
Canceling machines	405,000	337,000	337,000
Mail bags, etc	1,000,000	2,435,000	2,435,000
Labor, mail-bag shop	285,000	[6]	
Star route transportation	8,675,000	9,500,000	9,500,000
Pay of rural letter carriers	65,800,000	[7] 65,800,000	55,445,000
Village delivery service	720,000	720,000	1,250,000
Experimental motor-truck service	[8]	300,000	1,000,000
Travel expenses, Fourth Assistant Postmaster General	1,000	1,000	1,000
Total	78,869,900	81,448,000	72,323,000
RECAPITULATION.			
Postmaster General	1,605,050	1,400,550	1,400,550
First Assistant Postmaster General	185,809,107	179,543,265	179,546,265
Second Assistant Postmaster General	105,909,235	99,877,712	99,877,712
Third Assistant Postmaster General	5,380,050	6,510,050	6,510,050
Fourth Assistant Postmaster General	78,869,900	81,448,000	72,323,000
Total	361,477,577	368,782,577	359,657,577

[1] Revised estimate; original estimate, $1,485,000.
[2] Revised estimate; original estimate, $1,450,000.
[3] Revised estimate, original estimate, $580,000.
[4] Revised estimate; original estimate, $2,100,000.
[5] Estimated under "Miscellaneous equipment."
[6] Estimated under "Mail bags."
[7] Revised estimate; original estimate, $55,445,000.
[8] Not exceeding $300,000 authorized to be paid out of any unexpended appropriations for the Postal Service.

The letter referred to is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 12, 1918.

Hon. JOHN A. MOON,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR JUDGE MOON: I have just read a copy of the bill (H. R. 13308) making appropriations for the service of the Post Office Department, and for other purposes, for the fiscal year ending June 30, 1920, and wish to state that the bill in the form as reported by your committee has my general approval. In some instances I feel that the salaries provided are not sufficient, and in other cases are possibly too high; but inasmuch as section 3 provides for a commission to investigate the salaries of postmasters and employees with a view to their reclassification and readjustment on an equitable basis, this matter can be taken care of by the commission. In addition I wish to express to you my appreciation of the prompt action of the committee in reporting the bill and the consideration which has been given the recommendations of the department in framing it.

Very sincerely,

A. S. BURLESON,
Postmaster General.

Mr. MOON. I yield 45 minutes to the gentleman from Texas [Mr. BLACK]. [Applause.]

Mr. BLACK. Mr. Chairman, I have listened with a great deal of interest to the able speech of our honored chairman of

the Committee on the Post Office and Post Roads, Mr. MOON, of Tennessee. I think it will be generally conceded that he made a very strong argument in support of the contention that the Federal Government would have the power, so far as any constitutional objections are concerned, to purchase the telegraph and telephone companies and to operate them as a public utility.

He made a very able presentation of that phase of the question, and I doubt if any Member of the House, certainly not many of us, would take issue with him upon that proposition. But I noticed that he did not devote much of the time of his speech to a discussion of the feasibility and the practicability and the propriety of the Government going into the telegraph and telephone business. His lack of argument on that all-important phase of the subject was conspicuously absent. If I understood the argument of the gentleman from Tennessee correctly, and I think I did, because I listened to it with close attention and much interest, he espoused the cause of the Government ownership of the telegraph and telephone lines and he opposed the Government ownership of the railroad companies. In other words, the able gentleman has adopted the idea of catching us "goin' and comin'"; of arguing that the world is flat and also admitting at the same time that it may be round. Of course, if he chooses to adapt his logic to those kinds of processes I have no objection. Now, the able gentleman undertakes to argue that the telegraph facilities and the telephone facilities are necessarily a part of the Postal Service. I take issue against him on that view.

I can not see any reason why the telephone business, for example, should be classed as a postal facility. I can not see that the telephone business has any more connection with the Post Office Department than the motor truck is necessarily a part of railroad transportation or that the aeroplane is indispensably connected with steamship service. Telephone communication is an entirely different matter to communication by letter through the Postal Service, and to my mind it is an absurd contention that the two are inseparably connected with each other. And I doubt if there is very much more similarity as to the telegraph business, though I will admit that there would be greater reason for arguing the latter proposition than there would be the former, so far as abstract logic is concerned.

Now, in the discussion of this question, gentlemen, I want to pause long enough to say that I have no sympathy with the argument that is frequently made by certain gentlemen who have never builded anything themselves and who have nothing to their credit in the way of constructive achievement that the American business man is an inefficient business man. [Applause.] I submit, gentlemen, that if it had not been for the aid of the wonderful organization of American business and the magnificent accumulation of capital which American citizens have been accumulating for 140 years, the enormous sums of money necessary to carry forward our part of the war to victory could not have been raised. Indeed, we have not only been able to finance our own very heavy expenses, but we have been able to finance our allies—England, France, Belgium, Italy, and Russia—to the extent of about $8,000,000,000, and without which they would have been unable to go on with their part of the titanic struggle. So when the historian comes to write the history of the great war he will not overlook the part which American business and American finance contributed, along with America's other splendid efforts, to its success. When these gentlemen who advocate the Government ownership of railroad, telegraph, and telephone lines point out to you the great progress the Postal Service has made—and I am glad to concede everything to which it is entitled—we can also point to the fact that America has admittedly the greatest railroad system in the world, incomparably the greatest, which has been built up by private initiative right alongside of the Postal Service under Government ownership. Indeed, when we pause to make a comparison of the two, we are compelled to admit that much of the success and efficiency of the Postal Service has been due to its use of the transportation facilities furnished by the railroads under private ownership. Those of us who pride ourselves on our excellent Postal Service, and we all do that, can also pride ourselves on the fact that the United States has the greatest telegraph and telephone system in all the world, and it has been built up under private ownership right along by the side of the Postal Service.

Why, gentlemen, we are continually being cited to some European country for the purposes of comparison to similar enterprises here. Ask gentlemen who have visited those countries, who have experienced the services of their public utilities, ask them which is the most efficient and satisfactory service. I have never heard anyone yet who has had the actual experience of using these European utilities but that admitted our American service is the best. "The proof of the pudding is the eating thereof." Members of the House will recall that at the last session of Congress there was a bill introduced to acquire the telephone system in the District of Columbia, and the Committee on the District of Columbia submitted a report in which they purported to make certain comparisons of telegraph rates in Europe with telegraph rates in the United States. The following table was submitted:

	Distance in miles.			
	150	250	700	3,000
Europe, average	$0.12	$0.12	$0.12	$0.24
United States	.25	.30	.50	1.00

That comparison, on its face, would seem to make a good showing for European government ownership of telegraph lines, but it does not tell the whole story. It is my information that in Europe every word in the address, name, date, signature, and so forth, is charged for, as well as every word in the body of the message. I also understand that the name, address, date, and signature contain an average of 14 words in addition to the 10 words, more or less, of the body of the message. In the United States these 14 words go free. In Europe they are charged for. I submit the following table, which takes into consideration that fact:

Average charge for a domestic or intrastate telegram containing 10 text words.

France	$0.24
Norway	.32
Sweden	.32
New Zealand	.24
Great Britain	.30
Germany	.28
Italy	.25
Denmark	.32
Austria	.29
United States	.25 to .30

The above rate at 25 cents or 30 cents for telegrams in the United States is between two points in the same State, the distance being about the same as between two points in any of these foreign countries. When we come to telegrams in the United States for longer distances the only comparison with European rates is a comparison with telegrams in Europe between different countries, on account of the long distances traveled by the average long-distanced telegram in the United States. For instance, the United States has 3,026,789 square miles and Great Britain only 121,400 square miles, or 4 per cent of that of the United States. Here is an instance of a comparison of these long-distance telegraph messages. For example, from Paris to Vienna is about 650 miles, and the cost of a 10-word message plus the address and signature, charged for, is 96 cents, as against only 40 cents, address and signature free, for a similar distance in the United States. From Stockholm to Paris, 1,000 miles, the rate for a 10-word message, the address and signature charged for, is $1.20. From New York to Chicago, about the same distance, the rate for a 10-word message, address and signature free, is 50 cents. There are many other advantages of the telegraph system in the United States which I might mention. Our telegraph companies here in this country send messengers to collect telegrams, keep open accounts for their customers, keep offices in hotels, apartment houses, and in many other ways offer competitive accommodations to their customers. It is my information that in European countries where the Government owns the telegraph lines they do nothing of the kind. I submit these figures and comparisons upon the basis of a statement issued by Mr. Edward Reynolds, vice president and general manager of the Postal Telegraph Cable Co., on April 16, 1918. I have never heard their accuracy challenged by anyone and I assume that they are correct.

Mr. SNYDER. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. SNYDER. Has the gentleman any table to show the comparative time it takes to send a message in those comparative areas in the different countries? For instance, the one from Paris to Vienna, and the comparison with the same distance in this country?

Mr. BLACK. I am sorry that I can not give the information to the gentleman, though it has always been my understanding that the telegraph and telephone service in the United States is much more prompt and expeditious.

Mr. SNYDER. I wanted to know if you had had any experience abroad in sending a message. I wish to say that it will take at least five times as long to get a message through

there the same distance as it does here, and that is also true of the telephone. There is absolutely no practical comparison in any system between any country in which I have tried to send a message with this country here. We are always ahead of them in every direction.

Mr. BLACK. I take pride in the belief that the American business man is the leading business man in the world, that the American farmer is the best farmer in the world, that the American laborer is the most reliable and independent in the world, as I believe the American Republic is the best Government in the world. [Applause.]

Now, what I have said, gentlemen, is somewhat preliminary to the speech that I had intended to make.

GOVERNMENT OWNERSHIP OF RAILROAD, TELEGRAPH, AND TELEPHONE LINES.

Mr. Chairman, there is a recommendation in the Postmaster General's report which urges Government ownership of telegraph and telephone lines, and Chairman MOON, of the Committee on the Post Office and Post Roads, introduced a bill yesterday in line with the Postmaster General's recommendation. This is not a new recommendation, but is one which has been made several times before by our present Postmaster General. It is only given new and added interest at this time by reason of the fact that the control of telegraph and telephone lines has been taken over by the Government under a belief of war necessity, and these lines are now being operated under such Government control.

In the limited time which I have at my disposal it would be impossible for me to venture upon a comprehensive discussion of the question of the Government ownership of railroads or the telegraph and telephone lines. I do want to say, however, that I have seen nothing in the Government operation of either the railroads or the telegraph and telephone lines which would cause me in the least to modify my opposition to the Government ownership of either. On the contrary, I am more firmly convinced than ever that the policy would be unwise and the most dangerous sort of a governmental venture.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Yes.

Mr. SLOAN. Does the gentleman give in his admirable address there the date when the cables were taken over, and also the date when the telegraph and telephone lines were taken over?

Mr. BLACK. I will be glad to do that.

Mr. SNYDER. Mr. Chairman, will the gentleman yield for another question?

Mr. BLACK. Certainly.

Mr. SNYDER. In making my remark a moment ago, I had reference to the handling of the business by telegraph and telephone companies previous to the war.

Mr. BLACK. Yes. I think we all admit that the American telegraph and telephone service is more efficient and more expeditious than that of any European country. I think that is conceded by those who have had the actual opportunity to use both of them and compare their services. As I was stating when diverted by the questions, I believe this policy of Government ownership of railroads, telegraphs, and so forth, would be dangerous from a business and economical standpoint as well as to the genius of our political institutions. Unified operation of the railroads, it is true, under Government ownership will bring a saving in so far as that one particular feature of the matter is concerned, and perhaps it would do so as to telephone and telegraph lines. Theoretically, at least, the same public services can be performed in that way at less cost. There has never been any serious dispute about some economies being possible under unified control and management. Many of the most able railroad men of the country have fully realized the potency of that fact and have sought to put their ideas into execution, but they were restrained by the Sherman antitrust law and other legislative restrictions and were unable to effect this unification with its consequent economy and better service.

But under long-continued Government management, whatever is gained through unified operation in the first place will presently be lost because Government management in itself is unquestionably more expensive than private management. The roads will suffer that gradual hardening of the arteries which is inseparable from Government work; pay rolls will increase—they have increased enormously already as to railroads; initiative will decrease; red tape will grow under continued Government management; the gains incident to unified management and control will disappear. In fact, they have already made their exit, and the operating expenses of the railroads are now immeasurably greater than they were under private management, and have much more than wiped out any gains which have been made by reason of unified operation.

Therefore, I say that I have seen no magic in Government operation and control of railroads and telegraph and telephone companies which would cause me to reverse my lifetime views on that subject. And I do not favor the extension of the Government operation of them any longer than the present law provides. If the time of Government operation of the railroads, for example, is extended to a period of five years, as has been suggested by Director General McAdoo in his letter to Chairman SIMMS of the House Committee on Interstate and Foreign Commerce, then, judging the future by the past, at the end of that five years the railroads would be burdened with such an enormous increase in annual fixed charges that it would be utterly impossible to return to private ownership, because the public would never permit the railroad companies under private ownership to collect the high freight and passenger rates which it would be absolutely necessary to collect in order to meet these enormous additional fixed charges.

A five-year régime of Government control and operation will mean inevitable Government ownership, not because of any demonstration of greater economy or efficiency, but because of a burden of additional fixed charges and multiplied red tape and financial hardening of the arteries that will make return to private ownership impossible. Mr. G. H. Sines, chairman of the board of railroad wages and working conditions of the United States Railroad Administration, said in a recent speech before the labor reconstruction conference, Academy of Political Science, New York City, that, due to the general order of the Director General of Railroads issued May 25, this year, that the wages of railroad employees were first increased $300,000,000 per annum and that since then, in a period of less than six months, five subsequent general supplemental orders have been issued, which brings this increase up to $250,000,000 more annually, and that there are 650,000 employees who will be included in other orders which will be issued in the near future. He does not state how many millions of dollars more this order which is now pending will add to the $550,000,000 per annum which has already been fixed.

I want to pause just at this point and state briefly my views with reference to the enormous sums which have been paid out under orders of the Director General to railway employees as back pay. In settlement of wage advances which were made retroactive in their operation, I was astounded at some of the figures which I had read in the papers on this subject, and so, for purposes of verification, I requested the Director General to furnish me with accurate data as to this particular matter, and I will ask the clerk to read in my time a letter which I have received from Hon. Charles A. Prouty, director of the Division of Public Service and Accounting of the United States Railroad Administration, which gives the information, in part, which I sought:

DECEMBER 9, 1918.

Hon. EUGENE BLACK,
House of Representatives, Washington, D. C.

DEAR SIR: Yours of November 29, 1918, addressed to the Director General, has been referred to me.

The amount of back wages by class I railroads—that is, railroads with an annual income of $1,000,000 or more, most of whom are under Federal control—for the first five months of the calendar year was $230,731,277.

Some other amounts have been paid and will be paid by reason of the retroactive effect of wages, but I can not give you any accurate figures in addition to the above.

Very truly, yours, C. A. PROUTY, *Director.*

I do not question the action of the Director General for the wage increases which were given to the railway employees in so far as they would apply from the time the awards were made. These increases were undoubtedly liberal and generous, and there may be some question if they were not too much in some cases of the higher salaried employees; but be that as it may, I do question the justice to the American tax-paying public of the Director General's order making these wage increases retroactive in their effect and paying the enormous sum of $230,731,277 in the form of back pay. I think the people may well demand some explanation of that unprecedented action. [Applause.] Suppose when we passed the Post Office appropriation bill in the month of June, at the last session of Congress, in which we gave salary increases to postal employees which were to date from July 1, 1918, that we had proposed to make these increases retroactive and go back and pay such increases from January 1, 1918. What would have been the verdict of the public as to such procedure? And yet that kind of legislation on the part of Congress would have only cost the public a few million dollars, whereas Mr. McAdoo's retroactive wage increases cost $230,731,277 in the first five months of the year, which the American public will have to pay, because certainly no one will dispute that ultimately Jones pays the freight.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield there for a question?

Mr. BLACK. Yes.

Mr. SMITH of Michigan. Two or three days ago I noticed in the Washington Evening Star—and I presume the gentleman noticed it—the statement that should the Government continue the control of railroads five years longer the pay of the railroad employees would not be diminished. I would like to know whether the gentleman has any explanation of the purpose, or knows the purpose, in making such a statement in the paper. It purports to come from the Director General's office. I can produce the paper.

Mr. BLACK. I will say to the gentleman that if I correctly interpreted the statement of Mr. G. H. Sines, chairman of the board of railroad wages and working conditions, the public need not expect any readjustment of these wage increases, notwithstanding there may be a substantial decline in the values of most everything else.

Mr. SMITH of Michigan. Could the gentleman explain the purpose of that statement?

Mr. BLACK. Of course, I would not attempt to interpret the statement of the purpose of another gentleman. I can only give his statement as it was made, and Members can have their own opinion as to the wisdom or unwisdom of it.

Mr. SMITH of Michigan. They might be decreased or they might be increased.

Mr. BLACK. I presume that the gentleman means that in the period that is immediately ahead of us, that there might arise good reasons for further increases or, on the contrary, a decline in values and falling off of business might make some decreases imperative. I agree with you.

Mr. SLOAN. To meet that large expenditure for back wages, and so on, was that met by increased freight collections, or was it also met in part by money which this Government loaned through its War Finance Corporation to the railroads?

Mr. BLACK. I presume it was met by the freight increases that were added since the Government took control. I can imagine that the feeling of some of the employees when they got their checks for back pay, some of them amounting to considerable sums, was somewhat akin to the feeling of one Ezekiel Corntassel, a North Carolina mountaineer, who celebrated an Easter Monday by going for the first time in his life to a horse race. It was a new experience to him, and his companions easily persuaded him to stake in the third race a dollar on a sixty-to-one shot. Contrary to all expectation on the part of the bookmakers, Zeke's horse won, and when the bookmaker handed over to him $61, he said, "Do you mean to tell me that I get all this money for one dollar?" "That's what you do," said the bookmaker. Zeke's eyes looked like Sinbad's in the valley of diamonds, and he muttered to himself, "By gosh, I wonder how long this thing has been goin' on, and just to think I never knowed it before."

No doubt many of the railroad employees when they received their checks for their part of this $230,731,277 back pay, wondered why the idea of Government operation and control had not been thought of long ago. Men usually do not forget their own interests. Human nature is very much the same the world over among all of us, and in view of this very generous and liberal treatment which the employees have received under Government operation and control, it is perfectly natural that they should advocate Government ownership.

The general public, however, who have been called upon to pay 25 per cent increase in freight rates and 50 per cent increase in passenger rates will probably not be so enthusiastic over the proposition, and will no doubt be somewhat more critical in their attitude and will ask to be "shown."

Now, I will not attempt to go exhaustively into the reasons why I do not advocate this Government-ownership idea—why I favor the principles of individual initiative under proper Government supervision and regulation rather than an experiment in State socialism—but this one other thing I want to say, and that is: Government ownership of great business enterprises like the railroad and telegraph and telephone companies would have an unfair advantage over the private business of the country in this way: When periods of reduced business activity come and things are dull, private business must adjust itself to the changed conditions, effect business economies, reduce overhead expenses, and thus meet the exigencies of the situation and cope with it until the time of depression is passed. It must do these things or else go into bankruptcy.

But not so with the Government. When times are dull and business reduced, it does not, as a usual thing, reduce expenses and effect economies. It meets the situation by making taxation rates higher, which, in the event we had Government ownership of railroads, would be reflected either in higher freight and passenger rates or else the deficit would be made up by general taxation.

Do you suppose that 2,000,000 men on the Government pay roll under Government ownership of railroad, telegraph, and telephone lines, closely organized and operating under our system of political control, would ever consent to any reduction in wages, regardless of how imperative the need might be? There is, however, one class which is never organized, except spasmodically and temporarily, to influence government in its behalf. This is the taxpayers. It is the largest class of all; but a small body of voters, having a single common interest which it has organized itself to promote, often exert more influence on government than a large class whose members do not clearly recognize their common interest and organize especially to promote it. Therefore the class which under Government ownership is least likely to be protected is the taxpayers. In the legislative consideration of this great question we certainly should not leave them out of the equation.

It is not for the railroad, telegraph, or telephone companies that I speak, because under Government ownership they would not suffer. The Constitution guarantees them against taking their property for public use without just compensation, and everybody will admit that the Government generally pays enough for what it gets. No; it is not for them that I speak. Those that I want to speak for, when this great question comes up for settlement, is the body of unorganized taxpayers, the general public, who, while they rarely ask for any special consideration, have a right to expect their Representatives in Congress to see to it that their interests are not overlooked and that they receive a square deal. [Applause.]

I confidently believe the American Congress will be equal to the task, that the rights of the public will be protected, and that Government ownership will not be fastened upon the country under the guise of war necessity.

Now, I recognize that before the railroads are turned back to their owners that it will probably be wise to enact some additional legislation for their regulation and control. Personally I think that Federal incorporation of all interstate railroads will probably be found to be a wise policy to adopt, with provisions that the capital stock of any such incorporation shall not exceed the actual cash paid in or value of the property after deducting the amount of its bonded indebtedness. I advocate the broadening and extension of the powers of the Interstate Commerce Commission, so that the securities issued by interstate railroads thus incorporated under Federal charter would be under strict Government supervision and control. This idea would carry into effect a bill introduced in the Sixty-third Congress by my colleague, Mr. RAYBURN, of Texas; also that proper pooling agreements between different systems be allowed, subject to approval of the Interstate Commerce Commission. I think that it would also probably be wise to create a commission, with power to decide questions of wages, hours of labor, and conditions of employment as they may arise between the railroad companies and their employees, and that the membership of this commission should be composed of an equal number of those representing owners and stockholders of the railroads, the employees, and the general public.

These brief suggestions I make at this time as matters worthy of consideration from the standpoint of legislative treatment of the subject, so far as the railroads are concerned. I do not know that any immediate legislation is necessary at all so far as the telegraph and telephone companies are concerned before they are turned back to their owners. To say the least of it, that is a subject which Congress can take up in the regular and orderly way, and I know of nothing which would seem to demand any precipitate haste.

Mr. Chairman, how much time have I used?

The CHAIRMAN. The gentleman has used 31 minutes.

Mr. BLACK. Now, Mr. Chairman, that is all I have to say with reference to the question of Government ownership of railroads and telegraph and telephone lines.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Yes.

Mr. HASTINGS. My memory does not retain the statement of the length of time for which the back pay was given.

Mr. BLACK. The $230,731,277 was for the first five months of the year.

Mr. HASTINGS. I wanted to make that inquiry in order to be sure.

Mr. BANKHEAD. In that connection, if the gentleman will pardon me, was there not some understanding that there was a controversy as to the amount these railroad employees should be paid, and was not that submitted to some board of arbitration or conciliation to determine the just amount, and was there not an agreement at that time that the award should go back to the time when the question arose?

Mr. BLACK. There was no board of arbitration or conciliation, but when Director General McAdoo took charge he appointed a railroad wage commission, composed, I believe, of

Hon. Franklin K. Lane, Charles C. McChord, J. Harry Covington, and William R. Willcox, and after receiving their report Mr. McAdoo issued his General Order No. 27, putting the salary increases into effect. The point that I desire to stress is that in governmental enterprises salary increases should be dated from the date that the award is made, unless there is an unusual reason for it to be otherwise. Take the instance I gave as to the increase of salaries to postal employees. The Committee on the Post Office and Post Roads, of course, spent a considerable time in investigating the merits of their claims, and we determined that they were entitled to some increases, and we passed a bill giving them such increases, not so generous perhaps as were awarded to the railroad employees, and yet we did not undertake to make them retroactive. We dated it from July 1, 1918. I think that the claim of postal employees for retroactive wage increases would have rested on as good ground as that of railroad employees.

Mr. BANKHEAD. But the gentleman would easily understand that there would be more justification under the circumstances of an agreement than if it were merely an arbitrary action?

Mr. BLACK. Yes. If indeed there was any such agreement of that kind, although I do not defend the agreement, if there was, because I do not think it was a just matter to the American public to give this $230,731,277 of back pay, unless there was a much better reason for it than any which I have thus far seen advanced.

POST OFFICE APPROPRIATION BILL FOR 1920.

Mr. Chairman, the Post Office appropriation bill which we now have under consideration is for the fiscal year of 1920, which begins July 1, 1919, and ends June 30, 1920. The bill which we passed at the recent session of Congress was for the fiscal year 1919, and the latest report of the Postmaster General, which was released only a few days ago and which is now available for reference and study, is for the fiscal year 1918, which ended June 30, 1918. That report will furnish profitable information to any Member who will take the time to read it.

To my way of thinking there are some very good reasons why the receipts and disbursements of the Post Office Department for the fiscal year 1918, as disclosed by the report of the Postmaster General, should be carefully studied in comparison with the probable receipts for the fiscal year 1920, and the appropriations for expenditures carried in this bill for such fiscal year of 1920.

A recital of facts and figures of this kind is, of course, dry and uninteresting from some points of view, and yet information of such nature is necessary in determining the wisdom or unwisdom of certain legislative provisions carried in this bill and certain legislative proposals now pending in the Senate in what is known as the war revenue bill. I think I will be able to conclusively demonstrate that if the permanent salary increases to postal employees which are carried in section 2 of the bill which we now have under consideration are adopted and the increases in postage on first and second class mail matter which were provided in the war revenue bill of 1917 are repealed, then such action will inevitably and to a mathematical certainty create a large deficit annually in the Post Office Department. If this fact be true, and I think I will be able to establish that it is, then the question squarely presents itself: Do we want the Post Office Department operated upon a self-sustaining basis, or do we want it conducted at a heavy annual loss?

I am not one of those who believe that the Post Office Department should be operated as a source of profit to the Federal Government or as a money-making institution, but I do believe that it should be made to pay its own way, and that it is the duty of Congress to lend every encouragement to the Postmaster General to enable him to accomplish that result. I would not any more advocate that the Postal Service be operated at a loss than I would advocate that the railroad companies, the express companies, the telegraph and telephone companies be operated at a loss.

I hold that it is fundamental that any unnecessary taxation is unjust taxation, and that if the railroad companies or the express companies or the telegraph or the telephone companies were operated at rates and charges while under Government control which would cause a large deficit to pile up that any tax on the general public to make up such a deficit would be an unjust tax, because it would be in its very nature an unnecessary tax—unnecessary because the rates should be made adequate to meet the fixed charges.

Director General McAdoo has recognized and has taken into consideration the soundness of this view and early in the period of Government control issued a general order increasing freight rates approximately 25 per cent and passenger rates approximately 50 per cent. These increased freight and passenger rates were made necessary by increased operating expenses, which I have already discussed.

I am not passing upon the correctness of all these increased operating expenses, but what I do affirm with entire confidence is this: When these increased operating expenses were added the way to provide to meet them was by increased freight and passenger rates rather than general taxation. For in that way Jones pays the freight, rather than Jones and Smith by taxation, when maybe Smith does not have any freight to haul and stays at home and does not ride the passenger trains or the Pullman cars.

Another advantage of that method is this: When you increase these operating costs, such as increases in wages and other overhead charges, and thereby increase the rates which the public has to pay, that same public will sooner or later begin to inquire as to the reasonableness and justness of such increases and will ask to be shown why they were made. This fact will serve as a check on wasteful and extravagant expenditures, whereas, if such increases while under Government control should be allowed to pile up as a deficit and be met by general taxation, levied to meet thousands of other expenditures of the various and sundry departments of the Government, this wholesome check will not be had, and the usual invitation to extravagant and wasteful expenditures will obtain.

Therefore, I am emphatically in favor of the Post Office Department being operated upon a self-sustaining basis, both now and hereafter, and I think that the present Postmaster General deserves the thanks and commendation of the American people for having operated the Post Office Department upon something more than a self-sustaining basis during each and every year since he has been in office except one, that being the fiscal year 1915, when the European war broke out and which fiscal year began July 1, 1914.

The audited postal surplus of the Post Office Department since Postmaster General Burleson has been in office, for the several different years, is as follows:

1914	$4,376,463.05
1916	5,829,236.07
1917	9,836,211.90
1918	19,626,774.08
	39,668,685.10
1915 (deficit)	11,333,308.97
Total net surplus to June 30, 1918	28,335,376.13

Without any desire to be partisan or to criticize the policy and administration of any other Postmaster General who has served our Nation in the past, I challenge the showing of a better record than this of Mr. Burleson in the history of the Postal Service. Of course I very well understand that he has been the target of some criticism, some of it bitter, and much of it, as I think, unjust and without cause, but despite all criticism and fault-finding the fact remains that he and his able assistants and the thousands of loyal and efficient postmasters and postal employees who have served under him have moved steadily forward and are to-day operating the Postal Service more efficiently than at any time in the history of the Government, especially when the difficulties and unusual conditions of the war period are taken into consideration.

I said awhile ago that if the salary increases provided in section 2 of this bill are adopted, and the increased postage on first and second class mail heretofore provided in the war-revenue bill is repealed, then an analysis of the estimated receipts of the Post Office Department for the fiscal year 1920, taken in connection with the appropriations carried in this bill, will be bound to point out to us a large deficit in the postal revenues for the fiscal year 1920. And I think that is a subject well worthy of our thought and consideration.

Having made that statement, I will now undertake to demonstrate it: The total postal receipts for the fiscal year 1918, which ended June 30 last, were $388,975,962.24, and of this amount $44,500,000 was increased postage collected under the terms of the war-revenue bill from November 2, 1917, to June 30, 1918, and has been paid into the Treasury of the United States by the Postmaster General in the manner prescribed by the act of Congress which directed its collection.

This leaves $344,475,962.24 as general postal revenues collected under the normal postal rates for the fiscal year 1918, and, as I have stated, shows a surplus of $19,626,774.08, after deducting all expenditures, but it must be remembered that the recent salary increases of postal employees did not go into effect until July 1, 1918, and therefore are not reflected in the figures for the fiscal year 1918.

That these increases will have a considerable reflection in the fiscal years 1919 and 1920 there need be no doubt, and it is that feature of the matter that I now want to discuss in some detail.

The total receipts of the Post Office Department for the fiscal year 1918, figures of which I have already given, exclusive of the war-revenue portion, was an increase of 4.47 per cent over the receipts of 1917, and if this same percentage of increase continues for the fiscal years 1919 and 1920, then the receipts will be approximately $375,000,000 for the fiscal year 1920.

Under no stretch of reasonable imagination or intelligent forecast, based on the law of general averages which has governed in the past, can we reasonably expect that the postal revenues for the fiscal year 1920, assuming that the 3-cent letter postage and zone rates on second-class matter are repealed, will be greater than $375,000,000.

I want to call special attention to that, gentlemen, because in the consideration of this bill we must face the facts as they are. I repeat that under no stretch of reasonable imagination or intelligent forecast, based on the law of general averages which has governed in the past, can we reasonably expect that the postal revenues for the fiscal year 1920, assuming that the 3-cent letter postage and zone rates on second-class matter are repealed, there will be greater than $375,000,000.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Let me finish the statement, and then I will yield.

Now, the appropriations carried in the bill which we now have under consideration total $359,657,577, and if we adopt section 2 of the bill, which provides these permanent salary increases to postal employees, then at least $40,000,000 more will have to be added to the total of the bill, either here or in the Senate, which will swell the total of the appropriations carried in it to more than $400,000,000.

Mr. MOON. Mr. Chairman, will the gentleman permit an interruption there?

Mr. BLACK. Yes.

Mr. MOON. The estimate of the Post Office Department for the increase of salaries under section 2 and the carriers under section 1 totals $34,000,000.

Mr. BLACK. I called up Mr. Koons, if the gentleman will permit, the First Assistant Postmaster General, and he states that his first estimate was based on the idea of the suspension of automatic promotions. But inasmuch as the bill provides for the automatic promotions, it will take more than $40,000,000.

Mr. MOON. I think you can take that letter for it.

Mr. BLACK. I submit to the gentleman from Tennessee that the figure of $40,000,000 additional amount to be added to the appropriations already carried in the bill is correct, and that he will find it so.

Mr. GREEN of Iowa. Can the gentleman state what the loss will be by reason of the repeal of the zone rates?

Mr. BLACK. Those rates are of ascending costs. It is so framed that in the fourth year it would reach its peak of revenue, and would yield at that time between $30,000,000 and $40,000,000, I believe, depending, of course, upon the amount of second-class mail matter then carried in the mails.

I hope that gentlemen will not think that I am indulging in speculative matters of imagination or fine-spun fancies of theory. I am giving you statements of fact, which you can verify yourselves, if you will take the trouble to do so. First Assistant Postmaster General Koons has stated to me authoritatively that the adoption of section 2 of the bill will add something more than $40,000,000 to the expenses of the Post Office Department for the fiscal year 1920.

I suppose no one who is posted on the effect of the section, and has figured it out for himself, will dispute the accuracy of Mr. Koons's statement. Therefore, assuming that the average increases in postal receipts which have obtained during the war period continue for the fiscal year 1920, then the total receipts for that year will be, as I have stated, $375,000,000, or $25,000,000 less than the expenditures which we are now proposing to authorize and direct in this bill.

WAR INFLATION CAN NOT BE KEPT UP—WAR CONDITIONS WILL PASS.

But can we expect the average increase in postal receipts to continue after the war? I think not. We all very well understand that the country has been passing through a period of war inflation and unexampled prosperity in many lines, and this prosperity has been reflected in the postal receipts for the last four years, and while I do not want to be understood as making any gloomy predictions for the future, still I think it would be very unwise for us to base our calculations on the assumption that this war inflation will continue now that the war has ended. If it should continue, then one thing is very certain; it will inevitably wreck the finances of the country and bring industrial anarchy and chaos to our people. No nation, it matters not how rich it may be, can go on continually piling up a huge bonded indebtedness and an unending inflation of its paper currency. There must inevitably come a day of liquidation and no amount of foolish argument or specious pleas can avoid it. Those of Bolsheviki tendencies can pass all the resolutions they please, and make fervid and lurid speeches, but no amount of such trash and bombast can ever bring prosperity to any country or solve its problems of reconstruction and readjustment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLACK. Can the gentleman yield me 10 minutes more?

Mr. MOON. I yield to the gentleman 10 minutes.

Mr. BLACK. I read in a paper not long ago where one of these fervid Bolsheviki orators was making a speech and said: "Work after the war. Nonsense; there ought to be no work after war. Do they call that making the world safe for democracy?" It takes the great wheels of industry in the mine and factory, on the farm, and in the marts of trade, going round and round, to bring happiness and peace and prosperity to the people, and these wheels of industry must be adjusted to conditions as they are and not what a lot of dreamers and theorists would interpret them to be.

So, gentlemen, the country had just as well prepare itself for an era of some decline in prices, not too radical, I hope, and gradual in its processes, but which is bound to come, and which will be reflected in the selling prices of manufactured articles, farm products, transportation, and wages of labor. The more uniform and just in proportion this decline can be effected the less will be the disturbance to the social and industrial fabric of the Nation.

The real task of statesmanship, of those in public authority, of those in positions of business and financial responsibility, of those high in the councils of labor, is to see that the decline does fall in just and uniform proportion, and that no one interest, or class, or group is protected against this inevitable decline and shrinkage of values at the expense of the other.

Already certain interests and groups are issuing defies that they will not stand for any readjustment; that they will resist to the bitter end any curtailment of their particular interests. "Reduce the compensation of others," they say. "Let the farmer's product decline; let everything else meet the test of changing conditions; but, as for us, keep your hands off. We are going to hold what we have got."

Suppose that all business and agricultural and industrial enterprises assume the attitude that they will stand for no readjustment in prices under changed conditions. Suppose the manufacturer says that he must get the same price for his product which he has been receiving during the period of war inflation, and that if he does not, then he will close up his factory and quit. Suppose the farmer insists that he must continue to sell his corn and his cotton and his wheat and his hogs and his cattle at prices which have prevailed during the war, when millions of men have been under arms and out of the avenues of production, or else he will cease to produce and will allow the grass, the bramble, and the thorn to grow where once waved the broad acres of corn and wheat and blossomed the snowy fields of cotton. Suppose the laborer in the mine and factory and at the forge and furnace refuses to go on with his work unless some of the unusual rates of pay which have prevailed during the war are continued. What will be the result? The answer is very simple. Industrial anarchy and chaos will be inevitable. Bolshevism, if you please, will stalk abroad to point its bony fingers at a once happy and prosperous people.

But I do not take the pessimistic view that such a condition will prevail. Our people understand too well the value of cooperation with one another for a condition like that to be allowed to obtain to any very large extent. The radicals, whether in the business world or in industry or agriculture or labor or wherever they may be, will not be permitted to prevail in their radical, destructive ideas; but, on the contrary, the American spirit of justice and fair play will dominate. It is bound to dominate. It has dominated this Government for 140 years and has made our great Republic what it is to-day, and I am not afraid that we will desert our cherished principles and traditions. One very eminent American public man said in a speech not very long ago that the test of the civilization of any people is their ability to cooperate, and I think that statement is undoubtedly true, and I hope that the spirit of the American people will be able to meet this test in dealing with the complex problems which are immediately ahead of us in the months that are to come. I have confidence to believe that they will adequately meet the test, not without some blunders and mistakes—no; because human intelligence and human motives are not free from error. But all in all, by and large, we will come through these difficulties safe and sane, as we have often emerged before. [Applause.]

In the period that is ahead of us capital must realize that it must be content with smaller dividends and be willing to make a liberal and just division with labor. Labor, on its part, must

realize that the great factories, engines, forges, and furnaces are useless and but a pile of steel, mortar, and stone without capital and the power of a directing genius to operate them. All sides must realize that the spirit of justice and fair play is far more fruitful in its ultimate results than a spirit of prejudice and hate.

POST OFFICE APPROPRIATION BILL AGAIN.

But I will return from this digression. What I was talking about at the time of the digression was the prospective deficit of at least $25,000,000 in the Post Office Department for the fiscal year 1920. And now, having given the figures as to that matter, I will naturally be asked the question as to what will be my attitude as to how to meet the deficit. I do want to emphasize my emphatic advocacy of the policy that the Post Office Department should be self-sustaining in its operations, and be allowed to protect against the creation of a deficit, and that is the purpose of this part of my remarks. I have pointed out this impending deficit with the view that we should have these facts in mind when the proposition is made to repeal the zone postal law and the 3-cent letter postage. We must retain one or the other of these and maybe both. I further call your attention to the fact that these permanent salary increases which we are about to pass are of ascending costs on account of the automatic promotion law, and in 1921 will cost at least $50,000,000 more than present law and in 1922 at least $55,000,000 more than at present. In 1922 the increases will reach their peak of cost.

So it looks to me like the zone postal rates on second-class matter have come to stay, unless we are to adopt the policy of operating the Post Office Department at a large annual deficit and making up this deficit by general taxation. Surely we will not resort to so unwise a policy as that, and I certainly want to register my protest against any such idea as that. [Applause.]

Mr. MOON. Mr. Chairman, I ask unanimous consent to put in the RECORD a statement from Gen. Koons, First Assistant Postmaster General, showing additional expenditures on account of salaries for 1919 over 1918.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The statement is as follows:

POST OFFICE DEPARTMENT,
FIRST ASSISTANT POSTMASTER GENERAL,
Washington, December 11, 1918.

Hon. JOHN A. MOON,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR JUDGE MOON: In accordance with your telephonic request, I am handing you herewith a memorandum showing the additional amounts which were required to cover salaries in the Postal Service for 1919 over 1918.

Sincerely, yours,
J. C. KOONS,
First Assistant Postmaster General.

WASHINGTON, *December 9, 1918.*

Additional expenditures on account of salary for 1919 over 1918.

Clerks, first and second class offices	$8,530,110
Assistant postmasters, first and second class offices	510,700
Watchmen, messengers, and laborers	234,360
Printers, mechanics, and skilled laborers	7,980
City letter carriers	6,907,800
Pay of substitute employees at 40 cents an hour instead of 35 cents:	
Substitute clerks	428,700
Substitute carriers	585,700
Motor-vehicle service: Superintendents, mechanics, chauffeurs, garage men	182,000
Railway Mail Service: Salaries	4,706,887
Rural Mail Service:	
Increase in salary, per annum rate	10,130,332
Additional mileage provision	2,423,472
Salaries of post-office inspectors, inspectors in charge, and employees at division headquarters	90,750
	34,738,791

Mr. STEENERSON. Mr. Chairman, I ask leave to extend and revise my remarks.

The CHAIRMAN. Without objection, the request of the gentleman from Minnesota will be granted.

There was no objection.

Mr. STEENERSON. I now yield 10 minutes to the gentleman from Massachusetts [Mr. DALLINGER].

Mr. DALLINGER. Mr. Chairman, upon another occasion I had something to say about the wretched Postal Service, particularly between the people in this country and the boys at the front. But I want to take advantage of this general debate this afternoon to say just a word in regard to the inefficient service being rendered by the Bureau of War Risk Insurance. The subject has been dealt with by a number of other Members, but I desire to present some further facts that may be of interest to the membership of the House.

In common with every Member of this House, I have been deluged with complaints from parents and wives at home stating that they have not got their allotments and allowances. While at the beginning, when the Bureau of War Risk Insurance was being organized, there were excusable delays, many of us had hoped that at the end of a year or more these annoying delays and instances of neglect would be remedied. Congress quickly responded to every request for appropriations of money amply sufficient to make this service efficient in every respect. But still complaints came in in increasing numbers. Just before the election, when I went home at the time of the recess of Congress, I had not been home 24 hours when I was called upon by two different women, who said they had not received a single cent of their allotments for nine months, and I have since had a great many similar cases. In most cases there does not seem to be any excuse whatever for the delay and neglect.

One of the most outrageous cases that came to my attention was that of a sailor boy who had been 18 months upon a vessel in the North Sea and was given 30 days' leave of absence in this country independent of and in addition to the time taken in coming and going. He had made an allotment to his wife 12 months before, and for 12 months the money had been taken out of his pay. When he reached Cambridge and went to see his family he found that they had not received one single cent and were obliged to depend for their support on the generosity of friends and neighbors. There are hundreds and thousands—yes, tens of thousands—of cases where these boys have gone over to fight the battles of their country thinking that the folks at home are being taken care of by a generous Government. And they are not being taken care of. And what are the soldier boys going to do when they come home and find that their families have been thus neglected? In my opinion they are going to hold the officials responsible for this inexcusable inefficiency to a strict account for what their dear ones have needlessly suffered.

Worse than that, after we Members of Congress take these cases up, and after months of delay the thing is straightened out and the families begin to receive the money, after a month or two it frequently happens that the same thing happens again.

Now, there is one other matter, Mr. Chairman, which I wish to call to the attention of the committee in connection with this matter. With the money that we have appropriated for the use of the Bureau of War Risk Insurance for the carrying out of this necessary work there have been put upon the pay roll hundreds of men as inspectors and field investigators, and they have been making secret reports to Washington, and on the basis of those reports allowances are being taken away from dependent families. While I have no objection to the legitimate work of these investigators in unearthing fraud, I have three cases that I want particularly to bring to your attention to show what is actually being done under the guise of protecting the Government.

There are two women in the city of Cambridge, one of whom has five boys in the service and one of whom has four. In time of peace, before this war commenced, each one of the boys in both these families brought all his wages home to his mother, and they were able to get along comfortably. In each of these cases the mother has been notified that all the Government allowances have been taken away, and that she must refund to the Government a sum of money equal to all allowances received by her. Why? These women are sisters, and it seems that they each own the equity in the house occupied by the family. I presume that these inspectors found from the records of the assessors of the city of Cambridge that there was a house assessed to each of these women. As a matter of fact the houses are heavily mortgaged, and yet on the strength of the assessment, on the ground that these mothers were not absolutely dependent upon the wages of these boys, the allowance has been taken away in both cases.

Mr. GREEN of Iowa. I do not understand what difference that can make under the law—the fact that the woman has a house. Can the gentleman explain?

Mr. DALLINGER. I simply know that the reason given by the Bureau of War Risk Insurance is that the mothers were not entirely dependent upon the boys and therefore not entitled to the allowance.

Mr. REYBURN. Will the gentleman yield?

Mr. DALLINGER. No; I have not the time.

Mr. REYBURN. The inspector has to do whatever the law requires in the case.

Mr. DALLINGER. Now, here is another case: An old man, unable to work, sick a good deal of the time, has a daughter who is also an invalid, who keeps house for him. He has three boys in the service, who before the war paid their wages to the father each week. The fourth boy, his only remaining dependence, was drafted just before the war ceased. One of the boys married just before he went into the Army, and the second one married after he got to France. That left one boy in the serv-

ice who made an allotment to the father. Now, they found that the old gentleman had a house and land, which was assessed for the large sum of $1,200. On the strength of that the Bureau of War Risk Insurance took away his allowance. I say, Mr. Chairman, that such an interpretation of the law on the part of the War Risk Insurance Bureau was never contemplated by Congress. Of course, where a family had plenty of money and were not in any way dependent upon the wages of the soldier it is all right and appropriate that the Government should not add an allowance to the allotment; but where in cases of this kind, with a heavily mortgaged home or real property bringing in no income and where the boys in time of peace contributed all their wages to the support of the aged parents, I say it is outrageous to take away the allowance that Congress provided.

In my opinion there is no excuse whatever in most of these cases for the delays in the allotment and allowances. I find, however, that the same delay exists in regard to soldiers' pay. I found boys last spring in the Walter Reed Hospital that had not received any pay for months. The other day it came to the attention of the Committee on Education, in hearings on the rehabilitation act, that in all the big cities boys in uniform were begging on the streets because they had received no pay. I have case after case in my district where not only the boy has had no pay since he has been in the Army, but the family has received no allotment or allowance. Thousands of these families have to be supported by charity because of the inexcusable inefficiency and incompetency of this kind of administration of the executive branch of the Government, which is a disgrace to the Government of the United States. [Applause.]

Mr. MOON. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. TAGUE].

Mr. TAGUE. Mr. Chairman, like my colleague who has just taken his seat, I have had some unpleasant experiences with the War Risk and Allotments Bureaus of the War Department. I could repeat many cases similar to those just stated to the House. There seems to be no reason why these conditions should exist. I can readily see how a delay of a month, or perhaps for two months, might happen; but when the delays runs on for 12 months, 14 months, 15 months, and these boys are without their salaries, families without allotments, with all the men in uniform around these streets, there must be something wrong to cause such a condition.

But that, too, applies, Mr. Chairman, to the department for which we are now considering appropriations. In all my experience I have never had so many people come to me with complaints of the condition of the mail service. I can readily see, too, that there may be a reason that the deplorable condition of the service is, in some measure, because of the lack of help. I can readily see that this department may have been affected as much, if not more, than any other department of the Government, but certainly the Government has been liberal in appropriating money in order that it may do this work, and I am proud to say this year it has seen fit to give some of this money to those who are trying their utmost to build up the Postal Service of this country. It is going into the homes of the men and the women who are working in the various branches of the department. It is going to help them to receive a substantial remuneration for the service rendered, and I trust that after that money has been appropriated others will be appropriated that will not only benefit them in a financial way, but will improve their working conditions; give them a workshop fit to work in, in a building owned by the Government, and not one that would not be permitted in any city or town or by any private corporation. That condition does prevail in this country in the Post Office Department. The sanitary conditions that these men are obliged to work under are deplorable and should be discontinued at once.

Now, Mr. Chairman, I would not have taken my place to-day but for the fact that I have read in the report of the Postmaster General something that to me and others is a remarkable inconsistency. With other Members on the floor for the past four years, I have advocated the retention of a branch of the service that we believed, and I still believe, was of advantage to the people of this country. I refer to the pneumatic-tube service, which has the indorsement of all the commercial organizations of the country and the opposition of but one man—Burleson. Congress passed an act maintaining this service year after year, but the item failed to stay in the appropriation bill last session. We who advocated it were held up to ridicule and scorn because we were advocating something which we knew was benefiting the great commercial business of this country, but which, for reasons not yet properly explained, could not secure a fair word from the Postmaster General. The Postmaster General in his report to-day shows his inconsistency, shows how he has been inconsistent, for, after stating the reasons for the abolition of the pneumatic-mail service, in the very next column he advocates the building beneath the congested district of the city of New York a tunnel or tube for carrying the mails. The appropriation for pneumatic-mail service was less than $1,000,000 each year, yet here in this report, for the building of a tunnel, as he says, from the Pennsylvania Station to the New York Central Station, a distance of a mile, he wants an appropriation of $1,500,000. When I read that report, Mr. Chairman, I asked men engaged in the contracting business, who have built subways and have built different underground systems of that city, if the figures were anywhere near what they should be. They ridiculed the figures. I want to call to the attention of the committee what the conditions as I know them are in that section of the city of New York. To build a tunnel from the Pennsylvania Station to the New York Central Station they will be obliged to go down 100 feet under the ground to get under the tunnels now in existence. Under Times Square there are three separate tunnels, one under the other, and the lower tunnel is more than 100 feet under the ground. Almost every inch of that ground from the Pennsylvania Station to the New York Central Station on Forty-second Street is through solid rock.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

By unanimous consent, Mr. TAGUE was granted leave to extend his remarks in the RECORD.

Mr. MOON. Mr. Chairman, I do not believe that it is necessary to reply to the remarks of my friend from Massachusetts [Mr. TAGUE], because the amount of money already realized from the abolition of the pneumatic-tube system is very great. In reference to the tunnel in New York which is proposed, it will be remembered by the House that under the law the leases for the tube should not be continued except upon the recommendation of the postal committee appointed under the act of Congress, which provided for inspection and recommendation as to continuance or rejection. The committee reported against all of the tubes except a portion of the city of New York that was so much congested, and they thought some system of that sort ought to remain there. The Congress, however, abolished the whole system. In pursuance of the law, in pursuance of justice to the city of New York and the congested conditions that exist in that particular part of the city, there has been a recommendation made for the construction, not of these inadequate tubes but of a tunnel that would be sufficient to carry all of the mail and be a source of profit itself to the Government. But that issue is all past, and it is not necessary for me to discuss it. There is nothing of that kind in the bill.

I yield five minutes to the gentleman from New York [Mr. DONOVAN].

Mr. DONOVAN. Mr. Chairman and gentlemen of the committee, I most heartily concur with the remarks of the gentlemen from Massachusetts [Mr. DALLINGER and Mr. TAGUE] pertaining to the subjects of the soldiers' allotments and the Post Office Pneumatic Tube Service.

In my opinion the delay in the payment of the allotments is inexcusable, and my experience is the same as that of which the gentlemen complain. I am aware that the great volume of business which is constantly handled by the War Risk Insurance Bureau is one of great magnitude and complexity, but since the signing of the armistice I see no reason why a speeding up of investigation and report, as well as payments long overdue, should not be made. A newly inaugurated policy of the bureau of demanding from widowed mothers and other dependent and indigent members of the soldiers' families who have received allotments inconsistent with some technical rule of the bureau is a most inequitable, unjust, and inhuman proceeding.

Recently I have had the distressing experience of interviews with widowed mothers, one of whom had three sons in the service, from whom had been demanded the return of allotment payment. There can be no question of the embarrassment of such an existing condition, and Congress should by all means remedy this unfortunate situation.

I can not forego this opportunity when the Post Office appropriation bill is under consideration to fail to join with the gentleman from Massachusetts [Mr. TAGUE] in the indorsing of the proposal of the Postmaster General for a subservice system in the metropolitan city of New York, part of which I have the honor to represent. The Postmaster General advocates the construction of an underground tunnel from the Pennsylvania Station to the Grand Central Station. It is proposed that it be used for the distributing of the mails from the Southern and Western States to the Eastern and Northern ones. The proposed tunnel will in no way serve the city of New York in the distribution of its own mail. I am informed that the appropriation of a million and a half has been suggested for its construction. In my opinion it is uneconomic and impracticable.

Uneconomic for the reason that there are now 26 miles of pneumatic tubes connecting the Pennsylvania, Grand Central, and the Harlem district, which I represent, and its eastern and western stations with the City Hall station, which can be leased as formerly by the Government for a very reasonable price for the service performed. Since July last, when this service was abolished and the vehicular service was installed, the delivery delay has been increased to a remarkable degree. Under the tube system there was dispatched about every 10 minutes carriers which required about 18 minutes in passage for the mail to be carried from Harlem to the down-town stations. By the present auto delivery a period of two and a half hours is consumed in traveling the same area, and the time more frequently consumed is about three and a quarter hours.

It will readily be seen that the present delay in the delivery of the mails is regrettable and annoying. Telegrams from the New York Chamber of Commerce and the Merchants' Association of New York, calling attention to the abolishing of the pneumatic-tube service and expressing the hope that it will be reinstated is a substantial and intelligent expression of the desire of the business interests of the city of New York for the reoperating of the system. However, as the learned chairman of the committee [Mr. MOON] says, the present operation of the pneumatic-tube service is a closed question.

In conclusion I wish to state that I entertain no prejudice against the Postmaster General. My mind is open and not foreclosed as to his qualifications or his intentions. We must, in all fairness at least, say: That he now admits the existence of the serious traffic street congestion and the necessity for resorting to an underground mail transportation service. Such service, however, can not, in the opinion of experts, be constructed in the city of New York for the sum of a million and a half dollars by reason of the present subway railroad system. It would necessitate the sinking of the proposed tunnel to approximately 100 feet, almost an impossible engineering problem, and would be necessary to tunnel through bedrock.

I therefore submit for the consideration of the House the necessity of the underground service, which the Postmaster General now declares is essential. [Applause.]

Mr. MOON. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. MCKEOWN] 10 minutes. [Applause.]

Mr. MCKEOWN. Mr. Chairman and gentlemen of the committee, I have come this afternoon, in the midst of general debate on this great appropriation bill, to take a few minutes of your time to pay a tribute to the valor of some of Oklahoma's soldiers on the western front. [Applause.] I want to say to this House that I hope that the time will never come when it will be too busy and when the business of this House is too important to spare a few moments to pay some tribute to the heroes who have fought that we might still be here and have the right to speak. [Applause.] This war has demonstrated one thing beyond peradventure, and that is that the geographic location of the men has nothing to do with their fighting qualities. This war has demonstrated that the men from the East, the West, the North, and South have displayed great courage on the battle field side by side, and I shall take a few minutes of your time to talk about the soldiers from Oklahoma. They fought side by side with the soldiers from every State in the Union. I call your attention to the splendid record of the Thirty-sixth and Ninetieth Divisions, and I present some information that has come from across the sea. The Thirty-sixth Division, known as the Panther Division, was in action for 16 days. The record shows that the division met the crack division, known as the Kaiser's Favorites; we are told that in the first three hours of action their casualties amounted to 2,000 men. They went out upon the open, expecting the enemy to meet them in hand-to-hand fighting, but they were disappointed, because the enemy withdrew their men from the battle field east of Rheims and they had to face the machine-gun fire which caused so many casualties and losses. The Ninetieth Division, consisting of many soldiers from Oklahoma, fought for 74 days on the western front, and we are told that at 9.40 o'clock on the 11th day of November the Ninetieth was in action and under fire, and the One hundred and eightieth Brigade of that division, led by Lieut. Col. Teall, son-in-law of our distinguished and able Representative from New York [Mr. SNYDER], at that time was under fire and in the lead. [Applause.] Gentlemen, we can never say too much of the bravery of those men. They have absolutely won for themselves great glory and renown on the battle field. I say to you that they have crowned their fathers and mothers with great glory that they brought such men into the world. [Applause.]

Mr. Chairman, I want to ask the Clerk to read in my time the order of commendation that was written by Maj. Gen. Allen, commending the Ninetieth Division, a true copy of which was sent by Col. Teall.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

HEADQUARTERS NINETIETH DIVISION,
AMERICAN EXPEDITIONARY FORCES,
France, November 14, 1918.

General Orders, No. 144.

1. Prior to beginning operations in this, the Meuse-Argonne, sector the commanding general published to the division on October 15, 1918, his estimate of it, reserving final decision as to where it should be classed until later. He no longer has any doubts or reluctance in claiming for the Ninetieth Division fighting qualities second to none. Every regiment has gained its objective in every operation in which it has participated, and the division has exceeded its allotment in the execution of every task assigned it.

2. Beginning October 31, the work of the division, including the taking of the strong position Freya Stelling, from Andevanne through Villers-devant-Dun to the Meuse River, against the determined resistance of two enemy shock divisions, Twenty-eighth and Twenty-seventh, has been simply superb. The crossing of the Meuse and the taking of the line Stenay-Baalon, including both towns, has been a continuation of the previous successful work of this division.

3. This division received two official commendations for its work in the St. Mihiel salient near the Moselle River, and to-day it has received the third of a series of three commendations, in which the Third Corps commander expresses his high appreciation of the gallant conduct, which he desires to make of permanent record. I make no mention of the general commendations given by the commander of the First Army and the commander in chief of the American Expeditionary Forces, in which this division was included.

4. The division commander has no adequate words to express his great satisfaction and delight with the fine military spirit of the division and his pride in its fighting value after 74 days (less an interval of 7 days) in the fighting lines. The Engineer, the sanitary troops, the Signal Battalion, and the trains have emulated the fighting impulses of the combatant troops. In spite of the severe losses and the terrific demands that these successes have exacted, the indomitable spirit and keenness to fight continue to characterize the division.

5. Every member of this gallant force has a right to be proud of the services he has rendered in the great cause of human liberty. Our country may count with assurance upon the execution with success of whatever duty it may intrust to the Ninetieth Division.

HENRY T. ALLEN, *Major General.*

A true copy.

E. H. HEALL, *Lieutenant Colonel,*
Adjutant, One hundred and eightieth Infantry Brigade.

Mr. MCKEOWN. Mr. Chairman and gentlemen, when the casualty lists have all come in I know no more fitting tribute that this House could pay to the memory of those who gave up their all than to hold a memorial service out of respect to the soldiers of this country who died in France. Before I conclude I want to pay a word of tribute to the Indian soldiers of my country. The report shows that the One hundred and forty-second lost heavily in the fight. It was the hardest hit. "The Indians of the One hundred and forty-second started in easy, without much show of enthusiasm, but when they saw the blood they got excited and turned into savages again and turned on the Huns with such havoc that there was no withstanding them." This record, gentlemen, was made by many men who gave their lives for their country, and I hope the time will come when this House will hold a memorial service in their memory. Gentlemen, I thank you. [Applause.]

Mr. MOON. Mr. Chairman, I will ask the gentleman from Minnesota if he desires to proceed further?

Mr. STEENERSON. Mr. Chairman, I have reserved half an hour for the distinguished gentleman from New York [Mr. LAGUARDIA] to discuss the aeroplane service, but he had to go back to New York, and he requested that I should try to get him in on Monday. So, if the chairman of the committee could see in the kindness of his heart the way clear to move to rise now, I would promise that I would yield to Mr. LAGUARDIA Monday.

Mr. MOON. The gentleman has no further speeches, then?

Mr. STEENERSON. From no gentleman that is here.

Mr. MOON. Mr. Chairman, I request that the clerk read the bill.

The CHAIRMAN. The gentleman from Tennessee [Mr. MOON] did not hear the gentleman from Minnesota.

Mr. STEENERSON. I requested that the gentleman from Tennessee move to rise.

Mr. MOON. I will say this about Mr. LAGUARDIA: If you want to give him time when we get to that section of the bill, we can be liberal with the time and let him speak. We ought to close general debate on this bill now and begin its reading before adjournment.

Mr. STEENERSON. Will the gentleman agree with me to request 30 minutes for Mr. LAGUARDIA?

Mr. MOON. I, of course, do not object to Mr. LAGUARDIA speaking for 30 minutes at any time.

Mr. STEENERSON. Very well. There is no one else who desires time.

Mr. MOON. It will be under the paragraph of the bill. Of course, the House will have to give consent, but I shall make no objection.

Mr. STEENERSON. I have no further time.

The CHAIRMAN. If no one desires to speak, the Clerk will read the bill for amendment.

Mr. MILLER of Minnesota. Mr. Chairman, I understood from my colleague [Mr. STEENERSON] that Mr. LAGUARDIA desired 30 minutes to address the committee on the subject of aeroplanes. I personally consider that one of the most important addresses that this committee has ever listened to or ever will, and I think he made a very suitable request of the gentleman in charge of the bill to rise.

Mr. MOON. "The gentleman in charge of the bill" agreed that the gentleman from New York might have the 30 minutes when we came to the aeroplane proposition.

Mr. MILLER of Minnesota. Well, there will not be anybody here now. I do not like to make the point of no quorum.

Mr. MOON. There is nobody here now.

Mr. MILLER of Minnesota. I know it. The gentleman can move to rise right now and permit Mr. LAGUARDIA to have the time when we meet on Monday.

Mr. STAFFORD. Will the gentleman from Tennessee yield for a suggestion?

Mr. MOON. Yes.

Mr. STAFFORD. Will it be agreeable to the chairman of the committee that the gentleman from New York [Mr. LAGUARDIA] may have 30 minutes immediately after the reading of the Journal on Tuesday?

Mr. MOON. I do not care when the gentleman takes the 30 minutes. I wanted to start the reading of the bill by paragraphs. If he wants the 30 minutes at that time or any time during the discussion, I will have no objection.

Mr. STAFFORD. I will prefer that request when we get into the House.

Mr. MILLER of Minnesota. Why does the gentleman select Tuesday?

Mr. STAFFORD. Because this coming Monday is Unanimous-Consent and Suspension Day.

Mr. MILLER of Minnesota. Under the circumstances it seems that that might be a happy solution, but 30 minutes is not enough.

Mr. STAFFORD. That is all the time he requested.

Mr. STEENERSON. How much time have we left, Mr. Chairman?

The CHAIRMAN. The gentleman from Minnesota has 30 minutes remaining and the gentleman from Tennessee 37 minutes remaining.

Mr. MILLER of Minnesota. Could not the gentleman from Tennessee add 10 minutes to the amount of time that my colleague has?

Mr. MOON. I will see to it when it comes up. I am generally pretty liberal about those things.

Mr. MILLER of Minnesota. It is nothing but information in which, I think, every Member is interested.

Mr. MOON. I understand what he wants to talk about. I have talked with him about it, and I am sure it will be an interesting speech. We have no disposition to shut him off now, but the general debate ought to be closed now. He can address the committee under the five-minute rule.

Mr. MILLER of Minnesota. As I understand, the gentleman would make no objection to unanimous consent when we rise that Mr. LAGUARDIA have 45 minutes next Tuesday after the Journal is read to address the House on the subject of aeroplanes in the war?

Mr. MOON. No. That would go 10 minutes beyond the time he is entitled to if we had the speech now.

Mr. MILLER of Minnesota. That is entirely satisfactory. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OFFICE OF THE POSTMASTER GENERAL.

For gas, electric power and light, and the repair of machinery, United States Post Office Department equipment shops building, $4,500.

Mr. MOON. Mr. Chairman, in order that there may be no misunderstanding about the time that the gentleman from New York [Mr. LAGUARDIA] uses, I understand the motion of the gentleman is to get that time on Tuesday. It is possible that unanimous consent may be exhausted or that the House might agree that we proceed with this bill on Monday. If the gentleman desires to proceed on Monday or Tuesday he could do so.

Mr. STAFFORD. I prefer the unanimous-consent request on behalf of the gentleman from New York, that immediately after the reading of the Journal on Tuesday he be allowed 45 minutes.

Mr. STEENERSON. I understood the gentleman from New York would be here on Monday.

Mr. MOON. There should be no misunderstanding about it.

Mr. MILLER of Minnesota. It would be better for Tuesday. The Unanimous Consent Calendar has not been called for a long time and some of the bills might be considered important, and we ought to have a full day. The gentleman has arranged for Tuesday.

Mr. STEENERSON. There is no certainty about how much time will be used on Monday for unanimous-consent business.

Mr. STAFFORD. Mr. Chairman, may I inquire of the gentleman from Tennessee how far he is going to read to-night?

Mr. MOON. I am going to move to rise in a moment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For compensation to clerks at division headquarters, 15, at $1,800 each; 15, at $1,600 each; 20, at $1,400 each; 30, at $1,200 each; 10, at $1,000 each; and 10, at $900 each; in all, $134,000.

Mr. MOON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TAYLOR of Colorado, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted as follows:

To Mr. FOCHT, indefinitely, on account of illness in his family.

To Mr. BACHARACH, indefinitely, on account of illness in his family.

WITHDRAWAL OF PAPERS.

Mr. HAWLEY, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Joseph B. Doan (H. R. 10769), no adverse report having been made thereon.

LEAVE TO ADDRESS THE HOUSE.

Mr. STAFFORD. Mr. Speaker, I wish to prefer a unanimous-consent request. I ask unanimous consent that immediately after the reading of the Journal on Tuesday, not to interfere with conference reports, the gentleman from New York [Mr. LAGUARDIA] be privileged to speak for 45 minutes on the subject of aviation.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that next Tuesday, after the reading of the Journal and the disposition of the business on the Speaker's table, the gentleman from New York [Mr. LAGUARDIA] be permitted to speak, not to exceed 45 minutes, on the subject of aviation.

Mr. RAGSDALE. I reserve the right to object. Is it Mr. LAGUARDIA himself that wants that amount of time?

The SPEAKER. The Chair takes it for granted, inasmuch as the gentleman from Wisconsin is asking for it.

Mr. STAFFORD. I have been given assurance by the gentlemen acquainted with the situation that the gentleman from New York does wish that amount of time.

Mr. MILLER of Minnesota. I will say to the gentleman that he will have to boil down very materially the information he has in order to compress it within 45 minutes, but I am sure he will do it.

Mr. RAGSDALE. Is it to be an account of his trip to Europe?

Mr. MILLER of Minnesota. It is to cover his experience in aviation in the war.

Mr. RAGSDALE. Is it for or against air mail service?

Mr. MILLER of Minnesota. I do not think it concerns the air mail service. I think it will cover his experience in aviation in the war.

Mr. RAGSDALE. He will give his experience in aviation over there?

Mr. MILLER of Minnesota. Yes.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, Mr. Speaker, I understood the gentleman from Tennessee [Mr. MOON] a few moments ago stated that when this bill came up for consideration under the five-minute rule there would be no objection to the gentleman from New York having 45 minutes under a motion to strike out the last word, so that that will give the gentleman from New York the time he desires.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. I do not believe that at this session we should further continue the practice of granting consent for gentlemen to speak, independent of the business before the House, immediately upon the approval of the Journal and the disposition of business on the Speaker's table, as we did during the last session.

I hope the gentleman will not embarrass the situation by insisting upon his request. If my understanding is not correct, I shall not interpose any objection; but I will ask my colleague from Tennessee [Mr. MOON] if it was not agreed just a few moments ago that the gentleman from New York [Mr. LAGUARDIA] should have 45 minutes when this bill is considered under the five-minute rule—that is, that there will be no objection so far as the gentleman is concerned?

Mr. MOON. I agreed that so far as I was concerned there would be no objection of that kind and that the gentleman might have the time whenever he wanted it.

Mr. MILLER of Minnesota. Was not the conversation and the understanding that the gentleman from New York [Mr. LAGUARDIA] was to have this time immediately after the reading of the Journal?

Mr. MOON. I did not so understand; but I want to say that so far as I am concerned I do not object to his having it immediately after the reading of the Journal.

Mr. MILLER of Minnesota. I thoroughly understand that; but the gentleman will recall that while he did not use the language, it was the language that was used and the language that was in the Member's mind when the request was submitted.

Mr. STAFFORD. I distinctly said that I would prefer a request that immediately after the reading of the Journal the gentleman from New York might have 45 minutes. That was before the gentleman from Tennessee [Mr. GARRETT] came into the Chamber.

Mr. GARRETT of Tennessee. No; the gentleman from Tennessee was in the Chamber all the time and heard the agreement that was made.

Mr. STAFFORD. Then I will say to the gentleman that the record shows conclusively, without any question, that the understanding was that I was to prefer the request when the committee got into the House, that the gentleman from New York [Mr. LAGUARDIA] should have 45 minutes immediately after the reading of the Journal. To that the gentleman from Tennessee [Mr. MOON] assented.

Mr. MOON. The gentleman from Wisconsin made that statement, and I did not object, and I want to state now that I do not object to that, or to his having 45 minutes at any other time. The fact is that it will be 45 minutes out of the time for considering this bill, and it does not matter when it comes out.

Mr. MILLER of Minnesota. May I suggest to the gentleman from Tennessee [Mr. GARRETT] that while his viewpoint respecting many requests of this kind is undoubtedly sound, yet this is a very extraordinary case. A Member of this body, one of the first to leave it to go to war, saw a great deal of extraordinarily interesting experience. Now, as the gentleman from Tennessee [Mr. MOON] has just stated, it does not matter whether the 45 minutes are used immediately after the reading of the Journal or under the five-minute rule. It is so much time and only so much time. Now, it will be a distinct advantage to the gentleman from New York [Mr. LAGUARDIA] and to the Members, I think, to have this immediately after the reading of the Journal. It will be advertised to come off at that time, there will undoubtedly be a full attendance in the House, and it will happen early in the day. If it is under the five-minute rule, everybody knows that the attendance is more or less uncertain, and the circumstances are certainly not proper. I should think the gentleman would vastly rather have this disposed of in the manner suggested than to have it disposed of by taking 45 minutes under the five-minute rule.

Mr. STEENERSON. I will say to the gentleman from Tennessee that it was my understanding that the gentleman from New York [Mr. LAGUARDIA] wanted to speak on the bill about aviation, and that consequently it would be relevant to the discussion of the bill.

Mr. STAFFORD. May I say to the gentleman that while there is good ground, as everyone must admit, for the position that he takes, that we should not in this short session grant consent to Members to speak at certain appointed times, yet in this instance there were 35 minutes of general debate remaining on the Republican side and 37 minutes of general debate remaining on the Democratic side. The gentleman from Minnesota [Mr. STEENERSON] was anxious to yield the 35 minutes to the gentleman from New York [Mr. LAGUARDIA]. He was here early in the afternoon, but had to leave to go back to New York. The gentleman from Minnesota would have yielded the 35 minutes remaining on this side and the gentleman from Tennessee [Mr. MOON] would have yielded 10 minutes more on his side, but the gentleman from Tennessee was anxious to have the reading of the bill begun so that there would be no further claims for time under general debate, and we arrived at a tentative agreement that on Tuesday, immediately after the reading of the Journal—and in effect using the time remaining in general debate—the gentleman from New York would be accorded 45 minutes, 35 of the time of the gentleman from Minnesota and 10 minutes of the time of the gentleman from Tennessee. That was the understanding, to which there was no dissent at the time it was made.

Mr. GARRETT of Tennessee. I understand that that will be exactly what will occur when the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, that the gentleman from New York [Mr. LAGUARDIA] will move to strike out the last word and will then speak for 45 minutes. That will give the gentleman from New York his time.

Mr. STAFFORD. Will the gentleman have any objection to this request, that when we next go into the Committee of the Whole for the consideration of the Post Office appropriation bill the gentleman from New York [Mr. LAGUARDIA] may have 45 minutes in which to discuss aviation?

Mr. GARRETT of Tennessee. I would have no objection. I will refer that to my colleague from Tennessee [Mr. MOON].

To make it perfectly clear, I want to say that there is nothing personal to our colleague, Mr. LAGUARDIA, in my attitude about this. But I do not think that during this short session we should arrange for speeches independent of the bills under consideration. We have done that by unanimous consent all during the past session. I do not think we should do it during this session. I do not want, of course, to interfere with the speaking of the gentleman from New York, but I do want it to be upon and under the time agreed upon for consideration of the bills.

Mr. STAFFORD. This is under the time for the consideration of the bill.

Mr. GARRETT of Tennessee. If we do not do this we will have many embarrassments arise.

Mr. WINGO. Mr. Speaker, who has the floor, and what is the subject matter?

The SPEAKER. Nobody has the floor.

Mr. GARRETT of Tennessee. Mr. Speaker, I do not want to exactly acquiesce in the statement of the Speaker. The gentleman from Wisconsin preferred a request for unanimous consent and I reserved the right to object.

The SPEAKER. That was so long ago that the Chair forgot it. [Laughter.]

Mr. WINGO. That satisfies my purpose, and I would like to ask the gentleman a question. Does not the gentleman think, with his long experience in parliamentary matters, that it is better for a gentleman if he wishes to speak about a post-office matter to discuss it on the Post Office bill, and if he wishes to discuss aviation, to do it on the bill for aviation?

Mr. STAFFORD. It has been the practice for years in the course of general debate for a Member to speak on any subject whatever.

Mr. WINGO. That was before the war, but this is a period of readjustment. Does not the gentleman think that we should readjust parliamentary matters and get out of some of the old ruts?

Mr. STEENERSON. Mr. Speaker, I think the gentleman from Minnesota can leave this question to the committee.

Mr. MILLER of Minnesota. Mr. Speaker, I ask unanimous consent that as soon as the Committee of the Whole on the state of the Union takes up for further consideration under the five-minute rule the Post Office appropriation bill, after the reading of the first section, the gentleman from New York [Mr. LAGUARDIA] shall have permission to address the House for a period not exceeding 45 minutes on the subject of aviation.

Mr. MADDEN. Reserving the right to object, what the gentleman from New York [Mr. LAGUARDIA] wants and what he has talked to me about and to the gentleman from Minnesota [Mr. STEENERSON] about and to Mr. MOON about, is that there is an item in the bill providing for aviation, and there is an appropriation for that purpose, and he wants to talk upon that subject when that item is reached. That is what he stated he wanted and what he said and what we agreed with him about. If he will wait until this item is reached, there will be no trouble about the time and no need of making any special arrangement about it.

Mr. MILLER of Minnesota. With all due deference to the information which I am confident that my colleague has, while I am sure the gentleman from New York wants to address himself somewhat to that proposition, I know that he wants to address himself at some length to the subject of aviation in its largest sense. That is what I want to hear him upon and the membership of the House wants to hear him.

Mr. MADDEN. He can do that when the item in regard to aviation is up.

Mr. MILLER of Minnesota. If the gentleman will permit, nobody knows when that moment will arrive—neither the gentleman from New York nor anyone else. I think it is of sufficient importance that the membership wants to be here, and if it is fixed at that time they will be here. In addition to that, if the time is fixed now, the gentleman from New York will know that he will have it, and if we leave it open we can not tell who might object to it after the first five minutes.

Mr. MADDEN. I do not see why the gentleman from New York felt it necessary to go outside of the committee, with whom he was making an arrangement, to get time and have an understanding with a gentleman who is not on the committee. I give you my word that the understanding I had with him was that I would help him get the time when the item was reached.

Mr. MILLER of Minnesota. I beg to assure the gentleman that I have no understanding of any kind with the gentleman from New York [Mr. LAGUARDIA]. I would have no authority in this matter of any kind except to make this request.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. MOON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until to-morrow, Sunday, December 15, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Department of Commerce, transmitting a copy of the report of the Chief of the Division of Publications of this department for the fiscal year 1918, which contains a detailed statement of publications received and the number distributed by this department during the fiscal year 1918 (H. Doc. No. 1587); to the Committee on Expenditures in the Department of Commerce and ordered to be printed.

2. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, together with report of J. W. Sackett, assistant engineer in charge, with map dated March 20, 1918, on a preliminary examination of Miami Harbor (Biscayne Bay), Fla. (H. Doc. No. 1588); to the Committee on Rivers and Harbors and ordered to be printed.

3. A letter from the Doorkeeper of the House of Representatives, transmitting a statement of money received from the sale of waste paper from December 1, 1917, to December 1, 1918 (H. Doc. No. 1589); to the Committee on Accounts and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. DENT, from the Committee on Military Affairs, to which was referred the bill (H. R. 13366) permitting any person who has served in the Army in the present war to retain his uniform and personal equipment, and to wear the same under certain conditions, reported the same without amendment, accompanied by a report (No. 863), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13392) to permanently transfer the United States Coast Guard from the Treasury Department to the Navy Department, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEPHENS of Nebraska: A bill (H. R. 13393) to extend the time for constructing a bridge across the Missouri River between the States of Nebraska and Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON: A bill (H. R. 13394) to extend the time for the completion of the dam across the Savannah River by authority granted to Twin City Power Co. by an act approved February 29, 1908, as amended by act approved March 1, 1916; to the Committee on Interstate and Foreign Commerce.

By Mr. HUSTED: Concurrent resolution (H. Con. Res. 63) declaratory of the judgment of Congress respecting foreign alliances and the freedom of the seas; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOOHER: A bill (H. R. 13395) granting an increase of pension to Edwin Hallowell; to the Committee on Invalid Pensions.

By Mr. CARTER of Massachusetts: A bill (H. R. 13396) for the relief of Thomas Casey, alias Clancy; to the Committee on Military Affairs.

By Mr. DENISON: A bill (H. R. 13397) granting an increase of pension to Wesley G. McPherson; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 13398) for the relief of Henry Schulz as branch postmaster at his drug store, at southeast corner of Vandeventer and Laclede Avenues, city of St. Louis, Mo., for war-tax stamps, war-savings stamps, postage stamps, cash, and money orders stolen; to the Committee on Claims.

By Mr. GILLETT: A bill (H. R. 13399) granting a pension to William Thornton Parker; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 13400) granting to certain claimants a preference right to purchase certain lands in the State of Arkansas; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. FULLER of Illinois: Petition of the National Association of Credit Men, the Associated Silver Co., the Chicago Association of Credit Men, and the Elting Co., of Chicago, for the passage of the revenue bill before the end of the year; to the Committee on Ways and Means.

By Mr. JOHNSON of Kentucky: Petition of Kentucky Tobacco Growers' Association, for the appointment of a commission to fix the price on tobacco; to the Committee on Agriculture.

By Mr. TINKHAM: Resolution adopted by New Korea Association, relating to Korea's grievances; to the Committee on Foreign Affairs.

By Mr. WHITE of Maine: Resolution of the State convention of the Ancient Order of Hibernians, at Lewiston, Me., on Irish emancipation; to the Committee on Foreign Affairs.

SENATE.

SUNDAY, *December 15, 1918.*

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we are called together in Thy providence that we may accord a national honor to the memory of a distinguished member of this body. We pause in the midst of the pressing duties of these fateful days, and in the golden moments of the holy Sabbath we perform this sacred duty.

It is our obligation to inscribe upon the unperishable honor roll of our departed statesmen the name of the Senator from South Carolina. Thou didst endow him with many qualities of heart and mind that made him a power in our national councils. Passionate in his advocacy of the rights of all men, devoted in his friendships, consistent with the principles which he avowed in his public life.

By his far-sighted statesmanship, by his high sense of honor, by his strong defense of his political creed, he has made his name safe in the annals of American history.

We would not seek to assess the value of such a career. His record is with Thee, to whom we must all turn at last to give an account of our stewardship.

We pray that to-day as we recall his service to his country we may feel the ever-increasing responsibility of representing great sovereign States in this Senate. As we stand in this place of world-wide influence and power we seek the endowment of the spirit of righteousness to direct and control our lives according to the divine will.

We serve our fellowmen in the name and for the sake of our Lord Jesus Christ. Amen.

The Vice President being absent, the President pro tempore [Mr. SAULSBURY] assumed the chair.

MEMORIAL ADDRESSES ON THE LATE SENATOR TILLMAN.

Mr. SMITH of South Carolina. Mr. President, I offer the following resolutions and ask for their adoption.

The PRESIDENT pro tempore. The Secretary will read the resolutions.

Secretary James M. Baker read the resolutions (S. Res. 388) and they were considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate express its profound sorrow in the death of the Hon. BENJAMIN RYAN TILLMAN, late a Senator from the State of South Carolina.

Resolved, That as a mark of respect to the memory of the deceased the Senate in pursuance of an order heretofore made assembles to enable his associates to pay proper tribute to his high character and distinguished public services.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. SMITH of South Carolina. Mr. President, Senator BENJAMIN RYAN TILLMAN was born in 1847, which made him just the right age to receive childhood's vivid if exaggerated impression of the epoch-making period immediately preceding and culminating in the Civil War. The incidents and experiences that one must have witnessed and borne during that time, especially at the age of young TILLMAN, must have had a profound effect upon his character and his subsequent attitude as a man toward men and affairs.

The reconstruction period immediately following the war was fraught with more trials, tested more thoroughly the moral, mental, and patriotic fiber of men, than the actual period of the war itself. The struggle of the war itself was terrible, but the object to be attained was worthy of all sacrifice from the standpoint of the South. The orgy of misrule and corruption, during reconstruction times, threatened to engulf and destroy our civilization in that section. Rapine and lust, greed and avarice, in their most revolting form assumed to overrule virtue and decency, honesty and righteousness in both civil and political life.

Prominent amongst those who took part in stemming this unholy tide was young BENJAMIN RYAN TILLMAN. He did his part in bringing about the dissipation of this hideous nightmare of corruption and misrule, and helped, through the agency of the famous Red Shirt Brigade, to bring about the reestablishment of decent government in South Carolina and the liberation of its homes from the threatened beastly defilement.

When this task was accomplished and South Carolina, like other Southern States, took up her burden of rebuilding the waste places, of gathering together what resources she might in order to retrieve some semblance of the condition that made life tolerable, young TILLMAN also did his part. He, as his family before him had done, settled near Edgefield, S. C., and devoted himself to farming. Perhaps of all the occupations that felt the cruel grind of that period the farmers were the greatest sufferers. He knew at first hand by bitter experience their heritage of hardships, and his first appearance in the arena as a public man was in the advocacy of means looking toward the betterment of the conditions under which the farmer struggled. This first appearance at Bennettsville, S. C., in 1885, was the index to his future public career. His writings and speeches were devoted to the agitation of questions looking toward the betterment of agricultural conditions. In 1890 he became a candidate for governor, and was elected as a representative of the agricultural element of the State. He was reelected in 1892. During his official career as governor he devoted a great deal of time and attention to the establishment of Clemson Agricultural College. This college, as a distinct separate educational institution, was established on the old John C. Calhoun estate, Fort Hill, in Oconee County, S. C. He devoted every available energy to the development and progress of this institution, and lived to see it become one of the foremost agricultural institutions of America.

He also was instrumental in the establishment at Rock Hill, S. C., of the Winthrop Normal and Industrial College for Women. These two institutions are perhaps the most enduring monuments to Senator TILLMAN'S devotion to the cause of education, particularly for those classes for whose welfare he had written and worked so hard.

In 1894 he became a candidate for and was elected to the United States Senate to succeed Gen. M. C. Butler. In this capacity as a public man he served until his death.

Some of the most interesting things in connection with Senator TILLMAN'S career as a public man were the establishment of the dispensary system in South Carolina for the control of the purchase, manufacture, and sale of whisky by the State. Through subsequent modifications of the law it was finally abolished. In the constitutional convention of 1895 Senator TILLMAN was instrumental in having written into the constitution a prohibition against the manufacture and sale of whisky by private individuals, so that during the modification of the dispensary law it finally became an issue as to local option between the counties as political units being allowed to sell whisky or prohibition. Prohibition finally won. Perhaps the most notable innovation in our political affairs during his career was the inauguration of the primary system for the selection of candidates for the Democratic Party. Senator TILLMAN was prominent in bringing about the adoption of the primary system in South Carolina for the naming of candidates in lieu of the old convention system.

It is interesting to note the subsequent adoption of this plan more or less throughout the country.

As a Senator he made a name for himself as a bold and aggressive debater. His views on public affairs he never hesitated to assert plainly and unequivocally, nor did he hesitate to challenge fearlessly what he did not approve. He loved his State in his own peculiar passionate way and guarded her rights with a fiery zeal characteristic of him. His hold upon the people of South Carolina was without parallel; he appealed to their imagination and dominated the State's political life as perhaps no other individual in her history had done. In a similar sense this was true of his hold upon the American public; that is, in his power to awaken their interest and appeal to their imagination. I knew very little of Senator TILLMAN'S domestic life, but from what I was privileged to see of the relation that existed between him and Mrs. Tillman there was often called to my mind, as he himself was fond of quoting, that immortal verse of Burns:

John Anderson my jo, John,
When we were first acquent,
Your locks were like the raven,
Your bonie brow was brent;
But now your brow is beld, John,
Your locks are like the snaw,
But blessings on your frosty pow,
John Anderson my jo!

John Anderson my jo, John,
We clamb the hill thegither,
And monie a cantie day, John,
We've had wi' ane anither;
Now we maun totter down, John,
And hand in hand we'll go,
And sleep thegither at the foot,
John Anderson my jo!

No two have ever lived in the spirit of this poem as Mr. and Mrs. TILLMAN, and the last verse was recalled to my mind whenever I saw them on the street or in their home.

The latter years of Senator TILLMAN'S life were shadowed by an affliction which ultimately resulted in his death. The manner in which he bore this affliction was characteristic of the man. He refused to yield the field of his activities because of it, and only succumbed when death laid its hand upon him. He died as he had often expressed a desire to die—actually in harness. His death ended the career of one of the most remarkable characters my State ever produced.

Mr. LODGE. Mr. President, Senator TILLMAN did not come to the Senate in 1895, as many do, a man unknown beyond the limits of his own State. His reputation preceded his coming. The country had heard about him. The general public knowledge of him was not, perhaps, extensive, but it was distinct and emphatic. To those who looked below the surface it was apparent that here was a man who had wrested control of a famous State from a body of men who, from generation to generation, for 200 years had dominated its politics and its social and economic life. Both at home and in Washington they had brought forth distinguished leaders in public life, who had impressed themselves and their opinions deeply upon the history of the country and made South Carolina a power to be reckoned with throughout the eighteenth and nineteenth centuries. Whatever their mistakes may have been, however extreme their views, they had been remarkable for ability, courage, and force displayed not only by individuals but by families, whose names and achievements were familiar to all the people of the United States. They had retained their power after the Civil War as it had existed before the great conflict which they had done so much to lead and provoke. Then, as the century closed, they were suddenly overwhelmed and defeated by the forces which rallied behind Senator TILLMAN.

To the mass of the American people who did not fully realize the deeper significance of Senator TILLMAN'S victory he was known as the author of the dispensary laws, and his methods of discussion, his "pitchfork," and his reckless frankness in the use of language, of which he had ample command, had made him a picturesque figure and greatly excited public curiosity as to his activities when he reached the Senate. It was for the most part by no means either a friendly or a sympathetic curiosity, but it was both vivid and strong, for it was understood that

he intended to revolutionize the Senate, as he had already revolutionized South Carolina.

Senator TILLMAN was neither the first nor the last who has come to the Senate with such a purpose as that attributed to him, and anyone who has studied the history or watched the movements of the Senate for a number of years knows what has happened to those who have come in from another field determined to change the Senate and overturn its ways and methods. The first fact they discover is that the Senate takes a local or State reputation very calmly and is apt to remain undazzled by its beams. Power and reputation in the Senate must be acquired in the Senate itself. The Senate as a body is very tolerant and generous. There is more personal good feeling, less personal animosity, a more complete desire to be considered with each other, and a greater loyalty to the Senate itself and its traditions than in any other legislative body in the world. But on one point the Senate is firm. It declines to be bored. Its method of declination may not be obvious but it is highly effective. The men who have come here proclaiming their intention of revolutionizing and reforming the Senate have fallen in practice into two classes—those who insisted on continuing to attack the Senate and all its habits and methods and those who sooner or later, generally sooner than later, accepted the Senate traditions and ways of life. The former, very few in number, became bores and found themselves unheard and without influence and have been forgotten. The latter have been successful and often distinguished Senators, influential and effective. It is needless to say that Senator TILLMAN belonged preeminently to the second class. He never bored anyone. However widely one might disagree with him he was always and unfailingly interesting. He came not only to accept the Senate but to be one of its most ardent defenders, supporting its rules, habits, and traditions, and very proud of its history and of its power and importance.

This came about through no sacrifice of principle, but simply because he was a man naturally of strong good sense and open to conviction. He startled the country and the Senate at the very outset by an unbridled attack upon President Cleveland, and I think he even then began to see that in the Senate at least this was not the best method to advance the policies or the principles he had at heart. He came to the Senate also with bitter and deep-seated dislike, I will not say prejudice, against all Republicans and all northern men. Nevertheless, among Republicans and northern men he found before many years had passed some of his warmest personal friends. In these last years he one day made a short speech in the Senate in which he admitted that he had been mistaken in these early opinions and that he had in these respects changed his mind. It seemed, I am sure, to those who heard or read what he said an avowal at once manly and touching. But it was something more than this. It showed willingness and ability to learn, admirable and essential capacities throughout life, and especially to be cherished in old age. It also showed the courage to admit that he had been wrong, and this is a loftier and rarer attribute and a very fine quality indeed.

But if Senator TILLMAN learned to know the Senate and his fellow Senators better and to like them better as the years passed, the Senate also learned much about him. Everyone was aware that he was able, forceful, and possessed of unbounded energy. But Senators found also that the blunt words and the stormy manner when he was roused were far more in evidence in public than in private life. Behind all this was a kindly nature, plenty of humor, a serious outlook on life, and real sincerity of purpose. One at least of those who came in the process of time to know him well discovered that Senator TILLMAN had knowledge of and genuine fondness for literature and poetry—good literature and good poetry be it said—and above all that he was a lover of Shakespeare, a phase of his character not generally appreciated. He was a conspicuous and active Senator for many years and worked hard and faithfully until he was stricken by illness some years ago. After his partial recovery he went on with an uncomplaining and unfailing courage which commanded everyone's admiration until the end came. Never did he appear better than in his attitude toward the war. He never had any doubts. He recognized what Germany meant and he was for the right and for the war with all his strength. During these years of physical trial and endurance he turned more than ever toward the friends with whom he had been long in service, and grew ever gentler and more kindly. The affection and sympathy which I think he craved, for he had an emotional nature, were freely given. After a long day of many conflicts the evening was calm and peaceful. As I talked with him and watched him amid the lengthening shadows when the sun of life was slowly setting I often thought of Dr. Holmes's lines written for his own seventieth birthday:

> Still as the silver cord gets worn and slender,
> Its lightened task-work tugs with lessening strain,
> Hands get more helpful, voices grown more tender
> Soothe with their softened tones the slumberous brain.
>
> So when the iron portal shuts behind us,
> And life forgets us in its noise and whirl,
> Visions that shunned the glaring noonday find us,
> And glimmering starlight shows the gates of pearl.

Mr. SWANSON. Mr. President, Senator TILLMAN was one of the most striking and picturesque characters in the public life of America. No one interested or attracted the attention of the public more than he. His mental qualities and his physical appearance were each peculiarly fascinating. He possessed a strong, robust, and compact body; a firm, decisive step; large, expansive, and magnificent brow; clear, dark, and fearless eyes; firm and resolute mouth and chin, indicative of unflinching courage and resolution. He had a somber, serious aspect, which could scarcely conceal the fierce flames of passion and conviction which surged beneath. In speaking, he made very few gestures, but occasionally emphasized a point by a peculiar gesture of arm and finger, which always left a profound impression upon his hearers. His strong physical personality always left upon his auditors, whether of the Senate or public assembly, a most favorable impression. He had a strong, clear, and penetrating voice, falling pleasantly on the ears, never monotonous because frequently tinged with sarcasm or resounding with indignation. These large physical advantages, combined with his mental qualities, made him one of the most effective speakers of his day. I have heard few public speakers who could sway and hold a great audience better than Senator TILLMAN. Wherever he went in the United States large assemblages greeted him enthusiastically and applauded uproariously his bold, striking utterances. In the days of his health and vigor he was one of the most effective debaters in the Senate. Well do I recall, when I was a Member of the House of Representatives, the frequent debates between Senator TILLMAN and Senator Spooner, which crowded the Chamber with Members of the House and the galleries with interested spectators. During his long service in the Senate few of its Members engaged in more important debates than he—few participated in discussing subjects of such large range and variety. He was well informed on all matters, ranging from the smallest to those of paramount importance. In discussing them he displayed accurate knowledge, logical and patriotic conclusions.

Senator TILLMAN came to the United States Senate after he had had a most remarkable and successful career as governor of his State. He had attained political supremacy in South Carolina only after fierce conflict and unremitting combat. He had won at home by the strength of battle—not the art of diplomacy. His methods were those of the fighting warrior, and not those of the negotiating diplomat. This characterized alike his political career in the Senate. He boldly proclaimed at all times his convictions and conclusions, willing to stand or fall on their acceptance or rejection. He indulged in no equivocation, no evasion. He was bold, clear, and defiant, possessing the rare quality of complete intellectual integrity. He did not shirk going to the utmost limit dictated by his convictions and conclusions. This rugged, sterling integrity obtained for him the full confidence of his people. However much others may have differed with Senator TILLMAN, they knew he but gave utterance to his honest convictions. This gave him strength and brought to him a following which no charm of eloquence or intellectual adroitness could ever obtain. Thus all through his political life he builded on the solid foundation of courage and candor. Fear of consequences never made him fail to answer a roll call in the Senate. His integrity was such that when he made a mistake, and later realized it, he never sought refuge in evasion, but frankly and boldly confessed his error.

His intellectual integrity was only equaled by his great moral integrity. Throughout his long political career no stain followed his footsteps—no scandal tarnished his fame. Any corrupt scheme that sought to covertly wind its way through the Senate ever encountered a most vigilant and inveterate foe in Senator TILLMAN. Special privileges and favoritism always found in him a persistent enemy. His service to this country in this respect was invaluable.

His rugged, sterling honesty was one of Senator TILLMAN's most splendid qualities. Honesty is the greatest of virtues, around which all others cling; without it they wither and fall in dust and weeds.

Mr. President, Senator TILLMAN's legislative achievements were extensive and most useful to his country. He was a most

industrious worker and legislator. He was constant in his attendance in the Senate, active and energetic as a committee worker. He was the recipient not many years ago of a striking indication of the very high regard and esteem in which he was held by his colleagues when legislation for the regulation of railroads was put under his control and management, although a majority of the Members of the Senate at that time were of opposite political faith. In the management of this measure he displayed parliamentary skill, eloquence, and great information.

His greatest work in the Senate was that which appertained to his duties as a member of the Committee on Naval Affairs, of which he was for some time chairman. He labored incessantly in committee and on the floor of the Senate to make the American Navy sufficiently large and efficient to discharge its responsibilities. His efforts were untiring in this direction. To the accomplishment of this task, which was so dear to his heart, he brought all his rugged strength and pertinacity. Having been closely associated with him in this work, ranking next to him on this committee, I desire to bear testimony to his usefulness and invaluable service. He aided most potentially in having the American Navy properly prepared, and thus made possible its achievements in the war with Germany. The country will ever owe him a large debt of gratitude for his work in this direction. When Senator TILLMAN died the American Navy lost a strong and powerful friend.

Mr. President, my association with Senator TILLMAN was so close and intimate that I was not only cognizant of his splendid qualities as a public man but I was also fully aware of his excellence as a private individual. His private life was moral, clean, lovable, and honorable. He possessed in a preeminent degree strong moral character and integrity. He scorned duplicity and falsehood, loathing a lie. He fearlessly and scrupulously spoke the truth—sometimes almost brutally. I never knew a more tender, devoted husband; a kinder, better father. As a friend, he was steadfast and loyal. Like "Old Hickory" Jackson, his rugged character was knitted together by the strong fibers of friendship and fidelity. Of him it may be said, as was said of "Old Hickory" Jackson, "He never failed a friend, never forgot a favor."

Mr. President, in the death of Senator TILLMAN this country has sustained a great loss. In these trying hours our country needs strong, rugged characters like him, men whose broad and brave shoulders can securely bear national burdens. Our pressing need now is not beautiful and fragrant flowers, but old, gnarled oaks like Senator TILLMAN, to bear the present coming storm and stress. We do not now need eloquent and pleasing Ciceros to gloze over vice and evil and conceal dangers. We need fearless Catos, like Senator TILLMAN, to point out wrong, expose iniquity, and fearlessly meet dangers and difficulties.

Mr. NELSON. Mr. President, in 1876 the so-called "carpet-bag" and negro-rule government, which had come as a result of the close of the Civil War, in South Carolina was overturned, and the political power in the State fell into the hands of the survivors of that political aristocracy which had been in power in the years preceding the Civil War. The men who thus came into power, many of them prominent Confederate officers, continued in control of the political affairs of the State until 1890—a period of 14 years.

In the meantime a spirit of restlessness had arisen among the middle classes, or the so-called "common people," of the State, against the rule of this old-time political aristocracy. This culminated in a movement among the farmers, who formed the farmer organization of the State.

Senator TILLMAN became one of the leaders in this movement, and became a candidate for governor under the auspices and with the support of this farmer organization. It was a drastic and bitter campaign which ensued between the "old guard" and the "new guard" under the leadership of TILLMAN. He was the central figure and the moving spirit of the great political battle from which he emerged victorious at all points.

This was followed by another drastic political campaign in 1892, in which TILLMAN was again a candidate for governor, and in which he was reelected after a very hot and exciting campaign. And finally in 1894 he was elected United States Senator after a bitter and spirited fight, defeating one of the prominent leaders of the old régime.

TILLMAN'S victories in these campaigns were so complete that the elements which he and his followers vanquished have never since regained the power they had previously held.

The administration of TILLMAN as governor was on the whole and in the main successful and progressive. He was instrumental in bringing about many important reforms and improvements for the welfare of the State. While he was inclined to be somewhat domineering and drastic in his ways, yet on account of his honesty and sincerity and on account of the wisdom of his measures he was looked upon with favor and became popular among the great masses of the State, and that popularity he retained in full measure until the day of his death.

While Senator TILLMAN had not had the advantages of a full college education, he had, nevertheless, been well trained in one of the academic schools of his State, where he was in attendance for upward of three years. But whatever deficiency there may have been in the training of the schools he more than made up in after life. He was a great reader and a great student, and he confined his readings and his studies largely to classical works of the highest order. He was a wonderful man in energy and perseverance, never at a standstill, always moving ahead, always seeking new worlds to conquer.

Mr. President, it came to pass that he and I took the oath of office and entered the Senate on the same day—the 4th of March, 1895. We soon became intimate friends, and that friendship continued until the time of his death. While at first he seemed somewhat crusty and abrupt, yet I soon discovered that this was but the outer shell of a kind and generous heart and a vigorous and active mind. When he entered the Senate he was a veteran of many a hard-fought political battle, and this had developed in him a belligerent attitude on many public questions, which at times seemed to make him rather impatient of opposition. But, however this might be, everyone recognized his integrity and honesty of purpose, and no one could doubt his earnestness and sincerity. As a rule, there was with him no middle ground; a measure was to him either right or wrong, and hence he was most persistent and vigorous in his advocacy or in his opposition. When he was actively enlisted in a cause there was no truce; the battle must be vigorously fought to the end.

I remember well the first great speech he made in the Senate. It seemed to me to come from a heart full of the evolutions in which he had taken part in his own State. There were many unique phrases and idioms in his speech which gave evidence of this, but on the whole his speech indicated to me that he was at heart sound and that he would zealously labor for the best interests of our common country.

As the years went by he became a good sound debater, more moderate in tone and more charitable to his opponents, and many of his early idiosyncrasies disappeared. He became a ready debater and could take and give blows as effectively as any Senator in this body. His oratory was not of the glittering kind that dealt in lofty and high-sounding periods, but rather of the kind that struck sledge-hammer blows at the heart of the question. He took no pains to sugar coat the points he made. Because of his earnestness and sincerity, and because of his avoidance of all ornament, he became a most powerful advocate or a most dangerous opponent. Above all things he believed in calling things by their right names, and if a scholarly name was not found he would evoke an idiom or phrase current among the people, but not always found in the books, which would oftentimes in its very peculiarity furnish a most potent argument.

Prior to the misfortune which befell him through a stroke of apoplexy he was one of the most energetic and hard-working Members of the Senate, participating in the debates on all important and leading questions. He took a leading part in securing the enactment of the amendatory interstate commerce act of 1906, which gave the Interstate Commerce Commission for the first time the rate-making power, a power that had been sought for, both by the commission and by the great mass of the people, for many years. I well remember the persistency with which he labored in this cause, and the helpful and effective work he did in that behalf.

He was much sought for as a lecturer, in the Northern States especially, on account of his ultra views on the so-called "race question." His discussion of this question was always illuminating and instructive; and while his audiences may not always have agreed with his views yet he always secured a large attendance of good listeners, who, to say the least, were interested in hearing his views on his side of the case.

He was always kind and considerate toward his fellow Senators, and on his lecture tours, if the occasion arose, he would always say a good word for his colleagues, whether they belonged to his party or not.

He was emphatically, in the true sense of the word, a progressive—a progressive in the sense that, although the old may have proved satisfactory, yet if anything new developed, which he found to be better, he was ready and swift to seize upon it.

He was in all things loyal and faithful to the interests and welfare of his State and to the interests and welfare of our common country. He had no patience with shams nor with glittering generalities, and in his debates he gave no mercy to either.

South Carolina has been represented by many able, cultured, and highly educated men in this body, men who commanded attention here and elsewhere; and while Senator TILLMAN may not have had the culture or the gifts of oratory of some of his predecessors, yet I doubt whether any of them rendered more effective and beneficial service in this vineyard of the people to his State and to our common country than did he.

He was an active dynamo in the moral and intellectual world, that gave ample evidence of a brave heart and a strong soul—tireless in the performance of his duties. A Senate composed of such men as TILLMAN would never go far astray and would always be apt to listen to the demands of the people for necessary constructive and remedial legislation.

Had he lived he would, no doubt, have been returned to the Senate by practically a unanimous vote of the people of his State, but the fates willed otherwise. And while he is with us no more, the public spirit which he infused into the political, social, and economic life of his State still survives, and his memory will be cherished for years to come as one of the most beloved sons of South Carolina.

Mr. LEWIS. Mr. President, among those whose fortune it is to contribute a word upon this sublime as well as solemn occasion, to me is given the privilege of expressing a heart's feeling, a thought.

These proceedings, Mr. President, are designated as obituaries. The general mankind, reading of them in the public press, is inclined to the idea that they are a mere formal proceeding, established by custom, and observed in their repetition merely that we might comply with some senatorial courtesy. Others feel, Mr. President, that they are something like a surcease of the political quarrels of the past, and are in the form of a universal forgiveness, while we robe the dead with the consideration we decline them while they live. Partisan conflicts are believed to have been so bitter in this Chamber that time never heals their wounds, nor any form of personal gift of the combatant or charm of manner in individuals ameliorates the asperities that were exhibited in the combat.

Too many assume that these proceedings but envelop with a genial glow the closing chapter of some life where before partisanship had shrouded in gloom. It is not true. It is regretful that the public should have an estimate of that nature. There is no rule of this body which calls upon a Senator to pay his respects to a dead comrade. There is no obligation upon him other than that which applies from man to man in any avenue of life. Utterances such as will be embalmed, sir, in a volume kept as a monument of memory of the deceased are volunteer expressions of admiration and heartfelt praise. We must note the tributes from such men as these two distinguished leaders of one of the great parties of our Nation—one from the East, in the classic scholar, Mr. LODGE, of Massachusetts; one from the West, in the great, strong, sturdy nature of NELSON, of Minnesota. Sir, these are not born out of courtesy, nor do they spring out of mere observance of custom. They were the overflowings of a heart that had become convinced by close association of the merit of the man. They were inspired by that impulse of justice which speaks out here and voices the sentiment to all now living who knew the dead TILLMAN as the living statesman may know how thus his rivals in politics, his opponents in conflict, and more, sir, oftentimes his enemies in party warfare remember him and appraise him as a man.

I have often thought, Mr. President, that when contributions have come, such as from these distinguished gentlemen of our side, called democratic, toward Democrats, they would be accepted only as a tribute of party associates and regarded as a favor that was due one to whom the party associations have for a while been tender and fraternal; but it is not known to the public that even among ourselves very serious differences often exist as to ways and means and as to methods and objects and likewise, sir, among us the contribution or tribute is never tendered from mere favor or form. It is only spoken because of that conviction of truth, that sense of desert, that solemn justice we owe that deserving man, whoever he is.

Mr. President, if it were in my power, I would abolish our prevailing method of giving obituary—delaying the tribute until convenient time. I would invoke in this body that other rule prescribing that when the solemn announcement of the death of a comrade came to us, and there were those disposed to speak of his qualities and deserts, I would have that duty discharged then. I would not have it so lapse that the memory of him would be dimmed by after events, and those who had known him intimately deprived of the word that could be spoken by those of close familiarity and fresh memory. Yet, after all, I am inclined, sir, as I speak, to another thought. This lapse of time must impress the public with the sincerity of these utterances. Many events have happened since this distinguished man was laid to rest among his friends. Swirling clouds of war flashed with flames of fire, portions of the earth ripped apart, kings toppled, monarchs crushed, while dynasties have passed into the aftermath, to be remembered only as a thing to be despised or to be mourned. Only a strong man, Mr. President, who had impressed his personality greatly upon the soul of man, could have been remembered during such times as these and could have invoked from men the expression so firm in praise and so strong in love as that which has come from these who have spoken to-day of this one man—TILLMAN.

Only great merits of such a man carved in deeds upon the hearts of his fellows could have been reflected after such events. The ordinary man, to whom a tribute out of courtesy would have been given, would have been forgotten in such an hour. It is only a great star shining among planets, whose light could illume through such darkness amid which we have lived. Only the attributes of the great, sir, who have remained to reflect their glory upon mankind in such scenes as those which, amid fire and death, and universal carnage, still survive. And if the time has lapsed—which I deplore—from custom, it is to be said that in this particular instance it has served as a test of this man's great deserts. It must now be certified that amid it all and through it all still he could remain an ever-gleaming light, pouring its radiance about the hearts of his friends and reflecting again that splendid flame of character of this dead master. It must ever live as a beacon to guide the children of the State he honored with his sublime service.

Sir, Senator TILLMAN was, as these distinguished Senators have said, but a plain man; and yet what greater men have we among greatness than those who are plain men? We recall for a second the lines that Tennyson translated from the heart of that returning statesman, who from an humble farmer to premier found himself in his boyhood village. After a career of greatness in public life, he returns to where once he followed a plowshare. He looks about him, and musing stands:

> Dost thou look back on what hath been,
> As some divinely gifted man,
> Whose life in low estate began
> And on a simple village green.
>
> Who breaks his birth's invidious bar,
> And grasps the skirts of happy chance,
> And breasts the blows of circumstance
> And grapples with his evil star.

Ah, behold! That is the "pillar of a people's hope," and the "center of a world's desire."

Sir, what was the object of this man, BEN TILLMAN, citizen of the United States? Mr. President, my mother's family was from the State of South Carolina. They were the Hamiltons—I am carrying their name. The mere suggestion indicates to you, sir, that I was necessarily interested in the State from the earliest time of my life and that I must ever be interested in the affairs of its men. I left the South very early, and found my home in the West, and have remained a western man. I entered the House of Representatives in 1897, and had the delight to serve with such comrades as I see sitting about me—the eminent Senator, now chairman of the Naval Affairs Committee, succeeding Senator TILLMAN, Mr. SWANSON of Virginia, whose public service has been shown in so many characters and in so many high places of civilization; also the distinguished Senator from Colorado, Mr. SHAFROTH, whose contribution in all things to the welfare of his country is praised by those who know him. I can recall that it was one of our occupations, when we were not busy in the House, to come over to the Senate when we heard that TILLMAN of South Carolina was to engage in some form of debate or conflict. As the Senator from Massachusetts and the Senator from Minnesota have well said, he attracted attention from the mere fact that he was to speak.

Mr. President, let me say, sir, on this solemn occasion, yet, sir, with all the deliberation it commands, it was not so important in those days as to how he said that which he did; it mattered not in what words these phrases should be graced; nor particularly, sir, does it dwell now upon the mind of man as to whether they disclosed college education, the finish of literary adornment, or the perfection of phraseology. It was that the man felt justice; it was that his constant struggle in life was to do that justice to man; it was that the very soul about him surged and beat to the single purpose of having justice done by

his Government, aye, to its humblest citizen, and for this, to this, and through this he spoke.

Mr. President, I have lived through two epochs in this Government when to my mind, reflecting the lessons which the page of history gave me, there was suggested time and time again how near my country was on the verge of a civil revolution. One of those, sir, was in the years when I first came into public life, following 1896—in the year 1897. It was at the end, sir, of what was called a Democratic administration. Without regard to what might be said to be the right or wrong of measures which were then in force, or, sir, of the policies which were then invoked, it is sufficient to recall for a moment that there was a public mind throughout the land which, because of financial distresses, and not understanding the causes that brought them forth, was on the eve of overturning all of the fixed institutions of our fabric, and would have been content to do so in any form that should have presented itself to their successful undertaking. Do you realize, Senators, that but for such men as Ben Tillman, who was understood to represent the humble people, to speak for the great rights of civilization, to speak for that great mass of mankind who find themselves squirming beneath the feet of men—that but for such as he, in whom that class had confidence and felt he was for them—the people—this land of ours never could have escaped the fate that has followed all other lands since history threw its light on civilization under similar circumstances—revolution?

It was the manner of such a man, the expressions of such a man, the purpose of such a man and of his kind wherever they were, sir, which saved the Republic of the United States, and held it firm to the center of its purpose, a peaceful government of the people, by the voice of the people. He therefore, sir, contributed a great service to the Republic. Without being conscious of it, and perchance without having it in his purpose, he was one of the few who cemented our country again together when it was about to part like a ship in the mad waves of a vengeful sea.

When men shall come to consider such a man, may we not recall the atmosphere in which he lived, the time in which he spoke, the conditions he met, the remedies he offered, and the result of his contributions? By these may he not be measured? And since the tendency of us all is to look to smaller things in human life and by this diminish the real measure of greatness in the altogether, we may appeal to future history, and shall consider this great truth, to recall what was the results and the sure effect of such a life as he lived, such offerings as he gave, such services as he brought to his land in such an hour as they were given.

Mr. President, there was another period which fell to the peril of insurrection with what was called Republican administration. This was in the fall of 1912. It began in the spring of 1912, following the year 1911, culminating in a spirit in this land of a political upheaval partaking of resentment against party arrangement and party organization, and against every form of established government. Had there not been strong men on all sides to come forth at such a time and point out where the real evil was and how it could be remedied by the people themselves, there would have been a revolution in America. There was a spirit in the land that cared nothing for ancient institutions, that knew neither the fathers of the past nor recked of their glory. Sir, this and other reasons similar to that in effect which followed immediately what was known as the Cleveland administration, produced a situation that promised to overturn the courts on one hand, to dispense with all our forms of legislation throughout and end in the wreck and ruin of our form of civilization.

One can only conjecture what might have followed had it not been for the course of honest, faithful, strong-hearted men, who arose and spoke the truth without fear, placed the evil where it belonged, and registered responsibility at its just place and spoke the real remedy for the wrong endured. Tillman was one, and here in this Chamber his voice could be heard long after the expiration of 1896. Twenty years of public life had not changed his creed or modified the sincere, patriotic effort he made for mankind. He was one of its legislative saviors.

Senators have said and rightfully that men serving on this floor with each other become mollified; that they become softened; that the spirit of attack vanishes; that party contest wanes. One stands like a vestal near the flame with the swinging incense of friendship perfuming every conflict. But, sir, however true that may be, and doubtless is—and long may it continue, that we may ever be prepared for that last day when we speak the word for our friends—still, sir, as to this man neither fear of men nor partisanship of politics nor favor from his own nor affections of home ever moved him from his conviction.

Nor, sir, did the beckon of riches or the opportunity of wealth seduce him from his firm sense of right, and when he began his undertaking for men he remained true to the end. It was because of the confidence of the multitude in such men, in whom they beheld the rock around whom the vine might entwine in beauty yet remain fixed in unshaken strength. Truly, sir, his voice and character was the rock of our salvation. When we reflect upon this we can but slightly measure the service such a man does a country such as ours, founded upon the will of the people and only abiding in the faith the people have in the honesty of men.

Senators have referred to the last days of this distinguished statesman. Mr. President, in civil government his decree was justice to men, in war the duty of patriots. From neither did he ever veer. As the Senator from Massachusetts [Mr. LODGE] has well said, his eye was fixed to see through the long distance the great danger that was upon us in a later hour. He did not parley with it; he did not compromise with it nor smother its expression from fear in any quarter. His was again the drawn ax, that he might smite the head of the foe when raised to endanger his country.

The Senator from Virginia [Mr. SWANSON] well spoke of Senator TILLMAN'S efforts in behalf of the Navy. The distinguished head of the Navy, the Secretary of the Navy, Hon. Josephus Daniels, who bore the great burden in such hour, is here sitting with us. He found no aid greater, none stronger, none more patriotic, and none more sure and more uncompromising in his championship than this chairman of the Naval Committee.

Mr. President, I know the South. It was not easy for BEN TILLMAN in time of peace to stand here in support of a large Navy. He came from a State whose people were carefully considerate, among whom were few millionaires. The rich were the exception. They were inclined by nature and from a Commonwealth of past conviction inclined to resent on the part of their public servant unnecessary appropriations that would bring large taxes and heavy burdens upon their people and their earnings. No one knew this more than TILLMAN. He knew this necessarily attracted about himself a possible political opposition from which he might have to pay that penalty which public men pay for outrunning their constituents and guiding instead of following them.

But, nevertheless, sir, he did not make measure of that event. The duty of his whole country was the sole standard to him. He was willing to trust the intelligence of South Carolina. He knew her humble people as he did her superior people, and that if he were to go to them with the truth, it would be the truth that would not only make them free but save him from any injustice which might otherwise befall him. It was that feature of independence in politics that characterized him, so different from any men around him, and which justify on this day these attributes of praise which are so willingly and sweetly rendered by these his comrades who were a generation and more in public life with him.

Mr. President, I knew him as a friend. I did not hesitate to go to him for counsel. To him I had no pride in confessing blunders, which of course in all men's lives are many. I never knew a man to whom I could go with greater hope for consolation and for a sure sense of guardianship than to this man TILLMAN. It is because of this that I recall it. My sense of obligations is but different from that of his other dear comrades. I knew him as a friend, and as such I mourn him and miss him.

But, Mr. President, there was one thought which I can not omit. Those who knew him closely would ever be impressed with his Christianity. There was about TILLMAN a sense of responsibility to God and Heaven to which he felt he would some day make his last return. Sir, whatever else might have been, when that time came there would be nothing for him to seek to hide. There would be nothing which he need seek excuse from his fellow mankind. His religion was to him consoling, ever guiding and ever inspiring him. His religion was faith in God, his belief the teachings of Christ, his creed love for his fellow mankind.

This is all, sir, that nursed him through those days of illness which distinguished Senators have alluded to; it consoled him in such hour as he was by his affectionate and tender wife, who never tired, and his children about, who never wearied in their service for him. He clung to life as a duty to them. Many times we have seen him here when we knew his oppressed physical condition would not permit or justify it, yet out of duty to those around him, at the sacrifice of physical comfort, he would ever be with us in the discharge of the duty he owed to God and to man. Where will we find in after days a nobler example for men to pattern by than such a character?

Mr. President, South Carolina has contributed many great men to the world of circumstance in America, and she has inscribed in perpetual history such memorial as time affords to the names of great heroes and wondrous statesmen familiar to us. We recall them easily. John C. Calhoun was a master of sophistry, a philosopher of government—in the science of it as it is written. Hammond was distinguished by reason of something of the insistence on that class distinction which prevailed too long in the South and to her great injury; Butler, the example of noblesse oblige. In his personality he ever commanded respect and admiration. Hampton personified the valor of the soldier and the character of those who gave much of life for what they believed and could not understand the difference of another as against them or as neglectful of all their people's sacrifice.

But in TILLMAN there was the philospoher of government—that government that meant justice to all men equally wherever possible under the law. There was the courtly gentleman who knew not how to swerve from duty, with the courage of the soldier, a courage which never shrank in an undertaking, that meant the preservation of the country and the maintenance of its honor. He passed through all the stages represented by all others and in himself personified their virtues. In these days of great victories where they have been garnered by other men with every opportunity of favor or partiality, BENJAMIN R. TILLMAN leaves in his life and memory a monument of achievement over all obstacles to which after generations of his State will ever point with pride and glory, one which will inspire all children to noble efforts, and put upon their lips a chorus of praise in the coming day and in after time in the new regeneration of this, our Republic. Those who knew him will praise God that our world could produce such a man as BENJAMIN R. TILLMAN.

Mr. POLLOCK. Mr. President, in all ages and amongst all civilized peoples it has been an honored custom for the living to pay tribute to the dead, and so to-day we are met here in response to that custom to pay a meed of tribute to the memory of the distinguished Senator from South Carolina, whose seat I now have the honor to occupy.

The first ballot that it was ever my privilege, as a citizen of South Carolina, to cast for governor of my State was cast for BENJAMIN RYAN TILLMAN in 1892. The first ballot that it was ever my privilege, as a member of the General Assembly of South Carolina, to cast for United States Senator from my State was cast for the distinguished American Senator to whose memory we would to-day pay tribute.

Occupying the same seat that he so well and ably filled for nearly 24 years, succeeding him for a short time by the suffrage of the same people whom he loved so well, called upon by the people of South Carolina—his people and mine—to complete the service which they had intrusted to him, I must confess to a deep sense of my inability to pay full tribute to him as well as confess to my inability to render a service in this body comparable with the great record which he made for himself, his State, and his country, which has placed him in the front rank of not only the greatest of Carolina statesmen, but also amongst the greatest statesmen that our whole country has produced in its nearly 150 years of national existence.

The life and career of Senator TILLMAN should be an inspiration to the young manhood of America which has not had a full chance in the race of life. Coming on the scene of action immediately after the great Civil War, when his State was prostrate, his people poor, his opportunities circumscribed, without means and without educational facilities, he was compelled to work by day and study by night. He soon realized that the poor man without education fought an unequal fight, and he undertook to educate himself by study and reading whenever time permitted. Denied the education of a college, he turned to the university of hard knocks and hard work, and for many years he toiled to support his father's family and to store up knowledge of men and affairs. Living and making a living on a poor farm in South Carolina, under most adverse circumstances, he realized the hard lot of the poor and unfortunate, and it seems to me that then it was he must have read the words of Charles Dickens:

> If ever household affections and loves are graceful things, they are graceful in the poor. The ties that bind the wealthy and the proud to home may be forged on earth, but those which link the poor man to his humble hearth are of the truer metal and bear the stamp of Heaven. The man of high descent may love the halls and lands of his inheritance as a part of himself, as trophies of his birth and power; his associations with them are associations of pride and wealth and triumph; the poor man's attachment to the tenements he holds, which strangers have held before and may to-morrow occupy again, has a worthier root, struck deep into purer soil. His household goods are of flesh and blood, with no alloy of silver, gold, or precious stone; he has no property but in the affections of his own heart; and when they endear bare floors and walls, despite of rags and toil and scanty fare, that man has his love of home from God, and his rude hut becomes a solemn place.

His love of home, of wife, of children, his beautiful home life that he learned to live while he was yet poor and obscure, is evidence that the great novelist knew the real human heart, and it seems to me that in his early life our lamented friend must have breathed the same spirit that the same author expressed when he said:

> Oh! if those who rule the destinies of nations would but remember this—if they would but think how hard it is for the very poor to have engendered in their hearts that love of home from which all domestic virtues spring, when they live in dense and squalid masses where social decency is lost, or, rather, never found—if they would but turn aside from the wide thoroughfares and great houses and strive to improve the wretched dwellings in byways where only poverty may walk—many low roofs would point more truly to the sky than the loftiest steeple that now rears proudly up from the midst of guilt and crime and horrible disease to mock them by its contrast.

With such an inspiration BENJAMIN R. TILLMAN must have been filled when he went out from his humble home and obscure place to lead the ignorant and the poor out into the bright light and clear sunshine of equal opportunity and freedom, and commenced to teach them anew the truth that Jefferson had written in the immortal Declaration of Independence, "That all men are created equal; that they are endowed by their Creator with certain unalienable rights; that amongst these are life, liberty, and the pursuit of happiness. That to secure these, governments are instituted amongst men, deriving their just powers from the consent of the governed."

With this in mind he must have carried on his memorable campaign of education amongst the masses of the people of South Carolina and taught them how to vote in order that they might conduct their government in the interest of the whole people. About 1885 Mr. TILLMAN commenced a crusade, first through the press and later from the platform, to secure for the impoverished people of South Carolina better conditions of living.

The first speech that he ever delivered in public, in so far as I know, was delivered at Bennettsville, S. C., in the summer of 1885, and I well remember as a boy of 15 years of age hearing that speech in company with my father. Mr. TILLMAN was unused to public speech and had a prepared speech to read, but he had not proceeded far in a most awkward reading of it when he became disgusted with the attempt and threw his manuscript aside and launched out hesitatingly in the delivery of an extemporaneous speech which soon gained impetus and carried his audience with him. I shall never forget the expression of my father as we left the courthouse when he so well expressed my own youthful sentiments: "That man is a diamond in the rough," and so he afterwards demonstrated, but as time passed on the rough diamond was polished and smoothed and became the brightest jewel in the political crown of South Carolina, and one of the most brilliant stars in the American Nation.

The masses of the people had taken but little part in the political affairs of the State; he educated them to a realization of their rights and obligations. They had but poor educational advantages; he educated them to the idea that they were entitled to an education at the hands of the public. They had no college for the farmers' boys where they could educate the future farmers of the State; he builded Clemson College. They had no college for the young women of the State, and he caused Winthrop College for women to be builded. Each of these institutions now enrolls more than 1,000 students, and they stand as perpetual monuments to Gov. B. R. TILLMAN. Tens of thousands of young men and young women have received an education at these institutions which otherwise they could not have received, and their lives of usefulness are living pages in the book of life of Gov. TILLMAN.

He builded up the common schools, and so improved them that now a school is in the reach of practically every boy and girl within the State, as adequate, possibly, as the average State can afford.

He caused a better system of analysis and inspection of fertilizers, and so prevented the practice of mammoth frauds on the farmers of the State.

He contributed largely to the adoption of the primary election system of nominating all officials, and thereby gave equal rights and privileges to all. He caused a constitutional convention to be held, and it adopted a constitution which greatly improved the organic law of the State and preserved for the time being the Anglo-Saxon civilization of the State. He grappled with the liquor evil, as then exercised through open bar rooms, and realizing the necessity for the backing of public opinion, which was then not ripe for prohibition, instituted the system of State owned and controlled dispensaries, which subsequently became

corrupt, but which paved the way for abolition of the whisky traffic in South Carolina.

All these things were accomplished only after the hardest and bitterest of political conflicts—bitter because he was bitterly opposed and criticized; hard, because the opposition to Mr. TILLMAN was led by many of the best and brainiest men in the State who had controlled its policies and destinies and who could not see that a new day had dawned in the State.

In 1890 a preliminary convention of the representatives of the reform faction of the Democratic Party, headed by Mr. TILLMAN, was held in March, and this convention nominated a full State ticket, with Mr. TILLMAN as its candidate for governor, to be run for the regular Democratic nomination, and provided for a joint debate at each county seat between the candidates so put forward and any other candidates that might offer. Some of the most brilliant men in South Carolina joined issue with Mr. TILLMAN in the campaign, but his brilliant intellect, his keen wit, his ready retort, and his great learning were equal to every demand, and he carried the election with a tremendous majority and received the Democratic nomination. Bitter attacks were made on him, and this bitterness brought forth bitterness in return; but when the campaign was over he was ready to say, as Grant said after Appomattox, "Let us have peace." But not so. The opposition put out an independent candidate against him, but he was elected by an overwhelming majority, carrying every county in the State. He has since had the opportunity to pay a remarkable tribute to his competitor for the Democratic nomination for governor in his first race for governor, the Hon. Joseph H. Earle, who was subsequently his colleague in the Senate for a short time, and this tribute paid on the floor of the Senate shows that Mr. TILLMAN could fight a good fight, a hard fight, a bitter fight with a worthy antagonist and yet retain the respect of that man and at the same time retain a high regard for the virtues of an honorable antagonist, and such his antagonist was in 1890.

In 1892 he was a candidate for reelection as governor of South Carolina, and he was opposed in the primaries by that brilliant orator and courtly gentleman, ex-Gov. John C. Shepherd; and again Mr. TILLMAN had an antagonist worthy of the best, but so strongly was he intrenched in the hearts of the great masses of the people that he was reelected governor of his State for another term, during which he retained his wonderful hold on the regard and affections of his people, so that at the expiration of his second term as governor he was able, after a memorable campaign, to defeat the gallant Matthew Calbraith Butler, who had so well and so long served his State in peace and in war; and thus began his great senatorial career.

I shall not dwell at length on the record made by Senator TILLMAN in this body. Many of you who served with him know that record more intimately than I do. Some of you remember the inexperienced legislator who came here with his pitchfork. You saw him in action, you heard him in debate, you counseled with him in conference, and you had the opportunity of learning the massiveness of his intellect, the bigness of his heart, his desire to serve his party, his State, and his Nation.

When others left the Democratic Party, believing that the interests of the people could be better served through the Populist Party, he kept his followers within the Democratic Party and tried to make that party more truly representative of the masses of the people; where evils had crept into his own party he did not hesitate to point them out and seek to correct them. When the Republican Party was in power he did not hesitate to join issue with them in any matter that did not comport with his sense of civic righteouness, and some of his speeches on the great political problems of the past quarter of a century will go down in history as classics of the period. His fights against special privilege, his demand for a greater and more elastic currency, his opposition to the exorbitant prices charged for steel plate for battleships, his struggles against harmful monopolies—all these are matters of history and can not be overlooked by the future student of American history; but possibly the greatest service that it was his fortune to render the American people was in the upbuilding of the American Navy while he was a member of and chairman of the Naval Affairs Committee, and the last official act of the distinguished Senator, the last signature that he ever placed to any document, was his signature to the conference report on the part of the Senate to the greatest naval bill that ever passed the American Congress. Under his chairmanship of the Senate Committee on Naval Affairs the American Navy was so increased and builded up that it now stands second only to that of Great Britain, and that Navy, with the assistance of those of our allies, made it possible for America to send across the ocean more than 2,000,000 of American soldiers to join with the other legions of liberty in the great war of democracy and freedom of the world without the loss of a single American transport. Under his leadership great navy yards were built and improved in all parts of the country where needed, and the one on the coast of his own State will always be linked with his name and remain a monument to his memory.

He loved his fellow man, he loved freedom, he loved liberty; and when the civilization of mankind was at stake, when the freedom and liberty of the world were threatened, when oppressed people were crying out for assistance, when American rights were disregarded and invaded, when the American flag was insulted, he declared that these conditions were intolerable and that he would vote for a declaration of war against Germany whenever the opportunity presented, and he lived to see his country and yours take its proper place in the affairs of the world, but alas! the grim reaper carried him over yonder before it was given to him to see the glorious emblem of liberty and freedom floating over the victorious troops of free America on the fields of France.

He played his part like a man, he fought his battles like a soldier, he died in the service of his country, as he wished to do, and his State and his country are the better for that he lived. He is gone but not forgotten. The memory of his service and achievement will linger long after all of those who knew him, who loved him, and respected him, shall have joined that great invisible host in the eternal over yonder.

Mr. President, as a further mark of respect to the memory of the late distinguished Senator from South Carolina, Hon. BENJAMIN R. TILLMAN, I move that the Senate stand in recess until to-morrow at 12 o'clock noon.

The motion was unanimously agreed to; and (at 12 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Monday, December 16, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SUNDAY, *December 15, 1918.*

The House met at 12 o'clock noon, and was called to order by Mr. LEVER as Speaker pro tempore.

Rev. F. Ward Denys, of Washington, D. C., offered the following prayer:

Almighty God, Father of all who have gone, to whom we come at this time in solemn consciousness that we ourselves must all sooner or later enter the realm of the everlasting, we invoke Thy divine guidance on this occasion, that this memorial may be a fitting expression of that which concerns the one who has gone into the realm which we all must enter, and that that which is said of him may become an imperishable evidence of the services that he, as a faithful servant of his Master and of his country, rendered in these Halls prior to his going to the halls of lasting glory. These and all things we ask in the name of Him who is the author and soul of all that is good and true and beautiful; amen.

THE JOURNAL.

The SPEAKER pro tempore. The clerk will read the Journal of the proceedings of yesterday.

Mr. BYRNES of South Carolina. Mr. Speaker, I ask unanimous consent to dispense with the reading of the Journal.

The SPEAKER pro tempore. The gentleman from South Carolina asks unanimous consent to dispense with the reading of the Journal. Is there objection?

There was no objection.

EULOGIES ON THE LATE SENATOR TILLMAN.

The SPEAKER pro tempore. The Clerk will report the special order for to-day.

The clerk read as follows:

On motion of Mr. BYRNES of South Carolina, by unanimous consent, *Ordered*, That Sunday, December 15, 1918, at 12 o'clock noon, be set apart for addresses upon the life, character, and public services of Hon. BENJAMIN R. TILLMAN, late a Senator from the State of South Carolina.

Mr. STEVENSON. Mr. Speaker, I offer the following resolutions.

The SPEAKER pro tempore. The gentleman from South Carolina offers resolutions which the clerk will report.

The clerk read as follows:

House resolution 480.

Resolved, That the business of the House be now suspended, that opportunity may be given for tributes to the memory of Hon. BENJAMIN RYAN TILLMAN, late a Senator of the United States from the State of South Carolina.

Resolved, That as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished public career, the House, at the conclusion of these exercises, shall stand adjourned.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send a copy of these resolutions to the family of the deceased.

The resolution was agreed to.

The SPEAKER pro tempore. The chair recognizes the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Speaker, the passing of Senator TILLMAN was an event which marked the closing of a remarkable career of a man in a remarkable period of the history of South Carolina and the history of the United States. I had known Senator TILLMAN since the beginning of his public career, and I desire to express what I have to say about him under three periods.

The first period of his public career was one of political agitation. Business conditions in South Carolina were at a very low ebb in 1885, when he opened his career as an agitator for the betterment of the agricultural conditions in the State. There was no agricultural educational facility worth the name in the State of South Carolina at that time. There was practically no agitation looking to the betterment of agricultural conditions and, although 10 years had elapsed since the people of the State had regained control of their affairs, there was probably less prosperity than there had been 5 or 10 years before.

At a meeting at Bennettsville, in the greatest farming county, from the cotton standpoint, in the cotton belt, in August, 1885, Mr. TILLMAN startled the State by an assault upon the dry rot, as he termed it, which was prevailing in South Carolina, and an assault upon what was considered to be the ark of the covenant, almost, upon which you did not dare to lay your hands. He brought about an agitation which was far-reaching, and whose effect has not yet ceased to be felt in South Carolina.

At that time Capt. TILLMAN as he then was—captain of the Edgefield Hussars—had never asked for or held public office. He disclaimed any desire to hold public office; but he contended that there should be an agricultural institution in South Carolina which should have nothing but agricultural and mechanical education as its object, and have the united support of the agricultural interests of South Carolina.

A good deal of confusion has arisen as to the establishment of the institution which grew up out of that agitation. Claims and counterclaims have been made as to who established it. As a matter of fact, the legislature of 1888, before Senator TILLMAN became a public servant in any capacity, accepted the bequest of Thomas G. Clemson, and provided for the establishment of Clemson College, and in 1889 they made provision for the construction of the building. So many have contended that it was not the work of Senator TILLMAN, because he did not come into power until December, 1890, when he became governor of the State; but they overlook the fact that the agitation which he set in motion brought about the will of Thomas G. Clemson, who left the John C. Calhoun estate to the State of South Carolina for the purpose of establishing Clemson College, and made Senator TILLMAN one of the life trustees in that will.

Therefore it can not be questioned that this agitation promoted the establishment of that institution, which was the apple of his eye as long as he lived, and which is one of the greatest agricultural institutions in the United States, and which has given untold benefits to the State of South Carolina. That is the fact as to the establishment of Clemson College. It was to TILLMAN, not as the Governor, not as the legislator, but to TILLMAN as the political agitator, to whom we owe Clemson College, without any question or possibility of cavil, for that agitation before he ever aspired to public office forced the acceptance of the bequest and the establishment of the institution.

Senator TILLMAN was not a man who was unknown to political life, although he had never aspired to it. When he began his agitation, it is instructive to look at the associates with whom he had grown up. The list of those who were in power in South Carolina, his fellows around the board when they met in social communion, were men of great distinction: United States Senator M. C. Butler, from Edgefield; Gov. John C. Shepherd, from Edgefield; Congressman George D. Tillman, his senior brother, from Edgefield; Commissioner of Agriculture Andrew Pickens Butler, from Edgefield; chairman of the Railroad Commission of South Carolina, Gen. Milledge L. Bonham, from Edgefield; solicitor of the judicial circuit in which he lived; Richard G. Bonham, from Edgefield; United States district attorney, Leroy F. Youmans, from Edgefield, first attorney general and then district attorney—these were the representatives of his county when he began the agitation and were his associates of a lifetime.

To be sure they indicate that certainly in Edgefield political prominence and power were not wanting, and they indicate the fiber of the man who, with his own brother serving in this Hall, instituted a crusade against the conditions that then existed that was destined to hurl from power every man I have named in this distinguished list and leave them as political wrecks upon the shores of time. And yet Senator TILLMAN made that beginning, and the beginning culminated in 1890 when, at the call of the Farmers' Alliance, organized to attempt to ameliorate the conditions of this country, which was then in the throes of a financial panic, he became candidate for governor and was triumphantly elected in 1890.

And that began the period of his career as governor. That career, Mr. Speaker, was one of very distinguished ability and very distinguished ideals. The first and the greatest of his constructive ideas was the establishment in South Carolina of an institution for the technical training of the girls of that State, which has grown now to be the jewel of all of our educational institutions. And yet the statement is frequently met that he was not the founder of Winthrop. That is true in one sense of the word. Winthrop College, for the training of the girls of the State, was founded as an institution in 1887. The annual appropriation for it was $5,200 a year, a paltry pittance beside the $150,000 that we were spending for education of the males of South Carolina.

When he came into the governership one of his first moves was to provide for the establishment of that institution on a firm basis, and in the legislature of 1891 provision was made for the obtaining of a site and suitable building and making proper appropriation, and it was carried through by the people of Rock Hill, one of the progressive communities of the State, giving the State $60,000 to establish the institution within their midst. And to-day they house within the walls of that college, I believe, 1,500 girls, and could house 1,500 more if suitable buildings could be erected; and we appropriate $130,000 every year merely for the support of the institution. Directly as the result of his far-seeing statesmanship toward the education of the youth of South Carolina, you will find 80 per cent of the teachers in the public schools of that State who are the direct product of that great institution. And you go into the homes of South Carolina, all over the State, and you see them shaped by the splendid education that has been received in that college. I say that is the crowning work of his life as governor.

He did several other things. The next was the solving of the suffrage question. We were confronted with a majority, on the popular vote of South Carolina, of 40,000 colored people—40,000 colored votes if they all voted. It had been by the most strenuous and sometimes the most questionable methods that we had maintained white civilization and the control of the white people after we had once regained control, which it took a revolution to do. Senator TILLMAN by his influence as governor brought about the holding of a constitutional convention which settled the suffrage question, in my judgment, forever for South Carolina, because the census now shows that the increase in the white race has so greatly exceeded the increase in the colored race that the voting strength is now equal if all are registered and all capable of registering. But it was his statesmanship that forced the calling of a convention which put an educational and a property qualification upon the one who desired to vote, and the provision was made absolutely equal to all. All a man had to do was either to be able to write and to read the Constitution or have $300 worth of property on the tax books subject to taxation, and he could register and vote.

I have heard a good deal said sometimes in this hall about the discrimination against the southern colored man as to voting. There is no discrimination and never has been in South Carolina since the adoption of this constitution. That was the handiwork of Senator TILLMAN; and next to the establishment of Winthrop, I consider that the greatest work he ever accomplished in State affairs.

He did another thing which shows the remarkable boldness of the man, when he put the State of South Carolina into a monopoly of the liquor business, which most people concede now was a mistake and which after 14 years passed away. And those were the three great highwater marks of achievement in his career as governor.

As a United States Senator he came to office at a time when the people of this country were crying out for an increased circulating medium, when our circulating medium was $27 a head. And when we reflect that to-day it is $56 a head, we can see what an enormous advance has been made. And he arraigned himself on the side of those who were in favor of a great increase and great elasticity in the currency of this country, which has been justified by the enactment of legislation in the last few years

which has relieved the stringency and inelasticity of finance of this country to such an extent that Senator TILLMAN has been justified in every position he took on the financial question.

He also came here at a time when we were practically without a navy and when the construction of a navy was tied up by the extortion of the Steel Trust. He won the title of "Pitchfork Statesman" in his assault upon the people who furnished the armor plate for the construction of our Navy, a title that has gone with him to his grave as a title of honor and one of which he was more proud than of any other title he ever received.

And his history here as United States Senator was bound up with the history of the development of the Navy and the development of the interests in building up the Navy until it was crowned by the establishment of an armor-plate factory, for which he contended 15 years before it came, and the administration and the efficiency of a Navy which has been a thing of pride and a comfort during the late war through which we have passed and we have all had to acknowledge the efficiency, the power, the modesty, and the high-toned conditions of this branch of the service.

As a literary man the Senator was unequaled and unsurpassed in the use of the English language, in logic that went to the heart of every matter, and his most conspicuous effort, in my judgment, in that line was the correspondence conducted with Mr. Henry Watterson, of Louisville, Ky., and Mr. George Harvey, of New York, a few years ago when they combined in an assault upon the then Gov. Wilson, of New Jersey, who was being talked of as a candidate for the Presidency, and a perusal of the correspondence between Senator TILLMAN and them will show how he unhorsed the two past masters in the use of English, and swept away the cobwebs of injustice which they were hanging about the neck of Mr. Wilson; and this helped materially to promote Mr. Wilson's nomination and election to the Presidency.

Now, I want to say just one word as to Senator TILLMAN's private life. For 33 years he and I were personal friends. We frequently divided politically, but the personal relations between us have always been the most cordial; and I consider the strong point which made him unassailable in almost every walk of life was the beautiful character of his family life, which caused him to lean upon and trust and take counsel of his helpmeet, his wife, who stood around him like a protecting wall through all these years; the family life of that man was a benediction, and such a signpost as to point every man to the way of high living in social circles, such that no finger of scorn and no tongue of scandal assail.

Mr. WALSH. Mr. Speaker, we are met to pay tribute to the memory of one of South Carolina's great men, in order that the record of this Congress may contain some comment upon the career of one of her great statesmen. It is unnecessary that tributes should be paid in order that his State or the Nation might be impressed with the great value of his services, or with the nobleness of his character, because his service in the Nation's Congress speaks for itself. It was not my privilege to have known Senator TILLMAN intimately, but I recall as a young man, when following speeches and the career of men in the United States Senate, the impression that was made when he first came to the Capital of the Republic. I remember how he came before the attention of the citizens of the Nation and left his mark as a fearless statesman. He impressed me as one who despised all sham, and he was not afraid to speak plainly upon any issue or upon any question. He went to the meat of any subject which he undertook to discuss, and he argued and debated with a strength that impressed one as a man discussing a question with his whole soul.

I happened to be designated upon the committee that went upon that sad journey when the remains of Senator TILLMAN were consigned to their last resting place. No one who was present upon that occasion but would be impressed with the sense of loss that was apparent amid the surrounding throng who came to attend the funeral exercises. As I before stated, he was one of South Carolina's great statesmen. He left behind him a name which will be remembered and revered in the days to come. That State has given many great men to the Nation's service—Calhoun, Hampton, Butler—but in these days those who have been privileged to serve with BENJAMIN RYAN TILLMAN I am sure will be of the opinion that his name and his career are fit to be placed upon the same high pedestal to which we look when we think of those men who went before him.

I am reminded that Senator TILLMAN at one time delivered an address in which he compared and linked up, so to speak, the great history of the Commonwealth of Massachusetts, which I have the honor in part to represent, and that of the State of South Carolina. It is significant, Mr. Speaker, that to-day in the other branch of this Congress, the senior Senator from my State is among those who are paying tribute to the memory and career of Senator TILLMAN. I refer to the senior Senator from Massachusetts, HENRY CABOT LODGE, who I believe was designated by Senator TILLMAN, either just before his death or sometime ago, to speak upon his career when he should have gone.

Senator TILLMAN, although he brought great fame to the State of South Carolina, will stand forth not only as one of that State's great men, but as one of the Nation's statesmen, one who was intimately connected with many of the great problems with which we have had to contend in these later years. I was interested in hearing of his early activities in the State of South Carolina, and how with that remarkable courage, that indomitable will, he forced himself and the issues which he stood for to the front and gained a place among the councils of his State. We pay this tribute with respect and reverence, with the assurance that his memory will ever be kept green, and that his career will be looked upon as a worthy example to those who aspire to represent others either in the State or the Nation.

Mr. DOMINICK. Mr. Speaker, BENJAMIN RYAN TILLMAN sat in the seat of the immortal Calhoun in the United States Senate for nearly 24 years—a longer time than anyone else has served as a Senator from South Carolina. At the time of his entry into South Carolina politics I was only a boy, but the events that followed and the leading part he played for more than a quarter of a century have left some vivid recollections. South Carolina, among all of the States, has been noted for having more politics for its size than any other State in the Union, and from the beginning of her history many of its campaigns have attracted Nation-wide interest. She has furnished her quota of public men and statesmen, who have not only left their impress upon the history of the State but upon the history of the Nation, and among those public men and statesmen TILLMAN'S name will have to be written.

I will not attempt in this sketch to review South Carolina politics and affairs. The conditions immediately following the Civil War and the corruption of a régime from 1868 up until 1876, when the white people determined to regain control of their governmental affairs, are well known. However, after the political revolution of 1876, resulting in the redemption of the State, there developed an idea among the people that the masses did not have a proper voice in the government, and there was much complaint of government of "aristocracy," "Bourbons," and "ring rule," and in some quarters it was charged that the governor and State officers were named and chosen at the annual dinner of a prominent social club in South Carolina. This naturally resulted in a great deal of unrest among the masses of the people and they were beginning to be prepared for the political revolution that occurred in 1890.

Living in the county of Edgefield, near the banks of the Savannah River, was a farmer, unheard of and unknown, but whose family had written their names upon the brightest pages of the history of the State. This farmer was BENJAMIN RYAN TILLMAN. His brother, Jim Tillman, as Bishop Capers declared at a great rally in the city of Columbia, was the "Oriflame of his regiment" in the war of the Confederacy, and the name of Tillman can be found upon the rolls of those who fought in all of the wars of this country—the War of the Revolution, the Mexican War, the Civil War, the Spanish-American War, in which one of his nephews was a colonel, and afterwards lieutenant governor of his State, and the great World War—one of his sons being now in France, having gone there as captain of his company, and now being in charge as major of his battalion. George D. Tillman for 16 years sat as a Member of this body, and was recognized throughout the Nation as one of its greatest statesmen. BEN TILLMAN, this farmer, taking his cue from the Ellenton riot, from the dark days of '76, and that matchless and gallant leader, Mart Gary, who was known as "The Bald Eagle of Edgefield," picked up the threads of the movement where they were left by him. He knew the conditions of the masses of the people; he came forward and went on the rostrum. At that time it is stated that he was ridiculed and laughed at on account of his poor showing on the stump, notwithstanding the fact that he afterwards developed into one of the greatest stump speakers South Carolina has ever produced. He knew, though, that behind him there was a vast multitude of people who were demanding justice and who were looking to him as their leader. He appeared in the State convention of 1888, and went down in defeat as a leader of the minority in that convention.

He went back to his home; continued his agitation, and in the historic March convention of 1890, he was nominated for

governor of South Carolina. The campaign that followed is memorable in the history of our State, and no true record can be written of it that does not record its causes and great effects. Mr. TILLMAN was elected governor by an overwhelming vote of the white people. After a stormy administration of two years he became a candidate for reelection as governor and was opposed by a distinguished fellow citizen of his own county and ex-governor of the State. In that campaign, South Carolina was again aroused from the mountains to the seaboard, and partisanship and passion ran high, but again a majority of the voters said that he should be their governor. Two years more of his administration was marked by storm and discord, but it gave to the masses that which they sought—freedom of thought and political liberty, which God intended they should have. His terms as governor of South Carolina were signalized by the establishment of the Clemson Agricultural and Mechanical College for boys, at Calhoun's old home, Fort Hill—an agitation which was begun by him in 1886, for industrial and technical education in South Carolina—and this, with the establishment of Winthrop College for girls, stands forth to-day as the greatest educational achievement in the history of the State.

His administration was also signalized by the establishment of the State dispensary system for the control of the liquor traffic, which many people believed then, and believe to-day, that under proper management, is the best solution of the liquor problem. This system was established in the face of an overwhelming vote in favor of prohibition at the election in 1892, and was the cause of much discord in the political, social, and personal affairs of the people of South Carolina. The enforcement of this law, during the latter part of his last administration as governor, gave him an opportunity to show his ability as a bold and daring fighter, which characterized him throughout his political career. In March, 1894, in a clash between some of the constables appointed by him for the enforcement of this law, and some citizens at Darlington, who thought that their rights had been invaded, some were killed and many others wounded, and the riot which ensued came near resulting in serious trouble throughout the State. However, Gov. TILLMAN took charge of the situation, ordered out the entire militia of the State, took charge of the telegraph lines and railroads, and very soon restored order, and there was no further trouble.

When he had served two terms as governor, he was overwhelmingly elected to the United States Senate—having made a county to county canvass throughout the State for that office.

Senator TILLMAN was a striking figure, and he is missed by the people of his State and in the councils of the Nation. He will go down in the history of South Carolina and of this Nation as one of the strongest men who has served South Carolina as governor or represented her in the United States Senate. Of his services as a Senator they can and will be spoken of better by those who served with him there for the past quarter of a century, but on this occasion I can not refrain from quoting the closing paragraphs of an editorial written by John K. Aull, in the Charleston American, upon the death of Senator TILLMAN:

> Undoubtedly, while he went to Washington under most unwelcome conditions, being openly hostile to what he believed to be the wicked Cleveland régime, his genius soon allayed the errors and suspicions of his confrères and he became a shining light. Space does not permit us to sketch even briefly the many commanding positions he assumed in legislation, nor is this the place. We have watched him there upon the Senate floor matching his genius with giants of the old days and coming off never second best. His name will long live to heighten the fame of Carolina in a body whose traditions number among them the glory of Calhoun.
>
> Even had his health not failed him, it is gravely doubtful if in recent or future years he could mingle with the same zest amongst the almost entirely new faces in the Senate. His old colleagues were gone. They were to him merely spirits that cast perhaps across his daily path through the Senate aisle shadows of bygone days, days when the polished Senator Hoar, who learned so warmly to love him, referred, not banteringly, but earnestly to him as "the best lawyer in the Senate." Hoar, Vest, Bacon, Allison, Daniels, Hale, Cockrell, Aldrich, and many like them, who left him one by one for awhile are with him now—for although many of these differed with him and often with one another, they were all one in pure Americanism, loving and serving the land they honored with an untarnished patriotism.
>
> So let us leave him with them. The light of heaven shines upon those mooted questions over which they opposed only the feeble light of even their great intellects. There will be no "adjournments" there, no "points of order," no "filibuster," no tariffs, subsidies, or silver question to wrangle over, but all sweet peace, truth, harmony, and happiness forever.
>
> What more appropriate may we say than that he deserves the lines written upon the death of Napoleon:
>
> "The lightnings may flash and the loud thunders rattle;
> He heeds not, he hears not; he's free from all pain;
> He sleeps his last sleep, he has fought his last battle;
> No sound can awake him to glory again!"

In his native soil, in the little village of Trenton, there now rests in peace one who forged his way to a high place among the truly great of this Nation, and

> Taller he seems in death.

Mr. PADGETT. Mr. Speaker, I feel that I can add nothing, or but little at best, to the eloquent tributes that have already been spoken concerning the life work of a splendid character who figured prominently for more than a quarter of a century in the national affairs of our Government. I, however, was associated largely with him, he being chairman of the Committee of Naval Affairs of the Senate, and I of the Committee of Naval Affairs of the House. This afforded an opportunity for official and personal association.

I desire, first of all, to bear testimony to the cordial good friendship which existed between us. Senator TILLMAN was a unique character. He was built in a mold strictly his own. He was unique in many respects, and the very uniqueness of his character not only attracted attention but challenged admiration. He was a man of strong personality. His personality was positive and decidedly his own. We can not find, I think, in private or public life a duplicate of Senator TILLMAN. He possesssed traits of personal character that not only attracted, not only challenged our esteem, but gained for him admiration, and brought him forward prominently in the affairs of the Government.

He was a man of strong convictions. There was nothing, if I may use a homely expression, of milk and cider in his composition. He was a man who believed sincerely and strongly whatever he believed, and he had the courage to express his convictions. He was a man of persistent purpose. Once he was convinced of the righteousness of his cause, once he was satisfied of the desirability of his course of conduct, once that it came to him as a conviction of duty, there was no let up. Continually, persistently he strove for that which his judgment and his conscience approved. As we stand under these circumstances, and would give expression not in mere formal words, but in the sincere convictions which we entertain of the man, all of us must admire this persistency of purpose, this strength of conviction, this strong personality.

He was a man of strong likes and dislikes. A man who has a strong personality, who has a persistent purpose, who has strong convictions of right and of wrong, a man who draws the line tautly between right and wrong in personal life, in private affairs, in public affairs, in the duties and responsibilities of government, could not be otherwise in the natural order of things than a man of strong likes and dislikes. He drew his friends to him with a strong grasp, and those in whom he did not have confidence—those whose integrity of purpose or of character he doubted—he repelled, because there was a congeniality between Senator TILLMAN and the truth, and there was an aspersion between him and guile and wrong. Hence it is that when we speak of him as a man of strong likes, a man in whom flowed strongly and vigorously the milk of human kindness for those who shared his esteem, we must at the same time admire that corollary attribute of character that he despised hypocrisy and made it manifest on all occasions.

He broke away from the established custom of conservatism. That was natural, and that was one of the prominent outstanding traits of his character, and one of the strong, predominant features of his life and his services.

Most of us run along in the way of least resistance. We go along the line of established organization, of established conservatism. It was not so with Senator TILLMAN. He had some convictions about the existing orders of things. Some things were going along which did not receive the sanction of his judgment or the approval of his conscience, and he broke away completely and strongly from the organized conservatism of the day and started out on lines of his own thought and of his own judgment and approval.

I would not seek to compare him in all respects, but the suggestion occurs to me that in the olden days John the Baptist broke away from the established conservatism in religious affairs. John Knox broke away from the established organization. Martin Luther battled the conservatism which he believed was not only promulgating but establishing error and wrong. And in political matters in his State, and to some extent in the Nation, Senator TILLMAN broke away from this organized conservatism, and he challenged the thought and attention, and he brought the thought and attention of the people of his own State and of the Nation to think along other and different lines.

Senator TILLMAN was honest. He became known here and was often spoken of as "honest BEN TILLMAN." However

much anyone differed with him, however much they might separate themselves from his conclusions, however much they might challenge his doctrines of political economy, no one ever doubted or really challenged his personal honesty and integrity of character or his political honesty and sincerity of purpose.

Again, Mr. Speaker, he was faithful to the trust that was reposed in him. No one has ever called him a derelict in politics. No one has ever spoken of him as in any way betraying the trust and the confidence which the people, not only of his State but of the Union, reposed in him, as an honest man and a public servant. So that to-day, under these surroundings, we can speak of him as an honest man and a faithful public servant.

Finally, Mr. Speaker, coming here as he did under peculiar and unique surroundings, occupying at the first a strange and unique attitude that called forth many criticisms and comments in the papers, causing individuals and the press to speak in terms that were out of the ordinary routine of political literature, he grew in the esteem and in the affection of his associates and of the country.

During the past summer the end came somewhat suddenly. I was selected as one of the committee to go to his home in South Carolina to lay away his body for the resurrection. It was only his body that we laid in the ground, not BEN TILLMAN. His spirit had risen into that higher, nobler, grander, larger, better life where the aspirations of his soul in all the years of his life—and a large, rich life it had been—had said, "It is not death, but life I crave; a larger, better, richer, fuller life I would have."

He realized it, and he has gone to the reward of the just. Wherever the honest, wherever the faithful are, Senator TILLMAN is there, and he has left here with us the name, the reputation, the character of an honest and faithful man.

The SPEAKER pro tempore. The Chair recognizes the gentleman from South Carolina, Mr. NICHOLLS.

Mr. NICHOLLS of South Carolina. Mr. Speaker, it is indeed hard for me to add anything to the wonderful tributes and the just tributes that have been paid here to our deceased colleague, Senator TILLMAN. I come from the people and from the section of the country that, when TILLMAN started, were bitterly opposed to him. From the time I was a child I had been taught that Senator TILLMAN was representing what was not best for the State, although the people with whom I most associated did not for one minute question his honor or his integrity. On one occasion when I was a mere boy I was talking to the overseer on a large plantation in my home county. He was, as we knew the word, a strong Tillmanite. The man who owned that plantation was as bitter against Senator TILLMAN as any man in South Carolina. The overseer and the man who owned the plantation had been boys together before the Civil War. In fact, the overseer's father had been the overseer of the owner's father before the Civil War.

I asked him, purely from curiosity, "How in the world can you support TILLMAN?" He said: "Sam, So-and-So told me the other day that we needed a reform in South Carolina; that ring rule had long existed; and that while he was a party in a way to the ring rule, something ought to be done, and that something ought to be started to give the honest, common people a chance to have a voice in this Government. I said"—that is, this man said—"'That is exactly what TILLMAN is trying to do.' He said: "It should be done, but I don't think TILLMAN is the man." And this overseer said to me, "It did not occur to me that it made any particular difference who the man was, what we wanted was a reform, and we could change the man if we found he was not the right one." To-day, Mr. Speaker, the man who made that remark about not believing that Senator TILLMAN was the right man is his friend and was his friend at the time of his death.

As one of my colleagues has stated, and I truly believe, there is no State in the Union where politics is so bitter and so partisan as in my own State of South Carolina. I am not referring to the two great parties, but to factional politics within the party. One reason that I give for this is because in our State all candidates for office go upon the same stump and have joint debates which at times get very personal. Their followers naturally take sides, and I have seen the time in South Carolina—and my other colleagues from there have seen the same thing—when a man almost took his life in his hand to go upon the stump there on either side.

When I was a boy I once asked why Senator TILLMAN was not afraid of having more fights, as I expressed it, and a gentleman from our home town said, "Well, I will tell you, Sam, why he is not afraid. It is because most of the fighting men are on his side of the proposition." That was largely true, for the people of South Carolina thought that they had been mistreated by certain politicians, and the people of South Carolina who supported Senator TILLMAN were willing to fight for those rights of which they thought they had been deprived, and they got behind him and elected him governor. What a howl went up through this country.

Almost every newspaper, not only of South Carolina but throughout the United States, called him a demagogue, called him everything that they could well call him and not be indicted for libel. What did he do? He "stuck to his guns," if you will pardon a crude expression. He worked for the interests he had promised to serve. He was not afraid. No man in the State could run him from the stump. He went before his people, and he advocated their cause. He was reelected governor in spite of strong opposition from strong men. The money powers of his State, while, of course, I do not charge them with being corrupt, were against him. The newspapers of the State were largely against him, but the masses of the toiling people of South Carolina stood behind him. He was reelected governor, as I said, and afterwards was elected to the United States Senate. Why, Mr. Speaker, I remember, although at that time I was too young to have any voice in politics, that there was strong talk in South Carolina that the Senate would not seat him when he came. But he was seated; and, Mr. Speaker, in his early days here, with that strong tongue that he had, he caused some men who had mocked and laughed at him to be very strong for him before he got through. He turned out to be not what the papers said he was, a radical and an obstructionist. I will not say at the time of his death that he was what South Carolina would have called a conservative. Senator TILLMAN could not be conservative. As my colleague from Tennessee [Mr. PADGETT] has stated, when he believed a thing there could be no conservatism. He worked to the end that he thought was right.

When I came to Washington, if you will pardon me for referring to myself, and I do it for the reason that I did not know him well when I came here, I went to his office the first day and said, "Senator, I came in to pay my respects."

He knew pretty well the attitude of every man in South Carolina as to himself. If you mentioned a man from Barnwell, Spartanburg, Columbia, Oconee, if he was a man of any political prominence, Senator TILLMAN could tell you how he stood with him in his politics. I said, "Senator, I came in to pay my respects." He said, "Sam, I am glad to see you here, but I have not a particle of use for your politics." That was his blunt way of speaking. It made me angry, and I said, "Senator, I have got no more for yours than you have for mine." He said, "I will make a trade with you. If you will let me alone over there I will let you alone over here." I said, "You have traded." And I walked out of his office. The next day the phone rang, and the Senator said, "Sam, can you come to my office?" I went over, and he said, "I did not mean anything yesterday. We have differed in politics, but I want us to get along together. You are a new man, a young man, and I possibly can give you advice and information that you will need." I shook hands with the Senator, and from that day to the day of his death he was like a father to me. There was no time when I needed advice that I did not go to Senator TILLMAN, knowing that I would get good and honest advice.

To show you the character of the Senator, the night before the last campaign opened I went to him and asked him to do a favor for a friend of mine. It turned out that we were both very much criticized by some of the newspapers because we granted the favor, a favor which was nothing more than was just and right. The Senator at that time thought that he would be in the race for the Senate again. I went to Senator TILLMAN and I said, "Senator, I know that you made this recommendation because I asked you to do it, because you believed I would not mislead you. Feeling as I do about it, I believe it my duty to come out in the papers and state that I will take the whole responsibility for that action in case it hurts you in your race." He said, "I will not let you do it. I will never put the responsibility for what I do on any man. It is true your recommendation had something to do with my signing it, but I have signed it and I am behind it."

That shows you, Mr. Speaker, the manner of man that Senator TILLMAN was. I am sorry I have been unable, on account of being away from the city, to write what I consider a fitting eulogy of this great man. Our State, as has been well said, has produced great men, but no man in the history of South Carolina has ever been in a position to make bigger history, to make more lasting history than Senator TILLMAN. We all remember at the time when the Democratic Party took charge of the Senate there was some talk throughout the country that Senator TILLMAN wanted to be chairman of another committee than Naval Affairs. He was made chairman of Naval Affairs, and, Mr. Speaker, I would rather be chairman of the Naval Affairs Committee or of the Military Affairs Committee, if I cared to go down in history

and properly serve my country in the time of this great world war, than to be chairman of any committee in either branch of Congress.

He was not stingy; he was not extravagant. He believed that what was necessary in this war should be given and freely given. And he gave to the service of his country one of the noblest boys whom I know. He was my personal friend. I say he gave him to his country, but fortunately he has not been killed. He is in France now. He is a "chip off the old block," and I am proud to say that, although this country has sustained the loss of our great statesman, he leaves one or more behind him who some day may be able to in part fill his place.

The last time I talked with Senator TILLMAN was the day before his last stroke of paralysis. He was discussing every phase of the war and seemed to think that his days were numbered. He told me that he hoped, regardless of politics in South Carolina, he would live long enough to see America and her allies victorious in this war. If he had lived that long, I believe his every ambition would have been fulfilled. My great regret is that God in His infinite wisdom did not see fit to allow him to live to see the plans which he had so carefully prepared carried out to a successful conclusion.

He died as he had lived, "with his boots on," fighting for the people, for democracy, and for everything that he thought right and just for the upbuilding of humanity.

The SPEAKER pro tempore. The gentleman from South Carolina asks unanimous consent to revise and extend his remarks. The Chair would suggest to the gentleman that he request that unanimous consent be given to all those who may desire to extend their remarks.

Mr. NICHOLLS of South Carolina. I make that request, Mr. Speaker.

The SPEAKER pro tempore. Without objection it is so ordered. The Chair recognizes the gentleman from South Carolina, Mr. WHALEY.

Mr. WHALEY. Mr. Speaker, believing that others who will speak on this occasion will give a biographical sketch of South Carolina's illustrious son in whose honor we have met, I shall avoid the probability of repetition and undertake a brief analysis of those characteristics of the late Senator BENJAMIN RYAN TILLMAN which made him so valuable a citizen and Governor of the State of South Carolina and such an effective Member of the United States Senate.

TILLMAN was born on a farm, reared on a farm, and, after the attainment of the years of manhood, followed agriculture as an occupation. It is said that his agricultural experience was not particularly successful and in this respect he had much in common with the agricultural producers of his time, not only in South Carolina but throughout the United States. During his years of ill-rewarded efforts upon the farm his observation, his difficulties, and his disappointments impressed indelibly upon his mind the severe disadvantages and the great discouragements which all too frequently surround the agricultural producer. It was through an endeavor to alleviate the condition of the farming class that TILLMAN entered public life and gave his attention primarily to the solution of the great problems which must be solved before American agriculture can be placed upon a firm and satisfactory foundation.

From his youth he had grappled with the most practical of problems in a most practical way. He learned in the hard school of adversity. His principles of economics were not gleaned from books. Although he was in later life one of the best-read men in the best of literature, the mental training which enabled him to achieve success was acquired chiefly as an incident and result of his daily observation of the circumstances under which the producing classes labor and the evils with which they must contend.

He beheld ignorance among people who are conducting an industry which requires the widest training and skill.

He observed injustice which deprived the agricultural worker of the due reward of his labor. Contemplation of these evils and injustices not only developed in him a power to reason, but nourished deep-seeded emotions which became predominating features of his political activities and public addresses. No amount of abstract economic reasoning would have produced the political revolution which he led prior to his election to the governorship of South Carolina. In the words of an illustrious President of the United States, the farmers of South Carolina were "confronted by conditions, and not theories." No ordinary methods would have aroused them to united effort sufficiently organized and sufficiently aggressive to overthrow those who were at that time dominant in the public affairs of his State.

It has been asserted and is quite likely true that TILLMAN frequently indulged in extravagances of statement which more deliberate and careful men would have avoided. No one, however, has ever accused him of overstating a fact for an ulterior or selfish purpose. Dealing with conditions which required heroic remedies, he made his attacks with what might be considered a reckless abandon, upon the assumption that the end justified the means. He was seeking results, and his overwhelming victory in the face of tremendous opposition seems to have justified the measures he adopted. That a farmer should be elected and reelected Governor of South Carolina at that time in the political history of the State was an accomplishment which could not have been achieved by the ordinary weapons of political conflict.

TILLMAN's mind was that of a nonconformist. He acknowledged the binding force of no political conventionalities. Before he had been one month in the United States Senate he had broken the rule which requires silence on the part of a new Member, and had made a speech which earned him the sobriquet of "Pitchfork TILLMAN." From that day to the time of his retirement from active participation in the work of the Senate he was recognized as a factor to be considered in almost every important piece of legislation. He was not one who delighted to participate in discussion merely for the purpose of showing his skill in debate, but, whenever any subject appealed to him as calling for action on his part, he threw the whole power of his keen intellect, his marvelous skill at repartee, and his unsurpassed command of vitriolic language into the discussion.

He asked no quarter and he gave none. Naturally this style of fighting made him few warm personal friends but aroused many enmities. It is well known and universally acknowledged fact, however, that none of the animosities thus aroused cost him either the confidence or the respect of his associates. His honesty of purpose was not brought in dispute. Knowing the purity of his motives, even those who felt the sting of his arrows admired his skill, and held him personally in the highest esteem. His diatribes furnished frequent occasion for jest, but they supplied little humor to those who were the objects of his invective.

Unlike most men who enter upon crusades against economic evils, TILLMAN was not destructive. He founded the Clemson College for the training of the young men in agriculture and the applied sciences. He established the Winthrop Normal and Industrial School for women. He secured the enactment of more just and equitable laws for the assessment of taxes. He secured the election of railroad commissioners by the people, with authority vested in them to fix passenger and freight rates. He secured the enactment of the primary system of party nominations. He was the author of the dispensary law which eliminated the public barroom from South Carolina and led the way for prohibition. These were a few of the more important accomplishments of four years in the governorship, during which time he had as strong an opposition as ever a governor faced.

Entering the United States Senate in 1895 he was for 23 consecutive years a member of that body. Although the Republicans were in control of the Senate when the railroad rate bill was under consideration in 1906, a split among the Republicans threw the management of that measure upon Senator TILLMAN—a task which he performed with much credit to himself and to his party. He was an advocate of a large navy and made his influence felt. In the framing of a multitude of important measures he participated actively, always fearlessly and aggressively representing what he believed to be the best interests of the people of the United States and of his own State.

To the youth of America the career of BENJAMIN RYAN TILLMAN should be of interest. It will be worth while for them to remember that it was through no favor of good fortune or prestige of family that he attained his high position in the councils of our Government. Neither was it personal ambition that led him into public life. He saw the need of public reforms, and although the task was great and the prospect of success doubtful, he undertook it without hesitation and devoted himself without reserve to the amelioration of the condition of his fellow citizens. He had few of the advantages of school education but neglected no opportunity for the improvement of his mind. He had confidence in himself and accepted his own judgment as his guide, even though he diverged from the course and methods laid down by American political leaders during a century of our national history.

His career emphasizes the value of practical experience in early youth, courage to undertake a difficult task, and willingness to be a nonconformist when sound judgment and high motives indicate that as the proper course. It would be difficult to find in American political history another instance of a man

whose public career shows advancement direct from the farm to the governorship and thence to the United States Senate solely as the result of individual merit and ability.

Mr. BYRNES of South Carolina. Mr. Speaker, BENJAMIN RYAN TILLMAN, the man whom we to-day honor, was born in Edgefield County, South Carolina, August 11, 1847. He was a son of Benjamin Ryan Tillman and Sophia Hancock, and was the youngest of eleven children. When he was but two years of age his father died, and he was reared by his mother on the plantation about twelve miles from the town of Edgefield. He studied at home under private tutors until he was fourteen years of age, when he attended a school conducted by Mr. George Golphin, a scholarly man who enjoyed the distinction of having served as tutor to Senator Butler, Gen. Mart Gary, and many others prominent in the political life of South Carolina. In July, 1864, when not quite seventeen years of age, he left school and volunteered in the service of the Confederate Army, but while on his way to join the army he was taken sick, and it was during this illness that he lost his left eye by reason of the formation of an abscess. For two years he was an invalid. Upon his recovery he went to Florida where he spent a year, returning in 1868 to Edgefield County, where he engaged in farming. While thus engaged Senator Tillman devoted his leisure time to study, in his own language, "reading everything of value he could lay his hands upon." He had the most retentive memory of any man I ever knew, and it enabled him in recent years to quote from the poets, verses he had not read for years. Even in speeches delivered by him in early life this familiarity with the old masters was evident, and was a constant source of surprise to those who knew that he had not enjoyed the privilege of a college or university course.

When, in 1876, the white people of South Carolina determined to overthrow the rule of the carpetbagger, the scalawag, and the negro, Tillman participated with all the force and aggressiveness that has characterized every effort of his life. He organized the Red Shirts in that community. Under Capt. A. P. Butler he participated in what is known as the Hamburg riot, and on that occasion demonstrated his physical courage and his capacity for leadership. With the Edgefield Hussars he started to the Ellenton riot, but his company did not reach there in time to participate in the fight.

With the redemption of the State from negro rule, Tillman resumed his quiet life upon the farm, and from this seclusion did not emerge until 1885 when he went to Bennettsville, S. C., as a delegate to the annual meeting of the South Carolina Agricultural Society. Tillman had never delivered a public address, but upon reaching Bennettsville he announced that he was going to address the convention and would have something out of the ordinary to say to the delegates. He did not disappoint them. He pictured the poverty of the farmers, three-fourths of whom were borrowing money upon their crops before they were made, and with fiery eloquence he denounced the State officials for their indifference to the agricultural interests of the State. He urged the farmers to demand the establishment of an agricultural school worthy of the name, in connection with the South Carolina College, and to require the board of agriculture to annually hold farmers' institutes in the various counties of the State. He spoke for an hour, and when he concluded, though neither he nor his hearers realized it, he had started a revolution in the State of South Carolina.

From that day, August 5, 1885, to the day of his death, July 3, 1918, TILLMAN occupied the center of the political stage in South Carolina, and the story of his public life is the story of the political life of the State. To appreciate the impression made by his Bennettsville speech, one has to understand the political conditions then existing. Prior to the Civil War the State of South Carolina was ruled by a small group of men of great intelligence and of high character, most of whom resided in Charleston and Columbia. The State officials were generally selected by this group from among the professional men of the State. The one-horse farmer and the man without social standing never dreamed of his having the right to hold office and he even entertained some doubt as to his right to vote. Certainly had one of them announced his candidacy for office, he would have been in imminent danger of sequestration in an asylum for the insane. At the conclusion of the war the old leaders, their heirs and assigns, immediately resumed their control of the Democratic party; but as there was a majority of 30,000 negroes of voting age, the Republican party, composed of the negroes, the carpetbaggers, and the scalawags, were able to control the elections and did run the State government until 1876, when negro rule was overthrown and white supremacy established for all time.

Immediately following 1876 there was a natural disposition on the part of the rank and file of the people to blindly follow the leadership of the men who had controlled the party in the fight for the redemption of the State. Again there was the realization that any division within the party would endanger the freedom so dearly purchased. Consequently any criticism of the conduct of the State government was met with the warning that such a course would cause a division in the party and make possible a recurrence of Negro rule with all of its horrors and outrages. It is manifest that this condition of affairs made it easy for the old leaders to perpetuate their control of the government. Conditions were such that corruption in the government could have existed without the knowledge of the people. But to the everlasting credit of those in control it must be said that, nothwithstanding their autocratic power and the unlimited opportunity for misuse of that power, careful and even hostile investigation in after years failed to disclose evidence of corruption on the part of a single State official. The honesty of those in control was testified to by Senator TILLMAN in an address delivered in the Senate in 1898, when he described the conditions then existing in the following language:

> The State was democratic or independent in national politics, but it was aristocratic in local affairs. This aristocracy, be it said to its credit, gave to the State as good government, so far as purity and honesty is concerned, as any country ever had. But a prouder, more arrogant or hot-headed ruling class never existed.

With this statement of the political conditions one can appreciate the sensation caused by the speech of TILLMAN at Bennettsville in August, 1885. It brought down upon his head the wrath of the press as well as of the political leaders. "Farmer Ben" became the target for their satire and abuse. In a series of letters he defended his course and urged upon the farmers of the State his suggestion to establish an agricultural college. He cited the agricultural colleges of Mississippi and of Michigan as proof of the practicability and the wisdom of his suggestion, and published a lot of data secured from Stephen D. Lee, then President of the Mississippi College. His letters enlisted the support of many of the leading farmers of the State, who in the spring of 1886 held a convention at which resolutions indorsing his views were adopted. As the desired object could be accomplished only by legislation it was inevitable that the "Farmers' Alliance," as it was called, should take an interest in the elections. The old leaders, however, still firmly held the reins and the movement had not attained sufficient momentum to wrest control from them.

TILLMAN continued his agitation, delivering addresses in various counties of the State during the year 1887. In the political campaign of 1888 the farmers endeavored to induce several of the old political leaders to lead their fight, but their efforts were in vain. Two years later, in the spring of 1890, what was known as the "Shell Manifesto" was issued, a document that became the platform of the reform movement. A convention followed and TILLMAN was selected as the nominee for governor. Attorney General Earle and Gen. Bratton were later selected as the nominees of the faction that became known as the Conservatives. Of the seven hundred lawyers of the State only forty were known to be supporters of TILLMAN. The press was unanimously opposed to him, but a joint debate was held in every county of the State and as nearly every man, woman, and child in the State turned out to hear the speakers, TILLMAN was able to present his cause to the people. The feeling between the factions became so great that at many meetings the speakers were unable to make themselves heard, the factions engaging in a contest to see which could cheer their champion the loudest and the longest. After the first few meetings there was never any doubt about the result, and TILLMAN was nominated, carrying all but four counties of the State.

Dissatisfied with the result, the opposition placed an independent ticket in the field in the general election, but many of the Conservative leaders of the opposition failed to support the independent movement, and the followers of TILLMAN were even more determined, the result being the overwhelming election of Capt. TILLMAN.

In this campaign TILLMAN demonstrated his wonderful ability as a stump speaker. Picturesque figure that he was, with his Napoleonic features, shaded by his broad-rimmed hat, he never failed to attract the attention of the people. In this campaign he spoke to the people in a language they understood, of their right to participate in the government of the State, and not merely to register the will of others. In passionate language he denounced the editor of the News Courier, Capt. F. W. Dawson, the brilliant leader of the opposition, and as he inveighed against ring rule he aroused his supporters to such a fever of excitement that many of them were willing to fight for him,

and, if need be, to die for him. His wonderful success as a public speaker is the more remarkable in view of the fact that he was thirty-six years old when he delivered his first public address at Bennettsville, and had he entered public life as early as do most men it is interesting to speculate upon the degree of perfection he might have attained. As it was, I do not believe, he had an equal.

During TILLMAN's first term as governor he was unable to accomplish many of the reforms he advocated because of the lack of cooperation on the part of the legislature, a majority of whom were his supporters. In 1892 he asked for reelection and in the campaign that followed designated many of the legislators as mere "driftwood" and urged the people to elect a legislature that would support him.

For reelection he was opposed by one of the ablest men in the State, ex-Governor John C. Sheppard. As in the previous campaign, factional feeling ran high, there being as clear a division between the Tillmanites and anti-Tillmanites as there is between Democrats and Republicans. The joint debates drew tremendous audiences and the feeling was so intense that men came armed, and only the coolness of the candidates prevented great loss of life. TILLMAN was reelected and very few anti-Tillmanites were elected to the legislature.

Of his service as governor it is fair to quote from his last message to the legislature, what he regarded as the achievements of his administrations:

First. The erection and endowment of Clemson College.

Second. The overthrow of the Coosaw monopoly.

Third. The just and equitable assessment of taxes on railroads and other corporations and the victory in the courts compelling them to pay.

Fourth. The passage of the dispensary law and the destruction of the barrooms.

Fifth. Refunding of the State debt, which saved $78,000 a year in interest.

Sixth. The establishment of Winthrop Normal and Industrial College for Women.

Seventh. Election of the railroad commission by the people and allowing them to fix passenger and freight rates.

Eighth. The inauguration of the primary system of party nominations for all offices in the gift of the people.

The student will search in vain for a record of achievement by any South Carolina executive to compare with this record of constructive reforms. The unfriendly critic may criticise the establishment of the dispensary system, but as we now look back upon it and recall that its establishment meant the abolishment of the barroom, we must concede that it was a long step toward the prohibition of the sale of alcoholic liquors. In theory the plan was possibly the best solution of the problem, if liquors were to be sold under any system at all, but in practice it failed because of the inability to divorce the liquor business from the politics of a State, and the dispensary system soon became so corrupt that men who at heart were not in favor of prohibition were only too glad of an opportunity to vote for prohibition in order to get rid of the dispensary system.

But no man can question the beneficial effect of the other constructive reforms above enumerated. TILLMAN by his eloquence aroused the people to a realization of their right to participate in the government of the State, and then through the primary system he furnished them the means to exercise that right. But he did not stop there. Having placed this power in the hands of the people, with the vision of a statesman he recognized that the greatest safeguard against the abuse of such power was the education of the people, and therefore in addition to extending the common schools he established during his administration the Clemson College for boys and the Winthrop College for girls. Much of the material and moral progress of South Carolina during the last 20 years can be traced to the beneficient influence of these two institutions that will ever stand as enduring monuments to the memory of Governor TILLMAN.

During his first campaign for governor, TILLMAN, in closing his speech at Anderson, S. C., said:

> How many of you can look back and recall the names of South Carolina's governors? Take out the names of the seven since 1876, and with the exception of Hayne, McDuffie, and Hammond the names of the rest are written in sand. I do not want to be such a governor. My aspiration is higher and holier than that. I would like to be a governor to whom after ages will look back and say that he was a "Carolinian and a patriot."

When one considers the far-reaching beneficial effects of the achievements above enumerated, he must conclude that the ambition of TILLMAN was gratified; that after ages will look back upon his administrations, and looking back will say "He was a Carolinian and a patriot."

At the conclusion of his second term as governor TILLMAN opposed Senator M. C. Butler, who was seeking reelection to the United States Senate. His hold upon the people was as strong as ever, and he was easily elected over his opponent. From the day that TILLMAN entered the Senate he impressed himself upon the Nation just as he had upon the State of South Carolina. His first speech in that body was delivered to a crowded Senate and a crowded gallery, and attracted the attention of the people of the entire country. In many respects it resembled his first public speech at Bennettsville, in 1885. As on that occasion the conditions were ripe for the appearance of a TILLMAN. In the South and West there was great unrest and great dissatisfaction with the administration of Cleveland, and there had begun the agitation that culminated in the free-silver fight of 1896. TILLMAN took the fight of the farmers to the Senate. Announcing that he was not familiar with the proprieties of the Senate and that he intended to use plain, blunt words, he proceeded to denounce Cleveland as no President had ever been denounced in the Senate Chamber. He pictured the economic conditions of the agricultural sections of the country as a result of the low prices for farm products, and charged the existence in Wall Street of a group of men who controlled the credit of the country, and thus the destinies of the people. The speech attracted the attention of the country. The Nation seemed about to divide itself, as South Carolina had, into Tillmanite and anti-Tillmanite camps. Pitchfork Ben became the target of the editorial writers of the East, who declared that, by the language he used, he had disgraced the Senate. The West, however, hailed him as a fearless exponent of the evils they believed to exist.

In the Senate the effect of his speech was to cause his colleagues to conclude that while he was rough and rude in his manner of speech, that he was a man of extraordinary ability, whose acquaintance might with profit be cultivated. And as they learned to know him they came to know that he was absolutely honest and sincere, and within a very short time he had won the genuine affection of the leaders of both parties in the Senate. He loved to participate in the debates, and was always a dangerous opponent because of his fund of information, his quick mind, and his ready wit. The man who interrupted him while he was speaking always regretted it. The rules of the Senate were always a source of irritation to him. Shortly after his service began he started to speak on a live subject in which he was greatly interested, but which bore no direct relation to the pending bill. A Senator, who desired to prevent his speaking, arose and asked, "Mr. President, what is before the Senate?" "I am before the Senate," said TILLMAN, and while his interrogator was counting the casualties TILLMAN proceeded to finish his speech.

He knew little of parliamentary law and cared less. The truth is that TILLMAN had no regard for any kind of law. In his consideration of a proposition there was but one question, "Is it just?" If he became convinced that the object sought to be accomplished was a just and righteous one, he was impatient of any interference by any law, rule, or regulation.

With this indifference to law, and with the absolute power that he wielded while governor, the salvation of the people was that TILLMAN acted always from impulse, and TILLMAN's impulses were always good.

It is impossible here to refer to his many achievements in the Senate. He often referred to his fight in the Fifty-seventh Congress to compel recognition of South Carolina's claim against the Federal Government for money loaned by the State in the War of 1812. By this, $386,000 of the State's bonds held by the Federal Government as a debt against the State were canceled, and $89,137.36 was returned to the State treasury in cash. That was a memorable fight because it involved the two most picturesque figures in Congressional life—Farmer Ben TILLMAN and Uncle Joe CANNON. Mr. CANNON, as chairman of the House Appropriations Committee, refused to agree to the Senate amendment to an appropriation bill providing for the payment of the South Carolina claim. TILLMAN got the floor in the Senate and declared that unless the conferees agreed to it the other appropriation bills not yet passed would never pass, because he intended to talk from then until 12 o'clock the next day, March 4, when the Congress must adjourn. At 3 o'clock in the morning TILLMAN seemed able to make good his threat and rather than provoke an extra session Mr. CANNON yielded.

During the control of the Senate by the Republicans TILLMAN was placed in charge of the railroad-rate bill, and his successful handling of it won the commendation of his colleagues.

His exposure of the frauds of the armor-plate manufacturers finally led to the construction by the Government of its own armor-plate plant.

He established the Charleston Navy Yard and has consistently labored for its development.

As chairman of the Naval Affairs Committee he devoted his time and talents to the development of the Navy, and he lived to see his efforts rewarded by the demonstration of naval efficiency in the world war that has won the plaudits of the Nation.

As a legislator TILLMAN possessed what, unfortunately, many legislators do not possess—the courage of his convictions. Former Senator Bailey, who for years sat by the side of TILLMAN in the Senate, declares that TILLMAN was not only the truest man he ever knew, but one of the most courageous. Mr. Bailey states that when the Senate was about to vote on the question of expelling Senator Lorimer that TILLMAN sent for him, and when he went to his office he saw about 100 telegrams piled upon his desk. TILLMAN handed him about a dozen of them to read. The messages from South Carolinians declared the people of South Carolina were unanimous in the belief that Lorimer should be unseated and that if he failed to vote to expel him it would endanger his reelection to the Senate. TILLMAN told him that a man who was very close to him had come to Washington that morning to advise him that if he voted against expulsion he could not be reelected. Bailey said he knew how anxious TILLMAN was to be reelected because of his interest in pending problems and stated, "TILLMAN, that is a question you must submit to your own conscience and I have no right to advise you." "I expected you to say that," said TILLMAN. "I have submitted it to my conscience, and whether I be right or wrong, on the record before us I do not believe the man should be expelled, and whatever be the consequences I shall not vote to unseat him." He went to the Senate Chamber and voted his convictions. Many South Carolinians differed with him, but they had an abiding confidence in the honesty of BEN TILLMAN and respected his courage, and I doubt whether his vote in this case alienated a single friend.

TILLMAN'S service in the Senate quickly made him a national figure and he was in great demand as a public speaker. It was CHAMP CLARK, Speaker of this House, who first suggested to a chautauqua organization that TILLMAN should be induced to go upon the lecture platform. They succeeded in inducing him to go upon a lecture tour, and thirty days after he started the president of the organization advised Mr. CLARK that TILLMAN was the best drawing card they had. While he had several lectures, his lecture upon the race problem attracted most attention. Through this lecture he undoubtedly presented to the people of the North more clearly than did any other man the view of the South upon this question. But while rendering his section a service, the fatigue of the travel, after an arduous session, weakened him physically and contributed to his physical breakdown. He was stricken with paralysis. From this stroke he recovered, and while he did not regain his former strength he continued his active service in the Senate until three days before his death on July third of this year. The last day he spent in his office I visited him and he read to me a letter he was about to send to Bennettsville, S. C., to be read at the senatorial campaign meeting scheduled for the following day. I think this was the last political act of his life and so as the curtain went up on his political career at Bennettsville in 1885, with this letter the curtain fell upon his political career in July, 1918. The intervening years he had crowded to the utmost with service to the people of South Carolina, and I make bold to say that when the history of this period is written the historian of the future, freed from the prejudice engendered by political contests, will say not only that he was "a Carolinian and a patriot," but he will say that BENJAMIN RYAN TILLMAN was the greatest man that South Carolina has produced.

So much for his political life. I must speak of his private life, because great as was my admiration for him as governor and Senator, greater still was my love for him as a man. In 1868 he married Miss Sallie A. Stark, of Elbert, Ga., and to this union were born six children, five of whom are living—Benjamin Ryan Tillman, jr.; Capt. Henry Cumming Tillman; Mrs. Lona Tillman Moore; Mrs. Sophia Tillman Hughes; and Mrs. Sallie Mae Tillman Shuler.

I have never known a man more devoted than Senator Tillman was to his family. His devotion to his wife was the devotion of a boy to his sweetheart, and when forced by circumstances to be separated from her for even a day he was the unhappiest man on earth. On one occasion while accompanying him to his office he informed me that that day was the anniversary of his wedding, and I shall never forget with what sincerity he spoke of the happiness of his married life. When in Washington Mrs. Tillman spent every afternoon in his office, and to her Senator TILLMAN would submit his problems and invariably be guided by her wise counsel.

During recent years there was hardly a day during the sessions of Congress that I did not either visit his office or speak with him over the telephone. I came to love him, and in return he treated me as he would one of his sons. As I learned to know him I wondered how, even in the heat of political contests, his enemies misjudged him as they did. I saw his finer qualities, his love of truth, and his hatred of hypocrisy; his love of his fellow man and his sympathy for the downtrodden and the unfortunate; his chivalrous respect for women and his love of children. I learned, too, of his simple but firm faith in a Supreme Being, and to-day, as I recall how in daily life he practiced religion, I have an abiding confidence that a just and merciful God has granted to him that eternal rest to which a life of service justly entitles him.

Mr. BYRNES of South Carolina assumed the Chair.

Mr. LEVER. Mr. Speaker, for 40 years John C. Calhoun so thoroughly dominated politics in South Carolina that it was said, "When Calhoun took snuff the State sneezed." One of the characteristics of the volatile-minded and chivalrous people of South Carolina is hero worship. They idolized Calhoun for nearly half a century. They followed Gen. Hampton from 1876 to 1890, and they gave their indorsement to the late Senator TILLMAN, in whose memory we have met to-day, for more than a quarter of a century.

An adequate review of the activities of Senator TILLMAN in South Carolina, from the day that he began his agitation for certain reforms in the educational and governmental systems of the State until, weary with the warfare, he yielded himself in defeat to the unconquered master of man, would require the services of an historian rather than that of the eulogist. Suffice it to say that the movement in the politics of the State which gave Senator TILLMAN an opportunity for the display of his fiery and rugged eloquence was the inevitable outgrowth of conditions which had long existed and which were the results of a situation peculiar to the State.

Senator TILLMAN first attracted attention to himself by a series of articles in the Charleston News and Courier, in which he advocated the establishment of an institution for industrial and technical education. These articles drew the fire of the then brilliant editor of that paper, the late Capt. F. W. Dawson. Those who followed these brilliant exchanges were quick to see that each gladiator found in the other a foeman worthy of his steel, and that in the hitherto comparatively unknown TILLMAN there lay genius for leadership which would have to be reckoned with.

In 1885 he delivered a speech at a farmers' convention which caught the ears of a large and discontented element of the State, and created a standing interest in the uncouth but earnest man from the hill country of the State. This element made a strong fight for control of the State government in 1888, but was unsuccessful. In 1890 they called a convention, known locally as the March convention, and nominated Capt. TILLMAN for their candidate for governor. Those who opposed this movement, which was not strictly an agrarian movement, but was rather a movement representing a protest and certain demands, agreed upon Attorney General Joseph H. Earle and Gen. John B. Bratton, a brigadier general in the Confederate Army, both men of the highest character, courage, patriotism, and ability, to represent them in the contest.

The campaign began at Greenville in June of that year, and joint debates were held in every county in the State. Never perhaps in any State in the Union have there been witnessed such scenes of enthusiasm and bitterness, of crimination and recrimination, of sharp attack and sharper counterattack. However, it became very soon apparent that the people had discovered another idol, and that a tidal wave was sweeping the State from the mountain to the seaboard, and that the election of Capt. TILLMAN and his followers was inevitable.

Capt. TILLMAN was elected governor by an overwhelming majority, and immediately upon his induction into the office of governor he set about to put into law the reforms which he had so vigorously and with such masterful and powerful eloquence advocated upon the stump.

He was fought with intense bitterness at every point. The press of the State was almost unanimous against him and his program; practically every lawyer fought him, and what has since become known as big business was violently against him, but he had the support of that class of citizenship which is frequently referred to as the middle class, and he was reelected by an overwhelming vote in 1892. And with a legislature which had finally become friendly to him he succeeded during his incumbency as governor in the establishment of the Agricultural and Mechanical College at Fort Hill, the old home of Calhoun. In addition to this, the normal and industrial college for women, known as Winthrop College, was established, and which is now regarded as foremost in the Nation of institutions of this character. It was during his term as governor

that the dispensary law, an imported method for the control of the liquor traffic, was put into operation, a system which proved conclusively that liquor makes bad morals and bad government. It was during this time that the primary system for the nomination of candidates for public office from the United States Senator down to township commissioner was inaugurated. An attempt was made to equalize taxation and a spectacular contest between the chief executive and certain large corporations took place, with the result in favor of the chief executive.

These and many other reforms have profoundly affected the course of affairs in the State during the last quarter of a century, and while yet a subject of controversy, it is safe to say, that the preponderance of judgment will warrant the statement that the four years of Senator TILLMAN as governor of the State witnessed more constructive and far-reaching legislation than had ever been given to the State before in a like period of time. All credit for this, however, can not be given in justice to Senator TILLMAN, for he was surrounded in his counsels by earnest and far-seeing men, and yet it would be equally unfair to deny that the larger share of credit belongs to his genius for leadership and constructive suggestion.

The historian will likely say that the reform movement, or as it is more frequently referred to "The Tillman movement," was strong and helpful in the thoroughness with which it taught the people their power, and weak in its failure, as thoroughly, to teach them how to use that power. Though the program of the reform movement at that time had included the logical sequence of all that it stood for, it should have provided for a more effective system of public education, because the possession of power without a thorough knowledge of a proper and correct use of it is most dangerous. Calmly reviewing the events of those stirring days, and the conditions that made these events possible, and the results that have come from them, the conclusion is inevitable that they were a necessary process in the evolution of popular government in the State, and that genuine democracy was advanced by them.

The biographer is likely to say that Senator TILLMAN'S most conspicuous service to the people was rendered as a State rather than as a national leader. It was in State affairs that his leadership was most conspicuous and aggressive, and he will live longest in the minds of the people for his work in State matters. His name is indissolvably linked with the two great industrial colleges for men and women. They, in themselves, are sufficient to place Senator TILLMAN on the very highest pedestal of statesmanship. These colleges are performing a service for the young men and young women of the State whose value can not be estimated.

And the primary system, crude as it was and is still, has nevertheless, brought the people in more direct control of their government, and will always be looked upon as a monument of his work, and is an evidence of the genuine democracy which, in the last analysis, was the basis of his long and remarkable domination of an overwhelming majority of his fellow citizens.

In 1894 he became a candidate for the United States Senate against General Matthew Calbraith Butler, who for 18 years had represented the State in the United States Senate with signal ability and vitality. Again the State was shaken from the mountains to the seaboard with the fury of the contest, but the result was never in doubt and Senator TILLMAN was elected by a tremendous majority.

A study of these contests will show the force and power of Senator TILLMAN in middle life. No one who witnessed them can ever forget his almost uncanny recognition of a psychological moment when addressing a popular audience. As a stump speaker, he was absolutely irresistible, and was without an equal. His vocabulary was thoroughly Anglo-Saxon, pure and pointed, the right word always in the right place. He was a student of the classics and learned deeply from them. His style was volcanically explosive, and hence almost irresistible; while his mannerisms were unique and original. His gesticulation was awkward but effective. His facial expression was a powerful asset to him as a speaker, and his voice, a high tenor, had great carrying power and was the ideal speaking outdoor voice.

It is not recorded that he ever quailed or hesitated before a dangerous situation, or that he was ever hit when he could not hit back at least a little harder. Others have imitated him and his methods with some degree of success, but his place as a campaigner before popular audiences will long remain all his own.

It had been the wish of many of his friends that in his own way he might preserve for posterity his own recollection and impression of the remarkable scenes of which he was chief actor, and it is still the hope of his friends that a competent and impartial biographer may rescue from forgetfulness these scenes.

It was not long after Senator TILLMAN took his seat as a Senator that he attracted national attention by a bitter and spectacular attack upon the Cleveland administration. These were the days when the agitation for free silver began to take possession of the imagination of the South and the West, which were then suffering from stagnation in business and from extremely low prices for farm products. His declaration, "Sixteen to one or bust," became a classic in the campaign of 1896, when gold versus silver fought their final contest for supremacy in this country. From the day of this speech until his last appearance upon the floor of the Senate he was a marked man. As he grew in experience and in age, and when responsibility began to rest more and more heavily upon him, he gradually, as is usual in all cases, began to grow more and more conservative and more and more inclined to tolerate the opinions of others. His contact with the brainiest men of the Nation was a great training for him, and his breadth of vision increased with his more comprehensive understanding of the problems and of the variety and conflicting interests of a great Republic.

Senators of the type of Chandler, of New Hampshire; the scholarly Senator Hoar and his equally scholarly colleague, Senator LODGE; the brilliant Senator Spooner; the gentlemanly and dignified Senator Hale; soon discovered in the new Senator from South Carolina, whose large brown eye blazed with the love of combat, an intellect, a courage, and wisdom, and a knowledge worthy of the best traditions of the greatest legislative body in the world. He was not long in establishing his right of leadership in this body of great men, and this he held without dispute until the fatal disease, which was his undoing, laid its hands upon him. Four times he was elected to the Senate by the almost unanimous vote of his people, and even his bitterest enemies must and do concede that his attitude as a Senator, in almost every instance, was representative of the majority thought of his State. He had a most highly developed capacity for divining public opinion, but likewise had a capacity in an equal degree toward making public opinion. He was more generally a leader of thought than a follower of it. His mind was of the imperious kind; he dominated everything about him. He loved power, but he did not abuse it.

No man in the history of the State, save Calhoun alone, so completely and for so long a time held his sway over its people, and this was not due to his personal popularity, for, while he had warm and loyal friends, he was not of the type whose success was due to a personal following. He won his way by sheer force of intellect and courage, and the belief of his followers in his patriotism and honesty. They trusted him without stint.

The home life of Senator TILLMAN was beautiful. His passionate love for flowers, his deep and abiding devotion to his family are well known. His roughness of manner and speech were more apparent than real. Under the rough exterior there was a kindly heart. Children loved him, and the intuition of children is unerring in its accuracy.

This hastily prepared glimpse of the character and service of this great man is all too brief, but eulogy can not do such a character justice. That must be left to the biographer. May he be fair and competent that the generations to come may be able to form a correct estimate of the place in history which Senator TILLMAN shall fill.

ADJOURNMENT.

The SPEAKER pro tempore (Mr. BYRNES of South Carolina). In accordance with the provisions of the resolution heretofore adopted the House will now stand adjourned.

Accordingly, at 2 o'clock and 7 minutes p. m., the House adjourned until to-morrow, Monday, December 16, 1918, at 12 o'clock noon.

SENATE.

MONDAY, *December 16, 1918.*

The Senate met at 12 o'clock noon, on the expiration of the recess.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Culberson	Fletcher	Gronna
Beckham	Curtis	France	Hale
Brandegee	Dillingham	Frelinghuysen	Harding
Colt	Fernald	Gay	Hardwick

Henderson	Martin, Va.	Robinson	Thomas
Hitchcock	Moses	Saulsbury	Thompson
Johnson, Cal.	Mulkey	Shafroth	Townsend
Johnson, S. Dak.	Nelson	Sheppard	Trammell
Jones, N. Mex.	New	Sherman	Underwood
Jones, Wash.	Norris	Simmons	Vardaman
Kenyon	Nugent	Smith, Ariz.	Walsh
King	Overman	Smith, Ga.	Warren
Kirby	Page	Smith, Md.	Watson
La Follette	Penrose	Smoot	Weeks
Lenroot	Pittman	Spencer	Williams
McKellar	Pollock	Sterling	
McLean	Pomerene	Sutherland	
Martin, Ky.	Ransdell	Swanson	

Mr. McKELLAR. I desire to announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

Mr. SHEPPARD. I wish to announce that the Senator from Rhode Island [Mr. GERRY], the Senator from Arizona [Mr. ASHURST], and the Senator from California [Mr. PHELAN] are detained on important public business.

The PRESIDENT pro tempore. Sixty-nine Senators have answered to their names. There is a quorum present.

SHIP CONSTRUCTION FOR FOREIGN ACCOUNT.

Mr. JONES of Washington. Mr. President, I ask leave, out of order, to submit a resolution and ask for its immediate consideration. I simply wish to say that it calls for information from the Shipping Board which I think is very important in connection with matters which are now coming up. I do not think it will lead to any discussion.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington? The Chair hears none, and the Secretary will read the resolution.

The Secretary read the resolution (S. Res. 389), as follows:

Resolved, That the United States Shipping Board be, and it is hereby, directed to inform the Senate as promptly as possible—

1. Whether or not the war-time restrictions as to construction of wooden ships for foreign account in American shipyards have been removed; and if so, when.

2. Whether or not the war-time restrictions as to construction of steel ships in American shipyards for foreign account have been removed; and if not, why not; and if special instructions have been given to the Shipping Board not to remove such restrictions, by whom given.

3. What applications have been made for permission to negotiate contracts for the construction of steel or wooden ships in American yards for foreign account, and what action, if any, has been taken upon such applications, and when the same were presented.

4. What information the United States Shipping Board has as to the policy and action of other countries in regard to permitting their shipyards to enter into contracts for the construction of steel and wooden ships on foreign account.

Mr. SIMMONS. Mr. President, I must insist upon going on with the unfinished business. Routine business is not in order this morning. We had no adjournment. The legislative day has not expired.

The PRESIDENT pro tempore. Objection is made to the present consideration of the resolution.

Mr. JONES of Washington. I thought I had obtained the consent of the Senate to consider the resolution. The Chair presented the question, I know, to the Senate, and no objection was made.

Mr. SIMMONS. I did not hear the request. I will state to the Senator that some time during the day I think he will find an opportunity to call up the resolution. The Senator from Utah [Mr. SMOOT] has given notice that he will speak this morning.

Mr. JONES of Washington. I do not think there will be any objection to the resolution.

Mr. SIMMONS. If it can be passed now without discussion, I shall not object.

The PRESIDENT pro tempore. The Chair did announce that there was no objection.

Mr. SIMMONS. I do not object if we can put it on its passage.

The PRESIDENT pro tempore. The Chair understands that the resolution will be passed over for the present.

Mr. FLETCHER. I wish to ask in reference to the resolution whether that information has not already been printed in pursuance of other resolutions?

Mr. JONES of Washington. No; I think not.

Mr. THOMAS. Has the resolution of the Senator from Washington been disposed of?

The PRESIDENT pro tempore. The Chair understands that by agreement it has been passed over for the present.

Mr. JONES of Washington. No; the chairman of the committee said he would not object if there is to be no discussion upon the resolution.

Mr. SIMMONS. I said if it would result in no debate I would have no objection to the passage of the resolution.

The PRESIDENT pro tempore. The Chair did not hear what the Senator from North Carolina said. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

REGENT OF SMITHSONIAN INSTITUTION.

Mr. THOMAS. I have been requested by the senior Senator from Massachusetts [Mr. LODGE], who is necessarily absent this morning, to introduce a joint resolution and to ask for its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

Mr. WILLIAMS. I should like to hear what it is.

The PRESIDENT pro tempore. The joint resolution will be read.

The joint resolution (S. J. Res. 195) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur on February 6, 1919, by reason of the expiration of the term of George Gray, of Delaware, be filled by the reappointment of the said George Gray for the ensuing term.

Mr. SIMMONS. I shall not object if it does not provoke debate.

Mr. WILLIAMS. There is no objection to it.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 187) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

The message also announced that the House had passed a bill (H. R. 12001) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, in which it requested the concurrence of the Senate.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services no longer are required, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. SHERLEY, Mr. BYRNS of Tennessee, and Mr. GILLETT managers at the conference on the part of the House.

The message also transmitted to the Senate resolutions of the House on the life, character, and public services of Hon. BENJAMIN RYAN TILLMAN, late a Senator from the State of South Carolina.

TRANSPORTATION OF GOVERNMENT EMPLOYEES.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services no longer are required and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MARTIN of Virginia. I move that the Senate insist upon its amendments and agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the President pro tempore appointed Mr. MARTIN of Virginia, Mr. UNDERWOOD, and Mr. WARREN conferees on the part of the Senate.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a memorial of sundry citizens of Minneapolis, Minn., remonstrating against the enactment of legislation prohibiting the operation of private radio stations, which was referred to the Committee on Commerce.

Mr. THOMPSON presented a petition of the Retail Merchants' Association of Ottawa, Kans., praying for the enactment of legislation making it an offense against the Government to display a red flag or any other flag, except the Stars and Stripes, as a national patriotic emblem, which was referred to the Committee on the Judiciary.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 5198) granting a pension to George S. Frankenfield; to the Committee on Pensions.

By Mr. SPENCER:

A bill (S 5199) to donate 50 cannon to the State of Missouri; to the Committee on Military Affairs.

By Mr. McKELLAR:

A joint resolution (S. J. Res. 196) authorizing the Secretary of War to accept resignations of officers and to grant discharges to enlisted men in the Army under certain conditions; to the Committee on Military Affairs.

PROMOTIONS IN THE ARMY.

Mr. THOMAS. I introduce a bill to provide for the promotion of certain officers, privates, and noncommissioned officers in the Army. I ask that it be printed in the RECORD and referred to the Committee on Military Affairs.

The bill (S. 5200) to provide for the promotion of certain officers, privates, and noncommissioned officers was read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That all officers, privates, and noncommissioned officers who had been recommended for promotion prior to or on the 11th day of November, A. D. 1918, shall be entitled to and shall be given commissions for the rank so recommended, in all respects as though hostilities with Germany had not been suspended.

AMENDMENT TO DISTRICT APPROPRIATION BILL.

Mr. CURTIS submitted an amendment proposing to appropriate $5,000 for the aid and support of the National Library for the Blind in the District of Columbia, intended to be proposed by him to the District of Columbia appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

THE REVENUE.

Mr. KING submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

TRANSPORTATION OF GOVERNMENT EMPLOYEES—CONFERENCE REPORT.

Mr. MARTIN of Virginia submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13261) providing for the transportation from the District of Columbia of Government employees whose services no longer are required, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "February 20"; and the Senate agree to the same.

THOMAS S. MARTIN,
O. W. UNDERWOOD,
F. E. WARREN,
Managers on the part of the Senate.

SWAGAR SHERLEY,
JOSEPH W. BYRNS,
FRED H. GILLETT,
Managers on the part of the House.

The report was agreed to.

HOUSE BILL REFERRED.

H. R. 12001. An act to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, was read twice by its title and referred to the Committee on the Judiciary.

THE REVENUE BILL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, I was in hopes that I could have proceeded to the discussion of the bill earlier in the day. It is Saturday afternoon, and it will be impossible for me to cover all the points I desire to speak on during the day. Knowing that it is the wish of many Senators that they shall have a little of Saturday afternoon off, I shall this afternoon confine myself to but one subject.

The American people, Mr. President, have been led to believe that the requirements of the Government for the fiscal year ending June 30, 1920, will be but $4,000,000,000. The amount that will be required is so far in excess of this figure that I thought it was proper for the Senate, and I may say for the country, to know that instead of $4,000,000,000 the expenses of our Government for the fiscal year ending June 30, 1920, will be at least $10,000,000,000, and I hope to be able to demonstrate that fact, I hope if there is any doubt in the mind of any Senator when the figures are presented by me to-day he will ask any question he sees fit to ask, and I shall gladly give the information if possible.

Mr. PENROSE. Mr. President, will the Senator permit me?

Mr. SMOOT. I yield.

Mr. PENROSE. I hope the Senator will also inform the Senate as to the accuracy, in his opinion, of the estimated expenditures for this year.

Mr. SIMMONS. Mr. President, I think the Senator from Utah made an inadvertent statement. I understood the Senator to state that the country has been led to believe that the expenditures of the Government for the fiscal year 1920 would not be more than $4,000,000,000. I think the Senator meant to say it was estimated that not more than $4,000,000,000 would be required by taxation.

Mr. SMOOT. No, Mr. President; I stated just exactly what I have gathered from the press of the country. I have seen not only magazines claiming four billions to be the amount required, but I have noticed daily papers from nearly all parts of the United States in which it is stated that the expenditures of the Government for the fiscal year will be $4,000,000,000, and that is to be covered by a $4,000,000,000 tax bill.

Mr. SIMMONS. The Senator does not deny the fact that the estimates of the Treasury Department upon which this $4,000,000,000 tax bill is based call for more than $4,000,000,000?

Mr. SMOOT. I was not speaking of any estimates of the Treasury Department, nor was I speaking of the understanding of the members of the Finance Committee. This question has been discussed time and time again in the committee. I said the people of the United States were led to believe, and I know that the press of the country has been filled with statements to the effect that the imposition of a $4,000,000,000 tax is all that is necessary to pay the expenditures for the fiscal year ending June 30, 1920.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS in the chair). Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. I yield.

Mr. JONES of Washington. I wish the Senator to yield to me that I may ask the chairman of the committee if the $4,000,000,000 estimated revenue will not cover the expenditures of the Government for 1920, does he contemplate now a bond issue to carry on the expenses of 1920?

Mr. SIMMONS. The point I desire to present to the Senator from Utah is this: The Government will receive from other sources revenue besides this $4,000,000,000. It is estimated, according to my recollection, that the total amount which will be received by the Government from the $4,000,000,000 of taxes and from other sources will amount to very nearly $6,000,000,000.

Mr. SMOOT. Mr. President, there is no need of trying to deceive ourselves or to deceive the American people. I asked the Secretary of the Treasury when he was before the committee if it was the intention of the administration to sell bonds to partially pay the expenses of the Government for the year 1920 and he frankly answered it was. I want the people to understand that bonds are to be sold in order to pay the expenses of the Government for the year 1920, so that hereafter it may not be said that the Republicans then in control of Congress were responsible for selling bonds in times of peace to pay the expenses of the Government.

Mr. SIMMONS. If the Senator will pardon me, I have sent for the statement of the Secretary of the Treasury. It is given in his annual report. I think the Senator wants to verify this matter before it is left.

Mr. SMOOT. Mr. President——

Mr. SIMMONS. If the Senator will pardon me a minute, the estimate of the department of expenditures for the present year is something over $7,000,000,000—$7,400,000,000, I think.

Mr. SMOOT. I will tell the Senator exactly if he wants to know.

Mr. SIMMONS. I have it here.

Mr. SMOOT. It is $8,089,667,298.07, less, certainly, deductions.

Mr. SIMMONS. If the Senator will pardon me, I have the estimate of the Treasury Department here. The total estimate is $7,284,000,000.

Mr. SMOOT. If the Senator will allow me to proceed, I will——

Mr. SIMMONS. Will not the Senator permit me to correct an error in his statement?

Mr. SMOOT. There is no error in my statement.

Mr. SIMMONS. The Senator said it was expected that only $4,000,000,000 would be necessary to meet the expenses of the Government for 1920.

Mr. SMOOT. The Senator is mistaken. I have never said that. I said the people were led to believe that $4,000,000,000 was all that would be necessary to meet the expenses of the Government.

Mr. SIMMONS. Mr. President——

Mr. SMOOT. If the Senator will allow me to proceed, I am going to tell the Senate of the United States just what the estimates are for every department of the Government, and I am going to show also the amount of contracts that have been entered into by our Government that will not be paid during the present fiscal year, but will reach over into the fiscal year 1920.

Mr. SIMMONS. If the Senator will just permit me, I will not interrupt him any more, if he does not desire me to do so, about any other matter.

Mr. SMOOT. The Senator can interrupt me now and at any other time he chooses for a question.

Mr. SIMMONS. Including the $4,000,000,000 of taxes that are expected to be realized from this bill, the total receipts of the Government for 1920 amount to $5,987,000,000, and $1,987,000,000 additional come from other sources.

Mr. SMOOT. That means for this year?

Mr. SIMMONS. For the fiscal year 1920.

Mr. SMOOT. Under the pending bill the estimated receipts for the fiscal year ending June 30, 1919, are $5,987,406,000. That is to be collected on business for the year 1918 during the calendar year 1919. I am discussing the question as to the amount of taxes we shall raise on the business of 1919 to pay the expenditures of the Government beginning July 1, 1919, and ending June 30, 1920. They are two separate and distinct propositions, and I want Senators to know that they are distinct propositions. I want the people of the country to know the amount of money we shall have to raise in some way to meet the expenditures for the fiscal year ending June 30, 1920, will be at least $10,000,000,000.

Mr. KENYON. Mr. President——

Mr. SMOOT. I yield.

Mr. KENYON. The Senator referred to the statement of the Secretary of the Treasury before the committee that he expected bonds would have to be issued for the fiscal year 1920. Did he state how much they expected to have issued?

Mr. SMOOT. In his statement he said 40 per cent of that—the amount required—should be raised by taxation and the balance by sale of bonds.

Mr. KENYON. I have never seen that statement in the papers.

Mr. SMOOT. That was the statement made before the Finance Committee.

Now, in order that we may get this in a concise form, so that we may follow it step by step and understand just exactly what we have to meet, I am going to begin now and call attention to the appropriations that were made for the present fiscal year, and I am going to call attention to the amount in detail as well as the total appropriations. I do not believe that this afternoon I shall take the time of the Senate to go into a detailed explanation of every one of the several department appropriations, but I am going to ask that a statement of the appropriations be put in the RECORD without reading, so that any Senator who desires to examine it carefully may have it before him at any time in the discussion of the pending measure.

The statement is as follows:

APPROPRIATIONS, NEW OFFICES, ETC.

Recapitulation of appropriations, 1918–19, Sixty-fifth Congress, second session.

Title of appropriation acts	Amount.	Contracts to be met by future appropriations.	Total.
REGULAR ACTS.			
Agriculture	$27,875,352.00		$27,875,353.00
Army	10,225,478,312.91	$1,858,332,801.00	12,083,811,113.91
Diplomatic and Consular	7,937,376.66		7,937,376.66
District of Columbia[1]	15,046,768.66		15,046,768.66
Fortification	2,814,348,267.85	2,343,465,845.00	5,157,814,112.85
Indian	11,021,910.00		11,021,910.00
Legislative, etc	09,937,863.25		09,937,863.25
Military Academy	2,515,005.01		2,515,005.01
Naval	1,573,468,415.84	34,000,000.00	1,607,468,415.84
Pension	220,050,000.00		220,050,000.00
Post Office[2]	377,573,342.00		377,573,342.00
River and harbor	23,771,900.00	82,700.00	23,854,600.00
Sundry civil	2,019,654,470.07	945,549,000.00	2,965,203,470.07
Total, regular acts	17,388,678,985.25	5,181,430,346.00	22,570,109,331.25

[1] One-half of the amounts for the District of Columbia payable by the United States, except amounts for the water service (estimated for 1919 at $683,000), which are payable from the revenues of the water department.

[2] The expenses of the Postal Service are payable from postal revenues to the extent they are sufficient therefor and the remainder is paid out of the Treasury.

APPROPRIATIONS, NEW OFFICES, ETC.—Continued.

Title of appropriation acts.	Amount.	Contracts to be met by future appropriations.	Total.
DEFICIENCY ACTS.			
Urgent deficiency, 1918	$731,901,789.46	$1,250,000.00	$733,151,789.46
Additional urgent deficiency, 1918	90,700,022.62		90,700,022.62
Deficiency, 1918	1,015,406,732.34		1,015,406,732.34
First deficiency, 1919	2,487,003,912.41	3,844,511,016.00	6,331,514,928.41
Total, deficiency acts	4,325,012,456.83	3,845,761,016.00	8,170,773,472.83
MISCELLANEOUS ACTS.			
Congress, expenses of	266,000.00		266,000.00
Federal land-bank bonds, purchase of	200,000,000.00		200,000,000.00
Federal operation of railroads	500,000,000.00		500,000,000.00
Loans to our allies by the third and fourth Liberty bond acts[1]	3,000,000,000.00		3,000,000,000.00
War Finance Corporation and Capital Issues Committee	500,200,000.00		500,200,000.00
Indianhead, Md., Naval Proving Ground, transportation system	1,000,000.00		1,000,000.00
Naturalization of aliens in the Army and Navy	400,000.00		400,000.00
Vocational rehabilitation of soldiers and sailors	2,000,000.00		2,000,000.00
Greece, payment to, for injuries of nationals	40,000.00		40,000.00
Combating Spanish influenza and other communicable diseases	1,000,000.00		1,000,000.00
Encouraging production and regulation of ores, metals, and minerals	50,500,000.00		50,500,000.00
Boston, Mass., dry dock for Navy, purchase of	4,550,000.00		4,550,000.00
Public Health Service, addition to Hygienic Laboratory		250,000.00	250,000.00
Encouraging production, etc., and distribution of food products	11,031,863.00		11,031,863.00
Total, miscellaneous acts	4,270,987,863.00	250,000.00	4,271,237,863.00
PERMANENTS AND INDEFINITES.			
Interest on the public debt[2]	655,107,269.00		655,107,269.00
Sinking fund[2]	288,889,865.00		288,889,865.00
Preparations and issuance of loans, expenses of[2]	39,732,306.67		39,732,306.67
Increased compensation to Government employees[3]	51,945,030.00		51,945,030.00
Miscellaneous permanents and indefinites[4]	71,739,945.00		71,739,945.00
Total, permanents and indefinites	1,107,415,415.67		1,107,415,415.67
Grand total	27,092,094,720.75	9,027,441,362.00	36,119,536,082.75

[1] Reimbursable by foreign governments to whom advancements are made.

[2] Revised estimate for 1919 as submitted by the Secretary of the Treasury in his annual report for the fiscal year 1918.

[3] This sum is approximated and includes $25,000,000 for increases authorized by the legislative, etc., act and $26,946,030 authorized by the Post Office act. The latter sum is in addition to $13,053,970 definitely appropriated in that act for that purpose.

[4] Approximated.

Mr. SMOOT. This statement shows the regular appropriations for the present fiscal year were $17,388,678,985.25. This amount covers the regular acts, and in addition to the direct appropriations in the regular acts there were also contracts authorized to be met by future appropriations to the amount of $5,181,430,346. Then there were four deficiency acts, and the regular appropriations in those four deficiency acts were $4,325,012,456.83, and contracts authorized to be met by future appropriations amounting to $3,845,761,016. Then there were different miscellaneous acts passed, covering the Federal land-bank bonds purchase, the Federal operation of railroads, the loans to our allies, and other smaller amounts, and these amounted, in addition to the regular appropriations, to $4,270,987,863, and in addition contracts authorized to be met by future appropriations of $250,000.

Mr. President, taking all these appropriations, together with the permanents and indefinites that are carried every year in appropriation bills, the amount of the direct appropriations for the present fiscal year was $27,092,094,720.75. The total contracts authorized to be met by future appropriations for the present fiscal year were $9,027,441,362, making a total of appropriations direct and contracts authorized to be met by future appropriations of $36,119,536,082.75.

Senators will remember that when there was a report made to this body that our appropriations amounted to $36,000,000,000

I stated upon the floor of the Senate that it was absolutely impossible for the productive industries of the country to produce the goods for that amount, and at the same time furnish our allies with goods ordered by them. That statement has proven to be a fact. The Secretary of the Treasury now tells us that $18,000,000,000 will cover all the requirements of the Government for the present fiscal year, including what we advance to our allies.

In other words, Mr. President, up to the end of this year it has developed that the purchases and expenses of our Government will not amount to more than $14,500,000,000. When the appropriation bills were under discussion I stated that it was an impossibility to produce goods in the United States and furnish our allies with what we were called upon to furnish them to an amount exceeding $16,000,000,000. I think the history of the business of this country has fully justified me in that statement at that time.

Mr. KENYON. May I ask the Senator does his statement include the different funds that were voted to the President for use?

Mr. SMOOT. The item referred to by the Senator is included generally in a deficiency appropriation bill or a regular appropriation bill.

Mr. KENYON. Does the Senator intend to include those figures before he gets through with his statement?

Mr. SMOOT. I have not the amount of the item separately. I shall look it up for the Senator and let him know exactly what it is.

I now come to the estimate of appropriations for the fiscal year ending June 30, 1920. I have a purpose in calling attention to the appropriations of 1919 and the appropriations of 1920 separately and at this time, for I want to show to the Senate how we are going to meet the requirements of the Government for the fiscal year 1919 and then the requirements of the Government for the fiscal year 1920.

The estimates of appropriations for the fiscal year ending June 30, 1920, are as follows:

Agriculture, $30,048,786; Army, $1,916,905,572.16.

I want the Senate to know how this figure was arrived at. Gen. Lord and also the Secretary of War stated to the committee that the amount was arrived at as follows: When the estimate was first made for the fiscal year 1919–20 for the Army it amounted to $19,169,057,216. They stated the original estimate was based upon an army of 5,000,000 men, and the second estimate, the revised estimate that I have just called attention to, is based upon an army of 500,000 men. Therefore, 500,000 being one-tenth of 5,000,000, the amount of the second estimate should be one-tenth of the original estimate of $19,169,057,216, or $1,916,905,572.16.

In other words, Mr. President, if up to June 30, 1919, there were more men in the Army than 500,000 the estimate will not cover the requirements of the War Department, as it is based upon an army of 500,000 men only.

Mr. LA FOLLETTE. It is merely speculative.

Mr. SMOOT. As the Senator from Wisconsin suggests, it is merely speculative. We do not know what is going to happen before peace terms are agreed upon and signed. Not only that, Mr. President, we do not know what is going to happen after they are signed. We can not tell how many men of the American Army will be kept in Europe long after June 30, 1919.

Mr. POMERENE. Will the Senator yield?

Mr. SMOOT. I yield.

Mr. POMERENE. The Senator has given the total appropriations for the fiscal year ending June 30, 1919, and also for the fiscal year ending June 30, 1920.

Mr. SMOOT. I will give them for 1920 in a very few moments.

Mr. POMERENE. But the Senator has not thus far given any figures as to the amount of contracts for which appropriations have been made and which have been canceled.

Mr. SMOOT. I will give them to the Senator as I proceed.

Mr. POMERENE. Very well.

Mr. SMOOT. Now, continuing with the appropriations for 1920, as estimated:

For the Diplomatic and Consular Service, $11,042,236.66.

District of Columbia, $15,928,819.

Fortifications, $574,237,273.30.

Indian appropriations, $11,939,813.89.

Legislative, executive, and judicial appropriation bill, $116,021,816.83.

Military Academy, $6,032,862.70.

The Navy, $2,644,307,046.05.

Pensions, $220,050,000.

Mr. VARDAMAN. Mr. President, has the Senator from Utah read the estimates for 1920?

Mr. SMOOT. I am reading the estimates for 1920.

Mr. VARDAMAN. Do those estimates carry an appropriation of $2,000,000,000 for the Navy for 1920?

Mr. SMOOT. They carry an appropriation of $2,644,307,046.05. That is the revised estimate.

Mr. VARDAMAN. Has the Senator any idea that Congress will appropriate that much money?

Mr. SMOOT. I say frankly to the Senator that I think that appropriation will be made for the Navy. I do not want my position to be misunderstood. I have stated many times, and I state again, that if I am to be charged with approving of extravagant appropriations of Government moneys it will be in maintaining a Navy. I want the strongest first line of defense that it is reasonable for us to maintain.

Mr. REED. Mr. President, will the Senator from Utah allow me to ask him a question?

Mr. SMOOT. Yes; I am perfectly willing to have the Senator do so.

Mr. REED. Is the Senator from Utah willing to build that kind of a Navy and turn it over to somebody other than an American citizen to manage it for us?

Mr. SMOOT. Mr. President, I still have unbounded faith in the ultimate judgment of Congress and of the American people, and I do not believe that is ever going to happen. I will say to the Senator that it will never happen with a vote of mine.

Mr. REED. I know that.

Mr. SMOOT. I proceed with a statement of these expenditures:

Post Office appropriation bill, $358,307,577.

Rivers and harbors, $15,870,500.

Sundry civil, $902,231,235.48.

A total, Mr. President, of the regular estimates covering the regular appropriation bills amounting to $6,822,923,539.07.

Then the permanent and indefinite appropriations, as they are called, amount to $1,266,743,759. We can not get rid of any part of that expenditure in any way, for nearly a billion dollars of it is for the payment of interest on our bonded indebtedness.

I will explain further, so as not to repeat, of what the balance of these appropriations consist. The total regular, permanent, and indefinite estimates are $8,089,667,298.07. That amount includes the sinking fund. We have a law on the statute books that requires that there shall be 1 per cent of all of the revenues of the Government set aside as a sinking fund to meet the bonded indebtedness of the Government. That law was passed back in the sixties, while the Civil War was in progress. It was passed to give stability to the United States bonds at that time, but it has never been adhered to. I have had passed through this body several times, at the request of former Secretaries of the Treasury and once at the request of Secretary McAdoo, a bill for the repeal of that law, but so far a bill of that character has failed to pass the other House. Therefore, Mr. President, it would be perfectly fair to take the amount of that sinking fund—for it will never be expended for the purpose named—off the amount of the estimated total regular, permanent, and indefinite estimates.

Mr. SIMMONS. The appropriations.

Mr. SMOOT. The estimates. The 1 per cent sinking fund amounts to $287,943,883. Deducting that from the total of $8,089,667,298.07, which I have before stated, leaves a balance of $7,801,723,415.07.

In order that the Senate may know just what the estimated appropriations that must be provided for, it is only fair to take off the receipts of the Postal Service, for we have charged to the estimated amount of appropriations the amount appropriated for the maintenance of the Post Office Department. It is estimated that the receipts of the Postal Service will be $358,307,577, leaving a net amount of $7,443,415,838.07.

That is not all that we have got to meet. This afternoon I will only analyze the present condition of the authorized contracts of the War Department for which no appropriation has been made but actual contracts entered into, and the amount of same, together with the percentage of such that can be delivered during the present fiscal year and the percentage not to be delivered until the fiscal year ending June 30, 1920.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I yield.

Mr. NELSON. Has the Senator from Utah included in that amount what, if anything, the Government will have to appropriate for the railroad service and for the telegraph service? Is that included in his estimate?

Mr. SMOOT. No, Mr. President, it is not; but I have those two items, as well as others, to which I shall call the attention of the Senate.

Now, let us take the War Department and analyze the present conditions of all appropriations made to that department from April 7, 1917, the date we declared war, to the 1st day of December of this year.

Mr. LODGE. Mr. President, before the Senator begins on that I desire to ask has he included in the figures which he has already given the amount which is necessary to pay the insurance on soldiers who have been killed?

Mr. SMOOT. That is not included.

Mr. LODGE. I understand that over $400,000,000 will be required for that purpose, and probably it may reach $600,000,000.

Mr. SMOOT. I will say to the Senator that those figures are not included in the amounts which I am now stating.

Mr. LODGE. Does the Senator include them in his final statement?

Mr. SMOOT. I would, however, say that, so far as the estimate of the officials of the War Risk Insurance Bureau is concerned, they feel that by the end of the fiscal year, June 30, 1920, the premiums from now on which are paid by our soldiers who intend to maintain their insurance will be sufficient to clear off the greater amount paid for deaths caused by influenza and those who have been killed upon the battle front.

Mr. LODGE. But that bureau is now over $400,000,000 behind.

Mr. SMOOT. I do not know the exact amount, but it is away behind.

Mr. KING. Mr. President, will my colleague yield to me?

Mr. SMOOT. Yes.

Mr. KING. My colleague has not taken into account either the contemplated appropriation for the reclamation of arid lands, of swamp lands, of cut-over lands, and so forth, and the work of rehabilitation which many sensible people and some faddists are projecting for the future care and maintenance of the soldiers and sailors.

Mr. SMOOT. No, Mr. President; nor have I taken into consideration one dollar of the amount that may be appropriated for deficiencies. This estimate does not cover a single deficiency bill. It only covers what has been estimated for by the different departments of the Government for the regular expenses of the departments.

Mr. President, let us now analyze just what appropriations for war purposes have been made and amounts that have been disbursed. These statements are from figures based upon the testimony of the Secretary of War before the Finance Committee. I want to show just what amount of contracts, obligated and unobligated, will fall due in the year 1920.

Mr. President, I ask that a copy of these estimates for appropriations be inserted in my remarks, so that any Senator who desires to see them can do so at once, without following up the interruptions.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The paper referred to is as follows:

Estimates of appropriations, 1919–20.

Agriculture	$30,048,786.00
Army	1,916,905,572.16
Diplomatic and consular	11,042,236.66
District of Columbia	15,928,819.00
Fortification	574,237,273.30
Indian	11,939,813.89
Legislative, etc	116,021,816.83
Military Academy	6,032,862.70
Navy	2,644,307,046.05
Pension	220,050,000.00
Post Office	358,307,577.00
River and harbor	15,870,500.00
Sundry civil	902,231,235.48
Total regular estimates	6,822,923,539.07
Permanents and indefinites	1,266,743,759.00
Total regular and permanent and indefinite estimates	8,089,667,298.07
Deduct sinking fund requirements	287,943,883.00
	7,801,723,415.07
Deduct postal service payable from postal revenues	358,307,577.00
Total	7,443,415,838.07

Mr. SMOOT. The total appropriations since the declaration of war on April 6, 1917, have been $24,335,281,638.62.

Mr. NORRIS. For the War Department alone?

Mr. SMOOT. For the War Department alone.

The disbursements to October 31, 1918, amount to $9,871,539,531.01. There is a balance remaining to the credit of the appropriations for the War Department of $14,463,742,107.61. Unpaid obligations to November 11, 1918—and that is the latest date as to which Gen. Lord could furnish the committee the actual figures—amount to $5,228,051,451.20, showing an unobligated balance of $9,235,690,656.41.

The estimated savings on obligations existing November 11, 1918, by the termination of contracts amount to $1,717,105,461.86. The estimated savings of unobligated balances existing November 11, 1918, amount to $5,475,303,470.85; the total estimated savings from contracts, obligated and unobligated, amount to $7,192,408,932.71.

Now, Mr. President, let us see just when and how we are to meet these obligations of the Government. After deducting all of the contracts, both unobligated and obligated, that can be canceled amounting to $7,192,408,932.71, as I have already stated, from the balance remaining in the Treasury to the credit of the appropriations of $14,463,742,107.61 leaves obligations to be met before the final completion of all contracts of $7,271,333,174.90.

The total contracts authorized since April 6, 1917, the date on which war was declared, to be met by future appropriations, up to November 11, 1918, was $8,125,717,662. Of this amount the Government has assumed obligations amounting to $1,704,107,205.07, and have been able to cancel, up to November 1 of this year, $586,031,205.07, leaving a balance to be met of $1,118,076,000.

I now wish to call the attention of the Senate to when payments of this obligation will have to be made. Of the contracts which can not be canceled, which have been authorized, but for which no appropriations have been made, it is impossible for all the goods to be delivered by June 30 next, the end of the present fiscal year. In answer to a question asked of the Secretary of War, he replied that 60 per cent would be delivered and settled for during the present fiscal year, and that 40 per cent would be carried over into the year 1920; or, in other words, there is to be carried over out of this one item $447,230,400.

Mr. President, before I pass from this item I wish to say that I received a letter in regard to it from Gen. Lord, dated December 11. I requested that he let me know whether this amount of $1,118,076,000 was a correct estimate, to go over it carefully again and let me know the result of a closer examination. I have his letter, dated December 11, 1918, which reads as follows:

Hon. REED SMOOT,
United States Senator.

MY DEAR MR. SMOOT: I am submitting herewith a statement covering all contractual authorizations issued to the War Department bureaus and the condition of the same:

Signal Corps, $45,000,000.
Chemical Warfare Service, $150,000,000.
Medical Department, $65,000,000.
Engineer Corps, $200,000,000.
Quartermaster's Corps, $15,750,000.
Ordnance Department, $8,050,710,602.

No obligations have been made against these authorizations, with the single exception of ordnance, which shows estimated net obligations amounting to $1,260,671,573.81. The total submitted to you by me originally as the net outstanding obligations of ordnance under contractual authority granted was only $1,118,076,000.

So I call the attention of the Senate to the fact that the figures that I have used, based upon Gen. Lord's estimate of a couple of weeks ago, have been increased by $142,595,573.81, and 40 per cent of this amount will be paid for in the year 1920. I do not wish it said at some time in the future that Congress did not know what they had to meet for 1920. If bonds are to be sold in a time of peace, we want to know the reason why, and it is best to set forth the reasons now, rather than one year and a half hence.

Mr. KING. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER. Does the Senator from Utah yield to his colleague?

Mr. SMOOT. I do.

Mr. KING. The Senator mentioned the sum of $15,000,000, as I understood him, as the contractual outstanding obligations of the Government under the head of the Quartermaster General's Department. I want to know whether I clearly apprehended the statement of the Senator. It seems to me that the obligations outstanding would be much in excess of that amount.

Mr. SMOOT. The Senator misunderstood me. The figures I have given are for contracts authorized, but for which appropriations have not been made. In other words, we have authorized contracts to the amount of over $9,000,000,000 to be appropriated for later. Of that $9,000,000,000, as I have said, we entered into contracts amounting to $1,704,107,205.07 and canceled of this amount $586,031,205.07, and are still obligated for the balance of $1,118,076,000; but now we find that it amounts to $1,260,671,573.81, an increase of $142,595,573.81.

Mr. JONES of New Mexico. Will the Senator yield to me for a moment?

Mr. SMOOT. Yes; certainly.

Mr. JONES of New Mexico. I wish to be certain that I understand the Senator, my attention having been diverted for just a moment. If I understood Gen. Lord's statement and the statement which has just been made, the War Department expects to take care of all of its contracts, whether appropriated for or merely authorized, and still keep the expenditures under the actual amount appropriated, and save out of the actual appropriations about $7,200,000,000.

Mr. SMOOT. That is right, as I have stated.

Mr. JONES of New Mexico. Yes; I understand that. Now, the Senator has just referred to some subsequent figures in regard to authorizations——

Mr. SMOOT. Yes.

Mr. JONES of New Mexico. And I wanted to know if those subsequent figures change the first general statement which was made?

Mr. SMOOT. No, Mr. President, they do not have reference to the first general statement, because I was dealing then with direct appropriations made to the War Department; but the letter of Gen. Lord has reference to contractural obligations authorized, but not entered into other than to the extent as named in his letter.

Mr. JONES of New Mexico. Do I understand that the statement which the Senator now holds in his hand modifies the statement which Gen. Lord made to the committee?

Mr. SMOOT. Only as to the difference between $1,118,076,000 and $1,260,671,573.81.

Mr. JONES of New Mexico. How much of a modification does that make?

Mr. SMOOT. It is a modification, in round numbers, of $152,000,000.

Mr. JONES of New Mexico. Then the saving of $7,200,000,000 is reduced?

Mr. SMOOT. It is reduced by $152,000,000.

Mr. JONES of New Mexico. It is reduced by $152,000,000?

Mr. SMOOT. Yes; that is all.

From the balances remaining to the credit of appropriations of $14,463,742,107.61 we are to deduct the total savings of direct appropriations and contract obligations of $7,192,408,932.71, leaving a balance, as I have said, of $7,271,333,174.90

The Secretary of War stated that it is impossible for all of the goods to be delivered under the contracts entered into, notwithstanding the cancellation made, during the present fiscal year. He says that there will be of the amount I have named 70 per cent of the goods delivered by June 30, 1919, and that the remaining 30 per cent will have to go over into the fiscal year 1920. Thirty per cent of the amount is $2,181,399,952.47.

Mr. President, I wish to call attention to the fact that the estimates of all the departments for the fiscal year 1919–20, as I have already stated, amount to $7,443,415,838.07. Then, 30 per cent of the contracts which have been entered into, the goods under which can not be delivered during the present fiscal year but will be delivered in 1920, amounts to $2,181,399,952.47, and 40 per cent of contracts for which no appropriation was made but for which the Government is obligated, amounts to $447,230,400, or a total, Mr. President, of $10,072,046,190.54.

I wish again to call attention to the fact that this does not include deficiency appropriations that will be made for the fiscal year of 1920. I recognize that the deficiency appropriation bills for the year 1919–20 are not going to carry—at any rate, I will say to the Senator from Virginia I hope they will not carry—a hundredth part of the amount they carried for the present fiscal year; and I know from what the Senator has stated that he is going to do everything in his power to see that they are reduced to a minimum. I admit that there is no good reason why they should not be much less than for the fiscal year 1918–19; and I will also admit, Mr. President, that the Committee on Appropriations, when deficiency bills carrying appropriations by the billions were asked for for the present year, had only one idea in mind, and that was to win the war no matter how much it cost. I would not have cared if a request had been made for $5,000,000,000 more of appropriations; I never would have set myself up to be dictator as to how many men should be sent to France or what expense should be incurred; but now that the expense has been incurred I want the American people to know what they have got to meet and when they have got to meet it. I do not want to leave it, Mr. President, until some day in the future, when the American people will wake up to the fact that they have got $10,000,000,000 to meet after having been lead to believe the amount would be but $4,000,000,000.

Mr. SIMMONS rose.

Mr. SMOOT. If the Senator will pardon me for just a moment, I will finish along this line. There is one thing that will reduce the amount required, and that is whatever salvage we receive from the sale of war materials. Under the law to-day any amounts so received are credited to the miscellaneous account of the department to which the original appropriation was made, and if there is a billion dollars of goods not now required for war purposes sold it will reduce the expenses of the Government just that much. If there is $2,000,000,000 sold, it will reduce it just that much.

Mr. SIMMONS. Mr. President——

Mr. SMOOT. I yield to the Senator now.

Mr. SIMMONS. I desire to ask the Senator this question: If some part of the expenditures that it has been estimated will be made during the fiscal year 1919 are not actually made, because the goods are not supplied, and therefore that amount has to go over into the fiscal year 1920 and be paid subsequently to the fiscal year 1919, has the Senator taken into account the fact that of the moneys that we propose to raise in this bill for the expenses of the fiscal year 1919 we have expressly provided in the bill that the last two installments of the excess-profits taxes and war-profits taxes shall not be paid until after the end of the fiscal year 1919?

Mr. SMOOT. Yes, Mr. President.

Mr. SIMMONS. Therefore, if any part of the expenditures that we have intended to take care of out of the eighteen billions that have been estimated for 1918 are not taken care of because the bills do not come in, and they go over into the fiscal year 1920, so will a part of the money that we are raising by this bill go over and not be collected.

Mr. SMOOT. The Senator is entirely wrong, Mr. President; and I will explain to the Senator just exactly how this amount of $18,000,000,000 is arrived at.

Up until the 1st day of December, or for the first five months of the present fiscal year, there has been paid out of the Treasury, in round numbers, $8,600,000,000, and the Secretary of the Treasury stated that for the next seven months of the present fiscal year he estimated that only $9,400,000,000 would be paid out, making the $18,000,000,000 as estimated requirements of the Government, and that includes what we have got to advance to our allies.

That estimate is based upon the fact that the expenses of our Government from now on, for the next seven months, will not be as great as the expenses of the past five months. It takes into consideration the billions of dollars of contracts that we have canceled, and therefore I want to predict now that every dollar of the eighteen billions will have to be raised. Not only that, but the Senator says that in the pending bill we have provided that the last two payments of the taxes to be imposed under this bill for the year 1919 will fall into the calendar year of 1920. Yes, Mr. President; they will fall into the calendar year of 1920, but when collected will be used to take up the short-time certificates that will be sold to run the Government from June 30, 1919, until the last payment of the tax under this bill is collected. Every dollar of that must be used for redeeming the short-time certificates so sold. If that is not so, then we will have to have another bond sale or a greater one than is contemplated.

How are we to raise the $18,000,000,000, the estimated requirements of the Government for the present fiscal year? We might as well state it now as at any time. Senators know that the fourth liberty bond sale yielded the Government virtually $7,000,000,000. It is expected that under the pending bill there will be collected $6,000,000,000. Therefore the figures are, the proceeds of the sale of the fourth liberty loan bonds, seven billions; the taxes to be collected under the pending bill, six billions, making $13,000,000,000; and, Mr. President, some time next spring, perhaps the month of April, there is to be another sale of bonds. I do not know whether they will call it the fifth liberty bond sale or not, and it makes no difference what it is called; there will be another bond sale.

Mr. ROBINSON. The victory loan.

Mr. SMOOT. The people of the United States will be asked to subscribe for those bonds, and the amount must be at least $4,500,000,000 in order to cover the eighteen billions that we know the requirements of the Government will be. I say "$4,500,000,000," Mr. President, because there are other miscellaneous receipts, such as $160,000,000 from the tariff and a few other items, making, in round figures, $500,000,000; and if we do not get that amount we will have to have a larger bond sale. I expect one of $5,000,000,000. Not only that, Mr. President, but I expect the American people to be as loyal, now that the war is nearly over, as they were before. The expenses have been enormous; the American people, almost as a unit, were in favor of every necessary expense being incurred, and now the American people must be willing to meet those expenses.

Mr. POMERENE. Mr. President——

Mr. SMOOT. I yield to the Senator.

Mr. POMERENE. The Senator a moment ago referred to the loans which it would be necessary for us to make to the allies. Now that the hostilities have practically ceased, has the Senator any information as to the extent of these loans which will be required from us in the future?

Mr. SMOOT. Mr. President, I want to say frankly that when the Secretary of the Treasury was asked that question he stated that he thought those loans could be floated in the regular, ordinary banking channels. He did not say positively that they could be, but he said that he expected them to be.

Mr. POMERENE. The Senator's question goes to the method of raising these funds. My question was as to the amount of them.

Mr. SMOOT. I will continue, and answer the Senator's question——

Mr. SIMMONS. Mr. President, before the Senator does continue——

Mr. SMOOT. I mean, upon the same subject. I want to answer the Senator's question.

Mr. SIMMONS. Yes; but the Senator has stated that it probably would be necessary for us, in order to raise the eighteen billions of dollars that it is estimated we will spend during the present fiscal year, to sell five billions and something more of bonds. Why, of course it will be necessary. The estimates of the Treasury Department show that it will be necessary. The statement of the Secretary of the Treasury is that we will get six billions from this bill, seven billions from the liberty bonds that we have already sold, and the balance of the eighteen billions, of course, will have to come from the sale of bonds. There is no other way to get it. There never has been any suggestion that it could be gotten in any other way.

Mr. SMOOT. No; I have not suggested anything of the kind. I was simply showing that if the $18,000,000,000 should be sufficient to meet the obligations of the Government, it would be all that it would do. The Senator says that if the entire amount of money is not spent, the balance will go over to the year 1920. Mr. President, there will be no unspent balance to go over.

Mr. SIMMONS. If the Senator will pardon me, I would not have said that but for the fact that in the early part of the Senator's speech he referred to the fact that he had predicted upon this floor that whatever amount we might appropriate and whatever amount we might estimate we would spend in this fiscal year, it would be impossible for us, because of the limitations upon the ability of the different agencies of this country to produce more than a certain limited amount, to expend more than $16,000,000,000 this year; and I understood him, in connection with that statement, to say that he now reiterated it. Therefore, I assume that he meant that although we estimate we will spend eighteen billions during this fiscal year it will be impossible for us to spend more than sixteen.

Mr. SMOOT. Oh, no; Mr. President, I said that was without any advance to the allies. The Senator certainly has not followed me in the statement I have made.

Mr. SIMMONS. The Senator knows that this $18,000,000,000 estimate includes advances to the allies.

Mr. SMOOT. Yes; it does include advances to the allies, and my estimate of sixteen billions did not include any advances to the allies.

Mr. SIMMONS. I do not know what the Senator's estimate included.

Mr. SMOOT. Now, there is quite a difference between being able to furnish $14,463,000,000 between this time and June 30, 1919, and being able to furnish $7,192,000,000. Cancellations have been made, and the War Department say in their estimates that this latter amount can not be delivered within the calendar year, and that in one case—that is, the obligations by direct appropriations—but 70 per cent of the amount will be delivered, and that under the contracts for which no appropriation has been made but 40 per cent.

Now, Mr. President, reverting to the question asked by the Senator from Ohio [Mr. POMERENE]——

Mr. SIMMONS. But the Senator does not deny that if any amount of money that we may have raised by taxation or the sale of bonds is not actually expended during the fiscal year 1919 it will go over, remain in the Treasury, and be available for the payment of any expenditures that may have to be met in 1920?

Mr. SMOOT. Oh, there is no doubt about it; but there will be no unexpended balance to go over. I want to say to the Senator now that during the first five months there was paid out of the Treasury $8,600,000,000. That is on the basis of an average of $1,720,000,000 every month; and the amount estimated to be paid out to reach the eighteen billions by the end of this year, or for the seven months, is but nine billion four hundred millions.

Mr. TOWNSEND. Mr. President, furthermore is it not true that the peak of the expenditures, the highest amount that was expended during all of the time, was in November, after the armistice had been signed?

Mr. SMOOT. There is no doubt about it. That was the very highest month, and the expenditures during that month only fell a few dollars below $2,000,000,000.

Now, I have no doubt but that we must assist poor, stricken Europe. I have no doubt but Belgium and Serbia must be assisted. I have no doubt but France and Italy will require assistance. In fact, all that we have to do is to read the public remarks made recently by the Secretary of the Treasury, where he calls particular attention to the needs of those countries, and the obligations that we are under to them to understand his position, and the least we can do is to assist them during their reconstruction period.

What did the President say in his message delivered to the joint session of Congress on December 2, 1918, the day before he sailed for Europe, on this subject? I quote from that message:

> May I not say a special word about the needs of Belgium and northern France? No sums of money paid by way of indemnity will serve of themselves to save them from hopeless disadvantage for years to come. Something more must be done than merely find the money. If they had money and raw materials in abundance to-morrow they could not resume their place in the industry of the world to-morrow—the very important place they held before the flame of war swept across them. Many of their factories are razed to the ground. Much of their machinery is destroyed or has been taken away. Their people are scattered and many of their best workmen are dead. Their markets will be taken by others, if they are not in some special way assisted to rebuild their factories and replace their lost instruments of manufacture. They should not be left to the vicissitudes of the sharp competition for materials and for industrial facilities which is now to set in. I hope, therefore, that the Congress will not be unwilling, if it should become necessary, to grant to some such agency as the War Trade Board the right to establish priorities of export and supply for the benefit of these people whom we have been so happy to assist in saving from the German terror and whom we must not now thoughtlessly leave to shift for themselves in a pitiless competitive market.

Then he goes on to say that if the war had continued it would have been necessary to raise at least $8,000,000,000, and he recommends that $6,000,000,000 be raised instead of the eight as recommended by the Secretary of the Treasury.

Not only that, Mr. President, there returned from Europe the other day Hon. H. P. Davison, the head of the Red Cross Association, right from the field of battle, the scenes of destruction, and here is what he says is expected of America:

> That there will be an appalling cry of humanity from all over the world no one can doubt.

Said Mr. Davison:

> The needs of France, Belgium, Italy, Russia, and the Balkans will not terminate with the formal declaration of peace. A hard winter is ahead. Exposure, and the hardships of war, and the dislocated industrial conditions of the world have produced hunger, want, and disease. There will be such distress in the world that it can not be met by voluntary organization. The Governments themselves must bear the chief burden; and I am confident that cooperation between the Governments may be relied upon in an endeavor to meet this wholesale work of relief which will be needed.

Mr. President, there is no doubt about it, and there is no question but that the government that will be called upon to do the most of this relief work will be the Government of the United States.

I could go on and quote further from the message of the President, but I will not take the time.

I have presented to the Senate the amount that will be carried over from the present fiscal year to the year 1920 in the case of the War Department alone. The Navy Department, Mr. President, has asked for $2,600,000,000, in round numbers, for the fiscal year 1919–20. In the past naval appropriation bills there have been contracts authorized, but no appropriations made, the same as in Army appropriation bills. So far we have been unable to find out what the cancellations were in the Navy Department and what the obligations of that department are that can not be finished and delivered this fiscal year and will fall into the year 1920. And, remember, the figures that I have given take into consideration simply the estimate of the department of the amount required for the year 1920.

Mr. President, I hope that we will receive a goodly sum by way of salvage from the sale of war materials. I hope that it may reach this year $2,000,000,000. When I say "this year" I mean the calendar year of 1919; and it seems to me, from the amount of goods we have on hand in some particular lines, that it ought to reach that amount. The Senator from Washington [Mr. POINDEXTER] the other day placed in the RECORD a list of goods that the Quartermaster Department had on hand that was almost appalling in the amount of goods undistributed by that department; and yet I would rather have had all that they have on hand, and more too, than to have seen any part of the American Army suffer from cold or hunger.

Mr. JONES of New Mexico. Mr. President, the Senator seems to have covered the proposition which he has been presenting, and in connection with it I should like to make an inquiry. Does the Senator, in presenting these estimates of appropriations, want us to infer that he would have us raise under this bill for the fiscal year 1919 more than $6,000,000,000?

Mr. SMOOT. Mr. President, if the Senator will allow me, I would rather take that up in its regular order, and give him my views when I reach that subject.

Mr. JONES of New Mexico. Certainly.

Mr. SMOOT. I want to say to the Senator now that I should like to proceed further to-night, but I have been speaking for an hour and a half and my throat is a little sore, and really I would not like to go into the subject at this time and then have to repeat it later.

Mr. JONES of New Mexico. Of course, I will not pursue it if the Senator does not care to.

Mr. SMOOT. But I am going to go over that when I get to the excess-profits tax and the war-profits tax.

Mr. JONES of New Mexico. I want to get the views of the Senator about the matter at some time.

Mr. SMOOT. Yes, Mr. President; I shall be glad to cover that subject when I reach it.

Mr. McCUMBER. Mr. President, the Senator very properly stated that he would prefer that we should have had any quantity of goods on hand in the Quartermaster's Department rather than take the chance of any part of the American Army suffering. Now, I understand that we have about 150,000 horses for Cavalry that need saddles. I also understand—and I will be corrected if I am in error—that there are something like 1,800,000 saddles for those horses that have been collected. I can not imagine their losing a saddle without losing the horse with the saddle, and it never occurred to me that it was necessary to have five or ten times as many saddles as we have horses. If the Senator has any information which he can give to explain this discrepancy, I should like to hear it.

Monday, December 16, 1918.

Mr. SMOOT. Mr. President, on Saturday afternoon I presented to the Senate certain figures showing that the requirements of the Government for the fiscal year ending June 30, 1920, would amount to at least $10,000,000,000, and, in my opinion, I desire to state now that that amount will be exceeded. The business men of this country do not object to paying the necessary taxes demanded by the Government to carry on the operations of the Government, whether during peace or war. What they do object to is a form of taxation that is discriminatory in its character, manifestly unjust, and an imposition of taxes upon one concern greater than upon another doing identically the same business, selling to the same customers, making the same profits, and yet in some cases the taxes for one are four and one-half or five times what his competitor will have to pay.

If I had no plan to offer to correct this unjustifiable discrimination, and if there was no system that could be adopted to regulate the injustice imposed upon certain business concerns under the provisions of this bill, I never would mention the fact and simply state that a law can not be written to fit all cases. But, Mr. President, such is not the case. A tax law can be written so that it will be just to every person, every partnership, and every corporation doing business in the United States.

That plan, whether it be adopted now or later, would be approved by the business men and the people of this country. I frankly admit I do not expect such a plan to be adopted at this time. I have come to the conclusion that it is absolutely useless on my part and a waste of time, as far as immediate results are concerned, to insist upon present action, but we must remember that for years and years to come the American business and the people of this country generally will be paying heavy taxes, the result of the present world war.

Therefore, I want to call attention to the fact that, on account of the discriminations in this bill, when the American people understand them thoroughly, and I wish to say that most of the business men of the country understand them to-day, there will be a movement started that will force a change in the law. The sooner it comes the better it will be for all concerned.

In my report expressing my personal views upon the pending bill I make this statement:

> If I could have framed the pending revenue bill, I would have made it very simple and so plain that any ordinary business man or individual could have understood it and would have had no trouble in making out a tax return.
>
> Every individual, whether in business as such or as a member of a partnership, would have been treated alike. Every corporation would have been taxed upon the same basis, and the question of capital invested, watered stock, and bonded indebtedness would not have entered into the question of the amount of tax to be imposed, with the single exception of a few corporations with a capital stock of over $1,000,000 and making undue profits during the prewar period. I would have provided a separate provision for taxing these few corporations. I would have provided for a straight war-profits tax, following the principles outlined in my amendment that I offered on January 5, 1918, to House joint resolution 195, with certain modifications to meet to-day's changed conditions.
>
> I believe that there should be eliminated from the bill all the harassing, nagging taxes—all of which are consumption taxes—and substituted for them a 1 per cent sale tax on all goods sold for consumption or use. A tax of that character would in no way embarrass the producer or the consumer and would yield a revenue of over $1,000,000,000.
>
> In addition to the 1 per cent sale tax and a straight war-profits tax, as above referred to, I would include in the bill—

But not in the bill for the fiscal year ending June 30, 1920, and I shall take the time of the Senate to present to this body my views as to what that tax bill should provide and the sources from which the taxes should be collected—

> I would include in the bill title 2, income tax; title 5, tax on transportation, with certain modifications; title 6, tax on beverages, only so far as it affects alcohol, beer, wine, and the floor tax on the same; title 7, tax on cigars, tobacco, and manufactures thereof, with increased rates; title 9, the tax to be limited on automobiles, and on leases for exhibition of any positive motion-picture film; title 10, tax upon capital stock, brokers, manufacturers of tobacco, cigars, and cigarettes, and on pleasure boats. All other items found in any of the above titles should be eliminated.
>
> If this plan were adopted, the bill would provide a larger revenue for the Government than will be received under the provisions of the pending bill, and unjust and discriminatory taxation would be avoided.

I say now it is impossible to impose an excess war-profits tax where invested capital is considered upon the business institutions of this country without the development of the rankest kind of discriminations. No definition of invested capital can be written, even though it covered pages and pages of our statute books, that could provide for all the emergencies that would arise in the thousands of businesses of this country; but if a straight war-profits tax is imposed, then, Mr. President, if a business makes a thousand dollars over and above the exemptions allowed under the pending bill, or if it makes ten million dollars, it pays pro rata the same rate of taxation.

When I proposed, in January, 1918, to House joint resolution 195 a war-tax amendment I received from all parts of the United States the highest of commendations. I received many letters similar in character to the one that I shall now refer to. The president of one of the large concerns of New York, after closely examining the amendment that I then offered, wrote me a letter, stating that after a thorough examination of the amendment, it was found that if my amendment were in force the concern would pay $245,000 more taxes than under the bill then pending, and now the present law; then followed the statement that the officers of the concern were willing to pay the increase—for it was manifest that the amendment treated all business alike—and pay a tax upon the amount of profits made, be they small or be they large.

Now, I want the Senate to understand that any law imposing taxes for the fiscal year ending June 30, 1920, should not, in my opinion, impose taxes upon excess profits or so-called war profits. The only war profits that there could possibly be would be derived from contracts already made and entered into by our Government, the goods to be delivered within that calendar year. I can not say, Mr. President, how much such a tax would amount to, and no one else can do so. But that is the only source from which a war-profits tax could be secured.

How should the taxes for the calendar year 1919 be raised? In the first place, Mr. President, I believe that the income tax should and will remain upon our statute books. As to whether the intermediate rates, as provided in the pending bill and in the existing law, shall remain as they are is a question. If we follow the English law, we would raise such rates. But, Mr. President, I am not so much concerned about the income tax as I am about the principle which should apply in taxing individuals, partnerships, and corporations on their net profits.

Mr. President, instead of an excess-profits tax or a war-profits tax, I would impose a tax that would be equal and just and nondiscriminatory in every respect upon all businesses, whether they be carried on by an individual, a partnership, or a corporation. That can be easily accomplished simply by providing a flat normal tax, and having that normal tax apply to all the gains of the business carried on as an individual, partnership, or corporation, less certain exemptions, applying equally to all. If the net gains, less exemptions, amount to a thousand dollars, the flat normal tax is imposed upon that amount and no more; if they are $10,000,000 the flat normal tax would be imposed upon that amount. It is my opinion, Mr. President, that such a tax would be very acceptable to the great majority of business concerns of this country, with perhaps the single exception of institutions of a character that is not making to-day more than 8 per cent upon their capital stock.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER (Mr. GAY in the chair). Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. I do.

Mr. JONES of New Mexico. I do not want to interrupt the Senator's trend of thought if it will interfere with him, but he made a suggestion that after this year there should be no tax upon the excess profits with the exception of such profits as grew out of war contracts. I should like to inquire of the Senator if he believes that profits growing out of war contracts should be treated differently from any other profits?

Mr. SMOOT. Mr. President, the Senator misunderstood me if he thought I said there should be a special tax upon war profits for the year 1920. I simply stated that only those profits could be called war profits which grew out of contracts with the Government incident to the war, and in 1920 there can be no such thing as war profits unless profits of the character I mentioned are designated as such. I call the Senator's attention to the fact, however, that if a flat, normal tax is imposed it will tax all profits, whether made by institutions that are making to-day but 8 per cent, and escaping virtually all taxation, or otherwise. The Senator knows what class of institutions in this country are in that category to-day, paying very little taxes, some of them not one cent in taxes outside of the low, normal tax imposed, and yet making millions of dollars annually. We have about reached the time we must provide legislation for the collection of taxes for many years to come to meet the requirements of the Government and such legislation must be absolutely just to all concerned.

During war times Congress has enacted many laws that never could have been passed if there had not been a state of war. Legislation has been passed by Congress, and is now upon the statute books, which the American people will demand of Congress its repeal, and rightly and justly so. Therefore, when we are talking about passing a revenue bill for the future, let us take time, Senators, and pass a bill levying taxes that no institution in this country, no individual, and no partnership can say are unjust or discriminatory. There is no necessity for passing any other kind of a law, and the 1920 provisions of the pending bill can be charged with all the defects of the provisions imposing taxes for the calendar year 1918.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I yield.

Mr. SIMMONS. I understood the Senator to say a little while ago that in his judgment the expenditures for the fiscal year 1920 would amount at least to $10,000,000,000. Does not the Senator think, if our expenditures should reach that figure, that at least $6,000,000,000 of that amount will be on account of the war and should be treated just the same as we treat war expenses now?

Mr. SMOOT. Well, Mr. President, if that program is to be carried out, it means that for a number of years in the future there will be sales of bonds by our Government.

Mr. ROBINSON. Mr. President, will the Senator yield to a question in that connection?

Mr. SMOOT. I would like to finish my answer to the question of the Senator from North Carolina, but I will yield to the Senator.

Mr. ROBINSON. Does the Senator think that all of the sums to be expended in the year 1920 should be raised by taxation? Does the Senator oppose the issuance of any bonds for that year if our expenditure should reach $10,000,000,000?

Mr. SMOOT. Mr. President, the Senator from Utah believes that if we now know we are to meet an expenditure of $10,000,000,000 in 1920, as I am sure we will, I would very much prefer to impose additional taxes upon the business of 1918, when we know that profits have been large, rather than to force additional taxes upon the business of 1919, when no human being can tell what the profits of that year will be.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. SMOOT. Just a moment. In that connection I wish to say to Senators that the estimated revenue of $4,000,000,000 to be derived from the taxes imposed for the year 1920 can hardly be justified. I think that is as mild a way as I can put it.

Mr. ROBINSON. Mr. President, will the Senator yield for a further question?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. ROBINSON. The Senator has stated that, in his opinion, the expenditures for 1920 will be at least $10,000,000,000. I want to ask the Senator, first, whether included in that amount is any sum that may be advanced to the allies, or are such sums excluded from the $10,000,000,000 of estimated expenditures?

Mr. SMOOT. They are excluded, I will say to the Senator. I stated on Saturday—I do not know whether the Senator was then in the Chamber—that the Secretary of the Treasury is of the opinion that beginning with the calendar year 1919 advances would have to be made to our allies, but they would be furnished through the regular channels of banking; in other words, the obligations of our allies would be issued, and no doubt sold in this market; but the Treasury of the United States would not be compelled to advance very much more to our allies.

Mr. ROBINSON. I heard the statement as made by the Secretary himself and as repeated by the Senator on the floor on Saturday. The Senator said, in reply to a question propounded by the Senator from North Carolina [Mr. SIMMONS], that under the system provided in this bill and implied in the question of the Senator from North Carolina, this Government would be issuing bonds for a great many years; but the Senator from Utah did not answer my question. My question was, assuming the Senator's estimate to be correct that the expenditures of this Government for 1920 will be at least $10,000,000,000, and that may be increased by a couple of billion dollars advanced to the allies, whether he favors the raising of all that sum by taxation, or whether under those circumstances he would be willing to raise a portion of it by bonds?

Mr. SMOOT. Mr. President, the difficulty of trying to legislate for the fiscal year ending June 30, 1920, at a time when war profits are ceasing and reconstruction profits beginning, is demonstrated by the question just asked. We should not legislate now for 1920. We do not know, nor can we fairly estimate, what the business of 1920 is going to be; we do not know, nor can we reasonably estimate, what the profits will be. But if the profits are as in normal years I will say to the Senator that it will be absolutely impossible to raise $10,000,000,000 by taxation, because that is about all the profits that are made in ordinary times.

Mr. ROBINSON. Then, if that is the case, if the expenditures will be at least $10,000,000,000 and it proves impossible to raise that much by taxation, we will be compelled to issue bonds, will we not?

Mr. SMOOT. We will be compelled to issue bonds, but I want the people of the country to know that fact now. I do not want a realization of that fact to be left until the time comes when the bonds must be issued, when the Democratic press and politicians will claim that the Republican Party is responsible for issuing these bonds in time of peace. They will claim that the pending bill providing an estimated revenue of $4,000,000,000 for the year 1920 was ample to meet the requirements of the Government. I say now, Mr. President, that it is not ample.

Mr. ROBINSON. Mr. President, will the Senator yield now to another question?

Mr. SMOOT. Yes; I yield.

Mr. ROBINSON. The Senator has stated that it is absurd, or substantially that, to undertake to provide now for the funds necessary for expenditures in 1920. When does the Senator think that they should be provided for?

Mr. SMOOT. I think they should be provided for some time during the calendar year 1919 at a time when we will know more about prospective profits than we do now.

Mr. ROBINSON. Some time during the calendar year?

Mr. SMOOT. Yes.

Mr. ROBINSON. The Senator, of course, is aware that it must be done either during the present short session or during the next long session, which does not begin until the first Monday of December. Does the Senator favor an extra session of Congress during the year 1919 for the passage of a revenue law?

Mr. SMOOT. I favor an extra session of Congress during the year 1919, not only to pass a revenue law but to see that many of the laws now upon the statute books are repealed; laws the American people are restive under.

Mr. ROBINSON. Of course, if we wait until 1919 to pass a revenue law, we will still be passing it in advance of 1920. The Senator, then, does concede that the revenue law for 1920 must be passed before 1920. Now, let the Senator tell the Senate what difference three months or four months will make, in so far as the determination of the question of policy is concerned, as to whether we shall raise all the money necessary for our expenditures by taxation, or part of it by bonds? The only advantage that will result is that the Senator's party will be in power in Congress after the 4th of March. Is not that true?

Mr. SMOOT. I will say to the Senator that the fact that the Republican Party will be in power will prove a great advantage to the people of this country.

Mr. ROBINSON. The Senator thinks so, of course.

Mr. SMOOT. Not only that, but the Senator is wrong as to his "three or four months." The Senator knows, and has had enough experience in passing revenue legislation to know, that it will be nine months before the bill could be enacted into law and signed by the President, and by the end of nine months we will know something about the condition of business in this country. Not only that, Mr. President——

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Utah yield for a further question?

Mr. SMOOT. I do.

Mr. ROBINSON. The Senator, of course, knows that at any time subsequent hereto the Republican Party, when it is in power in both Houses, can pass any legislation it chooses, assuming that it has a majority; and if this Congress passes a measure that should be repealed, the Republican Party can repeal it.

Mr. SMOOT. Mr. President, I am fully aware of that; but the whole proposition resolves itself into this——

Mr. ROBINSON. If the Senator will pardon a further statement, I will conclude what I was saying, and that is that he is trying to prove an alibi for his party in advance.

Mr. SMOOT. I know it is very disagreeable to the Senator from Arkansas even to have the people understand the true situation.

Mr. ROBINSON. Oh, no; I hope the Senator does not understand that I am not in the very best of good humor.

Mr. SMOOT. I know that the business men of this country and the people generally who pay taxes ought to know the amount that will be required by the Government for the fiscal year 1919–1920, and I believe the people of the United States are loyal enough to meet every demand made upon them, but every tax imposed upon them must be just and equitable.

Mr. ROBINSON. Will the Senator yield again for a statement in that connection? I agree with every word that the Senator has said, that the people of the country should be informed now, in so far as that information can be given them, just what they will have to meet in 1920. I do not think it is within the power of any person to say just exactly what that sum will be; but if we are to tell them what they will have to meet, why not tell them how much they will have to pay and how that may be paid, and give them the advantage of adjusting their business to meet those payments? Why wait until the business of the country has adjusted itself upon the basis of a $6,000,000,000 taxation, and every man who sells goods sells them upon the theory that he is going to pay the tax carried in this bill, and then, after he has collected this enormous amount from the consumers, reduce it? Why not give the people the advantage of both the information as to how much the expenditures of the Government will be in 1920 and the information as to how much they will have to pay then?

Mr. SMOOT. Mr. President, I want to say to the Senator that the business interests of this country have, and the American people at the recent election declared by their votes that they have, confidence in the Republican Party in readjusting the future affairs of the country, and they know full well that all the money necessary to maintain the Government will be raised by that party, and in a way that will bear lightest upon the people. I can not see why we should not have an extra session of Congress. Are there any good reasons why we should not?

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I do.

Mr. ROBINSON. Suppose there should not be an extra session of Congress. The result would be that the provisions of the present bill would probably be extended to 1920, would they not?

Mr. SMOOT. Not necessarily so. There will at least be another session of Congress by December of 1919, and the Republican Party, then in control, can at least pass a resolution imposing a different rate of taxation than that imposed by the present law before it is time to make returns for 1920, and the business men of this country know——

Mr. ROBINSON. Yes; but will the Senator yield further? If we wait until that time arrives, the people of the country will not get the benefit of any reduction that may then be made in the taxes, or, at least, the people of the country will not get all the benefit of that reduction.

Mr. SMOOT. Mr. President, the difference between the 1920 tax so imposed and the tax of 1919 will never be felt by adding to the price for which the goods will be sold.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I should like to proceed in some kind of order in what I have to say. I am perfectly willing to yield for a question, but not for an argument.

Mr. SIMMONS. Mr. President, I am not going to make an argument. I want to ask the Senator a question.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SMOOT. No; I yield to the Senator.

Mr. SIMMONS. I want to ask the Senator, assuming that this bill is passed with the amendment of 1920, and assuming that the taxes are collected upon the basis of this bill and passed on to the people of this country in the price of products, as we know they will be, if at the close of the calendar year 1920 the Congress in next December shall remit one-third of the six billions of taxes collected out of the people, who will get the benefit of the $2,000,000,000 which may be remitted?

Mr. SMOOT. Mr. President, that will depend entirely upon what kind of a bill they are going to have for 1920. I say now that the difference of rates of taxation between the two bills will be so small that so far as the retail price of the goods is concerned it will make no difference. The Senator knows that goods generally are sold for all they will bring, tax or no tax, and that will be continued. What we want to do, if we do not want to destroy business entirely, is to let competition regulate those things, and I am quite sure it will.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. Yes.

When interrupted, Mr. President, I was discussing the question of what I thought the taxes ought to consist of, beginning with the fiscal year 1919–20, and I had reached the point of explaining a flat normal tax upon all net gains. In addition to a flat normal tax upon all net gains, I would impose a 1 per cent sales tax; and in this connection I might say that we ought to provide a sinking fund, not this year, perhaps not next year, because of the large amount of taxes to be collected, but surely the following year. Senators must remember that the bonds of the United States will begin falling due within five years, with no provision whatever for meeting them. I believe that the bonded indebtedness of this Government should be met by all the people, and not by any one class. I trust that the principle of providing a sinking fund will be the policy of the Republican Party, at least, and I might say of any party that may in the future be in power.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. Yes; for a question.

Mr. JONES of New Mexico. I should like to renew the question which I asked of the Senator on Friday.

Mr. SMOOT. If the Senator will just wait, I will answer it in connection with another subject I intend to discuss.

Mr. JONES of New Mexico. Very well; then I will withhold the question at this time.

Mr. SMOOT. There are other sources from which the Government can obtain revenue for the year 1920. The receipts from imports for the present calendar year will be not to exceed $160,000,000. We should amend the existing tariff law so that it would yield to the Treasury of the United States $350,000,000 to $400,000,000 per annum.

Mr. SIMMONS. Mr. President, will the Senator permit me a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Yes.

Mr. SIMMONS. I desire to ask the Senator if he thinks, if the tariff is to be revised, that the time between now and the next session of Congress will be an opportune time to revise it, in view of the unsettled condition of prices of labor and materials throughout the world, and especially in the countries that we have to meet, in which we have our chief competitors in our own market?

Mr. SMOOT. Mr. President, I was not suggesting that the tariff act be revised at this time.

Mr. SIMMONS. I thought the Senator was, at a special session.

Mr. SMOOT. So far as that is concerned, it would not be a bad idea to revise it at a special session, and my opinion is that it will be revised at an early date. I now state that the Simmons-Underwood tariff act will not remain on our statute books many months longer.

Mr. SIMMONS. Mr. President, I was not asking whether the present tariff act will be repealed or not. I was asking, if the present tariff act is to be repealed when the Republican Party comes into power, in view of the unsettled conditions as to the cost of labor and materials in that part of the world where we meet our strongest competition, if the Senator thought that between now and the time for the assembling of the regular session next December would be an opportune time and a proper time in which to revise the tariff?

Mr. SMOOT. Mr. President, I think it would be very proper indeed to revise the tariff during that time, though not as a whole. It will be revised as conditions change in the world; and when normal conditions are reached in the United States I wish to say now that the rates of tariff imposed by the Simmons-Underwood tariff act must be changed or the American market is going to be taken by foreigners.

Mr. JONES of New Mexico. Mr. President——

Mr. SMOOT. Will the Senator kindly let me proceed?

Mr. JONES of New Mexico. I just want to ask the Senator if he expects to substitute the Payne-Aldrich Act for the Simmons-Underwood Act?

Mr. SMOOT. As between the two, and within two years, if the substitution were made it would be a godsend to the country; yet I say there were rates in the Payne-Aldrich Act that will never be reenacted into law.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Unless I am allowed to proceed I will yield the floor.

Mr. SIMMONS. I want to ask the Senator a question, and if the Senator does not want to answer it he need not. When he started out he said he would be glad to have Senators ask him questions.

Mr. SMOOT. I have been on the floor nearly an hour and a quarter, and the RECORD will show a great part of that time has been taken by interruptions such as the last one, about the Aldrich Tariff Act, and a lot of stuff that has no reference whatever to the pending bill. I am getting tired of it. If Senators want to know anything about the bill, they may ask questions and I will answer them if it is in my power to do so.

Mr. SIMMONS. I wish to ask the Senator this question, and he can answer it or refuse to answer it, as he wishes. Without reference to what he calls the Simmons-Underwood Act or the Payne Act that is to be the tariff measure in the future, I want to say, parenthetically, that I do not believe either one of those measures will at all suit the conditions that obtain when the war closes. But if the Senator wants to reenact the Payne-Aldrich Act or some similar act to it, I wish to ask him if he wants a special session of Congress in which to reenact that measure during the coming calendar year?

Mr. SMOOT. There will be many pressing matters that should be acted upon in a special session of Congress other than a revision of the tariff. I say, however, that there should be a change in the present tariff law, and there should be a change as soon as possible, and as new conditions develop in this country further changes will be necessary, for I know that the keenest competition that has ever been experienced in all the world is going to follow when the reconstruction of the countries in Europe is completed. I know the best market in all the world is the American market, and it is going to be exploited by foreign countries, and there is no way to keep out foreign goods except by the enactment of a tariff law. Whether it comes during the special session or later, I say that it will come, and, Mr. President, it will come no matter what party is in power. The present tariff law can not remain in force and the workingmen of this country have employment; I mean when normal conditions are reached in the United States, and in the world. How soon they will be reached nobody can tell. It may be a year, it may be two years, it may be three years, but the time is coming when they will be reached.

In mentioning the tariff question as I did I had no idea that a revision would be incorporated in the pending bill or any revenue bill. I simply mentioned it as one of the sources from which revenue could be derived for the Government for its future needs.

Mr. SIMMONS. Mr. President, in his response to the question of the Senator from Arkansas, of course the natural inference was that the Senator meant he wanted to revise the tariff in order to get a supplement to the revenues for 1920.

Mr. SMOOT. The Senator is mistaken. It was not in answer to the question asked by the Senator from Arkansas.

Mr. SIMMONS. I have had no answer to my question yet. I am not differing from the Senator in his statement of conditions that will undoubtedly develop and obtain as a result of the war; I do not say there will not be a necessity for some change in the tariff, but what I wanted to know was whether the Senator meant that he was in favor of an extra session during the next calendar year for the purpose of revising the tariff and increasing our governmental receipts.

Mr. SMOOT. I have answered the question already, but I will answer it again. I am in favor of an extra session of Congress. During that extra session of Congress I would be in favor of modifying the present tariff law, and not only modifying the present tariff law but passing a just and equitable revenue bill and proper reconstruction legislation.

Mr. SIMMONS. The Senator then is in favor of revising the present tariff law and making a new tariff law before he knows what are going to be the conditions in foreign countries upon which every tariff law, according to the theory of his party, ought to be based.

Mr. SMOOT. As the Senator knows, or every Senator with the exception of the Senator from North Carolina, there are changes necessary in the present tariff law under existing conditions, and those are the changes I would have made during the extra session of Congress. I have said two or three times already that further changes would be necessary as new conditions developed. That is my position.

Mr. President, I think the best way to provide a sinking fund to meet the payment of the bonded indebtedness of the Government is by the imposition of a consumption or sales tax. The rates can be so small that it will never be a burden on any class of people—$10 on a thousand dollars of actual purchases for consumption or use. There is another advantage in such a tax being imposed upon the consumer, as it does not impose a tax upon the manufacturer, wholesaler, or jobber and prevents the tax being passed on from one dealer to another with increased amount added by each turnover. Past experience has proven that a 5 per cent tax imposed upon the manufacturer often is the excuse for the imposition of a 20 per cent tax by the retailer upon the ultimate consumer.

If the sales tax is not adopted for raising revenue to meet the running expenses of the Government, I do hope and trust that it will be adopted in the near future to provide a sinking fund to pay the obligations of the Government.

Mr. President, I may differ from my associates in relation to an inheritance tax. I do not believe that the pending measure should impose a tax of any sort upon inheritances. I am not going into a long discussion of it, but will content myself by saying that I believe the imposition of inheritance taxes should be left entirely to the States. The only excuse for collecting any part of an inheritance must be based upon the granting of a power to transfer the property of a decedent, and that privilege can only be granted by the State and not by the Federal Government. In some of the Western States there have been withdrawn public lands in some instances to the amount of 80 per cent of the area of the State. Those States are only allowed to tax the land in private ownership. They must raise from a limited source of taxation the money to maintain all the institutions of the State, and in some cases it becomes a burden so irksome that it is next to impossible to bear. People wonder why manufacturing concerns in such States are not increasing. When we stop to think that in many cases the total taxes run over 4 per cent we must of necessity admit that it is impossible to compete with like business in States where taxes are not half the amount.

I shall vote to strike out every inheritance tax in the pending measure if I have a chance to do so, as I did in the committee.

Mr. President, the provisions of the bill are unjust in the imposition of taxes as between individuals, partnerships, and corporations. I know that under the provisions of the bill it is impossible to prevent it. I have thousands of letters showing the inconsistencies in actual cases as between businesses of a similar and like character. In this connection I want to read a letter just received from a firm in Chicago:

> We received yesterday a copy of the proposed revenue law as reported by the Senate committee, and according to its provisions we would have paid on last year's business over a million and a quarter dollars in excess of what we would have paid had we been incorporated. This you will see would compel us to pay over 25 per cent more than the most unjust amount we paid last year.

Then he proceeds with an exposition of the profits of a corporation doing a similar business and shows a difference in favor of the corporation under this bill of nearly $500,000 taxes. The two concerns are engaged in the same class of business and practically the same amount with like profits, and yet that discrimination exists. You can not defend such a discrimination, and yet it exists in the pending bill.

Mr. SIMMONS. I wish to ask the Senator a question.

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from Utah yield to the Senator from North Carolina for a question?

Mr. SMOOT. I yield.

Mr. SIMMONS. The Senator has read a letter from a party, and the letter was read in the committee.

Mr. SMOOT. Not this letter.

Mr. SIMMONS. It is a letter from a big concern, and I suppose the result indicated in that case was because it was a big partnership and did not distribute any of their profits. If they had been a corporation they would have done so, but a partnership does not.

Mr. SMOOT. The Senator has stated the case wrong. Being a partnership, the tax must be paid; but in the case of a corporation no tax would have to be paid on the undistributed earnings.

Mr. SIMMONS. That is exactly what I said, but the Senator did not understand me. As a partnership they are not compelled to distribute and they are taxed.

Mr. SMOOT. That is not what the Senator said. The Senator said just the reverse.

Mr. SIMMONS. Then I did not make myself clear. That is what I meant. The partnerships are not compelled to distribute, but they are taxed just as if they did distribute. If the corporations were taxed and did not distribute they would only have to pay the taxes the Senator mentioned. That makes the difference.

But that is not the question I desire to propound to the Senator. That letter was read to the committee and discussed. I wish to ask the Senator——

Mr. SMOOT. I wish to say that this letter was not read to the committee or discussed. I only received the letter this morning. But that makes no difference, as far as the principle is concerned. I can point to hundreds of such cases——

Mr. SIMMONS. What I want to ask is, Does the Senator mean to tell the Senate that this bill will require partnerships to pay a larger tax than corporations, in view of the fact that corporations are subject to war-profits and excess-profits taxes, and partnerships are not subject to either of those forms of taxation?

Mr. SMOOT. If the Senator had waited I would have explained the difference. As between partnerships and corporations, partnerships are discriminated against in this bill in case the earnings of a corporation are retained in the business.

I have already stated that there is no law which can be written that will equalize taxation under a plan of excess profits where capital stock, intangible assets, borrowed money, and all the questions that are involved in the pending measure are to be a factor.

Mr. President, I have copies of resolutions which have been sent to me from thousands of organizations indorsing the 1 per cent sale tax; and I say now that sooner or later it will be adopted in our tax system in some form or other.

I have received from Senators many letters asking about the relief provisions contained in the pending bill. I think it proper to take up these relief provisions, beginning with section 200 of the bill, and to place them in the RECORD in such a way that any Senator can refer to the RECORD and see at once all the relief provisions in the bill, and if appearing more than once just where found and to what subject they refer to.

I will first call attention to the definition of a "personal service corporation." In section 201, page 4, from line 20 to line 26, is the definition of a "personal service corporation," and it reads as follows:

The term "personal service corporation" means a corporation whose income is to be ascribed primarily to the activities of the principal owners or stockholders who are themselves regularly engaged in the active conduct of the affairs of the corporation and in which capital (whether invested or borrowed) is not a material income-producing factor.

Next, the question relative to the taxation of personal-service corporations as partnerships, which will be found in section 218, subdivision (e), page 34, line 24, to line 11 on page 35, is as follows:

(e) Personal-service corporations shall not be subject to taxation under this title, but the individual stockholders thereof shall be taxed in the same manner as the members of partnerships. All the provisions of this title—

Referring to the individual income tax title—

relating to partnerships and the members thereof shall so far as practicable apply to personal-service corporations and the stockholders thereof: *Provided*, That in the case of any such corporation any amounts distributed during its taxable year shall be taxed to the distributees; and any portion of the net income remaining undistributed at the close of its taxable year shall for the purposes of this subdivision be assigned to the stockholders of such corporation at the close of its taxable year in proportion to their respective shares.

The reason for this remedial provision arises from the following fact: Personal-service corporations many times have very little capital invested, yet there are exceedingly large profits produced by the personal efforts of the members of the corporation. If only the exemptions were allowed under the corporation provisions of the pending measure they would be very small, and in every case which was brought to the attention of the committee, at least, their gains would fall under the highest percentage bracket, and there would be imposed upon them a tax which would be very unjust. After the distribution was made they would also be taxed on the income, or on that portion that was left after paying taxes on the net profits of the corporation.

Again, section 231, subdivision (14), page 52, line 20, exempts such corporations from income tax; and section 304, subdivision (a), page 88, lines 1 to 4, relieves them from the excess-profits tax.

Section 303, page 87, lines 12 to 24, provides for excess-profits tax where the corporation is engaged in business requiring capital, and also business which if carried on alone would make the corporation a "personal-service corporation."

I ask that these be inserted in the RECORD without reading. I do not wish to take the time of the Senate to read them.

The PRESIDING OFFICER (Mr. NEW in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

(14) Personal-service corporations.

SEC. 304. (a) That the corporations enumerated in section 231 shall, to the extent that they are exempt from income tax under Title II, be exempt from taxation under this title.

SEC. 303. That if part of the net income of a corporation is derived (1) from a trade or business (or a branch of a trade or business) in which the employment of capital is necessary, and (2) a part (constituting not less than 30 per cent of its total net income) is derived from a separate trade or business (or a distinctly separate branch of the trade or business) which if constituting the sole trade or business would bring it within the class of "personal-service corporations," then (under regulations prescribed by the commissioner, with the approval of the Secretary) the tax upon the first part of such net income shall be separately computed, and the tax upon the second part shall be the same percentage thereof as the tax so computed upon the first part is of such first part.

Mr. SMOOT. The next relief provisions are with reference to dividends payable to recipients at the rate for the year in which the corporation earns the profits from which the dividend is declared. Section 201, subdivision (d), page 7, lines 1 to 6, reads as follows:

(d) Any dividend received by a taxpayer shall be taxed to the recipient at the rates prescribed by law for the years in which the corporation accumulated the earnings or profits from which such dividend was paid, but the dividend shall be deemed to have been paid from the most recently accumulated earnings or profits.

The next is, exchange of property, stock exchange in reorganizations or mergers, section 202, subdivision (b), page 7, from line 17 to line 4 on page 8, reads as follows:

(b) When property is exchanged for other property the property received in exchange shall for the purpose of determining gain or loss be treated as the equivalent of cash to the amount of its fair market value, if any; but when in connection with the reorganization, merger, or consolidation of a corporation a person receives in place of stock or securities owned by him new stock or securities of no greater aggregate par or face value, or when a person or persons owning property receive in exchange for such property stock of a corporation formed to take over such property, no gain or loss shall be deemed to occur from the exchange, and the new stock or securities received shall be treated as taking the place of the stock, securities, or property exchanged.

Rates for the calendar year 1919 and subsequent years. First, in reference to the individual normal income tax, section 210, page 10, line 21, down to and including line 19, on page 11, reads:

SEC. 210. That, in lieu of the taxes imposed by subdivision (a) of section 1 of the revenue act of 1916 and by section 1 of the revenue act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax at the following rates:

(a) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 6 per cent;

(b) For each calendar year thereafter, 8 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 4 per cent.

Then subdivision (a) has reference to the imposition of the tax for the calendar year ending June 30, 1920, or a reduction of one-third from the tax imposed for the year 1919.

The corporation income tax, found in section 230, page 47, line 17, down to and including line 13 on page 49, as follows:

SEC. 230. (a) That, in lieu of the taxes imposed by section 10 of the revenue act of 1916, as amended by the revenue act of 1917, and by section 4 of the revenue act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every corporation other than a life insurance company a tax at the following rates.

The rates are the same as provided for under the individual income tax title. There is, however, in this section, under sub-

division (b), a change from the schedules on individual incomes. It reads as follows:

(b) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners and for other purposes," five-sixths of the tax imposed by paragraph (1) of subdivision (a) and three-fourths of the tax imposed by paragraph (2) of subdivision (a) shall be treated as levied by an act in amendment of Title I of the revenue act of 1917.

In the operation of transportation systems of the United States the Government, under an agreement with those corporations, pays to-day the original normal tax imposed of 2 per cent, all other taxes to be paid out of the revenues of the corporations. Under this section a normal tax of 12 per cent is imposed. Therefore the railroads are compelled by this amendment to pay 10 per cent of the 12 per cent, the Government paying only the 2 per cent, as provided for in the agreement with the corporations. Three-fourths of the tax imposed under this relief provision means three-fourths of the 8 per cent for the year 1920, which means that the transportation companies shall pay 6 per cent of the 8 per cent, and the Government pay 2 per cent, as in the original agreement.

I come now to the life insurance income tax, as found in section 245, page 67, lines 2 to 17, as follows:

SEC. 245. That there shall be levied, collected, and paid for each taxable year upon the net income of every life insurance company a tax, as follows:
(a) In the case of a domestic life insurance company—
(1) For the calendar year 1918, 12 per cent of its net income;
(2) For each calendar year thereafter, 8 per cent of its net income.

That also has reference to the tax for 1820.

(b) In the case of a foreign life insurance company—
(1) For the calendar year 1918, 12 per cent of the same proportion of the net income which the reserve fund upon business transacted within the United States is of the total reserve fund upon all business transacted, whether within or without the United States;
(2) For each calendar year thereafter, 8 per cent of such proportion of its net income.

This has reference to foreign insurance companies, and the latter paragraph—namely, paragraph 2—has reference to the tax for 1920.

The war excess-profits tax on corporations is provided for in section 301, page 83, line 21, to page 85, line 3, as follows:

SEC. 301. (a) That in lieu of the tax imposed by Title II of the revenue act of 1917, but in addition to the other taxes imposed by this act, there shall be levied, collected, and paid for the taxable year 1918 upon the net income of every corporation a tax equal to the sum of the following:

FIRST BRACKET.

Thirty per cent of the amount of the net income in excess of the excess-profits credit (determined under sec. 312) and not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

Sixty per cent of the amount of the net income in excess of 20 per cent of the invested capital.

THIRD BRACKET.

The sum, if any, by which 80 per cent of the amount of the net income in excess of the war-profits credit (determined under sec. 311) exceeds the amount of the tax computed under the first and second brackets.

In order that Senators may see just how this system works out, I will insert at this point the tax that would be paid by a corporation with three stockholders, invested capital of $1,800,000, and with an income of $1,800,000.

Invested capital	$1,800,000.00	
Income	1,800,000.00	
Excess-profits credit	3,000.00	
8 per cent of $1,800,000	144,000.00	
	147,000.00	
First bracket 20 per cent	360,000.00	
Less credit	147,000.00	
	213,000.00	
At 30 per cent		$63,900.00
Second bracket	1,800,000.00	
Less 20 per cent	360,000.00	
	1,440,000.00	
At 60 per cent		864,000.00
		927,900.00
Third bracket	3,000.00	
War-profits credit	180,000.00	
	183,000.00	
	1,800,000.00	
	183,000.00	
	1,617,000.00	
At 80 per cent	1,293,600.00	
Credits	927,900.00	
		365,700.00
Total excess-profits tax		1,293,600.00

Income tax		$1,800,000.00
		1,293,600.00
		506,400.00
Normal tax	per cent	12
		60,768.00
		506,400.00
		60,768.00
Net to corporation		445,632.00
One-third to each stockholder		148,544.00
Surtax		49,412.88
		99,131.12

$297,393.36, or slightly over 16 per cent.

Rates for calendar year 1919 and subsequent years continued:

(b) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the net income of every corporation a tax equal to the sum of the following:

FIRST BRACKET.

20 per cent of the amount of the net income in excess of the excess-profits credit (determined under sec. 312) and not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

40 per cent of the amount of the net income in excess of 20 per cent of the invested capital.

I will not read the remainder because it is simply a reduction from the rates imposed for the calendar year 1919 applying to the calendar year 1920.

Perhaps there is no relief provision in the bill so sweeping as that in relation to oil and gas wells and mines. First, as to the sale of the mine, surtax and excess-profits tax limited to 20 per cent of the selling prices, as found in section 211, subsection (b), page 18, line 3 to line 9, is as follows:

(b) In the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this section attributable to such sale shall not exceed 20 per cent of the selling price of such property or interest.

Again, section 337, page 107, lines 14 to 20:

SEC. 337. That in the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this title attributable to such sale shall not exceed 20 per cent of the selling price of such property or interest.

Next comes the depletion allowance. The basis of value is as of March 1, 1913, in case of property acquired before that date, and at date of discovery or 12 months thereafter in case of property discovered since March 1, 1913, where value is materially disproportionate to cost; that is found in section 214, subdivision (a), paragraph 10, page 28, line 7, and line 2 on page 29.

Section 234, subdivision (a), paragraph 9, page 58, is as follows:

(9) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost including cost of development not otherwise deducted: *Provided*, That in the case of such properties acquired prior to March 1, 1913, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: *Provided further*, That in the case of mines, oil and gas wells, discovered by the taxpayer, on or after March 1, 1913, and not acquired as the result of purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery or within 12 months thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee.

GOLD-MINING CORPORATIONS—RELIEF FROM EXCESS-PROFITS TAX.

Section 304 (d), page 88, lines 12 to 18:

(d) In the case of any corporation engaged in the mining of gold the portion of the net income derived from the mining of gold shall be exempt from the tax imposed by this title, and the tax on the remaining portion of the net income shall be computed upon the basis of an invested capital which bears the same ratio to the full invested capital as such remaining portion of the net income bears to the entire net income.

INVESTED CAPITAL.

Section 327 (e) (3), page 100, lines 4 to 7 and 14 to 24, provides that the profits tax shall be determined on the basis of representative corporations (without regard to the invested capital of the taxpayer):

(e) Where the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business because: * * *

3. The net income for the taxable year is abnormally high due to the realization in one year of (a) gains, profits, or income earned or accrued during a period of years or (b) extraordinary gains or profit derived from the sale of property the principal value of which has been demonstrated by prospecting or exploration and discovery work done by the taxpayer. When the tax is determined under this para-

graph proper allowance shall be made for the taxes which would have been payable in prior years if the gains, profits, or income earned or accrued in such years had been taxed at the rates then applicable.

INVENTORY AND OTHER LOSSES RESULTING FROM WAR CONDITIONS.

Inventory losses deducted from income of preceding taxable year. Section 214 (a) (12), page 29, line 19; page 30, line 8 (same provision in respect to corporations in sec. 234 (a) (13), p. 60, lines 5 to 19):

(12) If it is shown to the satisfaction of the commissioner that during the taxable year 1919 or 1920 the taxpayer (a) has for the first time ascertained the amount of a loss sustained during the preceding taxable year and not deducted from the gross income therefor, or (b) has sustained a substantial loss (whether or not actually realized by sale or other disposition), resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for the preceding taxable year, then the amount of such loss shall be deducted from the net income for such preceding taxable year, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

Net losses during 1917 and 1918 deducted from income of succeeding taxable year.

Net losses during 1919 and subsequent years deducted from income of preceding taxable year, and any excess remaining deducted from income of succeeding taxable year.

Section 204, page 8, line 15, to page 10, line 8:

SEC. 204 (a) That as used in this section the term "net loss" refers only to net losses resulting from either (1) the operation of any business regularly carried on by the taxpayer, or (2) the bona fide sale by the taxpayer of plant, buildings, machinery, equipment, or other facilities constructed, installed, or acquired by the taxpayer on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war; and when so resulting means the excess of the deductions allowed by law (excluding in the case of corporations amounts received as dividends from a corporation which is taxable under this title upon its net income) over the sum of the gross income plus any interest received free from taxation both under this title and under Title III.

(b) If for any taxable year beginning after December 31, 1916, and ending not later than December 31, 1918, it appears upon the production of evidence satisfactory to the commissioner that any taxpayer (other than a life insurance company) has sustained a net loss, the amount of such net loss shall under regulations prescribed by the commissioner, with the approval of the Secretary, be allowed as a deduction in computing the net income of the taxpayer for the succeeding taxable year.

(c) If for any taxable year ending after January 1, 1919, it appears upon the production of evidence satisfactory to the commissioner that any taxpayer (other than a life insurance company) has sustained a net loss, the amount of such net loss shall under regulations prescribed by the commissioner, with the approval of the Secretary, be deducted from the net income of the taxpayer for the preceding taxable year; and the taxes imposed by this title and by Title III for such preceding taxable year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. If such net loss is in excess of the net income for such preceding taxable year the amount of such excess shall under regulations prescribed by the commissioner, with the approval of the Secretary, be allowed as a deduction in computing the net income for the succeeding taxable year.

(d) The benefit of this section shall be allowed to the members of a partnership and the beneficiaries of an estate or trust under regulations prescribed by the commissioner, with the approval of the Secretary.

Mr. LENROOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Wisconsin?

Mr. SMOOT. Yes.

Mr. LENROOT. I should like to ask the Senator two or three questions concerning section 204.

First, I should like to ask the Senator's definition, referring to subdivision (2) of section 204, permitting the deduction or the regarding as a loss of a "bona fide sale by the taxpayer of plant, buildings, machinery, equipment, or other facilities, constructed, installed, or acquired by the taxpayer on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war." What definition does the Senator give to "the production of articles contributing to the prosecution of the present war"?

Mr. SMOOT. Mr. President, this has particular reference to concerns that have been induced by the Government of the United States either to increase or in many cases to establish a business for the production of goods for the Government, and they must be articles contributing to the prosecution of the present war.

Mr. LENROOT. But it is not limited in any way to articles produced for the Government, is it? And does not the Senator think it ought to be so limited—that is, to articles used by the Government? They might not be contributed or furnished directly to the Government.

Mr. SMOOT. I think this provision can not be abused in any way, even though those words are not incorporated in it. It applies only to institutions that have been established since April 6, 1917, the date of the declaration of war; and I know of no case, nor has there been presented to the committee a single, solitary case in which an institution has been, since the declaration of war, established for the purpose of manufacturing goods contributing to the war, other than goods that have been sold to the Government of the United States and to the allies. I think there should be no discrimination between goods sold to the allies and goods sold to our Government, and it is only such classes of goods that could possibly be sold to one or the other of these agencies.

Mr. LENROOT. That is true. I may say to the Senator that I do not think there has been any large establishment of business since that date that has not contributed to the war; but this language is most vague and indefinite, and, if there have been such, there are very few industrial plants in this country that might not be said in their output to have contributed to the prosecution of the war.

I more particularly wanted to ask the Senator, however, one or two questions with reference to subdivisions (*b*) and (*c*). As I understand the construction of these sections, if a taxpayer sustained a loss in 1917 he would be entitled to have that loss included as a deduction from his net income for the coming year.

Mr. SMOOT. That is correct, I will say to the Senator.

Mr. LENROOT. And if for any taxable year after January 1, 1919, a taxpayer sustains a net loss, he is entitled to have that loss included and treated as a deduction in his income tax for the preceding year, and to have that income tax redetermined upon the same basis as if the loss had been incurred for that taxable year.

Mr. SMOOT. That is a correct construction of the provision.

Mr. LENROOT. And if the loss was greater than the net income, so as to wipe out the tax entirely, under this language the entire tax that has been paid for the year 1918 must be refunded to the taxpayer for a loss incurred in 1919.

Mr. SMOOT. Such a thing could occur under the provisions of this bill.

Mr. LENROOT. And if the loss was greater than that, he is still entitled to have a deduction for the succeeding year.

Mr. SMOOT. The Senator is correct in the construction that he places upon this provision. I want to say to the Senator, in justification of the action of the committee in adopting this provision, that their idea was, in the case of this particular class of business, hazardous as it was, and the war coming to a close so quickly as it has, and the property being of very little value in some cases from now on, that a provision of this kind was really necessary in order that the manufacturers should—I will not say make money, but make themselves whole.

Mr. LENROOT. But I call the Senator's attention to the fact that this covers all ordinary business.

Mr. SMOOT. Well, all ordinary business established since the date of the declaration of war.

Mr. LENROOT. It covers all business, I will say.

Mr. SMOOT. That is correct.

Mr. LENROOT. It is not limited to business incident to the prosecution of the war.

Mr. SMOOT. Yes; that is true. But I want to say to the Senator also in that connection that there is no question but that the business of the country has been paying taxes upon a rising market. They take stock at the end of one year at the value of the goods at that time, and at the end of another year they might not have made a single dollar upon the transaction of the business. Yet if they took their stock at the market price at that time it would show a handsome profit.

Mr. LENROOT. Yes; but that is fully taken care of——

Mr. SMOOT. That is taken care of in another provision. I am perfectly aware of that. It falls within the inventory section of this bill. But now that we have reached the very highest peak of cost, and from now it will be a descending scale, there is no provision in the inventory section to provide for the repayment of the losses that may incur, and this provision is to cover that very point, which is not covered in the relief provision of the inventory section.

I wish to say to the Senator that I know that this is a very sweeping provision, and the very reason why I am calling the attention of the Senate at this time to these relief provisions is that I want Senators to see them all together, so that they can judge what they are, and if there is any discussion, let us have it as a whole. I am not so much alarmed about what the bill provides as reported to the Senate as to its effect on the future business of the country; but what I am concerned about is how will the bill come out of conference?

Mr. LENROOT. But may I suggest to the Senator that while he suggests that the provision found upon page 29, taking care of losses occurring through inventories, does not provide for a refund, it could very easily be made to provide for it.

Mr. SMOOT. Yes; it could be made to, but it does not provide for it.

Mr. LENROOT. No. Now, I should like to ask the Senator this question:

I think we all realize the possibility—I will not say probability—of an industrial depression in the future, and possibly in the very near future. If the provisions of section 204, relating to net losses, should finally remain in the bill, we might easily have a situation where a very large percentage of the businesses and industries of this country might have net losses rather than net incomes. The result would be that we would have to refund the income taxes that they paid this year; and yet in all other methods of taxation the Government imposes taxes irrespective of whether there is a profit or a loss. I think it is entirely novel in the history of taxation anywhere, in passing a tax law, to treat three years as a unit of taxation instead of one. And that is what this amounts to, is it not?

Mr. SMOOT. Yes, I must say that that is what the provision is really intended to cover. But I want to correct the Senator in saying that elsewhere there is no such tax provision known. It is true that there has never been such a provision provided in any law of the United States, but England has a provision very similar in her revenue laws, and she has found it absolutely necessary to prevent disaster to certain lines of business. As I stated, and I am perfectly frank in stating it, it is a broad sweeping provision, and if business should become unprofitable in the near future, if failures should become universal and there should be a stagnation in business in this country, the result would be just as the Senator has called attention to. But there seems to be an impression, and I think it is shared by business men generally, that it will take some time before conditions in Europe are such that they can get back to manufacturing goods for the world's commerce.

Another thing Europe is going to have her troubles the same as we will perhaps have ours in readjusting affairs and getting back into normal conditions. But the Senator no doubt knows my position on it, because I stated it this morning. I believe there is going to be a changed condition and there is going to be trouble in this country and in every other country before normal conditions arrive. But under this provision there will be very little refunding done. That is based wholly on the opinion I have that the year 1919 is not going to have the profit the year 1918 did by any manner of means, but it is going to be a fairly profitable year. If that is the case there will be very little to be refunded under the provision.

Mr. LENROOT. That would depend entirely upon industrial conditions?

Mr. SMOOT. No doubt.

Mr. LENROOT. May I put one other question to the Senator? The Government must have money to carry on the Government and meet its obligations. Can there be any justification, so long as that money must be raised, when profit has actually been realized, to pay back that profit out of a loss that wholly accrued in a subsequent year?

Mr. SMOOT. I will say to the Senator if it had not been for the war such a provision as this would never have been thought of; it never would have been offered in the Senate; and it never would have been considered by the committee. The reason why it has been considered is because of the conditions that are brought about in certain industries on account of the immediate collapse of the war.

Mr. LENROOT. May I ask the Senator this question, then? Why was it not limited to losses occurring through these conditions rather than being made general? As we all know in the general run of business, under all ordinary peace conditions, some taxpayers will have a loss and other taxpayers will have a profit. Yet under these provisions we would refund to a taxpayer, who a year or two hence may sustain loss, the income tax that he properly paid this year.

Mr. SMOOT. I will say to the Senator that we should study the question carefully. It developed in the committee that not only contractors but small subcontractors were greatly affected by the sudden collapse of the war, and in many cases the subcontractors suffer the most. If we simply confine this to the man who held the contract for the furnishing of the materials to the Government or to our allies, it would not in many cases relieve the very ones who would suffer most. I am glad the Senator brought it up, and I am glad he called the attention of the country to it, because, as I stated before, it is a broad, sweeping provision, and I can not tell, and no soul on earth can tell, what effect it is going to have upon the revenues of the Government.

Now, as to amortization, first, vessels added to the list of facilities, for which allowances are made. The House limit of 25 per cent of net income is removed by the Senate committee amendment. If Senators will look at section 214, subdivision (a), paragraph 9, page 26, line 10, to page 27, line 16, and section 234, subsection (a), paragraph 8, page 56, line 5, to page 57, line 11, they will see the provision.

AMORTIZATION.

Vessels added to list of facilities for which allowance made. House limit of 25 per cent of net income removed from bill.

Section 214 (a) (9), page 26, line 10, page 27, line 16; section 234 (a) (8), page 56, line 5, page 57, line 11:

(9) In the case of buildings, machinery, equipment, or other facilities constructed, erected, installed, or acquired on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities or vessels as has been borne by the taxpayer, but not again including any amount otherwise allowed under this title of previous acts of Congress as a deduction in computing net income. At any time within three years after the termination of the present war the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the taxes imposed by this title and by Title III for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

INVESTED CAPITAL.

Section 326 (e) (4), page 100, lines 4 to 7, and page 101, lines 1 to 6, provides that the profits tax shall be determined on the basis of representative corporations (without regard to the invested capital of the taxpayer).

(e) Where the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business because: * * *

4. Proper recognition or allowance can not be made for amortization, obsolescence, or exceptional depletion due to the present war, or to the necessity in connection with the present war of providing plant which will not be wanted for the purpose of the trade or business after the termination of the war.

Mr. LENROOT. In this connection can the Senator inform us as to the rules of the Treasury Department in ascertaining losses, whether or not in making such ascertainment they take into consideration and make an adjustment of the depreciation charges and amortization charges that may have been allowed the previous year?

Mr. SMOOT. They are all taken into consideration, I will say to the Senator.

Mr. LENROOT. In determining the net loss?

Mr. SMOOT. In determining the net loss for the calendar year 1919.

In this connection I may say to the Senate that the Government has made many contracts with concerns in this country for the furnishing of goods for the immediate prosecution of the war. It has also furnished most of the money for the erection of such plants and for the installation of machinery to run them. The contracts provided for certain amortization and the losses that could be deducted. In fact, in some cases, if the war had proceeded a couple more years, they would have made money, but under the conditions existing, with the collapse of the war, they have got to have a readjustment under the provisions of the contract, and I think that will be done. I am sure in many cases an investigation is under way at the present time for the purpose of determining the amount of the losses.

There is not much difference between this and the House provision, with the exception that they added to this "vessels" and also struck out the 25 per cent limitation provided for in the House. The Treasury Department appealed to the Committee on Finance that that limitation of 25 per cent be limited. They claim that they will not be abused, but in some cases, on account of the war coming to a sudden close, would leave the corporation and the Government in a very embarrassing position if the limit is retained. In fact, I believe that under the contracts made by the Government the individual could go into any court and claim his right under the contract, and a judgment would be rendered in his favor.

I called attention to the nonresident deduction as to property outside the United States found in section 214, subdivision (a), paragraph 3, page 25, lines 7 to 13, and the same thing in section 234, paragraph 8, subsection 3, page 55, lines 8 to 14, in which I alluded to deductions for the taxes imposed. I ask that it be incorporated in the RECORD without reading.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

NONRESIDENTS—DEDUCTIONS AS TO PROPERTY OUTSIDE UNITED STATES.

Section 214 (a) (3), page 25, lines 7–13 (and section 234 (a) (3), page 55, lines 8–14), allows a deduction of taxes imposed:

"(c) In the case of a nonresident alien individual, by the authority of any foreign country (except income, war-profits, and excess-profits taxes, and taxes assessed against local benefits of a kind tending to

increase the value of the property assessed), upon property or business, to the extent that the income from such property or business is subject to taxation under this title."

Section 214 (a) (8), page 26, lines 6–9 (and section 234 (a) (7), page 56, lines 1–4), remove the House limitations that depreciation can be allowed only as property of a nonresident within the United States.

"(8) A reasonable allowance for the depreciation of property used in the trade or business."

Mr. SMOOT. Next is the extension of time for filing the income-tax returns. House bill, section 227, subdivison (a), page 46, line 20, provides that no extension shall be for more than two months. This restriction has been removed. The reason for that is this: Two months was considered by the department to be an unnecessary limitation, and in a few cases it has been found that it was not a sufficient time. Therefore, the relief asked for by the department was granted.

The next has reference to the 6 per cent differential on undistributed profits, which I ask be inserted in the RECORD without reading.

SIX PER CENT DIFFERENTIAL ON UNDISTRIBUTED PROFITS.

House bill, section 230, page 47, imposed 18 per cent tax on income of corporation not distributed as dividends, or used in payment of indebtedness or purchase of liberty bonds. This differential has been removed and a flat 12 per cent tax imposed.

Following that is the cooperative societies; the deduction of amounts repaid to members. I am not going to take the time of the Senate but ask that it go in the RECORD showing the sections and the lines so that Senators can follow it very closely.

COOPERATIVE SOCIETIES—DEDUCTION OF AMOUNTS REPAID TO MEMBERS.

Section 231 (11), page 51, line 8, to page 52, line 3.

"The following organization shall be exempt from taxation under this title: * * *

"(11) Farmers', fruit growers', or like associations, or cooperative societies, organized and operated as sales agents for the purpose of marketing the products of members and turning back to them the proceeds of sales, less the necessary selling expense, on the basis of the quantity of produce furnished by them, or as purchasing agents for the purpose of supplying merchandise to members at cost, including the necessary expense: *Provided*, That associations or societies of the kind herein described but which also sell for or to nonmembers shall be liable to taxation under this Title but shall be allowed in addition to the deductions allowed in paragraphs (1) to (10), inclusive, of subdivision (a) of section 234 amounts paid during the taxable year to members on the basis of the quantity of products furnished by them representing the profits thereon, and (b) amounts repaid during the taxable year to members as discounts or rebates upon amounts paid by them for merchandise; but in no case shall the additional deductions authorized in this paragraph exceed the proportion of the total profits of the association or society which the amount of sales for or to members bears to the total amount of purchases or sales."

The next has reference to consolidated returns found in section 240, page 65, line 1; page 66, line 16. That is a subject matter that I think ought to be very carefully considered. It allows consolidated returns. Under existing law they are prohibited. It simply means that if a corporation desires to establish in 50 different places in the United States branch concerns, organized under the laws of the State in which they operate but owned by the same stockholders as the parent company, one return, a consolidated return, can be made for all such institutions. In other words, if the concern is located in New York City and makes a profit of 100 per cent upon its invested capital and it has another store in Iowa or in any other State in the Union and that institution loses $50,000 in its transaction of business during that same calendar year, then the parent institution can deduct the $50,000 loss made in the institution in Iowa from the credit of $100,000 profit made in the State of New York.

Section 240, page 65, line 1; page 66, line 16:

"CONSOLIDATED RETURNS.

"SEC. 240. (a) That corporations which are affiliated within the meaning of this section shall, under regulations to be prescribed by the commissioner with the approval of the Secretary, make a consolidated return of net income and invested capital for the purposes of this title and Title III, and the taxes thereunder shall be computed and determined upon the basis of such return.

"In any case in which a tax is assessed upon the basis of a consolidated return the total tax shall be computed in the first instance as a unit, and shall then be assessed upon the respective affiliated corporations in such proportions as may be agreed upon among them, or, in the absence of any such agreement, then on the basis of the net income and invested capital properly assignable to each. There shall be allowed in computing the income tax only one specific credit of $2,000 (as provided in sec. 236); in computing the war-profits credit (as provided in sec. 311) only one specific exemption of $3,000; and in computing the excess-profits credit (as provided in sec. 312) only one specific exemption of $3,000.

"(b) For the purpose of this section, two or more corporations shall be deemed to be affiliated—

"(1) If one corporation owns directly or controls through closely affiliated interests or by a nominee or nominees substantially all the stock of the other or others, or if substantially all the stock of two or more corporations is owned or controlled by the same interests, or if one such corporation buys from or sells to another products or services at prices above or below the current market, thus effecting an artificial distribution of profits, or in any way so arranges its financial relationships with another corporation as to assign to it a disproportionate share of net income or invested capital.

"(2) A foreign corporation shall not be deemed to be affiliated with a domestic corporation unless substantially all its stock is owned or controlled by such domestic corporation or by a resident taxpayer or group of resident taxpayers owning or controlling substantially all the stock of such domestic corporation. Where under this subdivision a foreign corporation is affiliated with a domestic corporation, the total tax (computed as a unit as above provided) shall be reduced by the credit authorized in section 238."

The next has reference to installment payments. That simply means that there are four payment periods instead of three, as provided by the House. I ask that that be incorporated in the RECORD.

INSTALLMENT PAYMENTS—FOUR INSTEAD OF THREE.

Section 250 (a), page 69, line 20, and page 70, line 26:

"SEC. 250. (a) That except as otherwise provided in this section and sections 221 and 237 the tax shall be paid in four installments, each consisting of one-fourth of the total amount of the tax. The first installment shall be paid at the time fixed by law for filing the return, and the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after the time fixed by law for filing the return. Where an extension of time for filing a return is granted the date of the expiration of the period of the extension shall be deemed to be the time fixed by law for filing the return. In any case in which the time for the payment of any installment is thus postponed because of an extension of time for filing the return there shall be added as part of such installment interest thereon at the rate of ½ of 1 per cent per month from the time it would have been due if no extension had been granted until paid. If any installment is not paid when due the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.

"The tax may, at the option of the taxpayer, be paid in a single payment instead of in installments, in which case the total amount shall be paid on or before the time fixed by law for filing the return, and in the case of any tax of not over $200 so paid there shall be allowed a discount of 1 per cent of the amount thereof. Where an extension of time for filing the return has been granted no interest shall be added to the tax if the whole amount of the tax is paid on or before the time the third installment would have been due if no extension had been granted."

The refunds and credits in section 252, page 76, lines 4 to 24, I ask to have incorporated:

REFUNDS AND CREDITS.

Section 252, page 76, lines 4–24:

"REFUNDS.

"SEC. 252. That if, upon examination of any return of income made pursuant to this act, the act of August 5, 1909, entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes,' the act of October 3, 1913, entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' the revenue act of 1916, as amended, or the revenue act of 1917, it appears that an amount of income, war profits or excess-profits tax has been paid in excess of that properly due, then, notwithstanding the provisions of section 3228 of the Revised Statutes, the amount of the excess shall be credited against any income, war profits or excess-profits taxes, or installment thereof, then due from the taxpayer under any other return, and any balance of such excess shall be immediately refunded to the taxpayer: *Provided*, That no such credit or refund shall be allowed or made after five years from the date when the return was due, unless before the expiration of such five years a claim therefor is filed by the taxpayer."

As to invested capital I call attention to the fact that tangible property under the relief provisions is allowed to its full value if clearly in excess of the par value of stock paid therefor. It is section 326, subdivision (a), paragraph 2, page 95, lines 1 to 9:

INVESTED CAPITAL.

Tangible property allowed to full value if clearly in excess of par value of stock paid therefor.

Section 326 (a) (2), page 95, lines 1–9:

"(2) Actual cash value of tangible property, other than cash, bona fide paid in for stock or shares, at the time of such payment, but in no case to exceed the par value of the original stock or shares specifically issued therefor, unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid-in surplus";

Then, again, in that same section, as to intangible property paid in prior to March 3, 1917, the House provided an aggregate of 20 per cent of the par value of the total stock or shares of the corporation outstanding on March 3, 1917. That was changed by an amendment in the Senate committee allowing 30 per cent.

Intangible property paid in prior to March 3, 1917, 30 per cent instead of 20 per cent.

Section 326 (a) (4), page 95, lines 15–21:

"(4) Intangible property bona fide paid in for stock or shares prior to March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 30 per cent of the par value of the total stock or shares of the corporation outstanding on March 3, 1917, whichever is lowest."

Again, as to intangible property paid in for stock since March 3, 1917, there is the same change; that is, an allowance of 30 per cent instead of 20 per cent, as limited by the House. I ask that the following also be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Intangible property paid in for stock since March 3, 1917, 30 per cent instead of 20 per cent; House bill limited to patents and copyrights.

Section 326 (a) (5), page 95, line 22; page 96, line 4:

"(5) Intangible property bona fide paid in for stock or shares on or before March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 30 per cent of the par value of the total stock or shares of the corporation outstanding at the beginning of the taxable year, whichever is lowest."

Tax determined on basis of representative concerns, without regard to invested capital of taxpayer—so-called "relief provisions."

Sections 327–328, page 99, line 9; page 101, line 20:

"That in the following cases the tax shall be determined as provided in section 328:

"(a) Where the commissioner is unable satisfactorily to determine the invested capital as provided in section 326;

"(b) In the case of a foreign corporation;

"(c) Where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and bonds and the commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively;

"(d) Where, as compared with representative corporations, engaged in a like or similar trade or business, the taxpayer would (under sec. 326) be placed in a position of substantial inequality, because of the time or manner of organization, or, because the actual value of the assets on March 1, 1913, was substantially in excess of the amount at which such assets would be valued for the purpose of computing invested capital under the provisions of section 326;

"(e) Where the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business because:

"1. The capital employed, although a material income-producing factor, is very small or is in large part borrowed;

"2. There are excluded from the invested capital as computed under the provisions of section 326, intangible assets of recognized and substantial value built up or developed by the taxpayer;

"3. The net income for the taxable year is abnormally high, due to the realization in one year of (a) gains, profits, or income earned or accrued during a period of years or (b) extraordinary gains or profit derived from the sale of property the principal value of which has been demonstrated by prospecting or exploration and discovery work done by the taxpayer. When the tax is determined under this paragraph proper allowance shall be made for the taxes which would have been payable in prior years if the gains, profits, or income earned or accrued in such years had been taxed at the rates then applicable;

"4. Proper recognition or allowance can not be made for amortization, obsolescence, or exceptional depletion due to the present war, or to the necessity in connection with the present war of providing plant which will not be wanted for the purpose of the trade or business after the termination of the war.

"SEC. 328. (a) In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year, as the average tax of representative corporations engaged in a like or similar trade or business, bears to their average net income (in excess of the specific exemption of $3,000) for such year. In such cases the commissioner shall compare the taxpayer only with representative corporations whose invested capital can be satisfactorily determined under section 326 and which are, as nearly as may be, similarly circumstanced with respect to gross income, net income, profits per unit of business transacted and capital employed, the amount and rate of war profits or excess profits, and all other relevant facts and circumstances."

SMALL CORPORATIONS—LIMIT ON EXCESS-PROFITS TAX.

Section 302, page 85, line 16; page 86, line 10:

"SEC. 302. That the tax imposed by subdivision (a) of section 301 shall in no case be more than 30 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 80 per cent of the amount of the net income in excess of $20,000; and the tax imposed by subdivision (b) of section 301 shall in no case be more than 20 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 40 per cent of the amount of the net income in excess of $20,000. Nothing in this section shall be construed in such manner as to increase the tax imposed by section 301.

NEW CORPORATIONS—WAR-PROFITS CREDIT.

House bill (sec. 311 (b), p. 89, line 20; p. 90, line 3) limited new corporations to a deduction of 10 per cent of invested capital. The committee proposes the following provision (sec. 311 (c), p. 90, lines 4–24):

"(c) If the corporation was not in existence during the whole of at least one calendar year during the prewar period, then the war-profits credit shall be the sum of:

"(1) A specific exemption of $3,000; and

"(2) An amount equal to the same percentage of the invested capital of the taxpayer for the taxable year as the average percentage of net income to invested capital, for the prewar period, of corporation engaged in a trade or business of the same general class as that conducted by the taxpayer; but such amount shall in no case be less than 10 per cent of the invested capital of the taxpayer for the taxable year. Such average percentage shall be determined by the commissioner on the basis of data contained in returns made under Title II of the revenue act of 1917, and the average known as the median shall be used. If such average percentage has not been determined and published at least 30 days prior to the time when the return of the taxpayer is due, then for purposes of such return 10 per cent shall be used in lieu thereof; but such average percentage when determined shall be used for the purposes of section 250 in determining the correct amount of the tax."

INVESTED CAPITAL.

Section 327 (d), page 99, lines 20–24, provides that the profits tax shall be determined on the basis of representative corporations (without regard to the invested capital of the taxpayer):

"(d) Where, as compared with representative corporations, engaged in a like or similar trade or business, the taxpayer would (under sec. 326) be placed in a position of substantial inequality, because of the time or manner of organization."

Mr. SMOOT. Mr. President, those are the relief provisions as provided in the bill. Some of them are very sweeping in their scope, and if not administered by the department in absolute fairness will work an unjust discrimination against the businesses of the country. I want Senators to know that in these provisions there is placed in the hands of the Commissioner of Internal Revenue or the Secretary of the Treasury, as the case may be, a power that has never been granted to department officials before. If exercised wisely it will be a relief to the institutions of the country, and many of them will need it, but if exercised unjustly or unwisely there will be a frightful discrimination between business concerns and industries of the country.

Mr. KING. Will the Senator yield.

Mr. SMOOT. I yield.

Mr. KING. There was a great deal of complaint of the revenue bill passed a year ago because of the lack of flexibility. It was said that some of its provisions were too rigid and an appeal was directly made to the British system, which provided a practicable method of determining and adjusting those inequalities which necessarily arise. I presume the Senator now is calling attention to a feature of the bill that is somewhat along the English line, and if we administer it as England has administered hers there can be no objection to it.

Mr. SMOOT. My colleague is correct in the deduction drawn. I want to say this to the Senate: I prefer a thousand times that Congress say how far the Commissioner of Internal Revenue can go in granting relief than the way it was accomplished under the present law. We passed the 1917 revenue bill, and I said during the discussion of it that it was impossible of administration. What happened? The Secretary of the Treasury appointed a commission to work with the Commissioner of Internal Revenue for the purpose of trying to arrive at what Congress meant by certain provisions of the law, and it took 287 pages of closely printed matter to cover the interpretations of the different provisions of the act and as a basis for administration.

The law was administered not as it passed Congress but as it was interpreted by this commission.

Mr. President, I do not think it is going to take very long to pass this bill through the Senate, but I think it is going to take quite a while for the conference to agree to its provision. I feel apprehensive as to what the bill will contain when agreed to in conference. I know what a just tax bill means to the people of this country, and in whatever we pass and whatever taxes we impose upon the American people let us as Members of the Senate work to the end that no discrimination shall be made. If we do that, Mr. President, and it takes the larger part of the profits of the business of the country to meet the obligations of the Government, I know there will not be a tithe of the complaint that there will be if the provisions of the House bill are enacted into law with all its discriminatory provisions.

Mr. President, I do not care at this time to discuss the other provisions of the bill. I shall content myself when amendments are reached to discuss them briefly, confining what I have to say to the subject when it is before the Senate for consideration and disposition.

Mr. THOMAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NEW in the chair). The Senator from Colorado suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Baird	Jones, Wash.	New	Smith, Ga.
Bankhead	Kendrick	Norris	Smith, Md.
Brandegee	Kenyon	Nugent	Smith, S. C.
Curtis	King	Overman	Smoot
France	Kirby	Page	Spencer
Frelinghuysen	La Follette	Penrose	Sutherland
Gay	Lenroot	Poindexter	Thomas
Gronna	McCumber	Pollock	Thompson
Hardwick	McKellar	Ransdell	Townsend
Henderson	McLean	Saulsbury	Trammell
Hitchcock	Martin, Ky.	Shafroth	Underwood
Johnson, Cal.	Moses	Sheppard	Walsh
Johnson, S. Dak.	Mulkey	Simmons	Warren
Jones, N. Mex.	Myers	Smith, Ariz.	Watson

Mr. McKELLAR. Mr. President, I desire to announce the unavoidable absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, there is a quorum present. The Senator from North Carolina.

Mr. SIMMONS. I ask that the Secretary begin the reading of the amendments which have been passed over. I think the first amendment passed over was on page 7. That amendment was passed over upon my statement that the Finance Committee wished further to consider that section and would probably later offer a substitute amendment for it. A meeting of the

committee has not yet been held, and I ask that that amendment again go over.

The PRESIDING OFFICER. The amendment will go over, as requested. The Secretary will state the next committee amendment which has been passed over.

The SECRETARY. The next amendment passed over, at the request of the Senator from Washington [Mr. JONES], was on page 8, from line 10 to line 13, inclusive.

Mr. GRONNA. Mr. President, the Senator from Washington [Mr. JONES] does not seem to be in his seat just at this moment. I also requested that that paragraph go over. I have offered an amendment to it, which I hope the Senator having the bill in charge will accept. I send the amendment to the Secretary's desk and ask to have it read.

Mr. SIMMONS. To what section is the amendment proposed?

Mr. GRONNA. It is proposed to section 203.

Mr. PENROSE. Let the amendment be read, Mr. President.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Dakota [Mr. GRONNA] will be stated.

The SECRETARY. On page 8 it is proposed to amend section 203 by inserting a new subdivision, as follows:

In case the articles dealt in and inventoried by the taxpayer are of a kind whose cost has substantially increased since the close of the prewar period as defined in Title III of this act, the taxpayer may reduce the amount of the inventory, determined in accordance with the foregoing provisions, by a deduction of not more than 20 per cent, and in the event of such deduction the taxpayer shall with his return, under the provisions of this act, give a bond to the United States in such form and in such amount and with such surety or sureties as may be approved by the commissioner, conditioned that if, during the next succeeding taxable year, the cost of such like article shall not have declined to the full amount of such deduction the taxpayer shall pay an additional tax, determined in accordance with the provisions of this act, on the excess of such deduction over said decline in cost.

Mr. GRONNA. In support of this amendment I wish to have read, for the information of the Senate, a letter which I send to the Secretary's desk.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

GRAND FORKS, N. DAK., *November 30, 1918.*

Hon. A. J. GRONNA,
United States Senate, Washington, D. C.

DEAR SIR: Our attention has been called to section 202 of H. R. 12863, fixing the basis of values for determining the amount of income and excess-profits taxes to be levied under the proposed new revenue law. We wish to appeal to you not only in our own behalf, but in behalf of the general public and thousands of small country merchants as well. We feel the basis of value outlined under this section is unfair, and wish to present a few points that appeal to us as worthy of consideration.

It is well known that merchandise values at the present time are on a war basis and are very high. The United States entered the world war on a basis of high prices, brought about by foreign buying, and since our entrance prices in nearly every line have still further increased. Our merchants did not enter the war period with large stocks, and most of the stocks now on hand were bought at the present high prices.

To compel the merchants of the Northwest to pay income and excess-profits taxes on these values in the face of postwar conditions which, it is reasonable to assume, will bring prices down, will be unfair and may cause great hardship. Credit is a large factor in our business in the Northwest, and it will be one of the first things to be affected.

We understand amendments have been proposed or will be proposed which will afford some relief. We believe it would be only fair to allow a flat reduction on present values, but if that is not possible we feel some relief at least is afforded by the suggested amendment outlined on the accompanying sheet.

The big merchant of the cities is not the only one to be affected by this proposed basis of valuation. We have in the Northwest, and particularly in Minnesota, North Dakota, and Montana, hundreds of cooperative stores and local mercantile companies, all on most of whose stockholders are farmers and local people. If these companies are compelled to pay taxes on the present high values and at the same time face an almost certain fall in the selling value of their goods, it will seriously affect the solvency of many of them.

The retail merchant in all lines has passed through very difficult and trying times because of the increase in merchandise prices. Increased costs, taxes, wages, rents, fuel, etc., necessarily mean higher prices to the consumer. The public is demanding a return to normal prices. The local merchants only ask that the change may be made without driving them into bankruptcy. Merchandise values can not come down in the face of heavy taxation.

If it is the purpose of the proposed bill to hit the big mercantile organizations of the country, we believe it undesirable to undertake it by means that will work hardship on the public and the small local merchants and his cooperative associates in business. The big fellows can to a certain extent control the markets in their present state and protect themselves until they can return to a lower level of prices without loss.

We believe the local merchants and local company stores of the Northwest are essential factors in our present economic life and the further development of the Northwestern States. They are not only sellers of merchandise, but they are also buyers of miscellaneous farm products. We submit that the local merchants has done as much or more than any other agency to encourage general farm activities. In this State grain can be marked at almost any siding, but the big butter, egg, and cream market is furnished by the hundreds of country stores. They have stood by their people through thick and thin, using their credit to tide their communities over periods of short crops and in other trials. Hundreds of the post offices of this and the surrounding States could not be maintained except as it is possible to secure some local merchants to handle them. We feel the merchants as a class are essential and speak for all as well as ourselves.

This matter has been before our general organization and our directors. In the absence of any other definite proposal we approve the amendment submitted herewith and ask your support of it or any other change in this measure that will make it possible for the local merchants of the Northwest to face the future safely.

Yours, truly,

THE MERCHANTS' ASSOCIATION OF GRAND FORKS AND EAST GRAND FORKS,
By FRANCIS MCKERNAN, *Acting Secretary.*

Mr. GRONNA. Mr. President, I realize that to some extent the matter referred to has been taken care of by the committee. I wish, however, to ask that the amendment may go over in order that I may confer with the chairman of the committee and other members of the committee in reference to it. It is possible that the amendment which has been proposed by the committee will be satisfactory, but I have not had an opportunity to make such an investigation as I should like to make in reference to it. I therefore ask that the amendment may again go over.

Mr. SIMMONS. Mr. President, I will state to the Senator from North Dakota that the substance of the amendment which he has offered was presented to the Committee on Finance by certain corporations early in its deliberations, and their representatives argued very strongly in favor of it. It is, in substance, a proposition to set up a reserve to be utilized in case losses shall afterwards be sustained. The committee realized, and the department realized, that it was necessary to make some adequate provision with reference to possible losses in the very uncertain conditions in which we find ourselves. The matter was taken up with the experts of the department; it was discussed with them; the committee gave it the most thorough investigation, and decided that the method which we have adopted, as written in the bill, for meeting the situation was very much better than the proposal of the corporations. I had supposed that the amendments which we have made in order to meet this identical situation were entirely satisfactory to the business interests of the country.

Mr. JONES of Washington. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Washington?

Mr. SIMMONS. I yield.

Mr. JONES of Washington. As I understand, section 203 of the bill is now under consideration?

Mr. SIMMONS. It is.

Mr. JONES of Washington. I asked the other day that that section go over.

Mr. SMOOT. That is the inventory portion of the bill.

Mr. JONES of Washington. I asked that it go over, because I had received quite a number of telegrams, letters, and petitions from merchants and commercial organizations in my State suggesting a change in it. I was not in the Chamber at the moment the amendment proposed by the Senator from North Dakota [Mr. GRONNA] was read, but I hold in my hand an amendment which has been suggested to me, and I desire to ask the chairman of the committee if the plan it embodies has been considered by the committee. I assume from what he has stated that it has been. This proposition is to add to the section the words, "a reasonable allowance being made for the increased cost of merchandise so inventoried over the average cost of like merchandise during the prewar period."

Mr. SIMMONS. Yes; that thought, I think, is covered by one of the amendments which we have made, though not exactly in that language.

Mr. JONES of Washington. The Senator from North Carolina has stated that the amendment proposed by the committee really covers that suggestion?

Mr. SIMMONS. Yes; I have.

Mr. JONES of Washington. And that is the view of the representatives of the department?

Mr. SIMMONS. Let me read to the Senator one of the amendments proposed by the committee. There are two amendments with reference to this matter. The amendment with reference to net loss has some bearing upon it, but I have not thought that was sufficiently sweeping to meet the situation because it applies only to a case where there is a net loss. There are many cases where relief is needed where there is no net loss. The great majority of cases will be of that character. We adopted this amendment to meet this situation:

(12) If it is shown to the satisfaction of the commissioner that during the taxable year 1919 or 1920—

That is the time the injury will result if any does occur—

the taxpayer (a) has for the first time ascertained the amount of a loss sustained during the preceding taxable year and not deducted from the gross income therefor, or (b) has sustained a substantial loss (whether or not actually realized by sale or other disposition), resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for the preceding taxable year, then the amount of such loss shall be deducted from the net income for such

preceding taxable year, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

Mr. JONES of Washington. That seems to me to pretty well cover the proposition.

Mr. SIMMONS. Yes. The gentlemen who came before the committee when the war was about to terminate said, "If the war shall suddenly end we are confronted with a very serious situation. Our income for the previous year has been based upon our inventories taken at the close of that year. Those inventories were based upon the high prices paid for the commodities in stock." Basing their income upon the value of the stock at the end of the year, they had a large net profit; but they said, "That may be nothing more than a paper profit; we have not sold the goods; they have simply been estimated for the purpose of ascertaining what has been our profit. Now, if there suddenly comes a termination of the war and the value of these inventoried articles shrinks, instead of having a profit, the profit which it was estimated we had in the previous year, we shall have a loss, because we will not be able to sell those goods until after the decline comes." To meet that situation we said that if it were discovered as the result of the decline in prices of the articles covered by the inventory that they had sustained a loss, or would have sustained a loss if the value of those goods had been estimated at the price at which they would have to sell them, they should be allowed to recoup themselves in the method provided by this amendment. I myself think it is very complete.

Mr. GRONNA. Mr. President, will the Senator from North Carolina yield for a question?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. Yes; I yield.

Mr. GRONNA. May I ask the chairman of the committee if under the amendment proposed by the committee a merchant would be authorized to make the inventory according to the market value and not according to the cost of the goods?

Mr. SIMMONS. No; for the purposes of the reduction he would be permitted to correct his inventory of the previous year according to the basis of the prices to which his goods had fallen.

Mr. GRONNA. In that case would not a merchant be compelled to pay the tax just the same, unless he is authorized to make the inventory based upon the market value and not upon the cost?

Mr. SIMMONS. No; in that case the amendment provides that his income for the previous year shall be redetermined; and in redetermining it his assets are to be valued as of the basis to which they have fallen as a result of the shrinkage in value, thereby showing a less income than that upon which he has already paid a tax. Now, he is recouped for that out of his income tax for the next year.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes.

Mr. LENROOT. As I gathered the question of the Senator from North Dakota, his question was whether in this instance the merchant would be permitted in making his inventory to make it according to market value rather than according to cost?

Mr. SIMMONS. Yes; his first inventory is made according to market value.

Mr. LENROOT. Or according to the cost, as the case may be.

Mr. SIMMONS. Yes; or according to cost, as the case may be.

Mr. GRONNA. If that is the case——

Mr. SIMMONS. According to the market value at that time; but if, before those goods are sold, the market value shrinks and as a result of that shrinkage he makes a loss because he had valued them too high, then he is entitled to be recouped out of his next assessment.

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator what he means by the use of the expression "makes a loss"? Does he mean that the provision only applies to such cases where a merchant sells his goods below cost?

Mr. SIMMONS. No; the Senator misunderstood me.

Mr. HITCHCOCK. I merely want to know what the fact is.

Mr. SIMMONS. It occurs in this way: In ascertaining his net profit a merchant has to take an inventory at the end of the year of all of his assets, there having been an inventory at the beginning of the year. He ascertains what his profits are upon the basis of that inventory. Now, if the assets have been given a fictitious value by reason of conditions, as a result of that high valuation his income may appear to be large, but he may sustain a loss because of his inability to sell the goods that were in stock at the time at the price at which they were inventoried.

The Senator will see this situation might arise: In taking that inventory at the peak prices that obtained just before the close of the war, a large profit might have been shown, but the war ends the next day, prices slump from 25 to 30 per cent, and that paper value upon which his profits were estimated has disappeared; it has gone.

Mr. HITCHCOCK. And he has suffered a loss?

Mr. SIMMONS. He has suffered a loss as a result. The profit was a war profit; it was not an actual profit shown from the result of the actual sale of the articles, but it was a profit resulting from an abnormal price that was placed upon them.

Mr. HITCHCOCK. And the merchant now has actually incurred a loss?

Mr. SIMMONS. He has actually incurred a loss.

Mr. HITCHCOCK. I understood that was the statement of the Senator. I want to put another case: Suppose at the end of the year an inventory is taken, and the profit upon the year's transaction appears to be, say, $50,000 upon the inventory of the goods at the then market value. Now, suppose during the year, instead of selling those goods at the then market value, he is compelled to sell them at a value which reduces his nominal profits of the previous year, upon which he has paid his tax, from $50,000 down to $25,000. He has suffered no loss, but his profits are only one-half as much as the profits upon which he has paid taxes. Has he any recourse against the Government?

Mr. SIMMONS. He has lost as a result of the shrinkage in value of the goods upon which his profits were estimated.

Mr. HITCHCOCK. He has made a profit upon the year's business, but he has made a profit only one-half as large as that upon which he has paid taxes. Can he recoup from the Government, so that his net payment of taxes shall only be equal to his exact profits?

Mr. SIMMONS. I think that is what the amendment of the committee means.

Mr. HITCHCOCK. But it does not say so.

Mr. SIMMONS. I do not know that I have completely understood the Senator, and I do not know that the Senator has completely understood me.

Mr. HITCHCOCK. Oh, yes; I understood the Senator perfectly. He took the position that where a merchant at the end of the year had made up his inventory and showed a certain profit and paid a tax upon that profit and afterwards sold his goods at a loss he could then recoup himself from the Government.

Mr. SIMMONS. Yes.

Mr. HITCHCOCK. But the Senator also emphasized the fact that he must have sold them at a loss. I am putting a case—and it will be far the most numerous class of cases, I am sure—in which a merchant has paid his tax upon a certain profit and there has been such a shrinkage in the market value of the goods in actual sale that, instead of making, say, a profit of $50,000, he only made a profit of $25,000, but meanwhile has paid taxes on the full $50,000; and I put it to the Senator, has the merchant any right to recover that excessive tax which he has paid?

Mr. SIMMONS. Yes; the amendment provides that that shall be deducted from his income of the previous year.

Mr. SMOOT. Mr. President, may I correct the Senator?

Mr. SIMMONS. Yes.

Mr. SMOOT. First, I will call the Senator's attention to pages 29 and 60 of the bill, in which the provisions referred to by the Senator from North Carolina are found.

Mr. HITCHCOCK. I have them here.

Mr. SMOOT. There is no deduction unless there is an actual loss, not a loss as between a profit of $25,000 and a profit of $50,000, for there is no provision whereby there will be a credit of the difference in that case; but if there is a loss of $25,000, then the provisions to which I have referred do allow the taxpayer to recover.

Mr. SIMMONS. The Senator is talking about net losses.

Mr. SMOOT. I am talking about the question asked by the Senator from Nebraska. The Senator from Nebraska stated the case in this way, that if the merchant had made $50,000, or if a concern had made $50,000 and then afterwards found that there was a reduction in the selling price of the goods, so that his profit was only $25,000, would he be repaid by the Government for the tax paid upon that difference of $25,000? No; he would not be, because he has suffered no loss; but if he had made $50,000 and in the readjustment of the prices of his merchandise had lost $50,000 and $25,000 more, then the Government, of course, would give him credit for the tax upon the $25,000; but no credit would be allowed unless there was an actual loss.

Mr. SIMMONS. I do not agree with the Senator from Utah at all in his statement. I agree that that is a correct interpretation of what we call the net-loss amendment, but this is a different matter altogether.

Mr. HITCHCOCK. Well, let me put another question to the Senator.

Mr. SIMMONS. This is a matter that provides for shrinkage in the inventory value.

Mr. HITCHCOCK. Yes. Now, can the Senator point out in the bill any provision which reimburses a merchant who has paid taxes upon a certain paper profit and it turns out during the year that that paper profit is only half as large as he had estimated it would be?

Mr. SIMMONS. Was the Senator here when I read the amendment?

Mr. HITCHCOCK. Yes; but I do not interpret it as the Senator interprets it.

Mr. SIMMONS. Now, let me read it to the Senator again. It is as follows:

(12) If it is shown to the satisfaction of the commissioner that during the taxable year 1919 or 1920 the taxpayer (a) has for the first time ascertained the amount of a loss sustained during the preceding taxable year and not deducted from the gross income therefor, or (b) has sustained a substantial loss (whether or not actually realized by sale or other disposition), resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for the preceding taxable year, then the amount of such loss shall be deducted from the net income for such preceding taxable year, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

Mr. HITCHCOCK. Mr. President, I do not think that covers the situation at all. That is the case of a man, say, in the wholesale dry-goods business, who has made his report of certain profits on the basis of his inventory, and he finds later on that whereas he estimated a profit of, say, $5,000 on his calicoes, he has actually sold his calicoes at a loss instead of at a profit. There was an actual loss incurred. But I am talking about a case in which, by a man's inventory, he has reported to the Government a paper profit of a certain amount, and by actual experience during the next 12 months in selling his goods he finds that instead of having had a paper profit of a certain amount, upon which he has paid taxes, his profit actually has been one-half of what he had estimated, and therefore he has paid twice as much in taxes as he should have paid.

Mr. SIMMONS. What occurs in that case is simply to authorize a redetermination of his taxes for the previous year.

Mr. HITCHCOCK. Can the Senator point out where that comes in? I am not able to find it.

Mr. SIMMONS. It appears in the very language that has been read. I do not think I can express it any more strongly.

Mr. HITCHCOCK. No; that section provides that where the merchant has incurred a loss instead of a profit on the sale of his goods he can recoup; but there is no provision there which enables him to recoup when he has sold his goods at one-half as much profit as he has paid taxes on.

Mr. SIMMONS. Well, the matter of whether or not he has sustained a loss must be determined from his books.

Mr. HITCHCOCK. Yes; but it seems to me——

Mr. SIMMONS. His books show that his assets—his merchandise, so to speak—were estimated as of a certain market value. That was the correct market value as of that date. But the next month there is a certain slump, and those goods which are still on hand and undisposed of are subject to a very sudden and marked reduction in price, and they have to be sold upon the basis of this lower level of prices. Now, as a result of that, he has sustained a loss——

Mr. HITCHCOCK. Oh, no.

Mr. SIMMONS. In the sense that he has had to pay an income tax estimated upon those goods at a certain price.

Mr. HITCHCOCK. Oh, I think the Senator is entirely mistaken. That merchant has incurred no loss. His profits have simply been cut down, and you have provided no way for him to get relief.

Mr. SMOOT. I do not think he ought to have any relief.

Mr. SIMMONS. I admit that he has not sustained a loss in the sense——

The PRESIDENT pro tempore. The Chair desires to request Senators to address the Chair before interrupting the debate.

Mr. PENROSE. And to speak one at a time.

Mr. SIMMONS. Mr. President, I admit that he has incurred no loss in the sense, probably, that the Senator is using, but the loss that is referred to is the loss that he has sustained by having to pay a higher income tax because of a fictitious estimate as to the value of his assets.

Mr. HITCHCOCK. Let me ask the Senator another question.

Mr. SIMMONS. For instance, if the Senator will let me elaborate, suppose that in taking the inventory for the purpose of estimating the annual profits the goods had been valued at $50,000 upon the high level of prices then obtaining, and that would show a profit, we will say, of $25,000. Now the slump comes, and these goods are still on hand, and they are sold for, say, $40,000. Now, my understanding is that while he has sustained no actual loss, he has paid an income tax upon a $50,000 basis of profit, whereas he should have paid an income tax upon a $40,000 basis of profit, and the income taxes are to be redetermined in the light of this disclosure as to the unreal condition of the prices that obtained at the time.

Mr. LENROOT and Mr. HITCHCOCK addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield; and if so, to whom?

Mr. SIMMONS. The Senator from Nebraska has been interrogating me, and I had yielded to him.

Mr. HITCHCOCK. I agree with the Senator that that should be the purport of the bill. The Government certainly does not intend to collect from any merchant a tax upon a profit which he does not actually make. The profit necessarily has to be estimated by the inventory at the close of the year.

Mr. SIMMONS. Certainly.

Mr. HITCHCOCK. Then, if the inventory, as is probable, turns out to be excessive, he ought to be able to recover back the amount which he has paid in excess of what he should have paid.

Mr. SIMMONS. Undoubtedly.

Mr. HITCHCOCK. But it seems to me that the bill as drawn only provides that there shall be a rebate when a merchant incurs a loss and does not provide for making a rebate where he has paid an excessive tax. Now, it seems to me that this should be made clear, if that is the purpose of the Senator. The Senator from Utah [Mr. SMOOT] says that that is not the purpose. The chairman of the committee says it is the purpose; but, whatever it is, it ought to be made clear in the bill, and it ought not to be left to be a subject for dispute and doubt. The merchants ought to know "where they are at."

Mr. LENROOT. I think it is very clear, indeed.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Wisconsin?

Mr. SIMMONS. I do.

Mr. LENROOT. I should like to ask the Senator from North Carolina whether it is his view that a taxpayer is compelled in his inventory to inventory his goods at the market value if that market value be in excess of the cost?

Mr. SIMMONS. No; I think not.

Mr. LENROOT. So that if the cost is greater than the market value the inventory is at cost, and therefore there is an actual loss thereafter resulting.

Mr. SIMMONS. I do not quite understand the Senator.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. Yes; I yield.

Mr. SMOOT. The answer that the Senator gives to the Senator from North Dakota, that the inventory must be taken at the market price, under the provisions of section 203——

Mr. SIMMONS. It must be taken at the market price or at cost, whichever is lower.

Mr. SMOOT. Well, that is entirely a different proposition. I agree with the Senator. That is the accounting practice of all business concerns; you must take it at the price that is the lowest. If the cost is lower you take it at cost. If the market price is lower you take it at the market price.

Mr. LENROOT. If the Senator will yield, I misspoke a moment ago. When I said that there must be a loss I meant, of course, that if there was a sale at less than the inventory price there must have been an actual loss.

Mr. HITCHCOCK. Mr. President, it seems to me that is a matter of large importance, and it is evidently so doubtful in meaning that members of the committee disagree over it. Certainly the committee intends that where the falling market has resulted in imposing an actual loss upon the taxpayer, he shall be relieved by having it rebated to him later on. Now, it seems to me that the committee ought also to mean that where the merchant has paid a tax which is demonstrated by a falling market to be larger than it ought to be, he ought to be also able to recover that from the Government; and therefore the bill not only ought to provide for the reimbursement of merchants when it is found that by reason of the falling market they have incurred a loss, but it also ought to reimburse them when it has been demonstrated that by reason of a falling market the tax

which they have paid is larger than it should have been. That does not seem to me to be provided in the bill.

Mr. SMOOT. Mr. President, if the Senator from Nebraska is through——

Mr. HITCHCOCK. I have not anything further.

Mr. SMOOT. I want to say to the Senator from Nebraska that if his ideas were carried out in this bill nobody could tell what revenue we would receive. As far as I am concerned, I had no idea of any such proposition ever being written into this bill. I am perfectly willing—and that is what this amendment provides for, and I think it goes a long, long way—that where a business loses money on account of a decrease in the price of goods, as far as the tax upon the loss is concerned the Government shall refund. But if we go on and say here that the Government is to refund all of the tax—and, by the way, the tax will not be paid as stated by the Senator—if the following year we go to work and say that if goods then should fall 50 per cent, 50 per cent of the taxes that the merchant paid for the preceding year should be given back to him if he did not make a profit, then I can not tell what will become of our Treasury.

Mr. HITCHCOCK. Mr. President, will the Senator permit an interruption?

Mr. SMOOT. Certainly.

Mr. HITCHCOCK. I think that terrible predicament can hardly prove to be possible. The inventory of the goods taken on the last day of December will be an inventory which will be out of date in less than 90 days. The goods must be sold within a very short time after the inventory is taken, so that any loss which the man may sustain, which the Government might have to reimburse him for, would be a loss which would have to accrue during 90 days following the inventory. Merchants do not have their goods on hand for a year.

Mr. SMOOT. Many of them would be kept on hand for more than a year.

Mr. HITCHCOCK. It would be perfectly proper to limit it to a reasonable length of time for marketing the goods; but the point is this: The inventory is a mere guess at profits. That is all it is. It is the only way of getting at it at the time. The actual test is what the goods sell for in the natural course of business in the weeks immediately following the inventory. In the average business the goods are turned over several times a year, and it would be perfectly proper to limit this deduction to what was proven to be necessary, say, during 90 days following the inventory.

Mr. SMOOT. The Senator's argument would be perfectly correct if the amendment that is presented here in section 203 were construed as I believe he construes it; that is, that the price is to be taken at inventory, whether it is higher or whether it is lower than the market price. Now, that is not the case. The lowest is to be taken, whether it is the market price or whether it is the cost when the inventory is taken, and therefore it can not be as the Senator says. Of course, there may be a loss in the year beginning January 1, even up to the end of the year 1919. There may be a gradual decrease in the sales, and on the goods that he has purchased and sold where there was no loss as compared with cost he may come out at the end of the year with a profit; he may have almost as much gain as he would have had if he had not been purchasing goods and had sold them all out, of all kinds and characters. The Senator is asking now that no matter if he does make a profit that year, if it can be shown from the amount of goods that were taken on his inventory on the last day of the year 1918 that there is a loss between that and any time within the year 1919, he shall be relieved of the tax that he paid on the business of the year before on the difference between cost and market price. Now, that can not be done.

Mr. HITCHCOCK. I think the answer to that is that whatever profit the merchant makes during the year 1919 he will pay a tax on out of the profits of that year; but we are talking now about taxing him for the year 1918, and we are estimating his profits, and we are assuming a case in which it is found that instead of making $50,000 profit, for which he has paid the Government a tax, his profits have been only half that much.

Mr. SMOOT. But the trouble is he has not, if he takes his inventory at the lowest market price. That must show just exactly what the profit is at that date.

Mr. HITCHCOCK. If he has taken his inventory at the lowest market price, he would have that much less claim on the Government.

Mr. SMOOT. Yes.

Mr. HITCHCOCK. But I am talking about where he has an actual claim for loss, where he has paid on a profit of $50,000 and it turns out that he has only made a profit of $25,000. Does the Senator think that he ought to pay as much tax as a man who has really made $50,000?

Mr. SMOOT. I will say to the Senator that when on December 31 of this year he takes his inventory of stock, under section 203 of this bill he must take it either at the market price or at the cost price; but he must take at whichever is the lower, and perhaps that will be the market price. Now, he pays his tax not upon the invoice price, if the market price is lower, but upon the market price; and therefore at that time he is not paying upon a paper profit at all. But now we come in with the relief provision, and we say that if during the business year 1919 there should be such a slump in the price of goods that he would be compelled to sell the goods at such a price that it would show an actual loss from his inventory of December 31, 1918, then he is entitled to a refund from the Government or to a credit upon his taxes. That is what we say.

Mr. HITCHCOCK. Let me ask the Senator this question: The Senator proposes to reimburse that man if there is such a slump in the market value of the goods in his stock that he actually suffers a loss. Now, then, suppose the slump is not quite so much as that, and it only goes down to the point of wiping out all of his profits; would the Senator still claim that that man should pay the Government a tax on $50,000 of profits when he has made no profits at all?

Mr. SMOOT. Why, certainly, Mr. President. Every man who goes into business takes all of the chances of business. There are thousands of them that do not make any profits at all at any time.

Mr. HITCHCOCK. That is not the point. We understand that; but when a man does not make any profit we do not make him pay any tax. The Senator proposes to charge that man just as much tax on doing business without any profit at all as he would charge a man doing business, perhaps, in the same town, who has made $50,000 profit.

Mr. SMOOT. Oh, no. When the corporation makes its return, it does not make a return showing any more profits than it has made, and those moneys have been distributed. If it is a corporation, more than likely they have been distributed; and, Senators, under this bill now they do not even have to distribute them. All the corporation would have to pay would be the 12 per cent normal tax; and let me say to the Senator that it does seem to me that the Government of the United States can not guarantee profits to any institution in this country.

Mr. HITCHCOCK. And yet you propose to do it by this bill. You are guaranteeing a man profits when you say that if he suffers a loss you will wipe out his tax.

Mr. SMOOT. But that is if it is a loss.

Mr. HITCHCOCK. I can not see any reason why you should give him a rebate in one case and not in the other.

Mr. SMOOT. But that is only a partial loss. This, however, is a refund. We say, "If you, through some unforeseen accident or some cause over which you have no control, have lost during the year half of what you ought to have made, of course you are entitled to take it off by exemption."

Mr. GRONNA. Mr. President——

Mr. HITCHCOCK. No; the Senator says, "If he has lost half of what he has made." If he loses all he has made, he is not entitled to get anything back. It is only when he makes an actual loss that he gets anything back.

Mr. SMOOT. What the Senator meant is that he is only taxed upon his net gains, not in any way, shape, or form as to gross gains, less certain exemptions that we give him under the bill.

Mr. HITCHCOCK. The Senator is bringing in other elements now; but he is in the illogical position of proposing to refund to a merchant who has paid taxes under a misapprehension if his business has been run at a loss, but not to refund taxes also paid when he has done business without any profit at all, and yet he has paid a tax upon an assumed profit. There is no more logic in one than in the other.

Mr. SMOOT. Mr. President, he does not pay a tax upon an assumed profit.

Mr. GRONNA. Mr. President, I want to ask the Senator from Utah a question. Can the Senator from Utah inform the Senate what the practice of the Treasury Department is with reference to valuations of stocks of goods taken on inventories? That is the important question.

Mr. SMOOT. The practice will be this under the amendment offered to the House bill: If the market value is lower than the cost value, the market value will be taken. If the cost value is lower than the market value, the cost value will be taken.

Mr. GRONNA. I will say to the Senator from Utah that my amendment provides that the inventory shall be taken at the market value of the goods. It permits a reduction to the extent of 20 per cent. It does not permit a greater reduction than that in case the inventory proves to be an overvaluation. My amendment provides that instead of compelling a merchant,

as is now the practice, to take the inventory based upon the cost or upon the purchase price, not the market value, the inventory shall be based upon the market or real value. Now, I think it is unfair to compel a merchant or anybody else to take an inventory of a stock based upon what he may have paid for it, when, as a matter of fact, it is worth much less in the market of that day.

Mr. SIMMONS. Mr. President, if it is worth less than the cost price at the time the inventory is taken, he inventories it at a lower price.

Mr. GRONNA. It does not specifically say so in your bill. There is no provision for that in your bill.

Mr. SIMMONS. I think there is a provision that covers that.

Mr. GRONNA. Let me point out to the Senator from North Carolina and to the other members of the committee where, under my proposed amendment, the Government of the United States might collect more revenue than under your proposed amendment.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. WARREN in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. GRONNA. Certainly.

Mr. SMOOT. I will call the Senator's attention to one of many cases and show that there should not be the limitation of 20 per cent if we desire to do justice to all concerned.

Take a dry-goods house. It carries a line of cotton goods only, and during the prewar period its stock amounted at the inventory period to a million dollars. If that same concern, carrying the same amount of cotton goods to-day—no more yards, no more dozens, no more bolts, but just the same as was carried during the prewar period—took an inventory to-day, it would not show a million dollars, but it would show $3,000,000. Now, if the conditions were such that cotton goods would drop before December 31, 1919, 50 per cent, we will say——

Mr. GRONNA. The Senator is now speaking of prewar prices, of course. He is simply assuming that now?

Mr. SMOOT. I am stating the case exactly as it is. If they should drop 50 per cent from the price at which they are inventoried up to and including December 31, 1919, they would show then an increase in the prewar period prices of 50 per cent; and if there were no relief given in this bill in such a case, a concern of that kind, if such a thing as that should happen, could not exist. It would be impossible for them to pay the obligations that they had had to incur in order to carry $3,000,000 worth of stock instead of $1,500,000 worth.

Now, if the Senator's amendment is adopted, that would be limited to 20 per cent. Therefore, if that should happen—that is, if a decline of 50 per cent should happen between now and December 31, 1919—instead of receiving a credit on that $3,000,000 of $1,500,000, under the 20 per cent provision it would be only $600,000. That is the difference between the Senator's proposition and the proposition provided for in the bill.

Mr. GRONNA. Mr. President, the Senator from Utah, who is nearly always, except at this time, right, is supposing an impossible thing and something which never has or never will happen. I am proposing to do justice to those people who have a large amount of goods on hand, and who at the time of taking the inventory shall be permitted to reduce the price to the extent of 20 per cent. Any good merchant knows that never in the history of the country has any stock of goods in a short period of time been reduced below 20 per cent. I will say to the Senator it would be unjust not only to the merchant but to the public. How do you expect the merchant is going to reduce his price to the public when you are making it impossible for him to give a lower valuation in making his tax return?

Mr. SMOOT. Under the provisions of the amendment of the Senate committee, if he can show that there is a 20 per cent decline, he would be allowed it. If he can show more than a 20 per cent decline, he is allowed it. So all that is comprehended in the Senator's amendment is comprehended in the committee amendment, and in the committee amendment more, too, is comprehended.

Mr. GRONNA. I do not think so, Mr. President, I do not think that section 12 or the other section takes care of what I complain about. I do not believe that the merchant would be allowed to make his reduction when he takes the inventory for the reason that the department will insist that an inventory shall be taken based on the purchase price of the goods, and not the market value.

Mr. SMOOT. Do I understand the Senator to interpret the amendment to mean that the merchant arbitrarily must take 20 per cent off the inventory price?

Mr. GRONNA. No.

Mr. SMOOT. There would be no justice in that——

Mr. GRONNA. I do not.

Mr. SMOOT. Because if the goods do not decline 20 per cent he should not be allowed to take off 20 per cent.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Colorado?

Mr. GRONNA. With pleasure.

Mr. THOMAS. I had during the time the bill was before the committee a large number of conferences with gentlemen representing the merchandising interests of the country, and who were here because of their special concern upon this subject of inventory. Their spokesman informed me just before the committee adopted this amendment that he thought it was a fairly satisfactory disposition of a very intricate subject, and that the interests which they represented here would be fully protected. I do not pretend to know as much about the intricacies of the subject as the Senator from North Carolina [Mr. SIMMONS] or the Senator from Utah [Mr. SMOOT], both of whom have given it much more consideration than myself, but the fact that it is substantially satisfactory to interests that are very deeply concerned in it makes me loath to disturb it. If the question is opened again, the same concessions which are asked for the merchandising business of the country will be insisted upon by other pursuits.

Mr. GRONNA. Mr. President, I had read at the desk a moment ago a letter from the merchants' association of my State, and I think it presented a very fair and just case. The Senator from Utah said that we might do an injustice to the merchants of the country by allowing them only 20 per cent. I think if I wanted to take the time of the Senate I could point out where there is a possibility, and not only a possibility but a probability, of collecting more taxes under my amendment than the amendment proposed by the committee.

As the Senator from Nebraska [Mr. HITCHCOCK] said a moment ago, the first inventory will be taken for the purpose of determining the tax for the years 1918 and 1919. Let us suppose that the amendment reported by the committee will be interpreted as the Senator from Utah says it will be interpreted, that there will be a larger reduction made than 20 per cent.

Mr. SMOOT. I did not say that there would be.

Mr. GRONNA. What I am contending is that there would not be, but the Senator from Utah has argued all the time, if I understood him correctly, that it would be based upon the market price and not upon the price paid by the merchant.

Mr. SMOOT. No; that is where the Senator is mistaken. I contend that under the wording of the amendment in section 203 the Commissioner of Internal Revenue has no choice other than what the general practice is, and that practice——

Mr. GRONNA. Will the Senator state what the practice now is?

Mr. SMOOT. That practice is this: If the cost price is more than the market price, then the market price is to be taken. If the cost price is less than the market price, then the cost price is to be taken; or, in other words, the lowest of either the market or the cost price is always to be taken. That is the practice and that is the rule.

Mr. GRONNA. Even in that case, I will say to the Senator, there would be a less tax collected by the Government than in accordance with my amendment.

Mr. SMOOT. The only way it could possibly be more would be this: In case there was a greater loss than 20 per cent then you are absolutely correct. Under your provision there would be collected more tax, but the Senator from Utah does not think that that is going to be, and he only brought it to the attention of the Senate as he did because it could happen in certain lines of goods.

Let me call the Senator's attention to a thing that came to my attention the other day. Take the item of tungsten. Suppose there is a dealer in tungsten who bought his goods before the signing of the armistice. At that time every unit of tungsten in the United States would have brought $24.50. Immediately upon the signing of the armistice it began to decline and to-day it is only $12 per unit, or a decline of over 50 per cent. I know that is one case, and there are other cases that I could call the Senator's attention to. Therefore if the man who had purchased his tungsten before the signing of the armistice would take his inventory on the 31st day of this month, we will say, under the amendment here he will take whatever the market price is, because that is the lowest. But if tungsten had advanced to $30 a unit then he would have taken the cost price under the provision here. The Senator can see that in that case if he were allowed only 20 per cent, under the provisions of this amendment he could never get what he was really entitled to receive.

Mr. GRONNA. If the amendment proposed by the committee will do what the Senator from Utah states it will do, what is

the objection to saying in the bill that these people shall be permitted to take the inventory based upon the market value? What is the objection to that?

Mr. SMOOT. It may be in some cases an injustice and in another case it may be an advantage. It seems to me that they ought to have the privilege of taking the very lowest price. If they bought at a high price and the market value is lower, give them the market value, because they will have to go into the market and buy the goods again, and when they do that they should not be taxed more than the market price. On the other hand, if an article has risen for some unaccountable reason above the cost price of the goods they have on hand, why should he be granted that price in taking the inventory? Therefore the practice, I think, is perfectly correct to take only the lowest of the two, whichever it may be.

Mr. GRONNA. I agree with the Senator that if the price of the goods has risen he should take the inventory based upon the value.

Mr. SMOOT. That is what he will do under this amendment.

Mr. GRONNA. And that will be the market price, will it not?

Mr. SMOOT. No.

Mr. GRONNA. According to the Senator's statement, your amendment is more liberal than the one I have proposed.

Mr. SMOOT. That is what I say.

Mr. GRONNA. With that understanding I shall not further press my amendment and will withdraw it.

Mr. JONES of New Mexico. Mr. President, it seems to me this provision of the bill ought to be reasonably well understood, and when understood it ought to appeal to the good judgment of the Senate. I must say the provision caused the members of the committee, and certainly myself, as much trouble as perhaps any other one in the bill. We recognized the situation which was presented from various points of view.

I will state, in the first place, that there was no unanimity of opinion as to what would occur immediately upon the cessation of the war with respect to prices. Some were rather of the opinion that prices would at once fall off very materially; others were of a contrary opinion; they said if prices were reduced at all, there would be a gradual reduction, and that it would extend over not one year but perhaps several years. So we could not assume any actual condition that would occur upon the cessation of the war.

Some suggested as a remedy that we permit a reserve to be retained in order to take care of prospective reductions in the inventory value, but nobody could tell how much that reduction should be. We did not know what was going to occur to prices, and so we put in this provision.

Here is the way it will operate, as I see it, and it seems to me it will appeal to the good judgment of the Senator from North Dakota. In all income-tax legislation there must necessarily be periods of calculation. In order to ascertain an income tax at all you must do it for some period of time. So in this bill we take a year. It may be the calendar year or it may be the fiscal year of the business enterprise of a corporation, but we take the period of a year. Now, then, this concern has been engaged in business for the year 1918. At the end of this year its business stands upon the conditions existing at that time, and, as the Senator from Utah [Mr. SMOOT] has well said, under this provision of the bill you make your inventory upon this well-recognized rule of business concerns. At the end of the year you take either the cost price or the market value, whichever is the lowest. That gives the advantage of the situation to the business. The stock of goods on hand at that time is certainly worth the value which was carried into the inventory, and whatever appears upon the face of the business for the year is profit. That winds up the transaction for that year. The business is closed. It has made that profit, and on that profit it pays a tax to the Government. Now, then, the man decides on the 1st day of next January——

Mr. GRONNA. Mr. President——

Mr. JONES of New Mexico. Just permit me a moment. He decides the 1st day of the next January whether or not he will continue his business. He begins a new business period. He takes those goods at that value. He charges himself with that stock of goods at that value; and the stock of goods is unquestionably worth that value, because it is ascertained in the way I have just stated. He begins business for the next period. He has full value for every dollar appearing upon his books. During the year there is a decline.

Mr. GRONNA. Before the Senator goes any further, will he yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. GRONNA. Allow me to make this statement. I have evidently not made myself plain. I do not think that the merchant or anyone should be permitted to ask for a price below the market value. I have not been pleading for any such thing as that. I believe it is only fair to the people of the country and to the Government that a fair market value should be placed upon every inventory, and that is all I have been pleading for.

Mr. JONES of New Mexico. Then, the Senator should be perfectly satisfied with this bill, because it at least does that. If the goods happen to have cost less than that, the merchant is permitted a still lower value.

Now, the business man proceeds in 1919. There may be a fall in values during 1919. If he conducts his business and at the end of the year makes no profit at all, he simply has failed to make a profit for the year 1919. That is the result of his business transactions for that year, and no remedy can or should be put into any law which would cover any other sort of a condition.

The condition presented by the Senator from Nebraska [Mr. HITCHCOCK] you could not write into a law; but if you could, you ought not to do it. It would simply mean, as I understood the Senator from Nebraska, that owing to the reduction in prices during the year 1919, if a part of that had occurred in 1918 the merchant's profit would have been less in 1918. You can not meet a contingency of that sort, and you do not want to do it.

You have got to have a definite period in which to calculate your income tax, and each year or tax period must stand upon its own bottom. But in liberality and in anticipation of some such illustration as the Senator from Utah has just given, we have gone to the extent of saying that if in the year 1919 you carry on your business and suffer an actual loss in the business, not only do not make any profit but suffer a loss, then out of the liberality of the legislation and for the purpose of meeting the extraordinary condition of things due to the war we say that you may take the amount of your net loss back into the year 1919 and have your taxes adjusted accordingly. I submit that is the fair thing to do. I believe when Senators study this situation they will come to the conclusion that the committee has done the very best they possibly could do in dealing with this most perplexing situation.

Mr. LENROOT. Will the Senator yield?

Mr. JONES of New Mexico. I yield.

Mr. LENROOT. I do not quite understand the section as the Senator explains it. He has said that it permits the carrying back into the preceding year of the loss. I do not so understand the section. As I understand the section, the loss must actually have occurred during the preceding year, but not ascertained during that year. It seems to me that is the case where it would apply. It could not apply where the inventory was at the market value and the market value was less than the cost, but it could apply in cases where the inventory was at cost, although at that time the market value was less than cost. In that kind of a case the loss would have been sustained during the preceding year and the provision of the section would apply.

Mr. JONES of New Mexico. I ask the Senator if he has in mind paragraph (b) of section 204?

Mr. LENROOT. I take it that the words "sustained during the preceding taxable year" are carried into (b) because if it is a loss for the taxable year the provision of the bill already provides for that being put in as a reduction.

Mr. SMOOT. May I suggest to the Senator from New Mexico that his remarks had reference to section 203. All that he said in relation to that section was in relation to section 203, but the Senator now refers to paragraph 12 of section 214, on page 29, the relief provision.

Mr. LENROOT. I did not think that this language permitted the carrying of a loss sustained during one year back into a previous year.

Mr. SMOOT. But it does provide that it shall be carried to a succeeding year.

Mr. JONES of New Mexico. I may call the attention of the Senator from Wisconsin to paragraph (c) on page 9, which reads:

(c) If for any taxable year ending after January 1, 1919, it appears upon the production of evidence satisfactory to the commissioner that any taxpayer (other than a life insurance company) has sustained a net loss, the amount of such net loss shall under regulations prescribed by the commissioner, with the approval of the Secretary, be deducted from the net income of the taxpayer for the preceding taxable year; and the taxes imposed by this title and by Title III for such preceding taxable year shall be redetermined accordingly.

I think the Senator has overlooked——

Mr. LENROOT. I may be wrong, but I had assumed that the words "sustained during the preceding year" also applied to subdivision (b), though, perhaps, I am wrong about it.

Mr. JONES of New Mexico. Subdivision (b), if the Senator will bear with me a moment, was intended to provide for cases where losses have already been made. I know when the paragraph was drawn I had in mind the drought conditions of the

West with respect to the cattle and sheep business. I know that during the last two or three years stockmen of the West have been suffering losses. So it was intended that if during the year 1918 the stockman made a profit and had in the year 1917 suffered an actual loss he could deduct the losses of 1917 from the profits of 1918. That is what subsection (b) means. Now, subsection (c) assumes that a profit is made in 1918. In 1919 the stockman suffers a loss. Paragraph (b) permits the commissioner then to readjust the taxes of 1918 and deduct the losses of 1919.

Mr. LENROOT. I agree with the Senator as to those provisions. I was not referring to those provisions, but to the one which was really under discussion, on page 29, with reference to inventories.

Mr. JONES of New Mexico. All these are to be read together.

Mr. LENROOT. I wish to ask the Senator with the construction of subdivision (b) that he now gives, if the only case where that would apply would not be where there was no profit during the year and it was necessary to carry it back into the preceding year in order to afford relief, because otherwise there would be a loss accruing during the year and it would be entitled to be deducted as a matter of course against the profit.

Mr. JONES of New Mexico. I think the Senator interpreted correctly paragraph (b) that he had in mind, but I believe the paragraph to which I have just referred will meet the situation.

The PRESIDING OFFICER. The Senator from North Dakota wishes to withdraw his amendment?

Mr. GRONNA. I will withdraw it for the present.

The PRESIDING OFFICER. The amendment is withdrawn. The next amendment passed over will be stated.

The next amendment passed over was, under the head of "Inventories," page 8, line 10, after the word "may," to strike out "approve or"; in line 11, after the word "prescribe," to insert "as conforming as nearly as may be to the best accounting practice in the trade or business and"; and in line 13, after the word "income," to strike out "of the taxpayer," so as to read:

INVENTORIES.

SEC. 203. That whenever in the opinion of the commissioner the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by such taxpayer upon such basis as the commissioner, with the approval of the Secretary, may prescribe as conforming as nearly as may be to the best accounting practice in the trade or business and as most clearly reflecting the income.

The amendment was agreed to.

The next amendment passed over was, on page 8, after line 13, to insert:

NET LOSSES.

SEC. 204. (a) That as used in this section the term "net loss" refers only to net losses resulting from either (1) the operation of any business regularly carried on by the taxpayer, or (2) the bona fide sale by the taxpayer of plant, buildings, machinery, equipment, or other facilities constructed, installed, or acquired by the taxpayer on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war; and when so resulting means the excess of the deductions allowed by law (excluding in the case of corporations amounts received as dividends from a corporation which is taxable under this title upon its net income) over the sum of the gross income plus any interest received free from taxation both under this title and under Title III.

(b) If for any taxable year beginning after December 31, 1916, and ending not later than December 31, 1918, it appears upon the production of evidence satisfactory to the commissioner that any taxpayer (other than a life insurance company) has sustained a net loss, the amount of such net loss shall, under regulations prescribed by the commissioner with the approval of the Secretary, be allowed as a deduction in computing the net income of the taxpayer for the succeeding taxable year.

(c) If for any taxable year ending after January 1, 1919, it appears upon the production of evidence satisfactory to the commissioner that any taxpayer (other than a life insurance company) has sustained a net loss, the amount of such net loss shall, under regulations prescribed by the commissioner with the approval of the Secretary, be deducted from the net income of the taxpayer for the preceding taxable year; and the taxes imposed by this title and by Title III for such preceding taxable year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. If such net loss is in excess of the net income for such preceding taxable year, the amount of such excess shall, under regulations prescribed by the commissioner with the approval of the Secretary, be allowed as a deduction in computing the net income for the succeeding taxable year.

(d) The benefit of this section shall be allowed to the members of a partnership and the beneficiaries of an estate or trust under regulations prescribed by the commissioner with the approval of the Secretary.

Mr. LENROOT. Mr. President, as indicated by the Senator from Utah in response to some question that I asked him, this is a very far-reaching amendment, more important than I think many Members outside of the Finance Committee perhaps realize. It is something entirely new with reference to a taxation policy in the United States. It proposes instead of treating a taxable year as a unit to group them into two or three taxable years as the case may be. It provides that in the case of net losses occurring either from the ordinary conduct of business or from "the bona fide sale by the taxpayer of plant, buildings, machinery, equipment or other facilities, constructed, installed, or acquired by the taxpayer on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war," these net losses may be taken into consideration. In other taxable years the net loss is deducted from the gross income of other taxable years, and in some cases the amount paid in a previous taxable year is refunded to the taxpayer. For instance, a taxpayer may have sustained a loss in 1917, and he may have made a very large profit during the year 1918. Nevertheless if the provision becomes a law that taxpayer can go back to 1917 if he has sustained a loss, we will say of $50,000, and deduct that loss from his profits of 1918. That is one provision.

The next provision, subdivision (c), provides that if after January 1, 1919, a loss is sustained, that loss may be turned back to the preceding taxable year, the tax for that preceding year redetermined, and considering that loss as a reduction a refund may be made to the taxpayer of the taxes he has already paid to the Government; and if that be not sufficient the bill provides that that loss may be carried into the next succeeding year. So in that case we may have three years in two of which a loss was incurred and in only one of which there has been a profit realized, and the taxpayer is permitted instead of paying his taxes year by year and treating each year as a unit, as has been the custom not only by the Federal Government but by every State of the Union since the beginning of the Government, we are to treat it as a three-year period and he is required to pay only his average profit for the three years.

The importance of this provision becomes very apparent when we look into the future and realize that possibly in the very near future we may have an industrial depression. We may have, instead of profits upon the part of a very considerable percentage of the industries of the country, actual losses. Although they may make large profits during the year 1918, we propose to this extent at least to insure them in future against losses and provide that if they sustain losses in the future we will pay them back when the taxes have been a revenue to the Government for the year 1918.

Mr. President, it seems to me that this is clearly wrong and can not be defended, because the Government must have money to carry on its operations. Taxes must be paid for that purpose whether business is conducted at a profit or whether it is conducted at a loss. The excise taxes that are found in this bill are imposed whether the seller is carrying on his business at a profit or whether it is carried on at a loss. When you pay taxes upon real estate you pay upon its value irrespective of whether you may next year sustain a loss, and you get no credit for the subsequent year by a refund of the taxes that you have paid during the previous year because of the loss you have sustained the subsequent year.

Some one, Mr. President, must pay the taxes to run this Government, and it is not fair, it is not just, to say to a business that is conservatively managed, that does make a profit in the future, and that does have an income tax to pay, "The portion of the profit that you make will be paid into the Federal Treasury for the purpose of paying back to some competitor of yours who did not manage his business in a conservative way, and who took speculative chances; we will tax you for the purpose of refunding to him a portion of the taxes which he paid upon the profit that he did make."

Mr. President, take the case of a grain speculator. One year he may make enormous profits; the subsequent year he may suffer a great loss; and yet this bill proposes to take the money of the business men of this country, and, in the case of that speculator, if he suffers a loss, to pay back to him the income taxes that he properly and rightfully paid during the years that he did make a large profit.

Mr. President, I am wholly in sympathy with the amendment that we have been discussing for the past hour or two with reference to losses upon inventories and the refund that is there provided; I can see some justification for making an adjustment in the case of the sale of plants acquired since April 6, 1917, for war purposes, and where a loss has been entailed; but I can see no justification for applying that principle to ordinary business which is carried on in the ordinary way. There might be reason for some legislation of this kind if the transaction out of which a loss occurred began in a taxable year and was not ended or the loss not incurred until a subsequent taxable year; but what justification can there be when here is a business during the year 1918 which is making a profit during that entire year, and its business is closed, and then we come along to the

year 1919, and that same business suffers a loss, not through any transactions which were begun in 1918, but through transactions which were begun and ended in 1919?

Mr. President, it seems to me that if the Senate realized the scope of these sections, realized their possible effect upon the Treasury of the United States in the future, it would not adopt them. I sincerely hope that before this amendment is finally passed upon there may be a fuller attendance of the Senate, in order that the Senate may act upon these sections intelligently and not simply vote upon them without consideration. I therefore make the point that there is no quorum present.

The PRESIDING OFFICER. The point of no quorum having been made, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Baird	Jones, Wash.	Nugent	Smith, S. C.
Borah	Kendrick	Page	Smoot
Brandegee	Kenyon	Penrose	Spencer
Colt	King	Poindexter	Sterling
Curtis	Kirby	Pollock	Thomas
Dillingham	La Follette	Ransdell	Thompson
Frelinghuysen	Lenroot	Robinson	Townsend
Gay	McCumber	Saulsbury	Trammell
Gronna	McKellar	Shafroth	Underwood
Harding	Martin, Va.	Sheppard	Warren
Hardwick	Moses	Sherman	Weeks
Henderson	Mulkey	Simmons	Williams
Johnson, Cal.	Nelson	Smith, Ariz.	Wolcott
Johnson, S. Dak.	New	Smith, Ga.	
Jones, N. Mex.	Norris	Smith, Md.	

Mr. McKELLAR. I wish to announce that the senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. KING. I desire to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Ohio [Mr. POMERENE], the Senator from Virginia [Mr. SWANSON], and the Senator from North Carolina [Mr. OVERMAN] are detained on important public business.

The PRESIDING OFFICER. Fifty-eight Senators having answered to their names, a quorum is present.

Mr. LENROOT. Mr. President, I wish only to restate, as so many other Senators are now present, the proposition which is involved in the pending amendment. I want to say to Senators that the Senate is now about to vote upon one of the most important amendments to this bill, and one which, in my judgment, should demand the serious and careful consideration of every Member of this body.

The proposition is this: If this amendment be adopted, if an individual taxpayer or a corporation sustained a loss in 1917, though the matter be closed, although he or they may have made very large profits in 1918, when they come to make their return next year they will be permitted to deduct the loss which was incurred in 1917 against the net income of 1918. That is the first part of the amendment.

If next year the taxpayer sustains a loss, although he may have made a large profit this year he will be permitted next year to have his income tax of 1918 redetermined, and the loss of 1919 deducted from 1918; and if the loss was larger than the income he will be entitled to be paid out of the Treasury of the United States as a refund the amount represented by that deduction. If that is not satisfactory, under the bill he will be allowed to carry into 1920 the balance of that loss, to be used as a deduction against the income of 1919.

Mr. President, I do not know whether or not the Finance Committee have any estimates of how much is involved or how much the loss of revenue will be to this Government, but I should like to ask whether any member of the committee has any estimate upon that subject?

Mr. SIMMONS. I do not think there has been any specific estimate with respect to that, but the expert of the Treasury Department advises me that in making his general estimate that was taken into consideration. He does not say, however, and has not estimated definitely how much the loss would be specifically on this item. That might be a very difficult thing to do. All he could do probably would be to make an estimate in taking this loss, if any, in connection with a number of other losses, and estimate what the total losses would amount to; and therefore to what extent such total losses would affect the revenue.

Mr. LA FOLLETTE. Mr. President——

Mr. LENROOT. I yield to my colleague.

Mr. LA FOLLETTE. I will say to my colleague, in answer to his question, that while I think the expert who made the calculations would agree that it is very difficult to estimate the loss with any degree of accuracy, yet an allowance, I am informed, of $200,000,000 was made to cover the loss of revenue under this section.

Mr. LENROOT. Assuming that a loss——

Mr. SIMMONS. Mr. President, will the junior Senator from Wisconsin pardon me?

The PRESIDING OFFICER. Does the junior Senator from Wisconsin yield; and if so, to whom?

Mr. LENROOT. I yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, my information is that in making the estimate—of course, on account of the indefinite character of the losses no altogether satisfactory figures could be arrived at—the expert advises me that it is his opinion, as it was expressed to the committee, that the loss would run somewhere between $100,000,000 and $200,000,000.

The Senator from Wisconsin will recognize that this provision of the bill is one that was intended for the benefit of the taxpayer; it was intended to relieve the taxpayer from certain losses that might be incident to the fluctuation of values during this very uncertain period in which we have been operating and during the very uncertain inventories of values in the years designated in the amendment.

Mr. LENROOT. This amendment does not cover inventories. That matter is fully covered elsewhere.

Mr. SIMMONS. It does not exactly cover inventories, but it covers losses.

Mr. JONES of Washington. Mr. President——

Mr. LENROOT. I yield to the Senator from Washington.

Mr. JONES of Washington. Mr. President, with the permission of the junior Senator from Wisconsin, I desire to ask the chairman of the committee a question. The junior Senator from Wisconsin has made a very clear and concise statement as to the understanding he has of this provision, and I desire to know whether or not the chairman of the committee agrees with that statement?

Mr. SIMMONS. In the main. I have not heard the whole of the statement, for I was out of the Chamber for a while. The Senator from New Mexico [Mr. JONES] is looking especially after this particular item. I have not, I repeat, fully heard the statement of the Senator from Wisconsin.

Mr. JONES of Washington. The Senator from Wisconsin stated a moment ago in three or four sentences his contention as to what this amendment permits the taxpayer to do. I want to know whether or not the committee agrees with the Senator in that statement?

Mr. JONES of New Mexico. Mr. President, if I have understood the Senator from Wisconsin, he has made a very clear and distinct statement of these provisions of this bill and just what is intended by them. After the Senator from Wisconsin shall have concluded his remarks I shall assume to give my views to the Senate regarding the merits of the proposition.

Mr. SMOOT. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LENROOT. I yield.

Mr. SMOOT. Just for the RECORD, I wish to say that the $200,000,000 also covers the amendment on page 29, which refers to the individual, as well as the amendment of a similar character on page 60, which has reference to corporations.

Mr. LENROOT. Mr. President, assuming that the amendments which we are now considering were estimated to involve a reduction in revenue of only $100,000,000, it is fair to assume that that estimate is made upon the assumption that business will go on as usual; and if it is fair to assume that there will be a loss of revenue to the Government from this amendment of $100,000,000 with business going on as usual, if an industrial depression does come, it is fair to say that the loss of revenue growing out of this amendment will be not $100,000,000 but at least $1,000,000,000; so the Senate may realize and appreciate the importance of this amendment.

More than that, Mr. President, it would not be so bad if the Government were able to dispense with that revenue, but if we lose the billion dollars in this direction it must be raised just the same; it must be raised in some other way and in some other direction; and it will be raised, if not in this way, from the business of this country, irrespective of whether it is conducted at a profit or at a loss. Every stamp tax that is imposed must be paid, whether the transaction be a profitable one or not; every excise tax that is imposed must be paid whether it be a profitable transaction or not, and there can be no reason why we should go back to 1917 and permit a deduction of any loss that might then have accrued to reduce the amount of taxes upon an income realized this year.

Mr. McCUMBER. Will the Senator allow me to make one suggestion right now?

Mr. LENROOT. Yes.

Mr. McCUMBER. I think the Senator will agree that in the particular case I am about to cite, at any rate, the provision is

just. I had a letter a short time ago, while the committee was considering this bill, from a farmer in my State operating a very large farm. On account of excessive wet weather in 1916 he lost practically all of his crop. In 1917 he again lost his entire crop. He writes me that the total losses for the two years were approximately $80,000. It was necessary for him to go to the bank, mortgage his farm, and mortgage his crop for the ensuing year in order to continue his business. In 1918 he made upon the same farm a profit of about $40,000, so that he is still behind $40,000 for this three years of labor. He has no means with which to pay except from his crops, and those crops are entirely mortgaged. Having lost his entire crop in 1916 and 1917—and the committee went back only one year—having lost an entire crop, amounting to $40,000, in 1917, the committee thought he might deduct that as against a gain of $40,000 in 1918. Of course, if we take the two years, his business would still show a loss of $40,000.

It does seem to me where there has been such a heavy loss in 1917, or where a business, for instance, started in 1917—and most businesses lose in the first year—and lost, say, $400,000 or $500,000 in 1917 but made a profit of $600,000 in 1918, that we ought to give an allowance for the loss in entering into the business. But, irrespective of that, it certainly seems to me that allowance ought to be made where the losses have been heavy in 1917 as against a profit made in 1918.

Mr. LENROOT. Mr. President, let me ask the Senator a question. This country has experienced more than once times of general depression, when, instead of profits being the rule, losses were practically universal. It is entirely possible, as I think the Senator will agree, that that condition may be before us; I do not say it will be, but it may be before us within the next two years. That being so, under this amendment, not only securing no revenue from business being conducted at a loss but being compelled to refund to them hundreds of millions of dollars, I should like to ask the Senator where we are going to get the money to pay the obligations of the Government, carry on its operations, and refund this money under this provision of the bill?

Mr. McCUMBER. Mr. President, I will say frankly that I do not consider the losses will be very heavy from that source; but, in any event, we only go 12 months back in allowing the deduction.

Mr. LENROOT. And 12 months forward.

Mr. McCUMBER. Well, let us consider the 12 months back first. The Senator would allow a deduction of 12 months. Now, suppose that the loss occurred during 15 months back, and it was a heavy loss. Is 24 months an unreasonable time to go back in the case of a business when there has been, taking the two years, a loss, the business having expended more than it gained? If a man has made no gain from his business in two years, we ought not to tax him for an income when he does not really make that income. That is my answer.

Mr. LENROOT. The whole theory of the income-tax law is that a man shall pay taxes each year according to the income that he makes that year. That is the theory of the income-tax law; and this provision would wholly and totally upset that theory and make the basis a three-year average instead of providing for a tax on the annual income.

The Senator says that it is not at all likely that any considerable loss to the Government will accrue under these provisions. If, perchance, we should have a condition within the next few years such as we had in 1893, I want to ask the Senator whether he does not believe the Government would lose at least a billion dollars under these amendments?

Mr. McCUMBER. No; I do not think so.

Mr. LENROOT. Certainly at that time losses were universal; profits were the exception; and yet in adopting this amendment there is no safeguard against such a condition. We will not only be confronted with the problem of raising sufficient money to carry on the operations of the Government, but to raise sufficient money to refund to the men who have suffered losses. Under this amendment we propose to take some of the money of the able and successful manufacturer who operates his business in a businesslike way to pay back to the manufacturer who, instead of paying attention to his business, may be spending his time upon Broadway and letting his business run into the ground. That is the reward we give to the unbusinesslike man, penalizing the legitimate, conservative, successful man in so doing.

Mr. JONES of New Mexico. Mr. President, as I have already said, the Senator from Wisconsin [Mr. LENROOT] has made a very clear statement regarding this provision of this bill. I wish to present the situation which caused the committee to put this provision in the bill, and, when I shall have done that, I believe the Senate will conclude that the committee has solved the problem in the best way that it could have been solved. There is not any pretension that this provision of the bill, as in the case of a great many other provisions of the bill, is a perfect solution of the problem, but it meets a concrete situation in the very best way that the committee could find to meet it.

The Senator from Wisconsin overlooks one great principle which will be found running through this bill from beginning to end. The principle will appear more certainly and in sharper contrast in the amendments put in by the Senate committee than in the bill as it came from the House. It was recognized that the bill as it came from the House contained many inequities. There still remain some in the bill, but I believe that the committee may very well pride itself upon the fact that many of these inequities and injustices have been eliminated from the bill. In the first place, the committee proceeded upon the theory that these taxes should be levied upon those most able to pay, and wherever you find anything changed in this bill you will find the change with that thing always in mind—that it is the ability to pay which is taxed. Does the Senator object to that principle? Does he not realize that when we are levying these great war taxes here the burdens of this war should rest more upon those who can pay, those who have the ability to pay, rather than those who have not?

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Wisconsin?

Mr. JONES of New Mexico. I yield.

Mr. LENROOT. As the Senator asks me the question, I say in reply that where a man has made a very large profit, an excessive profit, he ought not to be entitled to have a loss deducted that he may have made two or three years in the past, when you are continuing in this bill excise taxes that are imposed not according to ability to pay but arbitrarily imposed, whether the man who is compelled to pay them is making a profit or a loss.

Mr. JONES of New Mexico. Mr. President, the Senator objects to going back beyond the year, and he says that such a thing as that is unknown to this country. He is correct in that regard; but he must bear in mind that this country is very young in the establishment of income taxes. If you go to England, which has had an income-tax law for sixty-odd years, you will find that England not only takes into consideration the condition of the man's business during the previous year, but takes into consideration the state of his business for a period of three years; or, in other words, after long experience in England it has been recognized that the very thing for which the Senator from Wisconsin is contending is not justified by the experience of business at all. You can not measure the prosperity or adversity of a business by any one year. You have got to take a series of years; and if I had my way about it, instead of being limited to the year 1917 I would go back at least a year further, because it is the period of years which indicates the business prosperity, the profits of the business. You can not measure it by one year alone.

If you should undertake to do that, then the Senator would put into this bill a provision which would take from it the very relief which he himself says he wants. You take the man with a high inventory at the end of this year 1918. You say that if it is subsequently disclosed that he made a loss in 1918 you are willing to allow him some adjustment. You never can find out that he made any loss in 1918, because when he makes up his inventory at the end of the year 1918, it is a real inventory; it is based upon real values; and, as already explained here, the business man has the best of the situation, so that if there are any losses at all they occur in 1919, and in no manner can you attribute that loss to the year 1918. So the Senator would defeat the very thing which he has favored in this bill, and that is to grant some relief for losses in a previous year.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield to the Senator from Wisconsin.

Mr. LENROOT. In the case the Senator now refers to, in every case where that will apply, the transaction must have originated in the previous year, must it not?

Mr. JONES of New Mexico. Why, not at all; not necessarily so.

Mr. LENROOT. Otherwise there could have been no inventory to which it applies.

Mr. JONES of New Mexico. Every business man takes an inventory at the beginning of the year, or at the end of the year, whichever you choose to call it.

Mr. LENROOT. What I mean is that the inception of the transaction must have occurred during the previous taxable year.

Mr. JONES of New Mexico. Not at all.

Mr. LENROOT. The goods must have been purchased, must they not?

Mr. JONES of New Mexico. Oh, he has goods on hand.

Mr. LENROOT. I mean prior to that time. It did not all occur within the year?

Mr. JONES of New Mexico. Absolutely so; and the Senator can not present the situation otherwise. In other words, on the 1st of January, 1919, the inventoried stocks of goods of this country will be worth every dollar at which they are inventoried, because they are inventoried either at the market value at that time or at the cost price, whichever is the lower. So any dealer who takes his inventory on the 1st of January, 1919, will have the value at least dollar for dollar for every dollar shown upon his books; so if there are any losses which occur in 1919 they are attributable only to the business of that year, and by no way of reasoning can you say that they originated in the year 1918 or are attributable in any part to the business of 1918.

Mr. LENROOT. Mr. President, will the Senator yield further?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. LENROOT. If the inventory consists of a thousand barrels of flour owned by the taxpayer, that business transaction originated—the purchase of the flour, the entering upon that venture out of which the loss eventually occurs—prior to the taxable year. That is very plain.

Mr. JONES of New Mexico. Mr. President, this situation was presented to the committee: The Senator from North Dakota [Mr. MCCUMBER] gave a very graphic illustration of what was presented to us for consideration. A man in 1917 suffered an absolute loss in his business. I do not mean by "loss" a mere lack of making profits, but a loss—a reduction of capital. So he starts into business in the year 1918 with a debit to profit and loss of a certain amount on his books from the preceding year. That means a reduction in his capital. If we assume that he suffered a loss of $100,000 in 1917, he still carries that in his profit-and-loss account, and shows it there as a charge to profit and loss. If in the year 1918 he makes a profit of $100,000, he has simply balanced the account; and if in making the loss of the $100,000 in 1917 he had to borrow the money, mortgage his plant, mortgage his farm, he has taken the $100,000 and paid off the mortgage. He has gotten square with the world again, unless the United States says to him that he shall do precisely what the Senator from Wisconsin wants—that he shall not go back and recoup his losses; that he has made a profit of $100,000, and under the terms of this bill he will pay a tax of $25,000 of it to the United States. How is he going to get his $25,000 to pay the United States? He has used his $100,000 in paying off the mortgage. Now, the Senator from Wisconsin would ask him to go and mortgage it again for $25,000 and turn that $25,000 over to the United States. That is the result of the argument of the Senator. When a man simply is recouping losses, why do we want to tax him.

In this bill there will be found other places where the tax could be raised which we are losing by this remedial process. We do lose money by this provision in the bill; but are you going to tax the farmer of the country, the stockman of the country, the business man of the country who suffers an absolute loss, who incurs a debt, and who subsequently makes money with which to pay the debt and does pay it—are you going to tax him for paying his debt?

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. LENROOT. Suppose the losses are the rule instead of the exception, whom would the Senator have pay the taxes of this Government?

Mr. JONES of New Mexico. Mr. President, the Senator is suggesting a case which never has occurred in the history of the United States, and which can not occur in any country, where all the business of the country will suffer a loss in any one year.

Mr. MCCUMBER. Mr. President, let me suggest to the Senator that if everybody loses instead of gaining, then you have no profits to tax, and you ought not to tax a loss.

Mr. JONES of New Mexico. It stands to reason, Mr. President, that whenever a man loses he loses to somebody, and the somebody to whom he loses makes a gain; so the Senator's statement results finally in what would appear to be an absurdity.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. LENROOT. Who does the Senator think made the tremendous losses occurring in 1893?

Mr. JONES of New Mexico. I will ask the Senator to present his statistics. He is claiming great losses in 1893.

Mr. LENROOT. The Senator remembers as well as I do the extreme depression in every line of business in that year.

Mr. JONES of New Mexico. I remember an extreme depression. I remember a time, back in the year 1893, when people were not making money; but when the Senator undertakes to leave the impression that all of the business of the country combined and uniformly was suffering absolute loss, which would become a charge under this provision on the prosperity of the previous year, I say that he is all wrong. That situation never has occurred, and it can not occur; and so it will only be in isolated cases that there will be an absolute loss. There may be a reduction of profits, but that is not cared for in this bill, and no pretention is made to care for it.

It is simply where the man in the subsequent year fails to make a profit, and does more, suffers a loss of capital; and then we go back, take the taxes, or a part of them, which he has paid to the Government during the previous year, recoup those losses, restore his capital, put him on his feet, and let him do business again. That is what we seek to do in this bill. If he has not made a loss in the past year, but if he should make a loss in the year 1918, or if he has not made a loss in the previous years but should make a loss after the year 1919, then we are now looking forward from 1917 and 1918; we are looking forward in that provision, but if in 1919 he makes a loss he can come back, and if it is not sufficient to satisfy that loss he can carry the net loss on to the succeeding year so as to balance up, restore him, put him on his feet, as I have said, and enable him to do business again.

Does not the Senator want the business of this country put upon that foundation? Does the Senator, when he gets the farmer down, want to keep him down? Does he want to keep the manufacturer down when he is down? Does he want to tax him at these high rates as though every dollar of income were absolute profit, destroy his business, or handicap him in carrying on business in competition with his neighbor? Does the Senator want to do that?

It seems to me that if the Senator will only give a second consideration to this provision, instead of condemning it, he will thank the committee for having presented it.

Mr. LENROOT. Mr. President, as the Senator addresses his inquiry directly to me, I will reply to it that the Senator from Wisconsin is not in favor of taxing a properly conducted, well managed business for the purpose of recouping the losses of an improvidently managed, speculative, hazardous business. The Senator from New Mexico apparently is.

Mr. JONES of New Mexico. Mr. President, in regard to that, the Senator must understand that the hazardous businesses of this country compete with each other. They are not in competition with the stable industries of the country, and so the discrimination suggested by the Senator's remark seems to me not to be justified by business experience. The refund simply comes from the money which the particular taxpayer himself has put into the Treasury.

Mr. GRONNA. Mr. President, I have listened very carefully to the able argument of the Senator from Wisconsin [Mr. LENROOT], as well as to the argument of the Senator from New Mexico [Mr. JONES]. I am not going to condemn, nor am I in the few words I am about to express going to commend the provision; but I want to call the attention of the Senator from New Mexico to what happened in what we call the spring-wheat States in 1916. That year was what we call the black-rust year, and I will say that 95 per cent of the farmers of the Northwest lost money.

Mr. JONES of New Mexico. What year was that?

Mr. GRONNA. Nineteen hundred and sixteen. Some of the farmers applied to the Commissioner of Internal Revenue in 1917 and asked if they might be permitted to deduct their losses for 1916. Of course they were told that they could not do so. Now the Senator says that it is simply isolated cases where taxes have been imposed when an entire industry has sustained a loss. I must differ with the Senator in that respect. Not only the State which I have the honor in part to represent but the neighboring State to the south and the western portion of the State to the east of us sustained heavy losses. Of course, if they made no profit that year, they paid no tax; but if they made a profit in 1917, which most of them did, they did pay the tax without deducting their losses in 1916. I know single farmers who sustained a loss of more than $15,000 in 1916 and who were not permitted to deduct a single penny in 1917.

Mr. JONES of New Mexico. Mr. President, I will state to the Senator from North Dakota that that is just the reason why we are putting that provision in this bill. We are trying to remedy now a thing which the present law makes a hardship.

Mr. GRONNA. Why begin this departure now and leave out what has actually happened in past years?

Mr. JONES of New Mexico. I stated to the Senator that so far as I was personally concerned I would be willing to go back

and take in the year 1916; but the rates of that year were very low, so there was very little income tax paid in 1916. The rates were low, and it was thought that the difficulties of administration would not justify it. Besides, I am perfectly willing to state that there were some expressions of opposition to this amendment in the committee. Some of them thought that we ought not to go back at all, but that we ought to make this provision of the bill simply prospective. That opinion was expressed, and so this amendment as it appears here now is really a compromise of the views of the committee upon it. We have adjusted our differences as far as we can, some wanting it wholly prospective, and some of us—the Senator from North Dakota and myself—wanting it to go back for two years instead of one.

Mr. GRONNA. Mr. President, I do not wish to be understood as saying that I want to go back to 1916. I fully realize that some one has to pay the tax, although it is an injustice to a great many people; and it was an injustice, because the very people upon whom this very tax, this heavy burden, fell had to borrow the money. The farmer, as a rule, does not have a large reserve. The only way that this tax could be paid was by borrowing it.

Mr. JONES of New Mexico. I think that was a great injustice.

Mr. GRONNA. But even so, Mr. President, I am not willing to say that we should open up this great question and go back to 1916. The farmers were able to pay the tax, and they did pay it; and I believe that we should not enter upon this new departure now, when we have reason to believe that many of the investments made by those who are engaged in the different industries will decrease. The Senator knows as well as I do that it is not only possible but probable that values in a great many of these industries where capital has been invested are bound to decrease; but we never heard of such a thing as this proposal when it was simply a question of the farmer and his industry, and I might say his very existence was in danger. You are basing this argument upon the question of justice to the farmer. I want to say that I do not believe that it is the farmer altogether and his interest which enters into this question.

Now, Mr. President, I do not wish the Senator from New Mexico to misunderstand me. I have not asked that we go back to 1916. I myself, together with thousands of other farmers, paid our tax, although we borrowed the money to do so in 1917; but I am not complaining. I am simply calling to your attention, sir, the fact that if it is an injustice now, it was an injustice done to us then; and I believe that it would have been possible for the administration to interpret the law so as not to have permitted that injustice. I believe that the revenue law as it is upon the statute books to-day could have been interpreted so as to exempt those people who actually sustained a loss from paying this unjust tax. I know of provisions that were liberally interpreted, at least more so than the provision which has reference to the farming industry, and to their inventories, and it is only for that reason that I have called attention to it. I believe, sir, that it is a dangerous field to enter upon. I believe that there is a probability that we will lose millions of dollars if we are to carry out this provision as it is written by the committee.

Mr. JONES of New Mexico. Mr. President, referring to the situation which the Senator has just presented with respect to the year 1916, I will state that the year 1916 was the year to which the law of 1917 applied, and if a loss was made in 1916 there was nothing from which that loss could be recouped, because the man who made the loss in 1916 never paid any tax.

Now, as to the probable extent of the loss under this provision, I call attention to these statistics. You will find in the statistical report of the Commissioner of Internal Revenue a statement of the number of corporations returning losses and the number returning profits, and it also gives the deficits of the corporations which returned losses and the earnings of those that made profits. The figures have just been handed me here. In 1917 the earnings of the corporations which paid a tax were $8,765,908,000. The deficits of the corporations which made losses were $656,904,000. So in the readjustment of that it can not possibly affect the Treasury very much, because only these corporations which showed deficits of $656,904,000 will be entitled to come under this relief at all, and then they could recover only the tax which they peradventure had paid the previous year.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. Certainly.

Mr. LENROOT. The Senator is speaking now of the losses of 1917?

Mr. JONES of New Mexico. These are the deficits of all corporations reporting losses.

Mr. LENROOT. For 1917?

Mr. JONES of New Mexico. For 1917; yes.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment known as section 204.

Mr. LENROOT. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. PENROSE. Mr. President, I rise to a point of order. I do not think the Senate understands the question before the body. As I understand, the question is on agreeing to the committee amendment.

Mr. SIMMONS. Yes; that is the question.

Mr. PENROSE. Some Senators do not understand it, and I think it ought to be presented before the roll call proceeds. All Senators who favor the committee amendment will vote "yea."

The PRESIDING OFFICER. The Chair wishes to say that the question is on the adoption of the amendment proposed by the committee commencing on line 15, page 8, under the title of "Net losses," and extending over to page 10, line 8.

Mr. PENROSE. I think the Senators are familiar with the substance of the amendment on which they are voting, but I do not think many Senators knew in what form the question was presented. It was not presented by the Chair, and that is the reason why I call attention to it.

The PRESIDING OFFICER. The calling of the roll will be resumed.

The Secretary resumed the calling of the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. I am informed that if he were present he would vote for the amendment, and I therefore feel at liberty to vote. I vote "yea."

Mr. PENROSE (when his name was called). I am paired with the senior Senator from Mississippi [Mr. WILLIAMS], who I do not believe is in the Chamber; but as he is a member of the Committee on Finance and would doubtless and as far as I know vote in favor of the amendment of the committee, I shall vote. I vote "yea."

Mr. SIMMONS (when his name was called). I transfer my general pair with the junior Senator from Minnesota [Mr. KELLOGG] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. I recall the fact that he supported this amendment in the committee, and as I, too, am in favor of the amendment, I take the liberty of voting. I vote "yea."

Mr. WOLCOTT (when his name was called). I have a general pair with the Senator from Indiana [Mr. WATSON]. Not knowing how he would vote, I withhold my vote.

The roll call having been concluded,

Mr. BECKHAM. I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND]. I do not know how he would vote on this question. I transfer my pair to the senior Senator from Illinois [Mr. LEWIS], and vote "yea."

Mr. JOHNSON of South Dakota (after having voted in the affirmative). I have a pair with the Senator from Maine [Mr. FERNALD]. I transfer that pair to the Senator from Oklahoma [Mr. GORE], and allow my vote to stand.

Mr. ROBINSON (after having voted in the negative). I have a pair with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from California [Mr. PHELAN], and will let my vote stand.

Mr. FRELINGHUYSEN. I have a general pair with the junior Senator from Montana [Mr. WALSH]. I transfer that pair to the Senator from Maine [Mr. HALE] and vote "nay."

Mr. HARDING (after having voted in the affirmative). I transfer my general pair with the Senator from Alabama [Mr. UNDERWOOD] to the junior Senator from New Jersey [Mr. BAIRD] and vote "nay."

Mr. REED (after having voted in the affirmative). I find that my pair, the Senator from Michigan [Mr. SMITH], is out of the city. I therefore transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

Mr. WOLCOTT. I transfer my general pair with the senior Senator from Indiana [Mr. WATSON] to the senior Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. COLT. I have a general pair with the Senator from Delaware [Mr. SAULSBURY]. I understand that he would vote as I intend to vote, and I vote "yea."

Mr. SHEPPARD. I desire to announce that the Senator from Delaware [Mr. SAULSBURY], the Senator from Arizona [Mr. ASHURST], the Senator from Kansas [Mr. THOMPSON], and the Senator from Mississippi [Mr. WILLIAMS] are detained on important public business.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Pennsylvania [Mr. KNOX] with the Senator from Oregon [Mr. CHAMBERLAIN];

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from New York [Mr. CALDER] with the Senator from Rhode Island [Mr. GERRY].

The result was announced—yeas 35, nays 17, as follows:

YEAS—35.

Beckham	Johnson, S. Dak.	Pollock	Smith, Ga.
Colt	Jones, N. Mex.	Pomerene	Smith, S. C.
Curtis	McCumber	Ransdell	Smoot
Dillingham	McKellar	Reed	Spencer
Fletcher	Martin, Va.	Shafroth	Swanson
Gay	Moses	Sheppard	Thomas
Hardwick	Mulkey	Sherman	Warren
Henderson	Overman	Simmons	Wolcott
Hitchcock	Penrose	Smith, Ariz.	

NAYS—17.

Borah	Kenyon	Nelson	Sterling
Frelinghuysen	King	Norris	Vardaman
Gronna	Kirby	Nugent	
Harding	La Follette	Poindexter	
Jones, Wash.	Lenroot	Robinson	

NOT VOTING—44.

Ashurst	Gerry	McLean	Smith, Mich.
Baird	Goff	Martin, Ky.	Sutherland
Bankhead	Gore	Myers	Thompson
Brandegee	Hale	New	Townsend
Calder	Hollis	Owen	Trammell
Chamberlain	Johnson, Cal.	Page	Underwood
Culberson	Kellogg	Phelan	Wadsworth
Cummins	Kendrick	Pittman	Walsh
Fall	Knox	Saulsbury	Watson
Fernald	Lewis	Shields	Weeks
France	Lodge	Smith, Md.	Williams

So the amendment of the committee was agreed to.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 7 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, December 17, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, *December 16, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, we thank Thee this morning for the honors that have come to our country in these wonderful days at home and abroad; but we pray Thee, Heavenly Father, that these honors may be borne humbly and becomingly, and that greater honors may come to our great land, to its flag, and its Government because of the humanitarian principles for which we stand and the righteousness that exalteth a nation. So wilt Thou be pleased to-day to be with the sessions of this Congress, with all the deeds of those in high authority, and with all who have a part in the ongoing of our country and its cause. We ask for Thy name's sake. Amen.

The Journal of the proceedings of Saturday, December 14, 1918, and the Journal of the proceedings of Sunday, December 15, 1918, were read and approved.

HON. CARTER GLASS.

The SPEAKER. The Chair desires to state that he has a private letter from the Hon. CARTER GLASS, which, it seems to him, is really addressed to the House, and if there be no objection the Chair will have it read and put into the RECORD. [After a pause.] The Chair hears no objection and the Clerk will read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
December 15, 1918.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES:

Because I can not trust myself from my place on the floor to tell how greatly distressed I am to sever a long-time association with the Congress as Member of the House from the sixth Virginia district, I ask leave to use this method of saying a parting word. My service of nearly nine terms ends to-day, when at noon I shall enter on a new task as Secretary of the Treasury. While I reckon at its very highest value the great honor attaching to the President's invitation to a seat in his Cabinet, I would like my colleagues to believe that no distinction ever has or ever can come to me which will be cherished above the personal affection and the generous confidence shown me by my legislative comrades at the Capitol.

To my political adversaries not one whit less than to intimate party friends am I indebted for invariable courtesy and a quite notable purpose, as far as my work was concerned, to aid in every perplexing situation where helpful counsel and patriotic cooperation were required to accomplish sane results.

With a very real appreciation of the great opportunities as well as of the grave difficulties of the Treasury portfolio, I shall approach them with painful misgivings as to my fitness for the test; but, in any event, I will confidently entertain the hope that I shall have the best wishes of the Congress in an honest endeavor wisely to use the opportunities presented and its indispensable aid in attempting to subdue the difficulties encountered.

With assurances of personal esteem, believe me, my dear Mr. Speaker,

Sincerely, yours,

CARTER GLASS.

Mr. MANN. Mr. Speaker, I think it may be appropriate for me to say that CARTER GLASS, the new Secretary of the Treasury, certainly has the best wishes of every Member of this House in his new task. I think we all believe that no better selection could have been made for Secretary of the Treasury than the appointment of Mr. GLASS. [Applause.] His service in this House will be of inestimable value to him in the performance of the duties of his new office. He has the respect and the affectionate regard of the Members of Congress, and he has the best wishes of us all at all times personally and for his success officially in his new office. [Applause.]

TRANSPORTATION OF GOVERNMENT EMPLOYEES.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services no longer are required, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to take from the Speaker's table the bill H. R. 13261, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, what are the Senate amendments?

Mr. SHERLEY. Mr. Speaker, I will ask that the Clerk read the Senate amendments.

The Clerk read as follows:

Page 1, line 14, strike out "March 31" and insert "January 15."
Page 2, lines 12 and 13, strike out the words "The foregoing limitation of 10 days shall operate" and insert "The time within which transportation shall be applied for shall be 20 days."

Mr. SHERLEY. Mr. Speaker, one amendment is as to the length of time in which the act shall be effective, touching those who leave the service, and the other is the date within which claims shall be presented for those who have left the service.

Mr. ASWELL. Mr. Speaker, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. ASWELL. I would like to inquire whether if a war worker desires to resign and go home, that employee will be included within the terms of the bill, or must there be a discharge?

Mr. SHERLEY. Oh, no. An employee of the Government who resigns would come within the purview of the act provided there was nothing against the service of the employee; that is, that the resignation was not one because of lack of efficient service.

Mr. ASWELL. In the case of a young woman who desires to go home, under these conditions will she be included within the terms of the bill?

Mr. SHERLEY. She will. That is one of the purposes of the bill.

Mr. ASWELL. That is, to encourage them to resign and go home.

Mr. SHERLEY. So far as the reason for asking for a conference is concerned, it seemed that in one instance there was an unnecessary length of time fixed by the Senate, and in the other that the time was curtailed to too short a period. There will be in some of the departments, of necessity, a need for quite a few weeks, perhaps a month or two, of a large number of clerks now engaged to be held without the benefit of this act, while others in that particular department should be dismissed. It seemed to be wise to let the matter go to conference, where the matter could be discussed.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. MANN. In connection with the fixing of the time, is the gentleman able to state to the House how soon the bill, if it is enacted by both bodies, can become a law?

Mr. SHERLEY. Mr. Speaker, the gentleman from Illinois is as good and doubtless a better constitutional lawyer than I.

Mr. MANN. Oh, I do not admit that.

Mr. SHERLEY. The gentleman is aware——

Mr. MANN. I was asking what the practice was going to be.

Mr. SHERLEY. The gentleman is familiar with the provision of the Constitution which requires that bills that pass the two Houses shall be presented to the President for his approval or disapproval; that when presented to the President, unless disapproved by him, they shall become law within 10 days after such time, unless the Congress by its adjournment has made impossible his action. So I take it this bill will become a law, barring action by the President, in 10 days after its presentation to him.

Mr. MANN. Is the gentleman aware of what the present practice is as to bills sent to the White House?

Mr. SHERLEY. I have no official knowledge.

Mr. MANN. I can inform the gentleman that bills that are now taken by the chairman of the Committee on Enrolled Bills to the White House are received up there and a receipt is given that the bill is received in the absence of the President and for transmission to the President.

The ordinary receipt heretofore has been that the bill has been received by the President on such and such a date. Now they give a receipt that on such and such a date the bill is received in the absence of the President, but I am still curious if anybody can tell how long it will take to transmit a bill to the President, or if it is to be held awaiting his return. That makes quite a difference about a bill.

Mr. GILLETT. I have been told, going a little further than the gentleman has, that they are to be sent to the President in France, and I confess I think that is the right thing to do.

Mr. MADDEN. In the meantime when will it become effective?

Mr. GILLETT. Of course, it will not become a law until it reaches the President and he signs it and it is returned.

Mr. MADDEN. And in the meantime 50,000 or 60,000 people here are on the pay roll who ought not to be there.

Mr. LONGWORTH. I have been told that they would recognize a cable to the effect that the bill had been signed in Paris——

Mr. GILLETT. I had not heard that.

Mr. LONGWORTH. As being the time it would go into effect.

Mr. MANN. I spoke about the official record because I have seen the decision.

Mr. SHERLEY. Mr. Speaker, whatever may be the practice which will be adopted, this particular bill is so drawn that the benefits of the bill will flow irrespective of the particular date that it is going upon the statute books, because provision was made in the terms of the bill for the taking care of those cases where there was separation from the service after a date fixed, and I take it that we need not now engage in discussion touching the probable or proper or actual course that may be followed in connection with the presentation of this bill.

Mr. CANNON. Will the gentleman yield?

Mr. SHERLEY. I yield to the gentleman from Illinois.

Mr. CANNON. After all, under all conditions, does the Vice President become the President?

Mr. SHERLEY. Well, the gentleman's opinion is entitled to weight, and his question indicates an opinion. I came to the conclusion some years ago that a little law will go further before the House than any place in the world. I do not want to illustrate that saying by undertaking now to qualify upon a question of constitutional law. I may have an opinion, but I do not think it is necessary that I should undertake to state one, when every Member probably has one and will continue to have it irrespective of mine.

Mr. CANNON. The question has an interrogation point at the end of it.

Mr. SHERLEY. The gentleman shows his usual skill in interrogation. [Laughter.]

Mr. DENISON. I was going to suggest that perhaps the chairman of the committee or somebody else would present this whole subject to Mr. Burleson——

The SPEAKER. That has got nothing to do with——

Mr. DENISON. And that perhaps they might use the telautograph, by which a bill could be signed in Paris, and have it transmitted by some sort of system to this country by wireless.

Mr. SHERLEY. Well, greater physical difficulties than that have been overcome, I might say to the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none.

The Clerk announced the following conferees: Mr. SHERLEY, Mr. BYRNS of Tennessee, and Mr. GILLETT.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed the following resolutions:

Resolved, That the Senate expresses its profound sorrow in the death of the Hon. BENJAMIN RYAN TILLMAN, late a Senator from the State of South Carolina.

Resolved, That as a mark of respect to the memory of the deceased the Senate, in pursuance of an order heretofore made, assembles to enable his associates to pay proper tribute to his high character and distinguished public services.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a mark of further respect to the memory of the deceased the Senate do now adjourn.

LEAVE OF ABSENCE.

By unanimous consent, Mr. FOCHT was granted leave of absence indefinitely on account of illness in his family.

PRINTING LETTER OF DIRECTOR GENERAL OF RAILROADS AS A HOUSE DOCUMENT.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that the letter written to me by the Director General of Railroads be printed as a House document.

The SPEAKER. Is there objection?

Mr. TREADWAY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. TREADWAY. I ask unanimous consent to proceed for two minutes.

The SPEAKER. On the request of the gentleman from Tennessee?

Mr. TREADWAY. I understood that matter had been disposed of.

The SPEAKER. No. Is there objection?

Mr. GILLETT. Mr. Speaker, reserving the right to object, what letter is this?

Mr. SIMS. It is a letter of Director General McAdoo, addressed to myself as chairman of the Committee on Interstate and Foreign Commerce, in which he suggests the continuance of Government operation of railroads for a period of five years.

Mr. GILLETT. I remember the last letter that was sent to the gentleman from a Cabinet officer consisted largely of mutual compliments and laudations, and I thought I should object to any future letters of that kind. I understand this is not of that kind?

Mr. SIMS. This is in the RECORD.

Mr. GILLETT. Why does the gentleman want it printed again?

Mr. SIMS. Because there is a demand and request for it.

Mr. MADDEN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects. The gentleman from Massachusetts [Mr. TREADWAY] asks leave to proceed for two minutes. Is there objection?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, on what subject?

Mr. TREADWAY. To submit a letter which I have written in reference to the war-risk insurance matter.

Mr. RAYBURN. I hope the gentleman will not do that and take up any more time on this one question which has been brought up here continually now for a week. The committee, I am sure, is going to report the bill to which the gentleman refers.

Mr. TREADWAY. It was a suggestion to Commissioner Nesbitt in the form of a communication which I thought might be of interest to the House.

Mr. RAYBURN. Mr. Speaker, I object.

The SPEAKER. The gentleman objects.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services are no longer required.

RETENTION OF UNIFORM AND PERSONAL EQUIPMENT.

Mr. DENT. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13366) permitting those who have served in the Army during the present war to retain one complete uniform.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 13366) permitting any person who has served in the Army in the present war to retain his uniform and personal equipment, and to wear the same under certain conditions.

The SPEAKER. Is there objection?

Mr. MADDEN. I ask to have it read.

Mr. MANN. Let it be reported.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Be it enacted, etc., That any person who served in the United States Army in the present war may, upon honorable discharge and return to civil life, permanently retain one complete suit of outer uniform clothing, including the overcoat, and such articles of personal equipment as may be authorized by the Secretary of War, and may wear such uniform clothing after such discharge: *Provided*, That the uniform above referred to shall include some distinctive mark or insignia to be prescribed by the Secretary of War, such mark or insignia to be issued by the War Department to all enlisted personnel so discharged.

SEC. 2. That all acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

Mr. MANN. Reserving the right to object, may I ask the gentleman, first, if it requires legislation in order to do this?

Mr. DENT. That is the opinion of the War Department, and I think that is correct.

Mr. MONDELL. Will the gentleman yield?

Mr. MANN. Have they issued an order on the subject?

Mr. DENT. They have issued an order that a uniform may be retained for four months, and then returned to the Government.

Mr. MANN. That order was issued some time ago?

Mr. DENT. That order was issued some time ago.

Mr. MANN. The statement was made that they had issued a new order. Has that been done?

Mr. DENT. I do not know of any new order. This bill was prepared, I will state to the gentleman, by the War Department, and has the approval of the Secretary of War, and is drawn and reported by the committee exactly as it was prepared, with the use of the word "personal" before "equipment," so as to exclude the idea that the Government would distribute any arms.

Mr. MANN. If the gentleman will permit, I have read in one of the papers here that such a bill had been prepared, and that the Secretary of War had anticipated the passage of it and had issued an order. The statement was made as coming from the Secretary himself, and I wondered whether the Secretary was seeking to obtain credit for the order ahead of the action by Congress, or whether action by Congress was required. The paper stated that the Secretary had done all this himself.

Mr. DENT. I will state to the gentleman that I have not seen the article in the paper myself and know absolutely nothing about it, but I assume that the Secretary would not have sent to me, as chairman of the committee, a bill upon this subject and requested its passage unless it was necessary.

Mr. MANN. I notice this bill requires some distinctive badge or mark placed upon the uniform of the enlisted man. What is that for?

Mr. DENT. To show he is not in the service.

Mr. MANN. Why should it not apply, then, to officers who are also discharged?

Mr. DENT. I think it should apply to officers.

Mr. MANN. The bill does not apply to officers. Why should an officer with his uniform make out that he is still in the Army when he has taken his discharge?

Mr. LAZARO. Will the gentleman yield for a question?

Mr. DENT. In one minute.

Mr. PADGETT. I would like to ask the gentleman if that ought not to apply to the Navy also?

Mr. DENT. I think it ought to apply to officers.

Mr. TILSON. The giving of the device is only to enlisted men, but if the gentleman will read the early part of the bill he will see that it says "any person who served," and so forth.

Mr. DENT. It only requires a distinctive mark to be placed upon the enlisted man's uniform.

Mr. McKENZIE. Will the gentleman yield? I will simply state that in the national-defense act there is now a law covering the uniforms of officers, and it provides on what occasions they may wear the uniform. And inasmuch as the officer owns his uniform, there is a very great distinction between the uniforms of officers and those of private soldiers. And one of the purposes of permitting these young men to have one uniform and to wear it continuously, perhaps until it is worn out, is the fact that they will save millions and millions or conserve millions and millions of dollars' worth of wool. And it is not only economical, in my judgment, but just.

Mr. DENT. I know.

Mr. MANN. There is not any question about that. This is new law. It apparently permits an officer to wear his uniform without any distinguishing mark. My colleague from Illinois [Mr. McKENZIE] is usually correct, but I am not sure about this matter.

Mr. PADGETT. Will the gentleman yield for a question?

Mr. DENT. Let me make this suggestion, Mr. Speaker: I think the point made by the gentleman from Illinois [Mr. MANN] is well taken, and I am going to ask to amend the bill on page 2, line 1.

The SPEAKER. You can not do it now. Unanimous consent has not been given for the consideration of the bill as yet.

Mr. DENT. I suggest this amendment in advance of unanimous consent—that the bill be amended, on page 2, line 1, by inserting, after the word "all," the words "officers and."

Mr. MANN. That could be reached by striking out the word "enlisted." in line 1, page 2.

Mr. TILSON. If the gentleman will yield, it seems to me that what this proviso means is that the War Department shall furnish to the enlisted men this insignia. It says "that the uniform above referred to shall include some distinctive mark or insignia to be prescribed by the Secretary of War." Then, as a distinctive proposition, it provides that in the case of enlisted men it shall be furnished by the War Department. This is the construction I put upon the provision.

Mr. DENT. I do not think there can me any possible objection to adopting the suggestion of the gentleman from Illinois [Mr. MANN] that there should be a distinctive mark upon the uniform of the officer who has been discharged or who has retired from the service as well as on the uniform of the enlisted man.

Mr. TILSON. I think that is taken care of in this proviso, when it says "that the uniform above referred to shall include some distinctive mark or insignia to be prescribed by the Secretary of War, such mark or insignia to be issued by the War Department to all enlisted personnel so discharged." The enlisted personnel is provided for, and is the only portion of the Army provided for in the issue of the prescribed insignia.

Mr. DENT. Well, certainly there can not be any objection to making the law clear. I do not think there should be any distinction. It should include the officer as well as the enlisted man.

Mr. TILSON. It is already clear, but I see no objection to the War Department furnishing the insignia to officers as well. That is what the gentleman's amendment provides for—that the War Department shall furnish the insignia to the officers as well as to the enlisted men.

Mr. POU. The gentleman from Connecticut is absolutely right, I submit.

Mr. TILSON. The language is as clear as day.

Mr. POU. It does not need any amendment.

Mr. GILLETT. It does not need any amendment at all. It is all right as it is.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. DENT. Yes.

Mr. ROGERS. Can the gentleman tell us what is intended to be included in the phrase on line 7, "and such articles of personal equipment as may be authorized by the Secretary of War"? The soldier is permitted to retain "one complete suit of outer uniform clothing, including the overcoat, and such articles of personal equipment as may be authorized by the Secretary of War."

Mr. DENT. That would include his underclothing, and it might include a gas mask that he has used.

Mr. ROGERS. That brings me to the question I wanted to ask. For some weeks the soldiers discharged from the Army have been allowed to retain several suits of underwear and several pairs of stockings, and so forth, in their possession. Now, has that been done under authority of law or executive discretion?

Mr. DENT. It has been done under a regulation adopted by the War Department.

Mr. ROGERS. But not under authority of law?

Mr. DENT. No.

Mr. GORDON. There is a regulation authorizing them to keep three suits.

Mr. TILSON. The gentleman understands the distinction between underclothing and uniforms. When the underclothing is issued it may be accounted for as having been expended. They do not take it back and issue it to another soldier. In the case of the uniform they can do that, but when the underclothing is issued it may be accounted for as expended.

Mr. IGOE. Mr. Speaker, I called up Gen. Wood and asked him about this very thing this morning. I received the same explanation. I was informed that orders had been issued for men in the Marine Corps—and I do not know whether it applies to the Army or not—that underclothing and socks would be returned, and I asked Gen. Wood if that were to be true as to the Army and he said that all this clothing under the regulations would have to be returned within not longer than four months, and that the department was very anxious to have some measure passed because the expense of having it checked up and accounted for and returned would more than outweigh the cost.

Mr. DENT. And that this bill was framed in order to take care of that?

Mr. IGOE. Yes; and that this bill was contemplated in order that the department would be relieved in regard to this underclothing.

Mr. HUDDLESTON. Mr. Speaker, I understand that this refers to the outer clothing. I understand the soldier is required to return all his clothing, including his shirt and underwear. Why should not this apply to all the clothing he has?

Mr. DENT. It does.

Mr. HUDDLESTON. But it says "outer clothing."

Mr. DENT. It says "one complete suit of outer uniform clothing, including the overcoat, and such articles of personal equipment as may be authorized by the Secretary of War."

Mr. HUDDLESTON. Does the gentleman think underwear would be included in the term "personal equipment"?

Mr. DENT. I think so.

Mr. HUDDLESTON. It would seem that, a distinction being made as to outer clothing, the inference would be drawn that it was not intended to apply to underclothing or shirts.

Mr. DENT. The hearings before the committee disclosed the idea that the man would be expected to retain such apparel as he had used.

Mr. HUDDLESTON. I think that word "apparel," then, should be put in.

Mr. PADGETT. Mr. Speaker, will the gentleman yield?

Mr. DENT. Yes.

Mr. PADGETT. I would like to inquire, while we are legislating upon this subject, if we could not include the Navy?

Mr. SMITH of Idaho. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Idaho. Is the bill under consideration and open for amendment?

The SPEAKER. It is not.

Mr. PADGETT. Why not provide for the Navy and Marine Corps and insert the words "Secretary of the Navy," following the words "Secretary of War"?

Mr. MANN. It should be done.

Mr. PADGETT. So as to make it complete as to the three services.

Mr. DENT. I have no objection to that. We did not take jurisdiction because we did not have it.

Mr. PADGETT. I understand; but while we are legislating on this subject we should look out as well for all of them.

The SPEAKER. Is there objection?

Mr. GARRETT of Texas. I demand the regular order, Mr. Speaker.

The SPEAKER. The regular order is demanded.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent that I may proceed for two minutes before this is carried out.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. ASWELL. I reserve the right to object, if I may.

The SPEAKER. The regular order has been called for twice. Is there objection?

There was no objection.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

Mr. GILLETT. On this bill?

Mr. ASWELL. Yes.

The SPEAKER. Is there objection?

There was no objection.

Mr. ASWELL. Mr. Speaker, the first day Congress proceeded to business at this session I introduced a resolution directing that the enlisted men of the Army and the Marine Corps be given their uniforms, the other departments of the Government all being included without any additional law, and the gentleman from Illinois [Mr. MANN] promptly objected to my resolution and prevented its consideration. I proceeded immediately to present the matter to the General Staff of the War Department, and I was requested to submit the resolution and to offer suggestions to the proposed resolution that I had introduced upon the floor of this House. I did so. I was informed that the bill would be prepared by the War College. I was told that the General Staff would have the bill written out in a way that would be acceptable to the War Department. Later on, in the course of human events, some week or so later, I received a very short notice, and in accordance with the archaic and fossilized and granulated rules and regulations of this House and the War Department in giving the superiority of prestige to the time or term of attendance—the rule of seniority that has been so recently so conducive to the success (?) of the Democratic Party in this country—according to that rule of priority, fossilized as it is, I received a letter from the War Department in two lines, telling me that the legislation had been prepared and that it had been presented to the proper committee, and that, therefore, it would be handled without any activity on the part of any individual. That last part I put in myself, because that is what it meant. [Laughter.]

I merely call the attention of the House to the fact that my resolution provided that the enlisted men be permitted to keep their uniforms. It is stated in the bill as "personal equipment," which means all the uniforms—their underclothes, shoes, uniforms, and hats or caps. I submit to this House that it is ridiculous and absurd for the underclothing and shoes and one or two suits of underclothing to be salvaged by the War Department or destroyed, when it would be of very great value to those soldiers if permitted to be retained.

Gentlemen of the House, it is absolutely absurd to talk about the top clothes and take the other suits away from these young men. I am for the bill if you do not give them anything but one shoe. I am for anything that you can give these boys, but it is clear that they should have their entire personal equipment.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. DENT. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. DENT. Mr. Speaker, I offer the following amendment, page 2, line 1.

The Clerk read as follows:

Page 2, line 1, strike out the word "enlisted."

Mr. McKENZIE. Mr. Speaker, did I understand the gentleman to say that the purpose of the amendment is to include officers along with the enlisted men?

Mr. DENT. Yes.

Mr. McKENZIE. Will the gentleman yield me three minutes?

Mr. DENT. Yes.

Mr. McKENZIE. Mr. Speaker, I doubt whether this amendment ought to be adopted. The purpose of this act is to amend the law now on the statute book covering the uniforms of enlisted men. Under the present law the enlisted man when discharged may wear his uniform at home and continue to wear it for three months. At the expiration of that period he is expected to return the uniform to the Government of the United States, the uniform being the property of the Government.

The purpose of this legislation is to enable the Government to give to each enlisted man one complete uniform, including the overcoat and such other articles of personal wearing apparel, things he has been using in the service, such as a helmet or a gas mask, as the Secretary of War may deem proper. In my judgment this law has nothing to do with officers or officers' uniforms. The officer owns his uniform; it belongs to him; he has paid for it, and the Congress of the United States has nothing to do with saying whether or not he shall have that uniform when he is discharged from the service. It is his personal property.

There is on the statute book, as a part of the national defense act, a provision which says under what circumstances an officer may wear his uniform. While I know that the purpose of my good friend from Alabama is to do the right thing, it will be a grave mistake to take the word "enlisted" out of the bill.

Mr. DENT. Will the gentleman permit a question?

Mr. McKENZIE. Certainly.

Mr. DENT. Under the national defense act the officer has the right to wear his uniform only on limited occasions.

Mr. McKENZIE. Yes.

Mr. DENT. Does not the gentleman believe that in this act, if we pass it, the officer can wear the uniform every day, and would not that be an amendment to the national defense act and so permit him to wear it daily? If we do that, does not the gentleman think there ought to be some distinctive mark for the officer as well as the man to show that he is not actually in the service?

Mr. McKENZIE. It seems to me, if we wish to do that, we should introduce a bill to amend section 125 of the national defense act, which covers this proposition; but we ought not to undertake to involve it in an amendment to the law which now permits soldiers and enlisted men to wear uniforms four months.

Mr. MANN. Will the gentleman yield?

Mr. McKENZIE. Certainly.

Mr. MANN. The amendment which the gentleman from Alabama has offered was offered in accordance with the suggestion that I made. I am inclined to think that my suggestion was an error, and for this reason: Each officer owns his uniform. If this bill should pass with this amendment, it apparently would restrict the officer to retaining one complete suit of outer

uniform, when he may own several. If it applies to the officer, it apparently takes away from the officer the other uniforms he may have. I will say to my friend from Alabama that it seems to me clear that this ought not to apply to officers.

Mr. DENT. I do not quite agree with the gentleman's construction, but I have no objection, Mr. Speaker, and I will withdraw the amendment. I offered it at the suggestion of the gentleman from Illinois.

Mr. DOWELL. Mr. Speaker, I desire to offer an amendment.

Mr. BARNHART. Mr. Speaker, I just asked the gentleman from Alabama if he would yield to me, and he said he would if he had the floor.

The SPEAKER. The gentleman from Alabama can not yield; he had five minutes, and he has exhausted the five minutes. The bill is being considered under the five-minute rule.

The Clerk read as follows:

Amendment by Mr. DOWELL: Page 1, line 6, after the word "overcoat" insert the word "shoes."

The SPEAKER. The question is on the amendment.

The amendment was considered and agreed to.

Mr. HUDDLESTON. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 4, strike out the word "present."

Mr. HUDDLESTON. Mr. Speaker, this bill, as it is presented, applies only to soldiers of the "present" war. It does not apply to those who served in the disturbance with Mexico, nor does it apply to Spanish War soldiers. We will, therefore, have the anomalous situation that soldiers serving in this war would be allowed to wear their uniforms, while those serving in the Mexican disturbance and who perhaps rendered as much service as some of the boys now being discharged will not be permitted to wear their uniforms. There are a few of us who served in the Spanish War who have our uniforms and would like to wear them on patriotic occasions.

I confess to a not wholly unselfish motive in offering the amendment, which would make it lawful for soldiers who served on the Mexican border or in the Spanish War to wear their old uniforms. I offer it on behalf of the Spanish War soldiers—of whom I was one—as well as others. I have got put away in a safe place an old blue uniform which I wore during the Spanish War, and if I should go to a soldiers' gathering, where other men who have served their country were permitted to wear their uniform and found that if I should put on my old blue uniform which I wore when a soldier I should be liable to be put in jail, I would feel very bad about it. As some one suggests, there are several moth holes in the uniform. I think it is only just that any soldier who has served his country in time of war and who has received an honorable discharge should be permitted to wear the uniform he brought home with him, even though it has a few moth holes in it.

Mr. McKENZIE. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. McKENZIE. Is the uniform which the gentleman wore in the Spanish-American War identical with the uniform that we have now in the Army?

Mr. HUDDLESTON. The uniforms that we now use are khaki, and those old uniforms were blue.

Mr. McKENZIE. Then, of course, if anyone saw the gentleman wearing the old blue uniform of the Spanish-American War, he would not feel that the gentleman was impersonating a soldier of the United States at the present time.

Mr. HUDDLESTON. Oh, I can assure the gentleman that no Spanish-American War soldier wants to impersonate anyone but himself.

Mr. MONDELL. The gentleman is aware of the fact that there is no law against wearing a uniform of the United States that is no longer the standard uniform.

Mr. HUDDLESTON. Where it is a part of the official uniform, or where it so closely resembles it as to be mistaken for it, wearing it is against the law. I will say to the gentleman from Wyoming [Mr. MONDELL] that the United States Guards who are now in service in this war wear the identical uniform that was formerly the uniform of the Regular Army of the United States. In fact, it is the old uniforms that the United States Guards are now wearing.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. QUIN rose.

The SPEAKER. For what purpose does the gentleman from Mississippi rise?

Mr. QUIN. To make a few remarks on the gentleman's amendment.

The SPEAKER. The gentleman is recognized for five minutes.

Mr. QUIN. Mr. Speaker, the question that the gentleman from Alabama [Mr. HUDDLESTON] has raised is not pertinent, because the object of this law which the chairman of the Military Committee has brought out on the floor is to give all persons who were in this late war a uniform, including his shoes, together with his socks and underclothing—one good complete uniform and overcoat, including his cap or hat, his helmet, and his gas mask, if he happened to have that, as a personal equipment. That is the intent of this bill. The gentleman from Alabama [Mr. HUDDLESTON] proposes to come up with a uniform in the Spanish War and wear that. Nobody objects to that. It is not a violation of the law, because that is not the uniform of this Government at the present time. I have no objection to the gentleman or any other veteran of the Spanish-American War, nor has the War Department any objection, to his wearing that uniform; but the object of this bill is to allow these men to wear these clothes until they wear them out. It saves in wool alone about $150,000,000 for the Army, and if you include the 600,000 men of the Navy in that, and no doubt a bill will be brought out from that committee to that effect, or an amendment offered to our bill, allowing them to wear their uniforms, you can see that as a question of economy it would be best for this bill to pass, allowing all of those men to wear those uniforms, because many hundreds of thousands of them will not be able to buy a suit of civilian clothing when they come out of the Army, because a wool suit, such as the uniforms are made of, at this time would cost a man $50.

The overcoat would cost him $50 to $75. Instead of these being turned into the scrap heap the individual soldier should be permitted to wear his uniform until he wears it out. If he does not like the khaki color he can have it dyed. Under the intent of this bill it is to be his personal, individual property, with permission to wear it until he wears it out.

Mr. BARNHART. Mr. Speaker, the gentleman is speaking for the committee, and I would like to ask him what the word "outer" means at the end of line 5. The gentleman says that it is the intention of the bill to keep a complete suit of clothing. The bill provides "one complete suit of outer uniform clothing."

Mr. QUIN. I will say to the gentleman that the War Department, in speaking before the committee, said he should keep his underclothing. Of course, his underclothes belong to him.

Mr. BARNHART. Why not strike out the word "outer"?

Mr. QUIN. I have no objection to striking out the word "outer." The intention of the War Department is that he shall have a complete outfit. If that soldier goes into a demobilizing camp and he has not a good uniform, the Government is going to give him a good one, a new one. That is the testimony before the committee. Our committee knowing that fact adopted the language of the department, in order that all of the soldiers, marines, and sailors will be given their uniforms and personal equipment to wear as long as they please in civil life.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to modify my amendment so as to include the word "the" with the word "present" as being striken out, so that it will read, "United States Army in war," instead of "the war."

The SPEAKER. The Clerk will report the amendment as modified.

The Clerk read as follows:

Modified amendment by Mr. HUDDLESTON: Page 1, line 4, strike out the words "the present."

The SPEAKER. The question is on agreeing to the Huddleston amendment as modified.

Mr. MANN. Mr. Speaker, I hardly think the amendment suggested by the gentleman from Alabama [Mr. HUDDESTON] is required, but his mention of uniforms in connection with the Spanish War recalls an instance to me which is probably not worth narrating, although it casts some light upon the inefficiency of human organization. I had a brother who was in the Spanish War, who was returned to Montauk Point. I went there to meet him. He was in the hospital. I obtained a furlough for him so that I might take him to Atlantic City. When we came to go away I ascertained that he had worn a uniform throughout the campaign in Cuba and that just before he came home or just after he came home, and I think it was just before, a new uniform had been issued to him. There was considerable fear that disease might come in from Cuba with the boys, and very strict quarantine regulations were adopted on our part in this country, designed to prevent it. And this wise and wonderful regulation was in force at the time my brother was furloughed.

Mr. ASWELL. Will the gentleman yield?

Mr. MANN. Yes; when I get through with this statement. He was required to give up the new uniform to be fumigated by the Government for fear it might have the lurking germs of disease in it but permitted to wear away the old uniform that he had worn all through Cuba without any fumigation at all. What a wonderful regulation that was. I now yield to the gentleman.

Mr. ASWELL. I merely wish to ask the gentleman if he does not think the permission now given to wear the present uniform three months makes it exactly in line with his proposition?

Mr. MANN. Well, I confess I do not understand the gentleman's question.

Mr. ASWELL. I mean to say that the gentleman rather criticizes the fact he wore the uniform after coming home from Cuba and he seemed to want to prevent them now from wearing the uniform——

Mr. MANN. I have not seemed to want to prevent that, notwithstanding the statement of the gentleman from Louisiana, who is seeking to advertise himself without any regard whatever for the boys, especially any more than other Members of the House, but sought to show that he was the only one who was interested in this when there were plenty of Members in the House who were interested in this subject.

Mr. ASWELL. But plenty of Members in the House did not object, as the gentleman from Illinois did.

Mr. MANN. I objected the other day to the gentleman's precipitating a resolution in here when I did not know what it contained, out of order, solely for advertising purposes.

Mr. MADDEN. Will the gentleman yield for a question——

Mr. MANN. Certainly.

Mr. MADDEN. In this connection. Mr. VESTAL, of Indiana, introduced a resolution with reference to this matter on the 21st of November, which, I think, was the first resolution introduced.

Mr. MANN. There was nobody in this House who was not interested in this subject, and no one here who did not intend that the boys should have an opportunity to wear their uniform and have them.

Mr. ASWELL. Will the gentleman yield?

Mr. MANN. I yield to the gentleman.

Mr. ASWELL. I merely wish to call the attention of the gentleman to the fact that his personal remarks are entirely gratuitous and my concern was on the first day of the meeting of this Congress, and now is, to get these uniforms for these boys.

The SPEAKER. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

The question was taken, and the Speaker announced the ayes seemed to have it.

On a division (demanded by Mr. DENT and others) there were—ayes 20, noes 65.

So the amendment was rejected.

Mr. MONDELL. Mr. Speaker, I have an amendment at the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. MONDELL: At the end of line 2, page 2, strike out the period and insert "and all persons honorably discharged from the military or naval service should receive one month's extra pay on discharge."

Mr. STAFFORD. Mr. Speaker, I reserve a point of order on the amendment.

Mr. DENT. Mr. Speaker, I make a point of order that it is not germane.

The SPEAKER. The point of order is sustained.

Mr. MONDELL. Mr. Speaker, I offer another amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 7, after the word "personal" insert the word "apparel."

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to amend that by adding the word "and."

The SPEAKER. The Clerk will report the amendment as modified.

The Clerk read as follows:

Modified amendment of Mr. MONDELL: Page 1, line 7, after the word "personal" insert the words "apparel and."

The SPEAKER. So that it will read.

The CLERK. "And such articles of personal apparel and equipment as may be authorized," and so forth.

The question was taken, and the amendment was agreed to.

Mr. NORTON. Mr. Speaker, I move——

Mr. DOWELL. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Iowa rise?

Mr. DOWELL. The amendment just adopted, I think, covered the question of shoes.

Mr. STAFFORD. And socks.

The SPEAKER. That was adopted a few moments ago. The gentleman from North Dakota has offered an amendment, and he has been recognized to offer it. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 5, strike out the word "outer."

Mr. NORTON. Mr. Speaker, I have been very much interested in and in favor of having some legislation enacted by Congress or some order issued by the War Department authorizing men who are discharged from the service to retain the uniforms and wearing apparel issued to them by the Government and permitting them to wear their uniforms with a suitable insignia indicating their discharge from the service. Last week I talked concerning this matter with a major general in charge of one of the sections of the War Department. He stated to me that practically the only objection the War Department had to permitting discharged soldiers to wear their uniforms in civil life was that it tended to affect the good discipline of the Army. It seems that when an officer in the service meets or passes a discharged soldier wearing the regular Army uniform he was unable to tell whether the discharged man should salute him or not. The general made it clear that officers do not desire enlisted men to salute them as a mere formality or as a personal matter, but as a practice which tends to aid in good discipline in the Army. Men in the service are required in passing to salute their superior officers. When men discharged from the service are allowed to wear the regular Army uniform it often causes much embarrassment to men in the service. I believe that the provisions in this bill providing that some insignia indicating the soldier's discharge be attached to the uniform will take care of the objections suggested by the general. I know from personal conversation with many men who have served in the Army during the war that, for sentimental as well as other reasons, they have a strong desire to retain possession of their old campaign uniforms and other wearing apparel that served them during the war. Their wish in this, it seems to me, should be granted without question or hesitation.

Mr. TILSON. Will the gentleman yield to me right there? Does the gentleman have any objection to these soldiers having more than one suit of underwear? Has he any objection to their taking away more than one suit of underwear?

Mr. NORTON. My personal opinion and desire is that they should be allowed to have all the uniforms and wearing apparel issued to them by the Government.

Mr. TILSON. That is exactly what can be done if the gentleman will withdraw his amendment, and probably will be done by the War Department; but if the gentleman's amendment is passed, then the War Department must limit them to one suit of underwear. The gentleman is doing just the opposite to which he desires to accomplish.

Mr. NORTON. I do not believe that such would at all be the effect of my amendment.

Mr. TILSON. The gentleman's amendment provides that the soldier may retain one complete suit of clothing. If the language of the law limits it to that, then he can not take any more. As it stands without the gentleman's amendment it would authorize one suit of outer clothing and such other articles of personal apparel as the War Department may see fit. The gentleman's limitation, cutting out the word "outer," will make it impossible for the War Department to give more than one suit of underwear.

Mr. NORTON. I do not believe that interpretation of my amendment is a right interpretation.

Mr. GARRETT of Texas. Have they not always kept their underwear?

Mr. McKENZIE. Is the gentleman aware of the fact that the discharged soldier is not required to return his underwear?

Mr. NORTON. No; I am not fully informed on that.

Mr. McKENZIE. That is the fact.

The SPEAKER. The time has expired. The question is on the amendment of the gentleman from North Dakota [Mr. NORTON].

The question was taken, and the amendment was rejected.

Mr. BARNHART. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BARNHART: After the word "insignia," line 11, page 1, insert the words "to be uniform except as to length of service and."

Mr. STAFFORD. Mr. Speaker, we could not hear it. I ask that it be read again.

The SPEAKER. The Clerk will read the amendment again.

The amendment was again reported.

Mr. DENT. Mr. Speaker, I would like to have it reported to show how it will read as amended.

The SPEAKER. The Clerk will report the section as it would read as amended.

The Clerk read as follows:

So that as amended the lines will read:

"That the uniform above referred to shall include some distinctive mark or insignia to be prescribed by the Secretary of War, such mark or insignia to be uniform except as to length of service and to be issued by the War Department to all enlisted personnel so discharged."

Mr. MANN. Will the gentleman yield for a question there?

Mr. BARNHART. I would like to make a statement first. But I will yield.

Mr. MANN. If we should add, as I suppose will be offered and I hope will be adopted, a provision for the Navy and Marine Corps, the gentleman would not have the same insignia for all of them?

Mr. BARNHART. If that should be amended, it could be amended in the same way as this.

Mr. MANN. I do not know whether it could be or not, if the House agreed to this amendment and if you insert the other. This could not be amended except by reconsideration.

Mr. BARNHART. I do not think the gentleman from Illinois grasps the intent of this amendment.

Mr. MANN. Yes, I do; namely, the same insignia for the Army as the Navy.

Mr. BARNHART. You get that information from the uniform that they wear. I have not any intention to interfere with any arrangement of the chairman of the Committee on Naval Affairs or any amendment that he has prepared. The purpose, Mr. Speaker, of my introducing this amendment was to call the attention of the House to the fact that I have seen it reported in the newspapers that the War Department is preparing to issue a gold badge to the soldiers who have been called overseas and a silver badge to those who, unfortunately, did not get such service, because they did not get the order for it.

I am inclined to believe that such a distinction between the fighting men of this country, many, many of them volunteers, who went in at the very beginning of the war and were detailed to duty that did not take them to France, would be a discrimination against the bravery and self-sacrifice of the soldiers who did volunteer, who were inducted, and who were drafted into the service at the beginning of the war, but were detailed to some duty in this country, whereby they could not get across. And yet many, many who have gone across have not seen the front trenches; have not seen any more of military life than those who have remained on this side, namely, the training camps, and such are to be brought back, according to the newspaper reports, and given a gold badge because they happened to be fortunate enough to be taken overseas.

Mr. QUIN. Will the gentleman yield right there? The gentleman understands that the newspapers are not the Congress. No such bill has been reported.

Mr. BARNHART. This bill would fix that so that it could not be done, and I think it ought to be so done.

Mr. McKENZIE. If the gentleman will yield, I simply wish to ask the gentleman if he thinks his amendment will cure the evil of which he is now speaking?

Mr. BARNHART. I think it would.

Mr. McKENZIE. The fact of this insignia will only go to show that a man is an honorably discharged soldier, and will have nothing whatever to do with where he served, whether in this country or abroad, and of necessity they will all have to be alike. The way to reach the matter is to introduce a bill to prohibit.

Mr. BARNHART. This will prohibit.

Mr. McKENZIE. Oh, no.

Mr. BARNHART. The gentleman has not read the amendment.

Mr. ROBBINS. Will the gentleman from Indiana yield?

Mr. BARNHART. I yield.

Mr. ROBBINS. Does not the gentleman know that there is now in force among the enlisted men and officers a distinction in the way of a chevron that is worn on the arm?

Mr. BARNHART. That relates to length of service, and the amendment provides that that shall not be interfered with.

Mr. ROBBINS. The white color indicates service in this country and the other color indicates service abroad, and that is in force now under the regulations of the War Department. I do not think it is fair——

Mr. BARNHART. That is what this amendment would correct. It would put the fighting men who did not get to France on the same pedestal of honor as those who were ordered overseas. It would prevent discrimination that will send every soldier home with a heavy heart from unjust disappointment who was denied the possibility of being sent overseas.

Mr. MILLER of Minnesota. Mr. Speaker, I would like to be recognized in opposition to the amendment.

The SPEAKER. The gentleman from Minnesota is recognized for five minutes.

Mr. MILLER of Minnesota. I would like to make an inquiry of the gentleman from Indiana, if I may have his attention.

The SPEAKER. The gentleman from Indiana will give heed.

Mr. MILLER of Minnesota. I sympathize thoroughly in the position that the gentleman takes on the question of silver and gold badges. I think it is a shame that there should be any distinction between the two. I do not think this program will be carried out. But I do not think the gentleman's amendment reaches that at all. The War Department now has full authority to issue service stripes, and it is doing it.

Mr. BARNHART. Do they do it by law?

Mr. MILLER of Minnesota. Yes; absolutely. This does not change that in any way. This particular section of the bill, if it means anything, means that they are to put some mark on the uniform to show that the wearer was in the Army or in this war; nothing else; and that he was discharged. It will have nothing whatever to say about where he served, or how long he served, or whether he was black or white or anything else.

Mr. BARNHART. There would not be anything in the provisions of this bill to prevent them from sewing on that uniform a piece of gold or silver braid if the War Department under the provisions of this bill so decided.

Mr. MILLER of Minnesota. There is nothing in this bill to do that.

Mr. BARNHART. But this amendment of mine would prevent that being done.

Mr. MILLER of Minnesota. This has nothing whatever to do with the service stripes. The law is already in existence authorizing the Secretary of War to prescribe service stripes.

Mr. ROSE. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Minnesota. This has nothing to do with the service stripe. This pertains only to the service of the man in the Army.

Mr. BARNHART. It provides that the uniform should be marked with "insignia." What is "insignia"?

Mr. MILLER of Minnesota. The gentleman could easily frame an amendment that would reach that, but his present amendment does not do it.

The SPEAKER. The time of the gentleman from Minnesota has expired. The question is on agreeing to the amendment offered by the gentleman from Indiana [Mr. BARNHART].

The question was taken, and the Speaker announced that the "noes" seemed to have it.

Mr. BARNHART. A division, Mr. Speaker.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 25, noes 57.

So the amendment was rejected.

Mr. PADGETT. Mr. Speaker, I desire to offer several amendments in order to complete the text and make it apply to and embrace the Navy and Marine Corps. On page 1, line 3, after the word "Army," insert a comma and the words "Navy or Marine Corps."

Mr. WALSH. Mr. Speaker, I wish to inquire if the Coast Guard is included in the Navy?

Mr. PADGETT. Insert the words "Navy and Marine Corps."

Mr. HICKS. Mr. Speaker, will the gentleman from Tennessee permit me to ask him a question?

Mr. PADGETT. The word "or" is correct after all. It is an alternative.

Mr. HICKS. Would not the gentleman from Tennessee be willing to include in his proposed amendment, in order to make it complete, the Coast Guard, as well as the Marine Corps and the Navy?

Mr. PADGETT. The Coast Guard is serving with the Navy, and I believe it would be embraced in the word "Navy."

Mr. HICKS. We have to include it specifically, as I understand. It would not hurt the text to include it.

Mr. PADGETT. I will include it, then.

Mr. MILLER of Minnesota. Mr. Speaker, may I make an inquiry of the gentleman?

Mr. PADGETT. I think the men of the Coast Guard are embraced under the word "Navy." They are serving with the Navy.

Mr. MILLER of Minnesota. Mr. Speaker, will the gentleman from Tennessee yield for a question?

Mr. PADGETT. Yes.

Mr. MILLER of Minnesota. I am in sympathy with the gentleman's amendment, but another query has arisen in my mind. The members of the Army Nurse Corps evidently ought not to be left out.

Mr. LOBECK. You would have to put on a red cross.

Mr. MILLER of Minnesota. No. The Red Cross is distinct. If you are going to extend this to the Army and Navy and Marine Corps, let us not forget the women, who helped win the war. The hospital surgeon, who is a male, will get this privilege.

Mr. PADGETT. This says "any person." It does not say "male."

Mr. MILLER of Minnesota. I know. But does a member of the Army Nurse Corps have the status of a person in the United States Army?

Mr. PADGETT. I think so.

The SPEAKER. Does the gentleman from Massachusetts desire to make his point of order?

Mr. WALSH. Reserving the right to object, Mr. Speaker, I desire to ask the chairman of the Naval Committee if the Coast Guard is included in the word "Navy"?

Mr. PADGETT. I think so.

Mr. MANN. Those who are not connected with the Army and Navy should not be included.

Mr. WALSH. They are connected with it.

The SPEAKER. Does the gentleman from Massachusetts make the point of order?

Mr. WALSH. I have been trying to get information in order to determine whether I shall make the point of order or not, but I have been subjected to many interruptions. I desire to ask the gentleman from Tennessee if in his amendment he includes the Coast Guard?

Mr. PADGETT. The amendment, as I offered it, includes the Army and the Navy; and my present information is that the word "Navy" includes the Coast Guard, which is serving with the Navy during the war. I have no objection to including it specifically.

Mr. MANN. Does the gentleman think that a lighthouse keeper or a man on a lighthouse tender on Lake Michigan should receive this badge?

Mr. PADGETT. No; but during the war the men in the Coast Guard have been incorporated in the Navy and serving on the same ships.

Mr. MANN. The men in the Revenue-Cutter Service?

Mr. PADGETT. No. They have been going on naval ships.

Mr. MANN. But all lighthouse keepers on inland points have been connected in that sense with the Navy, because they are in the Coast Guard.

Mr. HICKS. The lighthouse keepers and men on lighthouse tenders are not members of the Life-Saving Service.

Mr. IGOE rose.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. IGOE. I rise in opposition to the amendment.

The SPEAKER. The Chair has been trying to find out for the last 10 minutes if the gentleman from Massachusetts [Mr. WALSH] wants to make the point of order.

Mr. WALSH. I have been trying to find out what this amendment is.

Mr. PADGETT. I have given the gentleman my opinion.

Mr. WALSH. But the gentleman's amendment does not include the Coast Guard.

Mr. PADGETT. I am willing to include that. If anyone wants to amend that, I am willing. I will include the words "Navy, Marine Corps, and Coast Guard."

Mr. MANN. I will amend it. There is no reason for including in this service a lot of men who never were in any way connected with the war. A lot of the Coast Guard were not in any way connected with the war. What do you want to cheapen the whole thing for by putting in everybody?

Mr. PADGETT. I will offer the amendment, "Navy or Marine Corps." I have done the best I can under the circumstances.

Mr. McKENZIE. Mr. Speaker, will the gentleman pardon me for an interruption for a moment?

Mr. PADGETT. Yes.

Mr. McKENZIE. I want to say, for the benefit of my friend from Massachusetts [Mr. WALSH], that if the Coast Guard men are a part of the Navy, they will be included in the amendment; and if not, they will not be included. The officer of the War Department who appeared before our committee was asked if the Army nurses would be included, and he stated they would be covered by this bill that we were considering. I do not think there is any doubt about it, because they are a branch or a part of the Military Establishment.

Mr. POU. Those not in the Navy ought not to be put in the bill.

The SPEAKER. The gentleman from Illinois makes the point of order.

Mr. MANN. The gentleman from Tennessee has modified his amendment so that my point of order would not apply.

The SPEAKER. The gentleman was objecting to the taking in of Coast Guard or Lighthouse Service, and immediately the gentleman from Tennessee withdrew that part of his amendment.

Mr. PADGETT. Now, my amendment applies only to the Navy or the Marine Corps.

The SPEAKER. Does the gentleman from Massachusetts make this point of order?

Mr. WALSH. No, Mr. Speaker; I withdraw the point of order.

Mr. IGOE. Mr. Speaker, I wish to speak on this amendment.

The SPEAKER. On which side?

Mr. IGOE. I am on both sides. [Laughter.] Let me ask the gentleman from Tennessee if the amendment includes the Naval Reserve?

Mr. PADGETT. Yes; because it served in the Navy under existing law.

Mr. IGOE. Here is a peculiar situation. I have had this experience. I think this question is of importance to 600,000 men serving in the Navy. The Regular Navy is composed of men in the Regular Service, who enlisted before the war, men who enlisted in the Regular Service after the war began for a period of four years, and men who enlisted during the war for the period of the war.

Under regulations that have been sent out by the Bureau of Navigation that I have read, and concerning which I have had conferences with the officials of the Navy Department, it is held that men who enlisted in the regular service after the beginning of the war for a period of four years can not receive an honorable discharge until they have finished the four years' service. The man who enlisted during the war for the period of the war and is now discharged under regulations does not receive an honorable discharge, because he has not completed the period of his enlistment, because technically the war is not ended. The man in the Naval Reserve Force can not be discharged, because he has not completed the period of his enlistment. Those men are not discharged, but are put back on the inactive list.

This shows how difficult it is to draw a bill on the floor of the House when you have so many different classes.

Mr. BARKLEY. Will the gentleman yield?

Mr. IGOE. Yes.

Mr. BARKLEY. I have been advised that the Navy Department has issued orders to the officers to discharge 20 per cent of the Naval Reserve Force and 10 per cent of the four-years men. Does the gentleman say they do not get an honorable discharge?

Mr. IGOE. That is my understanding, that no man in the Naval Reserve Force can get a discharge until he serves seven years, or whatever it is. He is put on the inactive list.

In this bill men getting an honorable discharge get certain privileges. In the Regular Navy this situation obtains, that the man who does not get the honorable discharge does not have his transportation paid; that is, as far as the Regular Navy is concerned. The Naval Reserve Force does have transportation paid.

Mr. ROSE. Will the gentleman yield?

Mr. IGOE. Certainly.

Mr. ROSE. What becomes of the boy who enlisted after the war began and is furloughed, receives no pay, no mileage, no subsistence, and no possibility of discharge? What is the gentleman's understanding in such a case?

Mr. IGOE. My understanding is that there is a law which prevents paying transportation of a man enlisted in the Regular Navy discharged before the period of his enlistment expires.

Mr. ROSE. I have a young man in mind who enlisted for the period of the war, and the recruiting officer told him that it made no difference whether he enlisted for 4 years or 40 years, he would be given his transportation on his discharge and be treated like all other discharged soldiers.

Mr. IGOE. Notwithstanding that the Navy Department, as far as men enlisted for the period of the war, while they may be discharged under the regulation, they have not completed their contract, because the war is not ended by a declaration of peace.

Mr. ROSE. And they will be allowed no subsistence, transportation, nor refund for cost of uniforms?

Mr. IGOE. I do not know anything about the subsistence, but I am told that they are not given transportation, but there is some method whereby they may be sent into the Naval Reserve.

Mr. ROSE. Are these boys allowed anything for the money that they spent for their clothing?

Mr. IGOE. I am not able to answer the gentleman.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. IGOE. I ask for three minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. LINTHICUM. Will the gentleman yield?

Mr. IGOE. Yes.

Mr. LINTHICUM. I want to say that about the middle of last week I called up the department and asked about the discharge of a young man from the Navy, and they said they could not discharge him; that he had better ask to be put on the inactive list.

Mr. IGOE. What I am talking about is not transportation; that can be taken up later; but here you are providing certain benefits for men who get an honorable discharge. The man who enlisted in the Navy during the war, whether for a four-year period or for the war, who has rendered honorable and efficient service—some have been 15 months in the war zone on destroyers—can not get an honorable discharge, and under this bill as it is now worded I do not see how these men could get any benefit from the act.

Mr. McKENZIE. Will the gentleman yield?

Mr. IGOE. Yes.

Mr. McKENZIE. If they get any discharge at all, it will be an honorable discharge.

Mr. IGOE. But they do not get any discharge at all; they are given a release certificate of some sort. There ought to be some appropriate language in the bill to take care of that situation.

Mr. HARDY. I think there ought to be a bill carefully drawn to take care of that case.

Mr. IGOE. I am going to vote for this bill, because it will benefit somebody.

Mr. LOBECK. How about the young men in these training schools?

Mr. IGOE. I do not think they will come under this bill.

Mr. PLATT. Mr. Speaker, if they are put on the inactive service they retain their uniforms, do they not, if not discharged?

Mr. IGOE. The uniforms are returned, as I understand it, to the Navy Department.

Mr. PLATT. Not while they are still in the service, whether inactive or active.

Mr. IGOE. I am not sure about that, but I think that when they are returned to the inactive list they turn in their uniforms.

Mr. LINTHICUM. Mr. Speaker, I would like to answer that question, if the gentleman will permit.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. LINTHICUM. Mr. Speaker, I ask to be recognized for a few minutes.

The SPEAKER. On which side is the gentleman?

Mr. LINTHICUM. Like my friend here, I am on both sides. I ask unanimous consent to proceed for two minutes.

The SPEAKER. The gentleman does not have to ask for unanimous consent. The gentleman is recognized for five minutes.

Mr. LINTHICUM. I want to say to the gentleman that last week I called up and asked about the discharge of a certain young man in the Navy. I was told they could not discharge him, but that if the young man would ask to be placed on the inactive list they could grant that, and then he would not have to return $100 worth of uniform.

Mr. PLATT. Exactly.

Mr. LINTHICUM. But that if he was discharged he would have to return $100 worth of uniform. They said that they could not discharge him, but they could put him on the inactive list.

Mr. PLATT. That brings out what I had in mind. If he goes on the inactive list he does receive the benefit of this act.

Mr. IGOE. What I was complaining about was that a man can not be discharged. Why should a man be obliged to go on the inactive list if they make regulations for the discharge of some, which they do, or for letting them out of the service, and they are separated from the service—men in the Regular Navy who have enlisted during the war?

Mr. CANNON. Mr. Speaker, I move to strike out the last word, if that is in order. I have just come in. I do not know what has preceded. This bill seems to cover the Army, and, as I understand it, an amendment is now offered to perfect it by something that would include the Navy.

Mr. PADGETT. And the Marine Corps.

Mr. CANNON. And the Marine Corps. I have a case in mind in my own town where a young man is in the naval training station who is anxious to get his discharge so that he can care for those who are dependent upon him and take up the burdens of civil life. It seems to me that we have really no right to take this class of men and continue them in the inactive service. They ought to go out of the service. I do not know how far this bill goes in doing complete justice to the Army, but it seems to me that the gentleman from Tennessee [Mr. PADGETT], chairman of the Committee on Naval Affairs, ought to treat the matter separately and report a bill, which he would know how to report, that will give relief where it ought to be given, and let these young men who are in the Navy understand they are to be discharged—that they are to be divorced entirely from the service—so that they can know what their status is.

Mr. PADGETT. Mr. Speaker, this bill does not deal with the question of discharges at all. It merely provides for uniforms and allowing the men to wear their uniforms, and to provide that certain insignia shall distinguish that uniform, showing that the man wearing it is retired from active service. It does not relate to discharges from the Army, the Navy, or the Marine Corps. It is not intended for that or drawn for that purpose. It relates only to allowing them to wear their uniforms.

Mr. CANNON. Is there legislation in contemplation to divorce these young men who are, for instance, in the naval training schools, so that they can be discharged and go back to civil life with some assurance that they can make some arrangements to make a living without a liability to be called back into the naval service?

Mr. PADGETT. I can explain the matter to the gentlemen. In the Navy we have three lines of service. We have the regular service and we have a temporary service in the Regular Navy and then we have a Naval Reserve. The Naval Reserve are composed of men in civil life, carrying on their occupations, who enrolled in this Naval Reserve under a stipulation that they would train for one month during the time for which they were to receive regular pay and remain in civil employment, but in case of war or national emergency, proclaimed by the President, they could be called into active duty. When the war came on the President did call the Naval Reserve into active duty. When in active duty they have the same rating and the same pay as the Regular Navy, but when the necessity for their active service ceases they simply go back into the reserves, because that is the regular organization in which they enlisted in time of peace, and they have gone identically into the status in which they were and in which they enrolled in time of peace.

Then there is a temporary increase in the Navy, and the law provides that they shall be disbanded whenever Congress so directs, or when the President shall direct, or in no event later than six months after the declaration of peace. The law already provides for it. There are numbers of applications, and the Secretary has directed a very liberal interpretation of the rules, but it is provided, however, that the young men who are in the reserve, if they want to be released from active duty and go back to the status in which they were when they went into the service in time of peace, shall be permitted to do so, and they receive their transportation back to their homes where they enlisted.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. CANNON. I ask that the gentleman have five minutes. I want to ask some additional questions.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. CANNON. What I want to get at is this: In the training station in Chicago, near Chicago, there are many thousands of men. I have many constituents who, I understand, have enlisted in the regular service and are there for training. Now, what is to become of them?

Mr. PADGETT. Some of them, where they present cases—proper cases—are being released. The gentleman will understand there are men in the reserve, there are men in the temporary organization and there are men in the permanent organization. Now, those who are in the reserve, when they present a proper claim or application, it is granted, and they go back home into civil life just as they were before they went into the service.

Mr. CANNON. I understand that. Now, take the next case.

Mr. PADGETT. Now, the next case are the temporary ones. If they present a proper case, they are discharged. They are

not in the regular service; they are not in the permanent service; hence, the only thing is to keep them or discharge them, and they are discharged; but in the regular Navy there are only two cases in which that could be done—either to keep them or to discharge them. Now, there are three methods of enlistment—enrollment, provided for four years; that is, in the reserve, and is called enrollment. In the temporary Navy and in the permanent Navy they enlist, and the law provides that he may enlist for four years or for the war, or for such shorter time as the President may provide. Most of them enlisted for four years. That is their contract with the Government where they have enlisted for four years. A few enlisted for the war. Whenever the war officially ends their enlistment ends. The President never directed, as I am informed, any other term of enlistment except the war or the four years. He did not provide for any six months or a year or two years, or anything of that kind.

The SPEAKER. The time of the gentleman has again expired.

Mr. PADGETT. I will ask for five minutes more in order to explain these matters.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none.

Mr. CANNON. I have many requests from constituents where enlistment was in one of the two classes referred to, where they have been in training, and they never received any other service.

Mr. PADGETT. All three of them are in these schools. All three services send men to the training schools.

Mr. CANNON. Does the gentleman think some legislation is necessary to enable these men who desire to get out of the service, whether for the four years or for the war, and let them go back and pick up their duties in private life?

Mr. PADGETT. I do not think there is any legislation necessary. The Secretary is doing it very rapidly, just as fast as the service will permit. We could not pass legislation here and provide just for emptying the whole thing out without regard to a proper care and preservation of the status of the Navy on an efficient basis.

Mr. CANNON. I have been referred by the department here, in many cases, that it is to be taken up in the training schools——

Mr. PADGETT. In order to expedite it the Secretary has given authority to the commanding officers at all naval stations in proper cases——

Mr. BANKHEAD. Will the gentleman yield right there?

Mr. PADGETT. To grant these releases.

Mr. CANNON. What is a proper case?

Mr. BANKHEAD. That is the question I desired to ask, What is a proper case? I have many inquiries.

Mr. PADGETT. The Secretary has indicated where young men wanted to return to complete their education that favorable consideration should be given. He has indicated that in cases of urgent family reasons, if there are any extraordinary and particular family reasons why they should return, if persons are sick or conditions have changed. A large discretion is given.

Mr. CANNON. He is to be recommended by the sailor's commanding officer?

Mr. PADGETT. He does not have to be recommended, the commanding officer is given authority to act.

Mr. RUCKER. Suppose he will not do it.

Mr. PADGETT. Then he can take it up with the department here.

Mr. RUCKER. And then he has to take it up again back there?

Mr. PADGETT. I do not know about that.

Mr. KING. Suppose their applications were torn up by the officers, as has been the case——

Mr. PADGETT. I think we would hear from the department if they were torn up.

Mr. RUCKER. Mr. Speaker, I move to strike out the last three words.

Mr. PADGETT. I have a number of amendments to offer to this one if agreed to.

Mr. RUCKER. May I have the gentleman's attention?

Mr. PADGETT. Yes, sir.

Mr. RUCKER. I have no doubt the discourse the gentleman has just given the House is perfectly intelligible to those who understand the affairs pertaining to the Navy, but to me it is just Greek. I have a letter from a constituent wanting to be discharged. He enlisted for the term of the war. I took it up with the Secretary of the Navy, and the Secretary of the Navy says, "Take it to the commanding officer." You take it to the commanding officer, and he says take it to some other commanding officer [laughter], and the result is you can not get it. Now, as I understood the gentleman's statement here a moment ago during the course of which he used the words "proper occasion" about a proper number of times, and that the proper occasion is when there is some emergency in a family, probably birth or death or about to be one or the other or both, and then they can ask to be discharged to go to school——

Mr. PADGETT. Or an important industry.

Mr. RUCKER. If he has a certificate showing he is a schoolboy, or something in reference to a severe condition in the family.

Mr. PADGETT. No, no.

Mr. RUCKER. That is what the gentleman said.

Mr. PADGETT. The Navy has been very liberal. Those are just general details of the matter, and hundreds and hundreds of boys are being discharged every day, and they are being allowed to go home if they are in the reserve under what is called inactive duty.

Mr. RUCKER. The gentleman will pardon me. The country thinks the war is over. The families who gave their husbands and their children to fight this war are now clamoring to get them home, and it looks to me as if they are going to be kept indefinitely.

Mr. PADGETT. The gentleman must realize that with the vast organization of the Navy and the vast importance of maintaining that organization you can not just simply dismiss men ad hominem ad scatterandum and just throw them off the ships. You have got to maintain the organization.

Mr. RUCKER. You can mobilize them and bunch them, but you do not seem to be able to demobilize them.

Mr. HASTINGS. Will the gentleman state how many have been discharged since the armistice was signed?

Mr. PADGETT. I do not know.

Mr. HASTINGS. The gentleman has made the statement that a great many have been discharged.

Mr. PADGETT. The Secretary told me he was discharging them rapidly.

Mr. HASTINGS. And you have no information as to the number?

Mr. PADGETT. I have not.

Mr. DOWELL. Will the gentleman yield for a question?

Mr. RUCKER. Mr. Speaker, I yield the floor. I have lost it.

Mr. DOWELL. I ask unanimous consent for five minutes.

The SPEAKER. The gentleman asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. DOWELL. I have had the information, coming from some of the boys at the Great Lakes Station, that the officers there refused to consider their applications for release, and tell the boys that they do not intend to consider them for several months. Does the gentleman have any information about that?

Mr. PADGETT. Not as to those particular things there. But it is a direct contradiction of what the Chief of the Bureau of Navigation and the Secretary told me, and it is in direct opposition to what the printed circular that I have seen says, namely, that instructions are given to discharge the boys, and the Secretary told me he had given instructions to discharge——

Mr. RUCKER. Mr. Speaker, I have the floor.

Mr. DOWELL. I have the floor.

Mr. RUCKER. You took it away from me, and I think I should take it back.

Mr. PADGETT. The Secretary told me he had given instructions to discharge 20 per cent.

Mr. DOWELL. One other matter, Mr. Speaker. The department advised me they have nothing to do with the discharge of the boys from the service, but it is entirely in the hands of the officers at the Great Lakes Station. They say they have given general instructions and the officers there can act upon these applications. The department here will not consider the applications for discharge.

Mr. SISSON. Will the gentleman yield? I wanted to try to help the gentleman if I could——

Mr. DOWELL. My time is going on here.

The SPEAKER. The gentleman declines to yield.

Mr. DOWELL. One other matter. A young man was in the city not over two days ago and advised me——

Mr. SISSON. Mr. Speaker——

The SPEAKER. The gentleman declines to yield.

Mr. SISSON. I make the point of order there is no quorum present.

Mr. DOWELL. If the gentleman wants to take up the time of the House to call the roll, he may do so.

The SPEAKER. The gentleman is out of order. The Speaker will count to see if there is a quorum present. [After counting.] One hundred and five gentlemen are present; not a quorum.

Mr. DENT. I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Ashbrook	Essen	Kiess, Pa.	Rowland
Bacharach	Estopinal	Knutson	Russell
Benson	Fairchild, G. W	Kreider	Sabath
Birch	Farr	Larsen	Sanders, La.
Bland, Ind.	Ferris	Lesher	Saunders, Va.
Blanton	Flynn	Littlepage	Scott, Pa.
Brand	Focht	Lobeck	Shackleford
Caldwell	Francis	London	Sherley
Cantrill	Fuller, Mass.	Longworth	Shouse
Carew	Gallivan	Lunn	Siegel
Carlin	Gandy	McAndrews	Slayden
Carter, Mass.	Garland	McArthur	Slemp
Carter, Okla.	Garner	McCormick	Small
Chandler, N. Y.	Goodall	McCulloch	Smith, Chas. B.
Church	Graham, Pa.	McLaughlin, Pa.	Smith, Thos. F.
Clark, Fla.	Gray, N. J.	McLemore	Stedman
Clark, Pa.	Gregg	Maher	Steele
Cleary	Griffin	Mason	Stevenson
Connelly, Kans.	Hamill	Mays	Stiness
Cooper, Ohio	Hamilton, N. Y.	Montague	Strong
Cox	Harrison, Miss.	Morin	Sullivan
Crago	Haskell	Mott	Swift
Curry, Cal.	Hayden	Mudd	Tague
Dale, N. Y.	Hayes	Nelson, J. M.	Templeton
Davey	Heaton	Nolan	Thomas
Davis	Heflin	Overmyer	Van Dyke
Decker	Heintz	Paige	Waldow
Delaney	Helm	Park	Walton
Dewalt	Hensley	Parker, N. Y.	Ward
Dies	Hood	Price	Watson, Pa.
Dominick	Howard	Rainey, J. W.	Webb
Dooling	Hull, Iowa	Rankin	White, Ohio
Drane	Hutchinson	Reed	Williams
Dunn	Johnson, S. Dak.	Riordan	Wilson, Tex.
Dupré	Keating	Roberts	Wood, Ind.
Eagle	Kelley, Mich.	Rodenberg	Wood, Iowa
Edmonds	Kennedy, R. I.	Rowe	Woodyard

The SPEAKER. On this roll call 284 Members—a quorum—have answered to their names.

Mr. KITCHIN. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER. The gentleman from North Carolina moves that further proceedings under the call be dispensed with. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

EXTENSION OF REMARKS.

Mr. RUCKER. Mr. Speaker, I ask unanimous consent that I may have the privilege to revise and extend my remarks on the bill which was discussed in the House a few days ago to increase the salaries of judges.

The SPEAKER. The gentleman from Missouri asks unanimous consent to revise and extend his remarks on the bill to increase the salaries of judges. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

Mr. SLAYDEN, by unanimous consent, was granted leave of absence for three days on account of important business.

RETENTION OF UNIFORM AND PERSONAL EQUIPMENT.

Mr. DOWELL. Mr. Speaker, may I inquire how much time I have?

The SPEAKER. The gentleman has two minutes.

Mr. DOWELL. Mr. Speaker, as I was just about to state, a couple of men, who are engineers and who enlisted in the service for the war, advised me a few days ago that they were being held in a work that was not necessary for war work, but were engaged on construction work by the Navy Department, and they were working as privates, being held there with men who were receiving $6, $8, or $10 per day, and that they were unable to get any consideration whatever of their applications for discharge. Does the gentleman know anything about that situation?

Mr. PADGETT. No; I know nothing about individual cases; but the Secretary has issued regulations providing for the discharge of men and has given authority to the commandants of the various yards and stations to grant discharges, and has indicated certain lines where he thought they ought to be granted—men in important industry, and for family reasons, and to complete their education—and I have been told that numbers and numbers of them are being released. But I do not know about individual cases.

Mr. DOWELL. But, Mr. Speaker, what I am complaining about this is: I know that there is a general order, but I also know that many of the men in the Navy and in the Army are making applications where it is imperative that they be relieved, and I do know that their applications are receiving slow consideration by the commanding officers, and I know that the departments here are not considering these applications but advising that the commanding officers are authorized to grant these releases. It occurs to me that both the Navy and the War Departments should make every possible effort to release these young men who have enlisted for the war, where a clear showing is made that they are needed at home, either for industrial or other good reasons, and especially where they have dependents.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. DOWELL. I ask unanimous consent to proceed for three minutes more.

The SPEAKER. Is there objection to the gentleman's request?

Mr. RAGSDALE. I object.

The SPEAKER. The gentleman from South Carolina objects. All these pro forma amendments are withdrawn.

Mr. WALSH. Mr. Speaker, I have an amendment.

The SPEAKER. The gentleman will send it up. The Chair will remind the gentleman that there is an amendment pending. Is this an amendment to the amendment?

Mr. WALSH. Yes.

The SPEAKER. Let us get through with the Padgett amendment first. The Clerk will report the Padgett amendment again.

The Clerk read as follows:

Page 1, line 3, after the word "Army," insert "Navy or Marine Corps."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PADGETT. Now, Mr. Speaker, I have several amendments perfecting the verbiage of the bill.

The SPEAKER. If the gentleman from Massachusetts [Mr. WALSH] is willing that the gentleman from Tennessee go ahead, the Chair will recognize the gentleman from Tennessee.

Mr. WALSH. Very well.

The SPEAKER. The gentleman from Tennessee will proceed.

Mr. PADGETT. On page 1, line 7, after the word "authorized," insert the word "respectively."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PADGETT. In line 8, after the comma after the word "War," insert "or the Secretary of the Navy."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PADGETT. In line 11 of page 1, after the word "prescribed" and before the word "by," insert the word "respectively."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PADGETT. In the same line, after the word "War," insert "or the Secretary of the Navy."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PADGETT. On page 2, line 1, after the word "issued," insert the word "respectively."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PADGETT. On page 2, line 1, after the word "Department," insert "or Navy Department."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. Another amendment is pending. The Clerk will report.

Mr. WALSH. I will withhold my amendment, Mr. Speaker. I understand the gentleman from Iowa [Mr. DOWELL] wishes to submit something.

Mr. DOWELL. Mr. Speaker, a few moments ago I offered an amendment to add the word "shoes" after the word "overcoat," in line 6 of the bill. Subsequently the gentleman from Wyoming [Mr. MONDELL] offered an amendment, which included the personal effects and which made this amendment unnecessary. The amendment of the gentleman from Wyoming covers all that was intended to be covered by this amendment. I therefore move to reconsider the vote whereby my amendment was adopted.

The SPEAKER. The gentleman from Iowa moves to reconsider the vote whereby his amendment was adopted. The question is on agreeing to his motion.

The motion was agreed to.

Mr. DOWELL. The amendment now is before the House, and I want to say this word: The purpose of this amendment was to include shoes with the uniform. It has now been suggested to me that by adding the word "shoes" it is limited to one pair, and, as I am advised, I think all of the boys have issued to them more than one pair of shoes. I think all of them have two pairs of shoes at least. Under the provisions of the Mondell amendment the War Department may issue to them the shoes that they think are necessary, and I am in favor of giving them whatever they are entitled to receive under their assignment.

The SPEAKER. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and the amendment was rejected.

Mr. WALSH. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, line 2, insert at the end of the line the following: "the word 'Navy' shall include the officers and enlisted personnel of the Coast Guard who have served in the Navy during the present war."

The SPEAKER. The question is on the amendment.

The amendment was considered and agreed to.

Mr. DENT. Mr. Speaker, I move the previous question on the bill and all amendments.

Mr. SMITH of Michigan. Mr. Speaker, before that is done I would like to propose an amendment by way of a new section.

The SPEAKER. The gentleman can do so if the gentleman from Alabama will withhold his motion.

Mr. DENT. I have no objection to the gentleman from Michigan offering his amendment, and I withhold my motion for that purpose.

Mr. SMITH of Michigan. I offer the following amendment.

The Clerk read as follows:

At the end of section 1 add a new section, as follows, to stand as section 2:

"SEC. 2. That the provisions of this act shall apply to all such private soldiers and sailors honorably discharged since April 6, 1917, and in cases where such clothing and uniforms have been restored to the Government on their discharge the same or similar clothing and uniform in kind and value as near as may be shall be returned and given to such soldiers and sailors."

The SPEAKER. The question is on the amendment.

The question was taken.

Mr. SMITH of Michigan. I ask for a division.

The SPEAKER. The ayes have it.

Mr. SMITH of Michigan. Oh, well, then.

The SPEAKER. And the amendment is agreed to.

Mr. FRENCH. Mr. Speaker, I rose to be recognized before the vote was taken, but now I would like to amend the language of the amendment of the gentleman from Michigan.

The SPEAKER. The Smith amendment has been adopted.

Mr. FRENCH. I ask unanimous consent to have that amendment, if it is too late now to amend it, adopted so that the language will be changed from "soldiers and sailors"——

The SPEAKER. But the Smith amendment has been adopted. If the gentleman from Alabama will withhold his motion, the gentleman from Idaho can move to amend. The gentleman from Alabama has moved the previous question.

Mr. DENT. I will yield to the gentleman from Idaho.

Mr. FRENCH. Mr. Speaker, I move to amend the section just adopted by striking out the words "soldiers and sailors" and inserting the words "persons who served in the United States Army or Navy or Marine Corps in the present war."

Mr. SISSON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. SISSON. I understood that a division was demanded on the Smith amendment, and I think the House generally understood it.

The SPEAKER. Who demanded the division?

Mr. SISSON. The gentleman from Michigan [Mr. SMITH] demanded a division.

The SPEAKER. But the amendment was carried.

Mr. SISSON. I think the House did not realize that the Smith amendment had been adopted.

The SPEAKER. The gentleman from Michigan demanded a division under the impression, I suppose, that his amendment had been defeated. The Member whose side carries has no right to demand a division.

Mr. STAFFORD. I question that ruling, Mr. Speaker. Sometimes a Member wants to see how large his amendment carries.

The SPEAKER. Suppose he does. [Laughter.]

Mr. GARRETT of Tennessee. Mr. Speaker——

Mr. RAGSDALE. A point of order, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. RAGSDALE. As a matter of fact, the gentleman from Michigan [Mr. SMITH] withdrew his request for a division and that settled the proposition without regard to any other.

Mr. GARRETT of Tennessee. Mr. Speaker, I desire to make this observation. I hope the statement just made by the Chair may not stand as a ruling for this reason, if the Chair will permit: A gentleman may demand a division on his amendment which has carried, and if the Chair holds that he has no right to demand it, other gentlemen who are against it, relying on his having demanded a division, may fail to demand it, and then they have lost their rights. The House, as some gentlemen say in this instance—I was not myself—was misled by the fact that the gentleman from Michigan demanded a division.

The SPEAKER. The Chair thinks the gentleman from Tennessee is correct.

Mr. GARRETT of Tennessee. The House was in considerable confusion, and I submit that in all fairness to the House there ought to be a division on that proposition.

Mr. MANN. A motion to reconsider is in order.

Mr. DENT. I move to reconsider the vote whereby the Smith amendment was agreed to.

The SPEAKER. The gentleman from Alabama moves to reconsider the vote whereby the Smith amendment was agreed to.

The question was taken, and the motion was agreed to.

Mr. FRENCH. Now, Mr. Speaker, may my motion be considered as pending?

Mr. McKENZIE. Mr. Speaker, I would like to be recognized for two minutes to make a brief statement about this amendment. In my judgment, the amendment offered by the gentleman from Michigan is unwise. It will involve the War Department in endless confusion, and it will be impossible to carry it out. If the gentleman from Michigan desires to get at some concrete proposition for the benefit of deserving soldiers and sailors who have been discharged, let him offer an amendment that they shall be given in money or some equivalent to that which would be required to purchase a uniform from the Government. Any such proposition I would favor, for I want equal justice granted to all enlisted men.

Mr. DENT. Mr. Speaker, I insist upon my motion for the previous question on the bill and all amendments to final passage.

Mr. KAHN. Mr. Speaker, will the gentleman withhold that for a moment?

Mr. DENT. Certainly.

Mr. KAHN. Mr. Speaker, this amendment as drawn will not permit the issuing of uniforms to sergeants and corporals; neither will it permit the issuance of uniforms to discharged men in the Marine Corps. It is crudely drawn, and in its present shape it should not be adopted.

Mr. DENT. Mr. Speaker, I insist upon my motion for the previous question.

The SPEAKER. The gentleman from Idaho [Mr. FRENCH] wanted to offer an amendment. The question is on the Smith amendment.

Mr. SMITH of Michigan. Mr. Speaker, I would like a few moments.

The SPEAKER. The gentleman is recognized.

Mr. SMITH of Michigan. Mr. Speaker, I think that a man who enlisted and who has been honorably discharged since the beginning of the war is entitled to the benefits of this bill. They all offered their lives and services for their country and for the same purpose. They fought as only American soldiers can fight. They marched, slept, and lived in their uniforms. Their uniform was the one thing that was always with them. Many of them have been discharged since war was declared, and if there is one thing for which they have an attachment more than another it is their uniforms and the insignia they wore during their service. It occurs to me to be unjust, it occurs to me to be unfair, that a person who has served heretofore and who has been discharged before this bill can become a law shall be deprived of the benefit—the small benefit—carried by this bill. Their uniform and clothing are not of supreme value to the country. It will not carry much of any appropriation. But the uniform and the insignia worn by the soldier at the time of his discharge are prized highly by him and by rights ought to be kept by him and belong to him. There is not any reason why a person who has handed in his uniform or sent it back to the Government before the bill becomes a law, who was discharged since we declared war on the 6th day of April, 1917, should not have a uniform under the same regulation that a person gets his uniform after this bill becomes a law. This amendment provides that if the Government can not furnish the soldier the specific uniform that he had when he was discharged it should furnish him a uniform of like kind and value as worn by himself and as given up by him at the time of his discharge as near as may be. So that all of these soldiers who were honorably discharged since war was declared may be

treated fairly. What is the use of discriminating as between a soldier who was discharged last week and one who is discharged this week. It is unfair to these boys.

Mr. FRENCH. Mr. Speaker, I had intended that my amendment should be regarded as pending, and if it is not I should like to offer it again.

Mr. DENT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DENT. Is not the motion I made in order for the previous question? I have the floor for the purpose of making that motion, and I yielded only for the purpose of allowing the amendment to be offered and voted on.

The SPEAKER. The Chair understood that the gentleman from Alabama was willing to let the gentleman from Idaho offer his amendment to the amendment.

Mr. DENT. I have no objection to his offering the amendment to the amendment, but I want the previous question to be put.

Mr. FRENCH. Mr. Speaker, my amendment is at the Clerk's desk.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: Amend the Smith amendment by striking out in line 2 the following: "Such private soldiers and sailors honorably discharged since April 6, 1917," and insert in lieu thereof: "persons who served in the United States Army, Navy, or Marine Corps during the present war."

The SPEAKER. The question is on the amendment to the amendment.

Mr. KAHN rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. KAHN. To offer an amendment to the amendment offered by the gentleman from Idaho. Instead of the word "persons" I suggest that he use the language "enlisted men."

The SPEAKER. Does the gentleman offer that as an amendment?

Mr. SMITH of Michigan. I will accept that amendment to include all enlisted men.

The SPEAKER. The gentleman from Michigan has no right to accept the amendment.

Mr. FRENCH. Mr. Speaker, I had intended in the language I propose——

The SPEAKER. The gentleman from Alabama agreed to permit the gentleman to offer his amendment before he moved the previous question, but he insisted there should be no debate. The question is on the French amendment to the Smith amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question is on the Smith amendment as amended.

The question was taken; and on a division (demanded by Mr. SMITH of Michigan) there were—ayes 51, noes 68.

The SPEAKER. The gentleman from Alabama moves the previous question on the bill and amendments to final passage.

Mr. DALLINGER. Mr. Speaker, I rise to a point of order. I make the point of order that there is no quorum present on that amendment.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty Members present, not a quorum.

Mr. DENT. Mr. Speaker, I move a call of the House.

The SPEAKER. This is an automatic call. The question is on the Smith amendment as amended.

Mr. EMERSON. Mr. Speaker, may we have the amendment again reported?

Mr. DENT. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DENT. I understood that the Smith amendment had been disposed of, and I rose to make the motion for the previous question. I understood the Chair to put that question when the point of no quorum was made.

The SPEAKER. The Chair never put the motion for the previous question.

Mr. DENT. The vote on the Smith amendment had been disposed of.

The SPEAKER. That is true, but the gentleman from Massachusetts [Mr. DALLINGER] was up making the point of order that there was no quorum present.

Mr. DENT. After I had made the motion for the previous question.

The SPEAKER. Oh, the gentleman made the motion for the previous question half an hour ago. It is only fair to give the gentleman from Massachusetts a chance. The question is on the Smith amendment as amended. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

Mr. EMERSON. Mr. Speaker, may we have the Smith amendment again reported?

The SPEAKER. Without objection, it will be again reported as amended.

There was no objection, and the Clerk again reported the Smith amendment as amended.

Mr. HASTINGS. Mr. Speaker, I thought an amendment had been accepted by the gentleman from Michigan to change the word "persons" to enlisted men," as suggested by the gentleman from California?

The SPEAKER. It never was accepted. The gentleman from Michigan had no power to accept the amendment. The Clerk will call the roll.

The question was taken; and there were—yeas 250, nays 35, answered "present" 2, not voting 145, as follows:

YEAS—250.

Alexander	Dowell	King	Robinson
Almon	Drukker	Kinkaid	Rogers
Anderson	Dupré	Kitchin	Romjue
Aswell	Dyer	Kraus	Rose
Austin	Eagan	Lampert	Rouse
Ayres	Elliott	Langley	Rubey
Baer	Ellsworth	Lazaro	Sanders, Ind.
Bankhead	Emerson	Lee, Ga.	Sanders, N. Y.
Barkley	Essen	Lehlbach	Saunders, Va.
Barnhart	Fairchild, B. L.	Lever	Schall
Beakes	Fairfield	Linthicum	Scott, Mich.
Beshlin	Fess	Little	Scully
Blackmon	Fields	Lobeck	Sears
Bland, Ind.	Fisher	Lonergan	Sells
Bland, Va.	Fordney	Lufkin	Shallenberger
Borland	Foster	Lundeen	Sinnott
Bowers	Frear	McClintic	Slemp
Browne	Freeman	McCormick	Sloan
Brumbaugh	French	McFadden	Small
Buchanan	Fuller, Ill.	McKeown	Smith, Idaho
Burroughs	Gallagher	McKinley	Smith, Mich.
Brynes, S. C.	Gallivan	McLaughlin, Mich.	Snook
Campbell, Kans.	Gard	McLemore	Snyder
Campbell, Pa.	Garrett, Tenn.	Madden	Stafford
Candler, Miss.	Garrett, Tex.	Magee	Steagall
Cannon	Glynn	Mapes	Steenerson
Cantrill	Godwin, N. C.	Martin	Stephens, Miss.
Caraway	Goodall	Merritt	Stephens, Nebr.
Cary	Goodwin, Ark.	Miller, Wash.	Sterling
Chandler, N. Y.	Graham, Ill.	Mondell	Sumners
Chandler, Okla.	Gray, Ala.	Moon	Sweet
Clark, Pa.	Green, Iowa	Moore, Pa.	Switzer
Classon	Greene, Mass.	Morgan	Taylor, Ark.
Claypool	Griest	Neely	Taylor, Colo.
Cleary	Griffin	Nelson, A. P.	Thompson
Coady	Hadley	Nicholls, S. C.	Tillman
Collier	Hamilton, Mich.	Nichols, Mich.	Tinkham
Connally, Tex.	Hardy	Oldfield	Towner
Cooper, W. Va.	Hastings	Oliver, Ala.	Treadway
Cooper, Wis.	Haugen	Oliver, N. Y.	Vare
Costello	Hawley	Osborne	Venable
Cramton	Heflin	O'Shaunessay	Vestal
Crisp	Helvering	Overmyer	Vinson
Crosser	Hersey	Overstreet	Voigt
Currie, Mich.	Hicks	Padgett	Volstead
Curry, Cal.	Hollingsworth	Phelan	Walker
Dale, Vt.	Huddleston	Polk	Wason
Dallinger	Hull, Tenn.	Porter	Watkins
Darrow	Husted	Pou	Weaver
Davey	Igoe	Powers	Welty
Dempsey	Ireland	Purnell	Whaley
Denison	Jacoway	Quin	Wheeler
Denton	James	Ragsdale	White, Me.
Dewalt	Johnson, Wash.	Rainey, H. T.	Wilson, Ill.
Dickinson	Jones	Raker	Wilson, La.
Dill	Juul	Ramsey	Wingo
Dillon	Kearns	Ramseyer	Wood, Ind.
Dixon	Kehoe	Randall	Wright
Dominick	Kelly, Pa.	Rankin	Young, N. Dak.
Donovan	Kennedy, Iowa	Rayburn	Young, Tex.
Doolittle	Kennedy, R. I.	Reavis	Zihlman
Doremus	Kettner	Reed	
Doughton	Kincheloe	Robbins	

NAYS—35.

Anthony	Gordon	Mansfield	Sherwood
Browning	Greene, Vt.	Moores, Ind.	Sisson
Burnett	Harrison, Va.	Norton	Snell
Butler	Holland	Olney	Temple
Copley	Houston	Parker, N. J.	Tilson
Dent	Howard	Peters	Walsh
Elston	Kahn	Platt	Ward
Foss	McKenzie	Rucker	Welling
Gillett	Mann	Sanford	

ANSWERED "PRESENT"—2.

Byrns, Tenn.	LaGuardia

NOT VOTING—145.

Ashbrook	Carter, Mass.	Drane	Fuller, Mass.
Bacharach	Carter, Okla.	Dunn	Gandy
Bell	Church	Eagle	Garland
Benson	Clark, Fla.	Edmonds	Garner
Birch	Connelly, Kans.	Esch	Good
Black	Cooper, Ohio	Estopinal	Gould
Blanton	Cox	Evans	Graham, Pa.
Booher	Crago	Fairchild, G. W.	Gray, N. J.
Brand	Dale, N. Y.	Farr	Gregg
Britten	Davis	Ferris	Hamill
Brodbeck	Decker	Flood	Hamilton, N. Y.
Caldwell	Delaney	Flynn	Hamlin
Carew	Dies	Focht	Harrison, Miss.
Carlin	Dooling	Francis	Haskell

Hayden	Littlepage	Rainey, J. W.	Strong
Hayes	London	Riordan	Sullivan
Heaton	Longworth	Roberts	Swift
Heintz	Lunn	Rodenberg	Tague
Helm	McAndrews	Rowe	Templeton
Hensley	McArthur	Rowland	Thomas
Hilliard	McCulloch	Russell	Timberlake
Hood	McLaughlin, Pa.	Sabath	Van Dyke
Hull, Iowa	Maher	Sanders, La.	Waldow
Humphreys	Mason	Scott, Iowa	Walton
Hutchinson	Mays	Scott, Pa.	Watson, Pa.
Johnson, Ky.	Miller, Minn.	Shackleford	Watson, Va.
Johnson, S. Dak.	Montague	Sherley	Webb
Keating	Morin	Shouse	White, Ohio
Kelley, Mich.	Mott	Siegel	Williams
Key, Ohio	Mudd	Sims	Wilson, Tex.
Kiess, Pa.	Nelson, J. M.	Slayden	Winslow
Knutson	Nolan	Smith, C. B.	Wise
Kreider	Paige	Smith, T. F.	Woods, Iowa
La Follette	Park	Stedman	Woodyard
Larsen	Parker, N. Y.	Steele	
Lea, Cal.	Pratt	Stevenson	
Lesher	Price	Stiness	

So the amendment was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. ESTOPINAL with Mr. DAVIS.

Mr. ASHBROOK with Mr. RODENBERG.

Mr. RIORDAN with Mr. NOLAN.

Mr. DOOLING with Mr. STINESS.

Mr. SIMS with Mr. ESCH.

Mr. HELM with Mr. KIESS of Pennsylvania.

Mr. BLANTON with Mr. WOODYARD.

Mr. BELL with Mr. MCARTHUR.

Mr. CARTER of Oklahoma with Mr. COOPER of Ohio.

Mr. SULLIVAN with Mr. MOTT.

Mr. PRICE with Mr. WILLIAMS.

Mr. DALE of New York with Mr. MUDD.

Mr. FERRIS with Mr. BACHARACH.

Mr. MCANDREWS with Mr. GOULD.

Mr. BYRNS of Tennessee with Mr. GOOD.

Mr. JOHN W. RAINEY with Mr. STRONG.

Mr. THOMAS with Mr. SWIFT.

Mr. LITTLEPAGE with Mr. HAMILTON of New York.

Mr. SANDERS of Louisiana with Mr. GRAY of New Jersey.

Mr. GARNER with Mr. LONGWORTH.

Mr. BOOHER with Mr. GARLAND.

Mr. HAMILL with Mr. DUNN.

Mr. MAHER with Mr. ROWE.

Mr. LARSEN with Mr. WINSLOW.

The result of the vote was announced as above recorded.

Mr. FRENCH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. FRENCH. Mr. Speaker, as to the amendment that I offered a while ago and that was declared carried, the Clerk in reading was under a different apprehension than I was. I intended to strike out merely the words "such private soldiers and sailors," and not the words "honorably discharged since April 6, 1917." Now, I would like to ask unanimous consent that those words, "honorably discharged since April 6, 1917," be retained in the bill.

It was not in my mind to strike these words out, but in making the amendment from the floor the Clerk understood I intended to include them with the other words of my amendment. Many men have voted no on this amendment under the apprehension that that was really what I intended, and therefore they were against it. I would like to ask unanimous consent that those words be inserted in the proper place they were in the bill.

Mr. TILSON. Mr. Speaker, I reserve the right to object. When that is done, which would really make the amendment somewhat better, then you put in an improper light every man on this floor who has voted nay against this amendment in the shape that it was in.

Mr. TEMPLE. Mr. Speaker, reserving the right to object, I voted against this amendment because it did not have the words that it is now proposed to put in. If those words had been there, I would have voted yea. Therefore I object.

Mr. FIELDS. Mr. Speaker——

The SPEAKER. The gentleman from Pennsylvania objects. The Doorkeeper will open the doors.

Mr. FIELDS. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Kentucky rise?

Mr. FIELDS. To submit a request for unanimous consent.

Mr. FRENCH. Mr. Speaker, I want to make a motion, then. I offer as an amendment——

Mr. FIELDS. Mr. Speaker, I do not believe there is a man in this House that would have voted against the amendment had it carried the language that the gentleman has asked to have reinstated in the bill. I ask unanimous consent that that language be restored to the bill and that the roll call just had be vacated.

Mr. RAGSDALE. Mr. Speaker, I object.

Mr. FRENCH. Then, Mr. Speaker, I offer an amendment to insert, following the words of my amendment, "present war," the words "honorably discharged since April 6, 1917."

The SPEAKER. Does the gentleman from Alabama [Mr. DENT] yield for that purpose?

Mr. DENT. Yes; I yield for that purpose.

Mr. MANN. It is too late to offer an amendment to this amendment unless it is reconsidered, because the amendment has been agreed to by the House.

The SPEAKER. That is true.

Mr. FRENCH. I am offering it to the section as amended.

The SPEAKER. If the gentleman from Alabama [Mr. DENT], the chairman of the committee, who made the motion for the previous question, will yield for the gentleman from Idaho [Mr. FRENCH] to offer an amendment, the Chair will not object to it.

Mr. FRENCH. Will the gentleman from Alabama yield for that purpose.

Mr. DENT. I yield.

Mr. FRENCH. I move to amend by inserting the words "honorably discharged since April 6, 1917," following the words of my amendment adopted a while ago.

The SPEAKER. The Clerk will report it, and everybody will please give attention.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: After the words "present war" insert "honorably discharged since April 6 1917."

Mr. MADDEN. Mr. Speaker, I ask for the yeas and nays on that.

Mr. MANN. Mr. Speaker, I make the point of order the amendment is not in order. The Smith amendment as amended was agreed to by the House. It is too late to amend that by changing anything in it.

The SPEAKER. The point of order is sustained.

Mr. FRENCH, Mr. WOODS of Indiana, and Mr. SCOTT of Michigan rose.

The SPEAKER. For what purpose does the gentleman from Idaho rise?

Mr. FRENCH. I want to move to recommit.

The SPEAKER. The gentleman can not move to recommit now.

Mr. FRENCH. Then I move to reconsider the vote by which the Smith amendment was adopted.

Mr. DENT. Mr. Speaker, I believe I have the floor for the purpose of making a motion for the previous question on the bill and all amendments thereto. I yielded for the gentleman from Idaho [Mr. FRENCH] to offer this amendment, and as a point of order is sustained on it I insist on my motion at this time.

Mr. DOWELL. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Iowa rise?

Mr. DOWELL. On a question of order. The gentleman had the floor and has a perfect right to make the motion to reconsider. He was yielded the floor. The Speaker gave him the floor and he made the motion to reconsider, which is in order.

The SPEAKER. The gentleman from Alabama [Mr. DENT] yielded to the gentleman from Idaho [Mr. FRENCH] to offer an amendment, and the gentleman from Illinois [Mr. MANN] made a point of order that the amendment was not in order. The Chair sustained it.

Mr. FIELDS. Mr. Speaker, I move to reconsider the vote——

Mr. MADDEN. Mr. Speaker, I think a motion to reconsider is privileged under the rules.

The SPEAKER. The Chair was trying to get to it. The gentleman from Idaho [Mr. FRENCH] moves to reconsider the vote by which the Smith amendment as amended by a piece of his amendment was agreed to. The question is on the motion to reconsider.

The motion to reconsider was agreed to.

Mr. FRENCH. Then, Mr. Speaker, I would like to have my amendment offered to include the words "honorably discharged since April 6, 1917," following the language as originally adopted, as I proposed.

The SPEAKER. The Clerk will read it. We do not want to get into any more muddles about this Smith amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENCH: Strike out of the Smith amendment the following: "such private soldiers and sailors" and insert "honorably discharged since April 6, 1917."

Mr. MANN. Mr. Speaker, I ask unanimous consent that the amendment be reported as it will read if this amendment be agreed to.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

SEC. 2. That the provisions of this act shall apply to all persons who served in the United States Army, Navy, or Marine Corps during the present war honorably discharged since April 6, 1917, and in cases where such clothing and uniforms have been restored to the Government with their discharge, the same or similar clothing and uniforms in kind and value, as near as may be, shall be returned and given to such soldiers and sailors.

Mr. CURRIE of Michigan. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. CURRIE of Michigan. I desire to ask a question of the chairman of the committee, as to whether the words "honorably discharged" will be sufficient to cover every case desired by the House. My information is that there is a difference between an honorable discharge and a discharge which may come about upon the request of the person in the service. I have in mind the case of a young man serving in the United States Navy who was offered a commission in the Army and who made application for discharge from the Navy. He was granted the discharge on the 6th day of November. The armistice came before he could be commissioned in the Army. He was out of the naval service, but he did not receive an honorable discharge. He received what is called a discharge upon request, showing faithful service, and a good rating. But under the amendment as proposed, or under this bill, he would not be permitted the privileges accorded by this bill.

The SPEAKER. Is the gentleman making a speech or is he asking a question? [Laughter.]

Mr. CURRIE of Michigan. Both. I desire information from the chairman upon the question.

Mr. DENT. I can not answer that question. I am not familiar with the regulations of the Navy, but I understand the chairman of the Committee on Naval Affairs explained that fully to-day.

Mr. CURRIE of Michigan. No; he did not.

Mr. DENT. He was on the floor about an hour, and I think he answered all questions propounded to him.

Mr. CURRIE of Michigan. He did not cover that.

Mr. PADGETT. Mr. Speaker, before the vote is taken a verbal amendment ought to be made at the end of the bill, where it says "discharged soldier or sailor." We ought to add "and marine." It says "Army and Navy and Marine Corps," but in the last passage it says simply for the "sailors and soldiers," but does not include marines. The marines ought to be included in that expression. Let the Clerk read the last words there. It also should include the Coast Guard, but that is not necessary. The bill provides that they shall be considered a part of the Navy.

Mr. KAHN rose.

The SPEAKER. For what purpose does the gentleman from California rise?

Mr. KAHN. To ask unanimous consent to extend my remarks on this amendment.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks on the amendment. Is there objection?

There was no objection.

Mr. SMITH of Michigan. Mr. Speaker, I ask the same privilege.

The SPEAKER. Is there objection?

There was no objection.

Mr. PADGETT. Mr. Speaker, I want to make a motion to amend the amendment by adding the words "and marines" at the end.

The SPEAKER. The question is on agreeing to the Padgett amendment.

The Padgett amendment was agreed to.

The SPEAKER. The question is on agreeing to the Smith amendment as modified by the French amendment.

Mr. CURRIE of Michigan. Mr. Speaker, would an amendment now be in order to the French amendment?

The SPEAKER. No. That would be an amendment in the third degree. The question is on the Smith amendment as modified by the French amendment and as modified by the Padgett amendment.

Mr. WALSH. The Padgett amendment has not been adopted.

The SPEAKER. Yes. The question is on agreeing to the Smith amendment as modified by the French amendment and the Padgett amendment.

The amendment as modified was agreed to.

Mr. DENT. Mr. Speaker, I move the previous question.

Mr. WALSH. Mr. Speaker, when was the French amendment to the Smith amendment adopted?

The SPEAKER. About three or four minutes ago.

Mr. WALSH. No. I think the Chair will find it was not.

The SPEAKER. The question is on agreeing to the French amendment as modified by the Padgett amendment.

The question was taken; and the Speaker announced that the "ayes" seemed to have it.

Mr. WALSH. Mr. Speaker, I ask for a division.

Mr. FRENCH. Mr. Speaker, I think the Padgett amendment does not apply to my amendment, but to the language of the Smith amendment. [Laughter.]

Mr. WALSH. Mr. Speaker, I ask for a division on the French amendment.

The SPEAKER. A division on the French amendment is demanded.

The House divided; and there were—ayes 155, noes 0.

So the French amendment was agreed to.

The SPEAKER. The question is on agreeing to the Smith amendment as amended.

The Smith amendment as amended was agreed to.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. DENT. Mr. Speaker, I ask that the title of the bill be amended in conformity with the text.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the title of the bill be amended so as to conform to the text. Is there objection?

There was no objection.

On motion of Mr. DENT, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. GARNER, by unanimous consent, was granted leave of absence, for one week, on account of illness.

UNANIMOUS CONSENT CALENDAR.

The SPEAKER. This is Unanimous Consent Calendar day, and the Clerk will call the first bill.

INTEREST ON CHEROKEE JUDGMENTS.

The first business in order on the Calendar for Unanimous Consent was the bill (H. R. 357) conferring jurisdiction upon the Court of Claims to hear, consider, and determine certain claims of the Cherokee Nation against the United States.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object.

Mr. MANN. Reserving the right to object, Mr. Speaker, let us have the bill reported.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, consider, and determine the claim of the Cherokee Nation against the United States for interest, in addition to all other interest heretofore allowed and paid, alleged to be owing from the United States to the Cherokee Nation on the funds arising from the judgment of the Court of Claims of May 18, 1905 (40 Ct. Cls. Rept., p. 252), in favor of the Cherokee Nation. The said court is authorized, empowered, and directed to carefully examine all laws, treaties, or agreements, and especially the agreement between the United States and the Cherokee Nation of December 19, 1891, ratified by the United States March 3, 1893 (27 Stat. L., p. 640, sec. 10), in any manner affecting or relating to the question of interest on said funds, as the same shall be brought to the attention of the court by the Cherokee Nation under this act. And if it shall be found that under any of the said treaties, laws, or agreements interest on one or more of the said funds, either in whole or in part, has not been paid and is rightfully owing from the United States to the Cherokee Nation, the court shall render final judgment therefor against the United States and in favor of the Cherokee Nation, either party to have the right of appeal to the Supreme Court of the United States as in other cases. The said claim shall be presented within one year after the passage of this act by petition in the Court of Claims by the Cherokee Nation as plaintiff against the United States as defendant, and the petition shall be verified by the attorney employed to prosecute said claim by the Cherokee Nation acting through its principal chief. A copy of the petition shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in said cause. The law and practice and rules of procedure in said courts shall be the practice and law in this case. The attorney for the Cherokee Nation shall be paid the fee as stipulated in his contract of employment, not to exceed 15 per cent on the gross amount, if any, that shall be recovered for said Cherokee Nation. The amounts recovered for said Cherokee Nation, if any, except the fee to said attorney, shall be disbursed under the supervision of the Secretary of the Interior to the parties entitled thereto in the manner prescribed by the Court of Claims.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, as I understand, the claims involved in this bill amount in the neighborhood of about half a million dollars. Apparently the bill provides that the attorney who prosecutes a case under it in the Court of

Claims shall receive 15 per cent of the amount which the court may award. As I understand the bill, it is largely a matter, perhaps not exactly of accounting, but almost accounting; a matter to be decided by the records now in existence. Does the gentleman from Oklahoma [Mr. HASTINGS] think that attorneys, for presenting a record case to be decided by the existing records, not lengthy, ought to receive a fee of $50,000 or $60,000?

Mr. HASTINGS. In answer to what the gentleman says, I will say that this involves an accounting of four items. Three of the items are very small, and if they were to find with the Cherokee Nation on three of the four items, then the fee would be practically nothing.

But, in further answer to what the gentleman says, I will say I have prepared an amendment to leave the fixing of the fee to the Court of Claims, so that the court would fix the fee.

I have also in the amendment provided that the maximum shall not be greater than 10 per cent. But 10 per cent on three of the items would be a very inconsiderable fee. Of course, if they were to find for the nation on all the four items and for the full amount claimed, that would be a reasonable fee. Anyway, I have an amendment which it is my purpose to offer allowing the Court of Claims to fix the fee, not to exceed the amount of 10 per cent.

Mr. STAFFORD. Will the gentleman yield in that particular?

Mr. HASTINGS. I do not have the floor.

Mr. STAFFORD. It is generally conceded by anyone who has examined the report of the two bills covering the four items, and especially H. R. 4699, containing two of the items which the gentleman introduced, which was formerly on the Unanimous Consent Calendar, that there is owing to the Cherokees the sum of $27,500. That is virtually conceded by the department. As to items 2 and 3, which involve the amount of $478,000, of course the gentleman agrees that 10 per cent would be an outrageous fee for a small accounting, as has been stated by the gentleman from Illinois. Ten per cent of $27,500 would allow the attorney who has been working up these claims ever since they were adjudicated by the Court of Claims, and passed on by that court and by the Supreme Court, a liberal fee for an ordinary attorney working up claims against the Government.

Mr. HASTINGS. The amendment which I propose to offer provides that the attorney shall be paid such fee as the Court of Claims thinks reasonable and proper. It is not to be in excess of the stipulated contract, not more than 10 per cent total, but any way it provides that the Court of Claims may fix the fee, and the amount shall not be in excess of 10 per cent.

Mr. MANN. Now, let us get down to brass tacks. I remember the bill very well in the previous Congress. An attorney has a contract now under which he is to receive 15 per cent of the amount collected. The Secretary of the Interior has recommended that a bill like this be passed; that we should provide that the contract for the attorney's service must be approved by him; and the old bill provided, or the Secretary recommended, I am not sure which, that the attorney's fees should be fixed by the court subject to the discretion of the Secretary of the Interior, and fix the contract for attorney's fees not to exceed the amount in the contract. So that the attorney would have to receive the approval of the Secretary of the Interior as to the amount of the fee and also the approval of the court.

Now, when it comes to fixing attorneys' fees the court has usually only one side represented. In this case if the court makes an award to the Cherokee Nation, then comes the fixing of the attorney's fees, and there will be nobody in court on any side of the case except the attorney showing how great his services have been. He will have the contract for 15 per cent. Probably the court would allow him 10 per cent. I really think that a fee of $40,000 or $50,000 for presenting to the court simply a record in the case—and that is all that is to be presented practically, for the court to say whether a previous allowance by the court should have carried interest or not, or that the Government should have paid interest beyond a certain point, which it did—it seems to me that that is allowing a good deal. Of course, we know that we paid interest on these claims from 1812 or 1816, or something like that, and in one case the interest amounted to four or five times as much as the principal—I think they were very lucky to get the principal and still luckier to get four or five times as much in interest.

Mr. HASTINGS. The court decided it for us.

Mr. MANN. I understand. Now, it is proposed that we pay additional interest, but if that interest is to be paid it ought not to go to an attorney for practically doing nothing. I am willing that the attorney should receive a reasonable compensation.

Mr. HASTINGS. What would the gentleman suggest as an amendment? All I want is to be certain that he shall receive reasonable compensation.

Mr. MANN. I think it ought to be fixed by the court, with the approval of the Secretary of the Interior.

Mr. HASTINGS. If the gentleman will permit, let me say that the affairs of the Cherokee Nation have been wound up.

Mr. MANN. The gentleman possibly misunderstood what I said. I know the Secretary of the Interior is desirous of contracting for attorneys' fees, but I did not say that, and I understand there is no way of making a new contract. That is one reason why it seems to me that somebody seeking to protect the interest of the Indians shall have something to say about the attorney's fees. Hence I would make the attorney's fees allowed by the court and approved by the Secretary.

Mr. HASTINGS. If the gentleman wants to offer an amendment to this amendment to that effect I will have no objection.

Mr. MANN. I have not prepared any amendment.

Mr. HASTINGS. Then I will insert it in this amendment and provide that it shall be approved by the Court of Claims and the Secretary of the Interior, so that there can be no question but what we want only a fair and reasonable fee.

Mr. STAFFORD. Mr. Speaker, I was going to ask whether the gentleman was willing to accept an amendment suggested by the Secretary of the Interior, in lines 24 and 25, striking out those lines and inserting in lieu thereof "under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law."

Mr. HASTINGS. The only objection to that is this: An attorney has investigated this question and has been at work at it for 10 or 15 years, and inasmuch as it is going to your own court, inasmuch as it simply submits the claim against the United States on behalf of the Indian tribe, certainly the Indians ought to have something to say as to whom they shall employ. Now, the Indians have employed an attorney who understands the questions involved——

Mr. STAFFORD. The gentleman means the chief has employed an attorney.

Mr. HASTINGS. Exactly; for and on behalf of the Indians, and the Indians themselves have ratified it in convention.

Mr. STAFFORD. Would the gentleman have any objection to inserting after the word "chief" that same language?

Mr. HASTINGS. The chief is dead. There is no officer to act for the tribe. A contract has been made, and the man with whom this contract has been made is familiar with it. Let me say to you that he has given practically his life to this class of work, and he is more familiar with it than any other man I know. I am not trying to fix his fee. I am willing that the Court of Claims should fix it, or that the Secretary of the Interior shall approve it, but I do believe that a man who has given 20 or 25 years of service, first to the original claim when it was pending before the courts, who followed it through all of the courts, and who is familiar with it now, is better qualified to represent these Indians than some new attorney that may be brought in.

Mr. STAFFORD. Has the gentleman that language that will provide for the suggestion made by the gentleman from Illinois?

Mr. HASTINGS. I will have it in a moment.

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, early in this session there was this bill and H. R. 4699 reported favorably by the Committee on Indian Affairs. The bill under consideration referred these claims to the Court of Claims for decision and the other bill provided for direct appropriation and recognition by the Congress of the obligation to pay the Cherokee Indians the sum of $27,500. It is now proposed to refer all four claims for adjudication, so far as the back interest is concerned, to the Court of Claims. Has the gentleman the amendment that he proposes to offer in case the bill is given the right of consideration?

Mr. HASTINGS. Yes; it is to the effect that the attorney for the Cherokee Nation shall be paid such fees as the Court of Claims shall find reasonable, the same to be approved by the Secretary of the Interior, and then not to exceed a certain amount.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. NORTON. Would the gentleman say that an attorney would be fairly entitled to exceed $5,000 for his work in this case?

Mr. HASTINGS. It is like this: There are four items in this claim. I think a fee of 15 per cent on three of those items in the event their contention was sustained would be very small for the services rendered. In the event the larger item is found

due, then perhaps that would be considered a large fee, but this provides that it is to be approved first by the Court of Claims and by the Secretary of the Interior, and, also, that it shall not be above a certain amount.

Mr. NORTON. Would the gentleman have any objection to stipulating that it shall not be over $5,000, and in suggesting that I would say this: I believe the Indians will receive better service, and this will be adjudicated much more quickly, if a definite sum of that kind is set. I think that is a sufficient amount.

Mr. HASTINGS. I respectfully submit that it is not a sufficient amount. The attorney who has been working on this has been working on it ever since this judgment was granted 12 or 15 years ago.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent that it be considered in the House as in Committee of the Whole House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk again reported the bill.

Mr. HASTINGS. Mr. Speaker, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. HASTINGS: Strike out all after the word "case," in line 6, page 3, of the bill, and insert:

"The attorney for the Cherokee Nation shall be paid such fee as the Court of Claims may find reasonable, the same to be approved by the Secretary of the Interior: *Provided*, That in no case shall the fee decreed by said Court of Claims be in excess of the amount stipulated in his contract of employment nor amount to more than 10 per cent of the sum, if any, to which the Cherokee Nation shall be found entitled. The amount recovered, if any, for the Cherokee Nation shall be disbursed under the supervision of the Secretary of the Interior to the parties entitled thereto in the manner prescribed by the Court of Claims."

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HASTINGS, a motion to reconsider the vote by which the bill was passed was laid on the table.

GOVERNMENT CONTROL OF TELEGRAPHS AND TELEPHONES.

Mr. MOON. Mr. Speaker, I ask unanimous consent to place in the RECORD a communication about postal matters from the Postmaster General, which I think will be found of use and information to the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The communication referred to is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 16, 1918.

Hon. JOHN A. MOON,
Chairman House Committee on Post Offices and Post Roads.

MY DEAR MR. MOON: I am in receipt of your communication of December 14, 1918, inclosing copy of House joint resolution 368 and requesting my views with respect thereto.

In my judgment this joint resolution should be adopted.

The principle which justifies Government control of the Postal Service applies equally to all electrical means of communication. The Constitution, in giving Congress control over post offices and post roads, obviously contemplated, not particular physical structures, but the communication of intelligence.

To establish and maintain means of communication is as much the function of the Government as is the provision for national defense. An established and widely extended means of communication is, in fact, a part of the national defense. Moreover, it is essential to the development of the country and to the progress and prosperity of its people. It is a defense of the national interests as much in peace as in war.

The authority given by the Constitution for Government control of the transmission of communication carries with it the implied obligation on the part of the Government to provide the means of communication. The function of transmitting intelligence in the service of the general public must of necessity be a monopoly, so that it may be operated in a way to be accessible to the entire public.

The wire service is a public utility of universal necessity and is adapted to the performance of no other function than that of conveying intelligence; and, disregarding the divergence of views as to Government ownership of public utilities generally, it must be recognized that electrical agencies of communication stand alone as an essential utility performing a Government function. The progress and prosperity of the Nation are dependent upon expansive means of communication between and among the people. Extension of the wire service should be determined by public needs, not the opportunity for private gain. The wire systems are supported by the public because they are a necessity in social life and in all business enterprises, however wasteful they may be in their methods of operation or extravagant in the charges. Up to this time the charges for service have been greater and the service less extensive because of wasteful duplications and competition. The extent of the service under private ownership is restricted to areas where it may be operated profitably to the individual owners. The competition which it invites is that which is in pursuit of profit, not in rivalry for public benefit and service. An extended survey of the situation has been made by the Post Office Department since the Government assumed control of the wire systems, and it clearly appears that unification of control and operation are necessary to eliminate the wastes and inherent defects of the competing and duplicating system which has heretofore existed. It would be as logical to have two or more post offices in the same town operating independently and where the patrons of each had no means of communication with the other as to allow two telephone systems to operate in the same territory, for in either case the cost to the public is muliplied and the utility divided.

Mr. Theodore N. Vail, president of the American Telephone & Telegraph Co., and probably the highest authority on wire service in the world, in a communication of the 6th instant, in which he quotes extensively from his annual report for the American Telephone & Telegraph Co., says that the service should afford electrical communication "of every kind of intelligence from anyone at any place to anyone at any other place; that the service should be comprehensive, nation wide, economical, at a minimum price so that potential business could be developed.

"To do this effectively and economically requires the combination of every kind of electrical transmission of intelligence into one system over which the most efficient service could be rendered through the development of new and useful services, and the wire plant and facilities thus be utilized to their fullest extent * * *.

"To get the best result, therefore, the common control of this unified system should extend to the furthest possible limits. Should cover our Nation and the international communications to the boundaries of all other nations with which we have existing or potential relations.

"Whatever may be done in the practical reorganization and operation of electrical communication — domestic or international—in or by the United States, whether 'open wire,' 'cable or radio,' there should be such close harmony of effort and operation one with the other and all with the internal wire systems that, in effect, there should be 'one control' of all and the cooperation and coordination of all connected or related activities, including research, investigation, and experimentation. Only in this way can the greatest results in service, in public benefit, in economy, or in cheapness be obtained."

The Government alone can safely exercise a right of monopoly such as the wire service calls for, but some plan of organization should be devised which will combine all the advantages and the authority possessed by the Government without losing the benefits of the experience of the best operation which our industrial world has demonstrated to be advantageous. The advantages of private initiative in research, investigation, and experimentation, and in other ways where possible and consistent with Government monopoly should not be lost in the inauguration of such a new system. I believe an effective plan to accomplish that result can be worked out.

The information acquired through Federal control of the telegraph and telephone systems since August 1 last enables me to assure you that the entire wire system can be acquired without requiring the appropriation of a dollar from the Public Treasury, and that through the savings by the elimination of duplications in plants and operating expenses the entire telegraph and telephone systems of the country can be paid for through an amortization fund in 25 years without increasing the rates to the public and at the same time develop a national wire system available for the use of every community in the country coextensive with the present Postal Service.

The economic importance of the proposition to acquire the properties by the Government is very great. Private capital is invested in public-service enterprises with the expectation of

7 to 8 per cent and often a greater return upon the investment. This, of course, the public is expected to pay, while the Government can borrow money at 4½ per cent. The public, however, pays the charge in either event. The difference between 4½ per cent and 8 per cent for the money invested in the wire systems of the United States would maintain and pay for the property in 18 years and 9 months. The Government as owner would no more expect to charge for interest on the investment than it would for money invested in postal facilities, navy yards, or other public property, and, as Mr. Vail has so well said:

"In any utility the permanent plant and equipment are by far the largest items of capital investment; the maintenance of plant and the proper provision for depreciation and obsolescence and taxes are second only to the cost of wages.

"If the uses of combined plant can be multiplied, extended, and utilized, it not only means reduction in the investment relative to increased utilization; it means one charge for taxes, maintenance, depreciation, and obsolescence, all of which will be reflected in the cost of operation, for, broadly speaking, upon the cost of operation charges for service are based."

Government ownership of the telegraph and telephone can in no sense be considered a party question. As early as 1844, when the Morse telegraph was in its infancy, Congress made an appropriation looking to its acquisition by the Postal Service.

In 1845 and again in 1846 the Postmaster Generl recommended that it be made a part of the postal monopoly. By the act of July 24, 1866, and the acceptance by the telegraph companies of the provisions thereof, the United States obtained an option to purchase the telegraph properties at their appraised value at any time. This option is still in full force and effect.

Postmaster General Randall in his annual report for 1867 called attention to the fact that the telegraph system of Great Britain had been put in charge of the British Post Office Department and, after stating that it was a matter of very great importance, which ought to be thoroughly investigated by Congress, recommended the appointment of a special commission to inquire into the workings of the new arrangement in Great Britain and into its feasibility in the United States.

Postmaster General Cresswell, who succeeded Mr. Randall, in his reports of 1869 and 1871 devoted considerable attention to the matter, and in the latter report, after discussing the progress of the regulation and control or the ownership and management of telegraph systems in foreign countries, said:

"These facts, all tending with overwhelming force in one direction, demonstrate conclusively the utility of the postal telegraph for both Government and the people. * * * I therefore deprecate further delay [in acquiring the telegraph lines] as injurious to the public interests."

In transmitting Postmaster General Cresswell's report to Congress, President Grant wrote:

"The suggestions of the Postmaster General for improvement in the department presided over by him are earnestly recommended to your special attention; especially do I recommend favorble consideration of the plan for uniting the telegraph system of the United States with the postal system. It is believed that by such a course the cost of telegraphing could be much reduced and the service as well, if not better, rendered. It would secure the further advantage of extending the telegraph through the portions of the country where private enterprise will not construct it. Commerce, trade, and, above all, the efforts to bring the people widely separated into a community of interest are always benefited by a rapid intercommunication."

Again, in 1873, Postmaster General Cresswell earnestly renewed his recommendation for the acquisition of the telegraph by the Government.

The matter of Government control of the telegraph systems of the country does not appear to have been again discussed in reports of the department until the report of Postmaster General Maynard for the year 1880. He refers to a visit to the British post office and to the success of the operation of the telegraph system by the postal service of that country, and inquires:

"Is it not time for us to renew the inquiry whether it is wise to leave this important instrument of correspondence in charge of corporations whose primary object is gain to the managers and stockholders and the convenience of the public secondary only?"

Postmaster General Howe in his report for 1882 refers to the consideration which was given in the past to the question by the Postmaster General and committees of Congress, who have urged that the Post Office Department should take exclusive possession of the telegraph service, and states that he is forced to the conclusion "that the time has fully come" when the telegraph and postal services should be embraced under one management.

Postmaster General Gresham in his report for 1883 presents the legal phase of the subject, and concludes that Congress has constitutional power to assume control of the telegraph either by acquisition and operation of existing lines or the construction of lines which would operate in competition with existing companies.

Postmaster General Wanamaker in his annual reports for 1889, 1890, 1891, and 1892 strongly urged the operation of the telegraph lines as a part of the postal system by contract or otherwise, and forcibly presented his views as to the benefits and economies to the public by such unification and operation of the two systems, and in his reports for 1891 and 1892 he also recommended the utilization of the telephone systems as a part of the Postal Service.

Postmaster General Payne in his report of 1903 recommended an appropriation by Congress for the purpose of enabling the Postmaster General to investigate the propriety of extending the privileges of special delivery of letters or the contents thereof by means of the telephone.

Postmaster General Cortelyou, in his report of 1906 referred to departmental investigations to be had to determine the feasibility of the adoption of many important policies of administration, including the postal telegraph and telephone.

Postmaster General Hitchcock in his annual report of 1911 strongly urged that the telegraph lines be made part of the Postal Service and operated in conjunction with the mail service, as is done in practically all of the European countries, including Great Britain, France, Italy, Russia, Austria, and Germany.

The present Postmaster General in his annual report for 1913 and subsequent reports has urged the Government ownership of both the telegraph and the telephone systems and their operation in connection with the Postal Service.

More than 70 bills have been introduced in Congress since 1871 to secure legislation for the purchase or control by the Government of the telegraph lines, and more than a score of these bills have been reported favorably by Senate or House committees.

The purchase, lease, or other forms of control of the telegraph and telephone have been advocated by many Senators and Representatives, and public men such as Henry Clay, Charles Sumner, Hannibal Hamlin, President Grant, Senators Edmunds, Dawes, Chandler, nearly all of the Postmasters General since the Civil War, as well as by leading publicists and economists of the country, regardless of party or factional alignments, and there is absolutely no reason why the question should be made a political one at this time.

The telegraph and telephone systems are now being operated by the Postmaster General for the duration of the war. Awards have been made for compensation, or compensation agreed upon, with the leading telegraph and telephone companies, and the properties are now being operated as one system. An opportunity is thus presented to demonstrate the advantages or disadvantages to the public of the joint operation of the telegraph and telephone systems and the Postal Service, which has been so strongly urged upon Congress in one form or another for over 75 years.

The present control will, under existing law, cease upon the proclamation of the President of the ratification of the terms of peace. Many of the independent telephone companies could not take back the properties without serious loss to the investors and great detriment to the service. I find that many of these companies were operating at a loss, due to the waste incident to competition and delivery of State regulation, and that, owing to the failure to set aside proper depreciation funds, many of the properties were rapidly drifting into a condition where they could not give proper public service and had been operating under such conditions that new capital could not be provided for renewals; in fact, some of the larger companies are losing hundreds of thousands of dollars a year in some States in operating the properties under the abnormal conditions which have existed during the present war. The interest of the public, the investors, and the maintenance of the properties all require that the telegraph and telephone properties should not be returned to the owners in the present situation of affairs.

One of the objections advanced against Government ownership of the telegraph and telephone systems is that the party in power would be able to make use of the private information contained in telegraph and telephone messages, passing over the lines, for political purposes. In this connection your attention is called to the fact that the act of Congress approved October 29 last provides heavy penalties for divulging the contents of any telegraph or telephone message. In fact, this law throws around telegraph and telephone messages all of the safeguards

as to privacy that previously existed with respect to sealed communications passing through the mails.

Some such legislations as the pending joint resolution would seem to be imperative in view of the facts stated.

Very truly, yours,

A. S. BURLESON,
Postmaster General.

PERSONNEL OF COAST GUARD.

The next bill on the Calendar for Unanimous Consent was the bill (H. R. 6979) to regulate the personnel of the Coast Guard.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, at the request of the gentleman who reported the bill, who is unavoidably absent from the city to-day, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. FOSTER. That is to go to the foot of the calendar?

The SPEAKER pro tempore. To go to the foot of the calendar?

Mr. STAFFORD. Yes.

There was no objection.

MINING ON INDIAN RESERVATIONS.

The next business on the Calendar for Unanimous Consent was the bill (S. 385) to authorize mining for metalliferous minerals on Indian reservations.

The SPEAKER pro tempore. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the bill may remain on the calendar.

Mr. FOSTER. At the foot of the calendar.

The SPEAKER pro tempore. The gentleman from Wyoming asks unanimous consent that the bill remain on the calendar, to go to the foot thereof. Is there objection?

There was no objection.

TO PERMIT THE GOVERNMENT TO USED SEIZED OPIUM, ETC.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 9830) providing for the disposition of opium, its salts and derivatives, coca leaves, their salts and derivatives, and any other drugs seized by the United States Government in the enforcement of the provisions of the act of October 1, 1890, as amended by the acts of March 3, 1897, February 9, 1909, and January 17, 1914, or the act of December 17, 1914.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand this has been incorporated in the war-revenue act in the Senate——

Mr. FOSTER. I do not know; not this.

Mr. STAFFORD. When this bill was last brought up on the Unanimous Consent Calendar, if my memory serves me right, the gentleman from Illinois, who introduced the bill and made the report, requested that the bill be passed over without prejudice, and I ask unanimous consent, in his absence, that the bill be passed over without prejudice.

Mr. FOSTER. I have sent for the chairman of the Committee on Ways and Means. The chairman of the committee will be here in just a moment.

Mr. STAFFORD. I ask unanimous consent that the bill be passed over temporarily to be taken up when the gentleman from North Carolina comes in the Chamber.

Mr. FOSTER. It is a pretty important bill.

Mr. WALSH. Why should not the gentleman from Illinois [Mr. HENRY T. RAINEY] also be present, who introduced the bill and made the report?

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that the bill be passed over temporarily. Is there objection?

Mr. FOSTER. This is to be just temporary?

The SPEAKER pro tempore. That is the announcement the Chair made. Is there objection?

Mr. WALSH. What is the gentleman's request?

The SPEAKER pro tempore. That the bill be passed over temporarily. Is there objection? [After a pause.] The Chair hears none.

EXEMPTING WRECKING VESSELS FROM THE PROVISIONS OF THE SEAMEN'S ACT.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 11408) to amend section 4516 of the Revised Statutes of the United States, as amended by sections 1 and 2 of an act entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea," approved March 4, 1915.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object——

Mr. MANN. Let us have the bill reported.

The Clerk read as follows:

Be it enacted, etc., That section 4516 of the Revised Statutes of the United States, as amended by sections 1 and 2 of an "Act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea," approved March 4, 1915, be amended by striking out the period at the end of said sections 1 and 2 and adding the following words: "or wrecking vessels."

The committee amendments were read, as follows:

Page 1, line 4, strike out the word "sections" and insert the word "section."

Page 1, line 5, strike out the words "and two," and after the word "of" strike out the word "an" and insert the words "the act entitled 'an.'"

Page 2, line 5, after the word "fifteen," strike out the word "be" and insert "and section 2 of said act of March 4, 1915, are hereby."

Page 2, line 6, after the word "by," strike out the words "striking out" and insert the words "inserting before."

Page 2, line 7, after the word "of," insert the words "each of."

Page 8, after the word "sections," strike out the words "1 and 2 and adding," and amend the title.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to inquire of some member of the committee what are the provisions of sections 1 and 2 from which this bill seeks to relieve wrecking vessels?

Mr. HARDY. The gentleman from Missouri [Mr. ALEXANDER] will explain, if necessary, more at length, but I will simply say this: In the original enactment of the seamen's bill there was a requirement for certain watch officers on board the different vessels and there were exceptions to it. For instance, in the provision yachts were excepted and fishing vessels, but it was overlooked that there was not any need for different watches on board a wrecking vessel, which is stationary in the main, and when this was called to the attention of the committee, that we had required different watches on wrecking vessels, they immediately and unanimously added an exemption which also extended to wrecking vessels.

Mr. STAFFORD. Do I understand from the gentleman's statement that sections 1 and 2 merely relate to watches on board vessels?

Mr. HARDY. This provision, as I remember it, adds wrecking vessels to the exemption in reference to watches. There is no objection to it by anybody.

Mr. STAFFORD. These wrecking vessels see service on the high seas, and it is very necessary they should come under the scope of certain provisions of the seamen's law.

Mr. ALEXANDER. The seamen's act provides for the crewing of vessels and is quite rigid in its requirements. Now, in view of the fact that wrecking vessels are only navigated when going from one wreck to another, and for a greater part of the time are stationary while they are engaged in the wrecking business, it will be a very great hardship for them to be manned under the standards of the seamen's act. The law gives to the steamboat inspectors the power to determine what a sufficient manning of wrecking vessels may be for their safe navigation, just like on yachts and fishing vessels, and it gives them great discretion.

Mr. STAFFORD. The vessels will be relieved from the absolute requirement as to the number of watches and number of seamen, but leaves it to the discretion of the Secretary of Commerce to determine what should be the proper complement of men?

Mr. ALEXANDER. Yes; that is it. As it is, it is a very great hardship.

Mr. STAFFORD. I withdraw the reservation of the point of order.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The question is on the committee amendments.

The question was taken, and the committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

The title was amended to read as follows: "A bill to amend section 4516 of the Revised Statutes of the United States and section 2 of an act entitled 'An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea,' approved March 4, 1915."

On motion of Mr. FORDNEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. FIELDS. Mr. Speaker, I ask unanimous consent that roll call No. 13, which was the roll call last had, be vacated.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent that the last roll call, No. 13, be vacated.

Mr. DONOVAN. Mr. Speaker, reserving the right to object, the gentleman from South Carolina [Mr. RAGSDALE] was interested in that. He has stepped from the Chamber a moment. I shall object until his return and see whether he wishes it done or not.

The SPEAKER pro tempore. Objection is made. The Clerk will report the next bill.

EXTENSION OF REMARKS.

Mr. DOWELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the bill (H. R. 13366) relative to uniforms and equipment of soldiers and sailors.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

GOVERNMENT USE OF SEIZED OPIUM.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to return to the bill H. R. 9830, which was passed over temporarily a moment ago.

The SPEAKER pro tempore. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 9830) providing for the disposition of opium, its salts and derivatives, coca leaves, their salts and derivatives, and any other drugs seized by the United States Government in the enforcement of the provisions of the act of October 1, 1890, as amended by the acts of March 3, 1897, February 9, 1909, and January 17, 1914, or the act of December 17, 1914.

Mr. KITCHIN. Let the Clerk read the bill.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That all opium, its salts, derivatives, and compounds, and coca leaves, salts, derivatives, and compounds thereof, which may now be under seizure or which may hereafter be seized by the United States Government from any person or persons charged with any violation of the act of October 1, 1890, as amended by the acts of March 3, 1897, February 9, 1909, and January 17, 1914, or the act of December 17, 1914, shall, upon conviction of the person or persons from whom seized, be confiscated by and forfeited to the United States; and the Secretary of the Treasury is hereby authorized to deliver for medical or scientific purposes to any department, bureau, or other agency of the United States Government, upon proper application therefor under such regulation as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, any of the drugs so seized, confiscated, and forfeited to the United States.

The provisions of this act shall also apply to any of the aforesaid drugs seized or coming into the possession of the United States in the enforcement of any of the above-mentioned acts where the owner or owners thereof are unknown. None of the aforesaid drugs coming into possession of the United States under the operation of said acts, or the provisions of this act, shall be destroyed without certification by a committee appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, that they are of no value for medical or scientific purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The bill is on the Union Calendar.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request made by the gentleman from North Carolina that the bill be considered in the House as in the Committee of the Whole? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, will the gentleman from North Carolina yield for a question?

Mr. KITCHIN. I will.

Mr. MANN. How much of this stuff is now on hand?

Mr. KITCHIN. About $100,000 worth on the date this bill was reported out.

Mr. MANN. How rapidly does it accumulate and how long a time does that represent? Does the gentleman know?

Mr. KITCHIN. I really do not know. I think most of it must have been seized since the act passed in 1914.

Mr. MANN. Well, I supposed there was a considerable amount seized on importations at different times. What has been done with that under the law?

Mr. KITCHIN. It is in the hands of the agents of the Government. The smoking opium, that which is seized mostly from importation, under the law, they can sell to the highest bidder, and that was disposed of and the money, of course, turned into the Treasury.

Mr. MANN. Is the gentleman sure that smoking opium is sold? I think it is not.

Mr. KITCHIN. Yes. Smoking opium was authorized to be sold to the highest bidder; but other opium, coca leaves, their salts and derivatives, could not be sold, and, of course, had to be held by the Government, either by the customhouse officials or, if the offenders were convicted, by the Department of Justice.

Mr. MANN. The gentleman states that smoking opium seized is sold. That was not my impression. I may be wrong about it. I had a good deal to do with the passage of the original act to prohibit the importation of smoking opium. I must say I can not see we are so much better off if a man can import smoking opium, then have it seized by the Government, and then buy it on a sale by the Government. We get the smoking opium and the evils of smoking opium. That was what we were seeking to abolish—the smoking.

Mr. KITCHIN. Now, we are seeking to turn it all over and not sell it to the highest bidder. Turn it over to the department for medical and scientific purposes, under such rules and regulations as the International Revenue Commissioner may decide.

Mr. MANN. My recollection is, athough it is somewhat hazy, perhaps, that the scientists connected with the Government when we passed the original law practically stated that smoking opium was of no value for any scientific purpose.

Mr. KITCHIN. Well, it may not be; but it would be turned over for some purpose and not get into the hands of the public for smoking.

Mr. MANN. Clearly it ought not to be sold.

Mr. WALSH. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. WALSH. Is there any particular urgency for the passage of this measure in order that some of these drugs may be destroyed or turned over to the Government?

Mr. KITCHIN. I did not catch the first part of the question.

Mr. WALSH. Is there any particular urgency for passing this in order to take over these drugs that have been accumulating?

Mr. KITCHIN. No particular urgency, except some of the bureaus desire it for scientific purposes.

Mr. WALSH. As the gentleman probably knows, we passed a bill here several months ago very similar to this, almost similar, except it was to take care of intoxicating liquors that have been accumulating, and the Government is having great difficulty in finding storage place for it, and it is filling up warehouses and having to hire buildings, and it was represented that was a particular urgency. The bill passed the House and is still slumbering. I wondered if the same method was to be pursued.

Mr. KITCHIN. I assure the gentleman that we will not have to build houses to take care of the seized opium. The Secretary of the Treasury recommends this. But there is no reason why we should not pass it, because every Member recognizes the fact that this seized and confiscated opium and coca leaves, and their salts and derivatives, ought to be disposed of by the Government in the way pointed out by this bill; that is, turn it over to the Government hospitals or to some bureau for scientific purposes. I understand the hospitals are in need of a great deal of this stuff that has been seized.

Mr. WALSH. I would like to know whether the prosecutions for violation of these acts are under the jurisdiction of the Attorney General or are they under the Treasury Department? Who prosecutes them? The Department of Justice?

Mr. KITCHIN. The Department of Justice prosecutes. The Treasury hunts up the cases, gets up the evidence, and makes the seizures.

Mr. WALSH. It seems to me if the Department of Justice prosecutes the violation of this act they would be the ones that would deliver the property to these institutions, and that regulations in connection with its transfer should be made by the Department of Justice and the Attorney General rather than by the Commissioner of Internal Revenue. I wondered whether there was any particular reason for taking it out of the Attorney General's hands after the convictions had been secured. This provides that after it is seized it shall be turned over to the department under the rules and regulations of the Internal-Revenue Commissioner. I suppose after it is seized there will have to be some convictions had?

Mr. KITCHIN. Yes.

Mr. WALSH. Now, after conviction is secured you put the matter out of the Attorney General's hands and turn it back to the Secretary of the Treasury.

Mr. KITCHIN. The Attorney General would turn it over to the Internal-Revenue Commissioner's office or dispose of it according to the rules and regulations that are prescribed.

Mr. WALSH. I suppose there will not be any conflict, but it seems to me that where a law officer of the Government takes charge of the prosecution of these cases, the violation of the internal-revenue laws or the use of these drugs, he ought to be the proper official to dispose of it. It would be in his custody during the trial of the case and under his control.

Mr. HENRY T. RAINEY. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield.

Mr. HENRY T. RAINEY. I will say to the gentleman that this opium and these derivatives are in the possession now of the Internal Revenue Department. The Attorney General's Department never gets it at all. This is taken away from the bootleggers in the red-light sections of cities and from illicit dealers everywhere. They have an immense amount of it; $100,000 worth, or even more than that much, has been taken since this bill was introduced. The amount is constantly increasing. The business of the Department of Justice is to convict these bootleggers when it can. After they are convicted there is not any provision of law under which these opiates can be disposed of at all. They are left in the hands of the Treasury Department.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. HENRY T. RAINEY. Yes.

Mr. NORTON. In cases where these opiates or derivative salts are taken and no conviction is secured, although the opium and salts are retained by the Government, what disposition is made of them?

Mr. HENRY T. RAINEY. They ought not to be returned unless it can be shown they are in possession of them legitimately.

Mr. NORTON. I have in mind the fact that opium can be taken oftentimes by the Government and no claimant appears for it.

Mr. HENRY T. RAINEY. The Government ought to be authorized to dispose of it. There is a demand for every bit of it in our Red Cross hospitals at this moment. They are anxious to get it.

Mr. WALSH. I know that the gentleman from Illinois is very familiar with the provisions of the bill, because he introduced it and filed the report on it. He will notice that it is only upon conviction of the persons from whom it is received that this property is confiscated, and, of course, in order to secure conviction it is necessary for the law officers of the Government to prosecute the cases.

Mr. HENRY T. RAINEY. Yes.

Mr. WALSH. And in their prosecution of the cases they must have control and possession of the drugs upon which the prosecution is based.

Mr. HENRY T. RAINEY. They do not bring it into court.

Mr. WALSH. They can not convict them without bringing it into court.

Mr. HENRY T. RAINEY. If they take a chest of these drugs they do not have to bring the entire material into court. They can make proof and secure conviction. Under the laws as they now have them, they have extreme difficulty in convicting anybody.

Mr. WALSH. But it seems they should do in this as it is proposed to be done in the case of intoxicating liquors seized in violation of the Kenyon law and the Reed law.

Mr. HENRY T. RAINEY. Yes.

Mr. WALSH. So that the Attorney General or the district attorney should turn over this property which is the basis of the prosecution and not turn it back to the internal revenue collector or to the Secretary of the Treasury, because it was not seized for failure to pay customs duties or anything of that sort.

Mr. HENRY T. RAINEY. I will say to the gentleman from Massachusetts that the entire administration of the narcotic laws is in a terrific state of confusion. The laws are insufficient and have been held insufficient by the courts in very material parts. This bill is needed as a sort of makeshift to quickly reach the opium now on hand, in order that it may be disposed of and get it into the hands of the hospitals, where it will do some good. I did not draw this bill. I do not have any particular pride of authorship in it.

Mr. WALSH. It looks as if it were drawn in the department.

Mr. HENRY T. RAINEY. It was drawn in the department, and it meets the approval of the internal-revenue officers, as well as the legal department. We are trying to amend the entire body of laws relating to the subject.

Mr. WALSH. I do not raise any objection to the passage of the bill, but in order to have a uniform practice I think it would be better to have a uniform procedure.

Mr. HENRY T. RAINEY. The entire subject ought to be rewritten. All of these laws ought to be rewritten, and they will be.

Mr. WALSH. I have no objection.

Mr. KITCHIN. Question, Mr. Speaker.

The SPEAKER pro tempore (Mr. ALEXANDER). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. KITCHIN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

OLD CUSTOMHOUSE AT KENNEBUNK PORT, ME.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 4283) authorizing the donation of land and building at Kennebunk Port, Me., known as the old customhouse, to the town of Kennebunk Port, Me.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. STAFFORD. I object.

The SPEAKER pro tempore. The gentleman from Wisconsin objects.

Mr. HERSEY. Mr. Speaker, I want to ask, in the absence of my colleague from Maine [Mr. GOODALL], who introduced the bill, which was referred to the Committee on Buildings and Grounds, that the bill be passed over by unanimous consent without prejudice.

Mr. STAFFORD. The gentleman from Maine [Mr. GOODALL], who introduced this bill, has been very energetic not only in securing the consideration of the bill in the committee but in the House, and he called upon me last night in connection with the merits of the bill. If his colleague makes this request I have no objection.

Mr. HERSEY. My colleague from Maine has been unable to be present to-day, and he asks that the bill be put at the foot of the calendar without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

DISTRICT ATTORNEY OF RHODE ISLAND.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 3563) to increase the salary of the United States district attorney for the district of Rhode Island.

The SPEAKER. Is there objection?

Mr. CRAMTON. I object.

GRANTING CERTAIN LANDS TO THE CITY OF SAN DIEGO.

Mr. KETTNER. Mr. Speaker, I move to suspend the rules and take from the Speaker's table the bill (S. 3646) and put it upon its final passage.

The SPEAKER. The gentleman from California moves to suspend the rules and take from the Speaker's table the bill (S. 3646).

Mr. MANN. Let us have the bill reported.

Mr. CRAMTON. Mr. Speaker, I reserve a point of order.

The SPEAKER. What is the gentleman's point of order?

Mr. CRAMTON. The point of order is against taking up the bill, as it is a bill that is referred to the Committee of the Whole House on the state of the Union. I have other points, but that is the particular one.

The SPEAKER. The Chair would like to hear the gentleman.

Mr. CRAMTON. Rule XXIV, paragraph 2, provides for the disposition of business on the Speaker's table. That will be found on page 394 of the House Manual, section 860.

The SPEAKER. Does the gentleman think that section applies to the suspension of the rules?

Mr. CRAMTON. Possibly not.

The SPEAKER. The Chair does not think it does.

Mr. CRAMTON. May we have the motion again reported?

The SPEAKER. The motion is to suspend the rules, take up the bill, and consider it.

Mr. CRAMTON. And the motion does not state that a similar House bill has been reported?

The SPEAKER. No; it does not state it, and it does not have to. Is that all the point that the gentleman has? The point is overruled. The Clerk will report the bill.

Mr. CRAMTON. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. That point is well taken, in all probability. [Laughter.] There is no quorum present.

Mr. KETTNER. Mr. Speaker, I move a call of the House.

The question was taken, and on a division (demanded by Mr. KETTNER and Mr. FOSTER) there were—22 ayes and 24 noes.

Mr. KETTNER. Mr. Speaker, I demand tellers.

The question of ordering tellers was taken and 25 Members arose, not a sufficient number.

Mr. CRAMTON. Mr. Speaker, I move that the House do now adjourn.

The question was taken, and on a division (demanded by Mr. STAFFORD) there were—25 ayes and 33 noes.

Mr. KETTNER. Mr. Speaker, I demand the yeas and nays on the motion to adjourn.

The yeas and nays were ordered.

The question was taken; and there were—years 65, nays 181, answered present 1, not voting 185, as follows:

YEAS—65.

Andersen	Esch	Little	Sanders, N. Y.
Bland, Ind.	Fordney	Longworth	Sanford
Bowers	Frear	Lufkin	Scott, Mich.
Browne	Fuller, Ill.	McKinley	Sells
Campbell, Kans.	Gillett	McLaughlin, Mich.	Stafford
Cannon	Green, Iowa	Magee	Sweet
Cary	Greene, Mass.	Merritt	Tilson
Chandler, N. Y.	Greene, Vt.	Mondell	Timberlake
Clark, Pa.	Hersey	Mott	Voigt
Cooper, W. Va.	Ireland	Nelson, A. P.	Volstead
Copley	Kelley, Mich.	Nichols, Mich.	Walsh
Cramton	Kraus	Parker, N. J.	Ward
Currie, Mich.	La Follette	Platt	Wood, Ind.
Dale, Vt.	LaGuardia	Purnell	Young, N. Dak.
Davis	Lampert	Ramsey	
Elliott	Langley	Ramseyer	
Ellsworth	Lehlbach	Rogers	

NAYS—181.

Alexander	Dupré	King	Schall
Almon	Dyer	Kinkaid	Sears
Ayres	Eagan	Kitchin	Shallenberger
Baer	Emerson	Lever	Sherwood
Bankhead	Evans	Linthicum	Shouse
Barnhart	Fairfield	Lobeck	Sims
Beakes	Fess	London	Sinnott
Beshlin	Fields	Lonergan	Sisson
Black	Flood	Lundeen	Slemp
Blackmon	Foss	McFadden	Sloan
Bland, Va.	Foster	McKenzie	Smith, Idaho
Blanton	French	McKeown	Smith, Mich.
Brodbeck	Gallagher	Mann	Snell
Browning	Gallivan	Mansfield	Snook
Brumbaugh	Gandy	Mapes	Steagall
Buchanan	Gard	Martin	Stephens, Miss.
Byrnes, S. C.	Garrett, Tenn.	Miller, Wash.	Stephens, Nebr.
Byrns, Tenn.	Garrett, Tex.	Moon	Sterling
Campbell, Pa.	Glynn	Moores, Ind.	Sumners
Caraway	Goodwin, Ark.	Morgan	Switzer
Church	Gordon	Norton	Taylor, Colo.
Classon	Graham, Ill.	Oldfield	Temple
Claypool	Gray, Ala.	Oliver, Ala.	Thompson
Cleary	Griest	Oliver, N. Y.	Tinkham
Coady	Hadley	Olney	Treadway
Collier	Hamilton, Mich.	Osborne	Vare
Connally, Tex.	Hamlin	O'Shaunessy	Venable
Cooper, Wis.	Harrison, Va.	Overstreet	Vestal
Crisp	Hastings	Peters	Vinson
Crosser	Haugen	Phelan	Wason
Curry, Cal.	Hawley	Polk	Watkins
Dallinger	Heflin	Porter	Watson, Va.
Darrow	Helvering	Pratt	Weaver
Davey	Hilliard	Quin	Welling
Dempsey	Hollingsworth	Ragsdale	Welty
Denton	Houston	Rainey, H. T.	Whaley
Dewalt	Huddleston	Raker	Wheeler
Dickinson	Hull, Tenn.	Rayburn	White, Me.
Dill	Igoe	Reavis	Wilson, La.
Dillon	Jacoway	Robbins	Wingo
Dixon	Johnson, Ky.	Romjue	Wright
Dominick	Juul	Rose	Young, Tex.
Donovan	Kehoe	Rouse	Zihlman
Doolittle	Kennedy, Iowa	Rubey	
Doughton	Kettner	Sanders, Ind.	
Dowell	Kincheloe	Saunders, Va.	

ANSWERED PRESENT—1.

Butler

NOT VOTING—185.

Anthony	Connelly, Kans.	Ferris	Heaton
Ashbrook	Cooper, Ohio	Fisher	Heintz
Aswell	Costello	Flynn	Helm
Austin	Cox	Focht	Hensley
Bacharach	Crago	Francis	Hicks
Barkley	Dale, N. Y.	Freeman	Holland
Bell	Decker	Fuller, Mass.	Hood
Benson	Delaney	Garland	Howard
Birch	Denison	Garner	Hull, Iowa
Booher	Dent	Godwin, N. C.	Humphreys
Borland	Dies	Good	Husted
Brand	Dooling	Goodall	Hutchinson
Britten	Doremus	Gould	James
Burnett	Drane	Graham, Pa.	Johnson, S. Dak.
Burroughs	Drukker	Gray, N. J.	Johnson, Wash.
Caldwell	Dunn	Gregg	Jones
Candler, Miss.	Eagle	Griffin	Kahn
Cantrill	Edmonds	Hamill	Kearns
Carew	Elston	Hamilton, N. Y.	Keating
Carlin	Essen	Hardy	Kelly, Pa.
Carter, Mass.	Estopinal	Harrison, Miss.	Kennedy, R. I.
Carter, Okla.	Fairchild, B. L.	Haskell	Key, Ohio
Chandler, Okla.	Fairchild, G. W.	Hayden	Kiess, Pa.
Clark, Fla.	Farr	Hayes	Knutson
Kreider	Mudd	Rucker	Tague
Larsen	Neely	Russell	Taylor, Ark.
Lazaro	Nelson, J. M.	Sabath	Templeton
Lea, Cal.	Nicholls, S. C.	Sanders, La.	Thomas
Lee, Ga.	Nolan	Scott, Iowa	Tillman
Lesher	Overmyer	Scott, Pa.	Towner
Littlepage	Padgett	Scully	Van Dyke
Lunn	Paige	Shackleford	Waldow
McAndrews	Park	Sherley	Walker
McArthur	Parker, N. Y.	Siegel	Walton
McClintic	Pou	Slayden	Watson, Pa.
McCormick	Powers	Small	Webb
McCulloch	Price	Smith, C. B.	White, Ohio
McLaughlin, Pa.	Rainey, J. W.	Smith, T. F.	Williams
McLemore	Randall	Snyder	Wilson, Ill.
Madden	Rankin	Stedman	Wilson, Tex.
Maher	Reed	Steele	Winslow
Mason	Riordan	Steenerson	Wise
Mays	Roberts	Stevenson	Woods, Iowa
Miller, Minn.	Robinson	Stiness	Woodyard
Montague	Rodenberg	Strong	
Moore, Pa.	Rowe	Sullivan	
Morin	Rowland	Swift	

So the House refused to adjourn.

The following additional pairs were announced:

Mr. HENSLEY with Mr. WOODYARD.

Mr. STEELE with Mr. BUTLER.

Mr. ESTOPINAL with Mr. GOOD.

Mr. SULLIVAN with Mr. GOODALL.

The result of the vote was announced as above recorded.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3646. An act to grant rights of way over Government lands for reservoir purposes for the conservation and storage of water to be used by the city of San Diego, Cal., and adjacent communities; to the Committee on Public Lands.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, the gentleman from California [Mr. KETTNER], who makes the motion to suspend the rules, because of some misunderstanding, feels that the bill would better go over to some other day. I move, therefore, that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until to-morrow, Tuesday, December 17, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of Agriculture, transmitting a detailed statement of expenditures of the Department of Agriculture for the fiscal year ended June 30, 1918 (H. Doc. No. 1590); to the Committee on Expenditures in the Department of Agriculture and ordered to be printed.

2. A letter from the Secretary of War, transmitting preliminary examination of St. Lawrence River from Lake Ontario to the Canadian border (H. Doc. No. 1591); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Columbia River between Carrolls and Stella, Wash., and the Cowlitz River below Ostrander, Wash. (H. Doc. No. 1592); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

4. A letter from the Secretary of the Navy, transmitting statements of expenditures under the contingent appropriations for the Navy Department for the fiscal year ended June 30, 1918 (H. Doc. No. 1593); to the Committee on Expenditures in the Navy Department and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ROGERS: A bill (H. R. 13401) authorizing the Secretary of War to donate to the town of Lowell, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13402) authorizing the Secretary of War to donate to the town of Hudson, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13403) to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States; to the Committee on Military Affairs.

By Mr. KIESS of Pennsylvania: A bill (H. R. 13404) authorizing the Secretary of War to donate one condemned cannon to the town of Renovo, Pa.; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 13405) tendering the thanks of Congress to Gen. John J. Pershing, United States Army, and to the officers and men under his command; to the Committee on Military Affairs.

By Mr. HUDDLESTON: A bill (H. R. 13413) for the relief of discharged soldiers; to the Committee on Military Affairs.

Also, a bill (H. R. 13414) for the relief of discharged sailors; to the Committee on Naval Affairs.

By Mr. WINGO: A resolution (H. Res. 479) for the consideration of Senate bill 3220; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS: A bill (H. R. 13406) granting a pension to Frederick F. Yahnke; to the Committee on Pensions.

Also, a bill (H. R. 13407) granting a pension to Mary A. Johnson; to the Committee on Pensions.

By Mr. ESCH: A bill (H. R. 13408) granting an increase of pension to Clark Sturdevant; to the Committee on Invalid Pensions.

By Mr. KINKAID: A bill (H. R. 13409) granting a pension to Frank Swartz; to the Committee on Pensions.

By Mr. PURNELL: A bill (H. R. 13410) granting an increase of pension to Jesse C. Barker; to the Committee on Invalid Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 13411) granting an increase of pension to Henry Lang; to the Committee on Invalid Pensions.

By Mr. SHOUSE: A bill (H. R. 13412) granting an increase of pension to Edward F. Duke; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Petition of American Radio Relay League, protesting against House bill 13159 and Senate bill 5306; to the Committee on Merchant Marine and Fisheries.

Also, petition of Badger Talking Machine Co., of Milwaukee, Wis., protesting against sections 900, 909, and 910 of the pending revenue bill (H. R. 12863); to the Committee on Ways and Means.

Also, resolution of the executive board of Wisconsin Woman's Suffrage Association, held in Milwaukee December 6, 1918, favoring the measure introduced by Senator HOKE SMITH, creating a national department of education; to the Committee on Education.

Also, resolutions of the Optimist Club of Milwaukee, indorsing the flag bill introduced by Congressman OSBORNE; to the Committee on the Judiciary.

By Mr. DALE of New York: Resolutions of Boston Committee for a Democratic Peace, supporting the policy toward Russia announced by the President of the United States and adopted by interallied conference at Versailles; to the Committee on Foreign Affairs.

By Mr. DALE of Vermont: Petition of the Women's Club of Barre, Vt., favoring the passage of the bill to enable osteopaths to qualify for service in the Army; to the Committee on Military Affairs.

By Mr. DALLINGER: Resolution favoring league of nations; to the Committee on Foreign Affairs.

Also, petition protesting against the Alexander bill (H. R. 13159); to the Committee on the Merchant Marine and Fisheries.

By Mr. ESCH: Resolutions of Boston Committee for a Democratic Peace, supporting the policy toward Russia announced by the President of the United States and adopted by interallied conference at Versailles; to the Committee on Foreign Affairs.

By Mr. FULLER of Illinois: Petition of L. H. Schafer & Co., of Chicago, protesting against the proposed tax on sales of jewelry; to the Committee on Ways and Means.

Also, petition of Mrs. Mary B. Page, director of Chicago Kindergarten Institute, for Senate bill 4987, to create a Federal Department of Education with a Secretary of Education; to the Committee on Education.

By Mr. KENNEDY of Rhode Island: Petition of manufacturers of Italian cigars, relating to special tax of 1919 to be levied on manufactured Italian cigars; to the Committee on Ways and Means.

By Mr. SNOOK: Resolutions of the Ohio Society, Sons of the Revolution, favoring legislation against Anarchy and for the deportation of alien enemies; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, *December 17, 1918.*

(Legislative day of Sunday, December 15, 1918.)

The Senate met at 12 o'clock noon, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Baird	Jones, N. Mex.	Page	Smith, S. C.
Bankhead	Jones, Wash.	Penrose	Smoot
Beckham	Kendrick	Pittman	Spencer
Calder	Kenyon	Poindexter	Sutherland
Colt	Kirby	Pollock	Swanson
Culberson	Knox	Pomerene	Thomas
Curtis	La Follette	Ransdell	Thompson
Dillingham	McCumber	Reed	Trammell
Fletcher	McKellar	Robinson	Vardaman
France	McLean	Saulsbury	Walsh
Frelinghuysen	Martin, Ky.	Shafroth	Warren
Gay	Martin, Va.	Sheppard	Watson
Gronna	Moses	Sherman	Weeks
Harding	Myers	Simmons	Williams
Hardwick	New	Smith, Ariz.	
Henderson	Norris	Smith, Ga.	
Johnson, S. Dak.	Nugent	Smith, Md.	

Mr. MCKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. FRANCE. I desire to announce the absence of the junior Senator from Maine [Mr. FERNALD] on official business of the Senate.

Mr. THOMAS. I was requested to announce that Senators OVERMAN, NELSON, KING, STERLING, and WOLCOTT are absent on official business. I desire also to announce that the Senator from Rhode Island [Mr. GERRY] is detained on important public business.

Mr. SUTHERLAND. I wish to announce that my colleague, the Senator from West Virginia [Mr. GOFF] is absent on account of illness.

The PRESIDENT pro tempore. Sixty-five Senators have answered to their names. There is a quorum present.

SENATOR FROM MASSACHUSETTS.

The PRESIDENT pro tempore. The Chair lays before the Senate the credentials of Senator Elect WALSH, of Massachusetts, which, without objection, will be read and placed on file.

The Secretary read the credentials, as follows:

THE COMMONWEALTH OF MASSACHUSETTS.

To the PRESIDENT OF THE SENATE OF THE UNTIED STATES, greeting:

This is to certify that, on the 5th day of November in the year of our Lord 1918, DAVID I. WALSH was duly chosen by the qualified voters of said Commonwealth a Senator to represent said Commonwealth of Massachusetts in the Senate of the United States for the term of six years commencing on the 4th day of March, A. D. 1919.

Witness, His Excellency Samuel W. McCall, our governor, and our great seal hereunto affixed at Boston this 11th day of December in the year of our Lord 1918, and of the Independence of the United States of America the one hundred and forty-third.

SAMUEL W. MCCALL.

By his excellency the governor:
[SEAL.]

HUBERT H. BOYNTON,
Deputy and Acting Secretary of the Commonwealth.

The PRESIDENT pro tempore. Without objection, the credentials will be filed.

SENATOR FROM OREGON.

Mr. WARREN. Mr. President, I present the credentials of Hon. CHARLES L. MCNARY, appointed by the governor of the State of Oregon a Senator from that State to serve until his successor shall have been elected and qualified.

The PRESIDENT pro tempore. The Secretary will read the credentials.

The credentials were read, as follows:

STATE OF OREGON.

To all to whom these presents shall come, greeting:

Know ye that, reposing special trust and confidence in the capacity, integrity, and fidelity of CHARLES L. MCNARY, a citizen of Salem, Marion County, Oreg.; and whereas F. W. MULKEY, United States Senator in Congress for the State of Oregon, has resigned and his resignation has been accepted, to take effect December 17, 1918, thereby creating a vacancy:

Now, therefore, I, James Withycombe, governor of the State of Oregon, do, in the name and by authority of said State, by these presents appoint and commission him, the said CHARLES L. MCNARY, United States Senator in Congress for the State of Oregon, to serve until his successor shall have been elected and qualified, in accordance with the Constitution and laws of the United States and the provisions of chapter 48 of the General Laws of Oregon for 1915, said appointment to become effective December 17, 1918, the date of the resignation of Senator F. W. MULKEY.

In testimony whereof I have hereunto caused the seal of the State to be affixed at the city of Salem this 12th day of December, A. D. 1918.

JAMES WITHYCOMBE,
Governor.

By the governor:
[SEAL.]

BEN. W. OLCOTT,
Secretary of State.

Mr. WARREN. The Senator appointed is present and is ready to take the oath of office.

The PRESIDENT pro tempore. The Senator appointed will present himself at the desk and the oath will be administered to him.

Mr. MCNARY was escorted to the Vice President's desk by Mr. WARREN, and the oath prescribed by law having been administered to him he took his seat in the Senate.

EXPENDITURES IN DEPARTMENT OF AGRICULTURE.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a detailed statement of expenditures of the Department of Agriculture for the fiscal year ended June 30, 1918, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

SHIP CONSTRUCTION.

The PRESIDENT pro tempore laid before the Senate a communication from the acting chairman of the United States Shipping Board, transmitting, in response to a resolution of November 21, 1918, information relative to existing contracts for ship construction, the cost of such construction, in both private and Government shipyards, etc., which, with the accompanying papers, was referred to the Committee on Commerce.

EMERGENCY FLEET CORPORATION.

The PRESIDENT pro tempore laid before the Senate a communication from the vice president of the United States Shipping Board Emergency Fleet Corporation, transmitting a report containing an account of the operations of the United States Shipping Board Emergency Fleet Corporation, under the act approved March 1, 1918, empowering that corporation to purchase, lease, requisition, or otherwise acquire lands, houses, and buildings for housing purposes in connection with shipyards, which, with the accompanying paper, was referred to the Committee on Commerce.

THE COAL SITUATION.

The PRESIDENT pro tempore laid before the Senate a communication from the assistant director of the fuel administration for the District of Columbia, transmitting, in response to a resolution of the 14th instant, certain information relative to the price paid for storing coal in bins in the District of Columbia, which, with the accompanying paper, was ordered to lie on the table.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that Mr. LA FOLLETTE, of Washington, had been appointed a conferee on the part of the House on the bill (S. 1419) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, and to provide for the improvement and development of waterways for the uses of interstate and foreign commerce, in the place of Mr. SINNOTT.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 357. An act conferring jurisdiction upon the Court of Claims to hear, consider, and determine certain claims of the Cherokee Nation against the United States;

H. R. 9830. An act providing for the disposition of opium, its salts and derivatives, coca leaves, their salts and derivatives, and any other drugs seized by the United States Government in the enforcement of the provisions of the act of October 1, 1890, as amended by the acts of March 3, 1897, February 9, 1909, and January 17, 1914, or the act of December 17, 1914;

H. R. 11408. An act to amend section 4516 of the Revised Statutes of the United States, and section 2 of an act entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea," approved March 4, 1915; and

H. R. 13366. An act permitting any person who has served in the United States Army, Navy, or Marine Corps in the present war to retain his uniform and personal equipment, and to wear the same under certain conditions.

DEPARTMENT OF EDUCATION.

Mr. TOWNSEND presented petitions of the faculty and public school of Milan; of the Central Michigan Normal School, of Mount Pleasant; of the Board of Education of Rogers; and of the Teachers' Club, of Grand Haven, all in the State of Michigan, praying for the creation of a department of education, which were referred to the Committee on Education and Labor.

ANNIE T. BRAHAM.

Mr. THOMPSON, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 385, submitted by Mr. CALDER on the 13th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Annie T. Braham, sole surviving relative of William E. Burke, late a messenger in the employ of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCKELLAR:

A bill (S. 5201) to provide relief for commissioned officers, noncommissioned officers, and enlisted persons in the Army, Navy, Marine Corps, Coast Guard, and the Army Nurse Corps; to the Committee on Military Affairs.

By Mr. RANSDELL:

A bill (S. 5202) to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers and sailors; to the Committee on Public Health and National Quarantine.

By Mr. HENDERSON:

A bill (S. 5203) to donate two guns or howitzers to the State of Nevada; to the Committee on Military Affairs.

By Mr. MCLEAN:

A bill (S. 5204) granting an increase of pension to Herman Hoffmeister (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 5205) to create regional boards of examiners to aid in the disposition of claims arising out of the present emergency and prior to November 12, 1918; to the Committee on Military Affairs.

THE REVENUE.

Mr. JOHNSON of South Dakota submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

COMMITTEE SERVICE.

Mr. WARREN. Mr. President, I send to the desk an order, and move its adoption. I will say in explanation that it covers the same committee places formerly occupied by the Senator from Oregon [Mr. MCNARY], and it assigns him to membership on the same committees.

The order was read and agreed to, as follows:

Ordered, That the Senator from Oregon [Mr. MCNARY] be assigned to membership on the Committee on Expenditures in the Department of Commerce, the Committee on Indian Affairs, the Committee on Irrigation and Reclamation of Arid Lands, the Committee on Manufactures, the Committee on Pacific Railroads, the Committee on the Philippines, the Committee on Public Health and National Quarantine, and the Committee on Public Lands.

WATERWAYS AT SEATTLE, WASH.

Mr. JONES of Washington. Mr. President, I have a supplemental report of the Board of Engineers for Rivers and Harbors with reference to the east and west waterways and the Duwamish waterway at Seattle, Wash. This report was transmitted from the office of the Chief of Engineers, War Department, pursuant to a resolution of the Committee on Commerce. The proposition is being considered in connection with the river and harbor bill, but until it is printed it is not in proper shape for consideration. The report is not lengthy, and I ask that it be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED.

H. R. 357. An act conferring jurisdiction upon the Court of Claims to hear, consider, and determine certain claims of the Cherokee Nation against the United States was read twice by its title and referred to the Committee on Indian Affairs.

H. R. 9830. An act providing for the disposition of opium, its salts and derivatives, coca leaves, their salts and deriva-

tives, and any other drugs seized by the United States Government in the enforcement of the provisions of the act of October 1, 1890, as amended by the acts of March 3, 1897, February 9, 1909, and January 17, 1914, or the act of December 17, 1914, was read twice by its title and referred to the Committee on Finance.

H. R. 11408. An act to amend section 4516 of the Revised Statutes of the United States, and section 2 of an act entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea," approved March 4, 1915, was read twice by its title and referred to the Committee on Commerce.

H. R. 13366. An act permitting any person who has served in the United States Army, Navy, or Marine Corps in the present war to retain his uniform and personal equipment, and to wear the same under certain conditions was read twice by its title and referred to the Committee on Military Affairs.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

The SECRETARY. Continuing the reading on page 10, beginning with line 19, Part II, Individuals, Normal tax. From this point in the bill all amendments were passed over down to and including line 13, on page 49.

The PRESIDENT pro tempore. This portion of the bill was passed over at the request of the senior Senator from Wisconsin [Mr. LA FOLLETTE].

The SECRETARY. The first amendment in the portion passed over will be found in line 1, page 11, where the committee proposes, after the word "tax," to strike out the comma and the words "as follows" and to insert "at the following rates."

Mr. LA FOLLETTE. Mr. President, I simply wish to state that it will be necessary for me to return to this provision of the bill, either to offer the substitute which I have prepared and upon which tables and computations are being made now and which are not completed, or to move for a reconsideration, as I may be advised is best under all considerations when the tables and computations are completed. But they are not ready at this time, and therefore I will not offer the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee. Without objection, the amendment is agreed to. The next amendment will be stated.

Mr. SIMMONS. Mr. President, before the Secretary proceeds to read further, as we have a very full Senate, I wish to make a suggestion. In order to expedite the passage of the bill before the holidays it will be necessary for us to economize time in every possible way. We are losing a great deal of time unnecessarily in calling for a quorum. When we are about to take a yea-and-nay vote it is necessary to call a quorum, or else we might not have a quorum upon the yea-and-nay vote. Therefore a quorum is called as a matter of precaution.

If Senators can not be in the Chamber during this week when we are trying to make all possible speed to bring the bill to a final vote but will try to be near the Chamber to be reached by the notice given by the ringing of the bell when a yea-and-nay vote is taken, it will save us a great deal of time that we lose now in calling for a quorum preliminarily to taking a vote.

I wanted to make that suggestion, and if Senators will act upon it I think we will save a great deal of time.

The SECRETARY. The next amendment passed over is, in section 210, on page 11, beginning with line 3, where the committee proposes to strike out all of subsections (a) and (b), in the following words:

(a) In the case of a citizen or resident of the United States 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That upon the first $4,000 of this amount the rate shall be 6 per cent;

(b) In the case of a nonresident alien, 12 per cent of the amount of the net income in excess of the credits provided in section 216.

And to insert in lieu the following:

(a) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 6 per cent;

(b) For each calendar year thereafter, 8 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 4 per cent.

Mr. JONES of New Mexico. In line 14 and in line 19, before the word "amount," I move to insert the word "excess."

The amendment to the amendment was agreed to.

Mr. PENROSE. Mr. President, to this part of the bill the minority have signed a report, with one exception, reciting their objections. That report has been filed but has never been read to the Senate. It is short, and I should like the Secretary to read it.

The PRESIDENT pro tempore. Without objection, the Secretary will read the report.

Mr. SIMMONS. Mr. President, I shall not object, if the Senator from Pennsylvania insists upon the reading of the report, but instead of raising the question now, why not let subdivision (b) of that section go over?

Mr. PENROSE. I am perfectly willing as to that, but I thought we might vote on it now.

Mr. SIMMONS. Is the Senator from Pennsylvania going to address the Senate now?

Mr. PENROSE. I am going to first have the report read.

Mr. SIMMONS. I did not understand that the Senator from Pennsylvania desired to address the Senate.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Secretary read as follows:

Mr. PENROSE (for himself, Mr. LODGE, Mr. MCCUMBER, Mr. SMOOT, Mr. TOWNSEND, and Mr. DILLINGHAM), from the Committee on Finance, submitted the following views of a minority, to accompany H. R. 12863:

The undersigned minority members of the Committee on Finance feel constrained to withhold their support from the provisions recommended by the majority, having for their purpose the arbitrary fixing of rates for taxes to be collected mainly in 1920 to the estimated extent of $4,250,000,000.

With respect to those provisions of the bill as amended by the committee, which, it is estimated, will produce $6,000,000,000 revenue for a full 12-months period, we are generally in accord. These provisions are the result of months of painstaking deliberation and are based upon as accurate and reliable expert information as it was possible to obtain through every agency, official and other. They reflect actual business, industrial, and economic conditions now believed to exist, taking into consideration the rapid transition during the year from the maximum war-needs production to the sudden cessation of hostilities and the arrest of war industry.

Difficult as was the committee's task, its conclusions as to just and proper bases of taxation upon current-year conditions were, at least, approximately definite and consonant with known facts. We, therefore, were enabled by patient consideration to apply the new and increased taxes in a way to harmonize, so far as practicable, with existing economic, financial, and industrial conditions, and at the same time to provide all the revenue that revised estimates of the Treasury Department indicated as necessary in view of the signing of the armistice, namely, $6,000,000,000, or $2,000,000,000 less than was estimated the bill carried when it came to the Senate. The fact that rapidly changing conditions, while the bill was under consideration in the Committee on Finance, enabled the committee to reduce the amount of taxes $2,000,000,000 furnishes a forcible illustration of the importance of legislating on the subject of taxation, so vital to the country, with the utmost care and in the light of ascertained conditions. It further demonstrates how unwise is the policy of haste and the anticipation of future needs at a time when radical changes in domestic and world conditions render to-day's conclusions perhaps worthless to-morrow.

We recall that it was insisted in July and August, last, that the revenue bill, not even then prepared, should become a law not later than September 28. Disaster to the fourth liberty loan was predicted and apprehension was expressed as to the inability of the Secretary of the Treasury to market short-time certificates if the bill were not on the statute books by that date. These predictions, fortunately, were unfulfilled. The Secretary experienced no difficulty in placing short-time certificates and the fourth liberty loan was oversubscribed. The country was not affected by lack of knowledge in advance as to the extent and methods of taxation, but went ahead and met each situation as it arose.

Who now will claim that Congress was not justified or lacked wisdom in deliberating upon this, the greatest of all tax bills in history? The fact alone that changed conditions made possible a reduction of $2,000,000,000 in the interest of the taxpayers justifies the care and scrutiny given the bill by those charged with the constitutional duty of framing it.

In the light, therefore, of this recent valuable experience and object lesson it would be entirely without justification to attempt to prescribe for the American people what amount of taxes they shall be called upon to pay in the year 1920. We can not fail to be impressed with the many difficulties encountered, even with every possible aid, in levying just taxes for the current year; and to undertake to project ourselves into the future, so filled with portentous changes, and arbitrarily

and rigidly to fix taxes for the year 1920 is in violation of every sound principle of legislative procedure, and economically is fallacious and unsound.

No one can foresee the full course of events which will crowd the intervening months, and no one with any degree of definiteness can estimate the Government's needs or the country's industrial prosperity. Sources of revenue not now tapped may be made to yield a just portion, thus relieving other sources from onerous taxation. Who can foresee clearly results from the readjustment and reconstruction program inevitably impending and bound to follow the return of peace? Both capital and labor are vitally interested in these readjustments and will be affected by them in a way that can not be foretold. The problem of the high cost of living is not the least of those awaiting attention, and a wise and carefully considered economic policy must be framed at the proper time with full information as to the facts. Care must be exercised not to disarrange our industrial system in a way which will render either capital or labor less employed in profitable pursuits than at the present time. A sound policy demands that no legislation shall be enacted which will suddenly or unwisely disturb values and prices. Vast governmental undertakings and agencies, made necessary by the war, must come in for a large share of consideration as to the policy to be adopted with respect to those activities in the future, thus presenting the most difficult domestic problems ever confronted by this Nation.

No program for the near or even distant future has been evolved—nothing but the merest outlines, suggestions, and preliminaries—and yet, on the threshold of these nebulous conditions, it is proposed to lay down a hard and fast scheme of taxation for the future. The only argument advanced in behalf of this extraordinary proposition to fix arbitrarily the rates of taxation in the present bill for the year 1920 is that the taxpayers are entitled to know the amount of reduction in taxes and the character of the taxes for that year. It does not seem to the minority that this argument furnishes any justification for violating the methods of orderly legislative procedure. Every taxpayer in the country knows that taxes will be reduced after this year as the inevitable result of a reduction in governmental needs following the declaration of peace. Every business man knows the next Congress can enact a revenue measure, based on accurate information as to the then existing conditions, which will reduce the burdens of taxation so far as the requirements of the Government will permit. Why, then, attempt to do so in this bill with no knowledge of future conditions and needs?

As a 1918 measure the undersigned minority members of the committee concur in the reporting of the bill, but the measure should stand essentially as a 1918 measure, and the many changes which will be necessary to adapt the tax law to conditions found to obtain in 1919, and subsequent years, should follow and be made at one time and in the light of as full information as it will be possible to obtain.

BOIES PENROSE.
H. C. LODGE.
P. J. MCCUMBER.
REED SMOOT.
CHAS. E. TOWNSEND.
WM. P. DILLINGHAM.

Mr. PENROSE. Mr. President, I perhaps conveyed a wrong impression when I stated to the Senate that this minority report was signed by all the members of the minority, with one exception. I ought to say that the minority were unanimous in dissenting from the attempt to fix the 1920 taxes in this bill. The senior Senator from Wisconsin [Mr. LA FOLLETTE] refrained from joining in the minority report because of the fact that he objected to the general plan of taxation contained in the bill, in which the other members of the minority, realizing the limitations under which the present Congress is acting, were willing in a general way to concur. I think it only fair to state this, because it shows a unanimity of protest. I desire to quote from the views filed by the senior Senator from Wisconsin, in which he says:

I concur fully with the minority report of the Committee on Finance in withholding support from the provisions recommended by the majority, having for their purpose the arbitrary fixing of rates of taxation to be collected in 1920. In the confusion and chaos resulting from the sudden termination of the war, neither the needs of the Government nor the sources of its income for 1920 can be more than wildly approximated at this time, and, in my opinion, no sound reason for this proposed legislation has ever been given.

Then he goes on to say—and it explains why he did not sign the report—

I dissent, however, from so much of the report of the minority members of the Finance Committee as concurs with the majority in proposing to raise by taxation under this bill only $6,000,000,000 or even less than that amount for the taxable year, and which in consequence permits war profits and excessive incomes to escape fair and reasonable taxation.

Then he proceeds in his report to outline his views on a scheme of taxation which would meet his approval.

Mr. President, as the Senate has now reached the point in the bill where there is a sharp divergence of opinion between the united minority and majority of the Finance Committee, I shall take advantage of the opportunity to present briefly some of my views upon the pending measure.

NO OPPOSITION TO ESSENTIAL WAR REVENUE LEGISLATION.

This bill comes up for enactment after peace has been won, a victorious peace, gained in no small part through the determination, resources, sacrifices, and valor of the people of the United States. The great financial task of our country is still, however, to meet the cost of the war, and it is as a war measure that this bill primarily is to be judged. It is because the bill is essentially a war measure that I am willing to support it, although dissenting from the special 1920 provisions, and only accepting many other provisions because I realize that the bill is, perhaps, the best that can be had under existing limitations. To raise by taxation, principally upon the incomes of the people and the industries of the country for the past year, about $6,000,000,000—nearly six times the prewar income of our country from all sources—is justified only by the staggering expenditures in the great cause, and can be sanctioned only by the patriotic spirit of our people.

The report of the majority of the Finance Committee, and the address of the Senator from North Carolina, the chairman of the committee, furnish a detailed explanation of the measure which I need not duplicate or amplify. I shall confine my remarks to a brief statement of some of the salient features, an understanding of which seems to me essential for the consideration of the bill, in its present form, by the Senate and by the country. I know the measure is far from perfect, and I also recognize the difficulties which have been encountered. Yielding to the consensus of opinion of the majority in the committee and having aided so far as I could to eliminate objectionable features, and to support a large number of amendments of great importance, which have been adopted, I trust the bill will pass at as early a date as may be consistent with full consideration and discussion. In stating this I believe I am also voicing the patriotic sentiment of the country, which recognizes the needs of the hour and is willing to make the sacrifice.

PRIMARILY A WAR MEASURE.

The pending bill primarily is a war measure. It is the largest tax bill in the history of modern countries. It reaches the highest mark of taxation, and it is hoped and expected that subsequent measures will amend errors and omissions in the present bill and will provide a steady reduction of taxes as the affairs of the country are readjusted, and retrenchment, curtailment, and economy diminish the requirements of the Government. While the war is over, it must not be imagined that expenditures can drop instantly to a peace footing. One great item of expense, the maintenance and pay of the armies in the field, must remain for some time, however rapidly the troops are brought back. We can not consider ourselves fairly upon a peace basis until peace shall have been declared and demobilization accomplished.

EXHAUSTIVE CONSIDERATION OF BILL IN COMMITTEES.

The bill has had exhaustive consideration in the committees of the House and Senate for a period extending over several months. Hearings have been had, and information has been received from official experts and from communications from taxpayers, fully reciting their views. I take this opportunity to commend the spirit of patriotism, free from any taint of partisanship, which prevailed in the Committee on Finance during the consideration of the bill. In the deliberations of this committee, which frequently, in the history of the country, has been the center of political strife waged over economic questions, only one purpose seemed to prevail, and that was to raise the taxes required for the needs of the Government by methods fair and equitable. I should also like to say that a similar spirit obtained among the taxpayers who appeared before the committee or saw the members thereof in personal interviews. I do not recall a single important case where exemption from taxation was requested for any section or industry. The single desire on the part of the taxpayers seemed to be that the taxes should be levied along lines fair, equitable, and sound from an economic point of view. Further than that no claim was raised.

TAX ADVISORY BOARD.

In the act of 1917 many glaring inconsistencies and omissions exist. A large number of these defects were cured by the rulings and constructions of the Tax Advisory Board created and supported by the Secretary of the Treasury and the Commissioner of Internal Revenue, and I take this opportunity to express my

appreciation of the invaluable work accomplished in this connection by the board. Its rulings and constructions have been sane, wise, and courageous, and have resulted, in my opinion, in preventing many disastrous results which might have followed from the act of 1917 had the board not undertaken to interpret the act on broad and equitable lines. The remarkable feature about the board has been its lack of legal power to determine finally taxes or constructions. Its power has been entirely of a recommendatory character, and I do not know of any case of importance where its decisions have been overruled. The taxpayer has had the privilege of appealing directly to the board and, on the whole, I recall few bureaus of the Treasury Department which have administered such trying and arduous duties more effectively. The board has been retained in the present bill, and it is worthy of note that it has been the deliberate purpose to refrain from bestowing any actual power upon the board beyond that of recommendation, the thought being that it can perform its duties most effectively and retain the confidence of Government officials and taxpayers more firmly by continuing its powers as purely recommendatory.

CODIFICATION OF TAX LAWS.

I have referred to the many defects in the present law which have been partially remedied by rulings of the Treasury Department, and which have been more fully and definitely corrected in the pending bill by the excellent amendments made by the Committee on Finance. I think it well to call particular attention, in passing, to a very confusing defect in the present law which has been corrected in the pending bill. I refer to the very objectionable feature of the 1917 legislation in that the income tax was left spread through two statutes. This made it difficult for the taxpayer to find out what his rights and obligations were. In the present bill these taxes have been put in a single statute. It was most confusing to the taxpayer to be confronted with this independent extension of additional taxes running all through the law of 1917, including excess-profits taxes. The present measure is a complete codification of the tax laws, so far as concerns the internal-revenue system. In other words, the existing law is now codified and reenacted with the additional increased taxes and amendments, so that the old law is, for all practical purposes, to be disregarded except in so far as the few paragraphs relating to the Tariff Commission, a protective tariff on dyestuffs, and a few other paragraphs are concerned. It is needless to say, however, that the present law will still continue to affect cases pending.

IMPORTANT TREASURY DECISIONS EMBODIED IN AMENDMENTS.

I have referred to the very excellent work done by the Tax Advisory Board in construing the present law, and I am glad to be able to say that most of the important Treasury decisions construing the present law have been embodied in amendments, while many new provisions have been made to relieve the taxpayer from discrimination and inequality. In some instances these relief provisions have been especially designed to secure maximum of production in articles considered essential in the present emergency.

Mr. SIMMONS. Mr. President, if the Senator will pardon me right in that connection, I should like to say, so that it may be understood by the Senate, that while we have made no change in the House rates in the income tax and none in the excess-profits tax and surtax, except a slight reduction in the excess-profits tax for 1919 and some modifications in the surtax schedule but slightly affecting the revenue, yet we have, through the amendments the Senator is now speaking about, very materially reduced the income of the Government from those taxes. Whatever substantial deductions have been made in the income and profits taxes for 1919 have been made through the so-called ameliorative or relief measures to which the Senator is now referring, and which were adopted by the committee in order to remove the hardships growing out of a rigid enforcement of the definition of invested capital as it is found in the present law and the pending bill.

Mr. PENROSE. Mr. President, I am glad the chairman of the committee has illuminated the subject by his interruption, because there is some misapprehension as to the character of these relief provisions. I take it that in some cases they have resulted in a reduction of revenue, and in some particular cases in a very large reduction; but such revenue has been made up elsewhere, and we were very fortunate in being confronted later on with a situation where we could reduce the revenue and still meet the requirements of the Secretary of the Treasury.

Mr. SIMMONS. And the reductions have been made in a spirit of fairness and justness to the taxpayer.

Mr. PENROSE. Yes; and, Mr. President, the fact that it reduced the revenue never was an argument, to my mind, against adopting a provision to prevent injustice or inequality, or in favor of levying a tax on one man who, perchance, has an undercapitalized concern with his good will left out, on one side of the street, and another man, with his good will capitalized at an enormous figure, on the other side of the street, one paying heavy taxes and the other going scot free. Neither has it persuaded me, Mr. President, that revenue might be lost if the amendment were adopted by which the Government would not impose a tax on the taxpayer when at the end of the year he had incurred a loss instead of a profit. The Government can devise many ways of imposing taxes without taxing the bankrupt, or without framing a tax system so full of hardship and inequality that men wonder what kind of reasoning the Congress adopted to devise such a scheme.

In fact, Mr. President, on the point suggested, the general impression prevailed in the committee that these amendments were of very great and particular importance at the present time. The taxes heretofore have been so very much lower that inequality, while it might work injustice, could perhaps be borne by the taxpayer in a war measure, but when we were confronted by the provisions of a bill raising enormous revenues by taxes higher than were ever dreamed of in this country, and considerably higher, in most instances, than those prevailing in any other country, it became very evident that it was absolutely necessary to amend the bill wherever possible by carefully prepared amendments which would meet many complicated contingencies and avoid gross inequality, inequity, and, perhaps, disastrous financial results.

DIRECT AND INDIRECT TAXATION.

Direct taxation is comparatively new in the United States. Until within the last few years, whatever fiscal policy may have prevailed in the country, the bulk of the revenue was raised from the customhouse and by certain recognized and established internal-revenue taxes, chiefly on liquor and tobacco. Later on, in 1909, the revenues were supplemented by excise taxes, followed by a small income tax in 1913. It was only in 1916 and 1917, however, that the Government of the United States undertook to raise by direct taxes—I mean taxes upon income, personal and corporate—any great portion of its revenue. Our experience with this system of taxation is therefore brief. Some assistance in solving the intricate problems which such a system involves is to be derived from England, where income taxes have been long established. No country, however, has experienced the repressive effect of rates as high as those in this bill. No European country has to meet in this field the same problems which arise in the United States. In England, for example, industries are mainly old and established. Here a large part of our essential production is carried on by new enterprises, constantly developed by the initiative of our people in the midst of the opportunities afforded in a new country. As a continuing levy anything like the present rates would operate strongly to discourage and repress that invaluable American initiative and enterprise. The repressive effect would, I am confident, cost the Government, even in revenue, far more than the additional yield of high rates. It would tend to force industries into stagnation.

Profiting, so far as we might, by the example of other countries, but, chiefly, being compelled to work out our own problems from our brief experience with direct taxes in the last few years, and after the most exhaustive study of industrial and financial conditions in this country, we have had to move slowly and steadily along firm ground where the topography was fully known. The perils of theoretical schemes of taxation had to be avoided. Attractive in theory, a little study of these propositions shows that we might be embarking upon uncharted waters. I am inclined to the conclusion that it is impossible to work out any single theory of taxation that will lead to success. I have more faith in the lessons of experience and practice than in the teachings of theory. For instance, it is urged that the schedule of miscellaneous taxes is arbitrary, and the fact is that the schedule must be acknowledged to be historical, accidental, and experimental. Taxes of this kind can not be worked out on any single, definite plan, but must proceed in the light of experience; and yet the miscellaneous taxes which we have had during the past year seem to have worked out satisfactorily and without undue hardship, and I believe that the new schedules, which have been made as moderate as possible, and in most cases below the rates imposed in the House bill, will, as temporary taxes, go equally well.

On the other hand, it has been urged that we should supersede by a single uniform and simple sales tax what has been described as a jumble of miscellaneous taxes, or, to pursue the theory to its logical conclusion, that we should adopt some kind of a turnover tax. I have yet to discover a workable plan for such a sales or turnover tax. For instance, one suggestion is that a tax of 1 per cent, levied on all sales made in this

country, would be simple and yield nearly $3,000,000,000 of revenue, but I fail to find that such a tax would be simple as alleged. In the case of some articles, for instance, which pass through several trade channels before reaching the ultimate consumer, the tax would be applied four or five times, while in the case of other articles reaching the consumer more directly from the manufacturer the tax would be added, perhaps, only once or twice.

This inequality naturally would tend to create dissatisfaction on the part of the consumers. It would also operate as a great discrimination in favor of the very large industry, comprehending several different branches within itself, as compared with the small producer, who has to make use, perhaps, of other manufacturers, jobbers, and trade channels for articles which the big concern supplies for itself. To meet these difficulties it has been suggested that the tax should be 1 per cent on sales at retail, which tax would yield about $1,000,000,000. Confining the tax to retail sales would, it is claimed, work strange discrimination. Would the farmer be required to pay this tax on his plow if he bought it from the local hardware dealer? If so, he might be discriminated against as compared with the large agricultural operator of the West, who buys perhaps 20 plows in a lot from the wholesale dealer. If, on the other hand, sales of articles used only for production, even when made at retail, are not to be taxed, and the tax is to be confined to articles used only for consumption, the tax becomes most difficult of administration and, unless put at a high rate, can not produce very much revenue. This plan for a general sales tax may have much merit and be worthy of careful future consideration, but up to the present time I have not seen any scheme concretely worked out and capable of just application.

PROPORTION OF REVENUE WHICH SHOULD BE RAISED BY LOANS AND TAXES.

In the same way it is well to avoid being beguiled by theories as to the proportion of revenue which should be raised by loans and by taxes. I have already referred to the difference in conditions prevailing among the nations immediately menaced by the war as contrasted with our conditions here. In this instance also it seems to me that the exercise of common sense, and the arrival at conclusions after a careful study of the facts, will bring better practical results than the pursuit of theories. We must look at the requirements of the Government and the condition of industry. In England the proportion of expenditures of the Government raised by taxation during the war years through 1917, including amounts loaned to foreign governments, has been estimated, I am informed, at a little over 22 per cent, while in France the proportion was smaller, being some 14 per cent. In contrast with this relation between loans and taxes it is interesting to note the similar relation disclosed in the present bill. The Secretary of the Treasury's revised estimate of actual governmental expenditures for the fiscal year ending June 30, 1919, is approximately $18,000,000,000. It is estimated that this bill will, for a full 12 months' period, yield approximately $6,000,000,000, or 33⅓ per cent of the total of this vast expenditure.

Mr. SIMMONS. Mr. President——

Mr. PENROSE. I yield to the Senator.

Mr. SIMMONS. I infer from what the Senator has already said, although he has not directly expressed himself to that effect, that in his opinion 33⅓ per cent is about as much as we ought to raise by taxation.

Mr. PENROSE. That is my opinion; and it is much larger, I was about to say, than that raised by any other country in the world.

Mr. SIMMONS. I wish to ask the Senator this question: Assuming that the expenses of the Government for 1920 will be about $7,000,000,000, in round numbers—the estimate of the department being between $6,000,000,000 and $7,000,000,000—the Senator would think that $4,000,000,000 of that amount would be ample to raise by taxation, would he not?

Mr. PENROSE. If the estimates for the following year are correct, I should be entirely satisfied with that proportion. My contention is, however, that we do not know whether those estimates are correct or what our expenses will be.

Mr. SIMMONS. Let me ask the Senator: Suppose the expenditures, instead of being what the department estimates, should be as large as the Senator from Utah [Mr. SMOOT] estimates—namely, $10,000,000,000—then would the Senator still think that $4,000,000,000 raised by taxation would be a sufficient amount?

Mr. PENROSE. If the Senator from North Carolina will wait a few moments I shall proceed to discuss what my idea is of the limit of direct taxes.

Mr. SIMMONS. I thought the Senator indicated 33⅓ per cent as his idea of the amount to be raised.

Mr. PENROSE. I do not think there is any magical figure. I was trying to show that we are levying by taxation, in relation to loans, considerably more than England and over twice as much as France. I was simply stating a fact. I hope to show as I proceed, if the Senator will permit me, what would be an answer to his question.

Mr. SIMMONS. I entirely agree with the Senator, that we are raising by taxation in this bill for the year 1920 a very much larger per cent than is raised by France or England.

Mr. NORRIS. Will the Senator yield to me for a moment?

Mr. PENROSE. I yield.

Mr. NORRIS. I should like to suggest to the Senator that the rule he lays down, however we may disagree on it, certainly would not apply to a time of peace.

Mr. PENROSE. I have not laid down any rule.

Mr. NORRIS. The Senator from North Carolina referred to 1920, a year after the war. When we are on a peace basis we will expect to raise all the money, and more, too, by taxation to run the Government.

Mr. PENROSE. I think so.

Mr. SIMMONS. That depends. It may be that we will be able to pay our war expenses during the fiscal year. Then our taxes will be comparatively very low next year, very much lower than the department has estimated and very much lower than the Senator from Utah has estimated. But if our expenditures for the year 1920 reach $10,000,000,000 or $7,000,000,000, it is clear that these amounts will greatly exceed the expenses of the Government in normal times. It is clear that in either event a large part of the expenditures will be war expenditures not paid during the war but paid after the war. The question is not when we pay them but whether when we do pay them we are paying war expenses as well as peace expenses. If we have to pay next year $10,000,000,000 nobody would say that exceeding $4,000,000,000 would be peace expenditures. The other $6,000,000,000 necessarily would be war expenses that we have not been able to pay this year and carried over to the next year. Therefore they should be dealt with just as war expenses are dealt with this year.

Mr. PENROSE. I do not think there is any substantial disagreement. I concede that the war is not over by any means, so far as expenses go.

Mr. SIMMONS. Or if it is over, if the Senator will pardon me, we will not be able to pay our war expenses this year, and they will be carried over to another year.

Mr. PENROSE. Certainly; and further than that, Mr. President, the very large item in our war expenses is the enormous cost of the pay and maintenance of 2,000,000 men in France. They can not be brought back immediately; neither can they be brought back without due regard for our responsibilities in Europe. I do not favor remaining too long in Europe and participating in their troubles there, but I am informed that the mere physical return of the troops will require six or seven months, or perhaps a year.

Mr. SIMMONS. The Senator certainly would not suggest that if our expenditures in the fiscal year 1920 are $10,000,000,000 because we have not been able to clear up our war indebtedness, we should raise that $10,000,000,000 by taxation?

Mr. PENROSE. Oh, no.

Mr. SIMMONS. Certainly not.

Mr. PENROSE. I simply wanted to call attention to the fact that these war expenses must continue this year and for another year. Some Senators sitting near me, who are conversant with the situation, say that it will take three years to bring the troops back, and that they are better paid than any soldiers in the world. We have run the war on a more expensive basis than any nation in the world, and we, of course, have these war expenses. At the same time I entirely agree with the junior Senator from Nebraska [Mr. NORRIS] that when we once get on a peace footing and war expenditures are abolished, taxes should then pay all the revenues of the Government.

Mr. SIMMONS. Undoubtedly.

Mr. PENROSE. As they always have in the history of the American Government.

Mr. SIMMONS. We ought then to cease bond issues. We ought to call upon the people to pay each year as we go after we get rid of these war expenditures. We can not afford to do it now, because if we should do it and the war expenditures carried over for future liquidation should be as great as indicated by some Senators, we would have to impose heavy war taxes upon the people of the country for years to come.

Mr. PENROSE. Mr. President, I do not think it has been amiss to have elucidated this point. I have received recently a large number of letters from people asking, "Why do we not proceed to a normal tax system?" They forget the war is not over and that demobilization has not as yet been achieved. This they ought to realize.

Mr. SIMMONS. I will interrupt the Senator just to say that I have had letters of that sort from people saying, "We are perfectly willing to pay these high taxes in time of war, but the war is over and these taxes ought to be taken off of us." That would be true provided that when the war is over we are rid of the war expenses—not expenditures that may accumulate in the future or after the war terminates, but expenses that may have accumulated or may accumulate during the war and that have not yet been met and can not be met during the fiscal year.

Mr. PENROSE. I think there are a very large number of people who have no conception of the expenditures of a war nature which the Government will have to provide long after peace shall have been declared, and I suggest this without advocating in any way a policy of prolonged and continued interference in European affairs. I simply stated that our relation of taxes to loans is one-third greater than that in England and over twice that in France to show that the American people are standing a heavier tax burden in relation to loans than any of the allied nations from whom we have any definite information.

Mr. President, reference has been made to the standard of relation between loans and taxes, and there we again want to avoid being beguiled by theories. I have already referred to the difference in conditions prevailing among the nations immediately menaced by the war as contrasted with our conditions here.

In this instance also it seems to me that the exercise of a little common sense and the arrival at conclusions after a careful study of the facts will bring better results than the pursuit of theories. We must look at the requirements of the Government and the condition of industry in England and in France, as to which I have already stated the proportions. It is evident, therefore, that the proportion of taxes to loans in the United States is over one-third greater as compared with England and over twice as large as compared with France.

I am willing to go as far as anyone in raising as much of the war expenses of the Government as possible from current revenue. I am willing to set aside the argument for the present that posterity can well afford to pay the larger part of these expenditures, which ultimately will result in such tremendous gains for our country and for civilization. Neither will I now lay stress on the fact that even the indebtedness already incurred is small as compared with the resources of the country, and certainly is not to be compared with the similar debts of the allies, not to mention the damages and losses they have suffered. Our debt even now is easily borne and managed and, in a nation which is destined in the near future to grow in power and wealth by leaps and bounds, it is reasonable to expect its liquidation at a not distant period. But apart from all these considerations, there is one insurmountable limit beyond which we can not go in the way of taxation. It would seem that the argument is unanswerable that we can not tax the individuals and industries of the country beyond the point which can be endured without stagnation or destruction. Suppose we take the extreme argument that the greater part of all incomes, personal and corporate, be appropriated by the Government to defray the expenses of the war and demobilization. But one result would inevitably follow—the absolute cessation of all extension and development of business, the complete suspension of all work involving initiative and enterprise, the utter failure of business to expand or develop, or even to maintain the necessary upkeep for the conduct of industry.

It would fail to secure revenue because industry would cease to produce income. Therefore, assuming that we are willing to levy taxes to the limit of endurance, we can go only to that limit—and we can not pass it—at which corporations can retain sufficient funds to permit them to operate and individuals can still have left enough incentive to prompt that splendid initiative and enterprise which are the chief sources of the greatness of America. I am firmly convinced that the present taxes approach that limit. I am of the opinion that if we go much further we will overreach ourselves in the very object of securing the revenue we have in mind. Perhaps these taxes can be borne in view of the fact that they are temporary in their nature. They inevitably must be lowered in the following year substantially, and it is to be hoped that in a comparatively short period a system of direct taxes can be devised, together with a scheme for the refunding and payment of our national debt, which will place our tax system upon a reasonable and enduring basis so that the country may be able to proceed, carrying its burden, it is true, but carrying it cheerfully and bravely, in the tremendous task of reconstruction and development. After all, even if the taxes are high for this year, even if sacrifices have to be made and, in numerous instances, money has to be borrowed to pay the taxes and profits have to be postponed, the American taxpayers will be inspired by the same patriotism manifested by them throughout the war in their generous response to each call for liberty loans. In their patriotism and sacrifice they have been second only to those who have given their full measure of devotion upon the field of battle.

PLAN OF TAXATION.

In discussing briefly the details of the bill I should like first to refer to the plan of taxation. This bill will, according to the estimates, raise from miscellaneous sources, principally beverages and tobacco, approximately $1,370,000,000, and from incomes approximately $4,600,000,000. The latter amount will be taken from corporate incomes estimated at $10,000,000,000, and from individual incomes subject to normal tax (account being taken of the exemptions allowed) of $4,700,000,000. When it is considered that a large part of the estimated income is not available for distribution or use as cash, but is, in a sense, paper income being tied up in inventories, plant equipment, and working capital, the weight of the tax burden imposed by this bill is apparent. The individual surtax rates attaining 65 per cent in addition to the normal tax of 12 per cent contrast with the highest figure adopted in England of slightly over 52 per cent, and with the figure of slightly over 12 per cent in France. The surtax rate of 65 per cent upon incomes of $1,000,000 or over contrasts with the surtax rate of 50 per cent upon incomes of $1,000,000 in Canada. A tax schedule which subjects any individual incomes to a total levy of 77 per cent is entirely without precedent in the history of taxation in any country. While England has had the war at her very doors, and was by way of the air actually invaded, this bill, as I understand it, exacts from the income of corporations at least as much as does the law of England, and on large individual incomes it levies the highest rates in the world.

RATES FOR FUTURE YEARS CAN NOT BE DETERMINED NOW.

The rates for future years can not be determined now. I had the report of the minority of the Finance Committee read before I began my remarks, and it is not necessary for me to go into this phase of the matter at any great length, but I should like to observe, in passing, that I do not see how it can be logically claimed that the rates for future years can be now determined. Strongly as I feel the necessity of reducing rates for the future, I do not believe that an attempt to provide for the future should be made in this bill, and the minority members practically all unite in this dissent.

Mr. SIMMONS. Mr. President, will the Senator from Pennsylvania pardon me?

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PENROSE. Yes.

Mr. SIMMONS. I have in my hand, given to me by the clerk of the Appropriations Committee of the Senate, the estimates of all the departments for the year 1920. The House Appropriations Committee has those estimates, and is now framing the bills based upon them. The proposed bills have been sent to the Committee on Appropriations of this body in advance of their action upon them. I suppose there must be some way in which the departments can determine beforehand with reasonable definiteness what would be the expenditures. Otherwise, they could not present these figures to the two bodies of Congress as the basis of appropriations for 1920.

Mr. PENROSE. Mr. President, I have no doubt the departments have made estimates, and doubtless they have made outside estimates of far more money than they will be called upon to spend. I do not have very great confidence in the estimates of the departments at this time; in fact, during the last two years the frequently changing estimates handed in by the departments have shaken my confidence in them altogether in this connection. I am willing to make due allowance for the rapid changes which have occurred from day to day and from month to month during the war period; but I know the Secretary of the Treasury came to the Finance Committee, and has come during the last year and a half, with an estimate one week and that in another week four or five million dollars more were added, and then more, until I for one, I will say candidly, did not know "where I was at" or what I could expect.

Mr. SIMMONS. Mr. President, the Senator from Pennsylvania will recall that, while what he states is true, when the Secretary of the Treasury came before the Committee while we were framing the present law and stated that the estimates had been increased since they were originally made by the War Department and the Navy Department, still he did not ask for any more money by taxation; he did not ask that additional taxes be levied on that account upon the people.

The Senator will also recall that this year, while the committee was engaged in revising the pending bill, long before the armistice, the departments brought in some very considerable additional estimates after the appropriation bills had been passed; and, under the direction of the committee, I inquired of the Secretary of the Treasury if he would ask that more money be raised by taxation as the result of those additional estimates, and we were advised that he would not ask any additional sum by way of taxation.

I think it is not unlikely that, in addition to these estimates of appropriations of $7,443,000,000—and the estimates of the actual expenses are less—later the departments may come in and ask for more. They are not so likely to do that, however, as they were in the time of war, because then we were constantly increasing and enlarging our program, calling for more money. They may come, and probably will come; but, as I understand from the testimony of the Secretary of the Treasury before the committee, even if the appropriations hereafter should exceed those asked for by the departments, $4,000,000,000 would still, in his judgment, be enough to raise by taxation during the year 1920.

Mr. PENROSE. Mr. President, has the chairman of the committee the estimates on his desk?

Mr. SIMMONS. Yes; I have the estimates of appropriation and I can give also the estimates of expenditures here, and I will put them in the RECORD if the Senator so desires.

Mr. PENROSE. I should like to have them put in the RECORD, and I should like to ask what the total is?

Mr. SIMMONS. The total estimate, including postal, regular, permanent, and indefinite appropriations, is $8,089,667,298.07. Deducting from that the postal revenues, $358,307,577, and the sinking fund requirement of the present law, which is $287,943,883, leaves a total of $7,443,415,838.07. I ask that the table of estimates be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Estimates of appropriations 1919–1920.

Agriculture		$30,048,786.00
Army		1,916,905,572.16
Diplomatic and Consular		11,042,236.66
District of Columbia		15,928,819.00
Fortification		574,237,273.30
Indian		11,939,813.89
Legislative, etc		116,021,816.83
Military Academy		6,032,862.70
Navy		2,644,307,046.05
Pension		220,050,000.00
Post Office		358,307,577.00
River and harbor		15,870,500.00
Sundry civil		902,231,235.48
Total regular estimates		6,822,923,539.07
Permanents and indefinites		1,266,743,759.00
Total regular and permanents and indefinites estimates		8,089,667,298.07
Deduct:		
Sinking fund requirements	$287,943,883	
Postal Service, payable from postal revenues	358,307,577	
		646,251,460.00
		7,443,415,838.07

The Treasury estimates of actual expenditures for the fiscal year 1919–20 amount to, in round numbers, about $6,250,000,000.

Mr. WARREN. Mr. President, may I inquire at what time those estimates were submitted?

Mr. SIMMONS. Of appropriations? The clerk of the Appropriations Committee of the Senate handed them to me this morning and told me they were the estimates sent in.

Mr. WARREN. The Senator does not know how lately they have been prepared?

Mr. SIMMONS. No, I do not; but they are before the committee now, I take it.

Mr. WARREN. Of course the Senator realizes that they are only an approximation at the present time.

Mr. SIMMONS. That is so always.

Mr. WARREN. It is so now more than ever before. It is so now even more than if the war was still on.

Mr. SIMMONS. I disagree with the Senator about that. I think in times of war, when we were constantly changing our program and increasing expenditures from day to day, developing new plans and new schemes, we were likely to have a great many more additional estimates over those at first sent in than we are now when the war is over and we are drifting back toward normal conditions.

Mr. WARREN. Unfortunately, the war is not over yet; and, on the other hand, there are many thousands of contracts in connection with which an attempt is being made to secure legislation to effect a settlement. They amount not only to millions of dollars but to billions of dollars; and, of course, it is a matter of uncertainty at the present time to estimate what it is going to cost to secure a settlement where a contract is sought to be canceled by the Government and where the rights are with the other contracting party who must be bought off.

Mr. SIMMONS. My understanding is that the departments, in making their estimates for expenditures for the fiscal year 1919, in cutting down and determining what they can save, have taken care, so far as they could in their estimates, of the probable expenditures as a result of the cancellation of contracts; so that I do not think that will figure very largely in the matter.

Mr. PENROSE. Mr. President, I have not the slightest doubt; in fact——

Mr. SIMMONS. If the Senator will pardon me further——

Mr. PENROSE. Certainly.

Mr. SIMMONS. While, of course, there is some uncertainty about these estimates, I think there is less uncertainty about the estimates for 1920 than there is about the estimates for the present fiscal year. I am firmly convinced of that; and, while we are going to have, as the Senator says, to pay some damages for the cancellation of contracts and things of that sort, we are going to have also an immense salvage account this year that will result in bringing a large sum of money into the Treasury.

Then, Mr. President, we ought to consider, too, that we are going to have, as soon as the war closes, nearly $10,000,000,000 in the bonds of the allies, the best securities in the world, because, whatever might have been said about French bonds and about English bonds and Italian bonds in case the allies should have lost this fight, now that they have won there can be no question about the solvency of those securities and about their high class. Of course, those bonds are marketable, and we can utilize them for the purpose of relieving the people from excessive taxes in the future.

More than that, Mr. President, I want to say now, if the Senator from Pennsylvania will let me trench upon his time sufficiently to say it——

Mr. PENROSE. Certainly.

Mr. SIMMONS. I will say now that I do not believe that the people of this country are going to consent that the central powers shall escape without duly and properly reimbursing this country for the great losses that have been inflicted upon it by the methods which they have pursued in this war. I do not know whether the central powers will be able to pay the demands that are made upon them by the allies and by the United States; but whatever those demands are, based upon the capacity of that country to pay—and that ought to be the only limitation—the United States must have the same percentage of its losses allowed as the other allies, with the possible exception of France and Belgium. That will bring us a large fund; so that in the end, Mr. President, considering the bonds which we shall get from the allies and which we can market whenever we desire to do so—amounting to nearly $10,000,000,000—and considering the money we shall get by way of reparation and indemnity from our defeated foes, I think that the burden of war taxation will, in the last analysis, not be so heavy as we now sometimes think it will be.

While the bonds and reimbursements may not entirely wipe out our war expenditures, I hope, Mr. President, as the result of the marketing of these securities and the application to our indebtedness of this indemnity money, that in the course of a few years the burden of indebtedness that the United States has incurred on account of the war will be recouped, and that the people of this country can be relieved of taxes to pay these obligations in the coming years to the extent of that recoupment.

Mr. PENROSE. Mr. President, I have no doubt the departments have made their estimates and recommendations to the committees of the House of Representatives and to the Secretary of the Treasury; in fact, they could not very well avoid so doing. That had to be done. I only want to repeat, however, that in the last year and a half I have had all confidence shaken in the estimates of the Treasury Department, because they have been constantly changing in the direction of greater and greater expenditures. I make the criticism most respectfully, because I know that events have been piling up in an extraordinary fashion, and perhaps no one could predict with any accuracy what the requirements would be. For the very same reason I claim that in the period to come, stored as it is with portentious possibilities, we can not count on any accuracy in these estimates.

I do not believe, Mr. President, that the Treasury Department or any of the heads of departments can, with the least approximation to accuracy, tell what the revenue requirements of the Government will be for 1920. No one can surely predict the con-

ditions which will follow during a period so stored with great events. To just what extent taxes can be reduced in the future and by what method can not now be told. These difficult questions should be decided in the light of the latest and most complete information as to actual business conditions and revenue requirements. The only argument advanced in favor of this legislation for the future is that the taxpayer should receive certain assurances as to his situation for the following year, but it is impossible to give him any positive assurance when future conditions are entirely unknown. In any event, every business man in the country knows that the taxes imposed in this bill inevitably must come down, no matter what happens, and the only real question presented is as to the details and methods of taxation. Therefore, practically all of the minority members of the Finance Committee are united in dissenting from the 1920 provisions of the pending bill and leaving it, so far as incomes and profits are concerned, as a 1918 measure, to be amended by a subsequent Congress only when we can ascertain what the Government needs and what the country can stand.

WAR EXCESS-PROFITS TAX.

I desire now, Mr. President, to discuss in detail a few of the most important and novel features of the pending revenue bill. To one of these I want to refer especially, and that is the war excess-profits tax. The plan adopted by the committee avoids the alternative scheme appearing in the House bill. I do not know that I can define better what the committee has done in this respect than to quote from the report of the committee as follows:

"The House bill provides, in effect, alternative war-profits and excess-profits taxes, the taxpayer to pay whichever is the higher. To this plan grave objection was made on constitutional grounds and because the scheme was troublesome to the taxpayer. The plan was also criticized as conferring undue discretion on the Treasury Department.

"In place of this alternative scheme the committee recommends a single war excess-profits tax, which is mathematically equivalent to an alternative plan at the same rates. It unifies the two taxes by the simple device of including the war-profits tax as an additional bracket of the rate schedule.

"The committee has also simplified and reduced the rates of the excess-profits tax adopted by the House. The rates imposed in the House bill were 35 per cent of the net income in excess of the excess-profits credit ($3,000 plus 8 per cent of the invested capital) and not in excess of 15 per cent of the invested capital; 50 per cent of the net income in excess of 15 per cent and not in excess of 20 per cent of the invested capital; and 70 per cent of the net income in excess of 20 per cent of the invested capital. The committee proposes in lieu of the House brackets of 35, 50, and 70 per cent two brackets of 30 and 60 per cent, with no change in the deduction or 'excess-profits credit.' The third bracket of the committee plan is, as stated before, simply the war-profits tax of 80 per cent."

It will thus be seen that the plan adopted by the committee avoids the alternative scheme appearing in the House bill. It will also be noted that the committee has reduced somewhat the rate to which corporations having no excess of current earnings over prewar earnings will be subject. There is retained upon the excess of earnings over prewar earnings the rate of 80 per cent. This extremely high rate, however, by no means applies to all of any corporation's income. Protective deductions have been carefully provided.

These deductions, meant to assure to corporations, free from excessive tax, some return upon the capital of every corporate enterprise, depend largely upon the computation of "invested capital." Last year's law, in which was begun the experiment of a special profits tax, made use of this invested capital conception. Variations in methods by which enterprise has been financed, in the nature of business properties, in the history of the development of different businesses, in methods of accounting, and in methods of stock issues, as well as in the relation of stock issues to bond issues, have been so great that it was found impossible to apply any single definition of invested capital. Acting under certain clauses of the law of 1917 the Treasury Department wisely worked out various relief provisions which, in the enforcement of the statutory plan, operate to prevent intolerable discrimination and excess in assessments as between taxpayers. The House bill, notwithstanding the great increase in the rates of the profits tax, did not embody a number of these protective provisions. Without attempting to go into detail I can assure the Senate that all of the protective and relief provisions worked out by the department from its actual practice have now been embodied in the bill. These relief provisions, far more necessary than before the adoption of the higher rates, will, I am sure, continue to prevent injustice as between different taxpayers and will temper the apparent severity of the letter of the law.

The question of subjecting individuals and partnerships to the war excess-profits tax was given very ample attention and consideration by the committee. Their exemption from this tax is an apparent discrimination against industry which happens to be carried on under the corporate form. I became convinced, however, that because of the high surtax rates to which individual incomes are to be subject, even where derived through partnerships, this discrimination is more apparent than real and that the difficulties of placing individuals under the tax are insuperable. I am the more reconciled to this conclusion because of my belief that in the interests of the economic and fiscal welfare of the country any special profits tax, however labeled, ought, in the near future, to be altogether abolished. In its place should be substituted some carefully worked-out scheme of general and uniform taxation upon income. The Secretary of the Treasury has urged the giving up of any vestige of the excess-profits tax in this very bill, although his recommendation has not been supported by the majority of the committee. His views, however, as to the repressive and discriminatory character of a so-called excess-profits tax are entitled to the most careful consideration.

INCOME TAX; ADEQUATE RECOGNITION OF LOSSES—SHORTAGE IN INVENTORY VALUES.

The nature of the income tax is readily understood, and it is of the new and ameliorative features only that I wish to speak. I should like now to call attention to the admirable amendments looking to adequate recognition of losses. I call attention particularly to the amendments relating to shrinkage in inventory values concerning which very many communications were received from taxpayers by the committee generally and by the individual members thereof. Under the present law income for a single year is subjected to the full rate of tax without regard to the past or future financial operations of the taxpayer. If in the previous year, however, the taxpayer now to be taxed sustained a loss instead of making a profit it is clearly unjust to tax this year's profits without letting him first make up last year's loss; and if for the next year he should show a loss instead of a gain it seems just again to permit him to apply against his previous year's income the amount by which his outgo exceeds his income. In other words, in enforcing high rates of tax there should be taken into account the taxpayer's operations over some series of years and not merely his operations for a single year in which special conditions may prevail. What is in effect averaging of income is permitted by the special provision as to net losses in section 204 of the bill.

This provision, Mr. President, was discussed yesterday afternoon in the Senate, and I do not think those who were disposed to criticize it fully understood its purport and meaning. There is no doubt that it is a very liberal provision, and that it will entail a loss of revenue; but, as I said earlier in the discussion, the loss of revenue is no argument to my mind if it is a question of gross inequality and inequity, or if the revenue is to be raised by taxing a man who has suffered only losses, and I am glad that the Senate sustained the committee and retained this paragraph in the bill. Why, Mr. President, even with this provision in the measure, much anxiety still prevails all over the country upon other questions of losses, and I ought to say here that these provisions are not in the interest of the so-called very large corporations. They produce under the most favorable conditions and do not have the lean years. These relief provisions to which I am about to refer are distinctly and preeminently in favor of the small taxpayer from one end of the land to the other. The great concerns could proceed on their way very cheerfully without any of these provisions; but it is the average man doing business, whether as a dealer or as a manufacturer, who has his inventories of stock or who requires relief along other lines to which I shall now refer, for whom these relief measures are intended. There was no occult purpose in devising them to enable anyone to escape taxes, or to favor any class of industry, individuals, or section of the country. The man dealing in wheat in the West, or keeping a grocery store in a small town on the plains, is perhaps more directly and keenly interested in this and the other relief provisions than the great, big concerns in metropolitan centers.

Mr. GRONNA. Mr. President, will the Senator yield?

Mr. PENROSE. I will.

Mr. GRONNA. There were two questions debated yesterday, if I remember correctly. The first one was the question of making the inventory. Of course, as I understood, there was really no objection to the change in regard to that.

Mr. PENROSE. I had no objection. I do not know whether the Senate adopted the Senator's amendment or not. I do not recall.

Mr. GRONNA. I withdrew my amendment for the present because I was assured that the amendment proposed by the committee would in effect take care of the matter. But I rose to call the attention of the Senator to this fact. I know he does no intentionally wish to confuse the two subjects.

Mr. PENROSE. No.

Mr. GRONNA. There are really two distinct and separate subjects: The question of taking the inventory based upon a fair valuation or a market valuation is one, and the question of being permitted to make reductions on losses sustained in the years past is a distinct and separate question, as I understood it.

Mr. PENROSE. I think I understood the Senator from North Dakota, and in making this brief reference to the opposition which occurred yesterday I did not mean in any way to oppose the Senator's amendment, nor did I have the Senator's amendment in mind, I may say. I had more in mind the actual vote which occurred on the question of sustaining the committee when some 15 or 16 Senators saw fit, as was their right, to vote against the committee. I only wanted to say that I feared the character of the amendment, by reason of the bref debate in the absence of full explanation and statistics, might not have been fully understood, as is often the case.

Mr. GRONNA. As the Senator knows, there was no vote taken on the amendment which provided for making reduction in the inventory; that is, there was no objection to it. The objection was to another section which provides that any losses sustained in past years may be deducted in the future.

Mr. PENROSE. Then, no doubt, my reference was a little misleading. I should have said that objections to measures of relief of this peculiar character, perhaps, have not been fully understood, and hence there arose the suggestion of criticism to an amendment of this kind. That is what I should have said to make myself clear.

Many taxpayers, however, have expressed a fear that this new provision does not fully prevent injustice through taxing profits largely dependent upon inventories of goods at war prices when the value of these goods may suffer a sharp decline. The committee could not agree to permit reserves necessarily arbitrary against inventory values, but did provide, in section 214 (9) and 234 (13), that if after any year's profit has been calculated a loss is for the first time ascertained, due to the shrinkage in the level of inventory values or other similar cause, there may immediately be an adjustment of the tax for the past year, allowing full recognition of this loss, even though not sustained through actual sales.

Another source of anxiety, Mr. President, among the taxpayers of the country—and upon al lthese questions every Member of this body has had hundreds, if not thousands, of letters expressing the anxiety of the taxpayers—is that a very grave injustice should not be done by taxing earnings and income which really do not have any existence.

AMORTIZATION.

A source of much anxiety to concerns which have attempted to respond to the need of the country, and even upon the demand of the Government for increased production of articles contributing to the prosecution of the war, is the losses which they face through the shrinkage in value of equipment and plants acquired at unprecedented cost and likely to prove of little or no value under established peace conditions. The House bill provided that in determining the taxable income of such concerns there might be deducted from gross income reasonable allowances for such shrinkage in value estimated or actually sustained. In the House bill this allowance was, without apparent justification, limited to 25 per cent of the net income otherwise taxable.

Why the limitation, Mr. President, if still further loss were incurred over and above the 25 per cent limitation? So the Committee on Finance struck out the 25 per cent limitation, and the striking out of this limitation by the committee permits full recognition of the so-called amortization requirements and will tend to prevent the assessment of apparent profits which, in fact, are used to pay for facilities of only passing value.

There is another question which gravely disturbed the business men of the country. As I have said, many of these questions were comparatively unimportant while these taxes were low, but now that they have reached such staggering dimensions it became imperative to do something in the direction of meeting the questions which arose.

DEPLETION.

The committee gave very careful consideration to the question of depletion. The just taxation of incomes derived from the operation of mines and of oil and gas wells is a particularly difficult matter. This is due to the fact that part of what apparently is income is in reality a mere return of the capital of the enterprise. When, for example, a ton of coal is sold the excess of what is received from the cost of mining of that ton of coal is by no means all income; part of that excess must be treated as a repayment of what was invested in the mine from which the coal was taken. Such allowances for the extractive industries are covered by the depletion provision. The committee changed the language of this provision to assure continuance of the recognition of valuation of deposits as of March 1, 1913, as the basis for the deduction in the case of all property acquired by the taxpayer on or before that date. In pursuance of a policy permitting, so far as practicable, the development of new resources of this character they also provide for a more liberal allowance than heretofore permitted in the case of newly discovered mines, or oil or gas wells, permitting the deduction to be based on the fair market value of property discovered instead of its cost.

CONSOLIDATED RETURNS.

A very important provision worked out by the Treasury Department in its administration of the excess-profits tax for the past year, but which was expressly rejected by the House, is that relating to consolidated returns. In carrying on its business in different States, and also in carrying on different but closely related lines of business, it has been found necessary to employ the medium of a number of different corporations, substantially all of the stock of which is held by one company or by the controlling individuals. It is impossible to determine the true profits of such a combined enterprise except by treating the enterprise as a unit and disregarding the incidental placing of different branches in legally separate corporations. Nonrecognition of this unity in getting at true income may prevent the Government from subjecting the full income to tax or may result in subjecting the enterprise to undue tax. The committee has, therefore, embodied a provision requiring consolidated returns of income of affiliated corporations. Such returns are to be used not merely for the purpose of calculating profits tax but for the purpose of calculating the 12 per cent income tax. This section represents a determination to deal justly with business, whatever its form of organization, and to prevent business from escaping just tax by shifts in its form of organization.

NO DIFFERENTIAL TAX ON CORPORATE INCOME.

The committee could not be persuaded that there was any justification in the differential tax on corporate income. The provision of the House bill imposing an 18 per cent rate upon all of a corporation's net income, except the portion used for the distribution of dividends, for the payment of indebtedness, and investment in Liberty bonds, was entirely objectionable. It would have operated to put a premium on improvident and reckless corporate management, and to subject to penalty those conservative methods of business administration which have characterized the most wisely handled corporations. It was a direct tax upon corporate thrift. The committee has wisely abolished this differential and restored a flat rate of tax upon corporate incomes.

INHERITANCE TAX.

The taxing of estates is, to my mind, properly a matter for the States and not for the United States Government. The States are faced with the burden of raising more revenue than ever before. Sooner or later the collision between the States and the Federal Government in the field of jurisdiction over taxation is bound to become serious. I was impressed with this thought when I referred to the situation in a speech I made in the Senate in the summer of 1916 upon the then pending revenue bill, when I called attention to the situation which was then already developing. I will ask the Secretary to read a brief quotation from my remarks at that time on the subject.

The PRESIDING OFFICER (Mr. TRAMMELL in the chair). The Secretary will read as requested.

The Secretary read as follows:

"The States of the Union and the large municipalities therein all require large revenues for purposes not thought of a few years ago. Our municipalities are nearly all heavily in debt, and are in most cases restricted to a limited field of taxation. The municipal needs, however, are ever enlarging in a constantly increasing ratio without any prospect of relief from debt or the securing of revenue to meet the demands necessary for projects in the interest of the health and well-being of the citizens. The States themselves and the cities therein are called upon to maintain elaborate boards of health, systems of sewage disposal, continually increasing requirements of educational and eleemosynary institutions, and, over and above all, to cite one instance of development to an extraordinary degree of magnitude in the last few years, the imperative demand for good roads has caused an expenditure running into a stagger-

ing amount of money in the aggregate from one end of the country to the other.

"Now the States are expressly excluded by the Constitution from levying duties or imposts, and are obliged to resort to the various well-known forms of State taxation of a direct character. The Federal Government, under the doctrines recently advanced that no taxes should be imposed upon articles of consumption and, apparently, that as little revenue as possible should be collected from imports, encroaches upon the field of direct taxation belonging to the States and abandons a source of revenue from the customhouse to which the Government has the exclusive right. This seems to me illogical in principle and unfair in practice. The ultimate effect necessarily following is that the State revenues will be greatly limited, if not impoverished, and the outlook for many of our municipalities from a financial point of view is not very hopeful."

Mr. PENROSE. The situation now, of course, is very much worse than it was in 1916, when direct taxes were comparatively light. If the Federal Government keeps on piling up taxes and infringing upon the tax domain of the States one result must inevitably follow, and that is that the Government ultimately will become wholly centralized and State governments will become practically abolished or rendered ineffective for lack of revenue. Projects like road building, which the States will no longer be able to maintain, will have to be assumed by the Federal Government and the whole spirit and structure of American institutions will be altered, if not destroyed. I am one of those who still retain a respect for State sovereignty, and for the maintenance of the integrity and activities of the States. The country is too big now, and will soon become very much too big, to render it in any way safe to maintain a centralized Government over our continental domain. The safety valve for our institutions and our development is to be found in the maintenance of the sovereign States with their powers and jurisdiction. These questions of vital moment must be met at an early date, and the sooner we meet the issue by dropping from Federal revenue laws, as a preliminary of good faith and fair purpose toward the States, the Federal taxes on inheritances, the quicker will the Federal Government give an assurance of a disposition to finally adjust these questions of divided authority upon equitable lines.

The Federal Government, of course, has little to do with the transmission of the estate. The heir of the decedent finds his only title to the possession of the estate in the laws of the State, and he only secures the transmission of it through the courts and other officials of the State. Hence, this tax technically and preeminently belongs to the States, and if we are to begin upon some program by which the States may have jurisdiction over some taxable matters, not interfered with by the Federal Government, let us begin now with the inheritance taxes, where the justification therefor is admitted from every legal and practical point of view. Moreover, even at the best, the inheritance taxes, especially if heavy, are bad from an economic point of view because they are a tax on capital and not on income, and it is generally admitted not to be sound policy to tax capital but only income. Moreover, the multiplication of these inheritance taxes tends to destroy altogether properties built up by lives of hard productive effort and which are industrially essential. The tax subtracts from the capital account of the country, and if carried too far will tend largely to destroy any incentive for individual initiative or enterprise. The only argument I have heard advanced in favor of it as a tax for the Federal Government under normal conditions is that most of the fortunes in the country are the result of gains from enterprises scattered all over the country, but if this is to be an argument for Federal taxation it would apply equally as well to the owner of a corner lot in a city or to a farmer who sells his grain. There is hardly a municipality in the country where real estate values are not increased by the general growth of the whole country and the increase of population, and clearly the western farmer sells his grain wherever he can find a market, and his farm products naturally increase in value with the growth of populous centers, the increase in industry, and the greater demand thereby created. The fact is that if there is any justification for the tax at all at this time it is found only in the argument that we have been through a war and have still many great expenses to meet, due to demobilization, and the Government needs the money. Therefore, these taxes may be temporarily tolerated even if they do come on top of State taxes already in many cases large.

I am calling attention to these facts, and I suppose that under the circumstances these taxes will remain in the bill. Such a tax was used at the time of the Civil War and at the time of the Spanish War and, as I have said, may be defensible on the ground of the war. I do maintain, however, that if there is to be any tax the rate should depend not on the size of the estate as a whole, as it does under the present law and in the House bill, but so far as possible on the amount of the individual share of each person participating in the division of the estate. The new inheritance tax plan which the committee has worked out is much fairer and sounder than the estate tax plan in the House bill. The rates adopted in the House bill mean nothing short of confiscation and destruction. To pay to the Government 40 per cent of the amount of an estate would often mean that to raise this amount of money the other 60 per cent of the estate would have to be sacrificed and lost altogether. In any case the difficulty of settling an estate within a reasonable time after the death of the decedent frequently is very great and, in some instances, nearly insurmountable. Undeveloped enterprise, largely dependent upon the genius of the promoter, and forming a considerable part of a large estate, not to mention real estate and many other assets which can not be immediately disposed of without a very great loss, illustrate in a general way the difficulties encountered in bringing about any settlement in order to adjust taxes within any reasonable period. The rates adopted in the committee amendment are more of an approach to reason, and provision has been made for more liberality in the time of paying these taxes.

Public institutions and charities have been hard hit by the war. In this country educational and charitable institutions carry on in a large measure what essentially is public work. That our educational and charitable institutions have been largely founded and maintained by individual gift and bequest has been widely commented upon by publicists in every land. In this respect we differ much from older countries where State appropriations have largely aided in this work. That in the United States they have been built by private enterprise furnishes a peculiar illustration of the qualities in American civilization which have made our country great. Contributors to these institutions have been remarkably loyal but under war conditions and with the high rates of income tax they could hardly have been expected to have done as well as in times of peace. The provision of the committee inheritance tax amendment exempting from tax transfers to the Government or for any religious, charitable, or scientific purpose is to be commended particularly. The Government of the United States should not collect a cent of tax by reason of the death of any soldier or sailor. A man who dies for his country should not have to divide with his country his estate. The committee amendment properly exempts the property of soldiers and sailors.

CONSUMPTION TAX.

I shall refer briefly to the consumption or sales tax, so that some idea may be had of the character of these schedules. The committee fortunately found that the financial needs of the Government would not require the raising of $8,000,000,000 but would be satisfied with a $6,000,000,000 bill. This reduction to my mind furnishes a very striking illustration of the wisdom of the deliberation and care with which the committee considered the measure. It had been freely predicted by the Treasury Department early in the summer that unless the bill passed by September 28 the liberty loan would fail. Instead of any such prediction being fulfilled the loan was oversubscribed and the taxpayers of the country have been saved $2,000,000,000 of taxes, which would have been imposed upon them had haste been the order of the day. The fact that only $6,000,000,000 was found to be required after the armistice gave the committee some leeway in adjusting many of the taxes, although the opportunity for such reduction was not so great as would appear, because the revenue loss due to prohibitory legislation was estimated to amount to at least $1,000,000,000 for a full year after prohibition becomes effective; but even with this circumstance the committee was able to do something to relieve the burdens of the bill. The committee reduced the proposed rates on tobacco by, roughly, 25 per cent below the rates in the House bill. Tobacco is a recognized subject for taxation, and has been one of the stable sources of revenue in all civilized governments for many years. I believe the rates in the House bill had been raised beyond the maximum revenue-producing point and would have curtailed and unsettled the industry. More revenue will be raised at the reduced rate, on account of the greater consumption.

The committee struck out the new tax on gasoline, and left to the States, which maintain the roads, many of which have been destroyed by the use of Government trucks and vehicles, the field of the automobile license tax. The committee further eliminated the 20 per cent tax on many articles of clothing and apparel. As a further example of the committee's reductions, the tax on the manufacture of automobiles was made 5 per cent instead of 10; on pianos and organs, 5 per cent instead of 10; on chewing gum, 3 per cent instead of 6, while the tax was

entirely struck out on some of the proposed new subjects of taxation, such as contained in section 905.

The committee, on the other hand, retained the 3 per cent tax on freight charges, the 8 per cent tax on passenger charges, the 10 per cent tax on admissions and dues, and not only retained but increased somewhat the taxes on certain lines of manufacture while retaining the stamp taxes and increasing some of the miscellaneous special taxes on different occupations. This course seemed wise and just. When the Government comes to raise billions by taxation it is essential that it rely upon more than one method of taxation. Just now the tariff can not play the part it did in former times. Taxes on sales, freight bills, and theater tickets do, however, operate to spread out this tax burden. When the attempt is made to raise by tax on incomes $4,600,000,000, a very great if not too much reliance and weight are put on one form of taxation. Continued for more than one year such rates of tax would endanger the whole social and industrial fabric. It is, therefore, absolutely essential, in my judgment, to use and retain beside the income tax other methods of raising the enormous amount of revenue.

MEASURE RESULT OF CAREFUL THOUGHT.

I have already referred to the admirable character and work of the Tax Advisory Board. Other administrative features also received careful study by the committee. Every effort was made to make the law clear, and capable of prompt and just enforcement. Of course, I do not maintain, as I have already stated, that this measure is by any means perfect. I do say, however, that it has received more careful thought by far than any previous internal revenue bill in this country, and that it is more clearly and consistently drafted, and supplied with wiser administrative provisions than any other measure. I can not disguise the fact that I feel anxious as to the effect upon the country of the attempt to apply such higher rates of income and profits taxes as are provided in this bill. It is to be remembered that all this weight of Federal taxation comes on top of the enormous levies of State, municipal, and other taxation, the burden of which I had occasion to refer to at length during the consideration of past revenue bills in this body. Yet, in their application upon incomes and profits for the war year the only limit to Federal rates that I recognize is dictated by the necessity of preserving our idustrial fabric from stagnation and even destruction. With the demobilization of our Army and the return of our 2,000,000 soldiers, it is, of course, imperative to maintain industrial activity unimpaired, if only for the purpose of furnishing employment. My belief is, however, that the collection of such taxes for the past year only, at the rates fixed by the bill, will probably in most cases not injure or destroy the business or financial structure, although ruin would result from a continuance of such rates in future years.

I am also convinced from interviews and communications on the part of several thousand taxpayers from all sections of the country during the consideration of this bill that the great body of intelligent and patriotic business men and taxpayers throughout the land are willing to accept these rates and desire the measure passed. I have never heard a suggestion or utterance from them which was not keyed in the note of highest patriotism and willingness to make every sacrifice. The war has terminated with success far beyond our expectations. The taxpayers of the country will experience the patriotic satisfaction that the revenue which they will pay will have gone toward contributing to this success. They know that the manhood of the country has paid a price infinitely beyond any that can be measured in money, and they are willing for the year of the war to show some of that spirit of sacrifice which has animated and distinguished our Army.

TARIFF ASPECTS.

I have not touched upon the tariff question in my effort to explain as concisely as may be my views upon the bill. My chief difficulty has been to condense. The materials at hand are so voluminous and the subject of such an encyclopaedic character, involving questions which strike at the very roots of the industrial system, that it would be impossible within any reasonable limits to discuss these questions in the way I would like and as their vital character would justify. They are full of significance and interest, fraught with importance to our reconstruction program, but their fuller discussion must await another day. I will say, however, that it was obvious to everyone, including consistent protectionists, that in the revenue bills coming up for consideration since the beginning of the war in Europe it has been impracticable to consider a protective tariff. The whole world has been upset and the normal course of trade, domestic and international, has been diverted from its natural channels. To have raised a portion of the revenue by a general ad valorem or specific duty on imports would not have contributed any substantial amount of revenue compared with the vast sums required, and naturally would have caused grave embarrassment to those engaged in manufactures into which these imported products entered. Further, in the midst of these upset conditions and in the limited time permitted for providing for our urgent financial needs, together with the diversity of opinion which, naturally, prevailed in the last three Congresses as constituted, it seemed obvious to everyone that it would be impossible to carry out a protective tariff scheme by levying a compensatory duty all along the line up to the finished product, without which a protective tariff is injurious and destructive.

Hence, I think nearly everyone conversant with the situation, no matter how consistent and strong his theories on protection for American capital and labor have been, has exhibited common sense and conservatism in not even attempting the discussion of these questions. The country has submitted cheerfully to a very heavy burden of taxation new and without precedent, and not alleviated by revenues which, ordinarily, would come from the customhouse. But I want to refer in passing to the fact that had it not been for the protective policy of the United States for a period, with slight interruption, of nearly 60 years we would not have had established that vast industrial system, built upon firm foundations, capable of meeting every requirement, and which has enabled us to furnish promptly to an incredible extent the munitions of war for the allies and for ourselves. It is well to pay a passing tribute to the splendid achievements in the field of American industry and to express the hope that at the proper time a tariff system will be adopted which will maintain all American activities intact and prosperous from one end of the country to the other.

INDUSTRIAL MIGHT DEVELOPED THROUGH TARIFF.

Next to our armies, the industrial might of America won the war. We must continue the same policy, especially as to war essentials, but, after all, everything is essential that contributes to our economic independence if we are to be prepared for war. I take it that hereafter almost everybody will advocate a proper protective tariff for the reconstruction and preparedness of the American people. In this legislation, however, we must await developments and be prepared to maintain America's industrial independence and uphold American standards of civilization as against all the world. We must, above all, in coming to our final conclusions on a fiscal policy, reduce expenses. Economy must be the watchword; curtailment, retrenchment, and careful legislative checks on expenditures must be the practice. We must demobilize our armies to the lowest limit of our continuing responsibilities. We must return to our national and hereditary vocation. All commerce and industry, prompted as they may be by ambition for personal gain, profit, and advancement, ultimately and really constitute the development of the arts and sciences, the elevation of the standards of men and women, the promotion of civilization, and the achievement through peaceful channels of the destiny of the human race.

EARLY PASSAGE OF BILL URGED.

Undoubtedly many defects in the bill will have to be provided for by remedial legislation in the future based on experience. It seems, however, to be the best measure that can be had at this time and unquestionably it is better than any preceding law. It is earnestly to be hoped that the bill will pass promptly. The suggestion has been made that if it fails perhaps the situation can be met by amending the present law for war-profits taxes, which procedure might meet the requirements. The fatal difficulty of this suggestion is, however, that the very valuable relief provisions in the pending bill would be lost. These provisions are, in my opinion, of inestimable value, and the more the taxpayer comes to know their full effect the more satisfaction he will feel. Moreover, it must be borne in mind that taxation has reached its peak. It is hoped that hereafter revenue bills will provide for steadily decreasing taxes. Profits taxes ought to steadily decrease and very soon disappear, and sufficient revenue for the conduct of the Government ought to be raised by a system of flat income taxes.

Mr. President, I have detained the Senate longer than I had intended, yet, as I have said, it is extremely difficult to know where to stop or how to condense on a subject so absorbing and comprehensive as is this revenue question.

AMERICAN DEMOCRACY MET EVERY REQUIREMENT OF WAR.

I should like to say in closing, however, that when we consider how successfully we have gone through this war we can approach the future in full confidence, notwithstanding the many difficulties confronting us. Who can fail to be impressed with the magnificent way in which the American democracy has met every requirement? The united strength of the country has supported the war. We had in our midst elements from

almost every nation in the world, many affiliated by ties of blood and even birth with the nations with whom we were at war, and yet, notwithstanding a vigorous and extensive enemy propaganda, especially among our alien population, the extent of disloyalty and disaffection has been quite small. In many of our largest munitions plants—I know it is the case in Pennsylvania, and I believe it is so elsewhere—a great proportion of the workers came from enemy countries and they have been among the most loyal and devoted. In fact, it would seem as if the great bulk of these people, perhaps not all of them as yet absorbed in what is called the American crucible, fully realize the value of the civil and religious liberty which they came here to enjoy. They have not only filled our munitions plants, but they have been found in full share in our Army.

Public sentiment has dictated the general policy of the war. It is a long journey from being too proud to fight, through the transition period of peace without victory, to the unconditional surrender and the armistice. Volunteer boards composed of our greatest men in industry and finance have saved a situation which otherwise would have been marked by inefficiency.

Perhaps the most notable achievement, exciting the astonishment of other countries, was our ability to pass the conscription law within a few weeks, a proposition abhorrent to every American tradition and sentiment, yet cheerfully acquiesced in and carried out while England only partially applied conscription, Australia failed altogether, and Canada only succeeded at a recent period in the war. In lesser detail many false economic and ill-advised methods were adopted, and autocratic powers unwarranted were exercised to the harassment and vexation of the business world and most of the people. Yet the robust and sturdy strength of the American body, politic and industrial, withstood the bandages and panaceas of quacks and theorists, and was strong enough to achieve victory regardless of obstacles.

In view of the splendid achievements of a united people, brought about by an appeal to their intelligence and their patriotism, every American can experience restored confidence in the competence of an enlightened and intelligent democracy, and need have no fear that in this country, at least, there will at any time arise conditions in any way approximating those existing elsewhere, but that we will be fully able to solve the problems to come in the same intelligent and patriotic fashion in which we have succeeded in meeting the issues under the stress of the war.

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). The question is on the amendment of the committee.

Mr. SMOOT. Mr. President, I understand the pending amendment is the one found on page 11, beginning in line 10 and ending in line 19.

The PRESIDING OFFICER. The amendment begins on page 11, line 3, where the committee proposes to strike out and insert.

Mr. SMOOT. I desire to ask that the amendment be divided, and that the first clause of the amendment, beginning on page 11, line 10, and going down to line 14, be first voted on, and that then subdivision (b), beginning on line 15 and going down to and including line 19, be voted upon separately.

Mr. SIMMONS. That is the suggestion I made before the Senator from Pennsylvania [Mr. PENROSE] began his speech. I think this is hardly the proper time to pass upon the 1920 provisions as a part of that general amendment.

Mr. SMOOT. I remember, having been reminded by the Senator from North Carolina, that he did make a suggestion that subdivision (b) of the pending amendment go over; and that was perfectly satisfactory to me.

The PRESIDING OFFICER (Mr. GRONNA in the chair). The Chair will suggest to the Senator from Utah that this is an amendment to strike out and to insert, and therefore is not a divisible question. If the first part of the paragraph goes over it will all have to go over.

Mr. SIMMONS. Therefore I ask that the whole amendment be passed over.

The PRESIDING OFFICER. The amendment will be passed over. The Secretary will state the next amendment passed over.

The next amendment passed over was, in section 211, on page 11, line 20, after "Sec." to insert the letter "(a)."

The amendment was agreed to.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	France	Johnson, Cal.	Knox
Calder	Gay	Johnson, S. Dak.	La Follette
Colt	Gronna	Jones, Wash.	Lenroot
Curtis	Harding	Kendrick	McCumber
Dillingham	Hardwick	Kenyon	McKellar
Fletcher	Henderson	Kirby	McLean
Martin, Ky.	Pittman	Simmons	Townsend
Martin, Va.	Poindexter	Smith, Md.	Trammell
Moses	Pomerene	Smith, S. C.	Underwood
New	Ransdell	Smoot	Vardaman
Norris	Reed	Spencer	Walsh
Nugent	Saulsbury	Swanson	Warren
Page	Shafroth	Thomas	Watson
Penrose	Sheppard	Thompson	Weeks

Mr. SHEPPARD. I wish to announce that the Senator from Arkansas [Mr. ROBINSON], the Senator from Arizona [Mr. ASHURST], and the Senator from California [Mr. PHELAN] are detained on important public business.

Mr. THOMAS. I desire to announce that the Senator from Rhode Island [Mr. GERRY] is detained on important public business.

The PRESIDENT pro tempore. Fifty-six Senators have answered to their names. There is a quorum present. The Secretary will state the pending amendment.

The SECRETARY. The pending amendment is, under the heading "Surtax," section 211, to strike out from line 3, on page 12, to line 14, on page 13, in the following words:

2 per cent of the amount by which the net income exceeds $5,000 and does not exceed $7,500;
3 per cent of the amount by which the net income exceeds $7,500 and does not exceed $10,000;
7 per cent of the amount by which the net income exceeds $10,000 and does not exceed $15,000;
10 per cent of the amount by which the net income exceeds $15,000 and does not exceed $20,000;
15 per cent of the amount by which the net income exceeds $20,000 and does not exceed $30,000;
20 per cent of the amount by which the net income exceeds $30,000 and does not exceed $40,000;
25 per cent of the amount by which the net income exceeds $40,000 and does not exceed $50,000;
32 per cent of the amount by which the net income exceeds $50,000 and does not exceed $60,000;
38 per cent of the amount by which the net income exceeds $60,000 and does not exceed $70,000;
42 per cent of the amount by which the net income exceeds $70,000 and does not exceed $80,000;
46 per cent of the amount by which the net income exceeds $80,000 and does not exceed $90,000;
48 per cent of the amount by which the net income exceeds $90,000 and does not exceed $100,000;
50 per cent of the amount by which the net income exceeds $100,000 and does not exceed $200,000;
52 per cent of the amount by which the net income exceeds $200,000 and does not exceed $300,000;
54 per cent of the amount by which the net income exceeds $300,000 and does not exceed $500,000;
58 per cent of the amount by which the net income exceeds $500,000 and does not exceed $1,000,000;
60 per cent of the amount by which the net income exceeds $1,000,000 and does not exceed $5,000,000; and
65 per cent of the amount by which the net income exceeds $5,000,000.

And in lieu thereof to insert the following:

1 per cent of the amount by which the net income exceeds $5,000 and does not exceed $6,000;
2 per cent of the amount by which the net income exceeds $6,000 and does not exceed $8,000;
3 per cent of the amount by which the net income exceeds $8,000 and does not exceed $10,000;
4 per cent of the amount by which the net income exceeds $10,000 and does not exceed $12,000;
5 per cent of the amount by which the net income exceeds $12,000 and does not exceed $14,000;
6 per cent of the amount by which the net income exceeds $14,000 and does not exceed $16,000;
7 per cent of the amount by which the net income exceeds $16,000 and does not exceed $18,000;
8 per cent of the amount by which the net income exceeds $18,000 and does not exceed $20,000;
9 per cent of the amount by which the net income exceeds $20,000 and does not exceed $22,000;
10 per cent of the amount by which the net income exceeds $22,000 and does not exceed $24,000;
11 per cent of the amount by which the net income exceeds $24,000 and does not exceed $26,000;
12 per cent of the amount by which the net income exceeds $26,000 and does not exceed $28,000;
13 per cent of the amount by which the net income exceeds $28,000 and does not exceed $30,000;
14 per cent of the amount by which the net income exceeds $30,000 and does not exceed $32,000;
15 per cent of the amount by which the net income exceeds $32,000 and does not exceed $34,000;
16 per cent of the amount by which the net income exceeds $34,000 and does not exceed $36,000;
17 per cent of the amount by which the net income exceeds $36,000 and does not exceed $38,000;
18 per cent of the amount by which the net income exceeds $38,000 and does not exceed $40,000;
19 per cent of the amount by which the net income exceeds $40,000 and does not exceed $42,000;
20 per cent of the amount by which the net income exceeds $42,000 and does not exceed $44,000;
21 per cent of the amount by which the net income exceeds $44,000 and does not exceed $46,000;
22 per cent of the amount by which the net income exceeds $46,000 and does not exceed $48,000;
23 per cent of the amount by which the net income exceeds $48,000 and does not exceed $50,000;
24 per cent of the amount by which the net income exceeds $50,000 and does not exceed $52,000;
25 per cent of the amount by which the net income exceeds $52,000 and does not exceed $54,000;

26 per cent of the amount by which the net income exceeds $54,000 and does not exceed $56,000;
27 per cent of the amount by which the net income exceeds $56,000 and does not exceed $58,000;
28 per cent of the amount by which the net income exceeds $58,000 and does not exceed $60,000;
29 per cent of the amount by which the net income exceeds $60,000 and does not exceed $62,000;
30 per cent of the amount by which the net income exceeds $62,000 and does not exceed $64,000;
31 per cent of the amount by which the net income exceeds $64,000 and does not exceed $66,000;
32 per cent of the amount by which the net income exceeds $66,000 and does not exceed $68,000;
33 per cent of the amount by which the net income exceeds $68,000 and does not exceed $70,000;
34 per cent of the amount by which the net income exceeds $70,000 and does not exceed $72,000;
35 per cent of the amount by which the net income exceeds $72,000 and does not exceed $74,000;
36 per cent of the amount by which the net income exceeds $74,000 and does not exceed $76,000;
37 per cent of the amount by which the net income exceeds $76,000 and does not exceed $78,000;
38 per cent of the amount by which the net income exceeds $78,000 and does not exceed $80,000;
39 per cent of the amount by which the net income exceeds $80,000 and does not exceed $82,000;
40 per cent of the amount by which the net income exceeds $82,000 and does not exceed $84,000;
41 per cent of the amount by which the net income exceeds $84,000 and does not exceed $86,000;
42 per cent of the amount by which the net income exceeds $86,000 and does not exceed $88,000;
43 per cent of the amount by which the net income exceeds $88,000 and does not exceed $90,000;
44 per cent of the amount by which the net income exceeds $90,000 and does not exceed $92,000;
45 per cent of the amount by which the net income exceeds $92,000 and does not exceed $94,000;
46 per cent of the amount by which the net income exceeds $94,000 and does not exceed $96,000;
47 per cent of the amount by which the net income exceeds $96,000 and does not exceed $98,000;
48 per cent of the amount by which the net income exceeds $98,000 and does not exceed $100,000;
52 per cent of the amount by which the net income exceeds $100,000 and does not exceed $150,000;
56 per cent of the amount by which the net income exceeds $150,000 and does not exceed $200,000;
60 per cent of the amount by which the net income exceeds $200,000 and does not exceed $300,000;
63 per cent of the amount by which the net income exceeds $300,000 and does not exceed $500,000;
64 per cent of the amount by which the net income exceeds $500,000 and does not exceed $1,000,000;
65 per cent of the amount by which the net income exceeds $1,000,000.

(b) In the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this section attributable to such sale shall not exceed 20 per cent of the selling price of such property or interest.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment passed over was, in section 212, page 18, paragraph (b), line 19, after the word "if," to strike out the word "it" and insert "the method employed," so as to make the section read:

NET INCOME DEFINED.

SEC. 212. (a) That in the case of an individual the term "net income" means the gross income as defined in section 213, less the deductions allowed by section 214.

(b) The net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if the method employed does not clearly reflect the income, the computation shall be made upon such basis and in such manner as in the opinion of the commissioner does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year as defined in section 200 or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year.

If a taxpayer changes his accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another, the net income shall, with the approval of the commissioner, be computed on the basis of such new accounting period, subject to the provisions of section 226.

The amendment was agreed to.

The next amendment passed over was, in section 213, page 19, line 9, to strike out the numerals "233" and insert the numerals "247"; and in line 12, after the word "service," to strike out "(including in the case of the President of the United States, the judges of the Supreme and inferior courts of the United States, and all other officers and employees, whether elected or appointed, of the United States, or of any State, Alaska, Hawaii, or any political subdivision thereof, or the District of Columbia, the compensation received as such)," so as to read:

GROSS INCOME DEFINED.

SEC. 213. That for the purposes of this title (except as otherwise provided in section 247) the term "gross income"—

(a) Includes gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever.

The amendment was agreed to.

The next amendment passed over was, on page 19, line 25, after the word "Whatever" and the period, to strike out the word "The," and in lieu thereof to insert "Except as otherwise provided in subdivision (d) of section 201, the," so as to read:

Except as otherwise provided in subdivision (d) of section 201, the amount of all such items shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under methods of accounting permitted under subdivision (b) of section 212, any such amounts are to be properly accounted for as of a different period.

The amendment was agreed to.

The next amendment was, on page 20, line 10, after the word "insured," to strike out "to individual beneficiaries or to the estate of the insured," so as to make the paragraph read:

(1) The proceeds of life insurance policies paid upon the death of the insured.

The amendment was agreed to.

The next amendment passed over was, on page 20, line 22, after the words "District of Columbia," to strike out "issued on or prior to the date of the passage of this act, or (if authorized by law on or prior to the date of the passage of this act) issued within six months after the passage of this act and containing a statement of such authorization and its date, or (if issued after the passage of this act) containing a statement that they are issued for the purpose of funding or refunding any interest-bearing indebtedness outstanding on the date of the passage of this act or for the purpose of carrying out a contract entered into on or prior to the date of the passage of this act: *Provided*, That there shall be excluded from gross income in the case of any person owning obligations of States, Territories, political subdivisions thereof, or the District of Columbia (the interest upon which is included in gross income) the interest upon an amount of such obligations the principal of which does not exceed in the aggregate $5,000." On page 21, line 24, after the word "its," to strike out "possessions" and insert "possessions; or (d) bonds issued by the War Finance Corporation"; in line 17, after the date "September 1, 1917," to insert "and in the case of bonds issued by the War Finance Corporation"; in line 20, before the word "authorizing," to strike out the word "act" and insert "respective acts"; in line 23, after the word "taxation," to insert "to the taxpayer"; and, in line 24, after the word "Title," to strike out the "III." and insert "III;", so as to make the paragraph read:

(4) Interest upon (a) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia; or (b) securities issued under the provisions of the Federal farm-loan act of July 17, 1916; or (c) the obligations of the United States or its possessions; or (d) bonds issued by the War Finance Corporation. In the case of obligations of the United States issued after September 1, 1917, and in the case of bonds issued by the War Finance Corporation, the interest shall be exempt only if and to the extent provided in the respective acts authorizing the issue thereof as amended and supplemented, and shall be excluded from gross income only if and to the extent it is wholly exempt from taxation to the taxpayer both under this title and under Title III.

The amendment was agreed to.

The next amendment passed over was, on page 22, in line 16, after the words "government of," to strike out "the Philippine Islands or Porto Rico" and insert "any possession of the United States," so as to make the paragraph read:

(7) Income derived from any public utility or the exercise of any essential governmental function and accruing to any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, or income accruing to the government of any possession of the United States, or any political subdivision thereof.

The amendment was agreed to.

The next amendment passed over was, on page 22, line 22, after the word "person," to strike out "or corporation."; on page 23, line 4, after the word "person," to strike out "or corporation"; in line 6, after the word "person," to strike out "or corporation"; and in line 8, after the word "person," to strike out "or corporation," so as to make the paragraph read:

Whenever any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, prior to September 8, 1916, entered in good faith into a contract with any person the object and purpose of which is to acquire, construct, operate, or maintain a public utility, no tax shall be levied under the provisions of this title upon the income derived from the operation of such public utility, so far as the payment thereof will impose a loss or burden upon such State, Territory, District of Columbia, or political subdivision; but this provision is not intended to confer upon such person any financial gain or exemption or to relieve such person from the payment of a tax as provided for in this title upon the part or portion of such income to which such person is entitled under such contract.

The amendment was agreed to.

The next amendment passed over was, on page 23, line 10, before the word "amount," to strike out "So much of the" and insert "The"; in the same line, after the word "received," to

insert "during the present war"; in line 13, after the word "for," to insert "active"; in the same line, after the word "services," to strike out "abroad or at sea"; and in line 14, after the word "forces," to strike out "as does not exceed $3,500," so as to make the paragraph read:

(8) The amount received during the present war by a person in the military or naval forces of the United States as salary or compensation in any form from the United States for active services in such forces.

The amendment was agreed to.

The next amendment passed over was, under the heading "Deductions allowed," in section 214, page 24, line 3, after the word "or," to strike out "possession" and insert "possession of property"; and in line 4, after the word "business," to strike out "of property to which the taxpayer has not taken or is not taking title or in which he has no equity," so as to make the paragraph read:

SEC. 214. (a) That in computing net income there shall be allowed as deductions:

(1) All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and including rentals or other payments required to be made as a condition to the continued use or possession of property for purposes of the trade or business.

The amendment was agreed to.

The next amendment passed over was, on page 24, line 8, after the word "indebtedness," to insert "except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917), the interest upon which is wholly exempt from taxation under this title as income to the taxpayer"; and in line 14, after the word "interest," to strike out "paid," so as to make the paragraph read:

(2) All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securties (other than obligations of the United States issued after September 24, 1917), the interest upon which is wholly exempt from taxation under this title as income to the taxpayer, or, in the case of a nonresident alien individual, the proportion of such interest which the amount of his gross income from sources within the United States bears to the amount of his gross income from all sources within and without the United States.

The amendment was agreed to.

The next amendment passed over was, on page 25, line 1, after the word "benefits," to insert "of a kind tending to increase the value of the property assessed"; and in line 6, after the numerals "222," to insert "or (e) in the case of a nonresident alien individual, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon property or business, to the extent that the income from such property or business is subject to taxation under this title"; so as to make the paragraph read:

(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war-profits and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 222; or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a citizen or resident of the United States, by the authority of any foreign country, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 222; or (e) in the case of a nonresident alien individual, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon property or business, to the extent that the income from such property or business is subject to taxation under this title.

The amendment was agreed to.

The next amendment passed over was, on page 25, line 14, after the word "sustained," to strike out "and charged off," so as to make the clause read:

(4) Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in trade or business.

The amendment was agreed to.

The next amendment passed over was, on page 26, line 8, after the word "the," strike out "exhaustion, wear and tear" and insert "depreciation," and in line 8, after the word "business," to strike out "but in the case of a nonresident alien individual only as to property within the United States," so as to make the clause read:

(8) A reasonable allowance for the depreciation of property used in the trade or business.

The amendment was agreed to.

The next amendment passed over was, on page 26, line 13, after the words "present war," to insert "and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war"; in line 16, after the word "there," to strike out "may" and insert "shall"; in line 18, after the word "facilities," to insert "or vessels"; in line 19, after the word "including," to strike out "amounts otherwise allowed under this title for depreciation, exhaustion, or wear and tear" and insert "any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income"; in line 25, after the word "war," to strike out "with the Imperial German Government as declared by proclamation of the President"; on page 27, line 4, after the word "the," to strike out "necessary adjustment of the"; in the same line, after the word "taxes," to insert "imposed by this title and by Title III"; in line 6, after the word "be," to strike out "made" and insert "redetermined"; in line 7, after the word "such," to strike out "readjustment" and insert "redetermination"; and in line 11, after "section 252," to strike out "In the case of a nonresident alien individual this deduction shall be allowed only as to facilities within the United States. In no case shall the deduction allowed under this paragraph exceed 25 per cent of the taxpayer's net income as computed without the benefit of this paragraph or paragraph (11)," so as to make the paragraph read:

(9) In the case of buildings, machinery, equipment, or other facilities constructed, erected, installed, or acquired on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities or vessels as has been borne by the taxpayer, but not again including any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income. At any time within three years after the termination of the present war the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the taxes imposed by this title and by Title III for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

The amendment was agreed to.

The next amendment passed over was, on page 27, after line 16, to strike out:

(10) (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion; (c) in the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depreciation of improvements; such reasonable allowance in all the above cases to be made according to the peculiar conditions in each case and under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee. In the case of a nonresident alien individual deductions under this paragraph shall be allowed only as to property within the United States.

And insert:

(10) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost, including cost of development not otherwise deducted: *Provided*, That in the case of such properties acquired prior to March 1, 1913, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: *Provided further*, That in the case of mines, oil and gas wells, discovered by the taxpayer on or after March 1, 1913, and not acquired as the result of purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery, or within 12 months thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee.

The amendment was agreed to.

The next amendment passed over was, on page 29, line 9, after the word "the," to strike out "vocational rehabilitation" and insert "Vocational Rehabilitation"; and in line 18, after the word "rehabilitation," to strike out the period and insert a semicolon, so as to make the clause read:

(11) Contributions or gifts made within the taxable year to corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to the special fund for vocational rehabilitation authorized by section 7 of the Vocational Rehabilitation act, to an amount not in excess of 15 per cent of the taxpayer's net income as computed without the benefit of this paragraph. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the commissioner, with the approval of the Secretary. In the case of a nonresident alien individual this deduction shall be allowed only as to contributions or gifts made to domestic corporations or to such vocational rehabilitation fund.

The amendment was agreed to.

The next amendment passed over was, on page 29, after line 18, to insert:

(12) If it is shown to the satisfaction of the commissioner that during the taxable year 1919 or 1920 the taxpayer (a) has for the first time ascertained the amount of a loss sustained during the preceding

taxable year and not deducted from the gross income therefor, or (b) has sustained a substantial loss (whether or not actually realized by sale or other disposition), resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for the preceding taxable year, then the amount of such loss shall be deducted from the net income for such preceding taxable year, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

Mr. LENROOT. Mr. President, this is one of the relief sections. Yesterday I asked some questions concerning the construction of this section, but did not pursue the inquiry at that time, preferring to wait until the amendment came up for consideration; but I wanted to ask with reference to subdivision (b) of this paragraph.

Several of the members of the committee yesterday stated that in their opinion the construction of this subdivision was that it did not in anywise relate to a loss actually sustained during the preceding taxable year, but did relate to a loss actually sustained during the taxable year in question. I should like to ask the chairman of the committee, or any member of it, whether that is correct. The preceding paragraph relates clearly to a loss sustained, but not ascertained, during the previous year.

Mr. SIMMONS. Mr. President, I will state to the Senator that that is, in effect, the contention I made on yesterday, and I am entirely satisfied of its correctness. It refers to a loss sustained in the previous year, but not determined until later, in the sense that the profits reflected in the inventory upon the basis of which the taxable income was ascertained and assessed as the result of the shrinkage in the values of the inventoried assets have not been realized and the tax has been collected upon a false estimate of values and income. When this situation is disclosed the amendment authorizes a redetermination of the income and the resulting tax.

Mr. SMOOT. Then, Mr. President, I want to say again——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SMOOT. I thought the Senator was through.

Mr. SIMMONS. Let me finish what I was going to say.

Since making that statement I have referred to a statement which I have in the annotations that I have made upon this bill which relates to this very matter, and I see that it confirms me. The annotation reads as follows:

> The matter of anticipated losses through the shrinkage in value of inventories from the present high level received much attention from the committee. It was believed that the provision in regard to net losses, section 204, above, might afford relief in certain cases.
>
> In order, however, to afford more prompt relief in case it should be discovered within a relatively short time after the close of a taxable year that a loss had been sustained resulting from a material reduction in the value of the inventory or other similar cause, provision was made that the amount of the loss then discovered may be deducted from the net income of the preceding taxable year, any amount of taxes thus found to have been overpaid to be promptly refunded.

That is the substance of what I stated yesterday, Mr. President; and, in my judgment, that is the clear, unmistakable meaning of this section.

Mr. SMOOT. Mr. President, I want the Senator from Wisconsin to know that I do not agree with that proposition at all.

Mr. SIMMONS. The Senator so stated yesterday.

Mr. SMOOT. And if the Senator says that that is what this means—that I want this provision changed—but the reading of it does not say that at all. I want the Senate to understand that this is what it says:

First—and the reason why there are two subdivisions of it is because there are two separate and distinct propositions—the first one is that during the taxable year 1919 or 1920, if there is ascertained the amount of a loss that may be sustained then——

Mr. SIMMONS. That is not the subdivision the Senator from Wisconsin was talking about.

Mr. SMOOT. I will read the next one, if the Senator will wait. I called attention to the fact that there were two subdivisions, "(a)" and "(b)." The first one is where there is a loss that has been ascertained, not for the year 1918 but for the year 1919 or 1920. Subdivision "(b)" is where it has actually been sustained during those years, not any other years. Now, if the Senator's answer is correct, we go back here to 1918; and that was never the intention of the committee, or, at any rate, it was never my intention as a member of the committee, and I do not so construe this subdivision or this amendment.

I want that statement to be in the RECORD.

Mr. SIMMONS. Mr. President, the Senator loses sight of the fact that the two subdivisions contemplate entirely different classes of losses. The first subdivision relates to any loss that was actually sustained during 1919 and 1920, of any kind or character, but was not known at the time, was not discovered until a later date; and in that case, very properly, it is provided that the taxpayer may have the benefit of that fact when the loss is actually discovered.

Mr. SMOOT. The Senator is right in that statement.

Mr. SIMMONS. That is general. That is not restricted by any language whatsoever. It applies to any loss of any character or kind whatsoever.

Mr. THOMAS. But only to the preceding taxable year.

Mr. SIMMONS. Oh, yes; of course, to the preceding taxable year.

Mr. SMOOT. I agree with the Senator on that.

Mr. SIMMONS. Now, section (b) refers to losses resulting under specified conditions. It deals with a specific loss incurred in a specified way, to wit, it in effect provides that if during the succeeding taxable year it is ascertained that there has been a shrinkage in inventory values by reason of the fact that the assets were valued at a price basis which subsequent market conditions disclose was not justified, and as the result of this shrinkage it becomes apparent that the taxpayer has paid the income taxes during the preceding year upon a larger income than he actually earned, he shall be reimbursed for the loss thus sustained.

Mr. LENROOT. Mr. President, will the Senator permit an interruption?

Mr. SIMMONS. Just a minute. If the inventory, based upon either the cost price or the market value, whichever is the lower, reflects a profit which a subsequent shrinkage in prices or values shows to have been fictitious, and as a result a loss is sustained, this section enables the taxpayer to have his taxable income for the preceding year redetermined and provides for appropriate reimbursement.

Mr. SMOOT. Now the Senator has got it right.

Mr. SIMMONS. To have his inventory corrected, so as to reflect the value as shown as a result of this shrinkage; and when it is determined in that way then he recoups himself from the taxes paid in that year.

Mr. SMOOT. Mr. President, I simply want to say that the statement just made by the Senator is correct, as I understand it; but the statement he just made is exactly the reverse of the statement he made before.

Mr. SIMMONS. I do not think so at all.

Mr. SMOOT. Well, we will let the RECORD show.

Mr. SIMMONS. I have read what I said in the RECORD, and I did not change a word of it, and it sustains absolutely the statement I have made here.

Mr. SMOOT. No; I mean the RECORD to-day.

Mr. SIMMONS. I have not discussed this matter to-day. It was on yesterday that we discussed it.

Mr. SMOOT. I refer to the Senator's first statement.

Mr. SIMMONS. Oh, I beg the Senator's pardon. He meant my statement made a little while ago?

Mr. SMOOT. Why, certainly.

Mr. LENROOT. Mr. President, I agree with the construction that is now given by the chairman. That brings me to the question which I really desired to ask, and that is, in the case that he now has illustrated, whether that loss would not be reflected in the return for the present year?

In other words, here is an inventory made upon the first of January, and a shrinkage has resulted in a loss during the taxable year then following. Now, why is not that loss fully taken care of and represented in the return, without being carried back into the taxable year?

Mr. SIMMONS. That loss would not be reflected in the present year.

Mr. LENROOT. Why not?

Mr. SIMMONS. Why, if I understand the Senator, taking care of the losses of that year does not provide recoupment for an overcharge for the previous year. There was an overvaluation of assets in the inventory of the previous year showing a taxable income which was not actually earned, and as a result the taxpayer was overtaxed. The purpose of this section is to reimburse him.

Mr. LENROOT. Yes; but now the Senator says that he still has the goods. He may or may not have the goods. He is entitled to the relief of this subdivision (b), whether the goods have been sold or not. The goods may have been sold; they may have been sold at a less price than that indicated in the inventory; and if they are sold for a less price than that indicated in the inventory, for the life of me I can not see why it is not reflected in the return for the present year and why he does not receive the benefit of that loss. If I can put one more question to the Senator, I think I will make myself clear.

Mr. SIMMONS. Let me see if I understand the Senator. Of course, if you start at the beginning of the new year with

the inventory of the previous year, without correction in the way I have indicated, then your inventory at the end of the year might not properly reflect your profits; but what I say is that in a case of that sort, when you discover that your inventory of the previous year was made upon a false basis and that is corrected, then you correct the inventory at the beginning of the year upon which profits are estimated in conjunction with the inventory at the close of the year.

Mr. LENROOT. Now, let me see if I can put a case that will make my understanding of it a little clearer. Suppose the goods have not been disposed of. On the 1st of January an inventory is made, which is the basis of the relief provided by this section. The goods are not disposed of at all, and 12 months later a new inventory is made at the prices then prevailing, the value of which is very much less than the inventory of the year preceding. Now, will not that be reflected in the return for the current year? Will he not receive credit for that loss in the value of the inventory, measuring the difference between the value of the inventory on January 1 of one year and January 1 of the succeeding year?

Mr. SIMMONS. I had assumed that there would be no difficulty in the taxpayer in the succeeding year correcting his inventory to conform to the corrections that were made for the purpose of getting a rebate in his taxes. This corrected inventory is the basis upon which he starts the year's business—this inventory which shows the true value of his assets after they have suffered this shrinkage. Now, starting from that basis, he may make a profit during that year or he may make a loss during that year; and the profit or loss of that year will be reflected in the inventory made at the termination of the year. Is that what the Senator means?

Mr. LENROOT. Yes; but the Senator assumes in subdivision "(b)" that there is an error in the inventory concerning which there is a shrinkage in the value of it. I do not so read this section or so construe it. The inventory may have been absolutely accurate at the time it was made; but thereafter, through a falling of values, there may have been a shrinkage in the value of the goods represented by that inventory. If there be that shrinkage, as I read this, he is entitled to the benefits of this subdivision. That does not relate to the preceding taxable year at all.

Mr. SIMMONS. Let me ask the Senator this question: Will he not discover, before his next taxes are due, this shrinkage, this loss? And when he discovers that loss, he will be at once permitted to correct the inventory.

Mr. LENROOT. Why should he, when he has the fullest opportunity in making the return for the current year and paying his taxes for that year to have that included and taken care of, and it will be reflected, it seems to me, in his return?

Mr. SIMMONS. Mr. President, I assume that this is the situation: Suppose that during the succeeding year the taxpayer discovers that he has sustained a loss in the preceding year which is not reflected in his inventory of that year, because he did not then know of the loss, and for that reason his taxes are redetermined, and it is found that his inventory was incorrect. I do not say that fundamentally it was incorrect in the sense that it did not properly reflect cost price or the market value; but it is determined not to reflect the values upon which his income tax ought to be based, and he is permitted, for the purposes of the tax of the preceding year, to re-form it. Now, when he comes to make his inventory for the succeeding year, I do not conceive that he would base his inventory upon the prices at which they were inventoried in the previous year—prices that he had been permitted to set aside, prices which the department had reformed in this process of redetermination. His inventory as to assets brought over would take into consideration the shrinkage they had sustained as the result of falling value since the last inventory period.

Mr. LENROOT. Mr. President, will the Senator yield there?

Mr. SIMMONS. Yes.

Mr. LENROOT. Suppose the goods had been sold and disposed of, so that they would not be and could not be included in any subsequent inventory?

Mr. SIMMONS. The goods must have been sold if the shrinkage occurred after the current year. They must have been sold after the current year. They must have been sold in the next year; but it does not make any difference in my mind whether the goods are sold or not, if, as a matter of fact, they were overestimated.

Mr. LENROOT. But suppose they were not overestimated?

Mr. SIMMONS. But for the purposes of this redetermination we take them as having been overestimated.

Mr. LENROOT. There is nothing in the section that places any such limitation upon it—certainly not.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. SIMMONS. The very provision itself is based upon the idea that the inventory has shrunk.

Mr. LENROOT. Yes; but it may have shrunk after the preceding taxable year. There is the difficulty.

Mr. SIMMONS. It must have shrunk after the inventory was taken.

Mr. LENROOT. Certainly.

Mr. SMOOT. Mr. President, it seems to me the answer to the Senator is a simple one, and I do not think we ought to dodge it if we are going to support the amendment.

Let me say to the Senator that the answer to it is this: If there has been a shrinkage and the shrinkage is determined and an allowance made, it can not be deducted again; so, whatever the shrinkage may be, he can only receive credit for it once. That, it seems to me, is the answer to the Senator's question.

Mr. SIMMONS. That was what I was endeavoring to make plain.

Mr. LENROOT. That may be true; but if it can be taken care of in the current year, then it seems to me the only possible reason there can be for subdivision (b) might be where the net income or the gross income was so low as not to permit full credit for that loss—in other words, where the deduction might be greater than the income—so that it would be necessary to carry it into the preceding year to give him the relief.

Mr. SMOOT. Yes; but I want to say to the Senator it would not be fair to the Government on one hand or the merchant on the other to have it carried to the year he suggested. The loss must be, as the amendment says, actually sustained, and I will state the reason why it is given that way and the division made. The taxes for this year will no doubt be higher than they will at any other time in the history of the country, and if the loss is sustained this year and in the future a credit is allowed it ought to be at the rate of taxation of this year. If the loss shall be sustained, say, in the year 1920, the merchant ought not to be allowed the rate of taxation provided in 1918, but it will be on the taxes provided for the calendar year 1919.

Mr. LENROOT. It ought to be for the year in which the loss is sustained, ought it not?

Mr. SMOOT. No; not under the amendment.

Mr. LENROOT. Let me state the case again. I may be very dense, but it seems to me entirely clear that the entire loss may be sustained in a current year, but under subdivision (b) that loss will be carried back and treated as a loss sustained during the preceding year, when it was not sustained during that year at all.

Mr. SMOOT. The answer to that is, I will say to the Senator, that if he has paid the rate of taxation of 1918 on an inflated inventory, why should he be compelled for the calendar year 1919 to receive only credit at the lower rate of taxation? The amendment is drawn in order to take care of just such a case.

Mr. LENROOT. But subdivision (a) takes care of that kind of a case?

Mr. SMOOT. No.

Mr. LENROOT. Where a loss is ascertained for the first time, but which really occurred during the preceding year.

Mr. SMOOT. No; it says "the amount of a loss sustained during the preceding taxable year and not deducted from the gross income therefor" during that year.

Mr. LENROOT. The Senator speaks of that kind of a loss, and, of course, that is correct.

Mr. SIMMONS. I fail to understand the Senator from Wisconsin. I can not see in this provision anything except a provision to correct an inventory and to pay the tax according to the corrected inventory.

Mr. SMOOT. Mr. President, I wish to say merely a word in relation to the statement made by the Senator from Wisconsin just before the Senator from North Carolina rose. The loss was not sustained until after the reduction in the goods had been ascertained. The loss that will be sustained can not be ascertained until after this year.

Mr. SIMMONS. What I said was that when it is ascertained that there was a loss, then all this provision does is to permit the taxpayer, through the Treasury Department, to correct his inventory of the previous year so as to reflect that loss; that is all.

Mr. LENROOT. Let me ask the Senator if his attention has been called to this kind of a case: We will say that on the 1st of January next an inventory is made, the value of which, according to the return, is $100,000. We will say that that is the actual value based either upon cost or market value, if that is lower. Can there be any mistake in that inventory to correct?

Mr. SIMMONS. Yes.

Mr. LENROOT. I am assuming that it is either the actual value or cost.

Mr. SMOOT. Whichever is the lowest.

Mr. LENROOT. Whichever is the lowest. Now, because of the fall in prices beginning after the 1st of January a loss is sustained. What will happen in that case?

Mr. SIMMONS. He is simply permitted to re-form his inventory so as to make it reflect the change in the level of prices resulting from the shrinkage.

Mr. LENROOT. Why should not all that be taken care of in the year in which the loss actually occurred?

Mr. SMOOT. There was no loss. Say the inflation.

Mr. LENROOT. I speak of the current year.

Mr. SMOOT. It was the inflation in the prices given in the inventory. The case the Senator cites is a good one, and it ought to be carried clear through to the end.

Mr. LENROOT. I would be glad to have the Senator do that.

Mr. SMOOT. Take an institution whose inventory was taken, we will say, on the 31st day of December of this year, and the stock inventoried at $100,000. There was no loss sustained this year, because the actual value was determined. Now, he proceeds during the year 1919 with his business in its regular way, but on December 31, 1919, he takes an inventory of his stock again. He has on hand not the same identical goods but the same quantity of goods he had the year before. He finds the market value or the cost value of the goods, whichever is the lowest, inventories only $75,000. He has the same number of packages of goods, the same quantity of goods of every description. The inventory shows that there is a shrinkage in value to the amount of $25,000. Under (b) of this amendment he is allowed credit on whatever his taxes would be upon the loss of the $25,000 for the taxable year 1919. But the credit allowed is to be based upon the rate of taxation of 1918. Now, that is the meaning of the amendment.

Mr. LENROOT. Is it not a redetermination of the tax imposed for the previous year?

Mr. SMOOT. That is the previous year, and that is what I said. I think that case, if the Senator will look at it——

Mr. LENROOT. It will be 1918.

Mr. SMOOT. I am taking the invoices now of 1918 at the high peak. On the 31st of December, 1919, prices have shrunk $25,000. That shows that there was a loss sustained by the depreciation of the value of the goods of $25,000. Under this provision he is entitled to a credit of whatever the tax would be upon the $25,000 of loss which was sustained by the depreciation at the rate of taxation of 1918, because he has paid his tax upon the profits made upon that year's business with a value of merchandise of $100,000.

Mr. WARREN. Mr. President, allow me to make this statement to the Senator: Take the business of cattle raising. I happen to know one concern where some young men started in the business and allowed all their earnings to accumulate. Last year, about the close of the year, the prices of cattle were at their peak. They had kept books only by means of a check book and their bank account. The Government sent its expert there—perhaps they asked to have him sent—to make out their statement. Of course the matter of inventory came in. They inventoried those cattle at the market price. It was higher than was ever known before, and higher even than it is now.

In all probability as we go over into the next year there must naturally follow a very large reduction in price of stock cattle. It will be so much of a reduction probably that if we take everything that might be accumulated as profit next year it will show a net loss in the year 1919 owing to a shrinkage in prices. They were overtaxed the past year, so far as an average was concerned, and taxed at the very peak of the price.

I suppose the object of this legislation in a case like that would be to make good in some regard what was an overvaluation, as it proved, for the year before. The chairman of the committee will tell me whether that is the natural consequence of this legislation or not.

Mr. SIMMONS. I beg the Senator's pardon; I have not followed him.

Mr. LENROOT. I will agree that the case of a net loss would permit taking care of that kind of a situation, but I do contend that in a case where there is not a net loss there is no necessity or reason for carrying it back into the preceding taxable year, because it can be and would be, without this provision, fully taken care of in the current year.

Mr. WARREN. In the case I mentioned, if they make enough money the next year, notwithstanding shrinkages, so that they will be able to more than overcome the previous shrinkage and they still have some profit, I grant you that would be fair. On the other hand, if it should sweep away all the profits and a great deal more, I think the Senator will admit there should be some restitution.

Mr. LENROOT. I am not in anywise objecting to this provision, except I wanted to get the construction, and then I want to make this suggestion: The Government, it seems to me, under this theory may in 1920 lose a considerable sum of revenue.

Mr. SMOOT. I do not think anyone is going to deny that that will be the result; and I want to say that as far as I understood the proposition and the amendment it was to relieve the taxpayers of the excessively high rates that are imposed upon the business of 1918. That is what it is for, and we might just as well admit that that is the reason for this amendment.

Mr. LENROOT. The Senator then concedes that it will relieve the taxpayer of the high rates imposed in 1918 for losses wholly sustained in 1919.

Mr. SMOOT. No; I do not want the Senator to go that far. It relieves the taxpayer as to the taxes of 1918, because of the fact that during the year the inflation in prices occurred, and his inventory shows during that year the inflation of the prices. That is when the actual loss was sustained, if any loss at all was sustained. It was when the stock that he had on hand was inventoried at the then market value that the foundation of the loss was sustained.

Mr. LENROOT. Although the decline did not begin until the following year.

Mr. SMOOT. The Senator is right. That is the object of the amendment.

Mr. WARREN. Mr. President, one further remark: The discussion proceeded yesterday and to-day along the line of commercial business, stocks of merchandise, and so forth. I wish for a moment to divert attention to the agricultural products, not only such as I have mentioned, cattle, but the same as to sheep, and as to both wool and mutton and somewhat also in the matter of grain. All of these are raised upon land, and the farmer has no control over the market. He does not buy and sell for profit, but simply tills the soil and sells his product for what he can get. As I understand, the Senator believes in covering all that.

Mr. LENROOT. I fully agree that in a case in the year 1919 there could be a net loss in the whole operation of business so that there could be no offset from the inventoried loss, and then it would be proper to go back to protect the taxpayer by permitting a reduction in 1918, but I do not see that it would be fair or proper in case there is income sufficient during the year 1919 or 1920 to take care of that loss so as to reduce his net income to go back to the preceding year.

Mr. President, may I ask if it is necessary to reserve the right to further bring up the amendment in the Senate?

The PRESIDENT pro tempore. A separate vote can be demanded upon the amendment in the Senate. Without objection, the amendment is agreed to. The next amendment passed over will be stated.

The next amendment passed over was, on page 30, line 10, after the numeral "(9)," to strike out "and (10)" and insert "(10), and (12)"; on line 12, after the word "with," to strike out "a trade or business carried on" and insert "income arising from a source"; in line 15, after the words "with respect to," to strike out "trade or business within and without" and insert "sources of income within and without," so as to make the clause read:

(b) In the case of a nonresident alien individual the deductions allowed in paragraphs (1), (4), (7), (8), (9), (10), and (12) of subdivision (a) shall be allowed only if and to the extent that they are connected with income arising from a source within the United States; and the proper apportionment and allocation of the deductions with respect to sources of income within and without the United States shall be determined under rules and regulations prescribed by the commissioner with the approval of the Secretary.

The amendment was agreed to.

The next amendment passed over was, under the heading "Items not deductible," in section 215, page 31, line 7, after the word "taxpayer," to strike out "or anyone financially interested in such trade or business," and in line 8, after the word "is," to insert "directly or indirectly," so as to make the section read:

ITEMS NOT DEDUCTIBLE.

SEC. 215. That in computing net income no deduction shall in any case be allowed in respect of—

(a) Personal, living, or family expenses;

(b) Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate;

(c) Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made; or

(d) Premiums paid on any life insurance policy covering the life of any officer or employee or of any person financially interested in any trade or business carried on by the taxpayer when the taxpayer is directly or indirectly a beneficiary under such policy.

The amendment was agreed to.

The next amendment passed over was, under the head of "Credits allowed," in section 216, on page 31, line 16, after the words "United States," to insert "and bonds issued by the War Finance Corporation," and in line 17, after the word "Corporation," to strike out "any State, Territory, any political subdivision thereof, or the District of Columbia," so as to make the paragraph read:

SEC. 216. That for the purpose of the normal tax only there shall be allowed the following credits:

(a) The amount received as dividends from a corporation which is taxable under this title upon its net income.

(b) The amount received as interest upon obligations of the United States and bonds issued by the War Finance Corporation, which is included in gross income under section 213.

(c) In the case of a single person, a personal exemption of $1,000, or in the case of the head of a family or a married person living with husband or wife, a personal exemption of $2,000. A husband and wife living together shall receive but one personal exemption of $2,000 against their aggregate net income; and in case they make separate returns, the personal exemption of $2,000 may be taken by either or divided between them.

(d) Two hundred dollars for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer, if such dependent person is under 18 years of age or is incapable of self-support because mentally or physically defective.

(e) In the case of a nonresident alien individual who is a citizen or subject of a country which imposes an income tax, the credits allowed in subdivisions (c) and (d) shall be allowed only if such country allows a similar credit to citizens of the United States not residing in such country.

The amendment was agreed to.

The next amendment passed over was, on page 33, line 6, to strike from the heading the word "Partners" and insert "Partnerships and personal-service corporations," so as to make the heading head: "Partnerships and personal-service corporations"; and on page 34, after line 23, to insert:

(c) Personal-service corporations shall not be subject to taxation under this title, but the individual stockholders thereof shall be taxed in the same manner as the members of partnerships. All the provisions of this title relating to partnerships and the members thereof shall, so far as practicable, apply to personal-service corporations and the stockholders thereof: *Provided*, That in the case of any such corporation any amounts distributed during its taxable year shall be taxed to the distributees; and any portion of the net income remaining undistributed at the close of its taxable year shall for the purposes of this subdivision be assigned to the stockholders of such corporation at the close of its taxable year in proportion to their respective shares.

The amendment was agreed to.

The next amendment passed over was, under the head of "Estates and trusts," in section 219, page 35, line 24, after the word "regular," to strike out the word "interval" with a period and insert the words "intervals, and the income collected by a guardian of an infant to be held or distributed as the court may direct," so as to make the paragraph read:

SEC. 219. (a) That the tax imposed by sections 210 and 211 shall apply to the income of estates or of any kind of property held in trust, including—

(1) Income received by estates of deceased persons during the period of administration or settlement of the estate;

(2) Income accumulated in trust for the benefit of unborn or unascertained persons or persons with contingent interests;

(3) Income held for future distribution under the terms of the will or trust; and

(4) Income which is to be distributed to the beneficiaries, periodically, whether or not at regular intervals, and the income collected by a guardian of an infant to be held or distributed as the court may direct.

The amendment was agreed to.

The next amendment passed over was, on page 36, line 4, after the word "section," to strike out "212" and insert "212, except that there shall also be allowed as a deduction any part of the gross income which, pursuant to the terms of the will or deed creating the trust, is during the taxable year paid out or permanently set aside for exclusively religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals," so as to make the paragraph read:

(b) The fiduciary shall be responsible for making the return of income for the estate or trust for which he acts. The net income of the estate or trust shall be computed in the same manner and on the same basis as provided in section 212, except that there shall also be allowed as a deduction any part of the gross income which, pursuant to the terms of the will or deed creating the trust, is during the taxable year paid out or permanently set aside for exclusively religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals; and in cases under paragraph (4) of subdivision (a) of this section the fiduciary shall include in the return a statement of each beneficiary's distributive share of such net income, whether or not distributed before the close of the taxable year for which the return is made.

The amendment was agreed to.

The next amendment passed over was, in the heading, on page 37, line 14, to strike out the words "Undistributed profits subject to surtax," and insert "Profits of corporations taxable to stockholders."

The amendment was agreed to.

The next amendment passed over was, in section 220, page 37, line 16, after the word "That," to strike out "for the purpose of the surtax, the net income of any individual includes the share to which he would be entitled of the gains and profits, if divided or distributed, whether divided or distributed or not, of all corporations," and insert "if any corporation"; in line 20, before the word "formed," to insert "is"; in line 21, after the word "or," to strike out "fraudulently"; in line 22, after the words "imposition of," to strike out "such tax," and insert "the surtax upon its stockholders or members"; in line 23, after the word "permitting," to strike out "such," and insert "its"; in line 24, after the words "divided or," to strike out the word "distributed" and the semicolon, and insert "distributed, such corporation shall not be subject to the tax imposed by section 230 or by Title III, but the stockholders or members thereof shall be subject to taxation under this title in the same manner as provided in subdivision (e) of section 218 in the case of stockholders of a personal service corporation"; and, on page 38, line 5, after the word "corporation," to strike out "and the," so as to make the paragraph read:

SEC. 220. That if any corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its stockholders or members through the medium of permitting its gains and profits to accumulate instead of being divided or distributed, such corporation shall not be subject to the tax imposed by section 230 or by Title III, but the stockholders or members thereof shall be subject to taxation under this title in the same manner as provided in subdivision (e) of section 218 in the case of stockholders of a personal service corporation.

The amendment was agreed to.

The next amendment passed over was, on page 38, line 6, before the word "fact," to insert "The"; in the same line, after the word "any," to strike out "such"; in line 9, before the word "purpose," to strike out "fraudulent"; in the same line, after the word "escape," to strike out "such tax" and insert "the surtax"; in line 13, before the word "certifies," to strike out "Secretary" and insert "commissioner," so as to make the paragraph read:

The fact that any corporation is a mere holding company, or that the gains and profits are permitted to accumulate beyond the reasonable needs of the business, shall be prima facie evidence of a purpose to escape the surtax; but the fact that the gains and profits are in any case permitted to accumulate and become surplus shall not be construed as evidence of a purpose to escape the tax in such case unless the commissioner certifies that in his opinion such accumulation is unreasonable for the purposes of the business. When requested by the commissioner or any collector, every corporation shall forward to him a correct statement of such gains and profits and the names and addresses of the individuals or shareholders who would be entitled to the same if divided or distributed, and of the amounts that would be payable to each.

The amendment was agreed to.

The next amendment passed over was, under the head of "Payment of tax at source," in section 221, page 39, line 11, after the words "equal to," to strike out "12" and insert "8," and in the same line, after the word "thereof," to insert a colon and the words "*Provided*, That the commissioner may authorize such tax to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent," so as to make the paragraph read:

SEC. 221. (a) That all individuals, corporations, and partnerships, in whatever capacity acting, including lessees or mortgagees of real or personal property, fiduciaries, employers, and all officers and employees of the United States, having the control, receipt, custody, disposal, or payment of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income of any nonresident alien individual (other than income received as dividends from a corporation which is taxable under this title upon its net income) shall (except in the cases provided for in subdivision (b) and except as otherwise provided in regulations prescribd by the commissioner under section 217) deduct and withhold from such annual or periodical gains, profits, and income a tax equal to 8 per cent thereof: *Provided*, That the commissioner may authorize such tax to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

The amendment was agreed to.

The next amendment passed over was, on page 40, line 3, after the words "United States," to insert "or to a partnership: *Provided*, That the commissioner may authorize such tax to be deducted and withheld in the case of interest upon any such bonds, mortgages, deeds of trust, or other obligations, the owners of which are not known to the withholding agent," so as to make the paragraph read:

(b) In any case where bonds, mortgages, or deeds of trust, or other similar obligations of a corporation contain a contract or provision by which the obligor agrees to pay any portion of the tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon or to retain therefrom under any law of the United States, the obligor shall deduct and withhold a tax equal to 2 per cent of the interest upon such bonds, mortgages, deeds of trust, or other obligations, whether such interest is payable annually or at shorter or longer periods and whether payable to a nonresident alien individual or to an individual citizen or resident of the United States or to a partnership: *Provided*, That the commissioner may authorize such tax to be deducted and withheld in the case of interest upon any such bonds, mortgages, deeds of trust, or other obligations, the owners of which are not known to the withholding

agent. Such deduction and withholding shall not be required in the case of a citizen or resident entitled to receive such interest if he files with the withholding agent, on or before February 1, a signed notice in writing claiming the benefit of the credits provided in subdivisions (c) and (d) of section 216; nor in the case of a nonresident alien individual if so provided for in regulations prescribed by the commissioner under section 217.

The amendment was agreed to.

The next amendment passed over was, on page 41, line 9, after the word "imposed," to insert "upon," so as to make the paragraph read:

(c) If any tax required under this section to be deducted and withheld is paid by the recipient of the income, it shall not be re-collected from the withholding agent; nor in cases in which the tax is so paid shall any penalty be imposed upon or collected from the recipient of the income or the withholding agent for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment.

The amendment was agreed to.

The next amendment passed over was, on page 41, after line 12, to strike out:

CREDIT FOR FOREIGN TAXES.

SEC. 222. (a) That in the case of a citizen of the United States, the tax computed under this title shall be credited with the amount of any income, war-profits, and excess-profits taxes paid during the taxable year to any foreign country, Porto Rico, or the Philippine Islands, upon income derived from sources therein, including in the case of a member of a partnership or a beneficiary of an estate or trust his proportionate share of such taxes so paid during the taxable year by the partnership or by the estate or trust.

(b) In the case of an alien resident of the United States who is a citizen or subject of a country which imposes income, war-profits, or excess-profits taxes, a like credit shall be allowed if such country allows a similar credit to citizens of the United States residing in such country.

(c) The credits allowed in subdivisions (a) and (b) shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income received from sources within such foreign country, Porto Rico, or the Philippine Islands, as the case may be, and all other information necessary for the computation of such credits.

And to insert:

CREDIT FOR TAXES.

SEC. 222. (a) That the tax computed under Part II of this title shall be credited with:

(1) In the case of a citizen of the United States, the amount of any income, war-profits, and excess-profits taxes paid during the taxable year to any foreign country, upon income derived from sources therein, or to any possession of the United States; and

(2) In the case of a resident of the United States, the amount of any such taxes paid during the taxable year to any possession of the United States; and

(3) In the case of an alien resident of the United States who is a citizen or subject of a foreign country, the amount of any such taxes paid during the taxable year to such country, upon income derived from sources therein, if such country, in imposing such taxes, allows a similar credit to citizens of the United States residing in such country; and

(4) In the case of any such individual who is a member of a partnership or a beneficiary of an estate or trust, his proportionate share of such taxes paid during the taxable year by the partnership or by the estate or trust to a foreign country or to any possession of the United States, as the case may be.

(b) These credits shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income derived from sources within such foreign country or such possession of the United States, and all other information necessary for the computation of such credits.

The amendment was agreed to.

The next amendment passed over was, under the head of "Individual returns," in section 223, page 43, line 12, after the word "every," to strike out "person" and insert "individual"; in line 13, before the word "income," to strike out "net" and insert "gross"; and in line 19, after the word "aggregate," to strike out "net" and insert "gross," so as to make the paragraph read:

SEC. 223. That every individual having a gross income for the taxable year of $1,000 or over if single or if married and not living with husband or wife, or of $2,000 or over if married and living with husband or wife, shall make under oath a return stating specifically the items of his gross income and the deductions and credits allowed by this title. If a husband and wife living together have an aggregate gross income of $2,000 or over, each shall make such a return, unless the income of each is included in a single joint return.

The amendment was agreed to.

The next amendment passed over was, under the head of "Fiduciary returns," in section 225, page 44, line 15, before the word "income," to strike out "net" and insert "gross"; in line 19, before the word "income," to strike out "net" and insert "gross"; and in line 25, after the words "filed in the," to insert "office of the collector of the," so as to make the section read:

FIDUCIARY RETURNS.

SEC. 225. That every fiduciary (except receivers appointed by authority of law in possession of part only of the property of an individual) shall make under oath a return for the individual, estate, or trust for which he acts (1) if the gross income of such individual is $1,000 or over if single or if married and not living with husband or wife, or $2,000 or over if married and living with husband or wife, or (2) if the gross income of such estate or trust is $1,000 or over or if any beneficiary of such estate or trust is a nonresident alien, stating specifically the items of the gross income and the deductions and credits allowed by this title. Under such regulations as the commissioner with the approval of the Secretary may prescribe, a return made by one of two or more joint fiduciaries and filed in the office of the collector of the district where such fiduciary resides shall be a sufficient compliance with the above requirement. The fiduciary shall make oath that he has sufficient knowledge of the affairs of such individual, estate, or trust to enable him to make the return, and that the same is, to the best of his knowledge and belief, true and correct.

Fiduciaries required to make returns under this act shall be subject to all the provisions of this act which apply to individuals.

The amendment was agreed to.

The next amendment passed over was, under the head of "Time and place for filing returns," in section 227, page 46, line 19, after the word "therefor," to strike out: "Except in the case of taxpayers who are abroad, no such extension shall be for more than two months," so as to make the paragraph read:

TIME AND PLACE FOR FILING RETURNS.

SEC. 227. (a) That returns shall be made on or before the 15th day of the third month following the close of the fiscal year, or, if the return is made on the basis of the calendar year, then the return shall be made on or before the 15th day of March. The commissioner may grant a reasonable extension of time for filing returns whenever in his judgment good cause exists and shall keep a record of every such extension and the reason therefor.

The amendment was agreed to.

The next amendment passed over was, on page 47, line 21, after the word "corporation," to insert "other than a life insurance company," and in line 22, after the word "tax," to strike out "as follows" and insert "at the following rates," so as to make the paragraph read:

SEC. 230. (a) That, in lieu of the taxes imposed by section 10 of the revenue act of 1916, as amended by the revenue act of 1917, and by section 4 of the revenue act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every corporation other than a life insurance company a tax at the following rates:

The amendment was agreed to.

The next amendment passed over was, on page 47, beginning on line 23, to strike out:

(a) In the case of a domestic corporation 18 per cent of the amount of the net income in excess of the credits provided in section 236: *Provided*, That the rate shall be 12 per cent upon so much of this amount as does not exceed the sum of (1) the amount of dividends paid during the taxable year, plus (2) the amount paid during the taxable year out of earnings or profits in discharge of bonds and other interest-bearing obligations outstanding prior to the beginning of the taxable year, plus (3) the amount paid during the taxable year in the purchase of obligations of the United States issued after September 1, 1918; and

(b) In the case of a foreign corporation 18 per cent of the amount of the net income in excess of the credits provided in section 236: *Provided*, That the rate shall be 12 per cent upon so much of this amount as does not exceed the sum of (1) the amount of dividends paid during the taxable year to citizens or residents of the United States or to domestic corporations or partnerships, plus (2) the same proportion of the amount paid during the taxable year out of earnings or profits in discharge of bonds or other interest-bearing obligations outstanding at the beginning of the taxable year which the amount of gross income of the corporation from sources within the United States bears to the amount of its gross income from all sources within and without the United States, plus (3) the amount paid during the taxable year in the purchase of obligations of the United States issued after September 1, 1918.

And to insert:

(1) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 236; and

(2) For each calendar year thereafter, 8 per cent of such amount.

(b) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," five-sixths of the tax imposed by paragraph (1) of subdivision (a) and three-fourths of the tax imposed by paragraph (2) of subdivision (a) shall be treated as levied by an act in amendment of Title I of the revenue act of 1917.

Mr. SMOOT. As this same amendment referring to individuals was passed over at the request of the Senator from North Carolina, I think perhaps, as this has reference to corporations, it ought to go over, because the 1920 provision is, in this respect, just the same as the other.

Mr. SIMMONS. Yes; that can go over.

The PRESIDENT pro tempore. It will be passed over.

Mr. JONES of New Mexico. I did not understand what was done with the amendment at the bottom of page 47.

The PRESIDENT pro tempore. It was agreed to without objection.

Mr. JONES of New Mexico. I should like to have that matter go over for the time being. I expect to submit some remarks upon it to-morrow.

Mr. SIMMONS. Section 230?

Mr. JONES of New Mexico. Section 230.

Mr. SIMMONS. If the Senator desires to submit some remarks upon that amendment and wants to move for its reconsideration, of course he can do that.

Mr. SMOOT. It can go over. We will save time in that way.

Mr. JONES of New Mexico. To save time, let it go over.

Mr. SIMMONS. Very well.

The PRESIDENT pro tempore. The Chair will state that the amendment agreed to ends at line 22 on page 47. The amend-

ment under consideration is to strike out beginning with subdivision (a) in line 23 and ending at the bottom of the succeeding page and the insertion of the matter on page 49. That is the amendment now under consideration.

Mr. JONES of New Mexico. That is precisely what I now ask may go over. It is the subject matter of the House provision which I desire to discuss.

The PRESIDENT pro tempore. Without objection, that amendment will be passed over temporarily. The Chair hears no objection. The next amendment passed over will be stated.

The next amendment passed over was, under the head of "Net income defined," in section 232, page 52, line 22, after the word "corporation," to insert "subject to the tax imposed by section 230," so as to make the section read:

SEC. 232. That in the case of a corporation subject to the tax imposed by section 230 the term "net income" means the gross income as defined in section 233 less the deductions allowed by section 234, and the net income shall be computed on the same basis as is provided in subdivision (b) of section 212 or in section 226.

The amendment was agreed to.

The next amendment passed over was, under the head of "Gross income defined," in section 233, page 53, line 4, after the word "corporation," to insert "subject to the tax imposed by section 230," and in line 6, after the numerals "213," to strike out "except that," so as to make the paragraph read:

SEC. 233. (a) That in the case of a corporation subject to the tax imposed by section 230 the term "gross income" means the gross income as defined in section 213.

The amendment was agreed to.

The next amendment passed over was, on page 53, after line 7, to strike out:

(1) In the case of life insurance companies there shall not be included in gross income such portion of any actual premium received from any individual policyholder within the taxable year as is paid back or credited to or treated as an abatement of premium of such policyholder within the taxable year.

(2) Mutual marine insurance companies shall include in gross income the gross premiums collected and received by them less amounts paid for reinsurance.

The amendment was agreed to.

The next amendment passed over was, under the head of "Deductions allowed," in section 234, page 53, line 23, after the word "computing," to insert "the," and in the same line, after the word "income," to insert "of a corporation subject to the tax imposed by section 230," so as to make the paragraph read:

SEC. 234. (a) That in computing the net income of a corporation subject to the tax imposed by section 230 there shall be allowed as deductions.

The amendment was agreed to.

The next amendment passed over was, on page 54, line 7, to strike out the words "to which the corporation has not taken or is not taking title, or in which it has no equity"; in line 10, after the word "indebtedness," to insert "except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917) the interest upon which is wholly exempt from taxation under this title as income to the taxpayer"; and in line 16, before the word "which," to strike out "paid," so as to read:

(1) All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and including rentals or other payments required to be made as a condition to the continued use or possession of property;

(2) All interest paid or accrued within the taxable year on its indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917) the interest upon which is wholly exempt from taxation under this title as income to the taxpayer, or, in the case of a foreign corporation, the proportion of such interest which the amount of its gross income from sources within the United States bears to the amount of its gross income from all sources within and without the United States.

The amendment was agreed to.

The next amendment passed over was, on page 55, line 3, after the word "benefits," to insert "of a kind tending to increase the value of the property assessed"; in line 8, after the words "section 238," to insert: "; or (e) in the case of a foreign corporation, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon the property or business, to the extent that the income from such property or business is subject to taxation under this title," so as to read:

(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war-profits and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 238; or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a domestic corporation, by the authority of any foreign country, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 238; or (e) in the case of a foreign corporation, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon the property or business, to the extent that the income from such property or business is subject to taxation under this title: *Provided*, That in the case of obligors specified in subdivision (b) of section 221 no deduction for the payment of the tax imposed by this title or any other tax paid pursuant to the contract or provision referred to in that subdivision shall be allowed.

The amendment was agreed to.

The next amendment passed over was, on page 55, line 19, after the word "sustained," to strike out "and charged off," so as to read:

(4) Losses sustained during the taxable year and not compensated for by insurance or otherwise.

The amendment was agreed to.

The next amendment passed over was, on page 56, line 1, to strike out "exhaustion, wear and tear," and insert "depreciation" before the words "of property"; and in line 2, after the word "business," to strike out "but in the case of a foreign corporation only as to property within the United States," so as to read:

(7) A reasonable allowance for the depreciation of property used in the trade or business.

The amendment was agreed to.

The next amendment passed over was, on page 56, line 8, after the word "war," to insert "and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war"; in line 11 to strike out "may" and insert "shall"; in line 13, after "facilities," to insert "or vessels"; in line 14, after "including," to strike out "amounts otherwise allowed under this title for depreciations, exhaustion, or wear and tear" and insert "any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income"; in line 19, after "war," to strike out "with the Imperial German Government as declared by proclamation of the President"; in line 24, before "taxes," to strike out "necessary adjustment of the" and insert, after "taxes," the words "imposed by this title and by Title III"; in line 1, page 57, to strike out the first word "made" and insert "redetermined"; in line 2 to strike out "readjustment" and insert "redetermination"; and in line 6, after the words "section 252," to strike out "In the case of a nonresident alien individual this deduction shall be allowed only as to facilities within the United States. In no case shall the deduction allowed under this paragraph exceed 25 per cent of the taxpayer's net income as computed without the benefit of this paragraph," so as to read:

(8) In the case of buildings, machinery, equipment, or other facilities, constructed, erected, installed, or acquired, on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities or vessels as has been borne by the taxpayer, but not again including any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income. At any time within three years after the termination of the present war the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the taxes imposed by this title and by Title III for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

The amendment was agreed to.

The next amendment passed over was, on page 57, after line 11, to strike out:

(9) (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion; (c) in the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depreciation of improvements; such reasonable allowance in all the above cases to be made according to the peculiar conditions in each case and under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee. In the case of a foreign corporation the deductions under this paragraph shall be allowed only as to property within the United States.

And to insert:

(9) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost, including cost of development not otherwise deducted: *Provided*, That in the case of such properties acquired prior to March 1, 1913, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: *Provided further*, That in the case of mines, oil and gas wells discovered by the taxpayer on or after March 1, 1913, and not acquired

as the result of purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery, or within 12 months thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee.

The amendment was agreed to.

The next amendment passed over was, on page 59, line 6, before the word "contracts," to strike out "and annuity," so as to read:

(10) In the case of insurance companies, in addition to the above: (a) The net addition required by law to be made within the taxable year to reserve funds (including in the case of assessment insurance companies the actual deposit of sums with State or Territorial officers, pursuant to law, as additions to guarantee or reserve funds); and (b) the sums other than dividends paid within the taxable year on policy contracts.

The amendment was agreed to.

The next amendment passed over was, on page 59, to strike out lines 7 to 14, inclusive, in the following words:

(11) In the case of corporations issuing policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan continuing for life and not subject to cancellation, in addition to the above, such portion of the net addition (not required by law) made within the taxable year to reserve funds as the commissioner finds to be required for the protection of the holders of such policies only.

The amendment was agreed to.

The next amendment passed over was, on page 59, line 15, to strike out "(12)" and insert "(11)."

The amendment was agreed to.

The next amendment passed over was, on page 59, line 21, to strike out "(13)" and insert "(12)."

The amendment was agreed to.

The next amendment passed over was, on page 60, line 1, to insert "(unless already allowed under such paragraphs)," so as to read:

(12) In the case of mutual insurance companies (other than mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive (unless already allowed under such paragraphs), the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves.

The amendment was agreed to.

The next amendment passed over was, on page 60, after line 4, to insert:

(13) If it is shown to the satisfaction of the commissioner that during the taxable year 1919 or 1920 the taxpayer (a) has for the first time ascertained the amount of a loss sustained during the preceding taxable year and not deducted from the gross income therefor, or (b) has sustained a substantial loss (whether or not actually realized by sale or other disposition), resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for the preceding taxable year, then the amount of such loss shall be deducted from the net income for such preceding taxable year, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

The amendment was agreed to.

The next amendment passed over was, on page 60, line 23, to strike out "a trade or business carried on" and insert "income arising from a source," and on page 61, line 1, to strike out "trade or business within and without" and insert "sources of income within and without," so as to make the paragraph read:

(b) In the case of a foreign corporation the deductions allowed in subdivision (a), except those allowed in paragraphs (2) and (3), shall be allowed only if and to the extent that they are connected with income arising from a source within the United States; and the proper apportionment and allocation of the deductions with respect to sources of income within and without the United States shall be determined under rules and regulations prescribed by the commissioner with the approval of the Secretary.

The amendment was agreed to.

The next amendment passed over was, on page 61, line 10, after "That," to insert "except in the case of life insurance companies," so as to read:

CREDITS ALLOWED.

SEC. 236. That except in the case of life insurance companies there shall be allowed the following credits:

The amendment was agreed to.

The next amendment passed over was, in section 236, on page 61, line 13, to insert "and bonds issued by the War Finance Corporation"; and in line 14 to strike out "any State, Territory, any political subdivision thereof, or the District of Columbia," so as to make the paragraph read:

(a) The amount received as interest upon obligations of the United States and bonds issued by the War Finance Corporation which is included in gross income under section 233.

The amendment was agreed to.

The next amendment passed over was, on page 61, line 17, to strike out "war-profits or excess-profits taxes"; in line 18, to strike out "by act of Congress" and insert "by Title III"; in line 21, to strike out "the portion of the excess-profits tax specified in clause (1) of section 335 shall be credited against that portion of the net income specified in clause (1) of section 239, and the portion of the war-profits or excess-profits tax specified in clause (2) of section 335 shall be credited against that portion of the net income specified in clause (2) of section 239; and," and to insert: "or beginning in 1918 and ending in 1919, the portion of the tax specified in clause (1) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (1) of section 205, and the portion of the tax specified in clause (2) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (2) of section 205; and," so as to read:

(b) The amount of taxes imposed by Title III for the same taxable year: *Provided*, That in the case of a corporation which makes return for a fiscal year beginning in 1917 and ending in 1918, or beginning in 1918 and ending in 1919, the portion of the tax specified in clause (1) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (1) of section 205, and the portion of the tax specified in clause (2) of subdivision (a) or (b) of section 335 shall be credited against that portion of the net income for such fiscal year specified in clause (2) of section 205; and

The amendment was agreed to.

The next amendment passed over was, on page 62, line 17, to strike out "18," before "per cent," and insert "8," so as to read:

PAYMENT OF TAX AT SOURCE.

SEC. 237. That in the case of foreign corporations not engaged in trade or business within the United States and not having any office or place of business therein, there shall be deducted and withheld at the source in the same manner and upon the same items of income as is provided in section 221 a tax equal to 8 per cent thereof, and such tax shall be returned and paid in the same manner and subject to the same conditions as provided in that section: *Provided*, That in the case of interest described in subdivision (b) of that section the deduction and withholding shall be at the rate of 2 per cent.

The amendment was agreed to.

The next amendment passed over was, on page 62, line 23, in the subhead "Credit for foreign taxes," to strike out the word "foreign."

The amendment was agreed to.

The next amendment passed over was, on page 62, in line 24, to insert "(a)" after "SEC. 238"; line 25, to strike out "income war profits, and excess profits"; on page 63, line 1, to strike out "by act of Congress" and insert "by this title and by Title III"; in line 4, to strike out "Porto Rico or the Philippine Islands"; and in line 6, at the end of the paragraph, to insert "or to any possession of the United States," so as to read:

CREDIT FOR TAXES.

SEC. 238 (a). That in the case of a domestic corporation the total taxes imposed for the taxable year by this title and by Title III shall be credited with the amount of any income, war profits, and excess-profits taxes paid during the taxable year to any foreign country upon income derived from sources therein or to any possession of the United States.

The amendment was agreed to.

The next amendment passed over was, in section 238, on page 63, line 9, to strike out "received" and insert "derived"; in line 10 to strike out "country, Porto Rico, or the Philippine Islands," and insert "country or such possession of the United States"; and after line 13 to insert:

(b) In the case of a corporation which makes return for a fiscal year beginning in 1917 and ending in 1918, any tax paid for such fiscal year, under Title I of the revenue act of 1916 or Title I of the revenue act of 1917, shall be credited against the tax imposed by this title—

So as to read:

This credit shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income derived from sources within such foreign country or such possession of the United States, as the case may be, and all other information necessary for the computation of such credit.

(b) In the case of a corporation which makes return for a fiscal year beginning in 1917 and ending in 1918, any tax paid for such fiscal year, under Title I of the revenue act of 1916 or Title I of the revenue act of 1917, shall be credited against the tax imposed by this title.

The amendment was agreed to.

The next amendment passed over was, on page 63, after line 18, to strike out:

RATES FOR FISCAL YEAR 1917–18.

SEC. 239. That if a corporation makes return for a fiscal year beginning in 1917 and ending in 1918, the net income shall be divided into two parts, namely: (1) The portion which bears the same ratio to the total net income as the period between the beginning of such fiscal year and December 31, 1917, bears to the full fiscal year; and (2) the remaining portion of the net income.

The portion specified in clause (1) shall be subject to the rates prescribed by Title I of the revenue act of 1917 and by Title I of the revenue act of 1916 as amended by the revenue act of 1917; and the portion specified in clause (2) shall be subject to the rates prescribed by this title.

The amendment was agreed to.

The next amendment passed over was, on page 64, line 7, to strike out "240" and insert "239," and in line 8, to insert "subdivisions (1) to (13) of," so as to make the section read:

CORPORATION RETURNS.

SEC. 239. That every corporation not exempt under subdivisions (1) to (13) of section 231 shall make a return, stating specifically the items of its gross income and the deductions and credits allowed by this title. The return shall be sworn to by the president, vice president, or other principal officer and by the treasurer or assistant treasurer. If any foreign corporation has no office or place of business in the United States, but has an agent in the United States, the return shall be made by the agent. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or asignees shall make returns for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns made by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control.

Returns made under this section shall be subject to the provisions of sections 226 and 228.

The amendment was agreed to.

The next amendment passed over was, on page 65, beginning with line 1, to insert:

CONSOLIDATED RETURNS.

SEC. 240. (a) That corporations which are affiliated within the meaning of this section shall, under regulations to be prescribed by the commissioner with the approval of the Secretary, make a consolidated return of net income and invested capital for the purposes of this title and Title III, and the taxes thereunder shall be computed and determined upon the basis of such return.

In any case in which a tax is assessed upon the basis of a consolidated return, the total tax shall be computed in the first instance as a unit and shall then be assessed upon the respective affiliated corporations in such proportions as may be agreed upon among them, or, in the absence of any such agreement, then on the basis of the net income and invested capital properly assignable to each. There shall be allowed in computing the income tax only one specific credit of $2,000 (as provided in section 236); in computing the war-profits credit (as provided in section 311) only one specific exemption of $3,000; and in computing the excess-profits credit (as provided in section 312) only one specific exemption of $3,000.

(b) For the purpose of this section, two or more corporations shall be deemed to be affiliated—

(1) If one corporation owns directly or controls through closely affiliated interests or by a nominee or nominees substantially all the stock of the other or others, or if substantially all the stock of two or more corporations is owned or controlled by the same interests, or if one such corporation buys from or sells to another products or services at prices above or below the current market, thus effecting an artificial distribution of profits, or in any way so arranges its financial relationships with another corporation as to assign to it a disproportionate share of net income or invested capital.

(2) A foreign corporation shall not be deemed to be affiliated with a domestic corporation unless substantially all its stock is owned or controlled by such domestic corporation or by a resident taxpayer or group of resident taxpayers owning or controlling substantially all the stock of such domestic corporation. Where under this subdivision a foreign corporation is affiliated with a domestic corporation, the total tax (computed as a unit as above provided) shall be reduced by the credit authorized in section 238.

Mr. SMOOT. Mr. President, I ask that subdivision (b) may go over. The Senator from Minnesota [Mr. KELLOGG] was compelled to leave the city on business and he will not be back until to-morrow or the next day. He has an amendment to offer to that paragraph.

The PRESIDENT pro tempore. Does the Senator ask that the section shall go over, or the amendment?

Mr. SMOOT. Having been read, it will take no longer time, so that it all may go over.

The PRESIDENT pro tempore. The amendment will be passed over temporarily.

The next amendment passed over was, on page 67, to insert lines 1 to 17, inclusive, as follows:

PART IV. LIFE INSURANCE COMPANIES.

SEC. 245. That there shall be levied, collected, and paid for each taxable year upon the net income of every life insurance company a tax as follows:

(a) In the case of a domestic life insurance company—

(1) For the calendar year 1918, 12 per cent of its net income;

(2) For each calendar year thereafter, 8 per cent of its net income.

(b) In the case of a foreign life insurance company—

(1) For the calendar year 1918, 12 per cent of the same proportion of the net income which the reserve fund upon business transacted within the United States is of the total reserve fund upon all business transacted, whether within or without the United States;

(2) For each calendar year hereafter, 8 per cent of such proportion of its net income.

The amendment was agreed to.

The next amendment passed over was, after line 17, on page 67, to insert to line 20, on page 68, as follows:

SEC. 246. (a) That in the case of a life insurance company the term "net income" means the gross income less—

(1) The amount of interest received during the taxable year which under paragraph (4) of subdivision (b) of section 213 is exempt from taxation under this title;

(2) An amount equal to the excess, if any, of 4 per cent of the mean of the reserve funds required by law and held during the taxable year over the amount specified in paragraph (1) of this subdivision;

(3) An amount equal to 2 per cent of any sums held at the end of the taxable year as a reserve for dividends (other than dividends payable during the year following the taxable year) the payment of which is deferred for a period of not less than five years from the date of the policy contract;

(4) Investment expenses paid during the taxable year not exceeding one-fourth of 1 per cent of the mean invested assets;

(5) Taxes and other expenses paid during the taxable year exclusively in connection with real estate owned by the company, not including taxes assessed against local benefits of a kind tending to increase the value of the property assessed and not including any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property;

(6) In the case of a domestic life insurance company, $2,000.

(b) The net income shall be computed on the same basis as is provided in subdivision (b) of section 212 and in section 226.

The amendment was agreed to.

The next amendment passed over was, on page 68, after line 20, to insert:

SEC. 247. That in the case of a life insurance company the term "gross income" means the gross amount of income received during the taxable year from interest, dividends, and rents.

The amendment was agreed to.

The next amendment passed over was, on page 69, line 1, in the heading, after the word "Part," to strike out "IV" and insert "V."

The amendment was agreed to.

The next amendment passed over was, on page 69, to strike out the first paragraph of section 250 in the following words:

SEC. 250. That except as provided in sections 221 and 237 the tax shall be paid in installments, one-third of the amount of the tax shown in the return to be paid at the time fixed by law for filing the return, one-third on the 15th day of the second month thereafter, and the remaining one-third on the 15th day of the fourth month after the time fixed by law for filing the return; but where an extension of time for filing the return is granted, the first installment shall be due upon the expiration of the period of such extension, and the second and third installments shall be due as above stated, except that in the case of any taxpayer who is abroad the commissioner may extend the time for payment of the second and third installments not more than four months after the expiration of the period of any extension of time for filing his return. If any installment is not paid when due, the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.

And to insert:

SEC. 250. (a) That except as otherwise provided in this section and sections 221 and 237 the tax shall be paid in four installments, each consisting of one-fourth of the total amount of the tax. The first installment shall be paid at the time fixed by law for filing the return, and the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after the time fixed by law for filing the return. Where an extension of time for filing a return is granted the date of the expiration of the period of the extension shall be deemed to be the time fixed by law for filing the return. In any case in which the time for the payment of any installment is thus postponed because of an extension of time for filing the return, there shall be added as part of such installment interest thereon at the rate of one-half of 1 per cent per month from the time it would have been due if no extension had been granted, until paid. If any installment is not paid when due, the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.

The amendment was agreed to.

The next amendment passed over was, on page 73, after line 16, to insert:

(g) If the commissioner finds that a taxpayer designs quickly to depart from the United States or to remove his property therefrom, or to conceal himself or his property therein, or to do any other act tending to prejudice or to render wholly or partly ineffectual proceedings to collect the tax for the taxable year then last past or the taxable year then current unless such proceedings be brought without delay, the commissioner shall declare the taxable period for such taxpayer terminated at the end of the calendar month then last past and shall cause notice of such finding and declaration to be given the taxpayer, together with a demand for immediate payment of the tax for the taxable period so declared terminated and of the tax for the preceding taxable year or so much of said tax as is unpaid, whether or not the time otherwise allowed by law for filing return and paying the tax has expired; and such taxes shall thereupon become immediately due and payable. In any action or suit brought to enforce payment of taxes made due and payable by virtue of the provisions of this subdivision the finding of the commissioner, made as herein provided, whether made after notice to the taxpayer or not, shall be for all purposes presumptive evidence of the taxpayer's design. A taxpayer who is not in default in making any return or paying income, war profits, or excess-profits tax under any act of Congress may furnish to the United States, under regulations to be prescribed by the commissioner, with the approval of the Secretary, security approved by the commissioner that he will duly make the return next thereafter required to be filed and pay the tax next thereafter required to be paid. The commissioner may approve and accept in like manner security for return and payment of taxes made due and payable by virtue of the provisions of this subdivision, provided the taxpayer has paid in full all other income, war profits, or excess-profits taxes due from him under any act of Congress. If security is approved and accepted pursuant to the provisions of this subdivision and such further or other security with respect to the tax or taxes covered thereby is given as the commissioner shall from time to time find necessary and require, payment of such taxes shall not be enforced by any proceedings under the provisions of this subdivision prior to the expiration of the time otherwise allowed for paying such respective taxes.

The amendment was agreed to.

The next amendment passed over was, under the subhead "Receipts for taxes," section 251, on page 75, line 10, after the

word "shall," to insert the words "upon request," so as to read:

RECEIPT FOR TAXES.

SEC. 251. That every collector to whom any payment of any tax is made under the provisions of this title shall upon request give to the person making such payment a full written or printed receipt, stating the amount paid and the particular account for which such payment was made.

The amendment was agreed to.

The next amendment passed over was, in the heading on page 83, line 10, after the words "Title III," to strike out "War profits and" and insert "War," so as to read: "Title III.—War excess-profits tax."

The amendment was agreed to.

The next amendment passed over was, on page 83, under the subhead "General definitions," in section 300, in line 14, after the words "fiscal year," to insert "personal service corporation," "paid or accrued," and in line 16, after the word "in," to strike out "section 200" and to insert "sections 200 and 201," so as to make the section read:

PART I. GENERAL DEFINITIONS.

SEC. 300. That when used in this title the terms "taxable year," "fiscal year," "personal service corporation," "paid or accrued," and "dividends" shall have the same meaning as provided for the purposes of income tax in sections 200 and 201. The first taxable year for the purposes of this title shall be the same as the first taxable year for the purposes of the income tax under Title II.

The amendment was agreed to.

The next amendment passed over was, under the heading "Part II.—Imposition of tax," in section 301, on page 83, after "Sec. 301," to insert "(a)"; in line 23, after the word "shall," to strike out "(except as otherwise provided in section 303)"; in line 24, after the word "for," to strike out "each" and insert "the"; in line 25, after the word "year," to insert "1918"; in the same line, after the word "every," to strike out the comma; and on page 84, line 1, after the word "tax," to strike out "computed according to whichever of the two following methods yields the higher amount of tax in the case of such corporation: (a) The war-profits method specified in Part III of this title, or (b) the excess-profits method specified in Part IV of this title," and insert "equal to the sum of the following," so as to make the clause read:

PART II. IMPOSITION OF TAX.

SEC. 301. (a) That in lieu of the tax imposed by Title II of the revenue act of 1917, but in addition to the other taxes imposed by this act, there shall be levied, collected, and paid for the taxable year 1918 upon the net income of every corporation a tax equal to the sum of the following.

The PRESIDENT pro tempore. Without objection, the amendment will be agreed to.

Mr. THOMAS. Mr. President, I ask that that go over for the present.

The PRESIDENT pro tempore. Being objected to, the amendment will go over.

Mr. SIMMONS. What was the request of the Senator from Colorado, Mr. President?

Mr. THOMAS. I have asked that this Title III, in reference to war-excess profits, go over.

The PRESIDENT pro tempore. Does the Senator's request extend to line 15, on page 85?

Mr. THOMAS. Yes, sir; I wish to offer a substitute for the title.

The PRESIDENT pro tempore. The amendment will be passed over.

Mr. THOMAS. That will apply to the entire title.

The PRESIDENT pro tempore. That action will be taken, unless there is objection.

Mr. SIMMONS. Mr. President, I understood the Senator from Colorado to say that he was going to offer a substitute for this title.

Mr. THOMAS. Yes.

Mr. SIMMONS. Before the substitute is offered is it not proper that we should perfect the text by the adoption of the amendment?

Mr. THOMAS. I have no objection to any course of procedure——

Mr. SIMMONS. Therefore I think the regular course would be to agree or to disagree to the amendment reported by the committee and have the Senator from Colorado offer his substitute to the title as amended.

Mr. THOMAS. I have no objection to any procedure that will not estop me from offering a substitute to that title.

Mr. SIMMONS. Clearly the method that I suggest would not estop the Senator from offering his substitute, and it would be the proper procedure in order to lay the foundation for his substitute.

Mr. SMOOT. I should like to have the part of the title referring to the year 1919 go over.

The PRESIDENT pro tempore. Without objection, the title will be passed over.

Mr. SIMMONS. It will all have to be passed over if the section referred to by the Senator from Utah is passed over.

Mr. SMOOT. It involves the same question as the other, and I think it ought to go over.

The PRESIDENT pro tempore. Is the Chair correct in understanding that the Senator from Colorado has asked that the portion of the amendment down to line 24, on page 88, go over?

Mr. THOMAS. That was not my request.

The PRESIDENT pro tempore. The Chair so understood the Senator.

Mr. THOMAS. My request was to pass over the entire title.

The PRESIDENT pro tempore. To what point—including the part of the bill under the heading "Credits"?

Mr. THOMAS. The entire title. The subsequent title is "War and excess profits." I do not object to perfecting the title or the subject matter of the title if the Senator having charge of the bill so prefers.

The PRESIDENT pro tempore. The Secretary will first read the proposed amendments, and then the title, if amended, will be passed over as amended.

Mr. JONES of New Mexico. Mr. President, I desire to offer an amendment which will cover the excess-profits provisions for the calendar year 1919 and subsequent years. The Senator from Utah [Mr. SMOOT] has reserved that provision on page 84. I am sure there are other provisions in the bill which affect that question.

Mr. SMOOT. I am positive that there are such provisions under this title, and I think the quickest way to accomplish the object desired would be to let the title go over.

Mr. JONES of New Mexico. I agree with that view of the Senator.

Mr. SIMMONS. There is not any necessity of the whole title going over because there is a 1920 provision in one of the amendments. The amendment in which that 1920 provision occurs ought to go over, but the remainder of it ought not to go over.

The PRESIDENT pro tempore. The Chair, of course, is unable to determine what portion of the bill should go over when Senators simply state the object of an amendment without referring to line or page.

Mr. SIMMONS. Mr. President, let us proceed with the reading of the bill, and when a 1920 provision injects itself in any way the Senator from Utah [Mr. SMOOT] can ask that the paragraph go over.

The PRESIDENT pro tempore. The Secretary, then, will resume the reading of the amendments on page 84, beginning in line 7, and continue the reading until an amendment to the amendment is offered or a reservation is made.

The SECRETARY. The next amendment passed over was, on page 84, after line 6, to insert:

FIRST BRACKET.

Thirty per cent of the amount of the net income in excess of the excess-profits credit (determined under sec. 312) and not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

Sixty per cent of the amount of the net income in excess of 20 per cent of the invested capital.

THIRD BRACKET.

The sum, if any, by which 80 per cent of the amount of the net income in excess of the war-profits credit (determined under sec. 311) exceeds the amount of the tax computed under the first and second brackets.

(b) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the net income of every corporation a tax equal to the sum of the following:

FIRST BRACKET.

Twenty per cent of the amount of the net income in excess of the excess-profits credit (determined under sec. 312) and not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

Forty per cent of the amount of the net income in excess of 20 per cent of the invested capital.

Mr. SMOOT. Let subdivision (b) go over, Mr. President.

The PRESIDENT pro tempore. Subdivision (b) will go over. The previous portion of the amendment will be agreed to, without objection. The Secretary will continue the reading of the amendment.

The SECRETARY. It is further proposed to insert:

(c) In any case where the full amount of the excess-profits credit is not allowed under the first bracket of subdivision (a) or (b), by reason of the fact that such credit is in excess of 20 per cent of the invested capital, the part not so allowed shall be deducted from the amount in the second bracket.

(d) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and

for other purposes," the tax imposed by this title shall be treated as levied by an act in amendment of Title II of the revenue act of 1917.

The amendment was agreed to.

The next amendment passed over was, in section 302, on page 85, line 16, after the word "That," to strike out "in the case of a corporation whose invested capital for the taxable year is not more than $25,000, the tax imposed by section 301 shall not be more than 35 per cent of the amount of its net income for such year in excess of $3,000; and if its invested capital for the taxable year is more than $25,000, but not more than $50,000, such tax shall not be more than 40 per cent of the amount of its net income for such year in excess of $3,000. This section shall not apply to any corporation whose net income is more than $50,000," and insert "the tax imposed by subdivision (a) of section 301 shall in no case be more than 30 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 80 per cent of the amount of the net income in excess of $20,000; and the tax imposed by subdivision (b) of section 301 shall in no case be more than 20 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 40 per cent of the amount of the net income in excess of $20,000. Nothing in this section shall be construed in such manner as to increase the tax imposed by section 301."

Mr. SMOOT. I ask that that section go over.

The PRESIDENT pro tempore. The section will be passed over.

The next amendment passed over was, on page 86, after line 10, to strike out section 303, as follows:

SEC. 303. That in the case of a corporation the earnings of which are to be ascribed primarily to the activities of the principal owners or stockholders who are themselves regularly engaged in the active conduct of the affairs of the corporation, and in which capital (whether invested, borrowed, rented, or otherwise secured) is not directly or indirectly a material income-producing factor, there shall be levied, collected, and paid for each taxable year upon its net income (in lieu of the tax imposed by Title II of the revenue act of 1917 and in lieu of the tax imposed by section 301 of this act, but in addition to the other taxes imposed by this act) a tax of 20 per cent of the amount of its net income in excess of $3,000. A foreign corporation shall not be entitled to the specific exemption of $3,000.

A corporation 50 per cent or more of whose gross income (as defined in section 213 for income-tax purposes) consists of gains or profits derived from purchase and sale, or of gains, profits, or commissions derived from Government contracts, or whose invested capital is more than $100,000, shall not be subject to the tax imposed by this section, but shall be subject to the tax imposed by section 301.

Wherever in this act reference is made to "war-profits" or "excess-profits" taxes, and the context shows that taxes imposed by act of Congress are referred to, such reference shall include the tax imposed by this section.

And to insert:

SEC. 305. That if part of the net income of a corporation is derived (1) from a trade or business (or a branch of a trade or business) in which the employment of capital is necessary and (2) a part (constituting not less than 30 per cent of its total net income) is derived from a separate trade or business (or a distinctly separate branch of the trade or business) which if constituting the sole trade or business would bring it within the class of "personal service corporations," then (under regulations prescribed by the commissioner with the approval of the Secretary) the tax upon the first part of such net income shall be separately computed, and the tax upon the second part shall be the same percentage thereof as the tax so computed upon the first part is of such first part.

The amendment was agreed to.

The next amendment passed over was, in section 304, on page 88, line 5, after "(b)," to strike out "The taxes imposed by this title shall not be imposed in the case of a foreign corporation the net income of which during the taxable year is less than $3,000" and insert "Life insurance companies shall be exempt from taxation under this title."

The amendment was agreed to.

The next amendment passed over was, on page 88, after line 8, to insert:

(c) Any corporation whose net income for the taxable year is less than $3,000 shall be exempt from taxation under this title.

The amendment was agreed to.

The next amendment passed over was, on page 88, after line 11, to insert:

(d) In the case of any corporation engaged in the mining of gold, the portion of the net income derived from the mining of gold shall be exempt from the tax imposed by this title, and the tax on the remaining portion of the net income shall be computed upon the basis of an invested capital which bears the same ratio to the full invested capital as such remaining portion of the net income bears to the entire net income.

The amendment was agreed to.

The next amendment passed over was, on page 88, line 24, in the subhead "Part III.—War-profits method," to strike out "War-profits method" and to insert "Credits," so as to read: "Part III.—Credits."

The amendment was agreed to.

The next amendment passed over was, on page 89, after line 3, to strike out "section 311," in the following language:

SEC. 311. That the tax, if computed by the war-profits method, shall be 80 per cent of the amount of the net income in excess of the war-profits credit (determined under section 312).

The amendment was agreed to.

The next amendment passed over was, on page 89, line 8, to change the number of the section from 312 (a) to 311 (a); and on page 89, line 13, after the word "the," to strike out "invested capital added or withdrawn since the close of the prewar period; but if" and insert "difference between the average invested capital for the prewar period and the invested capital for the taxable year if," so as to read:

SEC. 311. (a) That the war-profits credit shall consist of the sum of:
(1) A specific exemption of $3,000; and
(2) An amount equal to the average net income of the corporation for the prewar period, plus or minus, as the case may be, 10 per cent of the difference between the average invested capital for the prewar period and the invested capital for the taxable year. If the tax is computed for a period of less than 12 months, such amount shall be reduced to the same proportion thereof as the number of months in the period is of 12 months.

The amendment was agreed to.

The next amendment passed over was, on page 89, line 20, after the word "corporation," to strike out "was not in existence during the whole of any one calendar year during the prewar period, or if it," so as to make the clause read:

(b) If the corporation had no net income for the prewar period, or if the amount computed under paragraph (2) of subdivision (a) is less than 10 per cent of its invested capital for the taxable year, then the war-profits credit shall be the sum of:

The amendment was agreed to.

The next amendment passed over was, on page 90, after line 3, to insert:

(c) If the corporation was not in existence during the whole of at least one calendar year during the prewar period, then the war-profits credit shall be the sum of:
(1) A specific exemption of $3,000; and
(2) An amount equal to the same percentage of the invested capital of the taxpayer for the taxable year as the average percentage of net income to invested capital, for the prewar period, of corporations engaged in a trade or business of the same general class as that conducted by the taxpayer; but such amount shall in no case be less than 10 per cent of the invested capital of the taxpayer for the taxable year. Such average percentage shall be determined by the commissioner on the basis of data contained in returns made under Title II of the revenue act of 1917, and the average known as the median shall be used. If such average percentage has not been determined and published at least 30 days prior to the time when the return of the taxpayer is due, then for purposes of such return 10 per cent shall be used in lieu thereof; but such average percentage when determined shall be used for the purposes of section 250 in determining the correct amount of the tax.

The amendment was agreed to.

The next amendment passed over was, on page 91, at the beginning of line 1, to strike out subsection "(c)" and to insert "(d)."

The amendment was agreed to.

The next amendment passed over was, on page 91, after line 2, to strike out down to and including line 21, as follows:

PART IV. EXCESS PROFITS METHOD.

SEC. 315. That the tax, if computed by the excess-profits method, shall be the sum of the following:
35 per cent of the amount of the net income in excess of the excess-profits credit (determined under section 316) and not in excess of 15 per cent of the invested capital for the taxable year;
50 per cent of the amount of the net income in excess of 15 per cent and not in excess of 20 per cent of such capital; and
70 per cent of the amount of the net income in excess of 20 per cent of such capital.
In any case where the full amount of the credit is not allowed under the first bracket above provided, by reason of the fact that such credit is in excess of 15 per cent of the invested capital, the part not so allowed shall be deducted from the amount in the next succeeding bracket, and if not then fully allowed the remaining part shall be deducted from the amount in the last bracket.

The amendment was agreed to.

The next amendment passed over was, on page 91, line 22, to change the number of section 316 to 312.

The amendment was agreed to.

The next amendment passed over was, on page 92, line 3, to strike out the Roman numeral "V" and to insert "IV," so as to read:

Part IV.—Net income.

The amendment was agreed to.

The next amendment passed over was, on page 92, line 25, after the word "act," to strike out "except that in the case of oil and gas wells there shall be deducted (in lieu of the deduction provided in clause (a) of paragraph (9) of subdivision (a) of section 234) a reasonable allowance for depletion (including in the case of producers or prospectors a reasonable allowance for hazard not to exceed 10 per cent of the value in the ground of the oil withdrawn during the taxable year) such deduction to be made under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary."

The amendment was agreed to.

The next amendment passed over was, on page 93, line 14, after the word "Part," to strike out the Roman numerals "VI" and to insert "V," so as to make the subhead read: "Part V.—Invested Capital."

The amendment was agreed to.

The next amendment passed over was, on page 94, line 6, after the word "thereof," to insert "or where all or part of the interest derived from such assets is in effect included in the net income because of the limitation on the deduction of interest under paragraph (2) of subdivision (a) of section 234," and in line 11, after the word "inadmissible," to insert "assets," and after the word "assets" to insert: "The term 'admissible assets' means all assets other than inadmissible assets, but only to the extent that they are allowed to be included in invested capital under the provisions of section 326," so as to read:

The term "inadmissible assets" means stocks, bonds, and other obligations (other than obligations of the United States), the dividends or interest from which is not included in computing net income, but where the income derived from such assets consists in part of gain or profit derived from the sale or other disposition thereof, or where all or part of the interest derived from such assets is in effect included in the net income because of the limitation on the deduction of interest under paragraph (2) of subdivision (a) of section 234, a corresponding part of the capital invested in such assets shall not be deemed to be inadmissible assets:

The term "admissible assets" means all assets other than inadmissible assets, but only to the extent that they are allowed to be included in invested capital under the provisions of section 326.

The amendment was agreed to.

The next amendment passed over was, on page 94, line 17, after the word "shares," to insert "issued at a nominal value or," so as to make the paragraph read:

(b) For the purposes of this title, the par value of stock or shares shall, in the case of stock or shares issued at a nominal value or having no par value, be deemed to be the fair market value as of the date or dates of issue of such stock or shares.

The amendment was agreed to.

The next amendment passed over was, on page 95, line 4, after the word "therefor," to insert a comma and the words "unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid in surplus," so as to read:

(2) Actual cash value of tangible property, other than cash, bona fide paid in for stock or shares, at the time of such payment, but in no case to exceed the par value of the original stock or shares specifically issued therefor, unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid-in surplus.

The amendment was agreed to.

The next amendment passed over was, on page 95, line 12, after the words "taxable year," to strike out "and not including the increase in the value of any asset above the original cost until such increase is actually realized by sale," so as to make the paragraph read:

(3) Paid-in or earned surplus and undivided profits, not including surplus and undivided profits earned during the taxable year.

Mr. RANSDELL. I ask that that paragraph go over. I have an amendment to propose to it, and I am not ready to argue it now.

The PRESIDENT pro tempore. Without objection, it will be passed over.

Mr. SIMMONS. I am willing that that paragraph shall go over at the request of the Senator from Louisiana.

The PRESIDENT pro tempore. The Chair understands the request to apply to lines 12, 13, and 14 on page 95.

Mr. RANSDELL. Yes, sir.

The PRESIDENT pro tempore. It will go over.

The next amendment passed over was, on page 95, line 19, after the word "aggregate," to strike out "20" and insert "30," so as to make the paragraph read:

(4) Intangible property bona fide paid in for stock or shares prior to March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 30 per cent of the par value of the total stock or shares of the corporation outstanding on March 3, 1917, whichever is lowest.

The amendment was agreed to.

The next amendment passed over was, on page 95, line 22, after the numeral "(5)," to strike out "Patents and copyrights" and insert "Intangible property," so as to make the paragraph read:

(5) Intangible property bona fide paid in for stock or shares on or after March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 30 per cent of the par value of the total stock or shares of the corporation outstanding at the beginning of the taxable year, whichever is lowest; but

The amendment was agreed to.

The next amendment passed over was, on page 96, after line 6, to strike out:

(1) Borrowed capital; or
(2) Intangible property (other than patents and copyrights) paid in for stock or shares on or after March 3, 1917.

And insert:

borrowed capital.

The amendment was agreed to.

The next amendment passed over was, on page 96, line 12, after the word "defined," to strike out "an amount equal to the average amount of capital invested in inadmissible assets held by the corporation during the year: *Provided*, That at the option of the corporation the amount to be so deducted shall be reduced to the amount by which such average amount invested in inadmissible assets exceeds the average amount of borrowed capital of the corporation (other than indebtedness maturing within one year of its creation, all accounts payable and current liabilities) for such year, but in such case in computing the tax under this title there shall be included in the net income for such year the same proportion of the total amount of interest and dividends received during such year from such inadmissible assets as the amount of such capital invested in inadmissible assets not deducted from invested capital bears to the total amount of such inadmissible assets," and to insert "a percentage thereof equal to the percentage which the amount of inadmissible assets is of the amount of admissible and inadmissible assets held during the taxable year: *Provided*, That no such deduction shall be made in the case of any dealer in securities, insurance company, bank, banking association, loan or trust company which elects to include in its net income all income derived from inadmissible assets; but where such election is made there shall be deducted from the net income any interest paid or accrued during the taxable year which has not been deducted under paragraph (2) of subdivision (a) of section 234: *Provided further*, That such election once made shall be adhered to in subsequent taxable years unless permission to change is granted by the commissioner," so as to make the paragraph read:

(c) There shall be deducted from invested capital as above defined a percentage thereof equal to the percentage which the amount of inadmissible assets is of the amount of admissible and inadmissible assets held during the taxable year: *Provided*, That no such deduction shall be made in the case of any dealer in securities, insurance company, bank, banking association, loan or trust company which elects to include in its net income all income derived from inadmissible assets; but where such election is made there shall be deducted from the net income any interest paid or accrued during the taxable year which has not been deducted under paragraph (2) of subdivision (a) of section 234: *Provided further*, That such election once made shall be adhered to in subsequent taxable years unless permission to change is granted by the commissioner.

The amendment was agreed to.

The next amendment passed over was, on page 97, line 16, after the letter "(d)," to strike out:

In the case of a foreign corporation the term "invested capital" includes only its invested capital used or employed within the United States.

(e) The invested capital for any year shall be the average invested capital for such year, as above defined, but in the case of a corporation making a return for a fractional part of the year a corresponding reduction shall be made in the invested capital.

And to insert:

The invested capital for any period shall be the average invested capital for such period, but in the case of a corporation making a return for a fractional part of a year, it shall (except for the purpose of paragraph (2) of subdivision (a) of section 311) be the same fractional part of such average invested capital.

The amendment was agreed to.

The next amendment passed over was, on page 98, line 5, after the words "Sec. 327," to strike out:

(a) That in the following cases the invested capital shall be determined as provided in subdivision (b) of this section: (1) Where the commissioner is unable satisfactorily to determine the invested capital as provided in section 326; or (2) where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stocks and bonds and the commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively; or (3) where capital is a material income-producing factor, but where, because of the fact that the capital employed is in large part borrowed, there is no invested capital or the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business. This section shall not apply in the case of a corporation 50 per cent or more of whose gross income (as defined in section 213 for income-tax purposes) consists of gain, profits, or commissions derived from Government contracts, unless the commissioner is satisfied that such corporation is overcapitalized.

(b) In the cases specified in subdivision (a) the invested capital shall be the amount which bears the same ratio to the net income of the corporation for the taxable year as the average invested capital for the taxable year of representative corporations engaged in a like or similar trade or business bears to their average net income for such year.

SEC. 328. (a) That in cases where invested capital is to be determined in the manner provided in section 327.

And to insert:

That in the following cases the tax shall be determined as provided in section 328:

(a) Where the commissioner is unable satisfactorily to determine the invested capital as provided in section 326;

(b) In the case of a foreign corporation;

(c) Where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and bonds and the commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively;

(d) Where, as compared with representative corporations engaged in a like or similar trade or business, the taxpayer would (under section 326) be placed in a position of substantial inequality because of the time or manner of organization or because the actual value of the assets on March 1, 1913, was substantially in excess of the amount at which such assets would be valued for the purpose of computing invested capital under the provisions of section 326;

(e) Where the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business because:

1. The capital employed, although a material income-producing factor, is very small or is in large part borrowed;

2. There are excluded from the invested capital as computed under the provisions of section 326 intangible assets of recognized and substantial value built up or developed by the taxpayer;

3. The net income for the taxable year is abnormally high, due to the realization in one year of (a) gains, profits, or income earned or accrued during a period of years or (b) extraordinary gains or profit derived from the sale of property the principal value of which has been demonstrated by prospecting or exploration and discovery work done by the taxpayer. When the tax is determined under this paragraph proper allowance shall be made for the taxes which would have been payable in prior years if the gains, profits, or income earned or accrued in such years had been taxed at the rates then applicable.

4. Proper recognition or allowance can not be made for amortization, obsolescence, or exceptional depletion due to the present war or to the necessity in connection with the present war of providing plant which will not be wanted for the purpose of the trade or business after the termination of the war.

The amendment was agreed to.

The next amendment passed over was, in section 328, page 101, line 7, after the numerals "328," to insert: "(a) In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year as the average tax of representative corporations engaged in a like or similar trade or business bears to their average net income (in excess of the specific exemption of $3,000) for such year"; in line 13, before the words "the commissioner," to insert "In such cases"; and in line 19, after the word "war," to insert "profits," so as to make the paragraph read:

SEC. 328. (a) In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year as the average tax of representative corporations engaged in a like or similar trade or business bears to their average net income (in excess of the specific exemption of $3,000) for such year. In such cases the commissioner shall compare the taxpayer only with representative corporations whose invested capital can be satisfactorily determined under section 326 and which are, as nearly as may be, similarly circumstanced with respect to gross income, net income, profits per unit of business transacted and capital employed, the amount and rate of war profits or excess profits, and all other relevant facts and circumstances.

The amendment was agreed to.

The next amendment passed over was, on page 101, line 21, after the words "purposes of," to strike out "section 327" and insert "subdivision (a)"; in line 22, after the word "average," to strike out "invested capital" and insert "tax"; and in line 24, after the word "determined," to strike out "for each calendar year," so as to make the paragraph read:

(b) For the purposes of subdivision (a) the ratios between the average tax and the average net income of representative corporations shall be determined by the commissioner in accordance with regulations prescribed by him with the approval of the Secretary.

The amendment was agreed to.

The next amendment passed over was, on page 102, after line 2, to strike out:

In the case of a corporation making a return on the basis of a fiscal year the ratios determined for the calendar year ending during such fiscal year shall be used, except that in the case of a fiscal year ending during the calendar year 1918 the ratios based upon returns made under Title II of the revenue act of 1917 shall be used.

The amendment was agreed to.

The next amendment passed over was, on page 102, line 10, after the word "which," to strike out "invested capital" and insert "the tax," and in line 11, after the word "in," to strike out "section 327" and insert "subdivision (a)," so as to make the paragraph read:

(c) The commissioner shall keep a record of all cases in which the tax is determined in the manner prescribed in subdivision (a), containing the name and address of each taxpayer, the business in which engaged, the amount of invested capital and net income shown by the return, and the amount of invested capital as determined under such section. The commissioner shall furnish a copy of such record and other detailed information with respect to such cases when required by resolution of either House of Congress, without regard to the restrictions contained in section 257.

The amendment was agreed to.

The next amendment passed over was, in section 330, page 102, line 23, after the word "by," to strike out "a corporation, the corporation" and insert "the taxpayer, the taxpayer"; in line 25, after the word "been," to strike out "in existence" and insert "engaged in such trade or business"; on page 103, line 3, after the words "prior to," to strike out "the organization of the corporation now carrying on such trade or business" and insert "such reorganization, consolidation, or change of ownership"; and in line 7, after the word "of," to strike out "such corporation" and insert "the taxpayer," so as to make the paragraph read:

SEC. 330. That in the case of the reorganization, consolidation, or change of ownership after January 1, 1911, of a trade or business now carried on by the taxpayer, the taxpayer shall, for the purposes of this title be deemed to have been engaged in such trade or business prior to that date, and the net income and invested capital of such predecessor trade or business for all or any part of the prewar period prior to such reorganization, consolidation, or change of ownership shall be deemed to have been the net income and invested capital of the taxpayer.

Mr. POMERENE. Mr. President, I wish to offer an amendment to the amendment to be inserted after the word "taxpayer."

The PRESIDENT pro tempore. The Secretary will state the amendment to the amendment.

The SECRETARY. On page 103, line 7, after the word "taxpayer," it is proposed to insert the following proviso:

Provided, That nothing herein contained shall be so construed as to conflict with the provisions of section 326.

Mr. POMERENE. Mr. President, if I may have the attention of the chairman of the committee, the reason for that amendment is this: This section provides as to what shall be done with reorganized companies and goes to the question as to what shall be considered invested capital. The section reads:

SEC. 330. That in the case of the reorganization, consolidation, or change of ownership after January 1, 1911, of a trade or business now carried on by the taxpayer, the taxpayer shall for the purposes of this title be deemed to have been engaged in such trade or business prior to that date, and the net income and invested capital of such predecessor trade or business for all or any part of the prewar period prior to such reorganization, consolidation, or change of ownership shall be deemed to have been the net income and invested capital of the taxpayer.

In section 326 "invested capital" is defined and includes cash. When the two sections are construed together I do not think that there can be very much difficulty about the construction, but a question has been raised by some of my constituents, and, if I may give the example which was presented to me, it is this: A certain corporation, with assets aggregating about $300,000, was sold out to a reorganized corporation for $200,000. They added to its capital approximately $800,000 of new capital. Under this section, as it now reads, it would seem as if the invested capital would be the same as that of the original company. I wish to make it perfectly clear that the invested capital shall be as defined in section 330 plus any newly invested capital that may be put into it. In other words, the amendment simply goes to the clarity of the provision; it in no sense, I think, changes the thought that the committee had in mind.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Secretary will take the next amendment passed over.

The next amendment passed over was, on page 103, beginning with line 8, to strike out:

If such predecessor trade or business was carried on by a partnership or individual the net income for the prewar period shall be ascertained and returned upon the same basis and in the same manner as provided for income-tax purposes in Title II, except that the credits provided in subdivisions (a) and (b) of section 216 shall be deducted.

And to insert:

If such predecessor trade or business was carried on by a partnership or individual the net income for the prewar period shall, under regulations prescribed by the commissioner, with the approval of the Secretary, be ascertained and returned as nearly as may be upon the same basis and in the same manner as provided for corporations in Title II, including a reasonable deduction for salary or compensation to each partner or the individual for personal services actually rendered.

If any asset of the trade or business in existence both during the taxable year and any prewar year is included in the invested capital for the taxable year, but is not included in the invested capital for such prewar year, or is valued on a different basis in computing the invested capital for the taxable year and such prewar year, respectively, then under rules and regulations to be prescribed by the commissioner, with the approval of the Secretary, such readjustments shall be made as are necessary to place the computation of the invested capital for such prewar year on the basis employed in determining the invested capital for the taxable year.

The amendment was agreed to.

The next amendment passed over was, in section 331, page 104, line 9, after the word "business," to insert a comma and the

words "or change of ownership of property"; in line 11, after the word "business," to insert "or property"; in line 13, after the word "the," to strike out "predecessor trade or business" and insert "previous owner"; in line 17, after the word "such," to strike out "prior trade or business" and insert "previous owner"; and in line 19, after the word "received," to insert: "*Provided*, That if such previous owner was not a corporation, then the value of any asset so transferred or received shall be taken at its cost of acquisition (at the date when acquired by such previous owner) with proper allowance for depreciation, impairment, betterment, or development, but no addition to the original cost shall be made for any charge or expenditure deducted as expense or otherwise since March 1, 1913, in computing the net income of such previous owner for purposes of taxation," so as to make the section read:

SEC. 331. In the case of the reorganization, consolidation, or change of ownership of a trade or business, or change of ownership of property, after March 3, 1917, if an interest or control in such trade or business or property of 50 per cent or more remains in the same persons, or any of them, then no asset transferred or received from the previous owner shall, for the purpose of determining invested capital, be allowed a greater value than would have been allowed under this title in computing the invested capital of such previous owner if such asset had not been so transferred or received: *Provided*, That if such previous owner was not a corporation, then the value of any asset so transferred or received shall be taken at its cost of acquisition (at the date when acquired by such previous owner) with proper allowance for depreciation, impairment, betterment, or development, but no addition to the original cost shall be made for any charge or expenditure deducted as expense or otherwise since March 1, 1918, in computing the net income of such previous owner for purposes of taxation.

The amendment was agreed to.

The next amendment passed over was, on page 105, line 4, after the numerals "335," to insert "(a)," so as to read "Sec. 335. (a)."

The amendment was agreed to.

The next amendment passed over was, in section 335, page 105, line 7, after the words "sum of," to strike out:

(1) A tax computed under Title II of the revenue act of 1917 for the portion of such fiscal year falling in 1917; and (2) a tax computed under this title for the portion of such fiscal year falling in 1918.

The tax under clause (1) shall be computed upon the same proportion of the net income (as determined under Title II of this act for income-tax purposes) for such fiscal year as the portion of such fiscal year falling in 1917 is of the full fiscal year; and the tax under clause (2) shall be computed upon the remainder of such net income.

And to insert:

(1) the same proportion of a tax for the entire period computed under Title II of the revenue act of 1917 which the portion of such period falling within the calendar year 1917 is of the entire period, and (2) the same proportion of a tax for the entire period computed under this title which the portion of such period falling within the calendar year 1918 is of the entire period: *Provided*, That in the case of a partnership or a personal-service corporation, the amount to be paid shall be only that specified in clause (1).

Any amount heretofore or hereafter paid on account of the tax imposed for such fiscal year by Title II of the revenue act of 1917 shall be credited toward the payment of the tax imposed for such fiscal year by this title, and if the amount so paid exceeds the amount of the tax imposed by this title, or, in the case of a partnership or a personal-service corporation, the amount specified in clause (1), the excess shall be refunded as a tax erroneously or illegally collected.

In the case of a partnership or personal-service corporation no tax shall be paid under Title II of the revenue act of 1917 for any period beginning on or after January 1, 1918; and any tax so paid shall be immediately refunded to the partnership or corporation.

(b) If a corporation makes return for the fiscal year beginning in 1918 and ending in 1919, the tax for such fiscal year under this title shall be the sum of: (1) the same proportion of a tax for the entire period computed at the rates specified in subdivision (a) of section 301 which the portion of such period falling within the calendar year 1918 is of the entire period, and (2) the same proportion of a tax for the entire period computed at the rates specified in subdivision (b) of section 301 which the portion of such period falling within the calendar year 1919 is of the entire period.

So as to make the section read:

SEC. 335. (a) That if a corporation makes return for a fiscal year beginning in 1917 and ending in 1918, the tax for the first taxable year under this title shall be the sum of: (1) The same proportion of a tax for the entire period computed under Title II of the revenue act of 1917 which the portion of such period falling within the calendar year 1917 is of the entire period, and (2) the same proportion of a tax for the entire period computed under this title which the portion of such period falling within the calendar year 1918 is of the entire period: *Provided*, That in the case of a partnership or a personal-service corporation, the amounts to be paid shall be only that specified in clause (1).

Any amount heretofore or hereafter paid on account of the tax imposed for such fiscal year by Title II of the revenue act of 1917 shall be credited toward the payment of the tax imposed for such fiscal year by this title, and if the amount so paid exceeds the amount of the tax imposed by this title, or, in the case of a partnership or a personal-service corporaion, the amount specified in clause (1), the excess shall be refunded as a tax erroneously or illegally collected.

In the case of a partnership or personal-service corporation no tax shall be paid under Title II of the revenue act of 1917 for any period beginning on or after January 1, 1918; and any tax so paid shall be immediately refunded to the partnership or corporation.

(b) If a corporation makes return for a fiscal year beginning in 1918 and ending in 1919, the tax for such fiscal year under this title shall be the sum of: (1) The same proportion of a tax for the entire period computed at the rates specified in subdivision (a) of section 301 which the portion of such period falling within the calendar year 1918 is of the entire period, and (2) the same proportion of a tax for the entire period computed at the rates specified in subdivision (b) of section 301 which the portion of such period falling within the calendar year 1919 is of the entire period.

Mr. SMOOT. I ask that that go over down to the end of the section on page 106.

The PRESIDENT pro tempore. The portion indicated by the Senator from Utah will be passed over. The Secretary will state the next amendment passed over.

The next amendment passed over was, in section 336, page 106, line 25, after the numerals "304," to strike out "having a net income of $3,000 or over for the taxable year," and on page 107, after line 8, to strike out "in no case shall the tax under this title or Title II be determined on the basis of a so-called consolidated return, but shall in each case be determined upon the basis of the net income and invested capital of the corporation liable to the tax," so as to make the section read:

SEC. 336. That every corporation not exempt under section 304 shall make a return for the purposes of this title. Such returns shall be made, and the taxes imposed by this title shall be paid, at the same times and places, in the same manner, and subject to the same conditions, as is provided in the case of returns and payment of income tax by corporations for the purposes of Title II, and all the provisions of that title not inapplicable, including penalties, are hereby made applicable to the taxes imposed by this title.

The amendment was agreed to.

The next amendment passed over was, on page 107, after line 13, to insert:

SEC. 337. That in the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this title attributable to such sale shall not exceed 20 per cent of the selling price of such property or interest.

The amendment was agreed to.

The next amendment passed over was, on page 107, beginning with line 21, to strike out:

TITLE IV. ESTATE TAX.

SEC. 400. That when used in this title—

The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator, any person who takes possession of any property of the decedent; and

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 401. That (in lieu of the tax imposed by Title II of the revenue act of 1916, as amended, and in lieu of the tax imposed by Title IX of the revenue act of 1917) a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 403) is hereby imposed upon the transfer of the net estate of every decedent dying after the passage of this act, whether a resident or nonresident of the United States:

3 per cent of the amount of the net estate not in excess of $50,000;

6 per cent of the amount by which the net estate exceeds $50,000 and does not exceed $150,000;

9 per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

12 per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

15 per cent of the amount by which the net estate exceeds $450,000 and does not exceed $1,000,000;

18 per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $2,000,000;

21 per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

24 per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

27 per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

30 per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

35 per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000; and

40 per cent of the amount by which the net estate exceeds $10,000,000.

SEC. 402. That the value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate;

(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy;

(c) To the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he has at any time created a trust, in contemplation of or intended to take effect in possession or enjoyment at or after his death (whether such transfer or trust is made or created before or after the passage of this act), except in case of a bona fide sale for a fair consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within three years prior to his death without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title;

(d) To the extent of the interest therein held jointly or as tenants in the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent;

(c) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(f) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

SEC. 403. That for the purpose of the tax the value of the net estate shall be determined—

(a) In the case of a resident, by deducting from the value of the gross estate—

(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or inheritance taxes;

(2) An amount equal to the value at the time of the decedent's death of any property—real, personal, or mixed—which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in the decedent's gross estate; and

(3) An exemption of $50,000;

(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

(1) That proportion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States; and

(2) An amount equal to the value at the time of the decedent's death of any property—real, personal, or mixed—which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if any estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States.

No deductions shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 404 the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States.

For the purpose of this title, stock in a domestic corporation owned and held by a nonresident decedent, and the amount receivable as insurance upon the life of a nonresident decedent where the insurer is a domestic corporation, shall be deemed property within the United States, and any property of which the decedent has made a transfer or with respect to which he has created a trust, within the meaning of subdivision (c) of section 402, shall be deemed to be situated in the United States, if so situated either at the time of the transfer or the creation of the trust, or at the time of the decedent's death.

SEC. 404. That the executor, within 60 days after qualifying as such, or after coming into possession of any property of the decedent, whichever event first occurs, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (a) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (b) the deductions allowed under section 403; (c) the value of the net estate of the decedent as defined in section 403; and (d) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The commissioner shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes.

SEC. 405. That if no administration is granted upon the estate of a decedent, or if no return is filed as provided in section 404, or if a return contains a false or incorrect statement of a material fact, the collector or deputy collector shall make a return and the commissioner shall assess the tax thereon.

SEC. 406. That the tax shall be due one year after the decedent's death, but in any case where the commissioner finds that payment of the tax within one year after the decedent's death would impose undue hardship upon the estate, he may grant an extension of time for the payment of the tax for a period not to exceed two years from the due date. If the tax is not paid within 1 year and 180 days after the decedent's death, interest at the rate of 6 per cent per annum from the expiration of one year after the decedent's death shall be added as part of the tax.

SEC. 407. That the executor shall pay the tax to the collector or deputy collector. If the amount of the tax can not be determined, the payment of a sum of money sufficient, in the opinion of the collector, to discharge the tax shall be deemed payment in full of the tax, except as in this section otherwise provided. If the amount so paid exceeds the amount of the tax as finally determined, the commissioner shall refund such excess to the executor. If the amount of the tax as finally determined exceeds the amount so paid, the collector shall notify the executor of the amount of such excess and demand payment thereof. If such excess part of the tax is not paid within 10 days after such notification, interest shall be added thereto at the rate of 10 per cent per annum from the expiration of such 10 days' period until paid, and the amount of such excess shall be a lien upon the entire gross estate, except such part thereof as may have been sold to a bona fide purchaser for a fair consideration in money or money's worth.

The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

SEC. 408. That if the tax herein imposed is not paid within 180 days after it is due, the collector shall, unless there is reasonable cause for further delay, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto.

If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary, the executor shall be entitled to recover from such beneficiaries in the same ratio.

SEC. 409. That unless the tax is sooner paid in full, it shall be a lien for 10 years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. If the commissioner is satisfied that the tax liability of an estate has been fully discharged, he may, under regulations prescribed by him with the approval of the Secretary, issue his certificate releasing any or all property of such estate from the lien herein imposed.

If (a) the decedent makes a transfer of, or creates a trust with respect to, any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for a fair consideration in money or money's worth) or (b) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for a fair consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustees, except any part sold to a bona fide purchaser for a fair consideration in money or money's worth.

SEC. 410. That whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000, or imprisonment not exceeding one year, or both.

Whoever fails to comply with any duty imposed upon him by section 404, or, having in his possession or control any record, file, or paper, containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request to the commission or any collector or law officer of the United States, or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $500, to be recovered, with costs of suit, in a civil action in the name of the United States.

And to insert:

TITLE IV. INHERITANCE TAX.

SEC. 400. That when used in this title—

The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator, any person who takes possession of any property of the decedent; and

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 401. That (in lieu of the tax imposed by Title II of the revenue act of 1916, as amended, and in lieu of the tax imposed by Title IX of the revenue act of 1917) a tax is hereby imposed upon the transfer by reason of the death of a resident of the United States, dying after the passage of this act, of any tangible or intangible property wherever situated, or any interest therein or income therefrom, or by reason of the death of a nonresident of the United States, dying after the passage of this act, of any tangible or intangible property within the United States, or any interest therein or income therefrom, to any person in trust or otherwise, equal to the sum of the following percentages of the total value of the beneficial interests transferred to such person in any manner by reason of the death of the decedent:

One per cent of the amount by which the beneficial interests passing to such person exceed $10,000 and do not exceed $25,000;

2 per cent of the amount by which such beneficial interests exceed $25,000 and do not exceed $50,000;

3 per cent of the amount by which such beneficial interests exceed $50,000 and do not exceed $100,000;

4 per cent of the amount by which such beneficial interests exceed $100,000 and do not exceed $150,000;

5 per cent of the amount by which such beneficial interests exceed $150,000 and do not exceed $200,000;
6 per cent of the amount by which such beneficial interests exceed $200,000 and do not exceed $250,000;
10 per cent of the amount by which such beneficial interests exceed $250,000 and do not exceed $500,000;
15 per cent of the amount by which such beneficial interests exceed $500,000 and do not exceed $1,000,000;
20 per cent of the amount by which such beneficial interests exceed $1,000,000 and do not exceed $2,500,000;
25 per cent of the amount by which such beneficial interests exceed $2,500,000.

Transfers by reason of the death of a decedent dying during the continuance of the present war while serving in the military or naval forces of the United States or dying within one year after the termination of such war from injuries received or disease contracted in such service shall not be taxable hereunder.

Transfers to or for the use of the United States, a State, or any political division thereof, for public purposes exclusively, transfers to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, and transfers to a trustee or trustees exclusively for such religious, charitable, scientific, literary, or educational purposes, shall not be taxable hereunder.

SEC. 402. That the following shall be deemed to be taxable transfers under the provisions of this title:

(a) Transfers by the laws of intestate succession or by will, including the creation by will of powers of appointment and the exercise by will of general powers of appointment;

(b) Transfers by deed, grant, or gift, including the exercise by deed of general powers of appointment, made in contemplation of the death of the vendor, grantor, or donor, or intended to take effect in possession or enjoyment at or after such death, except in the case of a bona fide sale for a fair consideration in money or money's worth, whether such deed, grant, or gift was made before or after the passage of this act. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title; and

(c) Other transfers by reason of the death of the decedent, to wit: (1) The consummation in a surviving spouse of dower or curtesy or statutory rights in lieu thereof; (2) the accrual to a surviving tenant or depositor through survivorship of complete title to property held jointly or as tenants by the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent; and (3) the receipt by a beneficiary of an amount of insurance in excess of $25,000 under policies taken out by the decedent upon his own life.

SEC. 403. That taxes upon transfers shall be computed upon the total value of all the beneficial interests transferred to the same person in any manner by reason of the death of a decedent. Whenever at the time a tax becomes due the persons to whom beneficial interests are transferred by reason of the death of a decedent are not in being or can not be ascertained, or the extent of the beneficial interests transferred can not be ascertained, for the reason that the transfers are conditioned upon the happening of a contingency or of the exercise of a discretion or a power of appointment, all the property so transferred shall for the purpose of the computation and collection of the tax be deemed to be transferred to the estate of said decedent, and as to such transfers such estate shall be treated under the provisions of this title as a person, and, except in the case of the exercise of a general power of appointment, no further tax under this title shall be collected on transfers of such beneficial interests at the time the persons to whom they are transferred or the extent of the interests transferred to such persons are ascertained.

SEC. 404. That the value of the beneficial interests, transfers of which are taxable under this title, shall be determined as follows:

(a) The total value of the beneficial interests transferred to any transferee shall be the value of that part of the property included within the net estate of the decedent (determined as provided in sec. 406) which passes to such transferee by any of the methods of transfer described in section 402: *Provided, however,* That whenever a beneficial interest transferred to any person by reason of the death of a nonresident decedent is not an interest in specific property, the value of the beneficial interest the transfer of which is subject to taxation under this title shall be such proportion of the value of the total beneficial interest so transferred as the value of that part of the gross estate which at the time of the death of the decedent is situated in the United States bears to the value of his entire gross estate wherever situated. If an executor does not include in the return required to be filed under section 407 the value at the time of the death of the nonresident decedent of that part of his gross estate not situated in the United States, the amount of the net estate shall be apportioned among the transferees of the beneficial interests in the manner which will result in the greatest possible amount of tax upon the transfer of such net estate.

(b) In the case of resident and nonresident decedents the following rules of valuation shall apply: (1) The value of an annuity, life estate, term of years, or other interest terminating on the expiration of a certain period shall be determined by the American Experience Tables of Mortality at per cent compound interest or by such other tables of mortality at such rate of interest as may be prescribed by the commissioner, with the approval of the Secretary; (2) the value of a remainder in any property after an annuity, life estate, term of years, or other interest terminating on the expiration of a certain period shall be ascertained by deducting the value of such annuity, life estate, term of years, or other interest terminating on the expiration of a certain period from the value of such property; (3) there shall not be included in the value of a beneficial interest the value at the time of the decedent's death of any property which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 was collected from such estate or an inheritance tax under this act was collected on the transfer of such property; and (4) there shall not be included in the value of a beneficial interest any amounts paid or required to be paid therefrom as estate, succession, legacy, or inheritance taxes imposed by any authority other than that of the United States.

SEC. 405. That the value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate;

(b) To the extent of any interest therein of which the decedent has at any time made a transfer in contemplation of or intended to take effect in possession or enjoyment at or after his death (whether such transfer is made before or after the passage of this act), except in case of a bona fide sale for a fair consideration in money or money's worth;

(c) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy;

(d) To the extent of the interest therein held jointly or as tenants by the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent;

(e) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(f) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $25,000 of the amount receivable by any beneficiary as insurance under policies taken out by the decedent upon his own life.

SEC. 406. That the value of the net estate shall be determined—

(a) In the case of a resident decedent, by deducting from the value of the gross estate—

Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon incomes received after the death of the decedent or any inheritance taxes imposed by this title. If a decedent gives, bequeaths, or devises to his executor any property in lieu of compensation the value thereof in excess of reasonable compensation shall not be deducted from the value of the gross estate.

(b) In the case of a nonresident decedent, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

That proportion of the deductions specified in subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States.

No deduction shall be allowed in the case of a nonresident decedent unless the executor includes in the return required to be filed under section 407 the value at the time of his death of that part of the gross estate of the nonresident decedent not situated in the United States.

For the purpose of this title stock in a domestic corporation owned and held by a nonresident decedent, and the amount receivable as insurance upon the life of a nonresident decedent where the insurer is a domestic corporation, shall be deemed property within the United States, and any property of which the decedent has made a transfer within the meaning of subdivision (c) of section 405 shall be deemed to be situated in the United States, if so situated either at the time of the transfer or at the time of the decedent's death.

SEC. 407. That the executor, within 60 days after qualifying as such, or after coming into possession of any property of the decedent, whichever event first occurs, shall give written notice thereof to the collector. The executor shall also, at such time and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (a) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (b) the deductions allowed under section 406; (c) the value of the net estate of the decedent as defined in section 406; (d) the names of the persons to whom beneficial interests are transferred in any manner by reason of the death of the decedent and descriptions of the beneficial interests so transferred; and (e) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

Return shall be made in all cases where the gross estate at the death of the decedent exceeds $10,000 and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The commissioner shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes.

SEC. 408. That if no administration is granted upon the estate of a decedent, or if no return is filed as provided in section 407, or if a return contains a false or incorrect statement of a material fact, the collector or deputy collector shall make a return and the commissioner shall assess the tax thereon.

SEC. 409. That the tax shall be due one year after the decedent's death; but in any case where the commissioner finds that payment of the tax within one year after the decedent's death would impose undue hardship upon the estate, he may grant an extension of time for the payment of the tax for a period not to exceed three years from the due date. If the tax is not paid within one year and 180 days after the decedent's death, interest at the rate of 6 per cent per annum from the expiration of one year after the decedent's death shall be added as part of the tax.

SEC. 410. That the executor shall pay the tax to the collector. If the amount of the tax can not be determined, the payment of a sum of money sufficient, in the opinion of the collector, to discharge the tax

shall be deemed payment in full of the tax, except as in this section otherwise provided. If the amount so paid exceeds the amount of the tax as finally determined, the commissioner shall refund such excess to the executor. If the amount of the tax as finally determined exceeds the amount so paid, the collector shall notify the executor of the amount of such excess and demand payment thereof. If such excess part of the tax is not paid within 30 days after such notification, interest shall be added thereto at the rate of 10 per cent per annum from the expiration of such 30 days' period until paid.

The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

SEC. 411. That if the tax herein imposed is not paid within 180 days after it is due, the collector shall, unless there is reasonable cause for further delay, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto.

SEC. 412. That each person shall be liable to the executor for the tax upon transfers to such person and the executor shall collect from such person the tax upon all transfers to such person, or shall deduct it from any property in his possession or control transferred to such person. The executor shall not pay or deliver any property the transfer of which is subject to tax to any transferee unless the tax upon such transfer has been so collected or deducted. Whenever there is a transfer of property taxable under this title of which the executor has no possession or control, the person having possession or control thereof, or under liability to make any payment to the transferee, shall be liable to the executor for the tax upon such transfer and unless the tax has been paid by the transferee to the executor shall collect or deduct it from such property or such payment and pay it to the executor: *Provided, however,* That the commissioner may, with the approval of the Secretary, by regulations authorize the payment of such tax directly to the collector and relieve the executor from liability therefor: *Provided further,* That in the case of policies of insurance upon the life of the decedent payable to a beneficiary other than the executor of the estate of the decedent, the corporation liable for the payment thereof shall be relieved from liability for any tax thereon if such beneficiary submits with the proofs of death and claims a written statement showing that the aggregate amount of insurance payable to such beneficiary under policies taken out by the decedent upon his own life does not exceed $25,000. All taxes, including taxes on the transfer of annuities, life estates, terms for years, and other interests terminating on the expiration of a certain period, shall be paid out of and chargeable to capital and not to income. Nothing in this title shall prevent an executor from paying taxes out of such property as the will or other instrument under which transfer is made shall direct, but such directions shall not affect any right of the United States or of the collector to collect the tax or to a lien therefor.

If the amount of tax paid or collected out of property transferred to any person exceeds the amount of tax of which such person is liable, such person shall be entitled to reimbursement to the extent of such excess out of any part of the estate still undistributed, or to a just and equitable contribution by the persons liable for the tax so paid or collected under this title.

SEC. 413. That the tax and interest thereon shall be a lien upon the property included in the gross estate of the decedent and the property acquired in substitution therefor from the death of the decedent for a period of 10 years unless it is sooner paid in full, except that such property as is used for the payment of charges against the estate and expenses of its administration allowed by any court having jurisdiction thereof, and such personal property as is sold to purchasers for value in good faith and without notice of the lien shall be divested of such lien. If the commissioner is satisfied that the tax liability on all transfers by reason of the death of a decedent has been fully discharged or provided for, he may, under regulations prescribed by him, with the approval of the Secretary, issue his certificate releasing any or all property of such decedent from the lien hereby imposed, or if he is satisfied that the tax liability on all transfers to any person by reason of the death of a decedent has been fully discharged, he may, under such regulations, issue his certificate releasing any or all property transferred to such person from the lien hereby imposed.

SEC. 414. That whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000, or imprisonment not exceeding one year, or both.

Whoever fails to comply with any duty imposed upon him by section 407, or having in his possession or control any record, file, or paper containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request of the commissioner or any collector or law officer of the United States, or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $5,000, in lieu of all other penalties, to be recovered, with costs of suit, in a civil action in the name of the United States.

SEC. 415. That the taxes imposed by Title II of the revenue act of 1916 as amended by the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917, and by Title IX of the revenue act of 1917, shall not apply to the transfer of the net estate of any decedent dying before the passage of this act while serving in the military or naval forces of the United States in the present war or from injuries received or disease contracted while in such service, and any such tax collected upon such transfer shall be refunded to the executor.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. SMOOT. Mr. President, I wish to call the attention of the chairman of the committee to an amendment which I am quite sure will be agreeable to him and to the committee. It is a perfecting amendment. At the end of section 407, on page 131, line 9, after the word "taxes," I move to insert the following:

Each beneficiary of an amount of insurance in excess of $25,000 under policies taken out by the decedent upon his own life shall within 20 days after coming into possession of such insurance give written notice thereof to the collector, and shall also at such time and in such manner as may be required by regulations made pursuant to law file with the collector a return under oath setting forth (a) the total insurance received, (b) such additional data as may be necessary to establish the correct tax, and (c) the tax paid or payable thereon. At the same time or upon his later appointment a duplicate of such return shall also be furnished the executor. The beneficiary shall pay the tax upon such insurance to the executor within 30 days after receipt of the amount, or if the executor has not then been appointed within 30 days after such appointment.

Mr. SIMMONS. Mr. President, that amendment, I think, is agreeable to the committee, and I make no objection to it.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. SMOOT. In section 411, page 133, line 1, after the word "decedent," I move to insert "or beneficiary under life insurance policies."

The amendment to the amendment was agreed to.

Mr. SMOOT. In section 412, page 133, line 19, after the word "transferee," I move to insert "except payment of insurance upon the life of decedent."

The amendment to the amendment was agreed to.

Mr. SMOOT. In section 412, page 134, I move to strike out beginning with the words "*Provided further,*" in line 1, and ending with "$25,000," in line 9.

The amendment to the amendment was agreed to.

Mr. SMOOT. In section 412, page 134, line 12, after "period," I move to insert "except where such annuities or limited estates are created in the proceeds of insurance taxable under this title."

The amendment to the amendment was agreed to.

Mr. THOMAS. Mr. President, I wish at this time to present a motion to strike out all after the semicolon on page 123, line 23, down to the bottom of the page, reading as follows:

and (3) the receipt by a beneficiary of an amount of insurance in excess of $25,000 under policies taken out by the decedent upon his own life.

I do not feel disposed to present reasons for this motion in the absence of so many Members of the Senate. I deem the motion of sufficient importance to justify the serious consideration of the Senate, and I therefore ask to have that part of this amendment go over for the present.

Mr. SIMMONS. The Senator means subdivision (c)?

Mr. THOMAS. The last clause of subdivision (c).

Mr. SIMMONS. That is clause 3 of subdivision (c)?

Mr. THOMAS. Yes; the clause beginning on line 23.

Mr. SIMMONS. The Senator's motion is to strike that out?

Mr. THOMAS. Yes.

Mr. SIMMONS. And the Senator wishes that to go over?

Mr. THOMAS. Yes; I wish that to go over.

The PRESIDENT pro tempore. The Chair will say, this being a motion to strike out and insert, of course it can not be divided, but the whole question, the chair thinks, would have to go over.

Mr. THOMAS. Of course I am not responsible for that. I do not care to discuss the motion to-day.

Mr. SIMMONS. I understand the Chair to mean that the whole section 402 should go over?

The PRESIDENT pro tempore. The whole amendment, the Chair thinks, should go over, it being a motion to strike out and insert.

Mr. SIMMONS. I think there is no objection to that course, because, as the Senator from Utah [Mr. SMOOT] suggests to me, that is a long amendment, it has already been read, and it will involve no trouble when the amendment of the Senator from Colorado is acted upon.

The PRESIDENT pro tempore. The amendment will be passed over. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 137, line 12, after the word "another," to strike out "and a like tax on the amount paid for such transportation within the United States of property transported from a point without the United States to a point within the United States," so as to make the clause read:

(a) A tax equivalent to 3 per cent of the amount paid for the transportation on or after such date, by rail or water or by any form of mechanical motor power when in competition with carriers by rail or water, of property by freight transported from one point in the United States to another.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I have just entered the Chamber and I wish to find out whether the amendment on page 137, to strike out lines 12, 13, 14, and 15, has been agreed to. If so, I ask that the vote whereby the amendment was agreed to may be reconsidered, because I want to oppose the

adoption of that amendment. I did not know the Senate had reached that point in the bill.

The PRESIDENT pro tempore. We have just reached it, and the amendment has been agreed to. The question is on the motion of the Senator from Washington to reconsider the vote by which the amendment was adopted striking out lines 12 to 15, on page 137.

The motion was agreed to.

Mr. JONES of Washington. If the next amendment was adopted I wish that reconsidered also.

Mr. SMOOT. That was not adopted.

The PRESIDENT pro tempore. That will go over.

Mr. JONES of Washington. I have had to be present in the Appropriations Committee all day, and as I did not think that the Senate would reach this part of the bill I am hardly prepared to discuss it this afternoon. Therefore I wish to ask if the chairman would object to allowing it to go over until to-morrow? I will be ready to take it up to-morrow.

Mr. SIMMONS. No; I shall not object.

Mr. JONES of Washington. I wish both amendments to go over—the one striking out lines 12, 13, 14, and 15, and the one striking out part of line 21 and lines 22, 23, and 24.

Mr. SIMMONS. I have no objection to the Senator presenting his argument now.

Mr. JONES of Washington. I am not ready to present the argument at this time. I did not think we would reach this part of the bill to-day and I have not my papers with me; but I will be ready to take it up to-morrow if the Senator wants to take it up then.

Mr. SIMMONS. Very well.

The PRESIDENT pro tempore. All of subdivisions (a) and (b) of section 500 will be passed over. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 138, line 10, before the word "cents," to strike out "35" and insert "42," so as to make the paragraph read:

(c) A tax equivalent to 8 per cent of the amount paid for the transportation on or after such date of persons by rail or water, or by any form of mechanical motor power on a regular established line when in competition with carriers by rail or water, from one point in the United States to another or to any point in Canada or Mexico, where the ticket or order therefor is sold or issued in the United States, not including the amount paid for commutation or season tickets for trips less than 30 miles, or for transportation the fare for which does not exceed 42 cents.

The amendment was agreed to.

The next amendment passed over was, on page 138, line 13, after the word "date," to insert "in connection with transportation upon which tax is imposed by subdivision (c)," so as to make the paragraph read:

(d) A tax equivalent to 8 per cent of the amount paid for seats, berths, and staterooms in parlor cars, sleeping cars, or on vessels, used on or after such date in connection with transportation upon which tax is imposed by subdivision (c).

The amendment was agreed to.

The next amendment passed over was, on page 138, line 16, after the word "to," to strike out "6½" and insert "8," so as to make the paragraph read:

(e) A tax equivalent to 8 per cent of the amount paid for the transportation on or after such date of oil by pipe line.

The amendment was agreed to.

The next amendment passed over was, on page 139, after line 10, to insert:

(h) No tax shall be imposed under this section upon any payment received for services rendered to the United States or to any State or Territory or the District of Columbia. The right to exemption under this subdivision shall be evidenced in such manner as the commissioner, with the approval of the Secretary, may by regulation prescribe.

The amendment was agreed to.

The next amendment passed over was, in section 502, page 142, after line 22, to insert:

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

The amendment was agreed to.

The next amendment passed over was, under the head of "Insurance," in section 503, page 143, line 5, after the word "after," to strike out "November 1, 1918"; and in line 10, after the words "United States," to insert "(except those taxable under subdivision 15 of schedule A of Title XI)," so as to make the paragraph read:

SEC. 503. That from and after ——— there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 504 of the revenue act of 1917, the following taxes on the issuance of insurance policies, including, in the case of policies issued outside the United States (except those taxable under subdivision 15 of schedule A of Title XI), their delivery within the United States by any agent or broker, whether acting for the insurer or the insured; such taxes to be paid by the insurer, or by such agent or broker.

The amendment was agreed to.

The next amendment passed over was, on page 143, after line 14, to strike out:

(a) Life insurance: A tax equivalent to 8 cents on each $100 or fractional part thereof of the amount for which any life is insured under any policy of insurance or other instrument, by whatever name the same is called: *Provided*, That on all policies for life insurance only by which a life is insured not in excess of $500, issued on the industrial or weekly or monthly payment plan of insurance, the tax shall be 40 per cent of the amount of the first weekly premium or 20 per cent of the amount of the first monthly premium, as the case may be: *Provided further*, That on policies of group life insurance, covering groups of not less than 25 lives in the employ of the same person, for the benefit of persons other than the employer, the tax shall be equivalent to 4 cents on each $100 of the aggregate amount for which the group policy is issued and of any net increase in the amount of the insurance under such policy.

The amendment was agreed to.

The next amendment passed over was, on page 144, line 7, before the word "Marine," to strike out "(b)" and insert "(a)."

The amendment was agreed to.

Mr. SIMMONS. Mr. President, in section 503 I desire subdivision (a), on page 144, and also subsection (b), including the remainder of the title, to go over. It all relates to marine and fire insurance. I will state frankly that the committee is considering an amendment to that title, and probably will be able to present it to the Senate on to-morrow.

The PRESIDENT pro tempore. Without objection, the title will be passed over.

Mr. SIMMONS. From the point I have indicated I desire to have the remainder of the title passed over.

The PRESIDENT pro tempore. The remainder of the title will be passed over. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 146, line 7, after the words "tax of," to strike out "$4.40" and insert "$2.20," so as to read:

SEC. 600. (a) That there shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, except such distilled spirits as are subject to the tax provided in section 604, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of $2.20.

The amendment was agreed to.

The next amendment passed over was, on page 146, line 10, after the word "of," to strike out "$8" and insert "$6.40," so as to read:

(or, if withdrawn for beverage purposes or for use in the manufacture or production of any article used or intended for use as a beverage, a tax of $6.40) on each proof gallon, or wine gallon when below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.

The amendment was agreed to.

The next amendment passed over was, on page 149, line 10, after the words "tax of," to strike out "$3.30" and insert "$1.10," so as to make the paragraph read:

(c) In lieu of the internal-revenue tax now imposed thereon by law there shall be levied and collected upon all perfumes hereafter imported into the United States containing distilled spirits a tax of $1.10 per wine gallon, and a proportionate tax at a like rate on all fractional parts of such wine gallon. Such tax shall be collected by the collector of customs and deposited as internal-revenue collections, under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe.

The amendment was agreed to.

The next amendment passed over was, in section 628, page 177, line 3, after the word "containers," to strike out "at over 10 cents per gallon"; in the same line, after the word "tax," to strike out "of 2 cents per gallon"; and, in line 4, to insert "equivalent to 5 per cent of the price for which so sold," so as to make the paragraph read:

(b) Upon all natural mineral waters or table waters, sold by the producer, bottler, or importer thereof, in bottles or other closed containers, a tax equivalent to 5 per cent of the price for which so sold.

The amendment was agreed to.

Mr. SMOOT. Mr. President, there is an amendment on page 176 which the Senator from Oregon [Mr. CHAMBERLAIN] asked to have go over. That Senator is not present, and I will ask in his behalf that the amendment go over.

Mr. SIMMONS. What part of the bill is that?

Mr. SMOOT. It is the grape-juice provision.

The PRESIDENT pro tempore. The amendment will be passed over. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 195, line 13, after the word "war," to insert a comma.

The amendment was agreed to.

The SECRETARY. The next amendment passed over is, on page 197, heretofore agreed to, and reconsidered on the motion of the

junior Senator from Missouri [Mr. SPENCER], where the committee proposes to insert at the top of the page:

"(18) Articles made out of any fur, or articles of which fur is the component material of chief value, 10 per cent.

Mr. SMOOT. Mr. President, I ask that the amendment may go over for the day.

The PRESIDENT pro tempore. The amendment will be again passed over, without objection.

The next amendment passed over was, on page 199, after line 12, to strike out:

SEC. 905. (a) That on and after November 1, 1918, there shall be levied, assessed, collected, and paid a tax equivalent to 20 per cent of so much of the amount paid for any of the following articles as is in excess of the price hereinafter specified as to each such article, when such article is sold on or after such date for consumption or use—

(1) Carpets and rugs, including fiber, except imported and American rugs made principally of wool, on the amount in excess of $5 per square yard;

(2) Picture frames, on the amount in excess of $10 each;

(3) Trunks, on the amount in excess of $50 each;

(4) Valises, traveling bags, suit cases, hat boxes used by travelers, and fitted toilet cases, on the amount in excess of $25 each;

(5) Purses, pocketbooks, shopping and hand bags, on the amount in excess of $7.50 each;

(6) Portable lighting fixtures, including lamps of all kinds and lamp shades, on the amount in excess of $25 each;

(7) Umbrellas, parasols, and sun shades, on the amount in excess of $4 each;

(8) Fans, on the amount in excess of $1 each;

(9) House or smoking coats or jackets, and bath or lounging robes, on the amount in excess of $7.50 each;

(10) Men's waistcoats, sold separately from suits, on the amount in excess of $5 each;

(11) Men's and boys' suits or overcoats, not including uniforms of officers in the military or naval forces of the United States, on the amount in excess of $50 each;

(12) Women's and misses' suits, cloaks, and coats, on the amount in excess of $50 each, or, when made up by a tailor or seamstress, on the amount in excess of $50 in value each;

(13) Women's and misses' dresses, on the amount in excess of $40 each, or, when made up by a tailor or seamstress, on the amount in excess of $40 in value each;

(14) Women's and misses' hats, bonnets, and hoods, on the amount in excess of $15 each;

(15) Men's and boys' hats, on the amount in excess of $5 each;

(16) Men's and boys' caps, on the amount in excess of $2 each;

(17) Men's, women's, misses', and boys' boots, shoes, pumps, and slippers, not including shoes or appliances made to order for any person having a crippled or deformed foot or ankle, on the amount in excess of $10 per pair;

(18) Men's and boys' neckties and neckwear, on the amount in excess of $2 each;

(19) Men's and boys' silk stockings or hose, on the amount in excess of $1 per pair;

(20) Women's and misses' silk stockings or hose, on the amount in excess of $2 per pair;

(21) Men's shirts, on the amount in excess of $3 each;

(22) Men's, women's, misses', and boys' pajamas, night gowns, and underwear, on the amount in excess of $5 each; and

(23) Kimonos, petticoats, and waists, on the amount in excess of $15 each.

(b) The tax imposed by this section shall not apply to any article enumerated in paragraphs (2) to (8), both inclusive, of subdivision (a), if such article is made of, or ornamented, mounted, or fitted with, precious metals or imitations thereof or ivory, or to any article enumerated in subdivision (20) or (21) of section 900.

(c) The taxes imposed by this section shall be paid by the purchaser to the vendor at the time of the sale and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 502. As used in this subdivision the term "vendor" includes a tailor or dressmaker making up women's or misses' suits, cloaks, coats, or dresses.

Mr. KENYON. Mr. President, I ask that that entire section may go over. I desire to make some remarks on it, but I do not want to do so this evening.

The PRESIDENT pro tempore. Without objection, section 905 will be passed over.

The SECRETARY. The next amendment passed over is on page 215, where it is proposed, after line 2, to insert:

"The taxes imposed by this section shall, in the case of persons upon whom a corresponding tax is imposed by section 407 of the revenue act of 1916, be in lieu of such tax."

The amendment was agreed to.

The SECRETARY. The next amendment passed over is on page 244, after line 14, where it is proposed to insert: "Title XII. Tax on employment of child labor."

Mr. SMITH of Georgia. Mr. President——

Mr. HARDWICK. Mr. President, I shall be glad if the Senator from North Carolina will have that amendment passed over. His colleague, the junior Senator from North Carolina [Mr. OVERMAN], and myself both have some observations to submit on this matter, and possibly some authorities to cite to the Senate on it.

Mr. SMOOT. And it can not be done to-day?

Mr. HARDWICK. I am hardly prepared to do so this afternoon.

Mr. SIMMONS. Very well; let it go over.

Mr. SMITH of Georgia. Mr. President, I wish to record my vote against the amendment when the opportunity is presented.

Mr. HARDWICK. We are not going on with it to-day.

Mr. SMITH of Georgia. I understand. I did not want it passed over, though, as if there were no objection to it.

Mr. HARDWICK. I am asking to have it passed over for the day.

Mr. SMITH of Georgia. I understand; but it was about to be agreed to a few days ago without objection, and I objected.

Mr. SIMMONS. Let it go over, Mr. President.

Mr. SMITH of Georgia. I was present, and I objected and stopped it.

The PRESIDENT pro tempore. The amendment will be passed over without objection.

The next amendment passed over was, on page 251, line 3, after the word "appointed," to strike out "from lists of eligibles to be supplied by the Civil Service Commission, and in accordance with the civil-service law," and insert "as provided by law," so as to read:

(c) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1919, the sum of $7,500,000 for the expenses of assessing and collecting the internal-revenue taxes as provided in this act, including the employment of necessary officers, attorneys, experts, agents, inspectors, deputy collectors, clerks, janitors, and messengers, in the District of Columbia and the several collection districts, to be appointed as provided by law.

Mr. SMOOT. I ask that that may go over.

The PRESIDENT pro tempore. Without objection, the amendment will be passed over.

The next amendment passed over was, on page 276, after line 10, to insert as a new section the following:

SEC. 1401. That section 1100 of the revenue act of 1917 is hereby repealed, to take effect on July 1, 1919, and thereafter the rate of postage on all mail matter of the first class shall be the same as the rate in force on October 2, 1917: *Provided*, That letters written and mailed by soldiers, sailors, and marines assigned to duty in a foreign country engaged in the present war may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.

Section 1107 of such act is hereby repealed, to take effect July 11, 1919.

The PRESIDENT pro tempore. Without objection, the amendment will be agreed to. The Chair hears no objection.

Mr. THOMAS. This is section 1401?

The PRESIDENT pro tempore. Section 1401.

Mr. THOMAS. I object to it.

Mr. HARDWICK. That is the first-class mail provision.

The PRESIDENT pro tempore. The question is on agreeing to the amendment. [Putting the question.] The ayes seem to have it. The ayes have it, and the amendment is agreed to.

The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 276, after line 21, to insert as a new section the following:

SEC. 1402. (a) That section 1103 of the revenue act of 1917 is hereby repealed.

(b) Section 1101 of such act is hereby amended to read as follows:

"SEC. 1101. That on and after July 1, 1919, the rates of postage on publications entered as second-class matter (including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, shall be 1 cent per pound or fraction thereof for delivery within the first and second zones applicable to fourth-class matter, and 1½ cents per pound or fraction thereof for delivery within any other zone."

(c) This section shall take effect July 1, 1919.

Mr. HARDWICK. Mr. President, let that go over. It is the amendment relating to second-class mail matter.

Mr. SIMMONS. That can go over, if the Senator wishes.

The PRESIDENT pro tempore. By agreement, section 1402 will be passed over.

That completes the reading of the bill.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, December 18, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

TUESDAY, *December 17, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

O God, our Father in heaven, we thank Thee for this beautiful day, and we pray that with the coming of this day may come renewed energies for the tasks that lie before us, that Thy wisdom and Thy guidance may be our portion. We would especially pray Thy blessing upon the great institution of the Red Cross, an institution whose ministries are so blessed and

so holy, as to-day and these days that follow it pleads for the support of the people. And grant upon all institutions of like character that look to the help of human kind in these days of suffering Thy divine blessing. So wilt Thou be with us this morning and always. For Jesus' sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

CONGRATULATIONS FROM THE SPANISH SENATE.

The SPEAKER. The Chair lays before the House a communication from the Secretary of State, which has been on hand for some time.

The Clerk read as follows:

DECEMBER 3, 1918.

The Hon. CHAMP CLARK,
Speaker of the House of Representatives.

SIR: I have the honor to inform you that a note has been received from the Ambassador of Spain at this Capital, in which he states that when the new Spanish Government, presided over by Marquis de Alhucemas, presented itself before the Congress of Deputies the president of the council of ministers declared that the foreign policy of the Government over which it presided was steered in intimate understanding with the western powers of Europe and the United States. The ambassador also states that two incidental motions, differently worded but to the same effect, were introduced offering congratulations on the termination of hostilities and on the dawning of justice over force, the basis of liberty and fraternity among the peoples. The second of these two motions was passed with only two dissenting votes. In conclusion the ambassador states that his Government desires the particularly unanimous sentiment of the Spanish Congress, which has given by its vote evidence of the earnest sympathy it cherishes toward the allied peoples and governments made known to the Congress of the United States.

A similar letter has been addressed to the President of the Senate.

I have the honor to be, sir, your obedient servant,

ROBERT LANSING.

The SPEAKER. Ordered printed and referred to the Committee on Foreign Affairs. The Chair also lays before the House a communication from the Acting Secretary of State.

DECEMBER 7, 1918.

The Hon. CHAMP CLARK,
Speaker of the House of Representatives.

SIR: At the request of the Spanish ambassador at this Capital, in accordance with the instructions of his Government, I have the honor to inclose for the information of the House of Representatives a translation of a note from the ambassador announcing that the Spanish Senate unanimously directed to be entered on its journal, in view of the signing of the armistice of November 11, 1918, congratulations on the peace and the triumph of justice over force.

I have the honor to be, sir,
Your obedient servant,

FRANK L. POLK,
Acting Secretary of State.

Inclosure from Spanish ambassador November 15, 1918.

The SPEAKER. The Clerk will also read the communication from the Spanish ambassador.

The Clerk read as follows:

NOVEMBER 15, 1918.

The Hon. ROBERT LANSING,
Secretary of State of the United States.

Mr. SECRETARY: By order of my Government and with the request that you kindly make the fact known to the American Houses of Congress, I have the honor to inform you that at the session of the Spanish Senate Senor Gimeno, former minister of state, delivered a brilliant speech eulogizing peace and dedicating effusive words to all and each of the allied countries. After a short debate the Senate unanimously ordered to be entered into the journal that it congratulates itself on the peace and triumph of justice over strength.

I avail myself, etc.,

JUAN RIANO.

The SPEAKER. Ordered printed and referred to the Committee on Foreign Affairs.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its enrolling clerks, announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested:

S. J. Res. 195. Joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution, of a class other than Members of Congress.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 195. Joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution, of a class other than Members of Congress; to the Committee on the Library.

LEAVE OF ABSENCE.

By unanimous consent, Mr. JONES was granted leave of absence for two weeks on account of important business.

LEAVE TO PRINT.

Mr. LOBECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with a communication or article by John Skelton Williams, published in the November Forum on "Usury and the banks."

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD by printing a communication from the Comptroller of the Currency in the November Forum on the subject of "Usury and the banks." Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, how long is the article?

Mr. LOBECK. It is not a very long article; is is very short. I think probably one column will cover it.

Mr. WALSH. One column in the RECORD?

Mr. LOBECK. It is not a long article, but it is a very interesting article and covers the history of usury from the earliest dawn to the present time.

Mr. WALSH. Is it in connection with any pending legislation in the House?

Mr. LOBECK. It is in connection with banking and currency legislation that comes before the House at all times every session.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

POST OFFICE APPROPRIATION BILL.

Mr. MOON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13308, the Post Office appropriation bill.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13308, with Mr. CRISP in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13308, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes.

The CHAIRMAN. Under a previous order of the House after the first paragraph of the bill is read the gentleman from New York [Mr. LAGUARDIA] is entitled to 45 minutes. The Clerk will read.

The Clerk read as follows:

For traveling expenses of inspectors without per diem allowance, inspectors in charge, and the chief post-office inspector, and expenses incurred by inspectors not covered by per diem allowance, unusual and extraordinary expenses necessarily incurred for maintenance by inspectors over and above per diem allowance while traveling on official business in connection with the postal service of Alaska, and for the traveling expenses of four clerks performing stenographic and clerical assistance to post-office inspectors in the investigation of important fraud cases, $43,850.

Mr. LAGUARDIA. Mr. Chairman, if there is no objection on the part of the chairman of the committee, I prefer to address the House when we reach page 15, at which time I am going to put in an amendment to that section. It was at that time I had arranged with the chairman and also with the gentleman from Minnesota.

Mr. STEENERSON. Why not speak now? We understand what the item is.

The CHAIRMAN. The gentleman from New York is recognized for 45 minutes.

Mr. LAGUARDIA. Mr. Chairman, the section of this bill that I am interested in is on page 15, which provides for an appropriation of $2,185,000 for the purchase of aeroplanes and the operation and maintenance of aeroplane service. Now, I do not want any time for any other purpose. I shall limit myself to that provision. Unfortunately, the other evening some gentleman stated that I intended to address the House on the general subject of aviation. Now, I have no desire to make any speech on anything which is not before the House. When the Army or Navy appropriation bill shall come before the House I shall then speak on that subject and give the benefit of what experience I might have gained during the past 15 months. I want to say that in opposing this particular appropriation I am not at all opposing the general proposition of transporting part of the mail by air. That is still in an experimental stage. We can save the $2,185,000 asked for in this bill and to be handed over to the Post Office Department for the purchase of aeroplanes. Now, if there is one body in the world which should have by this time accurate information on aviation it is the American Congress. We have appropriated more money for aviation in the past 15 or 16 months than any other government in the world, and we have less to show for it.

We might as well start now and discourage these piecemeal experiments, because the moment we commence experimenting in aviation we go into millions.

Now, the Second Assistant Postmaster General testified before the committee, and he has given this subject considerable study, and I am quite willing to accept his views on it. He did not ask for the $2,000,000 at all. He came before the committee—and I take it from the testimony—and asked for $300,000, and no more. In the course of the hearings it developed that $300,000 would not be enough, and in some manner and for some unknown reason they arrived at the $2,185,000 item.

Now, then, on page 60 of the testimony the Second Assistant Postmaster General, Mr. Praeger, testified that he was not now in a position to say how much it would cost to carry out the general scheme of aeropost service. He asked for $300,000, and he said—and I am reading from the testimony:

> We will need more, and after we have laid out two or three of these lines I want to come back to the committee and give the detailed cost of the whole thing, and then you can determine before the bill is settled how much further you want to go on the showing we make.

That is a straight, businesslike statement. He does not know at this time how much it will cost. He says, "Let us try it out on one or two small lines, and we will see how it turns out, and then if Congress wants to go into it we can do so." Now, that is what I want to urge, namely, that we try it out, and I want to try it out with what we have on hand.

The Second Assisant Postmaster General was asked:

> Has not the Army any American aeroplanes that can be turned over to you now?

To which he replied:

> None that will fly with any dependability.

Now, if that was the Chief of the Air Service testifying in July, 1917, that answer might have been true. But the Army now has planes that we can use for this purpose.

Mr. BORLAND. Will the gentleman yield there?

Mr. LAGUARDIA. Yes.

Mr. BORLAND. My understanding is that the Army has a good many planes that will do for scouting work if the weather conditions are right, but that a dependable mail service means a service going on schedule every day, winter and summer, through rain and storm, or any other kind of weather, and it takes an especially heavy machine for that purpose, and that the Army machines adapted to high speed and that sort of thing are not adapted to mail service. Is not that the case?

Mr. LAGUARDIA. No.

Mr. BORLAND. I would like to have the gentleman explain that. I do not want the words "dependable service" to pass without some explanation.

Mr. LAGUARDIA. The machine the gentleman from Missouri describes—a machine which will fly in all sorts of weather, through rain and storm, and at all other times—does not exist. When we get to that stage, then we will have all sorts of travel and air service.

Mr. BORLAND. It is perfectly manifest that this training machine, this Curtiss machine, is not the machine for aerial mail service.

Mr. LAGUARDIA. I will come to that in a minute. If I do not cover it, call my attention to it before I close.

Mr. LAZARO. Can the gentleman tell us something about this friction we have read about in the papers between the gentleman who had charge of this service and the Postmaster General?

Mr. LAGUARDIA. I have no information about that at all. I never have had the pleasure of meeting any of these gentlemen.

Mr. LAZARO. The gentleman read that?

Mr. LAGUARDIA. Yes; it is very interesting.

Now, a provision was made some time ago that the Army should turn over to the Post Office Department machines to carry out this service. This question was put to the Second Assistant Postmaster General, and he so testified. And the machines that they now use are Army machines. Now, then, in answer to the Postmaster General, stating that the Army had no dependable machines to turn over, I must say that the Army now has in this country 1,495 De Haviland 4's, fitted with your Liberty motor. If the Liberty motor is all you state it is, it is an ideal machine for that purpose. You have a 400-horsepower motor on the De Haviland machine, with sufficient carrying capacity for present mail requirements.

I will state to the gentleman from Missouri [Mr. BORLAND] that the De Haviland machine is not a battle plane. It is not a pursuit machine. It is a reconnaissance, day-bombing machine. During the course of this war we did not turn out a pursuit machine, although a good many of my colleagues are under the impression that the skies of France were black with American-built battle planes. They were not. The De Haviland 4 is the nearest to an almost perfect machine that was sent abroad. And it is a reconnaissance machine, used for observation over the lines or used for day bombing. It ought to be an excellent machine to use for transportation of mails at this time.

Then we have the JN-4, with the Hispano-Suiza motor. This could be used in transportation to, say, points like Philadelphia-Washington, or New York-Philadelphia, Omaha-Milwaukee; it would be an ideal machine for short trips.

Mr. BORLAND. Those Curtiss JN-4's are light machines. They could not make head against a 110-mile gale, could they? Could they go against an ordinary winter storm and make 10 or 12 miles an hour?

Mr. LAGUARDIA. No other machine will do it, either.

Mr. BORLAND. That is what is necessary in a dependable postal service.

Mr. LAGUARDIA. We have not a machine to-day that will do that.

Mr. BORLAND. How about the De Haviland machines. Will they do that?

Mr. LAGUARDIA. In a winter storm—no.

Mr. STEENERSON. Was the gentleman's attention directed to the hearings on page 48? I would like to call his attention to this language of the Second Assistant Postmaster General. He says:

> The CHAIRMAN. We will go to the next item: "For inland transportation by steamboat or other power-boat routes or by aeroplanes," with the proviso "That out of this appropriation the Postmaster General is authorized to expend not exceeding $100,000 for the purchase, operation, and maintenance of aeroplanes for an experimental aeroplane mail service between such points as he may determine," $1,485,000, an increase of $300,000.

Now, the paragraph that the gentleman read makes it possible to purchase airplanes for the whole service. The Postmaster General did not recommend that he should have $1,485,000 with which to buy airplanes, but he said that he could use it for operation or purchase.

Mr. LAGUARDIA. Yes. What I am seeking to do is to cut off that power, so that he can not buy a single airplane. I want him to use the airplanes that we have, which otherwise will deteriorate and become obsolete, even if we leave them in the hangars. The Army and the Navy have these planes now, and the Postmaster General says this appropriation is not for this year; it is for next year.

Mr. STEENERSON. And the existing law provides that they shall turn them all over?

Mr. LAGUARDIA. Exactly. Besides the machines I have mentioned, we have 100 Handley-Page machines; 12 of these have been turned over, according to the testimony of the Postmaster General, and 12 more are to be turned over. That would give 24 Handley-Page machines for immediate use in the very near future. I never flew a Handley-Page, but it can stand up against any other machine, so far as weather is concerned. But even that machine could not fly under the conditions described by the gentleman from Missouri [Mr. BORLAND]. We have these 200 Handley-Pages that will be built and turned over to the Army. Now, then, the law provides that the Army shall furnish the machines to the Post Office Department. Is it not better to use these machines for the service and utilize them instead of letting them stay in the hangars rotting away or be worn out by practice flights? A machine will last just so long, and no longer. If you leave it in the hangar it will get out of line and out of use in a certain time. If you fly it, it will fly so many hours and no more.

Mr. STEENERSON. How many hours?

Mr. LAGUARDIA. Well, I do not know what your miraculous Liberty motor will do, but the motors that were used on the other side for war conditions you could run for 40 or 50 hours and then have them overhauled, and then run them for 40 or 50 hours more. We flew the Isotta-Fraschini upward of 80, 90, or 100 hours before they had to be overhauled. After that you can not tell when you will have a trouble or when something will happen. I do not know what the Liberty will do. I am unable to find out how many hours they will run.

Mr. EMERSON. Pardon me. Is that continuous running?

Mr. LAGUARDIA. No. That is engine duration.

Now, with the personnel that we have, let me see, we have in the United States 6,083 finished pilots, and we have 4,835 flying cadets. These boys are finishing their course in flying; these cadets and these pilots, immediately after they have earned their wings, after they have taken their pilot test, are not first-class pilots—not until they have had at least 40 or 50 hours in the air in cross-country flights.

Now, the intention of the Army is to give these men this training. We want to maintain, if we can, a sufficient force of trained pilots. These boys will be flying across country to make up this time, to get this experience. Why can we not utilize them in carrying on this mail service instead of having them make circles over the field and going across country in chase

of an imaginary enemy? My whole purpose is to utilize what we have on hand and experiment for this year and next year before we go into this very extensive scheme of the Post Office Department.

Mr. GILLETT. Mr. Chairman, will the gentleman allow a question?

The CHAIRMAN. Does the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. GILLETT. I would like to ask the gentleman there as to the danger which there is in utilizing these men who have been trained. I noticed that about one a day was killed during the training period down in Texas, and so forth, and one of the officers who appeared before our Committee on Appropriations gave some very damaging testimony about the real danger in flying. The gentleman has had great experience, and I wondered whether he could say whether it was too dangerous for the Post Office Department to use in civil life.

Mr. LAGUARDIA. Flying is dangerous. As long as we are going to have flying and many machines in use we are bound to have accidents. Now, if we were to carry out the scheme of carrying the mail all over the United States we are sure to have, well, a few fatal accidents every month, because when something goes wrong in the air there is nothing to hold you there. You are bound to come down. That is inevitable.

Mr. LITTLE. Mr. Chairman, will the gentleman yield right there?

Mr. LAGUARDIA. Yes.

Mr. LITTLE. Is not the parachute practical in connection with the airplane?

Mr. LAGUARDIA. Well, we used the parachute from the S. P.—I think I can tell you this now that the thing is over—to land agents in Austrian territory. It is very hazardous work. The machine has to be specially constructed, and landing is made under ideal conditions. But the trouble is, if something goes wrong and you get into a tail spin, you have very little opportunity to use the parachute. With time, even that may be practicable. We must, gentlemen, consider present existing conditions.

Now, as to the training, I will say to the gentleman from Massachusetts [Mr. GILLETT] that these accidents are almost inevitable. The student is flying with his instructor up to a certain time, and until the instructor feels that the pupil can negotiate the machine himself he stays with the pupil; but when he is turned loose if something happens, then, of course, that is the only way of telling whether the man is able to fly. The only way is to let him fly. The instructor naturally corrects any defect of maneuvers when he is flying with his student, and he may unconsciously correct any overcontrol in banking or landing, so that when the time comes to turn this student loose he does so, and if the student is excitable or negative in flying, of course he is subject to danger. I had, I think, 496 American students in our school in Italy. I think we lost 11 men. Out of 11 we have to subtract 3 who met an accident through a collision in the air, so that we lost perhaps 8 men in the course of their training. It is possible in time of peace, when the training is slower and there is no need of turning them out rapidly, to reduce the number of accidents, but accidents are unavoidable.

Mr. FESS. Is there anything in the statement that numerous accidents are due to unusually hazardous stunts in the air, where you are maneuvering to get away from an enemy, which would not be required if the flier were in the mail service?

Mr. LAGUARDIA. Oh, absolutely; the boys who take up pursuit work have to train in what they call stunt flying; it is not stunts, it is aerobatics. It is necessary to so train in order to be able to skillfully maneuver and get around or away from an enemy plane. It is the whole thing in aerial combat. Although the boy might turn out well in straight and preliminary flying, when he gets to doing advanced maneuvers there is great danger. In the mail service we would not have that; it would not enter into the mail service at all. The danger would be limited to forced landings, losing course of route, defective materials, and the like.

Mr. FESS. That was the query in my mind, whether the mail service would be as dangerous in training an aviation corps.

Mr. LAGUARDIA. Absolutely not. It would be the regular cross-country flying. If we have a good system of training and discipline all through the service we can keep fatal accidents down. For instance, the Postmaster General suggests that he is going to start regular service between Chicago and San Francisco immediately after the war. He can not do anything of the kind. We are in no more condition to start flying from Chicago to San Francisco than we were in the spring of 1917 in sending over a hundred thousand planes to France. We have to make some preparation, and I might as well take that up now as at any time. If he starts from San Francisco to Chicago he has the whole country to cross, and it will require considerable preparation.

Mr. FORDNEY. Mr. Chairman, I suggest that the gentleman from New York be not interrupted. His remarks are very interesting. If he is constantly interrupted his statement is disconnected and will not be as satisfactory as it otherwise would be.

The CHAIRMAN. The Chair will state that the matter is entirely in the hands and control of the gentleman from New York. He can decline to be interrupted.

Mr. LAGUARDIA. I am anxious to give all the information that I can, and will cheerfully answer questions. The Postmaster General suggests that we will open these lines and promises to take mails from Chicago to San Francisco, passing through Cheyenne and Omaha, and from Minneapolis to Laredo, Tex., immediately upon conclusion of the war.

We can not do that. We have not the fields; we have not the men; we have not the signal system; we have no preparation at all to undertake a gigantic scheme of that size. If we start the delivery of mail from Chicago to San Francisco we would have to establish landing places every so many miles, or radio control stations, if he is going to do the flying by night, as he promises, or we would have to establish perfect light signal stations all the way across.

When we were flying from our field over into the territory of the enemy to bomb them we would have regular light signals every 30 kilometers up to our lines, and if it was a nice, moonlight night we could follow the enemy signals for their own planes which were out of our territory.

Flying at night is easy to say, but unless you are flying over a river that you can see at all times or over your own fields or over flat country, it is a difficult thing to do. They have developed to a certain extent radio control that will be perfected in a very short time. This control keeps the machines within the radio station. But all these things must be established and are necessary before we can establish a line from Chicago to San Francisco. Inasmuch as the Army is now experimenting with these very things, and inasmuch as we have appropriated money for the Army to do that very thing, let them do it in connection with this service. Then we will have not only a real air service for military purposes but also a well-regulated posal air service. Then the money appropriated for the Army will not have been entirely wasted, while every cent that is appropriated for this purpose is apart from that, and the amount appropriated here is enough to carry out the whole scheme.

Mr. LAZARO. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Louisiana?

Mr. LAGUARDIA. I do.

Mr. LAZARO. The gentleman stated that he wanted to give all the information he could. When the ground was selected for aviation camps it was said that they were selected with a view of making them permanent, so that they could be used in the carrying of the mail and passengers and packages, and so on. Does the gentleman know how that would work and if there was any foundation for that?

Mr. LAGUARDIA. As to that I will say that in the State of Texas we have 10 fields. We have one in Oklahoma and a few scattered around in that region; there are some in Illinois and one in Michigan, but between Chicago and California there are none.

Mr. LAZARO. We have a very good one at Lake Charles, in my district.

Mr. LAGUARDIA. There is not a single field between Chicago and San Francisco. We have some in the southern part of California and one in about the central part. But all that territory of the United States between Chicago and the Pacific coast and from Canada to the Gulf, through the Central States, has no fields. So we would have to establish fields all along the line.

Mr. RANDALL. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. RANDALL. Is it a difficult matter to establish fields? Is it a serious proposition?

Mr. LAGUARDIA. It is not serious, but it is very expensive.

Mr. RANDALL. Nothing but the expense?

Mr. LAGUARDIA. That is one thing that I am worrying about. Of course, the gentleman will admit that it is somewhat difficult to find a field where you can land in the Rocky Mountains. You can not land a plane on a mountain peak.

There is no doubt that we have sufficient machines in the Army and the Navy to carry out every reasonable undertaking that the Post Office Department desires to experiment on. No doubt about that.

Now, as to the personnel. We have to train young men to fly. A good many men who have not had the opportunity to go abroad

are eager and anxious to do a little more flying. They know that they are not expert fliers, and they want to get all the experience they can. So this would furnish an excellent opportunity to establish the air postal service with the personnel that it now has on hand.

The Postmaster General says that in order to carry out the scheme he presents to the committee he will require a thousand pilots which he intends to pay $300 a month, 1,000 mechanics which he will pay $160 a month, and 1,500 helpers.

The total amounts to $7,575,000. That is for personnel alone. The Army could furnish the same number of men, and on their present pay it would cost only $4,261,500, a difference of $3,313,500; but I say that we would save more—I say that it is a saving of the entire amount of $7,000,000 if the Army Air Service carries this mail. The Army is going to spend this money anyhow, and these men will be flying over the fields, or in formation flying in the air, if we do not use them for the post office. There is a total saving of $7,000,000 on the personnel. That is something which can be easily figured. But when you take the whole United States and endeavor to establish an air service with as many machines as it will require, we are going into the hundreds of millions of dollars. All the experience the post office has had to-day is with one trip a day from New York to Washington, and as Mr. Praeger said, he is not in a position to say now how much it will cost for maintenance and operation in the elaborate plan of aerial mail routes he proposes.

Mr. MOON. The gentleman says only one machine?

Mr. LAGUARDIA. That is, a day.

Mr. MOON. There is a service from New York to Chicago.

Mr. LAGUARDIA. When will that start?

Mr. MOON. It has been started, I am informed.

Mr. LAGUARDIA. I think it started yesterday, did it not?

Mr. MOON. No; I think some time ago.

Mr. LAGUARDIA. A gentleman called at my office yesterday from the Assistant Postmaster General, and he stated that it would start either yesterday or to-day.

Mr. MOON. I understand that is additional service to those points and to others, but that it can not be started to-day by reason of the fact that the War Department has refused to turn over machines under previous acts of Congress which were to be used for that purpose, and hold that the statute was directory and not mandatory, and, therefore, they were not bound to do that. The General Staff has made an order that deprived the Post Office Department of these machines.

Mr. LAGUARDIA. Very well; we will make it mandatory.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. MANN. That service has started a good many times, but I believe it has never yet functioned.

Mr. LAGUARDIA. No; and it will not for some time, and it can not. The establishment of an organization to fly from Chicago to New York is no simple matter. That is quite a flight, and if you are establishing a daily service between New York and Chicago, I will say to the chairman of the committee that it will not be regularly systematized and running daily for a year or a year and a half.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. McKENZIE. I am interested in this matter, and I would like to ask the gentleman one question: If you are going to take the flyers from the Army or the Navy, how do you expect to get them? By volunteering on the part of the men, or does the gentleman assume that the War Department would have the power to detail a man who had enlisted for military service to do civilian work? Has the gentleman gone into that?

Mr. LAGUARDIA. Absolutely, and unless we do that we are going to have an Army and a Navy on our hands which is not up to date. You have to give all of these men practical experience. I will go further and say that I do not see any reason why we can not use our Navy for transporting mails and cargo. I would sooner have the ships used in useful occupation than chasing around the ocean in wild flights. We are coming to that.

The type of planes which will eventually be used for carrying mail will be the multiengine type of bombing machine. The piloting of these ships in day and night flights, under varying conditions of weather, will develop in our pilots the very skill in air navigation that is required in time of war, and the element of regularity involves a disciplinary factor that is of great importance. The practical training that our mechanics would receive is obvious, and it will also bring about constant development of material through the experience gained by many hours of flight under widely varying conditions. As an example of this we may cite the use of radio direction apparatus. I spoke about that a moment ago. Also radiotelephony, improvements in compasses, automatic stabilizers, improvements in various other things, which will give us the very opportunity that we are looking for to develop a real air service.

I will not go into the work of the Air Service during the war. At the proper time, if the House desires to hear about it, I shall tell them what I know. I am willing to spill the beans if you want the information.

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. EMERSON. I was going to ask the gentleman if he would give us some information on how our American-made planes compared with the planes made by the countries in Europe.

Mr. LAGUARDIA. I will say to the gentleman that he will have to find somebody of more experience than I have had. I have been flying for only 15 months. I have been at both fronts, but I have never seen an American plane.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. MANN. Do I understand the gentleman's recommendation is that the air service that carries the mail shall be under the direction and control of the War Department?

Mr. LAGUARDIA. No; I would not recommend that. My suggestion would be that the Post Office Department outline the routes and call upon the War Department to turn over the planes to carry the mail.

Mr. MANN. I am speaking of the carrying of the mail.

Mr. LAGUARDIA. Yes.

Mr. MANN. That that is to be under the operation of the War Department after the mail leaves the post office and is put on the aeroplanes?

Mr. LAGUARDIA. And delivered, just as it is now carried by a railway or a steamboat.

Mr. MANN. Personally, I do not see why that might not be feasible, although, as a rule, departments do not work well together.

Mr. MOON. Does not the gentleman think it would be better for the War and Navy Departments to turn over their aeroplanes to the Post Office Department for the purpose of carrying the mail, that being its function? The Post Office Department could use the aviators under proper regulations.

Mr. LAGUARDIA. Well, we are going to have a united air service, there is no doubt about that, unless we continue to waste millions of dollars. We have now the Army service, the Navy service, the Marine service, the Postal Service; we have the Bureau of Standards experimenting; we have five different branches of the Government wasting millions, and if we unite all of them, the same as England has done and Italy is doing and France is doing, we will save millions—not thousands, but millions. We are coming to that, and when we have this service it will be the easiest thing in the world to take care of all the needs of the Post Office Department. What I am trying to do is, inasmuch as the Post Office only desires to experiment—it asks nothing for the present; they say they have enough machines for this year—let us save this $2,000,000 and use the machines and personnel we have to carry on this scheme if they want to carry it out.

Mr. GREEN of Iowa. If the gentleman will pardon the interruption, it seems to me to be as reasonable for the Post Office Department to ask to operate the engines on the railroad as to operate these.

Mr. LAGUARDIA. It is an analogous case.

Mr. TOWNER. Will the gentleman yield?

Mr. LAGUARDIA. I do.

Mr. TOWNER. I desire to make only this suggestion: There would be no difficulty whatever in the War Department detailing those who are engaged in the aviation service, and especially those who are learning the aviation service, for work under direction of the Post Office Department—that is, they could be detailed especially for that purpose under the direction of the Post Office Department. They could just as well be detailed in the matter as detailed for service in an aviation school or on the practicing field, or any other way?

Mr. LAGUARDIA. That is merely a detail to work out. What we have before us now is, let us stop a waste of $2,000,000.

Mr. TOWNER. I entirely agree with the gentleman.

Mr. BORLAND. Will the gentleman yield?

Mr. LAGUARDIA. I do.

Mr. BORLAND. As I understand the gentleman's recommendation, it is that the pilots and machines, the system now built up by the War Department, shall be utilized in carrying these mails?

Mr. LAGUARDIA. Yes.

Mr. BORLAND. The gentleman believes that will be a great benefit to the military aerial service to keep abreast of the times by actual experiment?

Mr. LAGUARDIA. And incidentally will be a great help to the Post Office Department.

Mr. BORLAND. Is it not likely to work the other way? Is it not likely to hamper and restrict the Postal Service in developing the carrying of the mails properly? Would not the Post Office be restricted in that case to the kind of machines that the military were building and furnishing or were willing to furnish?

Mr. LAGUARDIA. If that were true, if we had the machines which were of the kind needed, if there is such a machine which is so good it will carry the mails in all weathers, under all conditions, that is the kind the Army wants.

Mr. BORLAND. Suppose the Postal Service finds that a machine adapted to the work of the Postal Service is not in existence and it wants such a machine created and put in the service. How could the Army furnish that?

Mr. LAGUARDIA. The Army is experimenting all the time. Let us call it the air service. The air service is experimenting all the time to get just a machine of that kind, and if it is good enough to carry the mails it is good enough to carry bombs for any future war. I trust there will never be another.

Mr. BORLAND. The Army might say that their requirements are totally different; that they want a single-seater, a pursuit machine, of high power. It is not a question with the Army that they are to carry a certain quantity of weight, but what they want is a high power, speedy machine. Now——

Mr. LAGUARDIA. No; I am not willing to admit that what we want is a high-powered machine. You have been led to believe that for the past 16 months. It was not adopting an engine to existing conditions, but what was attempted was to adopt everything to that particular motor—the planes, war conditions, weather, the elements, everything had to be changed to utilize your motor. It was all wrong. [Applause.]

Mr. BORLAND. Is it not a fact, however, that the machine that is going to be adopted for postal and commercial service will be a heavier and slower machine than the military machine?

Mr. LAGUARDIA. It will be an ideal bombing machine.

Mr. BORLAND. I want to call attention to this, that the Army would have been at a great loss in its motor-truck service if it had not been for the high development of commercial motor trucks and if it had not been for the training of a large number of commercial chauffeurs, and the Army had those immediately to draw from. Suppose they had not had any commercial apparatus or aviators, that we did not have any commercial or postal machines for the Army to draw upon in a future war, that everything was military. Would that be an advantage?

Mr. LAGUARDIA. No; it is entirely different. We are still in the experimental stage in aviation, and all the Post Office Department is trying to do is to try this out. I want to save money—I think that is our duty—unless I am entirely wrong, unless it is not the intention of this Congress to save money. If we continue to appropriate the way we are, I do not know how we are going to pay for it. I am concerned, inasmuch as my State pays a big part of the taxes of the United States. I think we ought to have something to say about it. As I said, we are still in the experimental stage, and what we are trying to do now is to centralize the experiments. When we arrive at the commercial-machine period, as we have in the motor truck and automobiles, and they can be as safely operated, it will be time then to give the Post Office machines of its own to operate.

Mr. LAZARO. If the gentleman will permit, the gentleman said a while ago that these men who are now at these aviation camps could be used to better advantage carrying the mails.

Mr. LAGUARDIA. Yes.

Mr. LAZARO. Is that correct?

Mr. LAGUARDIA. Yes.

Mr. LAZARO. The gentleman does not mean to say that we would have no aviation camps where these men could do these stunts and practice for war purposes in cases of emergency. You would not want to use them all in the mail service?

Mr. LAGUARDIA. Before he starts to do his stunts, if we can give him a good deal of flying he will acquire the art of advanced flying much easier. We could give the pilot the preliminary training experience in actual cross-country flying and then go into aerobatics. We could make three or four months' postal flying part of the course after he has taken his pilot's test. That would give him what he needs, actual experience. If we can give each pilot three or four months of postal flying and then train him further in aerobatics, if he desires, we would then have an ideal expert flying pilot.

Mr. LAZARO. What does the gentleman think, with the number of aviation camps we have in this country, as to the advantage of using them in the future during peace times? Can the gentleman give me any thought concerning that?

Mr. LAGUARDIA. No. All I know is what Gen. Foulois told me on that. And he said in laying out the fields he had in mind the future commercial use. On the map that I have before me, as I said before, we have no fields from Illinois to California at all, and, of course, we would have to lay out a series of fields all along the line.

Mr. JOHNSON of Washington. I understand the gentleman to say, in addition to these items, the Government has not—with a route from Indianapolis to Texas and from Chicago to San Francisco—the Government has not the money?

Mr. LAGUARDIA. Neither has the Post Office, and if we got $2,000,000, and even if we start a regular service from Chicago to New York and start to buy planes and learn what it costs to keep up these planes, they will come back with a $15,000,000 or $20,000,000 deficit in the next appropriation bill. That, gentlemen, is absolutely certain. Two hundred thousand dollars is not enough, and it will get the Post Office Department in considerable trouble. It will cost us several millions more, unless we take it out of their hands entirely.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LAGUARDIA. I ask unanimous consent for three minutes more.

Mr. SMITH of Michigan. I ask unanimous consent that the time of the gentleman be extended five minutes.

Mr. MOON. I have no objection to his getting five minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. SMITH of Michigan. Mr. Chairman, I would like to inquire whether or not the Liberty motor has proven itself a successful carrying motor?

Mr. LAGUARDIA. Yes. The Liberty motor is a good motor. It is a good motor, but that is all. Why should it not be? The greatest industrial country in the world stopped everything to build it. It is a good 400-horsepower motor. It is not a miracle; it is not a new discovery. There is nothing on that motor that is new. But you stopped everything to build the Liberty motor. I will tell you more about it the next chance I get.

Mr. LONGWORTH. Will the gentleman yield?

Mr. LAGUARDIA. I will.

Mr. LONGWORTH. How many American-built battle planes were on the battle front?

Mr. LAGUARDIA. Does the gentleman mean pursuit planes?

Mr. LONGWORTH. Yes.

Mr. LAGUARDIA. There was not one—not an American machine of any kind.

Mr. RANDALL. Will the gentleman yield?

Mr. LAGUARDIA. For just a question.

Mr. RANDALL. I would like to ask the gentleman what he thinks happened to the mail service in France when it was taken away from the Post Office Department?

Mr. LAGUARDIA. When? Will the gentleman give me the date?

Mr. RANDALL. The date was six months after we went into the war that the Post Office Department turned the whole thing over to the Army.

Mr. LAGUARDIA. France at that time had all she could do.

Mr. RANDALL. I am not talking about France, but our own mail service to our boys in France.

Mr. LAGUARDIA. We never had anything like that.

Mr. RANDALL. We never had any mail service?

Mr. LAGUARDIA. We never had any mail service.

Mr. RANDALL. The gentleman does not understand the question. The gentleman is aware that the Post Office Department attempted to conduct a mail service to our boys in France for a number of months. Then, finding the Army was unwilling to cooperate in the delivery of the mail, they turned the entire service over to the Army. Was the service better under Army regulations as compared with Post Office regulations?

Mr. LAGUARDIA. That was not aerial. I do not know anything about that.

Let us not repeat the errors of 1917 and give a million dollars to everybody who wants to come in and wants to try to experiment on aviation. [Applause.] That was my whole purpose in taking up your time. If we give them this $2,000,000 and they commence to buy aeroplanes and establish a New York-Chicago-San Francisco line and a Minneapolis-Laredo line, it will go into $100,000,000.

Mr. MOON. I very fully agree with the gentleman that we do not need the $2,000,000 carried in this bill for that purpose, provided that the department may get, as the law authorizes it, the aeroplanes from the War and Navy Departments. But the

gentleman perhaps is not advised of the fact that the department can not get them, although we passed the act, as it holds that the act is not mandatory and they refuse to turn over the planes now. Now, this bill might be amended so as to authorize the Post Office Department to take a certain number of those machines over and avoid this large expense.

Mr. LAGUARDIA. You ought to make the law mandatory, and the War Department might as well know now that the American Congress is going to run the War Department, and that the War Department is not going to run Congress. [Prolonged applause.]

Mr. MOON. You are right about that.

The CHAIRMAN. The Clerk will read.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Washington moves to strike out the last word.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word for the purpose of expressing the hope that one or more of the inspectors mentioned in the paragraph of the bill last read, or some other inspectors of the Post Office Department, may visit that part of the State of Washington just west of Puget Sound, with a view to ameliorating mail transportation conditions there, which are not good.

Mr. MOON. What paragraph does the gentleman refer to?

Mr. JOHNSON of Washington. I desire, if the chairman will permit, to call attention to certain conditions in the mail-carrying service. To come from the interesting discussion of the aerial mail service just held, in which the distinguished New York Congressman, Maj. LAGUARDIA, pointed out the probability that we are to waste millions of the public money, to a statement about rural and steamboat routes and the bad existing service seems like a fearful and frightful drop.

And yet, Mr. Chairman, it will not do to appropriate millions for an air service and to seriously propose air routes from Chicago to San Francisco and from Minnesota to Texas and at the same time let the little routes which actually serve the people in out-of-the-way places go entirely to pieces. And, strangely enough, the changes which seem to have made the trouble in portions of the districts represented by my colleagues, Messrs. MILLER and HADLEY, and myself, were made under a mistaken notion of economy—the sort of penny-wise and pound-foolish economy that we so often see.

It seems that during the summer contracts were let for carrying the mails on various parts of Puget Sound and tributaries, and that whenever possible steamboat contracts were abandoned and contracts let to automobile carriers. The result is that many autos are struggling over mountainous routes in a country where the natural routes are by water. Possibly some small money is saved, but the mail service is impaired out of all proportion to the economy. For instance, one route that was 8 miles by water is now 115 miles by a combination of water, auto, and carrier; a route that formerly was covered in 45 minutes is now covered in anywhere from 24 hours to 5 days. Further, the cutting out of the steamboat mail service into Hoods Canal has caused the auto mail to arrive at the landings at changed hours and has thrown the connecting star routes out of kilter, necessitating either changed hours or unsatisfactory service, or both. I bring this matter up on the floor, Mr. Chairman, beause part of the routes are under the jurisdiction of the Fourth Assistant Postmaster General and part in the office of the Second Assistant Postmaster General, and it is not easy to secure the necessary liaison.

How can we find a way to bring these two officers together in the hope of finding the right thing to do for routes that can be either automobile or steamboat? I have availed of this opportunity in the hope that the two Assistant Postmasters General, the Second and the Fourth, will see that it is necessary either for the inspectors or some one selected, respectively, from their two offices to get together and establish steamboat routes in a country where water routes are preferable to automobile routes over the mountains. [Applause.]

Both offices are busy and the Post Office Department is busy always, but especially so now, with grand, visionary, and expensive schemes, and I hope that before we get too far along with these grand experimental appropriations we should get busy in the hope of restoring the transportation of the mails to some degree of efficiency. Before we authorize $2,000,000 for new mail airplanes and $7,000,000 for air pilots' salaries, let us put the steamboat routes back, if they are the natural routes, even if they do cost a few dollars more than a "jitney" service. I hope the proper officials will take note, so I withdraw the pro forma amendment.

The CHAIRMAN. The gentleman from Washington withdraws his pro forma amendment. The Clerk will read.

The Clerk read as follows:

Substitutes for clerks and employees absent without pay.

And to provide for the promotion of 85 per cent of the clerks in first-class post offices from the fifth to the sixth grade, and for the promotion of 15 per cent of the clerks in the sixth grade to the designation of "special clerk" in the $1,300 grade, and for the promotion of 15 per cent of the designated "special clerks" in the $1,300 grade to the designation of "special clerk" in the $1,400 grade, and to provide for the promotion of 85 per cent of the clerks in second-class offices from the fourth to the fifth grade, and for the promotion of 15 per cent of the clerks in second-class post offices from the fifth to the sixth grade: *And provided further*, That there may also be employed at first-class post offices foremen and stenographers at a salary of $1,300 or more per annum; in all, $55,000,000.

Mr. MADDEN. Mr. Chairman, I move to strike out all the language from line 14, on page 10, down to and including the words "per annum," on page 11, on the second line.

The reason for that is that we provide later on in the bill for the automatic promotion of the men that this refers to, and it would be superfluous language.

Mr. MOON. What language does the gentleman refer to?

Mr. MADDEN. To provide for the promotion of the carriers and all that. This would be in conformity with the language carried later.

Mr. MOON. If it is carried later on, it would be superfluous here. Let the motion be put and agreed to now, and if we do not carry the other matter we can come back to this.

Mr. MADDEN. All right. I am willing to let this matter pass.

The CHAIRMAN. The gentleman from Illinois moves to strike out the language from line 14, page 10, to line 2 of page 11. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For allowances to third-class post offices to cover the cost of clerical services, $3,300,000: *Provided*, That hereafter no allowance in excess of $450 shall be made where the salary of the postmaster is $1,000, $1,100, or $1,200; nor in excess of $600 where the salary of the postmaster is $1,300, $1,400, or $1,500; and that no allowance in excess of $750 shall be made where the salary of the postmaster is $1,600 or $1,700; nor in excess of $1,200 where the salary of the postmaster is $1,800 or $1,900: *Provided further*, That the Postmaster General may, in the disbursement of this appropriation, expend not exceeding $600,000 for the employment, at a maximum salary of $900 per annum, of assistant postmasters at post offices of the third class where the salary of the postmaster is $1,800 or $1,900 per annum.

Mr. ROBBINS. Mr. Chairman, I have an amendment that I would like to offer to this paragraph.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. ROBBINS: Page 12, line 12, strike out "$450" and insert "$600." In line 14, strike out "$600" and insert "$900." In line 15, strike out "$750" and insert "$1,000."

Mr. ROBBINS. Mr. Chairman, this amendment, as you will observe, raises the clerk hire in the third-class post offices where it is necessary to employ clerical assistance. Now, I think anyone will understand that in a post office such as exists in western Pennsylvania, in the district I have the honor to represent, that puts up mail for rural carriers or serves a large local constituency, or puts up mail for branch railroads, where it is necessary to employ a clerk that is intelligent, that has good judgment, a clerk who is educated in order to efficiently discharge that service the sum of $450 per year is an entirely inadequate compensation. The same is true of the next item there, $600. That is at the rate of $50 a month. That has proved to be inadequate; and $750, which is only $60 per month, has also proven to be inadequate.

I have received many complaints, and I have in mind now four different post offices where the postmasters have been compelled to quit because they could not themselves discharge the service required in the office and where it was impossible to employ clerical assistance to discharge the duties of the post office.

The mails come in in the morning. They must be made up and sent out by rural routes, or they must be made up and sent out on branch railroads, and in order to discharge that service there must be an intelligent and competent clerk employed in the post office, and you can not employ them for $450 or $600 or $750 per year. In these third-class offices the salary of the postmaster ranges from $1,000 to $1,400, and the pay of the clerk is entirely inadequate for the service performed. It is unfair to expect it. You do not expect it in private life. You can not get that kind of service for that money. Clerks that can do that work in the post offices and discharge the duties efficiently find better employment and higher wages in civil life and they leave the post offices.

I have in mind two offices where that is true—one is Derry station and the other Manor station in my district. The post-

masters have assured me that they could not keep clerical help. The postmaster at Derry quit because he could not get additional clerk hire. It is wrong. We ought to pay them sufficient to employ competent clerical help to discharge the duties. The mail is heavy. The rural routes run out of these places and the branch railroad runs from one of them, and the service that is placed upon them is very heavy.

The mail is very large in amount, it must be handled in time for the rural carriers to leave every day on time, and in order to meet the trains the distribution must all be done in the morning in the space of an hour and a half or two hours. It requires competent clerical help, and it is unfair to expect that service unless we compensate for it. I have asked that an increase be made by my admendment to this bill that is reasonable and not exorbitant.

Mr. MADDEN. Will the gentleman yield?

Mr. ROBBINS. Certainly.

Mr. MADDEN. Does the gentleman know that these figures are 50 per cent higher than they ever were before?

Mr. ROBBINS. I can not help that; they are not enough.

Mr. MADDEN. After examination the committee thought that this was adequate, as it is a 50 per cent increase.

Mr. ROBBINS. It is insufficient, so the postmasters tell me.

Mr. MADDEN. But they do not know anything about this.

Mr. ROBBINS. You can not employ a clerk to devote his time to postal matters for $450 per year.

Mr. REED. They only get $350 now.

Mr. ROBBINS. I do not care; that was grossly inadequate, and this bill provides a sum which is inadequate. The increase that I ask is not unreasonable, but on the other hand the increases are proper and will be sufficient to obtain the postal service required.

Mr. MOON. Mr. Chairman, I hope the committee will not agree to this amendment. The estimate for this branch of the service is $3,000,000. We increase it $600,000. The committee thought it was very liberal on this item, perhaps more so than on any other item in the bill, when it provides a straight increase of 50 per cent along these lines. The committee thought it was enough. They have been getting along fairly well at the present figures, and we, realizing the conditions, thought that they ought to have a little more. It was the unanimous opinion of the committee that this was sufficient.

Mr. CANNON. Will the gentleman yield?

Mr. MOON. I will.

Mr. CANNON. I call the gentleman's attention to the language "not in excess" of these sums. Why not make the pay absolute?

Mr. MOON. No; we ought not to do that, because in some places they do not need it; we do not want to give it where it is not needed. To give every one a straight increase, in many instances the offices are going back from third into fourth class, or very close to it.

Mr. CANNON. But we do not give any increase to fourth-class postmasters.

Mr. MOON. Yes; we do.

Mr. CANNON. Those that are under $1,000.

Mr. MOON. Yes.

Mr. CANNON. I do not think there is any allowance made for them.

Mr. MOON. We will come to it after a while, when the gentleman will find that in fourth-class offices the postmasters receive 100 per cent instead of 80 on the first quarter, and 60 instead of 50 as the law now provides, and they receive all the emoluments of the office provided for by law outside of that.

Where the salary is less than $50 they receive a straight increase of 20 per cent.

Mr. CANNON. My recollection is in former years, when I was familiar with Post Office appropriation bills, there was an allowance for separation up to a certain point. That, I suppose, is still retained.

Mr. MOON. There is no change in the law on that subject.

Mr. STAFFORD. Mr. Chairman, I hope the committee will not adopt the radical increases proposed in the amendment offered by the gentleman from Pennsylvania [Mr. ROBBINS].

Mr. ROBBINS. If the gentleman will yield, the gentleman will understand that the amendment I offered is not in excess of these amounts. The Postmaster General will still have discretion.

Mr. STAFFORD. I am quite advised as to the purpose and also the language of the amendment. Ten years ago we granted no allowance whatever for clerk hire to postmasters of the third class. They were limited exclusively to their salary of $1,000 up to $1,900, according to the grade. There were small offices just about the same as fourth-class offices where the receipts total in the smaller offices $1,900 a year. You are all acquainted with that character of office. It was called to the attention of the Post Office Committee that in some instances there was need of an allowance for clerks to relieve the postmaster during the time when he went to meals, or, perchance, when the mails came in in large quantities. So the committee adopted the provision of allowing a minimum allowance, as I recollect, of $100 additional in these offices up to $1,200, $200 from $1,300 to $1,500, $300 from $1,600 to $1,700, and $400 from $1,800 to $1,900. That was a gradual increase. And, mind you, it is not a salary to be paid clerks, but it is an additional compensation to the postmaster—giving him the money whether he employs additional clerical assistance or not. It is an outright increase of the salary of the postmaster. In the present Post Office bill there is privileged to be paid by the postmaster $300 in the first grade, $400 in the second, $500 in the third, and $800 in the last. The committee this year in the bill—and you will find the increase allowed so that the Postmaster General is privileged to increase the postmaster's allowance to a compensation of $300 to $450 in the first grade, and it is now proposed by the gentleman from Pennsylvania to double it.

In the second grade the committee recommends an increase from $400 to $600, and the gentleman's amendment proposes to increase it to $900, more than double what he can receive at the present time.

Mr. ROBBINS. Mr. Chairman, the gentleman is talking about my amendment, and I will ask him if he will yield.

Mr. STAFFORD. Certainly.

Mr. ROBBINS. Does not the gentleman know that the amendment I offer merely increases the maximum?

Mr. STAFFORD. It fixes the maximum.

Mr. ROBBINS. Yes.

Mr. STAFFORD. Does not the gentleman know that the postmaster himself is allowed whatever that is, not to exceed the certain amount fixed? That is an increase in compensation, and that is what I am protesting against. The Postmaster General, in the administration of this fund, determines what the maximum amount shall be to these respective officers. The third-class postmaster receives it. The postmaster is not obliged to give any accounting of that fund whatsoever, as to whether he employs clerical assistance or not. It is a pure increase of compensation. What does the gentleman propose to do? Where the salary is $1,300 to $1,500, where the maximum allowance now is $400, he proposes to increase the third-class postmaster's allowance to $900, more than double the amount.

Mr. ROBBINS. Oh, the gentleman misquotes my amendment.

Mr. STAFFORD. I do not wish to misquote the gentleman's amendment.

Mr. ROBBINS. It makes it $600 in that amount, and it is only allowed in case of a written recommendation.

Mr. STAFFORD. As I caught the gentleman's amendment, it is $900 maximum in cases where the salary is $1,300, $1,400, and $1,500. Am I in error about that?

Mr. ROBBINS. No.

Mr. STAFFORD. That is what I protest against, and today, under existing law, it is $400. The gentleman surely does not know that, otherwise he would not have the temerity to offer this unusual increase of compensation to third-class postmasters.

Mr. ROBBINS. Oh, I am quite acquainted with existing law; I read it before I prepared this amendment.

Mr. STAFFORD. Then I will give the gentleman full credit. I did not think he was.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SMITH of Idaho. Mr. Chairman, I ask to have the gentleman's time extended for one minute.

Mr. STAFFORD. Oh, Mr. Chairman, I will ask to have it extended five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that his time be extended for five minutes. Is there objection?

There was no objection.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SMITH of Idaho. Is the House to understand that the gentleman is attempting to make it appear that the postmaster is paid the money for these clerks? Is not the money paid direct to the clerks?

Mr. STAFFORD. Oh, by no means. The gentleman is not acquainted with the operation of the third-class post offices in his own State, where there are hundreds of third-class post offices. He is not acquainted with the administration of those third-class post offices. I suggest to him when he has an opportunity, and I know that he has not had much opportunity of late to get into the field, when he gets back in his State to

make inquiry of some third-class postmaster and ascertain whether he does not put that allowance right into his pocket.

Mr. SMITH of Idaho. They may do that in Wisconsin, but they do not do it in Idaho.

Mr. STAFFORD. Oh, the fact is that that is the universal practice.

Mr. SMITH of Idaho. The gentleman has not yet answered my question.

Mr. STAFFORD. I have directly answered it with a very positive no. I could not answer it more positively. There is no direct clerk allowance for these respective postmasters. The postmaster does not have to make any accounting as to whether he employs a clerk or not. It is pure compensation. Call up the Post Office Department and you will find that my position is correct. I would not be speaking so positively if I did not know whereof I speak.

Mr. BLACK. Will the gentleman yield?

Mr. STAFFORD. I yield to an expert on postal matters.

Mr. BLACK. I came in while the gentleman was speaking, and it is my understanding that the department always carefully ascertains the need for this clerk hire before the allowance is made.

Mr. STAFFORD. I believe that the Post Office Department inquires as to the amount of business, and parcels out this allowance uniformly, based on the amount of business. If I am in error about that, I yield to the gentleman to correct me.

Mr. BLACK. I think the gentleman is substantially correct.

Mr. STAFFORD. But the money does not go to any clerks, it goes to the postmaster.

Mr. BLACK. He pays it out.

Mr. STAFFORD. He does not have to account for it at all. That is the main position that I am contending about here.

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. REED. As my colleague from Pennsylvania [Mr. ROBBINS] stated, there are not so many places, but there are places with unusual conditions, that are terminals for several rural routes. Would the amount in line 9, $200,000, reach those unusual cases, if they do exist?

Mr. STAFFORD. No; the gentleman will have to go to a prior paragraph. Those relate to something arising of an emergency character and not a permanent character.

Mr. REED. It seems to me that this ought to be elastic. Some might not need $400 to $600, and another might need as much as $700.

Mr. STAFFORD. That unusual condition applies to all post offices.

Mr. ROUSE. Such as exists at Nitro, W. Va.

Mr. STAFFORD. The gentleman has suggested Nitro, W. Va., where the conditions arose very suddenly, and this was the fund from which the department was authorized to provide for those exigent conditions.

Mr. BURNETT. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BURNETT. My understanding is that they do not pay any more than the postmaster certifies he is paying for clerk hire. Is not that correct?

Mr. STAFFORD. No. Of course, it is some time since I served on the Post Office Committee, and I am speaking from recollection, but I have the assurance of gentlemen on the committee that that is not the rule. The gentleman from Kentucky [Mr. ROUSE] so states.

Mr. BURNETT. I know that some time ago at the request of the postmaster I made application for increased clerk hire, and they turned to a file and said that they were giving him all that he was paying out.

Mr. STAFFORD. Was that a second-class office?

Mr. BURNETT. In a third-class office.

Mr. ROUSE. In addition to this allowance the postmaster is also entitled to 3 cents on each money order that he issues.

Mr. STAFFORD. Yes; that is additional compensation. I have said sufficient to show that there can not be any justification for the unusual increase as proposed in the amendment offered by the gentleman from Pennsylvania, and I hope that it will be voted down.

Mr. ROBBINS. Does not the gentleman know that in each instance where application is made for additional clerk hire the postmaster is required to state the amount of service he performs, the hours when it is performed, and the amount of clerical assistance required, which is then submitted to the post-office inspector, and that they are never allowed more than they certify they have to pay for this clerical service? That is my information from the postmaster who complained to me.

Mr. STAFFORD. The gentleman is quite accurate in his statement of the minutia of administration by which these allowances are obtained.

Mr. ROBBINS. If that is true is it not a fact that no part is allowed to the postmaster as additional salary, but allowed as clerk hire strictly?

Mr. STAFFORD. It is allowed as additional salary, and the postmaster does not have to give any accounting whatever as to the use of that fund. He can put it in his pocket and may employ the members of his own family and not pay them anything. It is a question of administration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For pay of letter carriers at offices already established, including substitutes for letter carriers absent without pay, and for the promotion of 85 per cent of the letter carriers in the first-class post offices from the fifth to the sixth grade, and for the promotion of 85 per cent of the letter carriers in second-class post offices from the fourth to the fifth grade, and for the promotion of 15 per cent of the letter carriers in second-class offices from the fifth to the sixth grade, City Delivery Service, $41,000,000: *Provided*, That hereafter all days set aside by the President of the United States as holidays to be observed by other departments of the Government, shall be construed as holidays within the meaning and intent of the postal holiday laws, and postal employees performing service on such holidays shall be granted either compensatory time off or pay for overtime.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I rise for information to inquire what days would be considered holidays for the benefit of postal employees under this paragraph which are not now so construed under existing law?

Mr. MOON. I am not able to inform the gentleman as to all the holidays which are provided by law in the country, but the department says there are special holidays proclaimed by the President that are not applicable to the Post Office Department. We did not inquire into the item as to what they were, because we regarded that as immaterial. The Post Office Department thought they ought to have them.

Mr. STAFFORD. Is it the purpose that when the President sets aside, for instance, a half-day holiday for the clerks in Washington that the postal employees in the field shall be accorded the benefit of that half holiday?

Mr. MOON. I think not in the field, because the departmental service is entirely different from the Postal Service.

Mr. STAFFORD. But the phraseology of this amendment would be broad enough to carry that, because it says "all days set aside by the President of the United States as holidays to be observed by other departments of the Government shall be construed as holidays within the meaning and intent of the postal holiday laws." We all know days are set aside by the President for half holidays in the departments.

Mr. MOON. Suppose under that order the employees of the Treasury Department in cities throughout the country were entitled to half a day, for the same reason the post-office people think they ought to have it.

Mr. STAFFORD. There is no question if the proclamation of the President is extended to departmental employees in the field that the postal employees should be accorded the same privilege.

Mr. AYRES. The gentleman will notice the third line from the bottom of the paragraph; it says, "within the meaning and intent of the postal holiday laws."

Mr. STAFFORD. Yes. Those are now defined and prescribed.

Mr. AYRES. Yes.

Mr. STAFFORD. Consisting of the main holidays of the year.

Mr. MOON. This is going to add to them such holidays as may be proclaimed by the President.

Mr. STAFFORD. For departmental employees.

Mr. GARRETT of Tennessee. Mr. Chairman——

Mr. STAFFORD. I yield the floor to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Mr. Chairman, if my colleague will yield, during the summer months in the city of Washington, as we all know, there is a half holiday each Saturday afternoon beginning, I believe, in June or July and running through until September. I do not know whether that is proclaimed by an order of the President or whether it is simply a departmental custom.

Mr. MOON. I think each department makes its own order.

Mr. STAFFORD. If the gentleman will permit, I believe it is a presidential order.

Mr. GARRETT of Tennessee. I am not so sure about that.

Mr. STAFFORD. I am quite certain it is.

Mr. MOON. If it should be by Executive order instead of by order of the departments, which could be done, it would be an Executive proclamation on that subject, and of course it ought to apply, notwithstanding what the provision may be to the contrary in the postal laws, to the postal employees.

Mr. GARRETT of Tennessee. I do not know whether I am prepared to agree thoroughly with my colleague about that or

not—whether the reasons for giving half holidays during the heated months to the departmental employees here in the city of Washington would apply with equal force to every rural and city carrier——

Mr. MOON. No; I did not say that. I said it applied with equal force to the departmental people in Washington.

Mr. GARRETT of Tennessee. Of course it does apply to the departmental people in Washington, but, if my colleague will permit, this further uses the expression, in line 15, "and postal employees performing service on such holidays shall be granted either compensatory time or pay for overtime." As I construe that——

Mr. MOON. That has application only, of course, to a general proclamation of the President declaring not a holiday in the District of Columbia, but a general holiday for the whole United States.

Mr. GARRETT of Tennessee. That is the construction of it?

Mr. MOON. If the proclamation covers the country, and there is anything in the postal laws that would prevent in some instances post-office employees from enjoying that holiday, this is intended to relieve that situation. As to what extent the postal laws do that I am not aware.

Mr. GARRETT of Tennessee. I can see the equity of that——

Mr. BLACK. Mr. Chairman——

Mr. GARRETT of Tennessee. I yield to the gentleman from Texas.

Mr. BLACK. Does not the gentleman from Tennessee think it would be well to offer an amendment, beginning line 14, to read as follows: Insert "throughout the United States," so that it will read "that hereafter all days set aside by the President of the United States as holidays to be observed by other departments of the Government throughout the United States shall be construed as holidays," and so forth?

Mr. GARRETT of Tennessee. Well, I think that would make it clear.

Mr. MOON. But here would be left a situation, and if there is any provision in the postal law or any construction in that law that when a holiday was ordered by the President of the United States for the city of Washington and for employees of other departments the Post Office Department could not enjoy it, they ought to have it. I do not know that the construction would justify that position, but in view of the fact the department's recommendation is along that line, it occurs to me, so far as the departmental holiday or proclamation may be concerned, if there be one, it ought to apply to the post-office people. And, if the proclamation applies to the whole country, it ought to apply to them.

Mr. SISSON. Will the gentleman yield?

Mr. MOON. The purpose simply was to give the same rights to the post-office employee, notwithstanding the provisions of some of the postal laws that might deny them, that are given to the other employees of the Government, both in the departments and in the field.

Mr. GARRETT of Tennessee. Does my colleague think that if there should be inserted the language suggested by the gentleman from Texas [Mr. BLACK] at the place suggested it would prevent them in the cases I have specifically mentioned—that is, where the departments here have their half holidays during the heated months—from having it?

Mr. MOON. That language there would unquestionably cover the case, as the text does, when the proclamation reached to the whole country, but it would operate as an exclusion so far as the department is concerned.

Mr. GARRETT of Tennessee. So far as the practice is concerned, there surely is no law, because those in the Post Office Department have these half holidays.

Mr. MOON. They did have them for a time, but they were controlled, I understand, by the department. They did not enter upon them at the same time as some of the other departments did, I am informed, and did not end them at the same time. Personally I do not know how that is.

Mr. SISSON. Will the gentleman yield?

Mr. MOON. I will.

Mr. SISSON. The amendment suggested by the gentleman from Texas [Mr. BLACK], if this language is applied in all of its force, would mean if the Treasury Department should be granted by Executive order a half holiday in the city of Washington this law would make it apply then to all the employees in the Post Office Department, not only in the city of Washington but throughout the country?

Mr. GARRETT of Tennessee. No; I hardly think so.

Mr. SISSON. I think it was the manifest purpose of that clause to give to the employees outside of the District of Columbia the same rights and privileges that they get inside of the District of Columbia.

Mr. GARRETT of Tennessee. That may be the purpose of this proviso, but I think the amendment suggested by the gentleman from Texas would cure that proposition. In other words, if the amendment suggested by the gentleman from Texas should be adopted then it would apply to postal employees wherever the President issued an Executive order making it a holiday throughout the United States.

Mr. SISSON. You think his language would be a limitation upon this proviso rather than an enlargement of it?

Mr. GARRETT of Tennessee. Yes. I fear that this proviso as it now stands would be considered to mean, for instance, in the case that I have stated, where half holidays are given in all the departments here in the District of Columbia, to apply to the Federal employees throughout the United States, although it would not apply to the employees of the other departments outside of the District of Columbia. Therefore, it seems to me that as a matter of safety the language suggested by the gentleman from Texas ought to be adopted.

Mr. SISSON. In other words, as this language is drawn, I will ask the gentleman from Texas, a member of the committee, if he does not believe if the President should proclaim a half holiday, beginning in June and ending, as it sometimes does, in October, if September happens to be a hot month, that the very Executive order issued by the President, giving the half holiday within the District of Columbia, would not cause this law to automatically operate and give the half holiday to all the employees throughout the United States?

Mr. BLACK. I will say in reply to that question that that was not the intention of the committee, but I believe the language would be broad enough to be subject to that construction. I do not think that there is any question but that it ought to be amended, as I have suggested, so that the condition could not possibly arise.

Mr. SISSON. Does the gentleman think if the language "the United States" were put in this proviso it would be observed by departments throughout the United States, and that would limit this clause to a proclamation made by the President specifically including the other services of the Government outside of the District of Columbia?

Mr. BLACK. Surely. And it would have to specifically do that before the employees of the Postal Department outside of the District of Columbia could get the benefit of the proclamation.

Mr. SISSON. I think that was the intention of the committee.

The CHAIRMAN. The time has expired. Without objection, the pro forma amendment will be withdrawn.

Mr. BLACK. Mr. Chairman, on line 14, page 13, I move to amend by adding the following language:

Throughout the United States.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

Mr. MOON. Mr. Chairman, I do not see, construing this section with that added to it, that it does any particular harm. It is something like pasting on a horse's back "This is a horse."

The CHAIRMAN. The Chair would like to ask the gentleman from Texas whereabouts in line 14 he wishes the amendment to come in?

Mr. BLACK. At the beginning of line 14, just before the word "shall."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. BLACK offers the following amendment: At the beginning of line 14, on page 13, insert the words "throughout the United States."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

Mr. MADDEN. Mr. Chairman, I would like to move an amendment to strike out the language in all of lines 5, 6, 7, 8, 9, and up to the word "grade," and including the word "grade," on line 10, page 13. That is the equivalent to the amendment I offered.

Mr. MOON. I think that is satisfactory, in view of the fact that we intend to pass a little later on a provision to take care of that.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. MADDEN moves to amend by striking out, on page 13, beginning with line 5, the following language: "and for the promotion of 85 per cent of the letter carriers in the first-class post offices from the fifth to the sixth grade, and for the promotion of 85 per cent of the letter carriers in second-class post offices from the fourth to the fifth grade, and for the promotion of 15 per cent of the letter carriers in second-class offices from the fifth to the sixth grade."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. STAFFORD. I assume that the gentleman in moving that amendment intends to have it conform to the recommendation of the committee for an increase of the salaries of all letter carriers and clerks up to class 6, receiving $1,500 a year?

Mr. MADDEN. That is it.

Mr. STAFFORD. I wish to inquire whether it is the policy of the committee to increase the salaries of clerks and carriers in all second-class offices by automatic promotions up to the highest class, and that the clerks and carriers in second-class offices should receive the same salary as those in first-class offices?

Mr. MADDEN. Yes.

Mr. STAFFORD. So that there is to be no difference in pay, as heretofore, between the first class and the second class?

Mr. MADDEN. None whatever.

Mr. STAFFORD. Originally, when this classification was first adopted, it was intended that the maximum pay of clerks and carriers in the second class should be one grade below those in the first class?

Mr. MADDEN. Yes. This places them on a basis of equality.

Mr. STAFFORD. So that the clerks and carriers in the city of New York or in the city of Chicago, where there is a population of 2,000,000 and more, will receive only the same salary as the carrier and clerk in the city of Sheboygan, Wis.? No; the city of Sheboygan is a first-class office; say, in a city where the population may be only 5,000?

Mr. MADDEN. Yes.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MADDEN].

The amendment was agreed to.

Mr. SISSON. Mr. Chairman, I am going to move to strike out the proviso on page 13, beginning on line 11, down to the end of the paragraph.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Mr. SISSON moves to amend by striking out, on page 13, line 11, all of the proviso.

Mr. SISSON. Now, Mr. Chairman, the proviso as amended simply provides that where the President issues a proclamation granting certain holidays to other employees a like holiday shall be granted by this proviso to employees of the Post Office Department. The reasons, of course, may or may not be the same, but if the President should see fit at any time in the future to grant a legal holiday to any particular service of the Government—the customs department or any other department—peculiar reasons might exist why that proclamation might not apply to the Post Office Department, and he might not desire to issue the proclamation with reference to the Post Office Department. But this proviso would automatically give the employees of the Post Office Department that same holiday, whether in the wisdom of the President in issuing the proclamation they would be entitled to it or not.

Not only that, but this becomes rather a bad precedent, it seems to me, in legislation. There is no telling just how much legislation will be engrafted in the other appropriation bills invoking this as a precedent. As the law now is, if the President desires to issue a proclamation granting holidays he can do it. That has been true for many years, and if you are going to leave it to the discretion of the President to grant half holidays or whole holidays on some specific occasion in reference to the other departments of the Government there might be a question as to whether he would or would not issue the proclamation as to the postal employees outside of the District of Columbia. For that reason I think the proviso ought to be stricken out.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. SISSON. I yield.

Mr. SLOAN. In what case has the President heretofore granted half holidays or holiday to any particular class and not granted it to the whole country?

Mr. SISSON. I do not know of any instance. I will be frank with the gentleman.

Mr. SLOAN. I understand he makes it for the country and not for any particular class of employees or citizens.

Mr. SISSON. Yes. That is why I am opposed to this proviso. I have never known a President in the past to proclaim a holiday throughout the country, on Labor Day or any other day, when he has not made the proclamation to include all the employees alike.

Mr. MOON. But if there is something in the postal laws that makes it impossible to include the postal employees there ought to be compensatory pay or a means to enable the man in the service to get the holiday. The postal employees can not stop for a half or whole holiday. This business must go on, and they do not get the benefit under the postal laws. This subjects them to the rules of the Postal Department and makes them work on a holiday. Now, the President may proclaim a holiday all over the country. It may apply to the Treasury and to the Interior Department and not affect the public business for the employees of those departments to take a holiday or a half holiday; but you can not stop the machinery of the Post Office Department and the mails running through the country, and you can not let the mail carriers off. Yet when a general holiday provided for by a presidential proclamation exists and the postal employees have to work, inasmuch as they can not take the time in view of the postal laws, and are ordered not to do it, they ought to have compensatory time or pay. It is a matter of simple justice.

Mr. SISSON. Take the Fourth of July and Christmas and Labor Day and other days of that kind. All the post offices throughout the country close. The rural carriers all stop. The mails run on the trains, however.

Mr. MOON. The machinery of the post office does not stop. Of course, there may be some instances that occur. But the gentleman does not keep in view the laws of the Post Office Department, by which the Postmaster General or the superior supervisory officer can make these men work, regardless of whether it is a holiday or not, and they ought to have the compensatory time whether they get the holiday or not.

Mr. SISSON. Then this is an indirect method of paying a salary to postal employees when they do not work?

Mr. MOON. No. The gentleman is as muddy as mud can be. [Laughter.]

Mr. SISSON. I am not muddy at all.

Mr. MOON. That idea does not exist at all. Here is the point: The law permits the Post Office Department to force these employees to work on holidays. If everybody else is getting a holiday, then common justice would say that they ought to have a holiday. But if they can not get the holiday by reason of the exactions of their duties and the orders of the department, and have to go on and work during a holiday when other employees of the Government are getting holidays, they ought to have compensation for that time. That is all there is in this, in my judgment.

Mr. SISSON. Mr. Chairman, there is nothing muddy in my mind about this matter. I simply know that the amendment means that if the holidays are granted to other people, and these people work on that holiday, they do get pay for it. But I have never known, except in cases of railway employees, where the holiday is granted that it has not been granted to rural carriers and postmasters throughout the country, and they get pay for it. You do not deduct anything from the postmaster's salary, and you would not deduct anything from the pay of the rural carrier.

Mr. MOON. And he does not get any compensation for it.

Mr. SISSON. He will get double compensation here, because he would get pay for a half holiday whether he works or not.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last two words. I wish to call the attention of the gentleman from Mississippi to the fact that the rural carriers have to work on Christmas Day. At one time I offered an amendment, which went out on a point of order, providing that they need not work on Christmas Day.

Mr. MADDEN. All carriers have to work on Christmas Day.

Mr. GREEN of Iowa. I presume that is true. In my district nearly everybody from the country comes to town on Christmas Day and could as well get their mail in town. But if we accept the amendment offered, the rural carriers will get extra pay if they serve on Sunday or Christmas Day.

Mr. SISSON. In answer to my friend, it is true that they work on Christmas Day, because the business on Christmas Day is heavy, and they have to deliver packages. That day is used by the Post Office Department, and they usually grant them another day off when it is not so busy. That, of course, is to facilitate the Christmas holiday business, which is heavier during that season of the year than at any other time.

Mr. GREEN of Iowa. That may be so, but I still think it is unnecessary to make them work on Christmas Day.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi to strike out the proviso.

The question was taken and the amendment was rejected.

The Clerk read as follows:

For vehicle allowance, the hiring of drivers, the rental of vehicles, and the purchase and exchange and maintenance, including stable and garage facilities, of wagons or automobiles for and the operation of screen-wagon and city delivery and collection services, $9,750,000: *Provided*, That the Postmaster General may, in his disbursement of this appropriation, apply a part thereof to the leasing of quarters for the housing of Government-owned automobiles at a reasonable annual

rental for a term not exceeding 10 years: *Provided further*, That not to exceed $60,000 of the amount herein appropriated shall be immediately available for the erection and equipment of a garage on the site owned by the Government in the rear of the main post-office building in the District of Columbia.

Mr. STEENERSON. Mr. Chairman, I move to strike out the last word. I want to call attention to this item which shows the greatest increase of any in the bill. Originally this item was more restricted. It was originally an item which covered horse hire and vehicle allowance, and in the bill of 1916 the language was enlarged so as to cover all the things mentioned in this provision, which reads "vehicle allowance," and so forth. That was when they had a contract system. At that time they changed from a contract system to Government-owned motor vehicles and Government operation. The item at once increased from $2,600,000 to an expenditure of $5,500,000 the next year.

At that time, 1916, 1917, and during 1918, a part of the City Delivery Service was by motor vehicles, it having been enlarged, and included the City Delivery Service. Then a large part of the city transportation was in the tubes in five cities—Boston, Philadelphia, Chicago, St. Louis, and New York. That was at an expense of $986,000 per year. They claimed before the commission that was investigating the subject that there was great economy in substituting automobile service for tube service. Now we find that since the Government has owned and operated these vehicles in the City Delivery Service and the screen-wagon service the expenditure has increased from $5,100 to $5,965, $5,964, $6,700,000, and now to $9,750,000.

Now, the committee has never been able to understand where the economy comes in when you have an increase of appropriation at the rate of 20 to 25 or 30 per cent a year. The City Delivery Service takes up some, but the larger part of it was transportation from post offices to depots.

However, it is the same service in the same language that has been covered by appropriations for the last three years. The other branches of the service have not been increased. This appropriation has nearly doubled. It seems to me that this matter ought to be called to the attention of the House.

Mr. TILSON. Will the gentleman yield?

Mr. STEENERSON. I will.

Mr. TILSON. Is this the first result of the abolition of the pneumatic tube?

Mr. STEENERSON. Yes; the second result, because when the tube provision was defeated by veto the Post Office Department went to the Senate and got inserted an increase of $735,000. We had passed it, and they increased it over $700,000 after they saw that they were going to succeed in wiping out the tubes. Now we are paying $3,000,000 more than we were paying before.

Mr. TILSON. What did the tubes cost?

Mr. STEENERSON. Nine hundred and seventy-six thousand dollars a year, or thereabouts. They saved that sum, but increased the estimate to $9,750,000.

Mr. TILSON. And the difference the first year was a difference of $3,000,000. A wonderful showing of economy!

Mr. SLOAN. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. SLOAN. I notice that the gentleman is speaking along the lines of economy and against extravagance. Does he not think that his speech is subject to a point of order in the House on this bill?

Mr. STEENERSON. I know the gentleman from Nebraska is an expert on points of order, and I will leave it to him. I am not raising a point of order, but calling attention to a most wonderful increase in an item which they claimed every year was an attempt in the line of economy. If they keep on economizing like that, I do not know what is going to become of us. One more economy like this and we are lost.

Mr. MANN. Mr. Chairman, I think the item ought to be explained. The appropriation last year for this service was $6,700,000, of which $300,000 was to be expended in the fiscal year of 1918, leaving an appropriation for this fiscal year of $6,400,000. The bill now carries $9,750,000, a 50 per cent increase. The gentleman from Minnesota [Mr. STEENERSON] has called attention to the fact that the method of carrying the service has been changed. What was formerly done by contract, in the main, is now done by Government ownership, and we are not informed here whether the increase of 50 per cent is because of increase of service and a decrease in the appropriation of some other item, whether it is partly the result, as undoubtedly it may be, of the increased amount of mail, or whether it is mainly an increase because the Government is doing the work itself. I apprehend it will keep on increasing, because the automobiles that the Government owns will soon have to be replaced, as well as repaired, and I hope the gentleman from Tennessee [Mr. MOON], who has the information, will inform us why it is.

Mr. MOON. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. MOON. Of course, personally I know nothing about this item. The estimates of the department are for $9,750,000, an increase of $3,050,000, as the gentleman has stated.

Mr. MANN. An increase of more than that, because $300,000 of the appropriation last year was for the preceding fiscal year.

Mr. MOON. One cause is that the cost of vehicles for mounted carriers has doubled in some instances. I shall read from the hearings:

Where we used to rent motor trucks for seven or eight hundred dollars to-day the price has doubled on account of the increased cost of gasoline and labor. New contracts are to be let next year, and the bids are expected to be much higher. Contracts let last year have to be readjusted, which will result in letting them at a higher rate. Automobiles have advanced 100 per cent.

Then there is a proposition of the building of a garage.

Mr. MANN. Generally automobiles have not advanced 100 per cent.

Mr. MOON. I could not take issue with the gentleman in respect to that. I am reading what the department says about the matter.

Mr. MANN. I understand.

Mr. MOON. It is in view of that testimony, and possibly of not getting the service for less, that the committee put that in. It may be that they will not use it all, but we ought to leave some leeway.

Mr. MANN. How much of this work is now being done under contract system and how much by the Government?

Mr. MOON. I do not know. I can not advise the gentleman about that.

Mr. MANN. I should think that would be the first thing that the Post Office would inform the committee about.

Mr. MOON. The department bases it upon the ground that I have stated, that the actual cost of the automobiles and the employment of labor and everything in connection with it is going to be so increased that they ought to have that sum. I think it is possible that we can reduce that amount somewhat, but I give the House the benefit of the hearings.

Mr. STEENERSON. Mr. Chairman, I would like to ask the gentleman from Tennessee a question. When was that information furnished to the chairman, which he just read, about the increased cost of automobiles?

Mr. MOON. Sometime ago. I think it is out of the hearings, on page 21.

Mr. MADDEN. Mr. Chairman, perhaps a partial explanation of the item referred to may be found in the following colloquy that took place in the committee, and I read from page 23 of the hearings:

Mr. MADDEN. This item provides for the expenditure of $9,750,000 for vehicle allowance, the hiring of drivers, rental of vehicles, and the purchase and exchange and maintenance, including stable and garage facilities, of wagons or automobiles for, and the operation of, screen-wagon and city delivery and collection services. What is the comparative cost, under the present method and the contract method, for the wagon service?

Mr. KOONS. So far as the dollars and cents is concerned, Mr. Madden, that is hard to estimate.

Mr. MADDEN. You know what the contract method cost?

Mr. KOONS. Yes; but that is four years ago, and the mail has increased so tremendously since that time.

Mr. MADDEN. What is the percentage of difference in the volume of mail?

Mr. KOONS. The volume of mail has increased more than 100 per cent in many cases.

Mr. MADDEN. The volume of mail has increased more than 100 per cent?

Mr. KOONS. Yes, sir.

Mr. MADDEN. Have the receipts increased 100 per cent?

Mr. KOONS. The receipts would not increase 100 per cent, and it is not necessary that they should for the volume to increase 100 per cent, because the increased volume is in the parcel post, and does not represent a large portion of the receipts.

Mr. MADDEN. I think it is an interesting question to find out, and I think the Post Office Department is equipped to make such a statement, and I am going to request that it be furnished the committee; that is, prior to the introduction of Government-owned vehicles, when you had contract-vehicle and screen-wagon service, what the annual cost of such service was in each city and what the aggregate cost was. Will you furnish that?

Mr. KOONS. Yes; we will furnish that.

Mr. MADDEN. And what amount of money has been invested since in Government-owned equipment to supply the contract service which was discontinued, the screen-wagon service that was discontinued, and what the cost of such service, including all items of expenditure, has been; and what is the difference between the cost of the two propositions will be shown.

Mr. Koons then goes on to give some figures, which I shall not undertake to read, and in the note below states:

The annual cost of Government-owned service at Boston, Brooklyn, Buffalo, and New York is based on the average monthly expenditure for that portion of the fiscal year ended June 30, 1918, that Government-owned service was in operation in the cities named. While the

statement shows that Government-owned service during the fiscal year ended June 30, 1918, exceeded by $141,867 the cost of contract service, attention is called to the fact that the contract service figures in some instances are based on expenditures made as far back as 1915. Congress by act of July 2, 1918, authorized the Postmaster General to readjust the pay of screen-wagon contractors to cover losses due to unusual conditions resulting from the war, and in making adjustments it has been found that the average increase has been approximately 40 per cent. Applying this increase to the cost of contract service (vehicle charge only) will add $795,006 to the cost of that service, bringing the total expenditures for contract service up to $4,135,315. Deducting the cost of Government-owned service ($3,482,176) from the total for contract service ($4,135,315) shows an annual saving of $653,139 in favor of Government-owned service. Government-owned service besides being more economical than contract service, is also very much more efficient.

Mr. Chairman, I do not undertake to analyze these figures. The figures are here in the record of the hearings, and they probably explain themselves. Whether we have a more economical service or a more expensive service I am not prepared to say. What I want to find out, and which I do not think I found out, was how many more cities we are supplying with Government-owned service than we are supplying with the screen-wagon contract service. We know exactly what it costs to supply a certain number of cities with the screen-wagon contract service. If we have had 10 more cities added for the Government-owned vehicle service, of course it would add whatever the cost of the screen-wagon service in those 10 cities might have been; but it does not appear that we have added any new cities, and a great deal of the $3,000,000 which has been added to the cost of the service appears be due to the readjustment of the contracts due to war conditions, which added 40 per cent to the cost.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SLOAN. Mr. Chairman, I move to amend by striking out the figure "9" in line 3 and substituting therefor the figure "8."

The CHAIRMAN. The gentleman from Nebraska offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. SLOAN moves to amend, page 14, line 3, by striking out the figure "9" following the dollar mark and inserting in lieu thereof the figure "8."

Mr. SLOAN. Mr. Chairman, I do this after listening to what the ranking member on the committee, the gentleman from Minnesota [Mr. STEENERSON], has said about this matter in his attack upon it and in the defense submitted by the chairman of the committee.

Mr. MOON. The what?

Mr. SLOAN. The defense submitted by the chairman of the committee, and I use a rather strained expression, and rather complimentary, when I give it that much dignity, if it may please the chairman of the committee.

Mr. MOON. That is much more than anybody would expect from the gentleman.

Mr. SLOAN. Well, the expectations of the wicked usually perish—as the moon goes down.

Mr. MOON. The moon did not go down in the last election, as I think the Sloan did.

Mr. SLOAN. Mr. Chairman, I shall have to ask the Chair to take charge of this exuberant Member, who does not ask for recognition before he interrupts. He is quite mistaken; I did not go down in the last election. I desire to say that I offer this amendment after listening to the remarks of the gentleman from Illinois [Mr. MADDEN], who is usually very clear on these propositions.

And I think from what he has said and what has been said by others it is clear to all of us this estimate is altogether too high. Especially is this true because there seems to be a lack of explanation and detail upon the part of the department so that it would be difficult for the chairman or any member of the committee successfully to defend the figures presented. If this is reduced $1,000,000 at this time there will be ample opportunity in the next stage of legislation for the Post Office Department, if it has an explanation lucid and sufficient, to bring this before the committee, and this amount can be reinstated in another body. But the strongest fact indicating a lack of basis for this large estimate is that the price of automobiles has doubled. That may be true somewhere, but it is not true in my experience. I had something to do with the purchase of a number of automobiles in the last two years, and I know of no automobile that has doubled in price either wholesale or retail.

Mr. AYRES. Will the gentleman yield?

Mr. SLOAN. I will be pleased to do so.

Mr. AYRES. I do not think that the First Assistant made the statement that the cost of automobiles had doubled. You will find on page 21 that he gives several items which have increased, for instance, gasoline. Now, anyone who has run an automobile for the last two or three years knows that gasoline has very materially increased.

Mr. SLOAN. But he does not know that it has doubled in the last year.

Mr. AYRES. Probably not in the last year, but in the last two or three years.

Mr. SLOAN. But not in the last year, and I understood it is compared with last year's appropriation and not the appropriation of several years ago.

Mr. AYRES. That is true; but you will find several other items on page 21 where the price has increased, and in the case of automobiles——

Mr. SLOAN. Will the gentleman from Kansas indicate one that has doubled in price in all those he speaks about?

Mr. AYRES. No; I do not know that I can, but he does not say it has doubled, but he says it has increased from 40 to 50 per cent.

Mr. SLOAN. That is not as I understood it as read by the chairman, therefore I think this should be reduced $1,000,000.

Mr. MOON. Mr. Chairman, the very fresh gentleman from Nebraska has suggested that he understands more about this situation than anybody on the committee, and that his views ought to prevail. He possibly may be right about it, he may be wiser than anybody else, he may know about this, and his views perhaps ought to prevail, in view of the fact that the gentleman is perhaps expressing his views on this bill for the last time. That, however, was not a source of any pleasure to me whatever. Now, the committee has to act upon the facts that are before it. It is very clear that the statement of the department is not perhaps as strong as gentlemen might desire it to be, as for the reasons for the large increase in this item, and yet your committee can only guess at that; that is all we can do in making this estimate, to make a reasonable guess from the proof as to what amount of money ought to be appropriated under the conditions that may hereafter exist. Now, it may be that these things will be much higher another year than now, may be they will be less; we do not know. But he says the increase is due to many causes. One is that the cost of vehicles for mounted carriers has doubled in some cases. Well, the gentleman from Nebraska says that is not true. I do not know how he knows that is not true. The department thinks it is true. It has been stated that it is true. I have no reason to take the judgment of the gentleman from Nebraska over that of the department. Why, we used to rent motor trucks for $700 and $800, and to-day the price has doubled on account of the increased cost of gasoline and labor. They do not say it has doubled on account of the actual manufacture of machines, as the gentleman from Nebraska has left the impression, at least upon my mind. Now, contracts are to be let next year, and the bids are expected to be much higher. Contracts let last year are being readjusted, which will result in letting them at a higher rate. Automobiles have advanced 100 per cent. Now, whether those things are true or not I do not know; the gentleman from Nebraska does not know any more about it than I do. He might know more than I do, but he does not know all about it. The department is supposed to have some information on this question; they are the persons charged with the responsibility of administration, and we ought to have some regard for the views that they express. Now, if this money is not necessary, it will not be used. If it is necessary and they do not have it, the department may be crippled in this service. That is all there is to it. Well, we are guessing at this, and they are guessing more or less, and I am not objecting to guessing off a half a million of dollars on this item if you want to, but I do not think it ought to be cut too deep.

Mr. TILSON. Will the gentleman yield?

Mr. MOON. I will.

Mr. TILSON. What impresses me is the fact that in the year when the war is going on at its height this item seems to have cost $6,000,000, with the high price of automobiles, gasoline, and labor, and all the rest. Now, for the year beginning July 1, 1919, after the war has been over for more than half a year and the new year starts, this item is going to cost $9,700,000. Now what is the reason for the jump of 50 per cent in the year after the war is over?

Mr. MOON. The gentleman just heard the statement of the reasons.

Mr. TILSON. But those reasons are all based on the war, it seems.

Mr. MOON. No; they are not based on the war, but they are based on the market prices. The war has got nothing to do with it.

Mr. SISSON. Will the gentleman yield for one moment?

Mr. MOON. I am yielding to the gentleman from Connecticut.

Mr. SISSON. I want to say, in answer to what the gentleman says, just what the deficiency is I do not know, but there is a considerable deficiency bill before the Committee on Appro-

priations in this item. Now, in making calculations for the coming year it will become necessary to take into consideration how much short the six million and odd dollars will be this year.

Mr. TILSON. Is it as much as $3,000,000?

Mr. SISSON. In excess of $6,000,000.

Mr. TILSON. Is the deficiency as much as $3,000,000?

Mr. SISSON. Well, I can not tell the gentleman about that because I only know there is a considerable deficiency asked for by the Post Office Department.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISSON. I ask for recognition in my own right.

The CHAIRMAN. Does the gentleman move to strike out the last word?

Mr. SISSON. I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi.

Mr. SISSON. If you reject this item it will simply result in the Post Office Department coming back to Congress with a deficiency bill. In this item there was a readjustment of contract, I understand. Just how much I do not know. But wherever the mail is carried by contract, which contracts were let prior to the war, screen wagon, the cost of carrying the mail was so greatly increased by virtue of the war that many of these contractors were compelled to throw up the contracts and new contracts were let. Therefore I understand, if I am in error the chairman of the committee can correct me, the postal authorities readjusted these contracts and that to some extent accounts for the deficiency asked for. And then the readjustment of other contracts, I understand, will be cared for in this item. Therefore it will be next to impossible to determine just what this item will be. If you cut the item materially it will simply mean the Appropriations Committee will be called upon to make good in a deficiency bill what you fail to appropriate at this time.

Mr. GALLIVAN. What real harm will that do?

Mr. SISSON. I do not know that any real harm would originate, except the Government would be behind in the payment of its contracts.

Mr. MANN. Oh, no.

Mr. SISSON. It might be behind in the payment of some of its obligations.

The CHAIRMAN. The question is on the amendment of the gentleman from Nebraska [Mr. SLOAN].

The question was taken, and the amendment was rejected.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last two words. I rise to inquire what is purposed as to the last proviso in providing for a $60,000 Government garage in the rear of the Government post-office building. Can the gentleman give any idea as to the extent of the building or the character of the construction of this Government garage?

Mr. MOON. I suppose I can answer the gentleman better by just reading from the hearings. They say:

> In this appropriation we ask that $60,000 of this amount be made available immediately for the erection and equipment of a garage on the site owned by the Government in the rear of the main post-office building in the District of Columbia. Back of the city post office we have a space sufficiently large for a garage. The nearest point we can get a garage is about a mile or a mile and a half from the office there; the rents are very high, and from the best statistics we can get, or, rather, the best estimates we can get, we can construct a garage for about $60,000, and the interest on that amount would be much less than any rental we would have to pay, and we could save that difference.

Now, that is the statement of the department.

Mr. STAFFORD. Can the gentleman inform the committee as to the size of the tract of land the Government owns there and the size of the building that is purposed to be erected for use as a garage?

Mr. MOON. I do not know. I think the lot is perhaps 100 feet front. However, it is a small lot. It is not very large. I do not know anything about the construction of the garage or what it will cost. I have read the statement of the department from their estimates, which they furnished to the committee. We did not feel it was necessary to call for details.

Mr. STAFFORD. The gentleman can not give any information as to the number of automobiles sought to be accommodated in this garage?

Mr. MOON. I understand there will be a great many. The gentleman can see from the hearings all I know about it.

Mr. STAFFORD. I do not believe there is anything in the hearings on that subject, so far as these details are concerned.

Mr. MOON. The hearings are practically what I have read.

Mr. STAFFORD. Mr. Chairman, I did not get the information that I sought, but I withdraw the pro forma amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> For inland transportation by railroad routes and aeroplanes, $61,500,000: *Provided*, That not to exceed $1,000,000 may be expended for payment of freight and incidental charges for the transportation of mails conveyed under special arrangement in freight trains or otherwise: *Provided further*, That out of this appropriation the Postmaster General is authorized to expend not exceeding $2,185,000 for the purchase of aeroplanes and the operation and maintenance of aeroplane service between such points as may be determined: *And provided further*, That separate accounts be kept of the amount expended for aeroplane service.

Mr. MOON. Mr. Chairman, at the end of line 17, page 15, after the word "service," I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Mr. MOON offers the following amendment: Insert after the word "service," in line 17, page 15, the following:
> "*And provided further*, That the Secretary of War is hereby directed to deliver immediately to the Postmaster General 100 De Havilland 4 aeroplanes, 100 Handley-Pages, 10 Glen Martin day bombers, all planes completely assembled, and with the necessary spare parts. Also 100 extra Liberty engines with spare parts, 50 Hispano-Suiza engines of 300-horsepower motors, and 20 Hispano-Suiza engines with 150-horsepower motors. The same to be out of any equipment that the War Department has on hand or under construction. The War Department appropriation to be credited with the equipment turned over to the Post Office Department."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment just proposed.

Mr. MOON. Mr. Chairman, the amendment comes from the department. It is one that they desire to have placed in this bill. The reason for it is that Congress passed a law that permitted the War Department to turn over a certain class of aeroplanes in whole or in part that had been used for war purposes to the Post Office Department for use in the Aeroplane Mail Service. I understand that the War Department construes that statute as merely directory, and that it has declined to turn over these planes, owing to some controversy existing between it and another department and a contention which has arisen with that department and the Post Office Department. If you want this aeroplane service to continue, you have got to provide for it in some way. The cheapest and best way will be the use of aeroplanes that we now have and of which the War Department has control. That department does not insist it has any particular use for these planes. It is just a controversy inside the General Staff. The General Staff has assumed its authority and issued its orders. The Post Office Department has got to put in these planes now if it is desired to have the service from New York to Chicago and elsewhere. If we are to have this service, we have got to provide for it. The wisest thing, in my judgment, would be to take the aeroplanes the War Department and the Navy Department may have and use them in the Postal Service. They will not be needed in the war service, and this is practically making mandatory a provision, as to the extent, of course, of the number of planes stated in the amendment, of a law which is held to be directory, and by which the Post Office Department is deprived of its benefits.

Now, I want to say this in reference to that: The committee in making this large recommendation of $1,185,000 anticipated—a part of them at least—a trouble of this sort with the War Department, and they thought it necessary to have an amount of money sufficient to have a reasonable practical experiment of airplanes as mail carriers, and therefore they placed in there the recommendation of the department as $2,185,000. The department did not want to have more than half a million dollars if they could get the use of the airplanes from the War Department and get the benefit of the statute that we heretofore passed on that subject; so that if this amendment is passed I am going to move to reduce the direct appropriation of $2,185,000 to the sum of $500,000.

It is suggested that it might be added to this amendment. If the gentleman from Wisconsin insists on his point of order we can bring in the amendment under the Holman rule, and I hope it will not be objected to.

Mr. CANNON. If the gentleman will allow me, I will make a point of order on that paragraph, that portion of it which says "and airplanes, $61,500,000."

Mr. MOON. The point of order, I will say to the gentleman from Illinois, would not be well taken without the consent of the House. By the rule of the House adopted in connection with this bill, or rather by unanimous consent, it is provided that every section and paragraph in the bill shall be in order. Of course, any amendment that is germane to any section of the bill is in order.

Mr. CANNON. I was not aware of that unanimous consent. If I had been in the House, I would have reserved a point of order. I think I should have.

Mr. MOON. I think the amendment is germane. If not, it can be made so by providing for a reduction.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. MOON. I yield to the gentleman.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, would the gentleman amend his amendment by providing that the War Department furnish these machines and the personnel for their operation and maintenance if the Post Office Department can use them in established lines?

Mr. MOON. Oh, no.

Mr. LAGUARDIA. That is, you do not want these machines turned over if you can not use them; and, on the other hand, we do not want them turned over if the Post Office Department is not equipped to use them. Why not include a provision for the personnel and the use of the machines?

Mr. MOON. Under the law the personnel would be subject to the Civil Service Commission, and in the next place, we do not want to mix the War Department in any way with the Post Office Department, so far as the carrying of mail is concerned and so far as the administration of the postal function is concerned. The amendment that I have offered does not in any way combine the services of the two departments. It just provides for the handing over by the War Department of certain machinery which belongs to the Government for use in the Postal Service. The War Department is to have credit for it. This is proposed so that we may have the benefits of the proper balancing of accounts.

Mr. LAGUARDIA. In the event the Post Office Department is not in position to receive these machines and care for them at the present time, does the gentleman still insist that the Post Office Department shall take them over?

Mr. MOON. We are not going to assume anything of the sort. The function of carrying the mails and the airplane function belong to the Post Office Department, and it is best to assume that it can discharge all the duties of transportation of the mails by any means apart from the War Department.

Mr. LAGUARDIA. The gentleman is misinformed as to that. In the event this amendment goes through, will the gentleman consent to strike out this appropriation?

Mr. MOON. I am going to move to amend the appropriation so as to reduce it to $500,000.

Mr. LAGUARDIA. I will tell the gentleman that he is getting a lot of white elephants on his hands that he can not care for. That is what it will be. The Post Office Department can not take care of these machines.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. MOON. Yes.

Mr. BLACK. It occurs to me that this is a very large number of airplanes and motors. Has the gentleman any information as to what the value of that aircraft is?

Mr. MOON. I will say to the gentleman that this amendment was sent to me to-day by the Post Office Department, with the request, if possible, to have it put in the bill at this particular point. I have no more information about the matter than other gentlemen.

Mr. BLACK. It strikes me that this will include at least $10,000,000 worth of aircraft.

Mr. LAGUARDIA. It is in existence. It is there.

Mr. MANN. Mr. Chairman, I was very much impressed with the suggestion made by the gentleman from New York [Mr. LAGUARDIA]. While I have not had the time to give it careful consideration yet, and while I appreciate the difficulties always involved in two departments engaged in a work to reach one result, still I can see no real reason why the Army can not carry the mail over the routes selected and provided by the Post Office Department, so far as the air service is concerned. We shall undoubtedly maintain in the Army an air service greater or lesser for all time. To give them something actually to do would be to their benefit, would improve the aviation service in the Army, and would prevent duplication in the Post Office Department. If at any time the air service of the Post Office Department reached vast proportions it might not be advisable, then, to have the Army do it. But so long as it is in an experimental condition, and we have the trained men now in the Army—and we propose to continue to train men in the Army—why not give them something to do?

The great trouble with the Army and Navy is in times of peace to find something for them to do. Now, here is an opportunity to take a service that will be continued and not only occupy their time but give them the training which they need to have, without much, if any, additional expense to the Government; whereas if we provide an extra service in the Post Office Department we shall have divided our aviation service so that neither branch will make the same progress that they would make if consolidated in one branch.

Now, the difficulties of having the Army perform the service are not great. The Post Office Department would still control the mail. They would deliver the mail to the airplanes as they now deliver it to the railroad trains. The mail would be carried by the Army as it is now carried by rail or other methods of carriage. I can see no reason why it is not perfectly feasible to do that. And if it be feasible to do it, then certainly no one will dispute that it would be economical to do it. And if it be both feasible and economical, why is it not the proper thing to do?

It may be that it can not be done at this moment on this bill. I do not know. Probably no one is prepared with a proposition that would cover it. But that is a matter that is easily changed and provided for in the future, and if we start in and build up a big aviation service in the Post Office Department there never will be much chance of consolidation in the future, because from some experience and long observation I have discovered, what I think all the rest of us know, that when you propose to change or abolish any branch of the Government you run up against a hard proposition; either the head of the department is opposed to it or the foot where the service rests is opposed to it, one of the two almost invariably. Why not act in a sensible manner. There is not a business concern on earth that would do what is now proposed in the manner proposed in the bill.

Mr. MADDEN. Mr. Chairman, I am not going to take issue with anybody in connection with the item and in the consideration of the proposed legislation. I would like to ask unanimous consent, Mr. Chairman, to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. CANNON. Will the gentleman yield for a suggestion?

Mr. MADDEN. Yes.

Mr. CANNON. There is a point of order now pending against the amendment.

Mr. MADDEN. I am not talking about the amendment.

Mr. CANNON. The gentleman is not waiving the point of order?

Mr. MADDEN. Oh, no; but I am not talking about the amendment. My idea was that such information as members of the committee have ought to be disclosed to those present.

I started in to say that I conceived it to be my duty as a member of the committee to make such investigation as I might be able to make for the purpose of familiarizing myself with the possibility, or the desirability, if I may put it in that way, of aeroplane service in connection with the Post Office Department. I went into the matter in some detail. I tried to obtain information as to what the attitude of the War Department had been to the aeroplane service for letter delivery and what the attitude of the Post Office Department had been toward this same service, and how nearly the War Department and the Post Office Department had been able to cooperate—what the outcome of their effort to engage and cooperate had been.

I reached the conclusion that they were not very successful in their attempt to cooperate. In the first place, I concluded from the information I have been able to obtain that the War Department, through some of its officers, decided that it was impossible to operate an aeroplane mail service successfully. On the other hand, the Post Office Department claimed that it was possible and feasible, notwithstanding the statements of officers of the Army, and they proceeded, if I am informed correctly, to demonstrate the ability of the aeroplane service, notwithstanding the condemnation of it by the War Department.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MADDEN. Not until I get through with my statement, and then I will yield if anybody wants to ask a question. Now, I have made some memoranda in regard to this in order that I might not make any misstatement.

In the first place, last March Col. Deeds, who was connected with the Liberty motor and aeroplane construction work during all the period of the war, was a signal officer of the War Department in the aeroplane service. He requested the Postmaster General to permit the Army to operate its mail planes, offering to furnish planes and fliers and to share the expense with the Post Office Department. He said it would harmonize with the Army training program as suggested by Maj. LAGUARDIA. The Post Office Department acceded to the suggestion made by Col. Deeds on condition that the War Department would operate the service daily without break, except on Sunday. This agreement between the signal officer and the Second Assistant Postmaster General was reduced to writing and approved by the Acting Secretary of War, Mr. Crowell. It speedily developed, however, that there was a serious opposition among Army officials directly interested in aviation to the Army conducting the flying for the Post Office Department. An attempt was made at a conference with the post-office officials

to induce them to give up military participation in aerial mails. Public announcement had, however, been made of the service and the Post Office Department insisted on the Army carrying out its agreement to the letter to fly daily. Feeling that the Army was not interested in this participation whole-heartedly, the Post Office Department purchased its equipment to take over the work should the military authorities at any time desire to relinquish this cooperation.

The Post Office Department took over the service from the War Department on the 12th of August and operated it with civilian fliers. It made, as far as I have been able to discover, something of a success of the service between here and New York.

Mr. AYRES. The War Department operated it from May 15 up to August 12.

Mr. MADDEN. Yes; to August 12. The Post Office Department, as far as I have been able to gather information, made a fairly successful service between Washington and New York. They have demonstrated their ability to fly in all kinds of weather, whether it is raining, foggy, or whether the wind is blowing or not. Yesterday they came over from New York to Washington in an hour and forty minutes.

Mr. LAGUARDIA. And killed a man.

Mr. MADDEN. I do not know how many men have been killed.

Mr. LAGUARDIA. Flying in the fog.

Mr. MADDEN. They have killed men in all the services of the Government; it does not make any difference whether it is carrying the mail or carrying bombs, they are killing men. I do not pretend to say that the air service is a safe service. What I pretend to say is that the Army is putting every obstacle in the way of the service that they can. I am opposed to turning over the service to the Army, where they refuse to operate it. They now think the service is likely to become practicable, because it has been fairly demonstrated that it can be done, and as soon as they find it can be done they want to take it back. We turned the mail over to them for delivery of letters on the other side, and we know what kind of service they gave to us and our soldiers. Thousands and thousands of letters were never delivered, and it was under the conduct of the Army over there. Who is to blame for that I do not pretend to say. I yield to the gentleman from New York.

Mr. SNYDER. Mr. Chairman, I was about to ask the gentleman if he thought the position of the Army was based on their knowledge of the fact that it could not succeed?

Mr. MADDEN. That is what they said.

Mr. SNYDER. Or whether it was because they wanted to act in opposition to the Post Office Department?

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. In just a moment. They have succeeded so far in flying 80,000 miles since the 12th of August with civilian fliers. They have made 111 days from August 12 up to the present time, and up to December 1 only seven forced landings had been made. Only two trips were lost on account of weather conditions and only three trips were interfered with requiring the placing of the mail on the train through failure of motor. In a flying program exceeding 80,000 miles there has not been a single casualty, except one or two minor casualties, until yesterday.

Mr. LAGUARDIA. The gentleman does not make that statement for a fact, does he?

Mr. MADDEN. What does the gentleman know about it?

Mr. LAGUARDIA. When the Post Office Department thought they could run aeroplanes the same as they did their automobiles, they found out they could not, for they killed three men in a fog and they killed one yesterday.

They killed three men in a fog a few weeks ago.

Mr. SNYDER. Mr. Chairman, will the gentleman yield again?

Mr. MADDEN. Yes.

Mr. SNYDER. In the gentleman's memorandum does he tell us how many machines have been actually used up in making the 80,000 miles?

Mr. MADDEN. Surely.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LAGUARDIA. Will the gentleman yield for a question in the five minutes?

Mr. MADDEN. Oh, surely; I will yield at any time. The estimate of the Post Office Department for $300,000 was submitted to the committee for this experimental service, but the Postmaster General and his assistants indicate that in order to carry the service on successfully for a year it will cost about $3,000,000.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLACK. Is it not a fact that if the War Department turns over to the Post Office Department 100 De Haviland planes, 100 Handley-Paige, 10 Glen Curtiss planes, 100 extra Liberty engines, and 70 Hispano-Suiza planes, would that not be at least $5,000,000 worth of aircraft?

Mr. MADDEN. I do not know what the value would be.

Mr. BLACK. And does the gentleman think we ought to go into the service that strong?

Mr. MADDEN. What I think is that we ought to experiment properly. I do not pretend to say that we are ready to make complete air service mail delivery all over the United States, but I do pretend to say that you can run aeroplanes across the continent in 250-mile relays successfully, just as well as you can run between here and New York successfully. There is no reason why you should attempt to run the entire stretch of the continent without stopping and changing planes. There ought to be periods, stations where you can stop and change, just like the railroads change engines at the different division headquarters.

Mr. GRAHAM of Illinois. Mr. Chariman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GRAHAM of Illinois. Has the gentleman any figures there giving the cost of the service in these 80,000 miles run and the number of machines used?

Mr. LAGUARDIA. It costs $5.95 a pound.

Mr. MADDEN. We charge 6 cents an ounce for mail.

Mr. GRAHAM of Illinois. I mean the cost to the Government.

Mr. MADDEN. The cost to the Government so far has been in excess of the receipts, but if the planes were to carry what we are told they should carry, and what they are qualified to carry, they would be run on a profitable basis, on the basis of a charge of 6 cents an ounce.

Mr. GRAHAM of Illinois. About how much mileage have we been able to get out of a new machine in this service?

Mr. MADDEN. I really could not tell the gentleman that.

Mr. GRAHAM of Illinois. Does the gentleman know how many machines we have used.

Mr. MADDEN. I will tell the gentleman that in a moment.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Just in a moment. Let me say something myself.

Mr. LAGUARDIA. You have been saying it for 15 minutes.

Mr. MADDEN. I did not speak in that way to the gentleman when he had the floor, and I do not see any reason why he should be impertinent to me now.

Mr. LAGUARDIA. I do not mean to be impertinent. I want to give the gentleman some information.

Mr. MADDEN. The gentleman can not be impertinent to me, and I want him to understand it. Col. Goodyear, in charge of flying operations under Col. Deeds, came up with Col. Bloomfield, the English flying officer here, and he said you could not operate planes between here and New York. The fact that they have been operated successfully between here and New York proves that Col. Deeds and Col. Goodyear and Col. Bloomfield were mistaken.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. In just a moment. Let me get through with this first. We are operating between New York and Washington 10 planes, one round trip each week day, rain or shine, and the average time between here and New York is 2 hours and 20 minutes, while the average time between New York and Washington is 2 hours and 45 minutes. The reason for the difference in time is on account of the way the winds prevail. You are running against the wind in one case and with the wind in the other. There are 16 aeroplanes between Chicago and Washington that are proposed to be started in that service. They say it is feasible to make that trip in 10 hours, beginning at 6 o'clock in the morning and landing at 3 o'clock in the afternoon, and a machine came over here from New York yesterday in an hour and 40 minutes, came through zero weather, through a sleet storm part of the way, stopped 10 minutes at Philadelphia, and it was 10 degrees below zero part of the way over.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GRAHAM of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two minutes, as I would like to get some information.

Mr. MANN. Let the gentleman conclude. I ask that the gentleman may have five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. MADDEN. Now, the Navy is wiring the machines for the Post Office Department. It already has and it is putting in radio apparatus, so that they can telephone and keep in communication, and also have radio range finders, so that a man can not get off the course in the rain or fog, and the Bureau of Standards is projecting a magnetic induction set which will enable a man who flies a machine to reach the center of the field, no matter what the weather is, what the hour of the day is, how dark the night may be or how foggy it may be, and with these perfected instruments it seems to me that notwithstanding what the Army says we are making progress, and that we are making this progress with civilian fliers, men who are willing to go, men who are not saying they can not go, and that is what Col. Deeds said and that is what Col. Goodyear said and that is what Bloomfield said. Now I yield to the gentleman from Illinois.

Mr. GRAHAM of Illinois. If the gentleman has finished his statement, I was trying to find out if the gentleman knew how many planes we had used in this service up to date.

Mr. MADDEN. Twenty-six.

Mr. GRAHAM of Illinois. Are they all being used yet, does the gentleman know?

Mr. MADDEN. They are all being used yet.

Mr. LAGUARDIA. Is the gentleman aware that from May 15 to May 31 the cost of running 10 machines by the Post Office Department was $32.54 an hour and 50 cents a mile?

Mr. MADDEN. I expected it would be at least $25 an hour. That was when it was run by the Army.

Mr. LAGUARDIA. From the statement of the Postmaster General. Now, the gentleman makes the statement that they have machinery and the appliances and improvements by which a machine can fly at night, regardless of weather conditions, in a fog, or any kind of weather?

Mr. MADDEN. I did not say we have them; I said they were being equipped.

Mr. LAGUARDIA. That is exactly it. Is the gentleman aware that it is going to cost millions of dollars to equip and install?

Mr. MADDEN. It will not cost millions of dollars to equip 25 or 30 of these.

Mr. LAGUARDIA. If you are going to install radio control in machines, do you know you have to string along the wires, whether you have 100 or 1 machine?

Mr. MADDEN. We are experimenting on these, and I think it is worth while to make the experiment.

Mr. LAGUARDIA. Exactly. But is it not better to have one experiment for all departments of the United States Government?

Mr. MADDEN. We may in the end come to turn all the departments into one, but I do not believe that it is feasible or practicable or wise to turn the mail service over to the Army.

Mr. LAGUARDIA. That is the only objection the gentleman has?

Mr. MANN. Will the gentleman yield for a question?

Mr. MADDEN. Surely.

Mr. MANN. I understood my colleague to say that the present postage was 6 cents an ounce?

Mr. MADDEN. Yes.

Mr. MANN. Is that the same as it was when it was started or is it a reduction?

Mr. MADDEN. I think it was 24 cents.

Mr. SMITH of Idaho. No; it was 15 cents an ounce for the first few months.

Mr. MANN. There is no law——

Mr. TILSON. I think the gentleman is mistaken. When it first started it was 24 cents for each letter.

Mr. MANN. My recollection is, and that is the reason I asked the question, that there was a statement in the papers some time ago that the postage had been reduced because the department could now afford to carry the mail for the reduced amount.

Mr. MADDEN. Well, I do not pretend to say what the cost is. I am only saying I think the experiment is justified. I do not think we ought to expend too large a sum in experimentation, but I think we ought to give the department an opportunity to prove the feasibility. Now, it seems to me that they have made a good deal better proof of its feasibility than the Army succeeded in making. They are for it and the other people were against it.

Mr. TILSON. Does not the gentleman think as a practical man that we ought to utilize the resources that we already have at hand?

Mr. MADDEN. Surely.

Mr. TILSON. And if we have a certain number of planes complete; I do not know just how many——

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. It seems to me that we ought to proceed on business principles, so far as we can, even though airplane mail service may be in the experimental stage.

Two years ago in the consideration of the Post Office appropriation bill I moved an amendment making appropriation for experimental post-office delivery of mail by airplane. It was ruled out on a point of order. We had no airplanes in the Postal Service and none of account in the military service at that time. Since that time a great deal of water has run over the dam. We now have not only a number of airplanes complete, but have a much larger number in process of construction. In addition to that we have what we did not have then—a considerable number of trained fliers.

It seems to me that what we ought to do is to utilize our resources in both personnel and matériel. It would be bad business for the Post Office Department to start anew, on its own hook, and buy airplanes when we already have a department of the Government with a considerable number of airplanes and with enough trained fliers to use them. For the military flier this would be the best possible practice and at the same time perform a very useful governmental work. I see no insuperable objection to the two departments of the same Government, under the same Chief Executive, working in cooperation. If they do not work in harmony voluntarily, they might be compelled to work in cooperation.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TILSON. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I think I can see one very great objection, namely, that those who are in the military service are absolutely subject to military orders. And so far as your trained personnel is concerned, you will have a very large number who have been trained in the Army and undoubtedly will go out into civil life, and who unquestionably would be very glad to take charge of the service in the Post Office Department. Is not that a fair statement?

Mr. TILSON. Assuming that we could secure in civilian employment a number of men who had been thus trained in military flying, we should have utilized part of your personnel resources. Now, what as to the matériel? What as to the planes themselves?

Mr. GARRETT of Tennessee. I think unquestionably that the planes should be transferred from the War Department to the Post Office Department, in accordance with the provisions of this amendment. Whether this provides for too many or not, of course I am not prepared to say, but if they are not going to be of service in the War Department, why, most assuredly they ought not to be wasted.

Mr. TILSON. What is the gentleman going to say as to continuing the training of the men, the fliers, as a matter of national defense, as a necessary part of our military training? That must be kept up at whatever cost. Shall we have a large corps flying for training purposes without carrying anything and at the same time have alongside of it another flying corps in the Post Office Department carrying the mail? Why not combine the two?

Mr. GARRETT of Tennessee. To my mind it is an all-sufficient reason that those who are in the Army will be subject to military orders at all times.

Mr. TILSON. That is no objection at all.

Mr. GARRETT of Tennessee. And being so subject to military orders at all times, I do not believe that they will be properly fitted to go into civilian employment.

Mr. TILSON. They are officers of the very same Government, and, whether they are under the Post Office control or the military control, they are subject to the orders of the same Chief Executive. In my judgment we shall make a great mistake if we do not maintain the air service in a state of efficiency as a part of our military program, and it will help rather than hinder to utilize it in carrying the mail.

Mr. SNYDER. Will the gentleman yield?

Mr. TILSON. I will.

Mr. SNYDER. Suppose the Army was operating the railroads of this country, would it be thought they could not carry the mail successfully?

Mr. TILSON. No.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TILSON. Mr. Chairman, I ask for two additional minutes.

Mr. MOON. Mr. Chairman, I ask unanimous consent that the debate on this close in five minutes.

Mr. TILSON. I object.

Mr. STEENERSON. Mr. Chairman, I would like to have five minutes.

The CHAIRMAN. The Chair recognizes the chairman of the committee.

Mr. MOON. I do not want to cut off anybody.

Mr. STEENERSON. The chairman of the committee ought to yield five minutes to me.

The CHAIRMAN. That is another matter.

Mr. MOON. Mr. Chairman, I do not want to cut off my friend from Minnesota or anybody else who wants to talk on this amendment. Here is a general debate going on on the whole subject that may be interminable. Now, I want to move to limit the debate. The debate under the rules has already been exhausted long ago, and I ask unanimous consent——

The CHAIRMAN. The Chair will also state that there is a point of order pending.

Mr. BLACK. Mr. Chairman, I have an amendment to the amendment that I want to offer.

Mr. MOON. Mr. Chairman, I move that all debate close in 40 minutes, to be divided by the Chair among the gentlemen who have applied for it.

Mr. BLACK. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BLACK. I want to submit an inquiry. I would like to know if that motion would interfere with my offering a motion to amend the amendment?

Mr. MOON. Mr. Chairman, there has a point of order been made on this amendment, and I believe, before we indulge in this 40 minutes of debate, we ought to dispose of it, because if the point of order is well taken there will be no use for the debate.

Mr. ROBBINS. I have an amendment that will probably raise the same question in a different way.

Mr. MOON. Does the gentleman from Wisconsin wish to argue his point of order?

Mr. STAFFORD. Most assuredly.

Mr. MOON. State your grounds. If it is subject to a point of order we will save a good deal of time by not carrying on the debate.

Mr. STAFFORD. I make the point of order that the amendment proposed is not germane to any legislation carried in the bill, and it violates the rule of the House prohibiting legislation on appropriation bills.

Mr. MOON. Mr. Chairman, the subject that we have under discussion is inland transportation of mails. That is provided for, of course, by law. Here is an appropriation limiting the amount of transportation in the airplane line and in the inland transportation line to a fixed sum. The amendment now proposed is simply this: It is to provide a means—an additional means—of transportation. The statute authorizes the transportation of inland mails. It does not designate the different methods by which it can be done, and it is within the meaning of the statute and the province of the House under its rules to add, I take it, any means of transportation to the mail facilities that we now have on an appropriation bill or anywhere else with proper limitations.

Now, I have said to the gentleman that if there is any point on the question of the limitation I would be glad to amend the section hereafter and bring it under the Holman rule if possible. But I insist that the amendment is in order now. It is germane to the existing statute, which provides for inland transportation of mails. We have got a right, unquestionably, to combine, under the practice of the House, on an appropriation bill or anywhere else, all of the instrumentalities of transportation that are permitted under the law, and they are all permitted. I do not think, then, that it would be very farfetched or a close construction of the statute to admit the amendment which the department has asked for in this bill.

Mr. GREEN of Iowa. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] will be heard first.

Mr. GREEN of Iowa. Excuse me.

Mr. MOON. I want to say that every paragraph of this bill has, by unanimous consent, been made in order, and the only question here is whether this amendment is germane to the matter that is now in order.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. STAFFORD. Mr. Chairman, as the chairman of the committee has just stated to the Chair, there was an order agreed to in the House that all the legislation carried in this appropriation bill would be considered in order. The question before the Chair now is whether this item, being presented on an appropriation bill and a point of order having been waived, the amendment now proposed by the gentleman from Tennessee would have been in order. He advances that as his major premise for holding the amendment to be in order, and also the fact that provision has been made for the establishment of airplane service.

There is no authority for the establishment of airplane service by law other than which is carried in the appropriation act, which merely provides in general language as follows:

For inland transportation by steamboat or other power-boat routes or by airplane.

That is the extent of the present language authorizing the establishment of airplane service. Now, I direct the attention of the Chair——

Mr. MOON. Mr. Chairman, may I ask the gentleman a question right there?

Mr. STAFFORD. Yes.

Mr. MOON. The agreement of the House by unanimous consent makes this airplane legislation in order.

Mr. STAFFORD. I have already stated that. If the gentleman heard my opening remarks, he will remember that I stated that to be the position of the gentleman as the basis for his argument that it is in order.

Mr. MOON. Why is it, then, not in order?

Mr. STAFFORD. Because it is not germane. If the gentleman will hold himself in patience, I will try to demonstrate that it is not germane.

Mr. MOON. Very well.

Mr. STAFFORD. There was authorization in the last appropriation act covering this airplane service. It is found in section 8. This amendment that is now proposed, Mr. Chairman, seeks to change the existing law covering this question as found in section 8 of the present Post Office appropriation act. May I read section 8? It reads as follows:

That the Secretary of War may, in his discretion, deliver and turn over to the Postmaster General from time to time, and without charge therefor, for use in the Postal Service, such aeroplanes and automobiles or parts thereof as may be, prove to be, or as shall become, unsuitable for the purposes of the War Department but suitable for the use of the Postal Service; and the Postmaster General is hereby authorized to use the same, in his discretion, in the transportation of the mails and to pay the necessary expenses thereof out of the appropriation for inland transportation by steamboat or other power boat or by airplanes or star route.

He is seeking by this amendment to direct and take out of the power of the Secretary of War—which is existing law—the discretion which is now lodged in the Secretary of War, to turn over a certain number of airplanes of different types and a certain number of engines. Certainly on this appropriation bill he can not add that character of legislation, and the mere fact that there was an order entered making in order the legislation that was carried in this bill would not go to the extent of making in order a distinct, substantive proposition of law changing existing law unless it is germane to the matter that is contained in the existing appropriation bill.

And that is what we are brought to in the last analysis, whether it is germane to this paragraph; whether a direction, a mandatory direction, to the Secretary of War to turn over a certain number of airplanes and motors is germane to the authorization as carried in this bill providing for the expenditure of not exceeding $2,000,000 for the purchase of airplanes and the operation and maintenance of airplane service between such points as may be determined. I may be in error in the position I am now presenting, but I respectfully submit in all candor that in determining whether it is germane I believe the Chair should consider the question as if this were a separate bill, and it provided merely for the purchase of airplanes, whether it would be germane to direct the Secretary of War to turn over supplies under his control. But even if you would hold that it would be germane under those circumstances, you could not escape the ruling that no legislation shall be in order on an appropriation bill, although we have made an order that everything that is covered in this bill shall be in order. That does not signify that it wipes away the general rules of the House——

Mr. MOON. That is just what it does——

Mr. STAFFORD. That other legislation can be carried on an appropriation bill.

Mr. STEENERSON. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I do.

Mr. STEENERSON. Is the gentleman aware of the fact that the law authorizing the Secretary of War to turn over airplanes to the Post Office Department was carried as a rider in last year's appropriation bill, and is not included in this bill? It is a separate, independent law of last year.

Mr. STAFFORD. I may have been in the realm of fancy, but I thought that a few minutes ago I read the very section in last year's appropriation bill that grants that authority.

Mr. STEENERSON. I was not listening.

Mr. MOON. Mr. Chairman, the very purpose of obtaining unanimous consent was to make each and every item, section, and paragraph in the bill in order, so as to avoid the rule that there could not be new legislation on an appropriation bill. The House made in order this section providing that out of the appropriation the Postmaster General is authorized to expend not exceeding $2,185,000 for the purpose of aeroplanes and the operation and maintenance of aeroplane service between such points as he may determine.

Now, there is a provision in reference to utilizing aeroplanes for mail service and provides for the appropriation of money for that purpose. That is all in order. Why is it that the proposition to authorize the purchase from another department, that department to be credited with them, is not in order to this section which is in order? That is all I desire to say about it.

Mr. STAFFORD. Will the gentleman yield?

Mr. MOON. Yes.

Mr. STAFFORD. Does the gentleman contend that the Committee on Post Offices and Post Roads has the authority to control the supplies of the War Department?

Mr. MOON. No; but the Committee on Post Offices and Post Roads is proposing under this act, which provides for the payment of them, to pay for them by crediting them to the War Department.

Mr. STAFFORD. The gentleman's committee would not have authority to control the supplies of the War Department, and how can an individual on the floor have a greater authority under the rules of the House?

Mr. MOON. I do not appreciate the point the gentleman makes.

Mr. STAFFORD. The gentleman has admitted that the committee has no authority to report a bill covering supplies legitimately in the possession of the War Department. The gentleman individually now seeks to introduce a bill or amendment on the floor of the House carrying that very subject which his committee would not have authority to act upon. How can an individual Member on the floor of the House have a greater authority than his committee would have?

Mr. MOON. We are simply proposing to carry out the provision of the section that is made in order notwithstanding the general rules of the House.

Mr. GREEN of Iowa. Mr. Chairman, I want to be heard briefly on the point of order. The question of germaneness ought to depend on the prime and principal object of the amendment and not upon something incidentally connected with it. The principal purpose of this amendment is to take the property of one department and turn it over to another department. Incidentally it might enable the other department to carry on something provided for in the bill, although it does not modify or change any section in the bill. Let us see where we would land if we adopted that rule that because the matter proposed incidentally affected in some way the aeroplane provision the amendment might be germane.

If this amendment is germane, an amendment turning over to the Post Office Department the aeroplane fields would be germane. Perhaps the paragraph does not go far enough; but under the same theory we might have an amendment turning over from the Navy Department to the Post Office Department the ships of war to carry the mails. We might have a similar amendment taking from the War Department some of its automobiles and turning them over for mail wagons. If an amendment can be made germane under that principle, it is easy to make any kind of an amendment germane. The real purpose of this amendment and its only effect is to transfer property from the War Department to the Post Office Department. The fact that such property could be used for postal purposes does not make the provision germane to the bill.

The CHAIRMAN (Mr. SAUNDERS of Virginia). The facts in this case are as follows. The paragraph proposed to be amended, beginning with line 7, provides an appropriation of $61,500,000 for inland transportation by railroad route and aeroplane. This is an appropriation pure and simple. Then follow certain provisions which are limitations. In line 11 is a provision that empowers the Postmaster General to expend not to exceed $2,185,000 for the purchase of aeroplanes, and the operation and maintenance of the aeroplane service, between such points as he may determine. This sentence affords authority to the Postmaster General to do certain specified things.

It was agreed by unanimous consent that everything in this bill should be in order, the rules of the House to the contrary notwithstanding. But it can hardly be contended that this agreement makes in order everything proposed to be added to the bill, and that is the crux of the contention that the amendment under consideration is in order.

The effect of this amendment is to direct the War Department to turn over certain property to the Post Office Department. That direction changes the discretion of the War Department, in fact it leaves it no discretion whatever in this particular. The amendment commands the War Department to do certain specific things which otherwise it would not be required or empowered to do. In a word the amendment in this respect controls the activities of that department. It does not control or relate to the discretion of the Post Office Department, but operates to provide that department with certain material. Such a provision is certainly new law. In connection with the contention that this amendment is in order because the matter in the bill is in order, the Chair will call attention to the rulings to the effect that when an item is made in order in a bill, by a rule or otherwise, such action does not authorize new illegalities or allow matter to be inserted that would not be in order, unless it was a perfecting germane amendment.

To direct the War Department to turn over these aeroplanes to the Post Office Department is not a development of the authority of the Post Office Department to purchase operate and maintain aeroplanes. It enlarges the powers of the War Department. Having in mind that the War Department has shops to repair and keep in order its planes, would an amendment be in order to direct the War Department to keep in proper condition the planes which it is directed to deliver to the Post Office Department? Yet that amendment would stand on the same footing as the one under consideration. This is a proposition of new legislation relating to another department, and the Chair does not think that it is perfecting by way of amendment the matter made in order in the bill, and the Chair sustains the point of order.

Mr. MOON. I did not quite understand; did the Chair sustain the point of order?

The CHAIRMAN. The Chair sustains the point of order.

Mr. MOON. I would not be surprised if the Chair is right about that. [Laughter.]

Mr. ROBBINS. Mr. Chairman, I have an amendment, which is at the desk, which I ask to have reported.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBBINS: Page 15, line 11, strike out all after the word "otherwise" down to and including line 17.

Mr. ROBBINS. Mr. Chairman, this amendment strikes out the proviso on page 15 that relates to the authorization to the Postmaster General to expend $2,185,000 for the purchase of aeroplanes and the operation and maintenance of aeroplane service between such points as may be determined. Under the act that we passed on the 2d of July, 1918, we provided that the Secretary of War should turn over, in his discretion, to the Post Office Department, and deliver to the Postmaster General from time to time, such aeroplanes for use in the Postal Service and automobiles and parts thereof as shall become unsuitable for war purposes, but suitable for the use of the Postal Service. That is paragraph 8 of the act of July 2, 1918. The war is over, and the whole aeroplane equipment will become useless for the purposes of war. I visited the Department of Aeronautics of the Government this morning to find out what aeroplanes we have that are available for this service, and I was informed down there by one of the officers in charge that we have three classes of aeroplanes set up in the hangars or at the ports or boxed up ready for shipment, but complete, that are available for use in the air-mail service. First, we have about 1,500 75-mile speed machines designated as JN-4 D, equipped with the Curtiss engines, that could be used; second, we have about 1,000 JN-4 H machines of 180 horsepower that develop a speed of 105 miles per hour that are available for this purpose; third, we have about 1,000 machines equipped with the Hispano-Suiza engines, known as the De Haviland-4 machine, which are equipped with 400-horsepower Liberty 12-cylinder engines, that are available for this use. Yet with all that equipment we now propose to authorize the Postmaster General to purchase and expend in buying aeroplanes the sum of $2,185,000, and on page 53 of the hearings it is stated "that the Postmaster General's program will require between three and four million dollars."

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. ROBBINS. If I can get more time. I yield for a brief question.

Mr. AYERS. The gentleman has stated what the law provides, that the War Department shall turn these aeroplanes over, but it is within the discretion of the Secretary of War.

Mr. ROBBINS. That is true, and I also said in my opening remarks that the discretion of the War Department would be exercised against parting with this equipment during war, but the war is over, and there is no use of this equipment now for war purposes.

Mr. AYRES. Does the gentleman know that they have refused to-day to turn it over?

Mr. ROBBINS. I do not know it.

Mr. AYRES. That is a fact.

Mr. ROBBINS. I say if they have, then I should favor an amendment to this bill, if this amendment is voted down, reenacting the eighth clause of the act of July 2, 1918, striking out the words "in his discretion" and insert the words "shall such aeroplanes," and so forth, and making it mandatory.

Mr. AYRES. But that would be subject to a point of order, which has just been ruled upon.

Mr. ROBBINS. The clause just ruled out would not apply to this, because it does not change existing law. We have all of this equipment, and if there is any equipment that will go out of order by storage and nonuse very quickly it is aeroplane equipment. It is just like any other new machine. Constant improvements are being made upon them, and the thing to do is to use up this equipment now while we can use it, without any additional expense to the Government in this mail service. We have a trained body of aeroplane operators, and where are they? They are in the Army, developed there by operating aeroplanes in the Army. They are not in civil life. Another set of them is in the biplane or hydroplane service of the Navy, and we propose to establish a service with Cuba and Porto Rico and we will have to get those naval machines known as "hydroplanes," having boats suspended under the aeroplane, so why develop three branches of the service when the Post Office Department could get all the necessary machines from the War Department, using the equipment we have, taking over the trained men in the War Department already prepared by education, training, and experience to carry on this work of transporting the mail by airplanes.

Mr. MOON. Mr. Chairman, will the gentleman yield?

Mr. ROBBINS. Yes.

Mr. MOON. Why did the gentleman want to strike out the appropriation, if he now talks about using it in connection with the War Department, when there is no authority to have any connection with the War Department?

Mr. ROBBINS. If we do not have the authority we can easily provide it, and by striking out this proviso we are merely stopping the Postmaster General from buying a lot of aeroplanes when the War Department has 3,000 that could be obtained free by the Post Office Department.

Mr. MOON. You are stopping the whole service.

Mr. ROBBINS. When we already have aeroplanes. If you are going to carry this service on in the Post Office Department let us take the equipment we now have on hand, that will not cost us a cent, that is going to rust and wreck and ruin, because the hangars are very poor places to protect property of that sort. They are made of linen and silk and fragile wood, and the machines rust and corrode very quickly.

Mr. MOON. But we can not get them. We would be very glad to have them.

Mr. ROBBINS. This Congress can not get them? I will tell the chairman of the committee why we can not get anything: It is because we submit here like a supine lot of Members and allow these departments of the Government to run the whole Nation and to run Congress also. Does this legislation not mean anything? If it does, let us have it carried into effect.

Mr. MOON. The gentleman may apply that characterization to himself or anyone else, but not to this side.

Mr. ROBBINS. You gentlemen have been running the Government for some time, and I think that has been going on on both sides of this House. I do not criticize the majority side or the gentleman, but I say that we pass legislation here day after day and the departments ignore it, and we all know that, and it is time now to see to it that our legislation is obeyed.

The United States Government has on hand between two and five thousand airplane machines, either in actual use of packed ready for shipment, all of which could be put in use in a very short time. The carrying power of these machines varies from 100 pounds to the De Haviland, which carries approximately 500 pounds. The United States has contracts for a large number of machines that are yet being built or partially built, so that when the present air service is closed out, the United States will have on hand probably somewhere between five and ten thousand of several kinds of airplanes ready for service, and practically all of these could be used for mail service.

The proper way to install this service is not by establishing an expensive special bureau in the Post Office Department, which has already been started by the appointment of a superintendent of air-mail service with a corps of assistants, all of which is useless expense and a waste of money. The proper way to carry the mail by air is to turn the whole matter of transportation over to the Army.

It is now admitted that aeronautics has become an absolutely necessary part of modern warfare, and the airplane is now regarded as the "eyes of the Army."

It is, therefore, necessary that both the Army and Navy keep up its organization and constantly train men for this service. These men would have nothing to do, except simply to train and make practice flights. If, on the other hand, they were carrying the mail, we would be constantly developing a corps of experts, who would be experienced by flights in the air, and also a trained and experienced corps of mechanicians and mechanics, who would observe the airplanes as they operated and develop the experience necessary to meet conditions as they arise.

All this service would be conducted without any additional cost whatever, because the War Department must maintain this service, and while taking the necessary military training, the mails would be transported free of cost by the Army experts and fliers in the Army machines. This service could also be extended across the water by using the Navy biplanes for the same service, without any cost to the Post Office Department.

Moreover, it does not require a very far look into the future to discover that airplanes are going to be used for private business and pleasure. If each town with a population of 10,000 was required to purchase and maintain landing places for airplanes—because it must be remembered that no service in the air can be carried on without landings—then at each of these landing places the Army could maintain a service station and two men who would not only look after the Government machines but would train enthusiastic private citizens who desire to acquire a knowledge of airplanes and also train men for business service in the art of flying and caring for airplanes.

The appropriation in this bill amounting to over $2,000,000 is nothing but pure waste of the people's money, which can not be justified on any reasonable ground. It is simply an attempt to establish another bureau in the Post Office Department, fill it up with useless appointees and high-salaried officials, and squander millions of dollars of the taxpayers' money at a time when economy should be the rule in Congress; and any who vote for this appropriation vote, in my judgment, in favor of simply wasting that amount of the taxes of the people. This mail can be carried more efficiently by the Army airplanes on land than it can by the Post Office Department and without any extra cost whatever to the Government and to the taxpayers.

Before the war the mails were transported by the railroads by simply turning over to the railroads at their termini and received from them at their destination, and it was efficiently carried. The mails to be carried by airplanes should be delivered to the military airplanes at the point of origin and taken from the military airplanes at the point of destination in the same way. Any other course is wasteful and extravagant.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

By unanimous consent Mr. ROBBINS was granted leave to extend his remarks in the RECORD.

Mr. STEENERSON. I move to strike out the last seven words of line 16 and the first five words of line 17, page 15, and insert in lieu thereof "that the Postmaster General shall keep an account"——

Mr. MANN. I think we had better dispose of the present amendment.

The CHAIRMAN. The gentleman from Pennsylvania offered an amendment to strike out part of the bill. As the Chair understood the amendment of the gentleman from Minnesota, it was to perfect the text; if so, that will be voted on before the motion to strike out.

Mr. ROBBINS. I did not understand it.

The CHAIRMAN. That is the way the Chair understood the motion.

Mr. ROBBINS. It is to perfect the text of the section?

The CHAIRMAN. That is the way the Chair caught it. The gentleman from Minnesota will state his amendment again.

Mr. STEENERSON. Strike out the last seven words of line 16 and the first five words of line 17 and in lieu thereof insert the following on page 15, line 16: "that separate accounts shall be kept of the amount of extra postage received for aeroplane service and the amount of expenditures."

The CHAIRMAN. If the gentleman has the amendment in writing, send it up.

Mr. STEENERSON. No; I have not.

The CHAIRMAN. The Chair will have to ask the gentleman to repeat the amendment; the Clerk can not get it.

Mr. STEENERSON. Strike out the last seven words of line 16 and the first five words of line 17 and insert in lieu thereof the following words: "that separate accounts shall be kept of the amount of extra postage received for aeroplane service."

Mr. MOON. Mr. Chairman, that is a good amendment, and I have no objection to its adoption.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 15, line 16, after the word "further" strike out the following: "that separate accounts be kept of the amount expended for aeroplane service" and insert in lieu thereof the following: "that the Postmaster General shall keep a separate account of the amount of extra postage received for aeroplane service."

Mr. MANN. Why does not the gentleman from Minnesota offer his amendment to follow the provision in the bill and instead of striking out the provision for keeping a separate account of expenditures let that stay in?

Mr. STEENERSON. I am willing to accept the suggestion of the gentleman from Illinois and simply amend by adding to the last word in line 17 the following.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Modified amendment. After the word "service" in line 17, strike out the period, insert a comma, and add the following: "and keep a separate account of the amount of extra postage received for aeroplane service."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The gentleman from Pennsylvania has an amendment pending to strike out the section.

Mr. LAGUARDIA. I have a substitute for his amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 15, line 13, after the word "exceeding" strike out "$2,185,000 for the purchase of aeroplanes and" and insert in lieu thereof "300,000 for."

Mr. LAGUARDIA. Mr. Chairman, I hope the chairman of the committee will accept this amendment. This will enable the Postmaster General to operate the planes which he now has and continue the service which he originally planned to commence under the 1918 and 1919 program. That is all the Post Office Department asked for. I am in full sympathy with the chairman in reference to the attitude of the War Department. Now, the attitude of this House is to compel the War Department to cooperate with the Post Office Department. Their appropriation bill will be here in a few days and that is an opportunity which we will take to arrange their appropriation so that the air service may conduct this postal-air service. I spoke this morning and endeavored to show that we can conduct the mail service without the expenditure of an additional cent. With my amendment we are giving the Postmaster General all he asks for. He can carry out his plans as submitted to the committee and we have plenty of time to change the law and make it mandatory upon the Secretary of War to cooperate and turn over machines and personnel. I urge the acceptance of my amendment.

Mr. MOON. Mr. Chairman, it would appear upon the face, even of the hearings, that an addition of $300,000 was as much as the Postmaster General wanted, but, going to the report, you find an entirely different thing. That is due to the fact that the question of aeroplane service was transferred from the steamboat and aeroplane service to the inland transportation service and made a part of it, and the amount of $61,000,000 was appropriated. If it had been left as it was the Postmaster General could have used $10,000,000, if he wanted to, on these combined services.

A MEMBER. Or all of it.

Mr. MOON. Or all of it, if he saw fit, but the committee realized that he wanted three or four millions more for that purpose and wanted to prevent him from using any more than the amount, so we fixed the amount at $2,155,000. Now, if we could get the aeroplanes we ought to have from the department, if that controversy did not exist which will not be settled until we have made a mandatory law on the subject, we might get along, perhaps, with $500,000 for the operation and preparation of these planes. Perhaps we would not want all that, but we need a great many of them. As this was in the original language, it would have given the Postmaster General the right to use any part of it he saw fit and——

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MOON. I will.

Mr. GREEN of Iowa. If I understood the gentleman correctly—I am not sure I did—if the amendment of the gentleman from Pennsylvania to strike out this proviso is sustained, the Postmaster General could use as much as he chooses?

Mr. MOON. He would get nothing then, not a cent.

Mr. GREEN of Iowa. I did not understand the gentleman.

Mr. MOON. If we strike it out, he will not get a cent, because we do not provide in this section for anything but $2,185,000.

Now, it might be construed, I will say to the gentleman from Iowa—and I would not undertake to say as a matter of law how that was now—that if that limitation was stricken out and we still leave the aeroplane service linked up with the inland transportation, that he might use all of it that he wanted to.

Mr. RAMSEYER. That is exactly what the Postmaster General wanted.

Mr. MOON. To make that certain we put the limitation in there.

Mr. PARKER of New Jersey. Mr. Chairman, I desire to speak on this subject.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. PARKER of New Jersey. There has been a great deal said here about the impossibility of making one department help another, and it is said, for instance, that the War Department and the Navy Department can not help the Post Office Department. I desire to point to a precedent.

In the year 1847 a great many of our people had gone to Oregon, and it was desirable to establish a mail service to connect, through Panama and the Chagres River, with Oregon and the west coast, and thereupon the act of March 2, 1847, which I find in the Twenty-ninth Congress, chapter 62, provided in section 4 that the Secretary of the Navy should make the mail contracts—

That from and immediately after the passage of this act, it shall be the duty of the Secretary of the Navy to contract, on the part of the Government of the United States, with A. G. Sloo, of Cincinnati, for the transportation of the United States mail from New York to New Orleans, twice a month and back, touching at Charleston (if practicable), Savannah, and Habana; and from Habana to Chagres and back, twice a month.

Now, how was he to do it? By ships constructed under direction of the Navy Department—

The said mail to be transported in at least five steamships of not less than 1,500 tons burden, and propelled by engines of not less than 1,000 horsepower each, to be constructed under the superintendence and direction of a naval constructor in the employ of the Navy Department, and to be so constructed as to render them convertible at the least possible expense into war steamers of the first class.

So the Secretary of the Navy was to direct the construction of these steamers, as he ought now of the aeroplanes. And it goes on that the ships should be under naval officers—

And that the said steamships shall be commanded by officers of the United States Navy not below the grade of lieutenant, who shall be selected by the contractor, with the approval and consent of the Secretary of the Navy, and who shall be suitably accommodated without charge to the Government.

And not only that, but—

Each of said steamers shall receive on board four passed midshipmen of the United States Navy, who shall serve as watch officers, and be suitably accommodated without charge to the Government; and each of the said steamers shall also receive on board and accommodate, without charge to the Government, one agent, to be appointed by the Postmaster General, who shall have charge of the mails to be transported in said steamers.

Then, after providing for a limit of cost—

That the compensation for said service shall not exceed the sum of $290,000, and that good and sufficient security be required for the faithful fulfillment of the stipulations of the contract.

Section 6 provides that the vessels shall be under naval control:

That it shall be the duty of the Secretary of the Navy to provide, in the contracts authorized by this act, that the Navy Department shall at all times exercise control over said steamships, and at any time have the right to take them for the exclusive use and service of the United States, and to direct such changes in their machinery and internal arrangements as the Secretary of the Navy may require; due provision being made in the said contracts for the mode of ascertaining the proper compensation to the contractors therefor.

Under that act, Mr. Chairman, for years the mails to the Pacific coast were carried for the Postmaster General under contract made by the Secretary of the Navy and appropriations in the naval appropriation bill, in ships constructed under his direction by naval constructors, and in ships commanded by naval officers. In the opening of the Pacific coast the Navy carried the mails. It is a precedent which worked out well. It is right, as said by the gentleman from New York this morning, that where we have Government agents in other departments like the War and Navy that can do Government work, like the carriage of the mail in aeroplanes now held by these departments, we should provide that they may do so, and we have the precedent therefor. [Applause.]

The CHAIRMAN. The gentleman from Iowa [Mr. GREEN] is recognized.

Mr. GREEN of Iowa. Mr. Chairman, I favor the amendment of the gentleman from New York. I am not entirely clear as to what would be the effect of the amendment of the gentleman from Pennsylvania. If I was sure that it would strike out any right to use this money in aeroplane service, I would very much favor the amendment of the gentleman from Pennsylvania [Mr. ROBBINS].

This appropriation is for the purpose of transportation by railroad routes and aeroplanes. Whether an appropriation for transportation by aeroplanes would authorize the purchase of aeroplanes or not I am unable to say at this time. If it would, then, if the motion of the gentleman from Pennsylvania prevailed, the effect would be to permit the Postmaster General to use as much money as he wanted to use above the amount specified in this paragraph, for the proviso which the gentleman seeks to strike out contains the only limitation on the purchase of aeroplanes now in the paragraph.

I say I am not entirely clear on this point, and for that reason I support the amendment of the gentleman from New York [Mr. LAGUARDIA], which limits the amount which may be expended in the aeroplane service to $300,000, which, I think, is not an unreasonable amount on the whole.

Mr. MOON. Allow me to ask the gentleman. He says it is not unreasonable on the whole. The department thinks it ought to have three or four million dollars to develop it. What sort of an experiment can you make now with $300,000 in building aeroplanes and carrying on this service?

Mr. GREEN of Iowa. If the gentleman will permit me to go further, I will show him why I am opposed to this. If you can not experiment with $300,000, how can you experiment with $3,000,000? It only takes $20,000 to build a plane, but the War Department will furnish the planes. The Post Office Department has only to operate them. Is not $300,000 enough to waste? I wish to say again that it is the despair of those who are on the Ways and Means Committee, who endeavor to raise the vast sums which we are using nowadays, to see provisions come in like this appropriating a million to three million dollars for things that are not necessary, that no man claims are necessary, but simply are for things that would be nice to have. It would be a delightful thing if we could transport a letter from New York to this town in an hour and a half, but nobody is particularly benefited by it. And, by the way, I might state that a letter arrived for me last Saturday night in this town which was not delivered to me until the next Monday, although it had a special delivery stamp on it, and we have three deliveries a day at the House Office Building on Sunday. It did not reach me until evening of the second day after it arrived here. If we can get some plain ordinary things done in this Postal Service we could dispense with some of these frills, such as having the mail carried by Airplane Service.

Here is an opportunity to save money. Advantage should be taken of it right here and now. Why should we not make a beginning at this time? We have got to make it or else we have got to do what the recent Secretary of the Treasury has proposed—to sell bonds to pay our interest in 1920. That is the proposition which is pressed at this time. Why? Because the Secretary says the people ought not to be burdened with taxes further. They will not submit to having these war-time taxes kept forever, and we should reduce expenses wherever practicable.

Now, in another body, which I need not mention at this time, a gentleman who is very well informed estimated the expenses for the fiscal year of 1920 at over $10,000,000,000. I think he is right. I think the amount will be more than $10,000,000,000 if we adopt projects like the one under consideration. Here we go on with expenses of this kind, as I said, devoting a million dollars here and a million dollars there, and adding a few more frills that we could dispense with very easily and nobody would be hurt at all. Why should we not cut this out? Why not commence right here to economize? I hope the amendment of the gentleman from New York [Mr. LAGUARDIA] may be sustained. [Applause.]

The CHAIRMAN (Mr. CRISP). The time of the gentleman from Iowa has expired.

Mr. MOON. Mr. Chairman, the amendment of the gentleman from Pennsylvania [Mr. ROBBINS], as I understand it, strikes out the words "*Provided further*," in line 11, page 15, and all the balance of that section.

The CHAIRMAN. The gentleman is correct.

Mr. ROBBINS. The balance of the paragraph.

Mr. MOON. It does not interfere with the second proviso.

The CHAIRMAN. The way the gentleman from Pennsylvania made his motion was to strike out all the paragraph, commencing with the word "*Provided*," in line 11, which would include the second proviso and the amendment to the section which has already been adopted.

Mr. MOON. Mr. Chairman, I am entirely ready to see the motion of the gentleman from Pennsylvania prevail.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield the floor?

Mr. MOON. Is the amendment of the gentleman from New York the first substitute?

The CHAIRMAN. The only motion pending before the committee is the amendment of the gentleman from Pennsylvania [Mr. ROBBINS] to strike out that paragraph.

Mr. MOON. Then strike it out.

The CHAIRMAN. No. The Chair is in error. The gentleman from New York [Mr. LAGUARDIA] has a substitute for that motion, which the Clerk will report for the information of the committee. The Chair was in error.

Mr. SUMNERS. Mr. Chairman——

The CHAIRMAN. Let the Clerk first report this amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 15, line 13, after the word "exceeding," strike out "$2,185,000 for the purpose of aeroplanes and" and insert in lieu thereof "$500,000 for."

The CHAIRMAN. The gentleman from Texas [Mr. SUMNERS] is recognized.

Mr. SUMNERS. Mr. Chairman and gentlemen of the committee, it is agreed by all present that the Government has all the airplanes it needs. It is contended here that we have no power to compel the War Department to turn over to the Post Office Department the airplanes which the War Department does not need and which the Post Office Department can use. Neither the Post Office Department nor the War Department is independent of the Congress. We are through with the war now. The time has come, gentlemen of the committee, when we must coordinate these branches of the Government. No business man, if he had material in one department which he did not need there, would leave such material in that department and purchase the same sort of material for another department in which it was needed. No farmer, if he had farming machinery on one farm which he did not need there but did need on another farm, would go and buy new implements for the second farm while the implements which were not needed were stored in a warehouse on the first farm. He would use some old-fashioned, practical horse sense, and that is what we need to use here. Now, gentlemen, if these departments will not coordinate, we can afford to stop right now and compel them to coordinate. [Applause.]

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS. In a moment. Now I am going to offer an amendment to strike out this $2,185,000 and provide that "no part of said funds shall be expended for the purchase of aeroplanes." That is exactly what we ought to say right now. [Applause.]

Mr. EMERSON. Did we not pass a bill some time ago directing the coordination of these departments? In that bill we placed everything practically in the hands of the President, coordinating these departments. Why should we not make an order to that effect?

Mr. SUMNERS. We are confronted by a definite situation. The Chair has ruled that we can not now in this bill direct the War Department to turn over the aeroplanes.

Mr. EMERSON. We could not, but why should not the President?

Mr. SUMNERS. We shall have another day here. This is not the only legislative day. We can see to it that the War Department shall turn over aeroplanes that it does not need for war purposes, and we should not now provide for their purchase by the Post Office Department. Everybody knows that many of the airplanes that we now have will be put into the scrap heap in the course of a few years. Why not use them before they become obsolete? It is ridiculous not to use these airplanes now. Everybody knows that airplanes of the present type will in course of time be superseded by other types and go out of use. Let us see if we can not bring out of the War Department's hangars some of these airplanes that can be used now for the mail service and save the people's money for a necessary use.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ALMON. Mr. Chairman, I yield to the gentleman from Illinois.

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes.

Mr. CANNON. Mr. Chairman, this is a substitute for what? I want to find out.

Mr. SUMNERS. Striking out the item of $2,185,000.

Mr. CANNON. And inserting $300,000?

Mr. LAGUARDIA. Yes.

Mr. CANNON. It would not do to strike out without inserting, as the gentleman [Mr. SUMNERS] who last addressed the committee stated it was his intention at the proper time to do, striking out $2,185,000. That would not do, because, unless you went up there on lines 7 and 8 and struck out "aeroplanes, $61,500,000," you would not accomplish your purpose.

Mr. SUMNERS. That provides that no part of this fund shall be expended for the purchase of airplanes.

Mr. LAGUARDIA. My amendment will read this way: "That out of this appropriation the Postmaster General is authorized to spend not exceeding $300,000 for the operation and maintenance of airplane service."

Mr. CANNON. Without the purchase?

Mr. LAGUARDIA. Yes.

Mr. CANNON. That is a limitation, simply striking out the $2,185,000 and putting in $300,000?

Mr. LAGUARDIA. That is simply for operation, not to purchase, because he has the machines now.

Mr. CANNON. I will vote for any amendment that will curtail the appropriation or legislation on this bill for the aeroplane service. We are falling into a very bad habit, that of putting all important legislation almost, more and more all the time, on appropriation bills without due consideration. The Aeroplane Service may or may not be a good service. It is being tested. I am quite in harmony with the proposition that after full consideration we should take care of the aeroplanes that the Government owns and that are not needed by the War Department and put to this service to give it a fair trial.

But why not let the great committees of the House deal with that proposition of initiating new service, considering it, and let it be reported in the House, and let us have a fair chance to amend and consider fully, rather than to put it on by the multiplied millions that frequently in effect lead to tens and hundreds of millions expenditure with a hop, skip, and a jump that must pass to maintain the Post Office Service, and to be settled finally when the last hours of the short session of Congress come by an agreement between the conference committees of the House and the Senate if there be disagreement. I would like to, and I think I will, offer, when this amendment is disposed of, an amendment to strike out of lines 7 and 8 the words "and aeroplanes."

Mr. ALMON. Mr. Chairman, the bill as reported by the committee makes an appropriation of $2,185,000 for the purchase of aeroplanes and maintenance and operation of the aeroplane service. It is admitted by the distinguished gentleman on the committee who reported the bill that only one-half a million dollars would be needed for the putting of this service into operation if the Government was permitted to use the aeroplanes owned by the Government. It is agreed by all, and I believe by the War Department and the Secretary of War, that after the declaration of peace that but few of the aeroplanes now owned by the Government will be needed for War Department purposes, and I have every reason to believe that if that discretion is not taken away from the Secretary of War he will exercise his discretion in favor of the Government and this service and deliver to the Postmaster General all the machines needed. But if he does not, shall we stand by and appropriate $2,000,000 to buy something that we already have? [Applause.] Why not remove his discretion and make it mandatory on the Secretary of War to turn over the machines now owned by the Government and not needed by the War Department, turn them over to the Post Office Department for carrying the mails according to the act of Congress. I do not believe there will be any trouble about it, but if there is I think we ought to act on the suggestion of the Chairman and reduce the appropriation $500,000 and amend the bill so that no part of the appropriation shall be used for the purchase of aeroplanes, but limit it to maintenance and operation of the aeroplane service.

The Chair has held, and I think properly, that we could not strike out the provision that gives the discretion in the former bill to the Secretary of War. But if found necessary we can, in the next 10 days, pass a separate bill taking away that discretion from the Secretary of War. We had better do that than to spend $2,000,000 for something that we already own and is not needed in the War Department. This is no time to appropriate money to purchase something already owned by the Government.

Mr. MOON. Mr. Chairman, let me say to the gentleman that I think in the main we ought to use things we have got and not spend money to buy more. I think the point of order against the bill that the Chair properly held out of order will cost the Government about $1,000,000 in order that a gentleman might show his learning on the subject of parliamentary law. I want to say further that $500,000 will not buy many machines and operate them. Now, I want to be perfectly candid with the House; I can not afford not to be. The suggestion I made a while ago was that if you strike out all of the second proviso it will leave $61,000,000 subject to be used by the Postmaster General for inland transportation by any sort of means—aeroplanes or railroad within the limitation. Of course, if you want to go to the top of the section and strike out the word "aeroplanes," as the gentleman from Illinois suggested, you destroy the aeroplane system entirely.

Mr. BLACK. Will the gentleman yield?

Mr. MOON. I will.

Mr. BLACK. I would like to ask the gentleman about the language for inland transportation by railroad routes and aeroplanes. Under that language the Postmaster General could not purchase any aeroplanes, could he, any more than he could purchase a railroad, unless some legislation gave him that authority to purchase aeroplanes? I would not think he would have the authority to purchase them.

Mr. MOON. That may or may not be, I would not undertake to say; but it vests the power for the operation of machines, and I do not see how he could operate the machines unless he had them.

Mr. SUMNERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SUMNERS. If the gentleman who has offered an amendment accepts my substitute will it be in order?

The CHAIRMAN. The gentleman who has offered an amendment can withdraw it with the consent of the committee. It is not in order for two substitutes to be pending at the same time.

Mr. MANN. Mr. Chairman, I call the attention of the Chair to the fact that there is no substitute pending, notwithstanding the mover may have called it a substitute. The motion was to strike out a part of the text. Then there was an amendment proposing to perfect the text. That is not and could not be a substitute for the motion to strike out the text. The only proposition pending is a motion to strike out the text and a second amendment to perfect the text, which is to be voted on first. A substitute can be offered.

The CHAIRMAN. The Chair understood the proposition that the gentleman from Pennsylvania [Mr. ROBBINS] offered an amendment to strike out certain lines in the bill. The gentleman from New York offered what he called a substitute. The Chair had not examined it to see whether it was a substitute, and when the Chair answered the gentleman from Texas he took it that there was a substitute pending, and stated that two substitutes could not be pending at the same time.

Mr. MANN. The Chair would be correct, but the amendment offered by the gentleman from New York is an amendment to the text which it is proposed to be stricken out.

The CHAIRMAN. If the committee will indulge the Chair a moment, the Chair will examine the amendment. The Chair has examined the amendment, and it is undoubtedly not a substitute, but is an amendment to the text, to perfect the text, as suggested by the gentleman from Illinois [Mr. MANN]. Therefore no substitute being now pending, under the rules of the House a substitute is in order, and the Chair will recognize the gentleman from Texas to offer a substitute.

Mr. SUMNERS. Mr. Chairman, I offer the following substitute, which I send to the desk and ask to have read.

The Clerk read as follows:

Substitute offered by Mr. SUMNERS: Page 15, line 11, after the word "further" strike out down to and including the word "determined," in line 15, and insert in lieu thereof the words: "No part of said funds shall be expended for the purchase of aeroplanes."

The CHAIRMAN. Does the gentleman desire to be heard?

Mr. SUMNERS. Mr. Chairman, I shall detain the committee just for a moment. Gentlemen of the committee, I deem it hardly necessary to explain the amendment offered. It provides for the elimination of the item of $2,185,000 for the purchase of aeroplanes. If there is any question in the mind of any gentleman of the committee which he would like to propound while I have the floor I should be very glad, indeed, to undertake to answer.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS. Yes.

Mr. MANN. As I understand the gentleman's amendment, it would prohibit the use of any of the money for the purchase of aeroplanes, but would give to the Postmaster General practically unlimited money for the maintenance and operation of aeroplanes.

Mr. SUMNERS. It does not affect the purpose of any feature of the section except the one dealing with the purchase of aeroplanes.

Mr. MANN. Oh, yes; the gentleman strikes out the limitation for the purchase, operation, and maintenance of aeroplanes. His amendment prohibits the use of the money for the purchase of aeroplanes, but under the provision of the first portion of the paragraph the Postmaster General would be authorized to operate and maintain aeroplanes.

Mr. SUMNERS. But the amendment offered prohibits the use of any part of the fund for purchasing aeroplanes, but does not contemplate limiting operation.

Mr. MANN. The gentleman does not propose to limit that?

Mr. SUMNERS. No; it is not my purpose—the amendment was hastily drawn—to place a limitation upon the authority and power of the Postmaster General to expend money for the operation and maintenance of aeroplanes.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS. Yes.

Mr. GREEN of Iowa. If I understand the gentleman now, it would seem to me that the amendment of the gentleman from New York [Mr. LAGUARDIA], which provided that $300,000 might be used for the operation and maintenance, would be what we want.

Mr. SUMNERS. It would be, provided the item of $300,000 is sufficient to operate and maintain. I am not advised on that point.

Mr. LAGUARDIA. That is all they asked for, and on page 60 the Postmaster General said that was all he wanted.

Mr. SUMNERS. Then with that statement I should be glad to withdraw the amendment just offered, but I do insist upon the elimination of authority to purchase aeroplanes.

The CHAIRMAN. The gentleman from Texas withdraws his amendment. The question now is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

Mr. GARRETT of Tennessee. Mr. Chairman, I offer the following substitute for the amendment offered by the gentleman from Pennsylvania [Mr. ROBBINS], which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. GARRETT of Tennessee offers the following: Strike out the paragraph beginning with line 7 and insert:

"For inland transportation by railroad routes and aeroplanes, $59,825,000: *Provided*, That not to exceed $1,000,000 be expended for payment of freight and incidental charges for the transportation of mails conveyed under special arrangements in freight trains or otherwise: *Provided further*, That out of this appropriation the Postmaster General is authorized to expend not exceeding $500,000 for the purchase of aeroplanes and the operation and maintenance of aeroplane service between such places as may be determined: *Provided further*, That the Secretary of War is hereby directed to deliver immediately to the Postmaster General 100 De Haviland 4 aeroplanes, 100 Handley-Pages, 10 Glen Martin day bombers, all planes completely assembled and with the necessary spare parts; also 100 extra Liberty engines with spare parts, 50 Hispano-Suiza engines with 300-horsepower motors and 20 Hispano-Suiza engines with 150-horsepower motors, the same to be out of any equipment that the War Department has on hand or under construction, the War Department appropriation to be credited with the equipment to be turned over to the Post Office Department: *And provided further*, That separate accounts be kept of the amount expended for aeroplane service."

Mr. GREEN of Iowa. Mr. Chairman, I make the point of order against that portion of the amendment providing for the turning over of property from the War Department to the Post Office Department.

The CHAIRMAN. The Chair will hear the gentleman upon that and call his attention to the provisions of the Holman rule.

Mr. GREEN of Iowa. I will say to the Chair that while the present occupant of the chair was out the previous occupant of the chair ruled upon this matter.

The CHAIRMAN. While the present occupant of the chair was not in the chair at the time, he was in the Hall, and he heard the ruling of the distinguished gentleman from Virginia, Judge SAUNDERS; as the amendment was proposed then the present occupant of the chair is in perfect accord with that ruling; but the present occupant of the chair thinks the proposed substitute now offered is capable of differentiation from the Moon amendment under the Holman rule, as it is reducing by about $2,000,000 the amount covered in this appropriation bill.

Mr. GREEN of Iowa. Mr. Chairman, I hardly think the Chair would want to rule that an amendment which would be proper under the Holman rule could also have tacked onto it a further amendment which was neither germane to the amendment itself nor to the bill and thereby make this last amendment, which was not germane, in order. If so, it seems to me, there is no limitation to where we would stop under the Holman rule. We have simply got to get the first part of it so that it will be admissible under the Holman rule, by providing for reduction of expenditures, and then we can go on and insert something that is not germane at all, if the ruling of the previous occupant of the Chair is correct as to germaneness—something that is not germane either to the amendment itself or to the bill.

Mr. PARKER of New Jersey. If the Chair will permit me to say a word, did the Chair hear the previous occupant of the chair when he said that the direction of the Secretary of War to deliver over to a separate department these aeroplanes was new legislation and could not be supported?

The CHAIRMAN. It is unquestionably new law, and it is permissible under rules of the House to adopt new law and legislate on an appropriation bill, providing it comes within the purview of the Holman rule.

Mr. GREEN of Iowa. Very true, as I stated; but, Mr. Chairman, if the Chair will indulge me a moment——

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. GREEN of Iowa. May we introduce an amendment which reduces expenses and thereby comes under the Holman rule, and then by virtue of that amendment tack on also a further amendment which is neither germane as a part of the regular amendment nor to the bill itself? If so, there is no limitation as to where we will land under the Holman rule. We will get anything whatever in there because the rule with regard to germaneness is of no consequence whatever. All we have to do is to have some entirely disconnected provision which is admissible under the Holman rule, and then put on something else which has no connection whatever with the nature of the proviso, and have it dragged in by virtue of the first part of the amendment which is admissible under the Holman rule. I hardly think the Chair can find a ruling in support of that, although I yield with great deference to the opinion of the Chair, knowing he is well informed on these subjects and an authority with reference to parliamentary practice.

Mr. MANN. Mr. Chairman, the gentleman from Iowa is right in saying that an amendment that is not germane ought not to be held in order, and that is the rule; but under the Holman rule any amendment which reduces the amount of money covered in the bill with legislation attached to it is in order if it is germane, and the question is whether it is germane. The Chair will decide that. We have been discussing the matter here nearly all the afternoon on the Post Office bill. I made a few remarks on the subject, the gentleman from Iowa made a few lucid remarks on the subject, many other Members of the House made remarks on the subject, all of them, I hope, thinking their remarks were germane to the proposition under consideration in the bill, and unless we have all been out of order in talking as we have then the amendment is germane to the bill. [Laughter.]

Mr. STAFFORD. Mr. Chairman, if the Chair will hear me, I take it from the remark of the Chairman in passing obiter upon the decision of the former occupant of the chair, the gentleman from Virginia [Mr. SAUNDERS], that he agrees with the gentleman from Virginia that his ruling was correct, that the amendment then presented for consideration was not germane.

The CHAIRMAN. If the gentleman will permit the Chair, the Chair understands the crux of the ruling of the gentleman from Virginia was this was legislation and, therefore, being legislation it was not in order on an appropriation bill, but the Chair does not——

Mr. STAFFORD. I take issue with the Chairman in that particular, and the decision of the then Chairman, the gentleman from Virginia, will sustain the position that the gravamen of his decision was that it was not germane, and that for it to be germane it was necessary to be directly connected with the matter in issue, and that the mere authorization of the purchase—I can not use his exact words—the mere authorization of the purchase of aeroplanes did not warrant authority to direct another department to turn over supplies. It was based fundamentally not on the position that it was legislation on an appropriation bill, but because the subject matter presented to the consideration of the House was not germane to the matter carried in the bill. Now, I direct the attention of the Chair to the fact that the Holman rule relates to legislation, forbidding legislation on an appropriation bill; that if the amendment itself shows that a reduction of the amount will result in a retrenchment of expenditure, so far as the rule is concerned that forbids legislation on an appropriation bill, that then it will be in order, but it does not remove the rule of germaneness, and I direct the Chair's attention——

The CHAIRMAN. The Chair is in full accord with the proposition and he does not care to argue it.

Mr. STAFFORD. If the Chair is going to adhere to the ruling of the pro tempore Chairman, and if there is any question about his position, I would request that the ruling of the gentleman from Virginia be read for the information of the committee, and the Chair will find that his ruling was that the

amendment was not germane. Now, this is the very point in issue here. It is the same amendment, the identical amendment, that was not germane to the provision carried in this bill. For the sake of consistency of ruling on the same afternoon, I know the present occupant of the chair is not going to cast aside the decision and the raison d'être of the decision of the gentleman from Virginia, because I know he has very high regard for the gentleman from Virginia. I leave it to the Chair to adhere to the ruling made in that instance—that it was not germane—and in this instance for the same reason—it is not germane.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Tennessee offered a substitute for the amendment of the gentleman from Pennsylvania, but for the purpose of this decision the Chair can state that the amendment is a substitute for the language in the appropriation bill, and the effect of the amendment is to reduce the amount appropriated in the bill from $61,500,000 to $55,825,000, and it provides, in lieu of making an appropriation of $2,185,000 available for the purchase, maintenance, and the operation of aeroplanes in the management of the inland postal service of the United States, that the Secretary of War shall turn over to the Post Office Department certain aeroplanes owned by the Government, to be used in that service, and so forth. Now, the question presents itself to the Chair under the point of order made whether this amendment is germane and if it is legislation on an appropriation bill, whether it is in order under the rules of the House. Clause 2 of Rule XXI of the House provides:

> Nor shall any provision in any such bill or amendment—
>
> Referring to general appropriation bills—
>
> thereto changing existing law be in order, except such as being germane to the subject matter of the bill shall retrench expenditures by the reduction of the number and salary of the officers of the United States—
>
> Of course, the amendment does not do that—
>
> by the reduction of the compensation of any person paid out of the Treasury of the United States—
>
> The amendment does not do that—
>
> or by the reduction of amounts of money covered by the bill.

The amendment here reduces the amount covered by the bill by over a million dollars. Then the question presents itself to the Chair to determine whether the amendment is germane and whether the legislation proposed in the amendment is germane and logically follows the reduction of the amount covered in the bill.

Now, the Chair has the greatest respect for the decision of the able gentleman who ruled a few moments ago on this amendment without the amount in the bill being reduced, and the Chair heard that decision and the Chair understood the point of order to be sustained because the amendment legislated, and legislation is not in order on an appropriation bill except in special cases. The present occupant of the chair is forced to conclude that the subject we are dealing with is aeroplanes for the use of the Government in the Postal Service and that an amendment proposing aeroplanes owned by the Government under the control of another branch be turned over to the Postal Department is germane. And while it is legislation, in the opinion of the Chair it is germane to the provision of the bill we are discussing; by the amendment the amount appropriated in the bill is reduced, and the reduction naturally follows the legislation proposed; and, therefore, under the Holman rule, the Chair overrules the point of order.

Mr. GARRETT of Tennessee. Mr. Chairman, I think the committee very well understands what is accomplished by this amendment, and I do not care to take up any further time of the committee in the discussion of it. Briefly stated, for the benefit of any gentleman who may not have been here during the discussion of this matter within the last hour or two, it accomplishes——

Mr. SHERWOOD. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. SHERWOOD. As I heard the amendment read it seemed to say for the purchase and operation of.

Mr. GARRETT of Tennessee. That is the exact language, I will say to the gentleman, that is carried in the bill. The only change is in the amount. This is exactly the language carried in the bill except the change in amount plus the amendment that was offered by the gentleman from Tennessee [Mr. MOON] requiring the War Department and making it mandatory upon them to turn over to the Post Office Department for the public service these aeroplanes, engines, and fixtures.

Mr. STAFFORD. Mr. Chairman, I wish to offer an amendment to the substitute offered by the gentleman from Tennessee [Mr. MOON].

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

Mr. STAFFORD. To follow that part of the gentleman's amendment just prior to the direction to the Secretary of War to turn over a certain number of aeroplanes and motors to the Postmaster General.

The CHAIRMAN. The Clerk will report the amendment proposed by the gentleman from Wisconsin.

The Clerk read as follows:

> Mr. STAFFORD moves to amend the substitute by inserting after the word "determined," the following:
>
> "That the Postmaster General in expending the appropriation herein for aeroplane service shall purchase, so far as possible, the aeroplanes, motors, equipment, and supplies from the War Department and Navy Department when no longer required, because of the cessation of war activities. It shall be the duty of the Postmaster General before purchasing any of such articles to ascertain whether the War or Navy Department has articles of the character described that are serviceable, and articles purchased from either of said departments, if the same have not been used, shall be paid for at a reasonable price, not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage. Said departments are authorized to sell such articles to the Post Office Department under the conditions specified, and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt."

Mr. STAFFORD. Mr. Chairman——

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. BORLAND. Mr. Chairman, I reserve a point of order on that.

The CHAIRMAN. The gentleman from Wisconsin was recognized and started his speech, and, under the rules of the House, the gentleman from Missouri is too late.

Mr. BORLAND. I thought the chairman of the committee would raise the point of order.

Mr. MOON. The chairman of the committee was looking after his interests. I favor the amendment.

Mr. STAFFORD. Mr. Chairman, this is similar to the provision carried in the District appropriation bill that passed the House a few days ago. There is no question but what the War Department and perhaps the Navy Department have large quantities of aeroplanes in their possession that are no longer needed for war activities. There is no question but what these departments have other supplies that could be used by other activities of the Government.

The House a few days ago established the policy, and a very commendable one, that when any of these war-engaged bureaus and departments have supplies that are utilizable by other departments the departments having need of them should first call upon them and purchase those supplies before going into the market and purchasing other supplies. We are about to launch on a new policy so far as the purchase or use of aeroplanes is concerned. I thought I would present this amendment as being in harmony with the policy adopted by the House in connection with the District appropriation bill.

Mr. SUMNERS. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Texas.

Mr. SUMNERS. I wanted to ask the gentleman if he does not believe, in making this arrangement, some provision ought to be carried under which the Government machine shops could be used for repairing these aeroplanes? Now, the Government has a number of repair depots stationed over the country, and, unless some provision is made, after the Government gets its aeroplanes it will have to either construct machine shops or have them repaired in other shops, while the Government machine shops would not be in use.

Mr. STAFFORD. In reply to the gentleman's inquiry, I would say it is outside of the provision and independent of the idea carried in the amendment that I have offered. For my part, I am quite in sympathy with the policy suggested to the committee to-day by the gentleman from Illinois [Mr. MANN]. I think there will be a duplication of activities for the Government to have one branch of the service like the military developing men in the experimentation and use of aircraft and at the same time allowing the Postmaster General to carry on independent operations without the cooperation and without the assistance of the military.

With that idea in mind I made the point of order so that the air service under the Postal Service could not all of a sudden grow into a tremendously expensive adjunct by developing an airplane service with hundreds and hundreds of planes. I thought it was far better for the Committee on the Post Office and Post Roads to have hearings whereby the representatives of the military branches of the Government could come before it and give the committee the benefit of their views and experience rather than with only limited knowledge on the subject for us to legislate here. But certainly this amendment that has been proposed by me is in consonance with sound governmental and business methods, and I submit it for the consideration it deserves.

Mr. BORLAND. Mr. Chairman, this amendment of the gentleman from Wisconsin [Mr. STAFFORD] is offered as an amendment to the substitute of the gentleman from Tennessee [Mr. GARRETT]. The proposition of the gentleman was that the Government should turn over from the War Department to the Post Office Department certain specified airplanes, to be used in establishing this airplane postal service, and that logically follows, as the Chairman has ruled, the reduction in the amount carried in the bill.

A part of the reduction is involved in the provision that the airplanes now owned by the Government in another department shall be turned over to and used by the Post Office Department. The gentleman from Wisconsin undertakes to amend that by providing that the Post Office Department shall buy these airplanes from the War Department. That, of course, would not logically follow any reduction in the bill, and therefore it would not have been in order if the point had been made in time.

Mr. MANN. Is the gentleman aware that the Garrett amendment authorizes the purchase of machines?

Mr. BORLAND. I am aware that it authorizes the purchase of machines, but it also directs the War Department to turn over certain machines; and the Chair, as I understand, rules that the part turning over the machines was logically connected with the reduction.

Mr. MANN. I think so; but if the Post Office Department is going to purchase any machines, why should it not have the privilege of purchasing parts? I take it it would not be machines. Why should it not have the privilege of purchasing parts from the War Department?

Mr. BORLAND. That is not the whole scope of the gentleman's amendment. If it were, I think there might be something said in its favor. The scope is that we shall buy these airplanes. The only theory upon which we would direct the machines to be turned over at all is the theory that they have ceased to be necessary for the use of the War Department. If that is true—and that is the only argument upon which the turning of them over can be predicated—then why should they be bought from the War Department, and what would be done with the money that was paid for them? Would it be put in the aeroplane fund and used for the purchase of more unnecessary machines? Just exactly why we should buy them from the War Department when the Government already owns, presumptively, more machines than it can use in that department? The whole purpose and scope of the proposition of the gentleman from Tennessee is violated by this amendment. It has no relation whatever to the attempted economy which is suggested by the amendment of the gentleman from Tennessee.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes; I yield to the gentleman.

Mr. STAFFORD. Is the gentleman acquainted with the order of the President, made by him on the eve of his departure for France, whereby the departments of the Government—the War and Navy Departments and all other boards and bureaus with war activities are obliged to turn over to the Supply Committee of the Treasury Department all supplies that are not needed by them in connection with the further operation of their departments and activities, and that all other departments are compelled to purchase their supplies from this Supply Committee, and that the amounts so paid shall be turned back into the Treasury as miscellaneous receipts? This amendment is directly in harmony with the suggestion of the President in that order.

Mr. BORLAND. Let me ask the gentleman why does he desire these supplies to be purchased instead of turned over? What does he expect to accomplish?

Mr. STAFFORD. I can not forecast what the ultimate form of this amendment will be in when it is enacted into law, and, further, it affords a check by Congress on the amount of supplies that are so transferred.

Mr. BORLAND. The gentleman is responsible for the form he puts it in.

Mr. STAFFORD. I accept that responsibility. There is a fund of $500,000 put in the hands of the Postmaster General with which to purchase supplies. The War Department has vast supplies. I think the Postmaster General should be compelled, as the amendment requires, to go to the War Department and obtain these supplies from the War Department, if they are no longer needed there, instead of going out in the open market and purchasing them.

Mr. BORLAND. Why should not that be a general regulation?

Mr. STAFFORD. It is a general regulation as to supplies no longer needed to be turned over to the Treasury Department, supplies such as desks and furniture and the like. And that very order provides—and it is an Executive order—that the various departments shall purchase their supplies out of the contingent funds, and the Treasury Department shall turn these receipts over to the Treasury as miscellaneous receipts.

Mr. BORLAND. The gentleman has just there revealed the weakness of his attitude. These supplies are to be turned over to the supply committee when no longer needed by the departments. We are legislating on the assumption that the War Department does not need these airplanes. We are not asking them whether they no longer need them, but we are deciding that question, which is a very important proposition. We say to the War Department, "You do not need these airplanes and therefore we will require you to turn them over as a matter of economy and efficiency to the Post Office Department."

Mr. STAFFORD. I assume that the Secretary of War and the Secretary of the Navy are patriotic in their endeavor to conserve the revenues of the Government, and they are not going to retain to-day supplies that they do not need when other branches of the Government need them; but if they do not need them and decline to turn them over they can be directed by Congress to turn them over.

Mr. BORLAND. But the gentleman is going on the theory that the War Department thinks they do not need these airplanes.

Mr. MANN. Mr. Chairman, I do not quite get the theory of my friend from Missouri [Mr. BORLAND]. So far there has been no proposition made to eliminate that portion of the Garrett amendment, which provides that the airplanes shall be turned over by the War Department to the Post Office Department. And if we are to have an airplane service conducted by the Post Office Department, I would certainly be in favor of that proposition. I do not understand that the Stafford amendment interferes with that. That is where I am willing to receive enlightenment. I understood that the Garrett amendment directed absolutely that certain machines should be turned over by the War Department to the Post Office Department and also included a provision that the Post Office Department might purchase machines within the limit—purchase, operation, and maintenance—for $500,000. While I do not apprehend they could purchase many machines under that appropriation, I do apprehend that the purchase of the parts of machines will be necessary of somebody somewhere, and it would seem that there would be no objection from the War Department or the Navy Department if the Post Office Department required these parts to purchase them from the War or Navy Department.

Mr. BORLAND. I understand the Garrett amendment is to include the turning over of not only aeroplanes and engines, but the spare parts.

Mr. MANN. That is true.

Mr. BORLAND. In other words, my understanding is that it directs the War Department to turn over whatever it can turn over now.

Mr. MANN. Whatever it can turn over immediately, but not what it can turn over a year from this time. I take it that if they operate the aeroplanes they will soon require new parts if they do not require new machines. At any rate, the Garrett amendment authorizes the purchase, and if we are to have the purchase I think we ought to permit the War Department to sell the machines and parts to the Post Office Department, as I was in favor the other day of permitting the District Commissioners to purchase from the various departments of the Government the material which they no longer needed.

Mr. MOON. Mr. Chairman, I think the amendment which is offered is appropriate and ought to be passed.

The CHAIRMAN. The Chair will state that the gentleman from Pennsylvania [Mr. ROBBINS] offered an amendment to strike out certain lines of the bill. To that the gentleman from New York [Mr. LAGUARDIA] offered an amendment to perfect the text. The gentleman from Tennessee [Mr. GARRETT] offered a substitute for the amendment of the gentleman from Pennsylvania to strike out a certain paragraph of the bill and the gentleman from Wisconsin offered an amendment to the substitute offered by the gentleman from Tennessee. The vote will first be had on perfecting the original text and next on perfecting the substitute before the vote is had on whether the substitute shall prevail over the original text. The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Page 15, line 18, after the word "exceeding," strike out "$2,185,000 for the purchase of aeroplanes and" and insert in lieu thereof "$300,000 for."

The CHAIRMAN. The question is on the amendment just read.

The question was taken; and on a division (demanded by Mr. MOON) there were—ayes 30, noes 33.

Mr. LAGUARDIA. Mr. Chairman, I ask for tellers.

The question of ordering tellers was taken, and 16 Members arose.

The CHAIRMAN. Not a sufficient number, and tellers are refused.

So the amendment was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Wisconsin [Mr. STAFFORD] to the amendment of the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, if I may be indulged before the vote is put on the amendment——

The CHAIRMAN. The gentleman can proceed without objection.

Mr. GARRETT of Tennessee. I want to offer a suggestion to my colleague from Wisconsin. I am reliably informed that there will be an amendment offered as an opportunity is presented to strike out the provision for the purchase of aeroplanes. It will leave the amount the same, but it will strike out the provision for the purchase.

Now, if the amendment of the gentleman from Wisconsin prevails, as I have no doubt it will, as there seems to be no committee opposition to it and as it is a reasonable amendment, there is some language in there which I think the gentleman would not desire to have in if the amendment prevails to strike out the provision for the purchase of aeroplanes. I suggest, if agreeable to the gentleman from Wisconsin, that temporarily, by unanimous consent, he withhold the amendment until the gentleman from Alabama can offer the amendment to strike out the provision for the purchase. Let that be voted on, and then, if it prevails, I think the gentleman from Wisconsin would want to strike out the word "aeroplanes" from his amendment.

Mr. STAFFORD. My purpose in presenting the amendment is to have it a part of the bill when it goes to the Senate. It is in harmony with all the legislation that we are proposing in utilizing supplies no longer necessary. We can not forecast what attitude the Senate will take on this important proposition, and it should be a part of the bill when it goes to the Senate. I do not think there will be any great discord in the amendment if the word "purchase" should be eliminated. I think we had better proceed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment to the substitute was agreed to.

Mr. ALMON. Mr. Chairman, I offer the following amendment as a substitute:

The Clerk read as follows:

Amendment by Mr. ALMON: After the words "five hundred thousand dollars for," strike out the words "the purchase of aeroplanes and."

Mr. ALMON. Mr. Chairman, the Post Office Department has made known to the committee the number and kind of aeroplanes needed for the aeroplane service. It is also agreed that the Government already owns all the aeroplanes that will be needed by the Post Office Department. For that reason I offer this amendment, so that no part of this half a million dollars will be used by the Postmaster General for the purchase of aeroplanes, but that it be used solely for the operation and maintenance of an aeroplane service. Of course, they could use a part of this half million dollars for the buying of parts, because that would be a part of the expense and maintenance, but no part of it should be used for the purchase of aeroplanes themselves, as they can be furnished by the War Department.

Mr. MOON. Mr. Chairman, I want to suggest that that is too close a limitation. If you are going to do any good with this service, you ought not to hamper the Postmaster General in that way. It may be that he might want to purchase several aeroplanes as well as operate them. With the fact before you that he can not now under the law that has been passed get a single aeroplane I believe we better just leave the language as it is and give him at least some discretion as to the $500,000. If you are not going to give him any discretion, just wipe out the whole thing.

Mr. MANN. Mr. Chairman, the original provision in the paragraph was—

For inland transportation by railroad routes and aeroplanes, $61,500,000.

The committee inserted a limitation in that so that the Postmaster General might not expend more than $2,185,000 for purchase, maintenance, and operation. It was a question in my mind when the propositions were presented to the committee a while ago whether, if you strike out the limitation, you do not authorize the Postmaster General to spend as much as he pleases of the $61,500,000 for operation, for maintenance, and for purchase. In other words, under the original provision of the text, if there had been no limitation the Postmaster General would have had authority, I am inclined to think, to use such portions of the entire appropriation as he pleased for the purchase of aeroplanes.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. BLACK. Suppose we should authorize $100,000 for screen-wagon service and have no authority of law to purchase, does the gentleman think the Postmaster General would have the right to go out and purchase Government-owned vehicles to operate that service?

Mr. MANN. I think he has exercised that right. He has purchased automobiles without any specific authority of Congress. He purchased and owned railroad cars without any specific authority of Congress, so far as I remember.

Mr. BLACK. I do not agree or disagree with the gentleman on that proposition, because I do not have the information; but I do not think he would have the right to go out and make these direct purchases without authority of law.

Mr. MANN. There are certain things that he could not purchase. He probably can not purchase land, but if you authorize the Postmaster General to do certain things, and if there is no way to do it except by the purchase of certain things, he probably can make the purchase. Whether that be the case or not is not so pertinent. I was inclined to think he would have the authority. It is perfectly plain to me that if you strike out the word "purchase" here and put no limitation on the purchase and have included a provision in the bill in the same paragraph that he may purchase from the War Department, that he can purchase without limit. The Stafford amendment authorizes the purchase, and it has been agreed to by the committee, by the Post Office Department, and any law officer of the Government would say it was a very silly aggregation of men in Congress who would make an appropriation of $61,000,000 for the maintenance of an aeroplane system and then authorize the purchase from the War Department and say they could not use the money for that purpose.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. GARRETT of Tennessee. That was why I ventured to express to my friend the wish that he would withdraw temporarily his amendment.

Mr. MANN. I understand. I am not sure that the Stafford amendment should be agreed to under the conditions.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Alabama to the substitute.

The amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend the amendment of Mr. GARRETT of Tennessee by adding the following:

"*Provided*, That said planes, motors, and material be operated, repaired, and maintained by the personnel of the Air Service of the Army."

Mr. MOON. Mr. Chairman, I make the point of order on that.

The CHAIRMAN. Does the gentleman from New York desire to be heard upon the point of order?

Mr. LAGUARDIA. Yes. If it was germane to turn over the machines of the War Department to the Post Office Department, I do not see why it is not germane to provide that those machines be operated by the personnel of the Army. It is simply a question of appropriation. These machines were purchased by the War Department out of money appropriated for the War Department, and there is no reason, if the committee is acting in good faith, why they can not go the whole limit and do this thing right. What you have now is a botched up job. You have machines that the Post Office can not take care of, they can not maintain, and you are just taking machines out of proper care and turning them over to the Post Office. It is the most unintelligent piece of legislation—and that is saying a whole lot—that the Sixty-fifth Congress has ever passed. It is up to you, gentlemen.

Mr. GREEN of Iowa. Mr. Chairman, I would like to be heard for a moment upon this. I think this amendment is admissible under the Holman rule. It reduces expenses very clearly.

The CHAIRMAN. The Chair is ready to rule.

Mr. STAFFORD. Mr. Chairman, will the Chair hear me for a moment?

The CHAIRMAN. The Chair will hear the gentleman, but the Chair's mind is made up.

Mr. STAFFORD. Very well.

The CHAIRMAN. The Chair sustains the point of order.

Mr. GREEN of Iowa. Then I reoffer the amendment with a further amendment to it, adding the words "without expense to the Post Office Department."

Mr. MOON. I make the point of order on that.

Mr. GREEN of Iowa. I shall wait until I shall hear the ruling of the Chair, and if that is not in order then I shall offer still another.

The CHAIRMAN. The Chair will sustain the point of order on the ground that the amendment nowhere reduces the amount covered by the bill, does not reduce the number of employees or officers of the Government, and does not fall within the limits of the Holman rule.

Mr. STAFFORD. Mr. Chairman, may I inquire in that connection, with all due respect to the Chair, if the amendment now proposed had been originally incorporated as a part of the Garrett amendment, the Garrett amendment reducing expenditures, would the Chair then hold that the amendment was not germane to the matter contained in the Garrett amendment?

The CHAIRMAN. The Chair has been here long enough not to cross bridges until he arrives at them.

Mr. STAFFORD. That is the question that is up to the Chair.

Mr. GREEN of Iowa. Mr. Chairman, I offer the following amendment: "*Provided*, That no part of said sum shall be expended for the operations of the said planes, motors, and material which shall be maintained and operated by the personnel of the Air Service of the Army."

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Iowa.

Mr. GARRETT of Tennessee. Let the amendment be reported; there may be a point of order against it.

The CHAIRMAN. The Chair will state there is no point of order made on the amendment.

Mr. MOON. The amendment never has been reported under the rule.

The CHAIRMAN. That is correct. The Clerk will report the amendment.

The Clerk read as follows:

Mr. GREEN of Iowa offers the following amendment to the Garrett amendment: Add at the end of the Garrett amendment the following proviso:

"*Provided*, That no part of said sum shall be expended for the operation of the said planes, motors, and material which shall be maintained by the personnel of the Air Service of the Army."

Mr. MOON. I make a point of order on it.

Mr. EMERSON. Mr. Chairman, I ask unanimous consent that this section be read by the Clerk.

The CHAIRMAN. The point of order is pending. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. LITTLE. What is the point of order?

The CHAIRMAN. The point of order is that this is legislation that is not in order on this appropriation bill.

Mr. LAGUARDIA. It is logical.

Mr. LITTLE. Let the gentleman state what his point of order is.

The CHAIRMAN. The Chair is only passing upon it.

Mr. MANN. If that is the point of order, of course that is not any good, because this is an amendment in the way of legislation to an amendment, which is all legislation, practically, and which is in order under the Holman rule. So far as its being legislation is concerned, if that is the point of order that is made, why the Chair will readily see that point of order is not good.

The CHAIRMAN. The Chair, of course, spoke hastily. The Chair understood the gentleman makes the point that this amendment was not in order because it added affirmative direction and added additional legislation that was not germane to the legislation proposed in the substitute amendment offered by the gentleman from Tennessee.

Mr. GREEN of Iowa. If that is the point of order, I would like to be heard very briefly. I do not see how the Chair could possibly hold it is not germane after having held the other amendment was germane. This relates to the disposition of these particular aeroplanes provided for in the original Garrett amendment, tells how they shall be disposed of and used, so it seems to me it is very clearly germane.

Mr. BLAND of Indiana. Mr. Chairman, I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Indiana makes the point of order there is no quorum present. The Chair will count. [After counting.] Sixty-three gentleman are present, not a quorum, and the Clerk will call the roll.

Mr. MOON. Well, Mr. Chairman, as gentlemen seem to be anxious to rise, and while I would be glad to work on, I defer to their wishes, and I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRISP, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13308, and had come to no conclusion thereon.

LEAVE OF ABSENCE.

By unanimous consent Mr. MUDD was granted leave of absence for 10 days on account of sickness.

DISPENSING WITH CALENDAR WEDNESDAY.

Mr. MOON. Mr. Speaker, I ask unanimous consent that the business on Calendar Wednesday be dispensed with to-morrow so that we may take up the Post Office appropriation bill.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to dispense with Calendar Wednesday in order to take up this appropriation bill. Is there objection?

Mr. ALMON. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from North Carolina [Mr. KITCHIN] when we may expect to be given an opportunity to take up the Private Calendar. There are a number of undisputed bills on that calendar which passed the last Congress and did not pass the Senate for want of time.

Mr. KITCHIN. If we get through with this bill in time, by Friday, we can take that calendar up on Friday. I propose to ask to take up the Private Calendar on Friday.

The SPEAKER. Is there objection?

Mr. WALSH. Reserving the right to object, I would like to ask what would be in order if this bill should be concluded early to-morrow afternoon—what would be taken up?

Mr. KITCHIN. We have no appropriation bill ready to take up, and in that case we could take up the Private Calendar on Thursday.

Mr. WALSH. Will it be in order to adjourn after passing this bill?

Mr. KITCHIN. The gentleman means to-morrow afternoon; yes. We will adjourn when we get through with this bill to-morrow.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. GRIEST. Mr. Speaker, I ask unanimous consent to extend my remarks on the Post Office appropriation bill.

The SPEAKER. Is there objection to the request? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p. m.) the House adjourned until to-morrow, Wednesday, December 18, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Speaker of the House of Representatives of Porto Rico, transmitting "Petition to the Congress of the United States to include in such reciprocal commercial treaties as our nation may negotiate with Spain or any other European nation the importation of Porto Rican coffee free of duty or under the largest tariff rebate possible" (H. Doc. No. 1594); to the Committee on Ways and Means and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting a communication from the Secretary of the Smithsonian Institute submitting a proposed paragraph of legislation for inclusion in the sundry civil appropriation bill relative to the appropriation for observation of the eclipse of the sun June 8, 1918, making the balance available for the eclipse of May 28, 1919 (H. Doc. No. 1595); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting a tentative draft of legislation for the inclusion in the legislative, executive, and judicial appropriation bill (H. Doc. No. 1596); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Commerce submitting a supplemental estimate of appropriations required by the Bureau of Foreign and Domestic Commerce (H. Doc. No. 1597); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Acting Secretary of the

Interior submitting a supplemental estimate of appropriation for the building and grounds at St. Elizabeths Hospital, fiscal year 1919 (H. Doc. No. 1598); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Acting Secretary of State, transmitting a translation of note from the ambassador announcing that the Spanish Senate unanimously directed to be entered on its journal, in view of the signing of the armistice of November 11, 1918, congratulations on the peace and the triumph of justice over force (H. Doc. No. 1599); to the Committee on Foreign Affairs and ordered to be printed.

7. A letter from the Secretary of War, transmitting a recommendation that an item be included in the pending river and harbor bill for the purchase of and improvement of the inland waterway from Delaware River to Chesapeake Bay (H. Doc. No. 1600); to the Committee on Rivers and Harbors and ordered to be printed.

8. A letter from the Secretary of State, transmitting information that a note has been received from the ambassador of Spain stating that the Spanish Government was in intimate understanding with the western powers of Europe and the United States (H. Doc. No. 1601); to the Committee on Foreign Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. MANSFIELD, from the Committee on the District of Columbia, to which was referred the bill (H. R. 12635) to incorporate the American Committee for Relief in the Near East, reported the same without amendment, accompanied by a report (No. 866), which said bill and report were referred to the House Calendar.

Mr. SIMS, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 4924) to amend section 336 of the Revised Statutes of the United States, relating to the annual report on the statistics of commerce and navigation of the United States with foreign countries, reported the same without amendment, accompanied by a report (No. 867), which said bill and report were referred to the House Calendar.

Mr. DILLON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 13232) granting the consent of Congress to Traill County, N. Dak., and to Polk County, Minn., to construct a bridge across the Red River of the North, reported the same with amendment, accompanied by a report (No. 868), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GREGG, from the Committee on War Claims, to which was referred the bill (H. R. 10152) to carry into effect the findings of the Court of Claims in favor of Elizabeth White, administratrix of the estate of Samuel N. White, deceased, reported the same without amendment, accompanied by a report (No. 865), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KELLY of Pennsylvania: A bill (H. R. 13415) to provide for the present emergency arising out of the demobilization of soldiers and sailors by securing for them opportunities for permanent and profitable employment through the settlement, colonization, and development, upon a systematic and comprehensive basis, of agricultural lands, and of the forest, mineral, and other natural resources within the United States and Alaska, and for other purposes; to the Committee on Labor.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13416) to authorize the compilation, printing, and sale of a Spanish-English and English-Spanish dictionary; to the Committee on the Library.

By Mr. DUPRÉ: A bill (H. R. 13417) providing for the improvement of Barataria Bay, La., and connecting waters; to the Committee on Rivers and Harbors.

By Mr. SANDERS of New York: A bill (H. R. 13418) retiring veterans of the late Civil War and granting them pensions; to the Committee on Invalid Pensions.

By Mr. SNYDER: A bill (H. R. 13419) to create regional boards of examiners to aid in the disposition of claims arising out of the present emergency and prior to November 12, 1918; to the Committee on the Judiciary.

By Mr. DOOLITTLE: A bill (H. R. 13420) to amend the act of May 11, 1912, as amended by the act of June 10, 1918, granting pensions and increase of pensions to soldiers and sailors of the Civil War, and for other purposes; to the Committee on Invalid Pensions.

By Mr. PHELAN: A bill (H. R. 13421) to amend sections 7, 10, 11, and 25 of the Federal reserve act, and section 5172, Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. GOULD: Resolution (H. Res. 481) requesting the President for certain information in accordance with the so-called Overman Act; to the Committee on the Judiciary.

By Mr. McFADDEN: Resolution (H. Res. 482) authorizing the creation of a select committee to inquire into the affairs of the Bureau of War Risk Insurance; to the Committee on Rules.

By Mr. EMERSON: Joint resolution (H. J. Res. 370) directing the peace commissioners to insist as a part of the peace treaty that outrages against Jews be discontinued; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DENTON: A bill (H. R. 13422) granting a pension to Margaret A. McFadden; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 13423) granting an increase of pension to James Myers; to the Committee on Invalid Pensions.

By Mr. GOODALL: A bill (H. R. 13424) granting an increase of pension to Frank C. Stevens; to the Committee on Invalid Pensions.

By Mr. SANFORD: A bill (H. R. 13425) granting an increase of pension to Emeline McAllaster; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Petition of Frank E. Noyes, publisher of Mariette Eagle-Star, recommending the present postal zone rates; to the Committee on Ways and Means.

By Mr. ESSEN: Petition of Central Council of Central Agencies of St. Louis, Mo., praying for the passage of House bill 12880; to the Committee on Education.

By Mr. EMERSON: Resolutions of the Hebrew Social Aid Society, of Cleveland, Ohio, urging protest against cruel and unmerciful massacre of innocent women and children in Poland and Galicia; to the Committee on Foreign Affairs.

Also, resolutions by the North American Union at Cleveland, Ohio, urging Senators and Congressmen of that district to assist in passage of Senate bill 3475; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island: Resolution of United Irish Societies of Woonsocket, R. I., requesting Congress to urge American representatives at peace conference to use full weight and influence to the end that the principle of self-determination shall be applied to the settlement of the future government of the people of Ireland; to the Committee on Foreign Affairs.

By Mr. LUNDEEN: Protests from boiler makers of the Minneapolis & St. Louis and Chicago, Milwaukee & St. Paul railroads against the action taken by Senator KELLOGG in regard to Government ownership of railways and favoring Mr. McAdoo's proposition of five-year control; to the Committee on Interstate and Foreign Commerce.

Also, petition of allied shopcraft of the Chicago, Milwaukee & St. Paul Railroad, of Minneapolis, Minn., asking Government ownership of railroads; to the Committee on Interstate and Foreign Commerce.

Also, petition of International Brotherhood of Blacksmiths and Helpers of the Chicago, Milwaukee & St. Paul Railroad asking Government control of railroads for five years; to the Committee on Interstate and Foreign Commerce.

Also, petition of Soo Line System Federation, protesting against the return of the railroads to private ownership and asking for genuine Government ownership; to the Committee on Interstate and Foreign Commerce.

By Mr. MADDEN: Resolutions by Federal grand jury at Boston, Mass., urging increase in wages; to the Committee on the Judiciary.

By Mr. RAKER: Resolutions by the Sacramento Valley (Cal.) Development Board, requesting the passage of Senate bill 758 and House bill 4595; to the Committee on Pensions.

Also, resolution by the Gardena Parents-Teachers' Association, Los Angeles, Cal., indorsing Senate bill 4987; to the Committee on Education.

By Mr. VARE: Petition of Hon. John J. Guerin, representative of building and loan associations, clubs, and fraternal organizations of South Philadelphia, urging passage of legislation for the retirement of aged Government employees; to the Committee on Reform in the Civil Service.

Also, resolutions of the Lumbermen's Exchange of the city of Philadelphia, relative to making the Darby River navigable; to the Committee on Rivers and Harbors.

SENATE.

WEDNESDAY, *December 18, 1918.*

(Legislative day of Sunday, December 15, 1918.)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The VICE PRESIDENT resumed the chair.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	New	Spencer
Baird	Johnson, S. Dak.	Norris	Sterling
Bankhead	Jones, N. Mex.	Nugent	Sutherland
Beckham	Jones, Wash.	Overman	Swanson
Borah	Kellogg	Penrose	Thomas
Brandegee	Kenyon	Pittman	Thompson
Chamberlain	Kirby	Poindexter	Townsend
Colt	Knox	Pollock	Trammell
Culberson	La Follette	Pomerene	Underwood
Curtis	Lenroot	Robinson	Vardaman
Fernald	Lodge	Saulsbury	Walsh
Fletcher	McCumber	Shafroth	Warren
France	McKellar	Sheppard	Watson
Gay	McLean	Sherman	Weeks
Gronna	McNary	Simmons	Williams
Harding	Martin, Ky.	Smith, Ariz.	Wolcott
Hardwick	Martin, Va.	Smith, Ga.	
Henderson	Moses	Smith, Mich.	
Hitchcock	Myers	Smoot	

Mr. CURTIS. I wish to announce the absence of the junior Senator from New York [Mr. CALDER] on account of illness. I will let this announcement stand for the day.

Mr. CHAMBERLAIN. The Senator from Maryland [Mr. SMITH] is detained on official business.

Mr. SUTHERLAND. My colleague [Mr. GOFF] is absent owing to illness.

The VICE PRESIDENT. Seventy-three Senators have answered to the roll call. There is a quorum present.

SENATORS FROM GEORGIA AND ALABAMA.

The VICE PRESIDENT. The Chair lays before the Senate the following document which has been sent to the Chair. It will be read and referred to the Committee on Privileges and Elections.

The Secretary read as follows:

The State of Georgia. By his excellency Hugh M. Dorsey, governor of said State.

To the Hon. WILLIAM J. HARRIS, greeting:

Whereas by the Constitution of the United States of America it is ordained and established that the Senate of the United States shall be composed of Members chosen every six years by the people of the several States; and

Whereas by the returns made agreeably to law of the election held on the 5th day of November, A. D. 1918, for a Member of the Senate to represent this State in the Senate of the United States for six years, beginning on the 4th day of March, 1919, you were duly elected by the people of this State.

These are, therefore, to commission you, the said WILLIAM J. HARRIS, to take session in the Senate of the United States for six years beginning on the 4th day of March, 1919, and to use and exercise all and every the privileges and powers which of right you may or can do in and by virtue of the Constitution of the United States in behalf of this State.

Given under my hand and the great seal of the State at the capitol in Atlanta, this 3d day of December, in the year of our Lord 1918, and of the independence of the United States of America the one hundred and forty-third.

HUGH M. DORSEY, *Governor.*

By the governor:
[SEAL.]

HENRY B. STRANGE,
Secretary of State.

Mr. UNDERWOOD. I present the credentials of my colleague [Mr. BANKHEAD] for the new term for which he has been elected. I ask that they be read and filed.

The credentials were read and ordered to be placed on file, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, JOHN H. BANKHEAD was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1919.

Witness: His excellency our governor of Alabama and our seal hereto affixed at the capitol this 19th day of November, in the year of our Lord 1918.

CHARLES HENDERSON, *Governor.*

By the governor:
[SEAL.]

JOHN PURIBOY,
Secretary of State.

Mr. SMITH of Georgia. Mr. President, I had the privilege some days ago of handing you the usual form of certificate of election of my future colleague, Mr. HARRIS, which was laid before the Senate and placed on file in the ordinary course. I only desire to call attention to it now.

The VICE PRESIDENT. This document came to the Chair with the request that it be laid before the Senate.

Mr. LODGE. Mr. President, my attention was diverted. What disposition was made of that credential?

The VICE PRESIDENT. Which one?

Mr. LODGE. The Harris credential.

The VICE PRESIDENT. It was referred to the Committee on Privileges and Elections.

Mr. LODGE. I thought the Senator from Georgia spoke of it as having been placed on file.

The VICE PRESIDENT. As the Senator from Georgia informed the Senate, the regular certificate was handed down some days since. This is a commission from the governor to the effect that Mr. HARRIS will appear and take his seat here on the 4th of March next. It is not in the form of a credential; but it came with the request that it be laid before the Senate, and it has been referred to the Committee on Privileges and Elections.

Mr. LODGE. What was the other credential?

Mr. SMITH of Georgia. It conformed to the usual conditions as provided by the Senate.

The VICE PRESIDENT. The other was in the usual form, as ordered by the Senate. This is going to be the rule of the Chair, unless otherwise ordered by the Senate. The Senate adopted a form to be followed by the governors of the various States when certifying to the election of United States Senators. When the credentials come in that form they will be laid before the Senate, and unless the Senate takes some other action they will be placed on file, but when they come in some other form and do not comply with the resolution of the Senate they will be referred to the Committee on Privileges and Elections.

Mr. SMITH of Georgia. I think this document was not necessary at this time. The certificate that I presented was in the regular form required by the Senate, and my only desire was to mention the fact that the certificate, in pursuance of the form prescribed by the Senate, had been filed and had taken the usual course.

Mr. LODGE. If I may ask, was the other credential, which I understand was that of the Senator from Alabama [Mr. BANKHEAD], placed on file?

The VICE PRESIDENT. It was the regular certificate, and was filed. On December 3 the regular certificate of the Senator elect from Georgia was placed on file.

Mr. SMITH of Georgia. This is a supplemental commission issued by the governor that I do not think was necessary.

Mr. LODGE. I was asking about another credential, which I understand was presented and placed on file.

PAY OF THE NAVY.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, transmitting a letter from the Chief of the Bureau of Navigation requesting that the temporary increases in the pay of the Navy as authorized by the act approved May 22, 1917, be made permanent, which, with the accompanying paper, was referred to the Committee on Naval Affairs and ordered to be printed.

STATEMENT OF EXPENSES.

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a report from the Commissioner of the General Land Office showing a statement of expenses incurred in detailing temporary clerks from the office of one surveyor general to another, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, requested the Senate to return to the House for correction the bill (H. R. 12001) to amend an act entitled "An act to revise, codify, and amend the laws relating to the judiciary," approved March 3, 1911.

PETITIONS AND MEMORIALS.

Mr. KNOX obtained the floor.

Mr. FLETCHER. I ask the Senator from Pennsylvania to yield that I may present some telegrams, which I ask be noted in the RECORD. They relate to the railroad situation.

Mr. KNOX. I yield for that purpose.

Mr. FLETCHER presented a telegram in the nature of a petition from the Sawyer Godfrey Co., of Jacksonville, Fla., praying for the speedy return of the railroads to private ownership, which was referred to the Committee on Interstate Commerce.

He also presented a telegram in the nature of a resolution from the Central Trades and Labor Council of Jacksonville, Fla., and a telegram in the nature of a resolution from the Brotherhood of Railway Carmen, Lodge No. 540, of Tampa, Fla., favoring the extension of Government ownership of railroads, which were referred to the Committee on Interstate Commerce.

He also presented a telegram from the Henry W. Horst Co., of Moline, Ill., relative to the housing project at Rock Island, Moline, and East Moline, Ill., which was referred to the Committee on Public Buildings and Grounds.

Mr. SIMMONS. Mr. President, I am going to call for the regular order.

Mr. FLETCHER. I present a communication with reference to the State of Florida and the United States courts, which I move be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. FLETCHER. I present a communication in the nature of a petition from the Federal grand jury for the southern district of Florida, praying for an increase in the compensation for members of the grand and petit juries and for witnesses before the Federal courts. I move that it be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. PHELAN presented a memorial of the Iron Trades Council of San Francisco, Cal., remonstrating against the Government's contracting with Chinese shipbuilders, which was referred to the Committee on Commerce.

HOUSING PROPOSITION.

Mr. SHERMAN. Mr. President, I wish to present a communication that probably ought to go to the Committee on Public Buildings and Grounds. It is an offer from a business firm in Rock Island, Ill., to take over the housing proposition for the Government at that place, complete all the buildings, and they will then pay cost, so that the Government will be out nothing. Probably it is the most intelligent salvage offer that has come to the attention of the Senate. I ask that it be referred to the Committee on Public Buildings and Grounds.

The VICE PRESIDENT. It will be so referred.

STATE OF THE COUNTRY.

Mr. McLEAN. I present a brief extract from the proceedings of the New England Baptist convention, held at Asbury Park, N. J., which I ask may be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

THE 1918 STATE OF COUNTRY.

[The New England Baptist convention at Mount Pisgah Baptist Church, Asbury Park, N. J., June 13–17, 1918. By Rev. W. B. Reed, D. D., Hartford, Conn.]

War has been declared against all sin through all ages by the Throne of all power. War has been declared by our convention against sin, unrighteousness, class of racial laws, and we meet in this forty-fourth annual session to report progress. War has been declared by four-fifths of the world against autocracy, against political slavery, oppression, brute force, and discrimination against the weak; the price for this blessed world freedom is being paid in sacrifice, privation, untold suffering, blood, and death.

Never since man dropped from the breath of God has the world waded through such carnage of war. Never since the old serpent poured out his vials of sin, deception, and grief in the home of man have nations given the flower of their manhood that freedom might be written around the world. Never since civilization lifted men to councils of reformation, order, and law have women and children been sacrificed as now in the midst of this civilization. Never since treaties between nations were written have nations joined themselves together for a victory to be handed down to nations yet unborn. The world is in arms for world freedom and lasting peace among the nations great and small. What is to be the answer to this great conflagration upon fields of battle? On what side of the line through countless streams of blood will victory be written? Shall the unspeakable Kaiser, with his bloody sword, spoil the treasures of earth and his war lords become masters of the human family? Or shall truth be enthroned throughout the world, democracy proclaimed in every country, and individual liberty safeguarded in every home and upon every highway?

We almost hold our breath as the war news is flashed upon the bulletin board, less adversity should curse the human race. Thousands of fathers like Eli of old wait for tidings from the battle ground, inquiring from returning heralds, "What is there done?" Womanhood trembles while Prussianism shoots further and further its gaseous calamities among the children of men.

Our Nation has decreed that an honorable grave is more to be desired than the dishonorable vassal of Kaiser. We as a part of this Nation from its foundation, we who have marched under the Nation's flag in all its battles, say "Amen" to this decree. Some are "over there," others are in training, while others are waiting the call, with sleeves uprolled, shirt collars unbuttoned, and feet prancing for the march. Democracy, like running lightning, is playing on the vision of man. Something charming in the name. For 300 years we have prayed long, labored, and waited for real democracy. God is answering us and we accept the answer, though it comes through perils of war in a strange land.

Other men are dying who see only the shadow of oppression; we have been grievously tormented under the oppression they dread. Together we fight, together we die, together we must triumph, or together we fall. Kaiser's rod knows no color, race, or creed.

While the cannon roar, smoke envelops armies; while nations are locked in arms and their brave men are dying; while the only son of a sad but patriotic father stands between his country and autocratic invasion; while the young father gives his life for the success of his country and the freedom of his child, we ask that democracy, for which four-fifths of the world is fighting, be made clear to all men. Colored people are looking for real democracy and nothing but real democracy.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 5206) to provide for the inspection of fruits, vegetables, and other farm products at point of shipment, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. NEW:

A bill (S. 5207) to declare unlawful the exhibition of a red flag, and to fix a penalty therefor; to the Committee on the Judiciary.

By Mr. STERLING:

A bill (S. 5208) for the relief of certain noncommissioned officers of the United States Army who were recalled to active service during the recent war and commissioned as officers; to the Committee on Military Affairs.

By Mr. WILLIAMS:

A joint resolution (S. J. Res. 197) authorizing the appointment of an ambassador to the Republic of Peru; to the Committee on Foreign Relations.

THE REVENUE.

Mr. STERLING submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. WOLCOTT submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. GORE submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

RETENTION OF UNIFORMS.

Mr. ASHURST submitted an amendment intended to be proposed by him to the bill (H. R. 13366) permitting any person who has served in the United States Army, Navy, or Marine Corps in the present war to retain his uniform and personal equipment, and to wear the same under certain conditions, which was referred to the Committee on Military Affairs and ordered to be printed.

SALARIES OF FEDERAL JUDGES.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives requesting the return of the bill (H. R. 12001) to amend an act entitled "An act to revise, codify, and amend the laws relating to the judiciary," approved March 3, 1911.

Mr. SMITH of Georgia. I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the bill and that it be returned to the House of Representatives.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAGUE OF NATIONS FOR PEACE.

Mr. KNOX. Mr. President, with the indulgence of the Senate, I ask the privilege of submitting a few observations in relation to the resolution that I introduced not long ago, which I ask to have read from the desk.

Mr. SIMMONS. I understand that the Senator desires to have it read simply in connection with his remarks and not for action?

Mr. KNOX. Only in connection with my observations.

Mr. SIMMONS. That is all right.

The VICE PRESIDENT. The resolution will be read.

The Secretary read the resolution (S. Res. 361) submitted by Mr. KNOX December 3, 1918, and referred to the Committee on Foreign Relations, as follows:

Whereas the United States of America entered the war with Germany and Austria-Hungary in order to vindicate the ancient rights of navigation as established under international law and in order to remove forever the German menace to our peace; and

Whereas the splendid effort of the American people and the valor of our soldiers and sailors during a year and a half, when added to the enormous sacrifices, the steadfast fortitude, and the noble courage displayed by our allies during more than four years, have made possible the attainment of those aims, now best expressed as restitution, reparation, and guaranties against the German menace; and

Whereas the surrender of Germany and Austria-Hungary to the terms of the armistice has attained a great part, and has rendered enforceable the remainder of those aims; and

Whereas conferences are about to take place with the purpose to complete, to perfect, and to guarantee the attainment of the war aims aforesaid and thus to pass to the state of formal peace: Therefore be it

Resolved, That the purposes of the United States of America in those conferences should be confined to the aforesaid aims and matters germane thereto.

Second. That for the safeguarding of those aims the first essential is a definite understanding that the same necessity arising in the future there shall be the same complete accord and cooperation with our chief cobelligerents for the defense of civilization.

Third. That any project for any general league of nations or for any sweeping change in the ancient laws of the sea as hitherto recognized as international law and violated by the Teutonic powers should be postponed for separate consideration, if and when at some future time general conferences on those subjects might be deemed useful.

Resolved further, That immediately upon compliance with the terms of the armistice and the guaranteed attainment of the war aims as aforesaid, the Army and Navy of the United States should be withdrawn from foreign territories and waters except in so far as their retention might be temporarily necessary to establish the status contemplated by the armistice; and further that the extraordinary powers conferred upon the President for the prosecution of the war should be withdrawn and the country restored to a normal condition of peace with the greatest possible celerity consistent with the national interest.

Mr. KNOX. Mr. President, in addressing the Senate on October 28, in presenting the resolution of December 3, and in the remarks I now wish to make upon the subject of that resolution I am actuated by the conviction that the great national policies involved in the diplomatic closing of the state of war and in the conditions under which this Nation is to pass to the state of peace and to face the future are matters upon which the Senate and, indeed, the whole Congress of the United States should, through thorough discussion, reach a clear crystallization of their views upon the basis of the calm thought and the conscience of the American people. It is upon this necessity of full discussion, rather than advocacy of a particular program, that I wish, first of all, to dwell. But since a definite formulation of views is the best basis for practical discussion, I shall endeavor to put before the Senate some quite definite considerations.

For the fact that "the surrender of Germany and Austria-Hungary to the terms of the armistice has attained a great part, and has rendered enforcible the remainder of our war aims," we have the testimony of the President, who on November 11 read to Congress the terms of armistice signed by the enemy, and, having done so, said:

> The war thus comes to an end; for having accepted these terms of armistice, it will be impossible for the German command to renew it.

Continuing, he said war "is at an end," and then added:

> We know, too, that the object of the war is attained; the object upon which all free men had set their hearts; and attained with a sweeping completeness which even now we do not realize.

Further on he also said:

> The arbitrary power of the military caste of Germany, which once could secretly and of its own single choice disturb the peace of the world, is discredited and destroyed.

These statements as to the results already accomplished the President repeated with equal emphasis in his address to Congress on December 2.

It is clear, then, that our attention should now be directed to the enforcement of the remainder of our war aims, now best expressed as restitution, reparation, and guaranties; and to the purpose to complete, to perfect, and to guarantee those aims as we pass to the state of formal peace. (I use again the language of the resolution of December 3.)

The definite problem of formally ending the war is: By what measures as to "restitution, reparation, and guaranties" shall we assure that the war now won shall stay won; that the menace now removed shall stay forever removed. Germane, in a broad sense, is the question by what measures of safeguard we may make the recurrence of any similar menace in the future most improbable. Germane too, in this broad sense, are certain of the questions of the conditions under which the United States is to face the future; certain questions, but not all questions. We must guard against too great amplification just here.

Restitution becomes an accomplished fact with the evacuation of invaded territories and the definitive return to France of Alsace-Lorraine. The principle of restitution, applied to Germany's enforced relinquishment of political and economic means of aggrandizement in Russia, Roumania, Turkey, and elsewhere, extends into the field of measures to guarantee the world against a revival of the menace of Teutonic dominion.

Reparation is a matter of arithmetic, of law, and of equitable justice. In other aspects it also extends into the conception of practical, in contradistinction to paper, guaranties for the future. In this view it is not improper to consider whether the imposition of excessively onerous money payments might not have the effect of either a desperation favorable to anarchy or else a necessity to allow Germany great foreign-trade facilities (if indeed she can find customers for her goods) in order that she might produce the wealth required for vast indemnities. The latter alternative might in the long run have the result of forcing economic aggrandizement upon a people who, we have seen, can not now be safely intrusted with great power in the world. This war must be a lesson to Germans and to all who may ever think of emulating them. It occurs to me that to demand the cancellation of the German internal bonded war debt and the allocation of that sum to the funds for the indemnities of restoration, and so forth, might possibly be considered. Such a scheme would appear to punish the people who financed a villainous war in a way that they would be slow to forget.

As to guaranties, the condition of relative impotence in the face of the preponderant power of the allies to which Germany has been reduced by the terms of the armistice is, of course, the first of our real guaranties. The maintenance of that condition during a long period of repentance, probation, and expiation for the years of horror into which the Teutonic peoples plunged the world is the first of real guaranties against the recrudescence of any similar German menace.

As part of this guaranty for the future, as well as for the sake of humanity and the interest of the peoples affected, it seems entirely clear that her colonies should not be returned to Germany, but should either be divided among the chief belligerents or else jointly held by them, with their respective authority somewhat proportioned to their respective local interests and to their position as factors in victory. In either case the allies could determine and apportion such share of raw materials from their tropical and other territories as they found convenient after supplying their own requirements and having in view to give Germany the means of subsistence but not the means of aggrandizement.

The setting up of new free states as a cordon to cut off for the future the "Mittel Europa" and Near Eastern dream of founding Teutonic world dominion is in this respect another practical measure in the broad conception of real guaranties for the future. The effectiveness of this last-named form of guaranty against the Germanic menace may well call, from time to time, not only for measures to secure the external durability of those newly created states as against a powerful nation such as Germany, but also for measures to maintain safe conditions within and as between the new states in question. Thus it is true that even while we confine ourselves to what is broadly but no less really germane to our war aims, we are carried far afield, and we look for limits to the obligations which America could wisely share with Europe.

Here is the road we have traveled. The United States of America slowly, but in the end very clearly, perceived that a menace of Europe by the dominion of aggressive military power was in this nineteenth century a menace also to the safety of this Nation. America manifested this perception by throwing its entire power into the scales to join in the suppression of that menace of Europe by military imperialism.

Can we not perceive emerging from these facts a new American doctrine? I will state this great new doctrine in these words: If a situation should arise in which any power or combination of powers should, directly or indirectly, menace the freedom and peace of Europe, the United States would regard such situation with grave concern as a menace to its own freedom and peace and would consult with other powers affected with a view to concerted action for the removal of such menace.

If this had been the avowed and understood policy of the United States before July, 1914, it is, in my judgment, very improbable that the war would have occurred. When at length the United States had perceived and had acted upon this policy

with mighty effect the war entered on its last and victorious phase. America has now perceived and manifested its perception of the principle of this policy. It has put this policy to successful test. Avowed by public official declaration, it might prove worthy, I believe, to serve with the Monroe doctrine as a fundamental doctrine of American diplomacy. It entangles us in no way, but it makes us the potential ally of the defenders of liberty whenever a great menace shall arise.

When the British statesman Canning saw that the aggressive designs against the Western Hemisphere that were cherished by certain powers were capable of a repercussion likely to menace the European situation, the Monroe doctrine arose to ward off that menace (as well as to secure American safety). The Monroe doctrine, with virtual European sanction, and especially with British sanction, serves its purposes well. It would, I think, be sure of British support if it were menaced. But the Monroe doctrine leaves to the United States the mandate that it carries, and it is for the United States to do what need be done to maintain safe conditions within and as between the Republics of this hemisphere in connection with our predominant interest in their external durability as against an aggressive power from without.

There is a certain analogy between this and what would be a corollary to the doctrine now suggested, as it would touch the question of our obligation in the matter of new States now being raised up in Europe. The corollary would be that if such new States were menaced as part of a general European danger then the United States would be concerned; but that what need be done to maintain safe conditions within, or as between them, would be primarily a European concern and a European obligation in the discharge of which we need take no part. And this is as it should be. There is no need that American troops should travel thousands of miles for any other purpose than to ward off a menace to vital American interests.

The doctrine which I propose would seem to embody a simple and safe basis for that "definite understanding that, the same necessity arising in the future, there shall be the same complete accord and cooperation with our chief cobelligerents for the defense of civilization" as was effective in this case, and which is "the first essential for the safeguarding of our war aims," to use the language of the resolution of December 3.

That resolution next records the opinion that—

> any project for any general league of nations, or for any sweeping change in the ancient laws of the sea as hitherto recognized as international law and violated by the Teutonic powers should be postponed for separate consideration not alone by the victorious belligerents but by all the nations, if and when at some future time general conferences on those subjects might be deemed useful.

Let me turn now to the resolution's recommendation that no project for any general league of nations should be dragged into the peace negotiations. As I have previously had occasion to remark, an act of Congress of August, 1916, authorized and requested the President to call a conference of the nations on the subjects of the arbitration of international disputes and gradual disarmament of the nations. The representation of this country was to consist of 10 delegates, eminent in the law and for loyalty, who were to report back their conclusions to their own Government. It was requested that the conference should be called not later than at the close of the war. An appropriation of $200,000 was voted for the purpose. If any such subject is to be taken up, we have here authoritative recommendation by the Congress for its separate consideration.

The object of my resolution is not to condemn in advance any league of nations—and least of all the existing entente, or a permanent understanding of all the English-speaking peoples—of a kind that might in time commend itself to the considered judgment of the American people. The object of my resolution is simply to postpone the larger and very disputable question of some comprehensive league of nations for that separate and very deliberate consideration that its nature demands and that an act of Congress has already sanctioned.

After all, why such hurry? If a league of nations is a good thing, surely its merit will be the better appreciated after careful study. If the debate that preceded our Declaration of Independence raged for almost a decade before the Revolution; if the debate over the meaning of the Constitution as to the powers of the Nation and the rights of the States lasted for generations and is not yet ended; if a single phase of the debate over State and National rights occupied years, culminating in the immortal intellectual combat between Stephen A. Douglas and Abraham Lincoln; if every great question in every free country has required a long period of discussion and thought before the people could reach a conclusion upon it, should not this, one of the biggest, deepest, and most far-reaching proposals ever made to the American people, also receive careful and extended public examination before the people are called upon to render their verdict?

If a league of nations may not be a good thing, certainly the agitated days following a great war should not be seized upon to saddle the country with a policy it has not examined and which is no necessary part of the making of peace.

I, for one, am entirely ignorant of what the President means by a league of nations. The American people do not know. Our judgments must to-day be hypothetical. Conceptions of a league of nations range from a sort of world republic to a mere entente for certain purposes of the United States and our chief allies—something that need not necessarily cause alarm.

Some people speak of an international order founded upon justice and good faith as necessarily the antithesis of an international order founded upon power. The victorious allies have in this war placed invincible power at the service of justice and good faith. We have seen the glorious result. Where would justice and good faith and civilization be to-day if those powers had not leagued together to vindicate them? Are justice and good faith so sure to prevail in a heterogeneous, experimental league of all nations, hastily created now, that we are ready to surrender our national conscience to such a league? Can we create a league with a purer conscience or higher ideals than the one called into existence by the German attack? Wise policy, as opposed to shallow empiricism, would seem to counsel us to solidify and build upon what we have tried rather than to plunge headlong into a universal experiment.

Nor can we nurse every backward nation. The most we can do is to strive to give favorable opportunity to evolution. It may be that we shall have to guard against letting the phrase "self-determination of peoples" quite run away with us. Is the phrase always sure to possess an absolute merit that it lacked, for example, in America in the sixties?

One danger to the country is the extreme radical, the progressive who demands the millenium here and now and who is very intolerant of the views of others who may differ from him as to ways and means. The coequal danger is the danger of reactionarism. The path for America's true progress lies through the middle ground of a wise and sound liberalism. That middle ground has been vacated often by the political leadership of the day. I appeal particularly to Senators on this side and to Republicans generally to occupy and make their own that middle ground of constructive, wisely progressive, modernized policy that is called for by these great days. And I know that many of my Democratic colleagues feel this same appeal.

The discussion of a league of nations reveals two tendencies of thought, both of which seem to me to be dangerous, the one premature and the other out of date. One set of proponents of the league of nations idea in an extreme form seem to argue that a league of nations must be a universal one and must be made at once in order that the difficult geographical, ethnographical, economic, and other questions arising out of the war may be settled by it. Strange idea! The practicability of such a league in any thoroughgoing sense is, to say the least, most doubtful, if indeed it be not altogether chimerical at this period of civilization. Yet some advocates of that ideal would create their league offhand and would instantly confront it with vast problems of the utmost difficulty. Any league would be designed to prevent violent disturbances of the international status quo and to further adjustments and developments carefully worked out to foster an evolution along just, humane, and honorable lines, in the hope of forestalling those tensions between evenly balanced powers that make possible the most horrible wars. Not fiat, but higher civilization, will bring the millennium nearer.

We have now passed from a dangerous balance of power to a beneficent preponderance of power in the hands of the proved trustees of civilization. The English-speaking people and our principal allies formed a real league and they have enforced peace and saved civilization. This league we have stands ready to enforce the conditions of peace.

It may be doubtful whether we need any international courts in addition to the rusting machinery of The Hague tribunal. It may be doubtful whether we desire more comprehensive arbitration treaties than those negotiated with Great Britain and France in 1912. The text of that treaty shows a way in which great powers might safeguard their mutual peace in case of any mutual dispute. For the rest, an entente of those powers, with their preponderant power on sea, in air, and in the economic field, can stand ready, in their wise discretion, to take measures together, when they believe it their duty to do so, if the peace of the world is seriously threatened from any other quarter.

A universal league of nations which should be the arbiter of the international rights of each nation, if it were democratic—that is, based on world majority rule according to populations—or if it were based upon a formula taking both sovereignties and

populations into account, would have the power to impose upon the peoples most advanced in honor, justice, truth, enlightenment, and humanity—that is, in civilization—the judgment and the verdict of peoples less advanced.

Now, the conscience and temper of the American people, as we have just seen in this war, can impose upon them a great international task even without any treaty obligation to assume that task. Unless impelled by their own conscience and judgment it is more than doubtful whether any treaty could drive this nation to a foreign war. Is it not better, then, that the obligation we assume should depend upon our own judgment and the conscience of the English-speaking peoples and our present allies, rather than upon the judgment of some vast world league?

As to any practicable league, it must be fostered by the creation of a community of interest in peace and justice and good faith. Upon just this principle of the creation of community of interest, of self-interest in peace and welfare, rested the six-power policy in China which was so unthinkingly wrecked in 1913. Upon the same principle rested the "dollar diplomacy" that succeeded in bringing an unusual degree of peace and prosperity to the turbulent countries of the Caribbean Sea. If we perfect our diplomacy, with due practical regard to this common-sense principle, we shall enable it, I hope, by the gradual extension of the same principle to render great service to the world at large. Power in the hands of the defenders of civilization holds the best promise of an ultimate international order founded upon justice and good will, which all good men long to see.

Whether the question of some kind of league of nations shall really come before the Senate in connection with the peace negotiations, and, if so, in what form, is a matter involving the policy of our allies, as to which we are not yet enlightened. But we shall not waste our time if we now consider some of these possibilities, even in a form necessarily hypothetical.

Let us suppose, for example, that there should be proposed a permanent entente of the English-speaking peoples and of the French, Italians, and Japanese to enforce this peace; to consult together whenever peace was anywhere threatened, with a view to endeavor to maintain peace; to cooperate economically, each recognizing the other's leadership in its peculiar field, and to form a permanent committee for consultation on these subjects.

The question would then arise as to whether the United States should for general purposes join in or remain outside of such an entente. I think the day has gone by for the rejection on principle of any close association of this Government with governments of other countries. To dogmatize against any possible entente under any possible circumstances would be almost as unreasonable as to wish to rush headlong into some Utopian world league.

Washington referred to a "detached and distant situation" that no longer exists, as all know. He referred to the danger of a weak nation's becoming entangled with a powerful one. The questions we are considering will have to be decided by the application of present wisdom to present conditions, not by the easy misapplication of old wisdom to entirely new conditions.

Emerson truly said that—

> Every law and usage was a man's expedient to meet a particular case; that they are all imitable, all alterable; we may make as good; we may make better.

With Britain dominant in the regions of India and the Near East and vastly interested in Africa; with Japan preeminently interested in the Far East; with France and Italy possessing acknowledged special interests in the Mediterranean; with the sphere of the United States conformed primarily to the regions affected by the Monroe doctrine, the relations of these powers afford excellent opportunity for mutual recognition of special interests and for honest mutual cooperation in sane economic and diplomatic policies. With their own accord safeguarded, it might be possible for such a group of nations to serve the world and the cause of peace and of civilization in a fashion to gratify all those who pursue a policy and not a fetish.

Suppose that it were proposed that the United States should bind itself in advance by treaty to go to war in given circumstances. Under the Constitution war can be declared only by the Congress. How could the President, by negotiating a treaty, and the Senate, by consenting to its ratification, bind this country to declare war? A declaration of war is, under the Constitution, a prerogative of the Congress. The appropriations to initiate or to conduct war are in the discretion of the Congress.

The Senate has always been jealous of its treaty-making function. When arbitration treaties have been before it, the Senate has steadily refused to consent to a treaty for the arbitration even of justiciable questions, except in a form that would reserve to it the right to say yes or no to the question of the fitness for arbitration of each specific issue that might arise under any such general treaty.

How, then, could a President of the United States, even in conjunction with the Senate as a part of the treaty-making power, bind in advance the Congress of the United States to vacate its predecision, under the Constitution, of future questions of declaring or not declaring war; nay, more, to surrender to foreign nations their constitutional right to make that decision whenever it arises? Might not the annulment of so important a check upon war-making dangerously diminish the people's rightful control over that most momentous step—the declaration of war? I put this question merely in passing. It is one of many we have to consider; but it is the larger questions which now cry loudest for our earnest thought.

As between the proposition contained in my resolution that there should be a definite understanding for cooperation to defend civilization should the same necessity arise as gave cause for the late war on the one hand and the project of a supergovernment by some league of nations on the other hand, I quote from a series of lectures delivered at Oxford some years ago by W. A. Phillips, M. A.—

> but it is none the less true that the new holy alliance, of which the pacifists dream, would be faced by very much the same problems as those which confronted Alexander and his allies. They, too, proposed to establish their international system on the principle of the preservation of the status quo—indeed, there is no other practical principle conceivable; they, too, would apply the principles of the Troppau protocol, by empowering the universal union, in the event of any State violating or threatening to violate the public law of the world, to bring it to reason "by peaceful means, or if need be by arms." Now, it might be possible that, as Sir Frederick Pollock points out, "contests for supremacy or predominant influence," which in their very nature can not be "disposed of by argument," might be effectually prevented by a coalition of powers of superior collective strength which "should be prepared to enforce the principles which now stand unanimously acknowledged by the second peace conference of The Hague."
>
> This would, in effect, be to apply the principle which the grand alliance directed against France, that of a coalition ad hoc. But if an attempt were made to expand this coalition into "a universal union" and to base its action not on the exigencies of circumstances as they arise, not on the particular joint interests recognized by all the parties to it, but on the general right of the world organization to coerce its refractory members, what becomes of the sovereign independence of nations? Especially it would be the small States whose independence would be prejudiced; for though international law recognizes in theory the equality of all sovereign States, no international system which should attempt to translate this theory into practice would survive. If, on the other hand, the voting power of the central "directory" were to be proportioned to the size and importance of its constituent States, the result would be precisely such a hegemony of the great powers as was exercised by the grand alliance after 1815. Nor is it extravagant to suppose that the new holy alliance, thus constituted, would develop, mutatis mutandis, very much on the lines of the old. It would begin by repudiating the principle of intervention in the internal affairs of the constituent nations, only in the end to find itself compelled to intervene; for, in new forms, the old difficulty of drawing a sharp distinction between external affairs and "internal affairs having an external effect" would be sure to emerge.
>
> The truth is, to cite Sir Frederick Pollock once more, that the effective working of an international federal system demands a far greater uniformity of political institutions and ideas among the nations of the world than at present exists. This truth was realized by the sovereigns and statesmen of the Holy Alliance, and they attempted to secure the necessary uniformity by forcing their own model on the European States, not primarily in the interests of despotism but in the supposed interests of the general peace of society. It has quite recently received a fresh and striking illustration in the attitude of President Wilson toward the revolution in Mexico and similar conditions in other Latin American States, an attitude developed logically out of the assumption by the United States, under the Monroe doctrine, of the duty of policing the Americas. Like the signatory powers of the Troppau protocol, he too demands "guaranties of legal stability and order" before he will recognize a de facto government; like them, he proposes to reconcile the guilty State to his system "by peaceful means or, if need be, by arms"; he differs from them only in his conception of what constitutes the guaranty required. The sovereigns of the Holy Alliance found this in the submission of the peoples to their governments ab antiquo; by President Wilson it is assumed to depend upon the will of the people "properly expressed and registered."
>
> From the point of view of our present inquiry it matters not which conception of "legitimacy" be the more reasonable. The important thing is that for any international organization, whether dominated by a group of powers or by a single power, a certain uniformity of political system is essential, and that sooner or later this uniformity would be enforced by armed intervention. The moment of such intervention, moreover, will be determined always by the interests of the dominating power or powers. "This abyss of iniquities which we call politics," wrote the beautiful and unhappy Empress Elizabeth of Russia in 1817, "is vainly covered with a tissue of brilliant phrases, since it is easy for anyone of the least intelligence, whose heart is in the right place, to see through this tissue and recognize that, in spite of evangelical treaties, in spite of the reign of justice, it is always the weaker who are sacrificed to the interests of the more powerful." This was true enough when it was spoken; is there any reason to suppose that it is less true of the present age, or will be less true of the age to come?

These wise words remind us of the antiquity of the ideal of a league of nations to bring the blessings of sure and universal peace otherwise than through the slow amelioration of the heart and thought of man, the slow growth of a finer public

opinion, and the maintenance, meanwhile, of a vigilant preparedness to defend one's right. Some of the league of nations enthusiasts have referred to those who would look before we leap as being men who look backward. The truth is that these Utopians have looked backward for every idea they now so enthusiastically flash before the public eye. Their every idea and aspiration is as old as the Amphictyonic League, the "Grand Design" of Henry IV, the Holy Alliance of Alexander I. They have not coined a new phrase; they have coined a new human nature, and that coinage is to be scrutinized in the light of history. It did not pass in the past. Have we sound reason to believe it a safe currency to-day?

So long as you have national consciousness, so long will a nation fight for its life just as an individual will do if life is deemed more desirable than death. Even the most optimistic do not pretend to the blotting out of all war, even occasional civil war, but only to the lessening of international war, by international action. And even the forcible prevention or just decision of all international war, wherever and however arising, by a league of nations of which the United States was a member would presuppose the sending of American troops thousands of miles for some distant purpose perhaps of no great concern to American citizens. However small the force we sent, still some one's sons would be asked to die for a far-away cause of rather academic appearance.

I do not believe the American people would approve such an exigency. I should not wish to see this country signatory to an agreement which the American people would be likely to repudiate if put to the test. I should not vote for any treaty that subjected this Nation's judgment and conscience as to its vital interests or its war-making prerogative to the will of a foreign majority.

I think the American people—North, South, East, and West—believe in Americanism. I think they believe in nationalism as an instrument for good. I do not for one moment believe they would be willing to see this country ordered about by a heterogeneous world league of all nations. I do not think that, when they come to study the subject, they will be willing to go farther than a policy of nationalism a little mitigated and accommodated to a judicious and limited accord upon certain common mutual concerns, especially if that accord be first of all an accord of the English-speaking peoples, and, as it now is in fact, with our principal great allies for the firm enforcement of our war aims.

Bacon said, "As for the philosophers, they make imaginary laws for imaginary commonwealths, and their discourses are as the stars, which give little light because they are so high." As the Holy Alliance was falling apart Canning wrote with a very human breeziness, "Things are getting back to a wholesome state again. Every nation for itself and God for us all." Between dangerous pursuit of the ignis fatuus of the theorists and a stubborn reversion to the cynicism and selfishness of that intense national individualism which admits no duty to the society of nations there is a middle ground. There, I think, this great country should take its stand. Both within nations and as between nations this is the day of individualism modified by social consciousness. The problem is to sacrifice neither of those necessities to a high civilization, national and international.

If it prove wise for the United States to enter some definite entente, well and good, provided it be a small and natural one, bringing only limited and appropriate obligations. Any "league of nations" should await future exhaustive consideration. As I have already suggested, even without an entente, except for the unfinished business of enforcing and insuring our war aims, the United States can, without any "entanglement" whatever, place in advance at the service of the world's peace, if seriously threatened, the whole of its influence and of its potential power. This can be done, as I said, by a new declaration of some correspondence to the Monroe doctrine—a declaration that a menace to the liberty of Europe is a menace to America, and that America will consult her friends and prepare for action if ever such menace shall again arise.

I have said enough, I hope, to make this much clear:

First. That the issues of the war were issues between the central powers and the allies and ourselves. The function of a peace treaty is to settle those issues.

Second. The issues as to a league of nations and a revision of the laws of the seas are issues between the allies themselves and between them and each of them and all of the neutral powers.

Third. I have shown conclusively that upon these latter issues there exist the widest diversity of opinion, and I have concluded that it is wise not to force upon a conference that must adjust the comparatively simple demands of the one the complexities and confusions of the other.

Mr. PITTMAN. Mr. President, I had no intention of discussing the subject the distinguished Senator from Pennsylvania [Mr. KNOX] has just so ably presented. I had reason to believe that it would not be discussed to-day. I feel, however, that in view of the fact that this resolution is under consideration by the Foreign Relations Committee and possibly would have been acted upon to-day at its meeting had not its determination been put over until Saturday, the speech of the Senator would have been answered by the report of the Committee on Foreign Relations.

I am unwilling as a member of that committee to permit the view announced by the Senator from Pennsylvania to be considered for one moment as an expression of the view held by me as a member of that committee or even of a majority of the committee, because I am confident the committee will report adversely upon the resolution.

I regret that the Senator from Pennsylvania in the circumstances did not see fit to make his very able address after the Committee on Foreign Relations had had an opportunity of reporting on the resolution on the coming Saturday. At that time the resolution may be debated by those who are in favor of it and those who are against it, or possibly the resolution may be by the committee framed in a less obnoxious form.

I simply want to call attention to the fact that the resolution does not express the sentiments, in my opinion, of the Committee on Foreign Relations or the Senate, and certainly not the aspirations of the people of this country. The speech of the Senator with regard to a league of nations may or may not express the sentiments of this body; it may or may not express the sentiments of the people of this country; but of this I am sure—his resolution does not. The resolution has had no emphasis in the speech of the Senator. I desire to call attention to it. I call attention to the first "whereas":

> Whereas the United States of America entered the war with Germany and Austria-Hungary in order to vindicate the ancient rights of navigation as established under international law and in order to remove forever the German menace to our peace.

I think that is a very unhappy and incomplete description of the causes that forced the United States into this war. I would dislike for the world to believe that such were the sole causes for our Government entering the war. Did we enter into this war for the pure and sole purpose of defending laws of navigation upon the high seas? Did we enter into this war solely to support some theory of international law, no matter how just? Yet the reading of the resolution that the Senator asks this body to adopt may be subject to that construction.

Not satisfied with such unhappy statement of the causes of war, in the second "Whereas" of his resolution, which is the foundation for his speech and for the suggested action of the Senate, he says:

> Whereas the splendid effort of the American people and the valor of our soldiers and sailors during a year and a half, when added to the enormous sacrifices, the steadfast fortitude, and the noble courage displayed by our allies during more than four years, have made possible the attainment of those aims, now best expressed as restitution, reparation, and guaranties against the German menace.

Do we desire no guaranties against any other menace than German that may arise in the future? Having abated one epidemic, are we to make no preparations against another and different epidemic? Are those all the aims of this Government? Are those the sole aims of the American people? Yet the Senator says that those are the sole aims; in other words, according to the resolution the sole aim of the American people in this war is to sustain the right of navigation as established under international laws and to forever remove the German menace to our own peace.

I take it that the Members of this body have a higher conception of our peace aims. That which directly forced us into this war is one thing and that which we hope to derive from the peace agreement is another thing. The Senator from Pennsylvania is confusing in the minds of the people of this country and of the world the distinction between the causes for entering the war and the aspiration of a nation in making peace.

We entered the war because war was forced on us, because our rights were trampled on, because we were insulted, because civilization was threatened, because we would have deserved the ignominy of the world if we had not entered the war. But after entering the war, did we have no aspirations when peace would come other than restitution, indemnities, and the destruction of the German military power? Are we perfectly satisfied to end the war and have another war come the next year or the year after that? Do our aspirations for peace embrace no hope whatever of a lasting peace? Yet there is nothing in the resolution

of the Senator from Pennsylvania that breathes the spirit of a hope that the President of the United States has announced and that lives in the souls of the American people.

Do you think for one moment that the great spirit which inspired our magnificent Army to die by thousands upon the battle field was solely that of fear of German menace or desire for revenge? Do you not know that every soldier who, in his young manhood, in the bright years of his life, when hope was in his bosom, marched to certain death was sustained in that hour by the knowledge that he was giving his life for a better country, for a better world, and so that those who would follow him might not suffer what fate had compelled him to suffer?

The Senator from Pennsylvania states the cause of the war. How did the President of the United States state the cause of this war in his war message? He says:

The new policy has swept every restriction aside. Vessels of every kind, whatever their flag, their character, their cargo, their destination, their errand, have been ruthlessly sent to the bottom without warning and without thought of help or mercy for those on board, the vessels of friendly neutrals along with those of belligerents. Even hospital ships and ships carrying relief to the sorely bereaved and stricken people of Belgium, though the latter were provided with safe conduct through the proscribed areas by the German Government itself and were distinguished by unmistakable marks of identity, have been sunk with the same reckless lack of compassion or of principle.

I was for a little while unable to believe that such things would in fact be done by any government that had hitherto subscribed to the humane practices of civilized nations. International law had its origin in the attempt to set up some law which would be respected and observed upon the seas, where no nation had right of dominion and where lay the free highways of the world. By painful stage after stage has that law been built up, with meager enough results, indeed, after all was accomplished that could be accomplished, but always with a clear view, at least, of what the heart and conscience of mankind demanded. This minimum of right the German Government has swept aside under the plea of retaliation and necessity and because it had no weapons which it could use at sea except these which it is impossible to employ as it is employing them without throwing to the winds all scruples of humanity or of respect for the understandings that were supposed to underlie the intercourse of the world. I am not now thinking of the loss of property involved, immense and serious as that is, but only of the wanton and wholesale destruction of the lives of noncombatants—men, women, and children—engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate. Property can be paid for; the lives of peaceful and innocent people can not be. The present German submarine warfare against commerce is a warfare against mankind.

It is a war against all nations. American ships have been sunk, American lives taken, in ways which it has stirred us very deeply to learn of, but the ships and people of other neutral and friendly nations have been sunk and overwhelmed in the waters in the same way.

Compare that statement of the causes urging this Government to enter the war, and the bare, cold, brutal, technical statement urged by the Senator from Pennsylvania, which he asks this body to express as the causes that moved this country to enter the war.

Again, the President in the same message says:

The German Government denies the right of neutrals to use arms at all within the areas of the sea which it has proscribed, even in the defense of rights which no modern publicist has ever before questioned their right to defend.

And the causes that Congress knew so well were again enumerated by the President in his Flag Day address at Washington on June 14, 1917, when he said:

They filled our unsuspecting communities with vicious spies and conspirators and sought to corrupt the opinion of our people in their own behalf. When they found that they could not do that, their agents diligently spread sedition amongst us and sought to draw our own citizens from their allegiance—and some of those agents were men connected with the official embassy of the German Government itself here in our own Capital. They sought by violence to destroy our industries and arrest our commerce. They tried to incite Mexico to take up arms against us, and to draw Japan into a hostile alliance with her—and that not by indirection but by direct suggestion from the foreign office in Berlin. They impudently denied us the use of the high seas and repeatedly executed their threat that they would send to their death any of our people who ventured to approach the coasts of Europe.

And, again, in his war message, the President said:

There is one choice we can not make, we are incapable of making—we will not choose the path of submission and suffer the most sacred rights of our Nation and our people to be ignored or violated. The wrongs against which we now array ourselves are no common wrongs; they cut to the very roots of human life.

Again, we find the President, in defining the causes that forced us into this war taking the position that it was not alone the dispute over the right of navigation on the high seas but the right of nations to exist, and the right of peoples to govern themselves. He said:

We are accepting this challenge of hostile purpose because we know that in such a government, following such methods, we can never have a friend; and that in the presence of its organized power, always lying in wait to accomplish we know not what purpose, there can be no assured security for the democratic governments of the world. We are now about to accept gauge of battle with this natural foe to liberty and shall, if necessary, spend the whole force of the Nation to check and nullify its pretensions and its power. We are glad, now that we see the facts with no veil or false pretense about them, to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included; for the rights of nations great and small and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquest, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them.

The Senator from Pennsylvania attemps in his resolution to state the aims of this Government. The aims of this Government, according to the Senator, were apparently solely to defeat and dictate terms of peace to Germany. We were to defeat Germany and we were to allow other peoples to accumulate the same forces for the purpose of precipitating upon the world the same devastation; we were to defeat Germany and then we were to desert Belgium; we were to defeat Germany and then we were to desert Serbia; we were to defeat Germany and then we were to desert the Armenians and the other helpless peoples who could not continue to maintain their independence without sustaining power. So the Senator's resolution may be construed. The President of the United States has never used expressions that might be so construed.

If the Senator from Pennsylvania desires to speak the voice of this Senate, if he desires to speak the voice of the American people, let him copy in his resolution, as the causes of this war, the statements made by the President of the United States which resulted in a unanimous vote for war; which was indorsed unanimously, not only by the Congress of the United States but by all the people of the United States. If the Senator from Pennsylvania desires to include in any resolution a pronouncement of the aims of this Government and of its people in the making of a peace, let him quote the language of the President of the United States and he will not only receive the approval of the Senate but he will receive the approval of all the people of this country. He does not speak them. He should know that he does not speak them. He should know that he does not speak the sentiments of the Foreign Relations Committee; he should know that he does not represent the sense of the United States Senate. Is it by reason of such fear he speaks ahead of time? This country, however, will know, and Europe will know, and the great statesmen who will listen to the sound of the President's voice throughout the world will know that the resolution of the Senator from Pennsylvania will not be adopted. They will know that he does not speak for the Congress nor for the American people.

Does any Senator doubt that the President spoke the sentiments of the American people when he said:

Our object now, as then, is to vindicate the principles of peace and justice in the life of the world as against selfish and autocratic power and to set up amongst the really free and self-governed peoples of the world such a concert of purpose and of action as will henceforth insure the observance of those principles. Neutrality is no longer feasible or desirable where the peace of the world is involved and the freedom of its peoples, and the menace to that peace and freedom lies in the existence of autocratic governments backed by organized force which is controlled wholly by their will, not by the will of their people. We have seen the last of neutrality in such circumstances. We are at the beginning of an age in which it will be insisted that the same standards of conduct and of responsibility for wrong done shall be observed among nations and their governments that are observed among the individual citizens of civilized states.

There are the aims of the people of the United States expressed by their President. Those are the objects that we seek in peace, no matter what may have been the causes of war. The cause of war might have been the firing upon an American ship, but the object of peace is not alone to sink the ship that sunk ours. The peace aims and aspirations of our people can not be circumscribed by any reasons that forced them into war. But before leaving the last expression of the President, may I call attention to the language in which he describes there a league of nations—

to set up amongst the really free and self-governed peoples of the world such a concert of purpose and of action as will henceforth insure the observance of those principles.

The Senator from Pennsylvania speaks of a league of nations as though it were some corporation which each country must support with its money, which each Government must defend with its navy and with its army. Is there anything in any expression of the President of the United States from which that conclusion may be drawn? Is there no peaceful power behind a government that will enable it to punish wrongs? I say to you that the will, the determination, the attitude, the ostracism of the great civilized nations of the world of any criminal nation would have just as much power to drive it into the right channels as would all of the armies and navies of the world.

I am not arguing as to the character or kind of league of nations which should be instituted; the question has not come down to that. The President has not presented any particular form of a league of nations; no great statesman has presented

any particular form of a league of nations; but that there shall be concerted action between the great nations of the world to prevent precipitate and thoughtless war is the aim and object of all. When that is the aim and object of all, when that is the hope of civilization, when that is the hope of the American people, why should any great statesman of America stand here and, with a cynicism that must obscure argument, attempt to create the impression that it is impossible for nations to act in concert in behalf of a lasting peace? Is it accomplishing any good? Is that advice to the President of any benefit to him? Is that advice to the peace conference of any benefit to it? Is there a statesman connected with the peace conference, if he has the love of peace in his heart, if he has the love of humanity in his soul, who would listen to the hopeless argument of the Senator from Pennsylvania that it is impossible for nations to act in concert to minimize the occurrence of war?

Throughout his whole speech is there a hopeful word? Then, why is it made? Does anyone appreciate advice which simply says, "You can not do this; you can not do that," and yet tells him nothing that he can do toward accomplishment of that which all of the people of the world want done? Is it not time for this useless—yes, this harmful—advice to cease to be given in the United States Senate? Do you not know that under the Constitution of the United States the President, and the President alone, has imposed on him the duty to negotiate peace? The Senate can not negotiate it. The President can not surrender or delegate this power; he himself must negotiate treaties.

Oh, but it is said that, under the Constitution, the Senate of the United States may advise with regard to treaties. Advise what? They can advise that the negotiations be undertaken, but they can not advise the negotiation, because there is but one negotiator. They may advise that a treaty be entered into of a certain kind or character, but the Senate of the United States has no constitutional authority to advise the President as to the method of conducting such negotiation.

The Senator from Pennsylvania does not attempt to advise the President as to whether or not there shall be a league of nations. It is true that he discourages the hope that there may be one; but he says to the President, "Take that question up at some future time." I say there is no constitutional authority for the Senate of the United States to advise the sole negotiator of this country with regard to the method that he shall adopt or the procedure he shall follow with regard to those negotiations. Not only is it useless, but it is an attempted usurpation of the authority that the people of this country have vested in the President as the sole negotiator of treaties.

We must know that the adoption of the resolution can do no good. Can it do harm? Yes; it can do harm. You ask how can it do harm. Lloyd George, representing England; Clemenceau, representing France; Orlando, representing Italy, might think when the President of the United States says to them that the people of this country are more interested in everlasting peace than in anything else in the world that he does not speak for the American people. That is one way in which it may do harm. There is no doubt that Orlando and Lloyd George and Clemenceau agree with the President that there should be a concert of action, but, if they are led to believe that this country is opposed to that action now, they may oppose the President now.

How can you settle upon peace without the effect of that settlement reaching far into the future? Can you conceive of it? France and Germany settled upon peace after the Franco-Prussian war, and Germany took Alsace-Lorraine. Even Germany thus knew that the time would come, even if it were hundreds of years off, when France would right that wrong and take back to her bosom her own people. You can not make a peace to-day that will not have its effect to-morrow; and yet the Senator from Pennsylvania, in his practical statesmanship, would like to decree that Germany surrender territory and pay indemnities, and that the peace settlement should be considered then consummated. How can you ever settle the question until all of the rights that have been brought into question by this war are justly and fairly settled? You have got to settle the rights of Poland; you have got to settle the rights of Belgium; you have got to settle, not only the rights of Italy, but the rights of the Jugo-Slavs; you have got to settle, not only the rights of Poland, but of the Czecho-Slovaks; you have got to settle the conflicting and intricate rights of all of these and other peoples; otherwise, the peace that you are declaring now is but the establishment of a cause for future wars.

Is not that sufficient reason for taking these questions up now? Would anybody for one moment say that we will make a peace with Germany, Austria, and Turkey, leaving out of consideration the rights of all of these peoples? And if we are trying to take into consideration the rights of all of these peoples who are involved, then it is solely on the ground of preventing future wars; and, if we are justified in doing this to prevent future wars, then we are justified in considering at this time a league of nations and every question that will minimize the occurrence of war in the future.

I think it is deplorable, I think it is the most unfortunate thing in the world, to hear a great statesman, a man who has been Secretary of State of this Government, one for whose opinions I, with all the rest of the Senate, have the very highest respect, devote his great talents to pessimism, to destruction, to obstruction, rather than to optimism, hope, and construction. Oh, if he should tell the President of the United States the character of concert of nations that would be accepted by him, if he would advise the President of the United States as to the character of a league of nations that would meet our constitutional requirements, if he should say to the President in these negotiations, "If you, Mr. President, will take this position, I believe that you can sustain it before all the world," ah, then the advice of the Senator from Pennsylvania would be of great benefit. He does not do that. He offers a resolution here which is destructive, which is obstructive, and which has not a word of construction in it. It is as cold as the North Pole. It is as barren of hope as hades. It is useful for no other purpose than the enjoyment of a technical discussion of the Constitution, while the souls of humanity weep for everlasting peace throughout the world.

I am not here to argue in favor of a league of nations. There is no league of nations proposed to-day. The President has not proposed it. He has proposed that there be a concert of action of these powers to prevent war in the future. That may be called a league of nations or an association of nations, or whatever it may be; and that question should be determined by the peace conference now. It should be determined while the brutal effects of war are fresh in the minds of the people of the world as well as those of statesmen. It should be determined now, when the necessity of concerted action is recognized.

The Senator says there was concerted action between these great allies. He says there was a league of nations between the allies and the United States that won this war. Yes; but that league of nations did not come into force and effect until the great moving cause that destroyed millions of human lives had gotten beyond the control of Governments. We want some such league of nations as that which won the war, but instead of having it to win wars, we want it to prevent wars. If nations may concert and league themselves together for the purpose of winning war, why in the name of reason can they not league themselves together for the purpose of preventing war?

The Senator's own argument has shown the possibility of it, and yet he finds a thousand little difficulties that may occur. He finds the same grounds for argument that anyone may find with regard to any great undertaking. When we entered this war some of our great statesmen said to the President: "You can not get your army to France; it is too late. You can not get them over there; you are not prepared to transport them, and when they get over there they will not be trained to fight." Was that not what they told the President and the country with the same pessimism and discouraging obstruction? These great statesmen said that the President was not prepared for war, that he was not prepared to take the men over there, and that they were not prepared to fight when they got there; but we got more than 2,000,000 men over there, and we got men there who were prepared to fight when they got there as no men ever fought, as all the world will admit to-day.

The same course is now apparently being pursued toward the President's efforts for a lasting peace. The President is trying to do something over there to-day, and they are busy here telling him what he can not do. Let the President alone. He knows more of constitutional and international law than even the great and distinguished Senator from Pennsylvania. He has been in closer touch with all of the conditions in Europe than the Senator from Pennsylvania or any other Senator upon this floor. His heart, his soul, his reputation, his whole life are in this consummation. With that incentive, with that motive, with his knowledge, and with his power let him perform his constitutional functions, and this war will be ended with a peace that we will be just as proud of as we are proud of the victory that was attained by our soldiers.

Mr. President, I have here an editorial from the Philadelphia Inquirer. While I realize that it is a Republican paper, it deals in a nonpartisan way with a nonpartisan subject, namely, a league of nations. I ask that it be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. HENDERSON in the chair). Without objection, the editorial will be printed in the RECORD.

The matter referred to is as follows:

[From the Philadelphia Inquirer of Wednesday, Dec. 18, 1918.]

THERE MUST BE A LEAGUE OF NATIONS.

The Foreign Relations Committee of the Senate is about to pass upon a resolution offered by Senator KNOX, of Pennsylvania. This resolution opposes the coupling of the league of nations proposition with the consideration of peace treaties. It would postpone the whole subject until some later time.

We have no hesitation in pronouncing the Knox resolution to be mischievous in the extreme. The Senator is trifling with a most important matter. He is erecting barriers in the pathway of permanent peace, or at least an effort to secure permanence. To reject the league of nations idea is to uphold militarism—the continuation of secret alliances; the maintenance of vast standing armies. Unless the nations that have suffered from the insane ambition of German despots are prepared to prevent a similar outbreak in future, there can be no safety.

The United States entered the war—more than a year late, to be sure, but we entered it—not only to defend our rights but to destroy autocracy. To use the well-known phrase of the President, we wished to "make the world safe for democracy." We can not insist upon making the world safe for democracy unless we give of our best to bring it about. We can not stand aloof and leave it for other nations to do. That would be a selfish position to occupy. We can not trust our security to others. We must have a hand in world events. Unless we bear our full share of the burden and unless we join in a league to enforce peace, we shall see a return to old methods. Triple alliances and triple ententes and balances of power schemes have proved futile. The only safe organization is that of the important nations welded together with a determination to act in unity against any nation that shall hereafter attempt to start a world upheaval.

The time to enter into such an association is right now. A league of nations is the corner stone of peace settlements. With a league there can be a genuine reduction of standing armies. Without a league there can be no assurance of radical disarmament. Mere treaties can not be relied upon. Germany has proved the worthlessness of pledges when pledges stand in the way of inordinate ambition. Navies must be kept up. They are largely defensive in nature. Neither England nor the United States would consent to a reduction of naval strength. But the pure militarism of vast armies trained for the definite purpose of menace can and should be restricted. But they will not be unless the treaties of peace are founded upon a league that will see to it that they are.

We do not pretend to say that war positively can be prevented, but we do insist that a league of nations offers the most promising preventive. What is more, we assert our belief that if there is to be such an organization, it should be created—not at some indefinite time in the future, but before the peace terms are written into treaties.

Senator KNOX'S resolution is obstructive, and we have no patience with it.

CALLING THE ROLL.

Mr. ASHURST. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, S. Dak.	New	Smith, S. C.
Beckham	Jones, Wash.	Norris	Smoot
Brandegee	Kellogg	Nugent	Spencer
Chamberlain	Kenyon	Overman	Sterling
Culberson	Knox	Penrose	Sutherland
Curtis	La Follette	Phelan	Swanson
Dillingham	Lenroot	Pittman	Thomas
Fletcher	McCumber	Poindexter	Thompson
France	McKellar	Pollock	Townsend
Gay	McLean	Pomerene	Underwood
Gerry	McNary	Ransdell	Vardaman
Gronna	Martin, Ky.	Sheppard	Walsh
Hardwick	Martin, Va.	Sherman	Watson
Henderson	Moses	Simmons	Weeks
Johnson, Cal.	Nelson	Smith, Ariz.	Wolcott

Mr. SUTHERLAND. I desire to announce the absence of my colleague [Mr. GOFF] on account of illness.

Mr. McKELLAR. I wish to announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

The PRESIDING OFFICER (Mr. GERRY in the chair). Sixty Senators have answered to their names; there is a quorum present.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. Mr. President, on yesterday, toward the close of the day, we reached the subject of tax on employment of child labor, and the Senator from Georgia [Mr. HARDWICK] asked that it go over until to-day. I suggest that we take up that subject first for consideration.

The PRESIDING OFFICER. Without objection, that will be done.

The SECRETARY. On page 244, after line 14, it is proposed to insert the following: "Title XII.—Tax on employment of child labor."

The PRESIDING OFFICER. The amendment has been stated heretofore.

Mr. HARDWICK. Mr. President, it is not my purpose to address the Senate at any length on this question, nor to do anything except to make an earnest appeal to Senators who are about to vote on a great question.

Some time ago—in 1916, I think—the Senate passed a bill, in the identical language of this amendment, undertaking to prohibit the transportation of the products of child labor through the channels of interstate commerce. At that time several Senators, including myself, made an earnest appeal to the Senate not to enact the proposition, because we contended that it was a clear violation of the reserved rights and powers of the several States. The Senate was patient with us, and heard us at length on the question. The matter was thoroughly debated and thoroughly thrashed out. I think the proposition was well argued from both standpoints; but it was the judgment of the Senate that the bill which had already passed the House of Representatives was constitutional and valid and ought to become the law of the land. Consequently, the bill passed, was signed by the President, and went to the Supreme Court of the United States finally for test, because some citizen of North Carolina, when an effort was made to enforce the law against him, urged that it was invalid and unconstitutional, and carried the question to the courts. When it reached the Supreme Court of the United States that court, in a well-considered opinion that I will incorporate in my remarks, decided that it was invalid and unconstitutional; that the Federal Government had no right and no power to prescribe what should be the hours of labor and the terms of employment of the citizens of the several States within the limits of those States, respectively.

Mr. President, the question was fairly raised, and it was fairly decided. The power of Congress was denied in toto by the highest court of our land in regard to this proposition. Now we are presented with exactly the same proposition, and in no different manner, except that it is proposed that Congress shall do what the Supreme Court of the United States had decided we had no right even to touch, by means of a tax levy on the products of this particular kind of labor, instead of as a regulation of interstate commerce.

I am very well aware of the decisions—if I had known certainly that this matter would be up here this morning I would be prepared to lay them before the Senate—with respect to the oleomargarine matter, and with respect to the tax on State banks; but it must be remembered that neither one of those decisions, when they are carefully understood and when they are carefully analyzed, involves the proposition that in levying the tax Congress undertook indirectly to act without regard to other provisions of the Constitution and to assert a control over the domestic and internal affairs of a State by the use of taxation. That was not true about the oleomargarine proposition. There the confessed purpose, the real object of the legislation, was to put oleomargarine out of business in the interest of the dairymen of the country; and while there is this question that is identical between that proposition and this—namely, that the tax was not levied in that case, as it is not levied in this case, for the real purpose of raising revenue—the courts did decide that they could not go behind the certificates of the presiding officers and into the purposes and reasons which induced Congress to enact particular legislation, and therefore could not hold the tax invalid, under the broad taxing powers of the Government. But it does seem to me, Mr. President, that when we not only exercise the taxing powers of the Government, not for the purpose of raising revenue at all but for the express purpose of doing indirectly something that the highest court in the land has decided with respect to this very matter and with respect to this identical language that we can not do directly in the form of a bill, it can not be expected that the decision of the court will be very different when this question is presented there for settlement again, as it probably will be if we take this action.

When addressing a body of this kind, containing so many eminent lawyers, I would feel that I was trespassing unduly on the patience of the body if I undertook to read these decisions in line and word and go into an extensive argument. I think we know that we are undertaking in this bill and by this action to do precisely what we tried to do three or four years ago and what the courts of the country, the Supreme Court of the United States, decided we had not the slightest power or right to do. We are not expecting to raise any revenue from this proposition. We are not expecting to do anything except to assert the Federal power by this indirect and unjustifiable method over a matter and over domestic concerns to which it does not and can not relate. That is the situation.

There has been a great deal said about the moral sentiment that is back of this.

Mr. KENYON. Mr. President——

Mr. HARDWICK. I yield.

Mr. KENYON. I do not know whether the Senator is about to get away from it, but before he gets to the moral question,

was the Senator in Congress at the time the phosphorus-match legislation was enacted?

Mr. HARDWICK. Yes; the Senator from Georgia was then a Member of the House.

Mr. KENYON. Did not the Senator vote at that time in the House that the power might extend?

Mr. HARDWICK. No, sir; I opposed it and voted against it. My recollection is that I opposed it on the ground that Congress did not have power in that case; but, as the Senator very well knows, the principle is very different about that matter from what it is here.

Mr. KENYON. It was stated at that time, was it not, that the purpose of it was entirely moral, to get rid of a dangerous situation and not for the purpose of revenue?

Mr. HARDWICK. The difference between that matter and this, if the Senator will permit me, is that there was something that might be inherently dangerous in the character of the article transported and we might regulate it. I think the courts finally put it on the ground of interstate commerce, because if there is anything inherently dangerous or inherently wrong in the article transported per se then the power of Congress attaches. But here there is no such principle——

Mr. KENYON. Take the oleomargarine cases. There was nothing inherently dangerous in the coloring of oleomargarine. Does not the Senator admit that Congress has power to tax these matters out of existence, provided it does not strike down some fundamental right protected under the Constitution?

Mr. HARDWICK. No; I do not admit that. That is the very thing I am saying. I have not the slightest doubt about the power in the oleomargarine case nor in these other cases, because in each one of those instances which the Senator has in mind the taxing power of the Constitution did not come in conflict with other equally potent and other equally valid provisions of the Constitution.

Mr. KENYON. Of course, the Supreme Court said in the oleomargarine cases that the taxing power probably could not be used to strike down some fundamental right.

Mr. HARDWICK. In other words——

Mr. KENYON. But the right to produce certain articles with child labor is not any fundamental right.

Mr. HARDWICK. No; but it is the right of a State in this Union to regulate its own domestic and internal concerns, and our people more than any others cling to this right, and you strike at the fundamental right of every local community of this Republic when you undertake to do it.

Mr. LENROOT. Is there not this distinction: Is not the fundamental right that is spoken of in the oleomargarine case the fundamental right of a taxpayer to do business irrespective of the permission of the State? In other words, in the oleomargarine case the court held that the Congress had the right to prohibit that thing which was properly within the taxing power of Congress because it did not interfere with the fundamental rights which were given the State.

Mr. HARDWICK. No; the proposition is this. I think I can state it so that no lawyer will dispute it. First, the taxing power of the Congress is plenary and complete and will not be questioned on any ordinary ground or for any ordinary reason. Yet that is only one of the constitutional powers. It is only one of the Federal powers, and you can not exercise that power in such a way as to utterly destroy and entirely abrogate other provisions of the Constitution of the United States. No court has ever held that Congress could do that. That is what I am saying in this case, that the trouble about this proposition as a matter of law is that in the exercise of the taxing power you undertake to utterly negative and utterly deny and utterly destroy other equally valid powers under the Constitution. The proof of that is that in respect to this very matter the courts have held that we have no right whatever to regulate it.

Mr. LENROOT. Will the Senator allow me?

Mr. HARDWICK. I yield.

Mr. LENROOT. May I ask the Senator what is the fundamental right that he thinks will be destroyed by the exercise of this power?

Mr. HARDWICK. I thought I had just stated it.

Mr. LENROOT. I did not hear all the Senator's remarks.

Mr. HARDWICK. I said the fundamental right involved under our form of government is that each State in this Republic has the right and the power, absolute and exclusive, to control for itself and according to its own will the conditions and terms of child employment or man employment or woman employment or any other and all other domestic and internal affairs and concerns within that State.

Mr. LENROOT. May I ask the Senator whether he can produce any authority which holds that that kind of a right is a limitation upon the Federal taxing power?

Mr. HARDWICK. If the Senator will read the child-labor decision——

Mr. LENROOT. No; in this case.

Mr. HARDWICK. I am afraid I never will be able to agree with the Senator in that case. We undertook there under the commerce clause to say that these articles should not be transported through interstate commerce at all or enter into interstate commerce unless the people engaged in labor in the several States of the Union were required to conform to certain standards of conduct which we fixed. The Supreme Court of the United States said, strange as it may seem in this day and time, that one of the fundamental rights in this country still left was the right of each State in this Republic to regulate its own domestic and internal concerns, to decide what hours of employment and what conditions of labor should control within the limits of the State.

Mr. LENROOT. Will the Senator allow me again?

Mr. HARDWICK. I yield.

Mr. LENROOT. It was not the fundamental right of the State or the fundamental right of the taxpayer, because there was nothing in the child-labor decision to the effect that it is a pure and fundamental right of the individual to employ child labor.

Mr. HARDWICK. Undoubtedly; I see what the Senator means. There is no trouble about that. I am making the complaint that this legislation is in violation of the fundamental right of the individual citizen or taxpayer, and I say it is utterly invalid and can not be supported, because it undertakes to do something in this indirect way that we have no right to do, because it is against the fundamental right of the States and the fundamental right of local communities of the State.

Now, I am going to ask permission before I conclude to have the text of these decisions incorporated in my remarks. I shall quote from them when I do extend my remarks. I am sorry this is brought up at a period when I have not the decisions at hand. I am going to put in the opinion in the oleomargarine case and, I think, in the State bank case.

But there is no need of continuing the legal argument on the amendment. I think we all know what the decision was. We fought it out here through weary weeks and months, and it was decided fairly on its merits.

Mr. KENYON. The decision was four to five.

Mr. HARDWICK. That may be true, yet that same statement could be made about almost every important decision that has been made recently by the Supreme Court of the United States. They nearly always divide on these great questions, but the decision of the court is the controlling thing and it ought to be controlling with us.

The proposition I come to next is this: We have heard a great deal in the debates on this question, protracted during a great many years here and throughout the country, about the moral side of it, the moral sentiment that is back of it. We have had a great deal of such talk, some of it, I reckon, perfectly honest, perfectly sincere; most of it, it may be. Some of it, in my opinion, is more or less selfish and inspired by motives that would not bear too careful a test, but the effect of that argument and that sort of talk about the moral sentiment fails. I want to appeal to Senators on both sides of this Chamber, because it is no partisan question at all about the morals of undertaking to do in this way what the highest court in our country has decided we have no power to do at all. What about the right of an individual Senator to vote in this bill the exact language of an outlawed proposition under the guise and pretext of raising revenue for the Government? No Senator can for one moment contend, or for one second believe, that that is the purpose of it or the intent of it, or the reason for it is to raise revenue for the Government.

There is a good deal of morals involved in this. If we are bound by the decisions of our courts on questions of constitutional law and if the courts have decided solemnly and formally that we have no right in this forum to regulate as a national question the employment of child labor in the several States of this Union, then what Senators can say or ought to say is that we can accomplish precisely the same purpose by levying a tax upon it so heavy as to do indirectly what we can not do directly.

Now, that is the question. It is a naked one, and I present it here nakedly. We can do it if we want to do it, I reckon. I do not think the court will sustain it if we do it; but, of course, each Senator will be his own judge in that matter and cast his own vote according to his own judgment.

But, Mr. President, it does seem to me that each Senator ought to have some hesitancy, some doubt, no matter what his position was on the question originally, about undertaking to do in this indirect manner exactly and precisely what has been decided on this identical issue to be beyond the power of Congress to do.

When we were sworn in each of us swore to support and defend the Constitution of the United States against all enemies, foreign and domestic. Are we to violate our oath in a technical manner? Are we to stand here and vote for legislation that we know has been decided to be beyond the authority and power of Congress simply because we believe that the courts will say that this being a taxing question it is not within the power of anyone to raise that question in the court? I do not think we ought to do it. For one, I can not do it, and for one, I have no doubt if we do it the Supreme Court of the United States will again decide that it is unconstitutional and invalid, otherwise the taxing power may become the Frankenstein which will utterly destroy all other constitutional powers and limitations, and will finally change both the form and substance of the government, after devouring the Constitution itself.

Mr. LENROOT. Mr. President, I did not hear all the Senator's argument, but I wish to ask him in view of the distinction that he attempts to make between the oleomargarine case and this case, what distinction he makes in the bank-tax case?

Mr. HARDWICK. Between that and the oleomargarine case?

Mr. LENROOT. Yes.

Mr. HARDWICK. There is no difference.

Mr. LENROOT. The difference is that in the oleomargarine case, as I understand it, each State has the full right to regulate. In the case of oleomargarine we might have prohibited the transportation of interstate commerce through a regulation of commerce, and therefore the tax could be sustained. Am I correct as to his contention?

Mr. HARDWICK. Yes. They held in the oleomargarine case, as I recall the decision—I have not read it very recently—that, although the real purpose of the bill might not be to raise revenue, the court could not inquire as to that, and would sustain the tax.

Mr. LENROOT. How does the Senator distinguish between the decision in the State bank case and this?

Mr. HARDWICK. That is easy enough. In the case the Senator refers to the real purpose of the tax might have been to unify the system of Federal banking under the Constitution of the United States, and it would not have been violative of any State provision.

Mr. LENROOT. The Senator will recollect that the opinion in that case puts the two propositions upon distinct and independent grounds. It placed the constitutionality of the tax solely upon the taxing power of Congress, irrespective of any consideration the Senator now presents.

Mr. HARDWICK. While that is true, neither in the bank case nor in the oleomargarine case was there this necessary conflict over the power of the State to make its local regulations effective upon all its citizens concerning its own domestic and internal concerns alone involved, according to my understanding of those two decisions.

Mr. LODGE. Mr. President, I do not desire to detain the Senate more than a few moments on the amendment now pending, but as I happened to be one who moved in the committee the adoption of the amendment of the Senator from Ohio [Mr. POMERENE], I think I ought to say something in regard to it and my reasons for so doing. I have been very deeply interested in the question of child labor for a great many years. I introduced the first bill here for the protection of child labor in the District of Columbia, and I have always sought for legislation on that subject.

I am not going to argue the details. It is a great evil. The States have had ample and abundant opportunity to deal with it themselves. Most of the States have; some have not. I think it is something that ought to be ended.

Congress passed the bill for that purpose by a large majority. That form of legislation has been held unconstitutional by the Supreme Court, and therefore it would seem to me that our only resort is to the taxing power. I am no fonder of resorting to that power for this purpose than anyone else, but the Government of the United States has resorted to it in more than one case. In the lottery cases it was not a taxing power, but exclusion from the mails, but the court dwelt on the justification of the action of Congress very largely on account of the ethical question involved, that the lottery was against public policy. We used it in the oleomargarine cases. We used it in the bank cases, which I am sure the Senator from Wisconsin [Mr. KELLOG] will show better and more fully than I can to the Senate.

It so happened that some years ago I carried through a bill, which became a law, to exterminate by the use of the taxing power the manufacture of white phosphorus matches, which produced hideous diseases among the workers. The bill failed in one Congress and passed in the next. I think the constitutionality of that law has never been questioned.

The amount of revenue to be raised by this measure may be little or nothing. The main purpose is to put a stop to what seems to be a very great evil, and one that ought to be in some way put a stop to. If we are unable to reach it constitutionally in any other way, then I am willing to reach it by the taxing power, which the courts have held can be used constitutionally for such a purpose. I see no other way to do it.

It seems to me that we are justified in using the taxing power for that purpose. It is a constitutional, but extreme method, I readily admit. I think we are justified in it by the fact that the police power of the States has failed to regulate it as it should be regulated.

It was for these reasons, Mr. President, that I moved the insertion of this amendment, which was adopted by the committee by a large majority.

Mr. HARDWICK. Will the Senator yield?

Mr. LODGE. Certainly; but I am about through.

Mr. HARDWICK. I shall not keep the Senator very long; I have been very much interested in the Senator's statement. I was wondering where his doctrine would lead. If the Senator feels that the police power of any one or more States was not exercised in a way to conform to the Senator's judgment, if it were possible to do so, the Senator would not hesitate to constitute the Congress as a final judge of the matter, whether they had been properly exercising it or not and would use the taxing power to carry out his own ideas?

Mr. LODGE. It is not a question of my own ideas.

Mr. HARDWICK. I am asking the question in all sincerity. Would not that sort of doctrine utterly destroy the right of the local community to regulate its domestic concerns?

Mr. LODGE. I say we ought to do it as little as possible.

Mr. HARDWICK. It is a very dangerous doctrine.

Mr. LODGE. I admit that it is a dangerous power to use, but I thing cases have arisen where it is less dangerous to use the power than to neglect the evil. I think there is very much better and stronger ground for this legislation than there was for the oleomargarine legislation. It is the fault of the States themselves. I am as much opposed as anyone to the absorption of State powers by the Federal Government. The fact that that is proceeding as I think in very many cases to a very unfortunate limit is owing to the fact that the States have failed to exercise their powers. There has been, more than that, a disposition in the States to throw all sorts of things on the Federal Government, to turn to the Federal Government instead of attending to it themselves. I wish the States would be more alive to their own rights and duties under the Constitution than they have proved themselves to be. But when they leave us after years with a very great evil like this, as I believe it to be, in existence I think there is no choice left for Congress unless it is ready, as I said, to neglect it and allow it to exist without touching it, except to deal with it in that way.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. LODGE. Certainly.

Mr. SMITH of South Carolina. Is it not a fact that the conditions which have brought about this proposed legislation were the conditions existing or supposed to exist in the great manufacturing States, and is it not a fact that in the last few years practically every manufacturing State in the Union where child labor has been more or less employed has had progressive legislation on its own initiative on this very question looking toward the very end that this legislation is looking to? Take South Carolina, for instance. Compare the child-labor law of South Carolina with the pending measure. Yet the State was maligned and misrepresented by some of the individuals who, I suppose, were hunting employment and wanted to create some kind of a sensation in order to show themselves great philanthropists and uplifters. In my State that law is enforced, and it is infinitely better than this. Yet I suppose my State was one of those that was pointed out as being one of the great sinners against pure, innocent childhood.

Mr. LODGE. Mr. President, I have not examined the very recent laws of the State, but if the State has made adequate laws of course it will be in no wise affected by this legislation; it will interfere in no way with their industries or their economic policies; but if the evil does exist anywhere then this law will, in my judgment, be highly beneficial.

Mr. SMITH of South Carolina. Mr. President, I want to say just a few words in extension of what I have said. I have been amazed here on the floor of the Senate to see men, when questions come up in which is involved the right of the State under our dual form of government, lend themselves to what they know is absolutely destructive of our present system of govern-

ment and contributing just as rapidly as possible toward a centralized form of government that means a disruption of our present system.

The question of woman suffrage has been discussed here and it has been defended on the ground that it is the bedrock upon which our conception of democracy rests. The right of self-determination and the right of local self-government rest fundamentally upon the proper exercise of the franchise by the political unit that is concerned, because it goes without saying that the very moment you modify the right to exercise sovereign power you cease to be sovereign.

This is one of the rights granted or reserved to the States. The Supreme Court has said it is unconstitutional. Some of those who have opposed woman suffrage on the ground that it is violative of the principles of our Government come here and, in the face of the decision of the Supreme Court hardly dry on the books, seek by a subterfuge unworthy of a Senator and of a great legislative body to bring about the very thing that the supreme judicial power of this country has said is violative of the principle that we stood at that desk and swore to uphold.

The Senator from Massachusetts said it would not affect my State. I would be unworthy of standing on the floor of the Senate if I only advocated those things that would help South Carolina and opposed things that would not. I am glad that South Carolina will not be affected by it, for then I will not be charged with opposing it, because my State might suffer if it becomes a law. I am opposing it because I do not believe we have any right either in morals or in law to violate the very fundamental principle of the Constitution. The logic of events is centralizing fast enough without lending ourselves to the centralizing force.

I for one will vote against it not because I am not as much in favor of protecting children and granting them the full enjoyment as far as may be of the kingdom of childhood, but I am voting against it because I believe each and every State is better qualified to determine under what conditions the children under their jurisdiction shall live than the Congress of the United States.

South Carolina is better able to know the condition of her children than the State of Washington knows of South Carolina, and I warn the Senate now that these encroachments and these raids on our form of government are coming thick and fast, and we will wake up after a while to find that the splendid system of government that makes our liberty possible has passed away and we are a great centralized socialistic body without the power of self-determination in any local form whatever.

Mr. OVERMAN. Mr. President, the Senator from Massachusetts [Mr. LODGE] very frankly admits that the purpose of this provision is to nullify a decision of the Supreme Court of the United States. This bill is entitled "A bill to raise revenue"; that is stated as its purpose. I want to ask my colleague if this provision was inserted for the purpose of raising revenue? Was it the desire of the committee to raise revenue when they incorporated this provision in the bill?

Mr. SIMMONS. I can only say to the Senator that I do not think there was any estimate made as to the amount of revenue that would be raised by it.

Mr. OVERMAN. The Senator from Massachusetts was very frank in his statement. He said it was inserted to nullify the action of the Supreme Court.

Mr. LODGE. Oh, no. I beg the Senator's pardon. I did not say that.

Mr. OVERMAN. In effect the Senator said that. If the Senator please, he said that the Supreme Court had declared the child-labor law unconstitutional——

Mr. LODGE. I have not questioned that.

Mr. OVERMAN. Just a moment—and that this provision will be inserted in the bill, and the taxing power is to be used to nullify an opinion of the Supreme Court, in which it stated that the act was unconstitutional.

Mr. LODGE. It was to reach the same object in a constitutional way.

Mr. OVERMAN. I ask the Senator if the effect would not be to nullify that opinion?

Mr. LODGE. It would nullify the practical effect of the decision, but not its legal validity.

Mr. OVERMAN. It would nullify it so far as its practical effect as a law is concerned, and there is no estimate as to this provision for raising revenue.

Mr. SIMMONS. I can only make the statement to my colleague that there was no estimate presented to the committee as to the amount of revenue which would be derived from it; and I do not think anyone suggested that any would be derived.

Mr. OVERMAN. Did the committee expect that any revenue would be raised by it?

Mr. SIMMONS. I do not know what the members of the committee expected, but I have heard no one suggest that any revenue would be raised by it.

Mr. OVERMAN. Frankly, does my colleague think that any revenue will be raised by it?

Mr. SIMMONS. My individual judgment is that no revenue will be raised by it.

Mr. OVERMAN. Mr. President, we have before us a taxing bill here for the purpose of raising revenue, and we have the chairman of the Committee on Finance frankly admitting that this provision was put into the bill for the purpose of raising revenue when no revenue is expected and no revenue was estimated to come from it. We have the learned Senator from Massachusetts, in effect, saying that the provision is put in here for the purpose of nullifying the decision of the Supreme Court of the United States.

Mr. President, in reference to the oleomargarine case and the Veazie case, I ask upon what grounds did the court decide that the questions therein decided were constitutional, when it was admitted here in the Senate during its consideration that the provision inserted was not for the purpose of raising revenue? The Supreme Court said they could not go behind what the bill purported or was in the mind of Congress; but they went on and said that the question of constitutionality ought to be left with the conscience of each Senator.

There are three grand divisions of this Government—the executive, the legislative, and the judicial. When the judiciary, the Supreme Court of the United States, says that a law which we have passed through Congress providing for the same thing as this provision is unconstitutional, and members of the committee say that this provision is put into the pending bill for the purpose of avoiding that decision, I say that morally it is wrong, and, in my judgment, the Supreme Court will declare it to be unconstitutional.

In the oleomargarine case (195 U. S., 55) the court says in reference to this matter of the division of this Government into three departments, that each branch of the Government ought to receive from the other branches due consideration. The opinion states:

> It is believed to be one of the chief merits of the American system of written constitutional law that all the powers intrusted to the Government, whether State or National, are divided into the three grand departments—the executive, the legislative, and the judicial; that the functions appropriate to each of these branches of Government shall be vested in a separate body of public servants, and that the perfection of the system requires that the lines which separate and divide these departments shall be broadly and clearly defined. It is also essential to the successful working of this system that the persons intrusted with power in any one of these branches shall not be permitted to encroach upon the powers confided to others, but that each shall by the law of its creation be limited to the exercise of the powers appropriate to its own department and no other.

Mr. President, I have read this extract from the oleomargarine case itself, this statement that we, as Senators, ought not to encroach upon the judiciary or upon any other department of the Government. It is wrong in morals if we do so; and yet this is done, according to the Senator's admission here and the statement by the committee itself, for the purpose not only of encroaching upon the rights of the Supreme Court but in order to nullify its decision. The power to tax is the power to destroy; and when the Senate of the United States goes out of its way to interfere with another great branch of this Government, and it appears in the RECORD—and I suppose the Supreme Court will read this RECORD—that it is done for that purpose, that court is not going to uphold this section.

It was a taxing power which was discussed in the oleomargarine law; but it, too, was a revenue bill, and the court would not go behind the law, because they took it for granted that Members of Congress passed the law for the purpose of raising revenue, and they could not go behind that. But here is an admission that this is not done for the purpose of raising revenue; that it will not raise revenue; but that it is for the purpose of destroying the decision of the Supreme Court.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. OVERMAN. I yield.

Mr. KELLOGG. The Senator does not claim that there are not any number of precedents where Congress has passed laws imposing a tax where there was no expectation that such laws would yield revenue?

Mr. OVERMAN. I have just stated that Congress has passed such laws.

Mr. KELLOGG. Congress passed a 10 per cent tax on the issues of State banks.

Mr. OVERMAN. I have just stated that Congress had passed such laws, the constitutionality of one of which was involved in the Veazie case and another in the oleomargarine case; but I gave the reason why they declared those acts constitutional.

Mr. KELLOGG. The Senator from North Carolina would not claim that, if oleomargarine is a legitimate subject of commerce, the Federal Government could prohibit its manufacture in the States? The Senator does not claim that?

Mr. OVERMAN. No.

Mr. KELLOGG. But Congress can levy a tax upon it.

Mr. OVERMAN. Congress can levy a tax against it and destroy it.

Mr. KELLOGG. Very well.

Mr. OVERMAN. Congress can levy a tax and destroy it if it wants to do so, but Congress can not go out of its way to nullify a decision of the Supreme Court when it is clear that such is the purpose of the law itself. Does the Senator from Minnesota think it can do so? Does he think that this Congress, upon the ground of morals alone, can take advantage of a taxing law to nullify a decision of the Supreme Court of the United States?

Mr. KELLOGG. I think Congress is the judge of whether the taxing power should be imposed or not. If the effect is to nullify a decision of the Supreme Court, and it is legal, Congress is the one to judge of that, of course.

Mr. OVERMAN. What is the object of a revenue bill? It is to raise revenue. Now, I ask the Senator if the object is not to raise revenue but to destroy the decision of the Supreme Court in morals, is that correct?

Mr. KELLOGG. I think it is perfectly correct; it is as correct as it was in the case of the State banks. In that case it was done to prevent the States from issuing money and not for the purpose of raising revenue.

Mr. OVERMAN. There is no decision of the Supreme Court involved in that case. I put the case to the Senator. If the purpose of this provision is to nullify a decision of the Supreme Court, a coordinate branch of this Government, and not to raise revenue, in morals is that the right thing to do?

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield; and if so, to whom?

Mr. OVERMAN. I have yielded to the Senator from Minnesota [Mr. KELLOGG]. Later I will yield to the Senator from Ohio.

Mr. KELLOGG. Mr. President, I think the decision of the Supreme Court is placed upon the ground that Congress had no power to prohibit a State from manufacturing a certain article purely in intrastate commerce, but that the same object could be obtained by levying a tax—which is clearly within the constitutional power of Congress—and that there is nothing immoral about doing it.

Mr. OVERMAN. The Senator from Minnesota has not answered my question. I asked him if it were right in morals for Congress, a coordinate branch of the Government, to include in a taxing law a provision to nullify a decision of the Supreme Court of the United States when that was done for the purpose of nullifying such a decision and not for the purpose of raising revenue?

Mr. KELLOGG. I think I answered the Senator's question. I say that I think if the tax imposed is within the constitutional powers of government it is for Congress to decide and not for the courts.

Mr. OVERMAN. Yes; it is for the Senator from Minnesota and for me to determine now whether it is right in law or not. The Supreme Court of the United States says in its opinion that we are the judges of it. I admit that under the oleomargarine case or the Veazie case, this being a bill to raise revenue, and nothing else, that, as the Supreme Court says, we can levy a tax which will destroy; no matter what it does, they can not go behind what Congress has done to ascertain the purpose of it; but here is an admission upon the floor of the Senate that the committee inserted this provision for the purpose of nullifying the decision of the Supreme Court of the United States.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. OVERMAN. I yield.

Mr. POMERENE. Mr. President, the Senator from North Carolina now admits that we have the taxing power to deal with this subject—the taxing power to raise revenue. That being admitted, the Senator has admitted his entire case away, for the courts will not inquire into the motives which may have prompted Congress in passing a bill.

Mr. OVERMAN. Mr. President, that is just what I said was the decision in the oleomargarine case; but I further stated that where the motive is admitted——

Mr. POMERENE. No; but, Mr. President, there is not any Senator here who can admit a motive by Congress.

Mr. OVERMAN. Well, everybody knows that what I stated is true, and we might as well be candid with each other. I will ask the Senator this question: If the Supreme Court knew that this legislation was passed with the intention of nullifying their decision, if that were admitted as the motive, would that act stand for a minute?

Mr. POMERENE. Looking at this from the standpoint of the constitutionality of the provision, it may be admitted that one of its purposes is the raising of revenue.

Mr. OVERMAN. Is that true?

Mr. POMERENE. It is true.

Mr. OVERMAN. To raise revenue?

Mr. POMERENE. It is true. We are dealing with the other proposition as well, and we——

Mr. OVERMAN. Did the Senator introduce his bill on this subject for the purpose of raising revenue?

Mr. POMERENE. Mr. President, if the Senator will allow me to state this in my own way, I will say that we have sought to deal with this question in various ways. In a bill which was passed some time ago we invoked the power of Congress over interstate commerce. The Supreme Court by a divided tribunal, five to four, held that that was unconstitutional. The friends of the measure sought to adopt some other plan by which we could deal with the question. In the pending bill we are raising revenue, and we saw fit to draft this provision for the purpose of raising revenue and at the same time to meet the child-labor problem. Now, we are not shying away from that question at all; but if we can find the power to deal with this question under the taxing power it makes no difference to the Supreme Court what other purpose may have been in the minds of the draftsmen of the law.

Mr. OVERMAN. The Senator will not say that he introduced his bill for the purpose of raising revenue?

Mr. POMERENE. I have just said to the Senator—and I can not make it any stronger—that there was a twofold purpose, and we saw fit to use the taxing power to meet this situation because we believed it could be done.

Mr. OVERMAN. Does the Senator believe, if this provision were constitutional and it should be upheld, that it will raise any revenue?

Mr. POMERENE. I do; and if it does not, then you have nothing to complain of, because——

Mr. OVERMAN. Mr. President, along the line I suggested as to the morals of this procedure, I should like to read what the great——

Mr. HARDWICK. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. OVERMAN. I yield.

Mr. HARDWICK. It is a matter that I did not state with as much clearness as I wished in my previous remarks. I wish to ask the Senator from North Carolina if he believes that in the exercise of the taxing power of the Government, which is only one of the powers conferred on Congress, we can violate other cognate provisions of the Constitution?

Mr. OVERMAN. No, Mr. President; and the Supreme Court in one case has held that that can not be done.

Mr. HARDWICK. That is the real question here. We can not take the taxing power of the Federal Government, in my opinion, and so exercise it as to utterly disregard and trample upon other provisions that are entirely valid.

Mr. KENYON. Mr. President, will the Senator from North Carolina yield to me to ask the Senator from Georgia a question?

Mr. OVERMAN. Certainly.

Mr. KENYON. What is the view of the Senator from Georgia as to the limitation of the Constitution on the taxing power of Congress?

Mr. HARDWICK. I think the taxing power, Mr. President, can not be exercised in any way so as to repeal or affect or nullify other provisions of the Constitution.

Mr. KENYON. That is, to destroy fundamental rights?

Mr. HARDWICK. Exactly—the fundamental rights of the States.

Mr. KENYON. That is the ultimate question?

Mr. HARDWICK. Of course, that is it.

Mr. OVERMAN. Mr. President, I have said that this provision in the bill is not for the purpose of raising revenue, but it is, and we might as well be candid, to nullify a decision of the Supreme Court of the United States. Whenever that is admitted, Mr. President, then everybody must admit that it is a very dangerous power, because if we can do this in one case we can do it in a million cases.

Judge Tucker, quoting from Cooley, says—I am reading from Tucker on the Constitution, Volume I, pages 501 and 502:

Constitutionally a tax can have no other basis than the raising of revenue for public purposes, and whatever governmental exaction has not this basis is tyrannical and unlawful.

This is the language of Judge Cooley:

A tax on imports, therefore, the purpose of which is not to raise revenue, but to discourage and indirectly prohibit some particular import for the benefit of some home manufacture may well be questioned as being merely colorable, and therefore not warranted by constitutional principles.

He (Judge Cooley) says that, as it is a duty from which revenue may be derived, the judicial power, where the motive of laying does not appear on the face of the act—

Just what we contend and what the court said in the oleomargarine case—

can not condemn it as being unconstitutional, but it is none the less a violation of the Constitution by the legislator who knows its object and levies the duty from a motive not justified by the Constitution.

In other words, this provision appears upon its face to be for the purpose of raising revenue, but when a Senator, knowing that it is done for another purpose and not for the purpose of raising revenue, votes for it, he is violating his oath.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. OVERMAN. I yield.

Mr. SMITH of Georgia. As there will be no tax laid if children are not worked in the factories——

Mr. OVERMAN. That is right.

Mr. SMITH of Georgia. And as the purpose of the law is to prevent children from being worked in the factories, the purpose of the law is not to raise any revenue.

Mr. OVERMAN. I have just said that; and it is practically admitted. Therefore, according to our textbooks and to the Supreme Court of the United States, whenever a Senator votes for that sort of a provision of law which is not for the purpose of raising revenue he is violating his oath as a Senator, because the Supreme Court, when it looks at the act to determine as to its constitutionality and sees from the title of the bill that it is "for the purpose of raising revenue, and for other purposes," according to the decision in the oleomargarine case, it will not go behind that; and yet the announcement is made that this provision is not expected to raise any revenue. This is a great coordinate branch of the Government; it ought to respect the Supreme Court of the United States and have due respect for its decisions, and each Member of it ought to respect the oath he has taken to stand by the Constitution. Of course, Mr. President, my remarks do not apply to any Senator who thinks that this provision will raise revenue or who thinks it has been put in the bill for the purpose of raising revenue; but I assume, from the admissions made here by members of the committee, that it is not for that purpose. I quote further from Judge Tucker's great book on the Constitution, as follows:

It may be added that when the protection of private enterprise is not through the agency of protective duties but assumes the bolder form of taxation to put money into the Treasury for appropriation to the payment of bounties for private enterprise, the features of unconstitutionality of which Judge Miller speaks are obvious on the very face of the law; and that such appropriation for private enterprise of public money obtained by public taxation is "none the less robbery because it is done under the forms of law, and is called appropriation."

That is in reference to another case, but citing the same principle that the Supreme Court can not go behind the bill itself which Congress says it has passed for a certain purpose. It is left to each Member of Congress in his conscience.

The Supreme Court has decided in United States v. Dewitt that an act of Congress making it criminal for a citizen to mix for sale, etc., certain explosives was unconstitutional. Chief Justice Chase said: "The questions certified resolve themselves into this: Has Congress power under the Constitution to prohibit trade within the limits of a State? * * * Standing by itself, it is plainly a regulation of police." He adds: "As a police regulation, relating exclusively to the internal trade of the States, it can only have effect where the legislative authority of Congress excludes territorially all State legislation, as, for example, in the District of Columbia. Within State limits it can have no constitutional operation. This has been so frequently declared by this court, results so obviously from the terms of the Constitution, and has been so fully explained and supported on former occasions that we think it unnecessary to enter again upon the discussion."

The question then confronts us, If Congress can not by direct action constitutionally put down and prevent the sale of an article in a State, can it by the indirection of the taxing power seek to destroy what the Constitution prohibits it to touch?

I read the conclusion:

In other words, it can not pervert the use of a power given for one purpose into an instrument for accomplishing another purpose which is expressly denied to it. It can not do by indirection what under the Constitution it has no power to do by direct means.

Without discussing the morals or the merits of the provision, I place myself upon the oleomargarine case itself, in which it is said that it is a matter of conscience for each Senator. Knowing that this amendment is not for the purpose of raising revenue, and knowing that it is for the purpose of nullifying a decision of the Supreme Court of the United States, and doing by indirection that which Congress can not do by direction, is it right for the Senate to make it a part of a revenue bill?

As I have already stated, this bill is for the purpose of raising revenue to pay the war debts. Will this provision aid in that purpose? It is admitted that it will not. Is there something that stands in the way of this sort of legislation? It is admitted there is. Where? In the decisions of the Supreme Court of the United States. It is admitted that it will not raise revenue; it is admitted that we are trying to do something by indirection that we can not do by direction; it is wrong; and I protest against it.

Mr. THOMAS and Mr. LENROOT addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. THOMAS. I yield to the Senator from Wisconsin.

Mr. LENROOT. Mr. President, in the first place, before entering into a discussion of the legal proposition which has been raised, I wish to say that, in my judgment, this amendment can be sustained and voted for as a taxing measure without regarding it in any wise as a subterfuge. No one will dispute that Congress in the exercise of its taxing power can say, "We will tax, as an excise tax, all profits of a given business." That must be admitted, because we are not limited in the exercise of our taxing power to the taxing of profits; we may tax capital. Nearly a hundred years ago Chief Justice Marshall coined the phrase with which we are all familiar, "The power to tax is the power to destroy." It is equally legitimate for Congress through the exercise of its taxing power to say to the employer of child labor, "We do not prohibit the employment of child labor, but you shall not profit by coining into money the lives of little children, and any money that you shall so make the Government will take from you."

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Georgia?

Mr. LENROOT. I do.

Mr. HARDWICK. I merely wish to develop the Senator's position just a little further. If what he has stated be true, then, can not Congress by the use of the same power in the same manner say to the people of every State in the Union, "We will tax all labor employed over eight hours," and in that way control that question even in an intrastate matter?

Mr. LENROOT. Possibly. There is—and I shall come to it later—one exception other than is found in the constitutional provision itself, and that is the fundamental right that the Senator spoke of in his remarks—not the fundamental right of the State to control a private business, but the fundamental right of the taxpayer himself, guaranteed by a free government.

Mr. HARDWICK. Does the Senator say that what I last suggested to him could be done under his view of the taxing power?

Mr. LENROOT. The Senator asks me whether, in my judgment, we might tax through the exercise of the taxing power all of the earnings of labor employed over eight hours.

Mr. HARDWICK. The profits of labor employed more than eight hours throughout the country. Could we tax that under the Senator's view?

Mr. LENROOT. I will frankly answer the Senator's question, and, from the standpoint of the constitutional power of Congress, unhesitatingly say "yes"——

Mr. HARDWICK. Then the Senator thinks the taxing power is so transcendent——

Mr. LENROOT. Let me finish. Granted, as I think we perhaps both would agree, that the State itself would have the right to make an eight-hour limitation in the exercise of its powers.

Mr. HARDWICK. A State may or may not choose to do that.

Mr. LENROOT. Then I would not be prepared to answer the question.

Mr. HARDWICK. If the State makes the limit 10 hours it would not make any difference in the question of power, but if the Senator is correct in his position it must follow that the Congress of the United States has a right to say that it will impose any tax that it chooses upon the product of labor in every State in the Union that may be employed more than eight hours in any one day. That is true, is it not?

Mr. LENROOT. It is true if we grant that the State itself in the regulation of the hours of labor might prohibit more than eight hours work in a day.

Mr. HARDWICK. I say, conceding that question.

Mr. LENROOT. Very well.

Mr. HARDWICK. Now, let us go a step further. If that be true, then the Senator's position is that the taxing power of the Federal Government is so transcendent that it repeals every other cognate provision of the Constitution——

Mr. LENROOT. Not at all.

Mr. HARDWICK. No matter what reservations are left to the States and to their people, respectively.

Mr. LENROOT. The taxing power does not repeal any other provisions of the Constitution, but it stands upon its own bottom and is complete in itself, as the Supreme Court has held in a number of cases.

Mr. HARDWICK. The trouble that I see about the Senator's position is that it would give the Federal Government the right absolutely to regulate every vested and internal concern in every State in this Union in spite of the other provisions of the Federal Constitution which deny that right expressly and explicitly.

Mr. LENROOT. Limited only by the suggestion made in the McCray case, to which I shall refer in a moment, and the limitations found in the clause itself, I say that the taxing power of the Federal Government is supreme and unlimited. The limitation to which I have referred—although not necessary to the decision, for it is obiter, but I think we would all concur in it—is that the taxing power can not destroy fundamental inherent rights of an individual, which neither State nor Federal Governments can directly destroy, but it may destroy any rights that a State in the exercise of its police powers might destroy. That is the situation. The States unquestionably have the right in the exercise of their police powers to prohibit the employment of child labor under the ages designated by this provision of the bill. Therefore it clearly is within the proper exercise of the taxing power of Congress by a taxing law to say to the employers of child labor, "We will take all of the profits that you may make out of child labor."

I am frank to say that, of course, that will result in the nonemployment of child labor, because the only reason that child labor is employed throughout this country is the expectation of profit upon the part of the employer by utilizing the services of children of tender age. Take away from the manufacturer the hope of profit, and, of course, there is no further incentive for him to employ child labor and it will cease.

In this connection I wish to quote from the address that President Wilson made at the joint session of Congress on May 27 last, which we all heard, in reference to this very revenue bill which he then proposed. In that address he said:

> The profiteer that can not be got at by the restrictions of conscience and love of country can be got at by taxation.

This is only one of the provisions of the bill that seek to get at profiteers, men who will not through the restraint of conscience or love of country do those things which ought to be done.

But, now, to get back for one moment again to the contention of the Senator from Georgia. If I understand his contention aright, the Federal Government could not tax to the point of destruction, at least, a business of which the State alone had the power of regulation. If that be true, this revenue bill is full of taxes imposed upon business conducted wholly within the States, wholly within the jurisdiction of a State, business over which the Federal Government under the interstate-commerce clause or other clauses of the Constitution has no control. For instance, take the tax upon beverages. It is wholly within the police power of a State to regulate the manufacture of intoxicating liquors or to permit the sale of intoxicating liquors within a State. Will the Senator say that the validity of an act of Congress placing a tax upon beverages, as is done in other provisions of this bill, is to be measured by whether or not the tax destroys the business?

Mr. HARDWICK. Mr. President——

Mr. LENROOT. I yield.

Mr. HARDWICK. I think I can give the Senator an illustration of what the Senator from Georgia, at least, would say on that subject.

Mr. LENROOT. I shall be very glad to have it.

Mr. HARDWICK. Suppose the local laws, the laws of the several States, taking any one of them for illustration—Georgia, say—provided that barrooms should stay open until midnight, 12 o'clock. Does the Senator think that we could regulate that purely local question by levying a tax, not on all whisky sold in States but only on that class of whisky where barrooms were kept open later than 9 o'clock?

Mr. LENROOT. I have no doubt whatever of it.

Mr. HARDWICK. Well, that is a very fair illustration.

Mr. LENROOT. And, if the Senator will remember, questions of identically that nature have already been passed upon by the Supreme Court in a number of cases where excise taxes and income taxes have been before the Supreme Court, and the contention was made that there was discrimination between different kinds of income or different kinds of property; and in every case the Supreme Court has said that the only uniformity that is required in levying excise taxes is a geographical uniformity, and that it will not inquire into the matter of discrimination between this kind of business and that kind of business.

Mr. President, this entire matter has been before the Supreme Court a great many times; and if a question can ever be considered settled, this question, so far as the matter of constitutionality is concerned, is settled by the Supreme Court.

Reference has been made to the oleomargarine case, the case of McCray against United States, found in One hundred and ninety-fifth United States, page 27. After reviewing a great many of the leading cases upon the subject, the court sums up its conclusion, and I wish very briefly to quote from the opinion.

The court says:

> Since, as pointed out in all the decisions referred to, the taxing power conferred by the Constitution knows no limits except those expressly stated in that instrument, it must follow, if a tax be within the lawful power, the exertion of that power may not be judicially restrained because of the results to arise from its exercise.

The Senator from Georgia and other Senators, especially the Senator from North Carolina [Mr. OVERMAN], urge that because this taxing power will change the status of the employment of child labor permitted by the decision of the Supreme Court in the child-labor case, therefore this is a wrongful exercise of the taxing power; but in this case and in many others the courts expressly recognize that through the exercise of the taxing power results may follow quite apart from the direct powers of the Federal Government, but nevertheless in every case the courts have held it to be a proper exercise of the taxing power.

I continue to quote:

> The proposition now relied upon was urged in Knowlton v. Moore (178 U. S., 41) and was overruled. In that case it was insisted that although death duties were within the power to levy excise taxation, as the effect of their extreme enforcement would involve the power to destroy the right to the passage or receipt of property on the occasion of death—a subject within the exclusive control of the States—therefore death duties, when imposed by Congress, must be held to be unconstitutional.

In considering this contention, after referring to the statement of Mr. Chief Justice Marshall in McCulloch v. Maryland, that the power to tax involves the power to destroy, it was observed:

> This principle is pertinent only when there is no power to tax a particular subject, and has no relation to a case where such right exists. In other words, the power to destroy which may be the consequence of taxation is a reason why the right to tax should be confined to subjects which may be lawfully embraced therein, even although it happens that in some particular instance no great harm may be caused by the exercise of the taxing authority as to a subject which is beyond its scope. But this reasoning has no application to a lawful tax, for if it had there would be an end of all taxation. That is to say, if a lawful tax can be defeated because the power which is manifested by its imposition may when further exercised be destructive, it would follow that every lawful tax would become unlawful, and therefore no taxation whatever could be levied.

It will be observed that in the case of Knowlton against Moore, cited in the quotation that I have read, the constitutionality of a Federal tax levying death duties was raised; and there the disposition of estates—inheritances—was clearly a subject wholly within the power of the States. Under no clause of the Federal Constitution was the Federal Government given any power of control over that subject, save alone through the taxing power. The taxing power was employed. Through the taxing power the right of the State might be absolutely defeated, as was here held. Nevertheless, it was sustained; and so here, notwithstanding the right of your State or my State to regulate the employment of child labor, the right to say that a child of a younger age than that prescribed in the bill might be employed in the State, the law would stand. There is no interference with the right; but the taxing power, supreme, comes along and says that of the proceeds of that kind of a business the Federal Government will take so much. The State has not been interfered with; the individual has been interfered with; and he has no fundamental right beyond the power or control of the taxing power of Congress.

Again, in the same case—and I wish especially to call this to the attention of the Senator from Georgia—the court says:

> The judiciary is without authority to avoid an act of Congress exerting the taxing power, even in a case where to the judicial mind it seems that Congress had, in putting such power in motion, abused its lawful

authority by levying a tax which was unwise or oppressive, or the result of the enforcement of which might be to indirectly affect subjects not within the powers delegated to Congress.

I do not know how language could be plainer or how the doctrine could be more clearly stated that under the taxing power of Congress it may indirectly accomplish a result that Congress could not deal with directly, exactly as is the case in the case before us, the employment of child labor.

Mr. HARDWICK. Mr. President, if the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Georgia?

Mr. LENROOT. I yield.

Mr. HARDWICK. I suggest to the Senator that the only possible answer to that is found in the very first authority which he cited, which was the oleomargarine case, I think, was it not?

Mr. LENROOT. This is the oleomargarine case.

Mr. HARDWICK. Yes. The first citation the Senator read was from the opinion in the oleomargarine case.

Mr. LENROOT. Yes.

Mr. HARDWICK. In which the Supreme Court said that the power of taxation was limited only by other provisions of the Constitution itself. That was the opening sentence that the Senator read, and that is precisely the contention that is made here.

Mr. LENROOT. But while that may have been a general statement, the Senator can not point to any decision of the Supreme Court of the United States, from the beginning to this day, where in a given case the doctrine that he now states has been applied, because from the foundation of this Government to the present day the doctrine has been uniform that the power of taxation is supreme, limited only by the limitations found in the clause itself and limited again only by the exception stated in the McCray case, to which I shall now refer.

The opinion in the McCray case concludes—as I remember this is the concluding paragraph—with this language——

Mr. HARDWICK. Mr. President, may I interrupt the Senator for a moment?

The PRESIDING OFFICER. Does the Senator from Wisconsin further yield to the Senator from Georgia?

Mr. LENROOT. Yes.

Mr. HARDWICK. There is an unbroken line of decisions to the exact opposite, I think, of what the Senator has contended, beginning with Marshall's day, in the early days of this Republic, that the Federal Government, even under this omnipotent power of taxation of which the Senator speaks, can not tax State securities and can not tax State salaries, because the power of taxation is limited by other provisions in the Federal Constitution.

Mr. LENROOT. I have not read those decisions recently, but I think I have them clearly in mind, and, as I recollect them, the doctrine of which the Senator now speaks was not placed upon any express limitations in the Constitution itself, but was placed upon the correct doctrine that each State is a sovereignty, and is as truly sovereign within its sphere as the Federal Government is sovereign within its sphere.

Mr. HARDWICK. Well, of course; but that doctrine rests on the tenth article of amendment.

Mr. LENROOT. Yes. I thought the Senator had in mind some of the specific grants and not the reserved powers.

Mr. HARDWICK. No.

Mr. LENROOT. That was, of course, the contention in this leading case, the real gist of the matter in McCulloch against Maryland, but the distinction is very apparent. That involved the case of one sovereignty taxing another sovereignty, as distinguished from the business conducted by an individual within the sovereignty.

Mr. HARDWICK. But, if the Senator pleases, it also involved the proposition that even this omnipotent and universal power of taxation could not be exercised, and the court so held in a case where the Federal Constitution made provision against its exercise.

Mr. LENROOT. There are, as I have stated, and as the Senator will admit, only two limitations, and one of those is found in the clause itself, and this other that I did not think of treating as an exception or limitation, because it involved one sovereignty taxing another sovereignty, and the Supreme Court very properly held that that could not be done, and, of course, there has been a long line of cases sustaining that doctrine. But I challenge the Senator to point to a single case of the taxing of any private individual, or any taxation otherwise than taxation of another sovereignty or the agency of that sovereignty, where a clause of the Constitution other than the limitation found in the clause itself has been invoked and sustained as a limitation upon the taxing power. It can not be done, because it does not exist, and because the decisions are uniform that the power is supreme, and limited only by the limitations found in the clause itself, and this general exception to which I now come.

The court said in the McCray case:

Let us concede that if a case was presented where the abuse of the taxing power was so extreme as to be beyond the principles which we have previously stated, and where it was plain to the judicial mind that the power had been called into play not for revenue but solely for the purpose of destroying rights which could not be rightfully destroyed consistently with the principles of freedom and justice upon which the Constitution rests, that it would be the duty of the courts to say that such an arbitrary act was not merely an abuse of a delegated power, but was the exercise of an authority not conferred. This concession, however, like the one previously made, must be without influence upon the decision of this cause for the reasons previously stated.

And what were the reasons previously stated? The reasons previously stated, taking the oleomargarine case out of this exception, were that the State in the exercise of its police power had the fullest authority to absolutely prohibit the manufacture of colored oleomargarine, because of the tendency to deception and fraud growing out of such manufacture; and therefore there was no inherent, there was no fundamental, right of the citizen to engage in the manufacture of oleomargarine. So this exception could not be invoked in the oleomargarine case, for, Mr. President, in the case of child labor the cases are exactly parallel. No one will contend that the States in the exercise of their police powers can not absolutely prohibit the employment of all child labor under the ages designated in the amendment now pending. The States have so held; the Supreme Court of the United States has affirmed time and time again legislation upon that subject. Therefore, Mr. President, it is not a fundamental and inherent right of the citizen to employ child labor, because the State in the exercise of its police powers may prohibit it; and therefore, in the exercise of this taxing power, by the taxes imposed by this amendment, we are not destroying the fundamental right of an employer of child labor, because no such fundamental right exists.

I shall not occupy further time, Mr. President, except to say that I do not believe that there has ever been a question before Congress where the law has been so clearly and so well settled as it is as applied to the amendment now pending.

Mr. President, I venture to say that the court can not find this amendment invalid without overruling, I will say, a hundred cases from the foundation of the Republic down to the present day—one long, unbroken line of consistent doctrine. The Supreme Court will not do so. The Supreme Court will sustain this amendment if it becomes a part of the law.

I have not gone into any discussion of the question that was merely suggested with reference to whether or not the Supreme Court would inquire into the motives of Congress in passing a taxing measure; because even the opponents of the measure, I understand, admit that the Supreme Court will not so inquire; and, of course, the Supreme Court will not so inquire. It will assume that this is a revenue, a taxing, measure, and, as I have tried to show, it is clearly within the power of Congress. It can be sustained. It can be voted for by Senators not feeling that they are voting for something as a subterfuge to accomplish by indirection what could not be accomplished directly, but it can be voted for upon the theory that by the exercise of the taxing power we will deprive employers of child labor of profit. Depriving them of profit, it will follow that the employment of child labor will cease.

Mr. THOMAS. Mr. President, the title of the pending bill is:

An act to provide revenue, and for other purposes.

I imagine, therefore, that it is sufficiently comprehensive to include the pending amendment and practically anything or everything else which might be offered for the consideration of the Senate.

So far, then, as the form or purpose of this amendment is concerned, in view of the absence of limitations upon our power to legislate, I know of no reason why it is not perfectly appropriate in this bill. I think the Senator from Wisconsin [Mr. LENROOT] has also demonstrated the uniformity of the provisions of the amendment with the recent decisions of the Supreme Court of the United States upon the Federal power of taxation; and I presume that, following the line of modern decision, the act will be sustained.

There is, however, one fundamental difference between the facts or the history of this proposed legislation and that of analogous tax legislation which has been sustained. I refer, of course, to the fact that the Supreme Court within the last few months has declared a measure under which Congress exercised its jurisdiction over the whole question of child labor to be beyond the powers of the General Government, and, of course, this amendment, following directly upon the heels of that opinion, presents a different situation—whether it is an im-

portant one or not remains to be seen—from that of all preceding instances.

I do not think there is any question but that the purpose of this amendment is to prohibit the use of child labor in certain industries in the States of the Union. The matter of revenue is merely an incident, or, if it is a matter of revenue, is merely the basis for the exercise of the power. The purpose to be accomplished is precisely the purpose sought to be accomplished by the measure which was held to be unconstitutional.

Much as I sympathize with the constantly growing sentiment in favor of the prohibition of child labor, I was unable to support the measure which the Supreme Court set aside, and for the reason which the majority opinion declares much better than I was then able, or am now able, to declare. I did not believe, and I do not believe now, that the power of Congress over interstate commerce is sufficiently broad to give it jurisdiction of the police powers of the States, and the recognition of that jurisdiction in one direction necessarily recognizes the right to exercise the power in all other directions whenever Congress in its wisdom shall see fit to do so.

This recent line of decisions of the Supreme Court is a development of the judicial power of the United States. There is no question about that. The case read by the Senator from North Carolina from Ninth Wallace, and cases previous to the date of that one, and possibly some afterwards, recognized very plainly and enforced the proposition that a constitutional limitation, the absence of a constitutional power, could not be overcome by an indirect exercise of that power any more than by the attempt at the direct exercise of it.

The Supreme Court has been keeping pace, however, with the growth of public thought. I have always thought that Mr. Dooley's claim to the first place among the humorists of this time was the inculcation in his very amusing way of a great deal of genuine philosophy. In discussing the insular cases, for example, Hennessy asked him whether he believed that the Supreme Court followed the flag. His reply was that he did not know, but he observed that they followed the elections mighty closely; and that is absolutely true. I do not mention it as at all discreditable, because it is not, but merely as a fact; and the constant growth of those cases toward the recognition of the right of taxation, even to the power of confiscation, has been largely due to the fact that it dawned upon the congressional mind some time ago that through the exercise of that power a great deal could be accomplished which otherwise could not be accomplished at all.

It may be, Mr. President, that if such a power had been invoked earlier in the history of the United States we could have avoided a great deal of unpleasantness and possibly some of the internecine strife which has disfigured the pages of our history. For example, if, in 1860, a special and prohibitive tax had been placed upon the products of slave labor, its abolition might have been accomplished without resorting to arms or an attempt to destroy the Government of the United States. If slavery should rear its head in any of our possessions or in the United States again, we may comfort ourselves with the reflection that we can very easily knock it all to pieces by resorting to a system of taxation.

Mr. President, my objection to this amendment is therefore not a constitutional but a practical one. I think that we have gone as far as we ought to go in using the taxing power of the United States for the purpose of effecting social reforms; and I am afraid that if we go much further it will be perhaps the only medium through which these reforms will be attempted, and some of them may not be ultimately to our liking.

The oleomargarine case, apart from the bank case, was perhaps the first attempt to utilize the taxing power for a purpose other than the raising of revenue. The outcry against oleomargarine came from the dairymen, from those who produced and furnished the country with butter. They saw in the oleomargarine situation a potential source of competition, and those who were interested invoked the taxing power of the United States to put a quietus upon it. The Supreme Court sustained the legislation; and, after sustaining it, more drastic legislation was enacted, which is now in force. Nobody who knows anything about the history of the oleomargarine legislation pretends that its purpose was to raise revenue; and so, Mr. President, with some of the other cases which have been cited.

The present measure, if it goes into effect, will unquestionably result in preventing the employment of children within the prescribed ages in the pursuits which are specified in the bill. It will, in other words, accomplish precisely what was sought unsuccessfully to be accomplished in our legislation of a year or two ago, and the reasons given for the sustaining of the law will be precisely the reasons, perhaps stated in a little different way, which have been presented by the court in sustaining similar legislation. It will add, however, another precedent, and goes further than any of the preceding ones in the direction of utilizing the taxing power for the purpose of effecting social changes and reforms, and it may also be utilized for the purpose of political and industrial punishment under the guise of social reform.

The other day, I think in the city of Cleveland, there was a very serious strike. The employees of the local traction company, objecting to the employment of so many women, went upon a strike because their protest against female employment went unheeded. How the matter was settled I do not pretend to say, but I can easily understand how, in the fierce competition for employment, rivalry and controversy more than State wide may present itself between men workers and women workers; and I can easily understand how, if legislation of this kind is to be passed and sustained, the same power may be resorted to by the successful element at the polls against the vanquished element.

Let us suppose, for example, Mr. President—and I do not think the supposition is a violent one—that within the next 10 years the pressure of female employment upon male employment becomes so exciting and so drastic as to present a political issue to the voters of the country. In the meantime, woman suffrage has become an established fact. The States, whatever their legislation may be upon the subject in the meanwhile, will not present a uniform condition. That can be acquired only by national legislation.

The side winning the election then comes to Congress for relief, and presents a bill, we will say, like this, if the men win, as they sometimes do, that every person operating any business situated in the United States where women have been employed or permitted to work during any portion of the taxable year shall be taxed, we will say, 25 per cent of the proceeds of the business. Of course, it is an attempt to apply the taxing power of the Constitution to the accomplishment of a greatly desired industrial condition which has been made an issue at the previous election. Or suppose the controversy becomes acute between organized and unorganized labor, and that unorganized labor, which was the more numerous, should succeed at the polls, and attempt, as it doubtless would, if that sort of legislation is to become generally recognized, to prohibit the employment of union labor anywhere in the United States by invoking against it the constitutional power of taxation. Then a bill is to be presented that every person operating business where organized labor has been employed or permitted to work, and so forth, should be taxed 25 per cent or 50 per cent or any other amount which may be necessary to make the real purpose of the bill effective.

Suppose an anti-Semitic agitation in the United States or an anti-German industrial agitation in the United States within the immediate future, how easy it would be to exclude such persons, all such persons, from the possibility of earning a living in this free land of ours by so penalizing the employees through the exercise of the taxing power as to make it impossible for them to exercise their right.

Mr. President, I foresee a great many very serious differences of an industrial and economic character which will certainly be evolved from this war, and upon the return of our millions of soldiers and upon their reabsorption into the industrial and economic life of this country another pressure upon Congress with the probable difficulty of securing employment. I greatly fear if we utilize this power and do it unduly and improperly, not consciously so, perhaps, but nevertheless improperly, we are creating precedents which may arise to disturb us very seriously in the immediate future.

So believing, Mr. President, I hesitate, as I did in the committee, to cast my vote for this or any similar amendment, not because it is a part of the revenue law, but because I do not believe in the safety or expediency of such legislation at this time.

Mr. KELLOGG. Mr. President, I am not going to take the time of the Senate to discuss the constitutionality of this proposed law. It seems to be conceded that Congress has the power to levy a tax, and I believe there can be no question about that. But it is urged that because the law is passed to evade the effect of a decision of the Supreme Court in the child-labor case it is improper to pass a tax bill, some claiming, I believe, that it will be unconstitutional to evade the decision, and others, as the Senator from North Carolina [Mr. OVERMAN], saying that it rests upon the conscience of a Senator himself.

I do not see how it can be unconstitutional if Congress has the power to levy the tax simply because it is an evasion of a decision of the Supreme Court, if it may be called so. Congress clearly would not have the power to prohibit the manufacture of any legitimate article of commerce purely within the State for intrastate consumption. Yet clearly Congress may place a

tax on a product or the profit arising from the manufacture to the extent that would take away all incentive to manufacture.

As I said before, from the beginning of the Government to the present time we have the precedent of Congress levying a tax for the purpose of prohibiting the exercise of certain functions by private individuals and by corporations, notably the tax on State banks and the oleomargarine cases. Of course, the court was passing upon the question under another provision of the Constitution, upon an absolute prohibition by Congress, such as the prohibition against the manufacture, we will say, of certain articles, but when Congress comes to pass a tax because the tax would render unprofitable the employment of child labor and was therefore, as they say, an invasion of the decision of the Supreme Court, the court is not going to inquire into the motives of Senators in voting for or against the measure. It rests on the conscience of every Senator whether he believes that this proposed law is a legitimate exercise of legislative power, and whether it will accomplish the object he has in mind. I for one believe I would not have a great deal of difficulty in satisfying my conscience on that score.

I shall not take the time of the Senate to discuss the merits of child-labor laws which have been adopted in the interest of humanity in many States. Every Senator knows that the future of the race, the future of this great people, depends upon the purity and strength of the child and his bringing up. I believe that Congress and the States should throw around the child every protection they can to insure a strong and vigorous manhood. I do not consider this to be an invasion of the Constitution.

Mr. POMERENE. Mr. President, we have heard a great deal of complaint by certain Senators concerning this amendment, because they believe it to be unconstitutional, and they say to vote for it would be to violate their oath of office. Those who entertain that opinion of course should vote against it. Their conscience should guide their vote. I do not share that opinion, and my conscience will be perfectly easy in voting for this amendment. If I thought it was even probably unconstitutional I should not vote for it, but when I contemplate the power of Congress over the subject of taxation I have very little difficulty in finding the authority for such legislation as this.

"The Congress shall have the power to lay and collect taxes, duties, imposts, and excises," the Constitution says. There is only one limitation upon that power in the Constitution, and that is that Congress shall not levy a tax upon exports, and there are only two qualifications upon it in addition to that limitation. The first is that all direct taxes shall be apportioned among the States according to the census. The second is that all excise taxes shall be uniform in their operation. And as the Senator from Wisconsin [Mr. LENROOT] said, the Supreme Court, time and time again, has held that it is a geographical uniformity to which the Constitution refers.

With only these limitations we have here a plenary power to tax, and I submit that the Senate needs nothing more to convince itself of that fact than a study of the pending measure. It is true, it is sometimes said that to place a tax of the character involved in this amendment is making an unjustifiable classification, but I know of nothing in the adjudicated cases that would uphold that contention.

In levying our taxes we see fit to make one tax against the individual, another against a partnership, and a third against a corporation. Does anybody contend that a law which makes these discriminations is unconstitutional for that reason?

Again, in the last several revenue measures we made an especially high tax upon the manufacturers of munitions, and, while there was a difference of opinion as to the policy of such a distinction, no one questioned the power of the Congress to do it. We could place a certain tax upon the manufacture of steel and a certain other tax upon the manufacture of copper and a certain other tax upon the manufacture of flour—I mean in the form of an excise tax—and, while we might question the wisdom of legislation of that kind, no one would question the constitutional power to do it.

At the present time and for a number of years we find, as a matter of fact, that certain manufacturers and certain mine operators employ labor of tender years. As the Senator from Wisconsin [Mr. LENROOT] has said, they employ it because of the profit they are making out of it, and for no other reason. The Congress of the United States sees that situation. Is it beyond their discretionary power to say that if these men are going to employ children of tender years we will say to them we are going to levy an additional tax? That is all this amendment involves.

When we make this suggestion we are told that we should leave this subject to the legislatures of the several States, because we are offending certain of the States. In answer to that I say your action is offending the whole United States.

In the McCray case the Chief Justice, in delivering the opinion, in referring to the power of Congress, said, on page 61, One hundred and ninety-fifth United States Reports:

> The right of Congress to tax within its delegated power being unrestrained, except as limited by the Constitution, it was within the authority conferred on Congress to select the objects upon which an excise should be laid.

We have seen fit by this amendment to say that here is a certain class of individuals or corporations, as the case may be, who are exercising certain rights and privileges under the permission of Congress, and they employ certain instrumentalities. The fact that they are permitted to do these things, it seems to me, includes the power to say if you are going to do it out of your profits you shall pay an additional tax.

I am not able to distinguish between the tax on the profits derived from child labor and the tax on the profits derived from the manufacture of oleomargarine. It is a tax on profits. The tax on oleomargarine to a certain extent discourages the manufacture of oleomargarine, but that did not make it unconstitutional. The tax upon those men who employ child labor is but a tax upon one of the instrumentalities by which they coin their profits. Is there any legal distinction between the two? If so, I am not able to see it. I feel very confident that in view of the long line of decisions sustaining the taxing power in similar legislation, the court, when it comes to review this amendment, if it becomes a law, will sustain it.

Mr. KENYON. Mr. President, there has been so much said on this matter I feel that I can not add anything to the very thorough discussion of the legal problem, but I do want to make a few observations. I have been much interested in the whole course of the child-labor legislation, and was so keenly disappointed with the decision of the Supreme Court, deriving very little satisfaction from the fact that four judges dissented, that I want to add just a word or two to what has been said.

I have come to the conclusion that there is no constitutional question so clear that it is not without very serious difficulties. I felt that way about the child-labor bill before. The argument advanced here by the distinguished Senator from Georgia [Mr. HARDWICK], whose opinion I value so highly on constitutional questions, that we, in fact, are getting around or nullifying the action of the Supreme Court, does not appeal to me with great force. When the income-tax case was decided by the Supreme Court we did not hesitate to try to nullify the action of the Supreme Court by passing further legislation.

Now that the Supreme Court in the original child-labor case has decided that that law was unconstitutional, it seems to me perfectly proper and perfectly right that we should try and find some means of nullifying that action of the Supreme Court, and that is what we are trying to do.

Mr. LENROOT. Will the Senator yield?

Mr. KENYON. Yes.

Mr. LENROOT. I would like to ask the Senator whether it is exactly correct to assume that we are nullifying the action of the Supreme Court when the Supreme Court nullified the action of Congress?

Mr. KENYON. That is correct, of course, and better stated. The same is true as to the employers' liability act. The method we tried to get at it the Supreme Court declared unconstitutional. Then we tried some other method. Here the Supreme Court decided that our attempt through the interstate-commerce clause of the Constitution to regulate this wrong was an unconstitutional way to get at it. Now, we try another way, and pass that on to the Supreme Court for them to state whether or not it is constitutional legislation.

Some things are particularly well established in this discussion. First, this is an excise tax; it is not a direct tax. Second, I think it is conceded, established by a long line of decisions, that the court does not go into the question of the motives or intention or the purposes of the Congress. Third, another proposition fairly established is that there are few limitations upon the taxing power. Of course, direct taxes follow the constitutional rule of apportionment. Indirect taxes must be uniform in their operation. There can be no tax on exports; there can be no tax upon the agencies of State government, but outside of that there are practically no limitations on the taxing power. It has been held that the fifth amendment does not amount to a limitation upon the taxing power.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from Iowa yield to the Senator from Georgia?

Mr. KENYON. I yield.

Mr. HARDWICK. One important exception is that there can be no tax on State officers or State securities under the constitutional provision.

Mr. KENYON. Let me say that we can not interfere with the rights of the State or the power to carry on the State government by any scheme of taxation.

Mr. HARDWICK. If it is true in respect to State securities and State officers that there should be such a limitation on the Federal power, why is it not true in reference to other rights and powers?

Mr. KENYON. I do not think there are any such rights and powers involved here.

Mr. LENROOT. I wish to call the Senator's attention to the dispensary cases in South Carolina some years ago, where the State itself undertook to go into the liquor business and claimed that the State undertaking that business it was not subject to the general internal-revenue tax; but the court held that while there was such a limitation in so far as necessary to carry on the State government they were exempt from a Federal tax; wherever the State undertook to go into private business it was subject to the Federal tax the same of an individual.

Mr. KENYON. There might be agencies of the State carrying out its public functions not its private business. The agencies carrying out public functions can not be interfered with by taxation.

I am not going to prolong this discussion. I think the propositions I have laid down are incontrovertible.

Now, what was the real decision in the child-labor case? I want to read just a word or two, so that it may go into the RECORD, from the majority opinion. I feel myself the minority is the strongest opinion. It is the case of Hammer against Dagenhart. The court said:

> In our view the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities to regulate the hours of labor of children in factories and mines within the States, a purely State authority. Thus the act in a twofold sense is repugnant to the Constitution. It not only transcends the authority delegated to Congress over commerce, but also exerts a power as to a purely local matter to which the Federal authority does not extend. The far-reaching result of upholding the act can not be more plainly indicated than by pointing out that if Congress can thus regulate matters intrusted to local authority by prohibition of the movement of commodities in interstate commerce, all freedom of commerce will be at an end and the power of the States over local matters may be eliminated, and thus our system of government be practically destroyed.

It seems to me we come to this question in the final analysis, that if the Supreme Court shall say we brush aside all the questions as to taxation, and this is apparently to us an attempt to regulate affairs of a State within a State under the doctrine of the old child-labor case, we hold this statute to be unconstitutional. In other words, while not inquiring into the motives of Congress or the purpose of Congress, yet if it is apparent to them that the taxing power has been used to strike down a fundamental right, then the Supreme Court declares it unconstitutional. That is the question here, and that is the question that no one short of the Supreme Court can determine.

In the oleomargarine case, the McCray case, referred to by the Senator from Ohio [Mr. POMERENE], in One hundred and ninety-fifth United States, the language makes this point rather clear. In the concluding part of that opinion the court said:

> Let us concede that if a case was presented where the abuse of the taxing power was so extreme as to be beyond the principles which we have previously stated, and where it was plain to the judicial mind that the power had been called into play not for revenue but solely for the purpose of destroying rights which could not be rightfully destroyed consistently with the principles of freedom and justice upon which the Constitution rests, that it would be the duty of the courts to say that such an arbirary act was not merely an abuse of a delegated power but was the exercise of an authority not conferred. This concession, however, like the one previously made, must be without influence upon the decision of this cause for the reasons previously stated; that is, that the manufacture of artificially colored oleomargarine may be prohibited by a free government without a violation of fundamental rights.

So that the prohibition of child labor—a prohibition of that character—would not violate fundamental rights, though I know the point is made by the Senator from Georgia [Mr. HARDWICK] that it violates the fundamental right of the State to control its own affairs; that is slightly different from the mere question of prohibiting child labor.

In the discussion on this floor of the law which was involved in what is known as the phosphorus match case, which has been referred to this afternoon, it was openly conceded—I think by the Senator from Massachusetts—that the purpose of that proposed act was not for revenue, but was to blot out that evil; a general public policy to get rid of those detrimental things in manufacture which were injuring the lives of the workingmen. The then Senator from Texas, than whom no greater constitutional lawyer, I think, ever sat in this body, said, among other things, in that debate, as will be found in the CONGRESSIONAL RECORD of April 3, 1912, he having been speaking with reference to the power of the courts to inquire into the motives of Congress:

> But whatever my opinion may be about that, the rule is too well established now to be successfully assailed, and I know perfectly well that if Congress passes this act, and it is challenged in the courts, the courts will sustain it precisely as they sustained the oleomargarine act.

Mr. LENROOT. The Senator from Iowa has not given the name of the Senator from Texas to whom he refers.

Mr. KENYON. I am reading from the speech of former Senator Bailey, of Texas. Texas has produced so many great constitutional lawyers, I suppose that I should have mentioned Senator Bailey's name, though I thought everyone would recognize the fact that I referred to him.

So it gets back, in its final analysis, to the suggestion, it seems to me, which was made by the Senator from Minnesota [Mr. KELLOGG], of each Senator, under his oath, determining in his own mind whether this proposed legislation is or is not constitutional. Oftentimes questions arise here when we can not determine that matter. As to what was known as the Webb-Kenyon law, in the argument of that question upon the floor of the Senate, I said very frankly that it was a close constitutional question. So great a lawyer as President Taft vetoed the bill, saying that it was unquestionably unconstitutional, and the then Attorney General of the United States rendered a very learned opinion, in which he said there was no question about its being unconstitutional. However, we passed the bill over the veto of the President; it went to the Supreme Court and was there sustained, I think, with only two dissenting votes. So we meet that practical question in all of this forward-looking legislation.

Here is a great wrong to be remedied. Perhaps it is not so great now as it has been in the past. We have to take some chances on all such legislation, as to its constitutionality. We have tried one method to cure the evil, and it has been a failure. This is the only method left. Can the Supreme Court say, "We assume that there will be no taxes raised by this law; that it is a mere subterfuge"? What right have they to do that? In order to overthrow the law they will have to overthrow their decision in the oleomargarine case; they will have to assume that this legislation clearly shows that it is not for the purpose of raising any revenue but is solely for the purpose—even going to the extreme cited by the Senator from Georgia of striking down some rights within the State which belong only to the regulatory power of the State in order to hold the act to be unconstitutional. I have no trouble, in my own mind, in reaching the conclusion that, under those circumstances, believing that we are remedying a great wrong, a great evil, and are trying to protect and to conserve the children of this country, my duty is to vote for this amendment to the pending bill. It is the only means now presented for curing this evil of child labor.

Mr. FRANCE. Mr. President, I shall vote for this amendment because it furnishes us an opportunity for legislating at this time upon this most important matter; but lest my position should be misunderstood, I desire to say now that I shall not vote for the amendment because I am laboring under that which I believe to be a general misapprehension, that we must accomplish by indirection and by subterfuge, so to speak—for that is what we are proposing to do in this instance—the beneficent end which this legislation seeks to achieve.

I know that probably the lawyers here may not agree with me, and those who have studied the Constitution for many years may differ with me, but, notwithstanding, I believe it to be a fact that we might adopt this as a rule of constitutional interpretation. So broadly constructive and progressive is the Constitution in its purposes and in its whole nature that segregative, disintegrative, negative, and purely prohibitive legislation must generally be found to be repugnant to it, while constructive, conservative, affirmative, and ameliorative measures are almost of necessity in harmony with its provisions.

The soundness of this principle of constitutional interpretation, it seems to me, is well illustrated in the recent decision of the Supreme Court with reference to this very child-labor law. I do not understand, from reading that decision rather carefully, that the Supreme Court nullified that legislation because it was ready to affirm that this Republic had no right whatever to protect the life, the health, and the liberty of the children who are to become the citizens of this Republic; I do not understand that the Supreme Court nullified that law because of an opinion that all jurisdiction over the children of the land belongs to the several States. The decision, it seems to me, says very clearly that this act was unconstitutional because it prohibited to interstate commerce certain articles, whereas the

Congress is only empowered to regulate interstate commerce. There is the essence of the whole opinion of the court in this case.

The legislation which was annulled is a very clear example of prohibitive, negative, and, I believe, in one sense, destructive legislation, although the purposes of the legislation were clearly commendable and the ends sought to be achieved were entirely beneficent. I am not willing to criticize the Supreme Court of the United States for nullifying this legislation, for I think that the legislation was an attempt to accomplish by illegitimate means most legitimate purposes. The whole object of the brief remarks which I am making will appear when I say that I am not willing to admit that it is ever necessary to evade constitutional provisions in order to accomplish such beneficent purposes as we have in view in the adoption of this amendment. My purpose in saying this much is simply this: There is a constructive way to deal with the child-labor question, and that is the way in which we must deal with it ultimately. It must be dealt with affirmatively and not negatively. It is not enough to deny that children should labor; we must do more than that. We must affirm that they must all be educated and trained for citizenship.

I believe that it is the duty of this Republic, when the State fails to train children for citizenship in a universal compulsory system of State education, to provide for such training of its citizens. I propose at some time in the near future to discuss whether or not the Federal Government has the power to train its youth for citizenship, or whether it must stand helpless while certain of the States may be allowing an illiteracy of nearly 20 per cent to continue to exist.

I think that the constitutional question is very clear. Some, since the beginning of the war, have maintained that the powers of the Constitution, by war, are enlarged; others have contended that the powers of the Executive during war are increased, and yet others have contended that during war the powers of the Constitution and the limitations imposed by the Constitution are suspended. There is no foundation for any of those contentions. The constitutional powers exist continually; they are neither enlarged by war nor are they narrowed by war or peace. I will not go into any quotation of Supreme Court decisions to that effect. While the constitutional powers of the Executive are more largely exercised during war, they are not enlarged. I do not care to go into a discussion of that question at this time, although I have before me certain cases which will support that contention.

I wish merely to say that the very purpose of the adoption of the Constitution—and that was clearly set forth in the great argument of Marshall before the Virginia convention—was to make better provision for the national defense. His opponent at that convention, whom you all well remember as you have in mind that debate, contended that the Nation might easily in times of war prepare for war, and John Marshall, of course, made in reply that great statement, in which he showed that the powers to prepare for war must exist as well during times of peace as during times of war, or otherwise the Nation would not have the necessary powers in times of peace to prepare for times of war.

Mr. President, if that great doctrine is true, that all of the powers which the Federal Government enjoys during times of war it can also exercise in times of peace in preparation for war, then, of course, all of the powers which we exercised during this last war we can exercise, if we see fit, during times of peace, so far as those powers were exercised for putting the country into a condition to wage war. What I mean is this: We found when we made a census to see what available man power we had for carrying on this war that among those of military age there were 700,000 who could neither read nor write, who were unprepared to understand the simplest written orders presented to them by a commanding officer; and there is at least one instance where a man was court-martialed in the United States Army, so I am informed, because he could not read an order nor would he admit his own illiteracy. During the war we sent men to colleges to be educated; we sent men, adults, to schools in the camps to be educated so that they might read their orders and comprehend the written statements which it was necessary for them to understand in order that they might properly perform their duties of citizenship during war.

Now, we face this situation: Is the Constitution of such a nature that we can take 700,000 men who can neither read nor write and compel them during times of war to get that preliminary education which they need in order to become soldiers to defend the Nation, and yet are we as a Nation helpless to see that illiteracy is eradicated in times of peace? Mr. President, the doctrine that the Federal Government is helpless to deal with the illiteracy which the States are permitting to exist is a monstrous doctrine. It is a doctrine which is repugnant not only to the whole constructive nature of our Constitution, but it is one of which the fathers never dreamed. The very first presidential inaugural addresses dealt with the subject of the necessity for the extension of education, and the fathers never contemplated that we should attempt to form a great Federal Government which would be helpless to prevent its citizens living in ignorance and degradation if certain of the States saw fit to let them so live.

Mr. President, I did not care to have this occasion pass without saying that I do not subscribe to the doctrine that we must legislate for the accomplishment of these great and beneficent ends by methods of indirection. I wish to read just a short paragraph from what Alexander Hamilton said in connection with this general subject as to the division of the Federal and the local powers. His language expresses very well what I would say if I were gifted with the power of expression which he had:

> Whatever constitutional provisions are made to the contrary, every government will be at last driven to the necessity of subjecting the partial to the universal interest. Gentlemen ought always in their reasoning to distinguish between the real, genuine need of a State and the opinions and prejudices which may prevail respecting it. The latter may be opposed to the general good, and consequently ought to be sacrificed. The former is involved in it and can never be sacrificed.

I am making these observations to present to you this great question which I propose later on to discuss. I believe it is the greatest question we have to consider during this reconstruction period—how we can accomplish these beneficent ends, which we must accomplish, without violating any of the provisions of the Constitution.

I have offered some amendments to the census bill which not only change the method of the census, but which also change the whole theory upon which the census is based. Under these amendments to the census bill if enacted there would be a continuing enrollment of the people of the country, with the collection of vital, social, and industrial statistics such as are necessary if we are to legislate with that precision which is so desirable. These amendments which I mention look forward to legislation which would establish a Federal system or a federalized system of education, a federalized system of public health, and a more scientifically organized federalized system of employment agencies. It is because I am looking forward to the discussion of these amendments and to the presentation of such legislation that I am not willing to seem to be going on record as one of those who believe that we must continue to seek to accomplish these great and beneficent ends by indirection, when I believe that we have under the Federal Constitution ample powers for the enactment of such conservative, constructive, and truly ameliorative legislation.

The PRESIDING OFFICER. The question is on the amendment reported by the committee.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	Nugent	Spencer
Baird	Kellogg	Overman	Sterling
Bankhead	Kenyon	Penrose	Sutherland
Beckham	Kirby	Poindexter	Swanson
Chamberlain	La Follette	Pollock	Thomas
Curtis	Lenroot	Pomerene	Thompson
Dillingham	Lodge	Ransdell	Underwood
France	McKellar	Saulsbury	Vardaman
Gay	McLean	Shafroth	Warren
Gerry	Martin, Ky.	Sheppard	Watson
Gore	Martin, Va.	Sherman	Williams
Hardwick	Moses	Simmons	Wolcott
Henderson	Nelson	Smith, Ga.	
Johnson, Cal.	New	Smith, S. C.	
Johnson, S. Dak.	Norris	Smoot	

Mr. JONES of Washington. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family.

Mr. SAULSBURY. I wish to announce that the senior Senator from Maryland [Mr. SMITH] is absent on important business of the Senate.

Mr. McKELLAR. I desire to announce the absence of my colleague [Mr. SHIELDS] on account of illness.

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment reported by the committee.

Mr. HARDWICK. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SAULSBURY (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. C

I am told by the Senator that on this question he would vote as I shall vote. I therefore vote "yea."

Mr. McKELLAR (when Mr. SHIELDS's name was called). I announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. Not knowing how he would vote on this question, I transfer that pair to the Senator from Illinois [Mr. LEWIS] and vote "nay."

The roll call was concluded.

Mr. GERRY (after having voted in the affirmative). I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will let my vote stand.

Mr. FLETCHER. I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. I am informed that he would vote as I shall vote on this question, and I therefore vote "yea."

Mr. JONES of Washington. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. He is paired with the senior Senator from Arkansas [Mr. ROBINSON]. If the junior Senator from Michigan were present and at liberty to vote, he would vote "yea."

Mr. CHAMBERLAIN. I have a pair with the junior Senator from Pennsylvania [Mr. KNOX]. In his absence I withhold my vote. If at liberty to vote I should vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Oklahoma [Mr. OWEN] with the Senator from West Virginia [Mr. GOFF];

The Senator from Wyoming [Mr. KENDRICK] with the Senator from New Mexico [Mr. FALL];

The Senator from Missouri [Mr. REED] with the Senator from Michigan [Mr. SMITH];

The Senator from Arkansas [Mr. ROBINSON] with the Senator from Michigan [Mr. TOWNSEND];

The Senator from Tennessee [Mr. SHIELDS] with the Senator from Connecticut [Mr. BRANDEGEE]; and

The Senator from Montana [Mr. WALSH] with the Senator from New Jersey [Mr. FRELINGHUYSEN].

The result was announced—yeas 50, nays 12, as follows:

YEAS—50.

Ashurst	Jones, Wash.	Myers	Sherman
Baird	Kellogg	Nelson	Smoot
Curtis	Kenyon	New	Spencer
Dillingham	Kirby	Norris	Sterling
Fernald	La Follette	Nugent	Sutherland
Fletcher	Lenroot	Penrose	Swanson
France	Lodge	Pittman	Thompson
Gay	McCumber	Poindexter	Vardaman
Gerry	McKellar	Pomerene	Warren
Gore	McLean	Ransdell	Watson
Henderson	McNary	Saulsbury	Wolcott
Johnson, Cal.	Martin, Va.	Shafroth	
Johnson, S. Dak.	Moses	Sheppard	

NAYS—12.

Bankhead	Martin, Ky.	Simmons	Thomas
Beckham	Overman	Smith, Ga.	Underwood
Hardwick	Pollock	Smith, S. C.	Williams

NOT VOTING—34.

Borah	Goff	Knox	Smith, Md.
Brandegee	Gronna	Lewis	Smith, Mich.
Calder	Hale	Owen	Townsend
Chamberlain	Harding	Page	Trammell
Colt	Hitchcock	Phelan	Wadsworth
Culberson	Hollis	Reed	Walsh
Cummins	Jones, N. Mex.	Robinson	Weeks
Fall	Kendrick	Shields	
Frelinghuysen	King	Smith, Ariz.	

So the amendment of the committee was agreed to.

Mr. SIMMONS. Mr. President, I should have liked very much to take up this afternoon the section of the bill repealing the zone system; but several Senators who desire to submit some remarks upon that section of the bill do not wish to begin so late in the afternoon. I am advised that it is necessary to have an executive session, and, therefore, Mr. President——

Mr. SWANSON. Mr. President, before the Senator moves an executive session there are two bills on the calendar, which have been reported from the Naval Affairs Committee, that ought to be passed. We have saved some little time on the pending bill on account of not having had a morning hour, and I should like to have the bill laid aside temporarily in order that the bills on the calendar may be passed.

Mr. SIMMONS. I yield to the Senator for that purpose; and I ask unanimous consent to lay aside temporarily the unfinished business. I understand from the Senator from Virginia that the bills to which he refers will take only a few minutes.

Mr. SWANSON. Only a few minutes. I do not think there will be any objection to them. They are reported unanimously from the Naval Affairs Committee.

The PRESIDING OFFICER. Is there objection to laying aside temporarily the unfinished business? The Chair hears none.

PURCHASE OF UNIFORMS.

Mr. SWANSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 12945, providing for the purchase of uniforms, accouterments, and equipment by officers of the Navy, Marine Corps, and Coast Guard, and midshipmen at the Naval Academy, from the Government at cost.

Mr. NORRIS. Mr. President, let the bill be read.

The PRESIDING OFFICER. The Secretary will read the bill.

The Secretary read the bill, as follows:

Be it enacted, etc., That hereafter uniforms, accouterments, and equipment shall, upon the request of any officer of the Navy or any officer of the Marine Corps or any officer of the Coast Guard while operating with the Navy or any midshipman at the Naval Academy or cadets at the Coast Guard Academy, be furnished by the Government at cost, subject to such restrictions and regulations as the Secretary of the Navy may prescribe.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

TEMPORARY PROMOTIONS IN THE MARINE CORPS.

Mr. SWANSON. I ask unanimous consent that the Senate proceed to the consideration of House bill 12916, to provide for the temporary promotion of commissioned officers of the Marine Corps serving with the Army.

Mr. KIRBY. Mr. President, I should like to have the bill read.

The PRESIDING OFFICER. The Secretary will read the bill.

The Secretary read the bill, as follows:

Be it enacted, etc., That commissioned officers of the Marine Corps detached for duty with the Army under the provisions of section 1621, Revised Statutes, shall be eligible, in the same manner as officers of the Regular Army, for temporary promotion to higher grades in any of the forces provided by the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917: *Provided*, That officers of the Marine Corps temporarily promoted to higher grades in any of the forces of the Army under the provisions of this act shall not thereby vacate their permanent appointments or commissions, or be prejudiced in their relative lineal standing in the Marine Corps: *Provided further*, That temporary vacancies in the Marine Corps caused by the appointment of officers to higher grades in the Army shall be temporarily filled in the same manner as is now prescribed by law: *And provided further*, That the temporary promotions herein authorized shall continue only while such officers are detached for duty with the Army.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. KIRBY. Mr. President, I should like to ask the chairman of the committee a question. What is the purpose of this sort of legislation with the war over and with the demobilization of the Marine Corps to a large extent in prospect?

Mr. SWANSON. Mr. President, the Marine Corps have been brigaded with the Army. They have several brigades that have been serving with the Army in Europe. They have served gallantly. This bill simply gives them the same right of temporary promotions that has been accorded to the Army. After they have been temporarily promoted in the Army the question arises as to whether they revert back to their permanent places in the Marine Corps, which is under the Navy; and the question also arises, after they have had these temporary promotions that have been accorded them on account of gallantry and superb conduct and bravery in the Army, as to whether their positions in the Marine Corps are thereby vacated. This bill gives them the right of having temporary promotions while serving with the Army equal to an Army officer, which is a right they ought to have. It then provides that when they have thus been promoted that fact shall not deprive them of the permanent positions which they had previously in the Marine Corps. It is a measure of justice and right, and the record of the Marine Corps is such that they are entitled to this consideration. The question has arisen as to whether they do not vacate their permanent appointments in the Marine Corps in case they are temporarily appointed to positions in the Army.

Mr. LODGE. Mr. President, I desire to say, if the Senator from Virginia will permit me——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. SWANSON. Certainly.

Mr. LODGE. It is true, I think, as the Senator from Virginia knows and other Senators perhaps do not know, that the Marine Corps is assimilated throughout on Army rank and Army pay; and this is simply to relieve what might be a very considerable injustice.

Mr. SWANSON. In addition to that the Marine Corps is legislated for in connection with the Navy and the positions that they can get in the Navy are fixed; and a question might arise as to whether these temporary appointments that have been or will be accorded them are in accordance with the law.

Mr. WARREN. Mr. President, I understand that this bill puts them on precisely the same plane as the Army?

Mr. SWANSON. Precisely, for temporary appointments. While serving with the Army they are entitled to temporary promotions like officers of the Regular Army—no more and no less. When they have these temporary appointments in the Army and are promoted as such the bill provides that they shall not vacate the appointments that they have in the permanent Marine Corps. I can see no objection to it. It is a matter of justice and right.

The PRESIDING OFFICER. If there be no amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

EXECUTIVE SESSION.

Mr. SIMMONS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened.

MEMORIAL ADDRESSES ON THE LATE SENATOR GALLINGER.

Mr. MOSES. Mr. President, I ask unanimous consent that the Senate shall convene on Sunday, January 19, 1919, at 11 o'clock a. m., to consider resolutions in commemoration of the life, character, and public services of the late Senator from New Hampshire, Hon. JACOB H. GALLINGER.

The PRESIDING OFFICER. Is there any objection? There is none, and it is so ordered.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until to-morrow, Thursday, December 19, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate December 18 (legislative day of December 15), 1918.

COLLECTOR OF INTERNAL REVENUE.

Charles J. Cronan, of Louisville, Ky., to be collector of internal revenue for the fifth district of Kentucky, in place of Thomas Scott Mayes, resigned.

MEMBER OF BOARD OF GENERAL APPRAISERS.

George E. Weller, of New York, N. Y., to be a member of the board of general appraisers of merchandise at New York, to fill an existing vacancy.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 18 (legislative day of December 15), 1918.

UNITED STATES ATTORNEY.

Julian P. Alexander to be United States attorney, southern district of Mississippi.

COLLECTOR OF CUSTOMS.

Richard I. Lawson to be collector of customs for customs collection district No. 38, with headquarters at Detroit, Mich.

COLLECTOR OF INTERNAL REVENUE.

Bertram Gardner to be collector of internal revenue for the first district of New York.

POSTMASTERS.

DELAWARE.

Rhubert R. German, Delmar.
Alfred L. Cummins, Smyrna.

LOUISIANA.

John D. Fultz, Newellton.
Jesse L. Fowler, Oak Grove.
Lillian E. Collins, West Monroe.
Thomas Siddon, Winnsboro.

OHIO.

George R. Irwin, Upper Sandusky.

OREGON.

Henry H. McReynolds, Pilot Rock.
Exel Vogel, Rainier.
Richard H. Yates, Willamina.
Guy W. Brace, Yamhill.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *December 18, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, D. D., of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

O God, we pray Thee this morning that across the pathway of duty as it lies before us may shine the illumination of Thy holy will. We pray that among the nations of the earth Thy will may be known more and more as the days go by, and, when clearly known, may men be constrained to do it. Bless our own country as it strives to do Thy righteous will, and may those in authority and those who are in this Congress be pleased to find Thy will and be courageous to do it. So wilt Thou bless the deeds of this day in the Congress of our country. For Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

TRANSPORTATION OF GOVERNMENT EMPLOYEES—CONFERENCE REPORT.

Mr. SHERLEY. Mr. Speaker, I present a conference report on the bill H. R. 13261, and I ask unanimous consent to have it taken up without printing under the rules.

The SPEAKER. The gentleman asks unanimous consent to take up this conference report without having it printed under the rules. Is there objection?

Mr. WALSH. Reserving the right to object, has the gentleman made any other change?

Mr. SHERLEY. The House conferees receded from the amendment which gave 20 days in connection with the proving up of claims for transportation in place of lesser time, and the House agreed to the Senate amendment with an amendment touching the date that the act would be in effect. The House passed it as of the 31st of March; the Senate passed it as of the 15th of January, and the conferees agreed on the 20th of February.

The SPEAKER. Is there objection to the present consideration of this conference report? [After a pause.] The Chair hears none.

Mr. SHERLEY. Mr. Speaker, I ask that the statement be read in lieu of the report.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The following are the conference report and statement:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services no longer are required, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "February 20"; and the Senate agree to the same.

SWAGAR SHERLEY,
JOSEPH W. BYRNS,
FRED'K H. GILLETT,
Managers on the part of the House.

THOMAS S. MARTIN,
O. W. UNDERWOOD,
F. E. WARREN,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services no longer are required, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee in the accompanying conference report as to each of the said amendments, namely:

On No. 1: Fixes February 20, 1919, instead of January 15, as proposed by the Senate, and March 31, as proposed by the House, as the date on or before which employees must be separated from the service in order to come within the benefits of the bill.

On No. 2: Extends the time from 10 to 20 days, as proposed by the Senate, within which employees who have been separated from the service between November 11, 1918, and the date of the passage of this act must apply for transportation.

SWAGAR SHERLEY,
JOSEPH W. BYRNS,
FRED'K H. GILLETT,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

RETURN OF HOUSE BILL 12001 FOR CORRECTION.

Mr. STEELE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution which I have sent to the Clerk's desk.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 483.

Resolved, That House bill 12001, having been passed by the House on the 13th instant and erroneously transcribed as fixing the salaries of circuit judges at $7,500 instead of $8,500 per annum, as fixed by the House, and so erroneously transcribed messaged to the Senate on the 16th instant, the Senate be respectfully requested to return same for correction.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

AVIATION RECORD, SOUTHER FIELD, AMERICUS, GA.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent to address the House for not exceeding two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CRISP. Mr. Speaker and gentleman of the House, yesterday, when the Post Office bill was up for consideration, we had under discussion the question of aeronautic service. I was in the chair presiding over the committee and did not take part in the debate.

I have some statistics relative to one of the aviation camps, located at my home, Americus, Ga., that I think would be a valuable contribution to the debate, and I have asked this time to give you the benefit of those statistics.

The commandant of that camp is Maj. Carlisle Hilton Wash, a West Pointer, appointed from Minneapolis, Minn., and he himself a very distinguished flier. While at home during the recess of Congress he gave me these figures as to the record of Souther Field, Americus, Ga. The camp was completed this year, and cadets first arrived about May. From that time up to the 5th of November there were graduated as pilots from that camp 227 cadets. The cadets and officers of the camp had been in the air 20,000 hours. They had flown 1,200,000 miles, equivalent to about 50 times around the world, and with that record they had only one serious accident. I think this is the best record of any camp in the United States. [Applause.]

POST OFFICE APPROPRIATION BILL.

The SPEAKER. The gentleman from Tennessee [Mr. MOON] is recognized.

Mr. MOON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13308, the Post Office appropriation bill.

The SPEAKER. The gentleman from Tennessee moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the Post Office appropriation bill. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13308, the Post Office appropriation bill, with Mr. CRISP in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the Post Office appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes.

The CHAIRMAN. When the House rose yesterday afternoon an amendment was pending, proposed by the gentleman from Iowa [Mr. GREEN], to which a point of order was made, and the Chair will recognize the gentleman from Iowa.

Mr. GREEN of Iowa. Mr. Chairman, for the purpose of saving the time of the committee by not offering further amendments, I ask unanimous consent to withdraw the amendment that was pending when the committee rose last evening and to offer a new amendment, which embodies all the points that I desired to raise. I will then offer no further amendments after this amendment is disposed of.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw his amendment and to offer a new amendment in lieu thereof. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Iowa.

The Clerk read as follows:

Amendment to the Garrett amendment by Mr. GREEN of Iowa: After the word "aeroplanes," in the first line, strike out "$59,825,000" and insert in lieu thereof "$59,625,000"; after the word "exceeding," in the second proviso, strike out "$500,000" and insert "$300,000" in lieu thereof; and at the end of the amendment, after the words "aeroplane service," strike out the period, insert a comma, and add the following: "and that no part of this sum shall be expended for the maintenance or operation of the aeroplanes above directed to be delivered to the Postmaster General by the Secretary of War, which shall be operated and maintained by the personnel of the air service of the Army."

Mr. MOON. Mr. Chairman, I reserve a point of order on that.

Mr. GREEN of Iowa. Mr. Chairman, in this particular case, this matter having been gone over at some length, I ask that the gentleman from Tennessee [Mr. MOON] make his point of order now, so that we can dispose of it.

Mr. MOON. I do not know for sure that the point of order is well taken. I may withdraw it later, but I reserve it in the meantime.

Mr. EMERSON. Mr. Chairman, I would like to have the section read as it is now written.

Mr. GREEN of Iowa. I hope, Mr. Chairman, that this will not be taken out of my time.

The CHAIRMAN. Without objection, the Clerk will read the amendment of the gentleman from Tennessee [Mr. GARRETT] and then the amendment proposed by the gentleman from Iowa [Mr. GREEN]. Of course, it will not be taken out of the time of the gentleman from Iowa.

The Clerk read as follows:

Amendment offered by Mr. GARRETT of Tennessee: Strike out all of the paragraph beginning with line 7 and insert:

"For inland transportation by railroad routes and aeroplanes, $59,825,000: *Provided*, That not to exceed $1,000,000 be expended for payment of freight and incidental charges for the transportation of mails conveyed under special arrangements in freight trains or otherwise."

Mr. GREEN of Iowa. Mr. Chairman, either the Clerk did not understand the direction of the Chair or I did not. I understood that the Chair directed that the Garrett amendment be read first and then that my amendment be read.

The CHAIRMAN. The Clerk is reading the Garrett amendment. The Clerk will read the Garrett amendment as it now stands before the committee, and after that is read he will read the amendment offered by the gentleman from Iowa.

The Clerk read as follows:

Mr. GARRETT of Tennessee offers the following: Strike out the paragraph beginning with line 7 and insert:

"For inland transportation by railroad routes and aeroplanes, $59,825,000: *Provided*, That not to exceed $1,000,000 be expended for payment of freight and incidental charges for the transportation of mails conveyed under special arrangements in freight trains or otherwise: *Provided further*, That out of this appropriation the Postmaster General is authorized to expend not exceeding $500,000 for the purchase of aeroplanes and the operation and maintenance of aeroplane service between such places as may be determined: *Provided further*, That the Secretary of War is hereby directed to deliver immediately to the Postmaster General 100 De Haviland 4 aeroplanes, 100 Handley-Pages, 10 Glen Martin day bombers, all planes completely assembled and with the necessary spare parts; also 100 extra Liberty engines with spare parts, 50 Hispano-Suiza engines with 300-horsepower motors, and 20 Hispano-Suiza engines with 150-horsepower motors, the same

to be out of any equipment that the War Department has on hand or under construction, the War Department appropriation to be credited with the equipment turned over to the Post Office Department: *And provided further*, That separate accounts be kept of the amount expended for aeroplane service."

The CHAIRMAN. The gentleman from Iowa proposes to add an amendment to follow this.

Mr. MANN. The Clerk did not finish reading the amendment.

The CHAIRMAN. The Chair begs the committee's pardon. The Chair thought he had.

Mr. MANN. The committee amended the amendment. That part has not been read yet.

Mr. GARRETT of Tennessee. The committee had adopted the Stafford amendment.

The CHAIRMAN. The Clerk omitted to read the Stafford amendment, adopted into the Garrett amendment. The Clerk will read it again. The Clerk will read the Garrett amendment with the Stafford amendment incorporated.

Mr. MANN. It came in at the end.

Mr. GARRETT of Tennessee. No; it came in the middle.

The Clerk read as follows:

The Garrett amendment, as modified by the Stafford amendment: Strike out the paragraph beginning with line 7 and insert:

"For inland transportation by railroad routes and aeroplanes, $59,825,000: *Provided*, That not to exceed $1,000,000 be expended for payment of freight and incidental charges for the transportation of mails conveyed under special arrangements in freight trains or otherwise: *Provided further*, That out of this appropriation the Postmaster General is authorized to expend not exceeding $500,000 for the purchase of aeroplanes and the operation and maintenance of aeroplane service between such places as may be determined; and that the Postmaster General in expending the appropriation herein for aeroplane service shall purchase, so far as possible, the aeroplanes, motors, equipment, and supplies from the War Department and Navy Department when no longer required, because of the cessation of war activities. It shall be the duty of the Postmaster General before purchasing any of such articles to ascertain whether the War or Navy Department has articles of the character described that are serviceable, and articles purchased from either of said departments, if the same have not been used, shall be paid for at a reasonable price, not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage. Said departments are authorized to sell such articles to the Post Office Department under the conditions specified, and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt: *Provided further*, That the Secretary of War is hereby directed to deliver immediately to the Postmaster General 100 De Haviland 4 aeroplanes, 100 Handley-Pages, 10 Glen Martin day bombers, all planes completely assembled and with the necessary spare parts; also 100 extra Liberty engines with spare parts, 50 Hispano-Suiza engines with 300-horsepower motors and 20 Hispano-Suiza engines with 150-horsepower motors, the same to be out of any equipment that the War Department has on hand or under construction, the War Department appropriation to be credited with the equipment turned over to the Post Office Department: *And provided further*, That separate accounts be kept of the amount expended for aeroplane service."

The CHAIRMAN. The gentleman from Iowa offers an amendment to add to that amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: After the word "aeroplanes" in the first line strike out "$59,825,000" and insert in lieu thereof "$59,925,000"; after the word "exceeding" in the second proviso strike out "$500,000" and insert "$300,000" in lieu thereof; at the end of the amendment, after the words "aeroplane service," strike out the period, insert a comma, and add the following: "and that no part of said sums shall be expended for the maintenance or operation of the aeroplanes above directed to be delivered to the Postmaster General by the Secretary of War, which shall be operated and maintained by the personnel air service of the Army."

Mr. GREEN of Iowa. Mr. Chairman, the effect of my amendment may be briefly stated by saying that it would carry out what was proposed by the gentleman from New York [Mr. LAGUARDIA]. The House has already voted, in effect, although the Garrett amendment has not actually been adopted, for the turning over to the Post Office Department of a large number of planes—I think altogether 150—by the War Department.

In the Garrett amendment as it stands there is a provision for the use of $500,000 for operating and maintenance of aeroplanes by the Post Office Department. My amendment reduces the total carried by the paragraph $200,000, and in order to make up for that reduction, in order to fix matters so that the reduction can be made, it provides that the planes which are turned over by the War Department shall be operated by the air personnel or air service of the War Department.

Some objection has been made when the question was brought up before that this is hardly practicable, that it can not be carried out, in fact. This argument has only been adduced by gentlemen, although of high ability and judgment, who never had any practical experience in military affairs or in the operation of aeroplanes. The two gentlemen who have spoken on the subject, who have large experience and, I think, are high authority on the subject, are the gentleman from Connecticut, Col. TILSON, and the gentleman from New York, Maj. LAGUARDIA. Col. TILSON has had a long experience in the management of military affairs as an officer in the service, and he says it is entirely practicable; that there is not difficulty at all about carrying it out. Maj. LAGUARDIA has had extensive experience with aeroplanes, both in their operation and maintenance, and he says it is perfectly practicable and can be easily carried out. The House is aware, of course, that he is an experienced and highly successful flyer.

Mr. MOON. Will the gentleman yield?

Mr. GREEN of Iowa. Yes; with pleasure.

Mr. MOON. It seems to me that this is a postal matter and a postal function. What experience has Maj. LAGUARDIA or Col. TILSON in postal affairs?

Mr. GREEN of Iowa. If the gentleman will allow me to reply in the same manner, what experience has an engineer on a railroad in postal matters? And yet he is able to take the trains along and carry the mails.

Mr. MOON. That is not the question you are dealing with here.

Mr. GREEN of Iowa. Exactly; it is the operation and maintenance of planes which are provided for just the same as the engineer operates the engine and looks after its maintenance and repair.

Mr. CANNON. Will the gentleman yield?

Mr. GREEN of Iowa. With pleasure, to the distinguished gentleman from Illinois.

Mr. CANNON. The operation by the Army would not determine what mail should be carried, but that would be under the direction, so far as the service is concerned, of the Postmaster General.

Mr. GREEN of Iowa. Exactly.

Mr. CANNON. That was my understanding, and I wanted to be sure that I was right.

Mr. GREEN of Iowa. The distinguished gentleman from Illinois expressed the relation exactly. That is what would take place—the time the mail is to be carried, its destination, when it shall start, the amount that is to be carried—all would be under the direction of the Post Office Department. A great saving would be made thereby, and I have accordingly cut down the appropriation by my amendment.

Now, I wish to comment upon some of the remarks of the gentleman now in the chair before we went into Committee of the Whole this morning. He stated that in one of these aviation camps flights had been carried on sufficiently to carry a man in a straight line fifty times around the earth. Think of it! It was all to no purpose except to give the aviators experience in flying. Otherwise all this time was wasted, and probably a million dollars spent. Yet it might just as well have been used, as the gentleman from New York, Maj. LAGUARDIA, says, in the work of carrying the aeroplane mails as a part of the training for military operations. In the post-office work there would be no use of learning stunts necessary for the operation of machines in the air for military purposes, but as the gentleman from New York well remarked, in order to first perform these stunts it is necessary to have experience in straight flights, it is necessary to get accustomed to air currents in the handling of the aeroplane, and numerous other conditions that might all be learned by the operation of these planes in the post-office service.

I can see no good reason whatever for not accepting this amendment. The matter has been argued so well by other gentlemen that I do not care to dwell on the subject further.

Mr. MOON. Mr. Chairman, I reserved a point of order on the amendment, but I take it that probably the gentleman's amendment is in order coming under the provisions of the Holman rule, and I therefore will not insist on the point of order. But I want to insist to the House that it is not a good thing or a wise system of administration for the functions of one department to be performed by another and be under the control of another department of the Government. They ought not to be mixed in that way. It does not make for good government nor for a good service.

It evidently is true that those who are experienced as aviators would make the best drivers of machines for carrying the mails, but it does not necessarily follow because that class of men are in the service of the War Department that the War Department should take over the Postal Service that they might perform it. It might be well if a provision was made in the bill for the employment of these men in the Post Office Department and under the direction of the Postmaster General. It is very clear in my mind that differences between the departments will arise on matters of this sort, as they have already arisen between the officers of the War Department and the Post Office as to turning over these machines.

The War Department refuses absolutely to turn over the machines to the Post Office Department, notwithstanding the act of Congress, because within that act they have the discre-

tion to retain the machines. There is no desire in the world to do anything more than to promote to the utmost this service. It is an experimental service. It is one that may turn out to be valuable; it is one that we may feel later on we ought to discard; but the experiment wholly and completely ought to be under the jurisdiction of that branch of the Government that is carrying the mail, and the War Department ought not to have anything to do with it.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MOON. It may be all right if you provide in some amendment a means by which we can use the aviators, but do not put the carrying of any part of this mail directly or indirectly under the War Department. It is not the proper place for it. I yield to the gentleman.

Mr. GREEN of Iowa. The gentleman refers to the fact that the War Department heretofore has refused to turn over these planes, but we have already in effect adopted a provision which would remedy that part of it.

Mr. MOON. I know, but I refer to it not that there may be so much trouble about it hereafter, but in order to refer to the fact that where a duty is imposed on two instead of one conflicts will arise, and they are more likely to arise from this matter than anything else.

Mr. GREEN of Iowa. The Postal Department has nothing to do with fixing the train schedules. Those are all fixed by the railway authorities. They determine when they shall run their trains, and then the Post Office Department simply put their mail on the train.

Mr. MOON. Oh, the gentleman is mistaken about that. The department has the power to fix the schedules by which this mail is carried on the train, and it did fix them for years, and I believe still fixes the schedules for special trains on the southern roads. As a rule the gentleman is correct—the railroads do fix their own schedules, and if it suits the convenience of the department well and good, but where it does not suit the convenience of the department an order is made through the department requiring certain trains to be run.

Mr. GREEN of Iowa. I was about to go further and say in this connection that under the provisions of my amendment the Post Office authorities would be given greater authority than they have over the running of the railroad trains.

Mr. MOON. Why do you want to tie them up with the War Department? Why not keep these departments separate?

Mr. GREEN of Iowa. To save money.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MOON. Yes.

Mr. GARRETT of Tennessee. The gentleman from Georgia directed our attention, before the House resolved itself into the Committee of the Whole, to the fact that a large number of these young men have been trained at a camp in his section. There will be hundreds of young men trained and hundreds have already been trained to this work of flying. As a matter of fact, I understand that already hundreds of them are seeking some kind of service, and appeals have been made to the State Department to see if they could not secure some sort of service abroad for them. Those men are discharged from the military service and are ready to enter civil life. From this group of men the Post Office Department can secure a personnel for this service, and if the exigency of war should arise those men would return to the military service. That would keep your departments separate and keep down any friction.

Mr. MOON. I am very much obliged to my colleague for his suggestion, but as a matter of government we ought in all instances to keep these departments separate and apart in order that the responsibility may rest upon one and not upon two for good service. It is a matter about which I have not the slightest feeling. I think that it is wise and best, if we want to promote that service, to let the Post Office Department have exclusive control. I believe if you do not do that it will finally result in the disorganization and possible discontinuance of the service, even though it may be a very fine service.

Mr. MANN. Mr. Chairman, I think I appreciate the feeling of the gentleman from Tennessee [Mr. MOON], yet I am not able to agree with him. I do not think the Green amendment interferes in any way whatever with the conduct of the Post Office Department or with their control over the air service. The Green amendment provides only that, as to aeroplanes which are turned over by the Army to the Postmaster General, they shall be operated and maintained by the personnel of the War Department. That personnel will have no control over the regulations in regard to the transportation of mail. The provisions for the transportation and location of routes and times of departure, the question of how the mail shall be delivered at one end or obtained at the other will still be under the control of the Postmaster General.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. MANN. I would prefer to make a consecutive statement, if the gentleman will pardon me. This is merely the practical operation of the aeroplanes in the air. The Postmaster General retains all other authority. Not only that, but under the Green amendment the Postmaster General would have $300,000 with which to operate an air service by civilians, if he desires to, under his own control. He can still continue his New York-Washington route under the operation of the same people now operating it. What is the sense of the Government having in its employ great numbers of men in the Army operating aeroplanes with nothing to do but to kill time or get themselves killed? Why should they not be authorized to transport the mails, if the Postmaster General desires to have it transported by aeroplane? Not only that, but we make special provision in case an Army officer is killed operating an aeroplane, and we make practically no provision in respect to civilians under the Postmaster General in case they are killed operating aeroplanes. Although I do not speak with knowledge, yet I have no doubt it will cost a great deal more to employ civilian aviators, per man, than it will Army aviators.

Mr. MOON. Mr. Chairman, will the gentleman yield?

Mr. MANN. I prefer to make a consecutive statement. Whether that be the case or not, there is reason for it. It will eventually be the case, if we pursue the system, because we must take into consideration the danger of the service. You can not expect men to volunteer in a service which is liable or likely sooner or later to cost them their lives unless they receive higher compensation than they would for other services. Here is a practical business situation. It is idle to say that in a Government like ours we are unable to coordinate two branches of the Government and, therefore, must duplicate the work of the two. It is a reflection upon the Government itself and upon our form of Government if we beg the question by saying that we have the capacity to do the work with the War Department, but, forsooth, because they may not be able to agree between the War Department and the Post Office Department, therefore we leave the War Department service idle and build up a new service for the Post Office Department.

If that is the contention of the gentleman from Tennessee, instead of making it he ought to endeavor to provide a way to avoid the trouble. If we have reached that point in government where we are so complicated, so involved, that we have to duplicate services, for God's sake let us endeavor to simplify the work of government instead of going ahead with uneconomical, extravagant duplications. [Applause.]

The CHAIRMAN. The Chair had agreed to recognize the gentleman from Illinois [Mr. CANNON], if he desires it.

Mr. CANNON. I will apply for recognition later.

Mr. BLACK. Mr. Chairman, I think my record in the House will establish that I stand for economy as much as the average Member. But this proposition to place one branch of the Postal Service under the control of the military branch appeals to me as an unwise proposition, and would neither effect economy or efficiency. The gentleman from Illinois [Mr. MANN] asks the question, Why have a number of aviators in the Army with nothing to do but fly? It might be just as reasonable to ask the question, Why have men in the Regular Army with nothing to do but fight? Why not put them out to building roads? If you have got men in the Army who are railroad engineers, why not detail them to Director General McAdoo and put them to running the trains of the country? The gentleman from Illinois might as well ask the question, If you have got men in the Navy of the United States in time of peace with nothing to do, why not transfer them to the merchant marine and private merchant ships instead of using them on our great battleships that sail the seas? There is no logic, gentlemen, for his argument. The Army and the Navy ought to keep in times of peace only enough men in the Aviation Service that is deemed wise and prudent as a nucleus for expansion in time of war. We certainly would not need to keep them in the Army to run the Postal Service. That would be about as foolish a proposition as I ever heard of.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. BLACK. I yield to the gentleman.

Mr. GREEN of Iowa. As far as the comparison the gentleman makes with reference to the merchant marine, I think it might well be operated by the Navy under certain circumstances. Now——

Mr. BLACK. Let me answer the gentleman's question before I yield further. Would the gentleman advocate the putting of our battleships in dry dock during time of peace and turning over our Navy personnel to the merchant marine?

Mr. GREEN of Iowa. Oh, yes; I am going to advocate the putting of a large number in dry docks. That is where they ought to be.

Mr. BLACK. I do not know what Congress will decide as to the future size of our Navy, but whatever that may be, I think it will be operated as a naval service and not a merchant marine.

Mr. GREEN of Iowa. The operation of these aeroplanes will be in a direct line with what these aviators will be doing in the Army.

Mr. BLACK. That may be true, but when they go out of the Army, as many of them will do very soon, they will be qualified to enter this Postal Service as civilian employees. Would that not be more in harmony with American precedents? Now, let me reply to one argument the gentleman from Iowa made. He cites the fact that the railroad companies in transporting the mail are not under the jurisdiction of the Postal Service. That is very true, but the gentleman will no doubt bear in mind that the men on the railway trains that have charge of the mail matter are the railway mail clerks, who are absolutely under the control of the Post Office Department and subject to its disciplinary rules and paid by its revenues.

Mr. GREEN of Iowa. Does not the gentleman realize that an officer of the Post Office Department will be the person who will go with these aeroplanes and be in charge of the mail? The operator can not handle these sacks and attend to this.

Mr. BLACK. It is not at all necessary there be any distinction between the operator and the man who handles the sacks. All of these men ought to be under the control of the Postal Service. Why, gentlemen, if you adopt the Green amendment you will have men transporting the mail who are under the control and direction of the Secretary of War. If it should not suit their convenience to fly on a certain day, how is the Postmaster General going to give them orders that would be obeyed? It does not seem to me that there is any logic at all in the gentleman's position that the War Department should furnish the personnel to operate this aerial mail service.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLACK. I would ask for two minutes more.

The CHAIRMAN. The gentleman requests that his time be extended for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BLACK. I want to bring out this point: In the hearings before our committee it was developed that the Post Office Department has in mind the perfecting of an aeroplane whereby some mail can be assorted in transit, so that it will be ready for delivery when it reaches its destination in these large cities. In railway mail transportation a great deal of the mail is assorted in transit, and that is why its delivery is so rapidly expedited when it reaches its destination. Now, are we going to have these men, who are under the control of the Army—are we going to have them trained to the distribution of mail? I submit——

Mr. LAGUARDIA. If the gentleman will permit, can the gentleman enlighten us and give any details as to the improved machine which will deliver mail in transit?

Mr. BLACK. I want to say this: It is expected that the Post Office Department will be wise enough to make improvements in the service, and it is not expected that it will remain stationary and immovable. Of course the Post Office Department expects——

Mr. LAGUARDIA rose.

Mr. BLACK. I do not yield.

Mr. LAGUARDIA. They will have to show a more marked improvement in the service than they have shown for the last hundred years.

Mr. BLACK. I do not yield for any observation of that kind. The Post Office Department expects to develop this service and make a useful, practical thing out of it, and therefore we ought not to tie their hands, but ought to put it under the exclusive jurisdiction of the Post Office Department. If it succeeds, then the Post Office Department can take the credit. If it fails, the responsibility will be theirs. Looking at any phase of the matter, I do not think there should be a divided responsibility. [Applause.]

Mr. CANNON. Mr. Chairman, the Post Office Department does a very valuable service. The mails are carried and practically the great service of delivering the mail matter is through the railways. Of course we have the star service, let by contract. You have all the employees of the department that deliver the mail when it arrives at its destination, the carriers, and so forth, but I want to submit that this is an experiment. Why, think of it! An hour and 30 minutes from New York over here, so they say. Of course it takes more than one man. There will be an employee to care for the mail, so far as the delivery is concerned. The flier himself can not run his machine and handle the mail and deliver it. Of course we have traveling post offices on the railroad for distributing the mail, and so forth. Now, I do not know, I have my doubts, very serious doubts, with the telegraph and the telephone and the rapid railroad transit, whether this service will prove to be a valuable service, for the reasons assigned by my colleague from Illinois, and I heartily agree with him and with his reasoning in the premises.

I want to say another thing. The Postmaster General—and I have no attack to make on him personally—is for absorbing permanently railroads, telegraphs, telephones, and the air service. He is a radical Government-ownership man. Now, as we have these planes and as we have the men in the Army that would be glad, and more than enough, to operate them, men who are skilled already, trained, and we have 3,000 planes in this country, far more than would be used for the coming year, I want to submit, with all that Congress has to do in unscrambling the eggs, that this experiment can be tried, and tried with far less expense, tried by people who will fairly try it, so far as the operations of the machines are concerned, with those who are educated for it; and, of course, the mails would go under the direction of the Postmaster General.

Mr. AYRES. Will the gentleman yield for a question?

Mr. CANNON. Yes.

Mr. AYRES. Two departments have experimented with it. One has made practically a failure of it, and the other has met with fairly good success. Which would the gentleman prefer? That is the record made by the War Department and also by the Post Office Department.

Mr. CANNON. The two departments. All the Army would do with these planes that are under the direction of the Army would be to let the planes be operated by those who are already trained at the Government expense, and they could be operated less expensively in trying out this experiment than to let the Postmaster General train a lot of people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON I would like two or three minutes further.

Mr. STEENERSON. Mr. Chairman——

Mr. MOON. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Illinois be extended for five minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the time of the gentleman from Illinois be extended five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CALDWELL. Mr. Chairman, I would like to have the amendment read.

The CHAIRMAN. It has been reported twice. If the gentleman desires it, when the gentleman concludes the Chair will have it reported again. The gentleman from Illinois [Mr. CANNON] is recognized.

Mr. CANNON. There is no more trouble in operating these planes by men in the service of the Army, already trained, than there is in operating the railways. The same argument that would prevent us in adopting this amendment would apply to the Government taking over the railroads.

Mr. MOON. May I interrupt the gentleman?

Mr. CANNON. Certainly.

Mr. MOON. I want to ask the gentleman what his construction of the amendment of the gentleman from Iowa [Mr. GREEN] is? Is he of the opinion that by the terms of that amendment the War Department would simply be compelled to turn over to the Post Office Department machines and aviators to be directed and controlled by the Post Office Department? Is that the extent of it?

Mr. CANNON. Oh, no. As I understand the amendment, it would require the Army, which owns, so to speak, the planes, to have the trained men in the service of the Army to operate these planes as the Postmaster General might direct.

Mr. MOON. Then there would be no objection to placing at the end of this amendment, "under the control and direction of the Postmaster General"?

Mr. CANNON. Not at all, except this——

Mr. GREEN of Iowa. I would have no objection.

Mr. CANNON. So far as this is concerned, under the control and direction of the Postmaster General, not that he could remove an aviator, not that he could appoint an aviator, not that he could build an aeroplane, because, God knows, we have 3,000 of them in this country and I do not know how many in France, costing multiplied millions of dollars. I think they have spent for aviation something in the neighborhood of a billion of dollars. I do not want to place the operation and the flying of these machines under the Postmaster General. I am perfectly willing—and the amendment, as I understand it, would allow it—

for the Postmaster General to establish the routes, whether they go to Chicago, whether they fly across the continent, or wherever they may be, in trying out this experiment. The Army would have no power in the premises touching that matter. And the Army, under the amendment, would be compelled to furnish the aeroplanes upon the routes as prescribed by the Postmaster General.

Mr. CALDWELL. Will the gentleman yield?

Mr. CANNON. Certainly.

Mr. CALDWELL. Does the gentleman know how many men there are in the Aviation Service who will be in four months after the terms of peace are signed?

Mr. CANNON. Enough of them, and five times over, to do this service, and men that are trained.

Mr. CALDWELL. Are not many of the men who are there now practically reserve officers, who came in under emergency legislation, and four months after peace is declared go out of the service?

Mr. CANNON. After all that is said, there are plenty of them there to operate all the machines and try out this experiment. I do not want to go and buy a lot of aeroplanes. I do not want to build aeroplanes. We have them already, and God knows, with the great burden that we are under to care for the interest on the public debt, to pay our debts, to bear all the burdens that result—and we are not going to shirk any of them—from this great struggle, I believe in being somewhat economical when it does not impair the public service. And therefore I shall vote for this amendment. [Applause.]

Mr. STEENERSON. Mr. Chairman, the Garrett amendment, as I understand it, provides already that these machines shall be turned over by the War Department to the Post Office Department, and the Green amendment provides that the sum of $300,000 shall be expended for maintenance and operation, and provides that no part of it shall be expended for the maintenance or operation of the aeroplanes above directed, to be delivered to the Postmaster General by the Secretary of War, which shall be operated and maintained by the personnel of the Air Service of the Army. Now, it strikes me that creates an inconsistency. I have the greatest confidence in the judgment of the gentleman from Illinois [Mr. CANNON] and his colleague [Mr. MANN] and the gentleman from New York [Mr. LAGUARDIA] as to what should be done in regard to this aeroplane service. But I want to call attention to the fact that this money is taken out of the appropriation for transportation of mail by railways.

Now, the railway transportation of the mail is a contract service. The Post Office Department makes a contract. It may not be wholly voluntary on the part of these railroad companies, but it is considered a contract service; and the railroads agree to carry the mail at such and such a compensation, they furnishing all the machinery and the engines and the cars and the space that is required and all the equipment, and mail cars of steel, and the equipment for the distribution of mail, and so forth, all complete, with engines and cars and tracks and everything. They agree to furnish it at so much per pound, or at so much according to space, and the Post Office Department has the privilege of putting the clerks on to distribute the mail.

This amendment provides, first, that you compel the War Department to turn over flying machines to the Post Office Department, and then you compel the Army or the War Department to supply some of their personnel as aviators to run these machines, which the War Department has no control over. They will have been turned over to the Post Office Department.

Now, what can be the object of that? If you are going to have something analogous to the main provision relating to the Railway Mail Service, you want to require that the Post Office Department should enter into a contract with the War Department for carrying the mail by air. Then the airplanes would not have to be turned over to the Post Office Department, and the department which owns the airplanes would have the responsibility of keeping them in repair and would have responsibility for the safety of the fliers. As it is now, you compel the Army aviator to ride in a plane that is inspected and repaired and kept in condition by the Post Office Department.

There is no necessity for it. If you use any logic in this proposition, it would require that the Post Office Department do it all, simply requiring that the Post Office Department act as the proprietor of the business and let out a contract of carrying the mail by air, just as you let out contracts for carrying the mail by railway or steamboat or star route or motor-truck route or any other contract service.

It seems to me, if you adopt either of these amendments—and I should like to support them, deferring to the opinion of the gentleman from New York [Mr. LAGUARDIA] and the opinions of the gentlemen from Illinois [Mr. CANNON and Mr. MANN]—you will involve us in an inconsistency and illogical situation that will require the War Department to furnish aviators to operate machines over which they have no control, although they are responsible for the life and safety of the personnel. The Post Office Department would not have the facilities, anyway, to take as good care of these machines as the department that owns them has, and the turning them over to the Post Office Department is superfluous and unnecessary.

Mr. FORDNEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Michigan moves to strike out the last word.

Mr. FORDNEY. Mr. Chairman and gentlemen, I will be very brief, but I believe that the time for spending the people's money extravagantly, without questioning the purpose for which it is raised and spent, is nearly at an end.

During the war all men in Congress were patriotic and raised no question as to what use the people's money was going to be put in carrying on the war. Much of it has been extravagantly spent and hereafter will be accounted for with much criticism, perhaps.

I believe that to delegate to the Postmaster General the power to establish a system of mail carriage by the air service means the expenditure of not a few million dollars, but more than a billion dollars before long.

Personally—I speak for myself—I believe that it would be wise to place all of the air service under one department, a separate department. I do not believe it would be wise to delegate to the Postmaster General this authority and this power. He is wholly inexperienced and all the men under his control or in the Postal Service are inexperienced in the air service. We do have now some experienced men in the War Department, some experienced men in the air service.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield right there?

Mr. FORDNEY. Yes, sir.

Mr. GREEN of Iowa. I will say that if my amendment does not prevail the Postmaster General will have a great deal more power than he would have otherwise.

Mr. FORDNEY. I agree with the gentleman. I am speaking in the interest of the gentleman's amendment. I concur with him in his views.

Now, to point out the incompetency of some men, let me tell you what may happen if we give this power to the Postmaster General. I had occasion a few days ago to ask for certain information about certain Army supplies. I found that at the time the armistice was signed we had 128,000 Cavalry horses owned by the Government. We had on hand 1,050,000 saddles for those 128,000 Cavalry horses.

Now, I mention this to show the incompetency of some men back of the management of these affairs. I will only mention that, but I could stand here and give you a dozen more illustrations of supplies on hand quite equal to the extravagance that I have mentioned in the purchase of Army supplies.

Mr. MOON. That was not the Post Office Department. It was the War Department.

Mr. FORDNEY. Oh, it was another instance of incompetency. I have no faith in the Postmaster General's knowledge of the air service in handling the mail, and therefore I am opposed to giving to him this great power to spend the people's money.

The time has come, my friends, when patriotism no more appropriates the people's money. I have stood here, as other men have, and voted for taxing the people to the extreme for money to carry on successfully this war, and we have succeeded. Now comes the time, my friends, to scrutinize closely the expenditure of large sums of money by this Government.

Mr. STERLING. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Pennsylvania?

Mr. FORDNEY. Yes; I yield.

Mr. STERLING. I would like to ask the gentleman if he proposes, in the line of the Green amendment, to make this experiment of carrying the mails by air with the War Department rather than with the Postmaster General?

Mr. FORDNEY. My good friend, it is useless for me to go over the ground that has been so thoroughly discussed here, and that is this: I do not want to interfere with the Postmaster General's management of the mails——

Mr. STERLING. I understand.

Mr. FORDNEY. But—wait a minute; you have asked a question; let me answer you—there is no more comparison between the two propositions than there is between the sun and the moon. The Army can manage the airplanes. Let the Postmaster General handle the mails, just as it is now handled on the railroads and on the steamboats of the country.

Mr. STERLING. I have great respect for the gentleman's position on all matters, because of his experience in business.

Mr. FORDNEY. I thank you.

Mr. STERLING. What I am trying to find out is, if the experiment is made under the supervision and control of the War Department and it proves to be a success, would it continue under the operation and control of the War Department? And does the gentleman believe, after all that the American people have sacrificed, not only in money but in lives and in the bodies and health of the men, that the people of this country are ready to turn over the control of any civil department to military operation and control?

Mr. FORDNEY. Mr. President, I have stated that personally I am in favor of establishing a separate department for the air service.

Mr. SHERLEY. Yes; I think that is all right; but the gentleman would not turn it over to the military, would he?

Mr. FORDNEY. I have said, and I repeat, that the Army has experimented and does have some knowledge of the air service.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FORDNEY. Mr. Chairman, I ask for just one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FORDNEY. Whatever experienced men we have now in the service are in the Army and the Navy and not in the Post Office Department. Therefore, if we put the control of aeroplanes under the War Department we will start out with some experienced men, whereas if we give the Postmaster General this power, he must learn the whole business, as must all the men who come under his control.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes; although I have but a minute.

Mr. GARRETT of Tennessee. Hundreds of men who have been trained in aviation are being discharged from the military now.

Mr. FORDNEY. That is true, and rightfully so. I am in favor of discharging the men more rapidly than we are, but I presume all the machinery that is available is set at work in discharging our men now. That does not enter into this question at all.

Mr. GARRETT of Tennessee. Precisely. I think it does, because from that force the Postmaster General can draw experienced men to operate these machines.

Mr. MOON. Mr. Chairman, this matter has been discussed two or three hours, and all time allowed under the rules for the discussion of amendments long since has passed. I move that debate be now closed and that we take a vote on the proposition.

Mr. SISSON. Mr. Chairman, I would like to have five minutes.

The CHAIRMAN. The motion of the gentleman from Tennessee is a privileged motion. The gentleman moves that debate on the paragraphs and amendments thereto be now closed.

Mr. MOON. It is on this amendment and all amendments thereto.

The CHAIRMAN. That is the way the Chair stated it—on the paragraph and all amendments thereto.

Mr. MANN. Do I understand that the gentleman moves to close debate on the paragraph and all amendments thereto?

Mr. MOON. I move to close debate on this amendment.

Mr. MANN. I understood the gentleman was desirous of having an amendment offered to this amendment.

Mr. MOON. I have no objection to that, without debate.

The CHAIRMAN. The gentleman's motion, as stated by the Chair, was to close debate on the paragraph and all amendments thereto.

Mr. MOON. Mr. Chairman, I am going to modify that motion just a little. The gentleman from Iowa, I understand, wants to offer an amendment to his amendment, and I am willing to have that done. The gentleman from Mississippi desires five minutes, as does the gentleman from Connecticut [Mr. TILSON], and I move that all debate close on this amendment and all amendments thereto in 10 minutes.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman let me have three minutes?

Mr. MOON. No; we have talked about this too much now.

The CHAIRMAN. The gentleman from Tennessee moves that all debate on the paragraph and all amendments thereto close in 10 minutes.

The question was taken, and the motion was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent to modify my amendment. The gentleman from Tennessee has indicated that he would like to see a modification of it, and, as I understand, said that if that modification were made there would be no objection on his part.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman will state his modification.

Mr. GREEN of Iowa. Add at the end of my amendment the words "under the control and direction of the Postmaster General."

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modify the amendment offered by Mr. GREEN of Iowa by adding at the end thereof the words "under the control and direction of the Postmaster General."

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent to further modify my amendment. The gentleman from Illinois [Mr. MANN] whom we all know is an expert in drafting legislation has suggested that the word "which," after the words "Secretary of War" in my amendment, might possibly not be construed as a direction, but simply as a part of the limitation, which I did not intend, and he suggests that the words "but such machines," be substituted for that word. I ask unanimous consent to so modify the amendment.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to further modify his amendment as indicated by him, and the Clerk will read the suggested modification.

The Clerk read as follows:

Strike out the word "which," after the words "Secretary of War," and insert in lieu thereof "but such machines."

The CHAIRMAN. Is there objection to the modification?

There was no objection.

The CHAIRMAN. There are four minutes of the time of the gentleman from Iowa left, and the Chair will recognize the gentleman from Connecticut.

Mr. TILSON. Mr. Chairman, I hope the membership of the House will bear in mind that the air service in the War Department must go on, whether it carries the mail or not. It must go on so that we may have as a part of our national defense a well-trained, adequate air service. It is unthinkable that we should stop now and let this most important branch of our military service dwindle or decay. Unless we keep men engaged in it all of the time we are not going to have a trained air service. Therefore let us start with the proposition that, at any rate, we are going to have an air service in the War Department, that we are going to have plenty of trained fliers in the War Department, and that we are going to keep them flying, whether the mail is carried or not, whether the Post Office Department has an additional air service or not. If we have that, then, as a matter of economy, as a matter of good, sound business judgment, it seems to me the thing for us to do is to let that service, which must be flying anyway, carry the mail, as it can be done with little additional expense to the Government. In my judgment, no sufficient reason has been advocated here why that service, which must go on, should not also perform this additional service. For that reason it seems to me to be unwise for us to start here another department doing the very same work.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. TILSON. Certainly.

Mr. LAGUARDIA. Is it not true that the flying is the smallest part of aviation; that the great expense is the maintenance and repair; and if the Post Office were to take over the machines to be delivered to it, it has no facilities to take care of the machines or for repairing them—machines worth millions of dollars? The Post Office Department has no shops and no mechanics to take care of them.

Mr. TILSON. The gentleman is entirely correct and speaks with knowledge based upon a wonderful experience in the military service. We must maintain a repair and maintenance service to keep these machines going, and it must be done under the War Department, whether there is any postal air service or not.

Mr. CALDWELL. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. CALDWELL. Is it not a fact that if the repair business is done under the Army it will be done by enlisted men as soon as the Army is demobilized, and you will have enlisted men competing with organized labor?

Mr. TILSON. Such work must be done in this service just the same as in any other branch of the military service. The

maintenance of the air service in a high state of efficiency, in peace as in war, is more important because it takes more expert training to fit a man to perform these duties than in any other branch of the military service.

Mr. SISSON. Mr. Chairman, I am very much interested in this aeroplane service. I am interested in the development of the service so that it may carry the express and the fast mail, and I look in time for it to carry passengers. But in my own mind I believe it to be unthinkable that you should turn over to the Post Office Department this branch of the military service of the War Department. I think it will result in a failure if you permit the War Department to have the training, manufacture, and control of aeroplanes until it gets into this service. So far as economy is concerned, everyone of you gentlemen know that there has not been an ounce of economy in the War Department in the time of peace. The training of the Army and the naval officers never made for economy. They have been educated by a Government that is rich; all Army engineers have been educated by a rich Government, and they never look at economical means to accomplish results. What they want is the result. Ask the man who built the canal and he will tell you that that is one of the faults that the Army engineers have had. If you want economical service, if you want efficient service, if you want to develop the aeroplane service, let the Post Office Department take advantage of it, assemble the experts, whose whole business will be not only to carry the mail but to develop the proper plane for economical and efficient carrying of the mail. If you permit the War Department to spend its time and energy in developing planes for military and bombing purposes, you will not have the experience in experimental matter in machines for carrying the mails; you will not get the imagination necessary for that development. You will make a mistake and you will be doomed to failure if you permit the development of the plane and the fliers to be left to the military arm of the service.

Another thing we must guard against in this demobilizing period is that we want to get the Government back into peaceful pursuits. I am one who will never admit that the Army or the Navy can do things in civil life as well as men in civil life. If this is granted in one instance, it will be asked for in others; and why not let them run the railroads, why not let them run the factories, why not let the Army run all the different departments of the Government and have a military government?

Mr. MADDEN. Will the gentleman yield?

Mr. SISSON. I can not yield now.

Mr. MADDEN. I want to help the gentleman.

Mr. SISSON. Well, the gentleman can help me by voting.

Mr. MADDEN. I will do that.

Mr. SISSON. It will not do to let the military nose get under the tent, and the next Congress may be more militaristic than this if you adopt this amendment.

When this war is ended I hope to see the Army reduced to a minimum. If you love peace and want to develop this along peaceful lines, let us not encourage a more extensive Army.

They say that the aviators in the Army will not have much to do. I do not believe—and perhaps I have no right to speak, not being an expert, but I have a right to my opinion—that mere flying in carrying the mails will not develop a fighting man in the air. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired and all time has expired. The Chair will state the proposition before the committee to be passed upon: The gentleman from Pennsylvania [Mr. ROBBINS] offered an amendment to strike out certain lines in a paragraph of the bill. To that amendment the gentleman from Tennessee [Mr. GARRETT] offered a substitute. The substitute has been amended by the committee by the adoption of the Stafford amendment to the substitute. There is now pending to the substitute offered by the gentleman from Tennessee an amendment proposed by the gentleman from Iowa [Mr. GREEN], which will first be voted upon. The Chair will direct the Clerk to report the amendment of the gentleman from Iowa [Mr. GREEN].

Mr. GRAHAM of Illinois. Can we not have the paragraph read as it will read when amended.

The CHAIRMAN. The paragraph is stricken out and this is an entirely different proposition.

Mr. GRAHAM of Illinois. Can we have the Garrett amendment reported with the amendment of the gentleman from Iowa?

Mr. GARRETT of Tennessee. Mr. Chairman, that has been twice read this morning.

Mr. GRAHAM of Illinois. I admit that, but I was busy about something else.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the substitute offered by the gentleman from Tennessee as amended be again read. Is there objection?

There was no objection.

The Clerk again read the substitute as it would read if amended.

The CHAIRMAN. The vote will first be taken on the amendment to the substitute offered by the gentleman from Iowa [Mr. GREEN].

The question was taken; and on a division there were—74 ayes and 80 noes.

Mr. GREEN of Iowa. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers the gentleman from Tennessee [Mr. MOON] and the gentleman from Iowa [Mr. GREEN].

The committee again divided; and the tellers reported there were—ayes 96, noes 82.

So the amendment was agreed to.

The CHAIRMAN. The question now recurs on the adoption of the Garrett substitute as amended for the Robbins amendment.

The question was taken, and the Chair announced the ayes seemed to have it.

On a division (demanded by Mr. CALDWELL) there were—ayes 110, noes 6.

So the substitute was agreed to.

The CHAIRMAN. Now, the question is on agreeing to the Garrett substitute as amended.

The question was taken, and the Garrett substitute as amended was agreed to.

The Clerk read as follows:

Railway Mail Service: For 15 division superintendents, at $3,250 each; 2 assistant superintendents, at $2,350 each; 15 assistant division superintendents, at $2,250 each; 115 chief clerks, at not exceeding $2,100 each; 432 clerks, grade 10, at not exceeding $1,800 each; 1,922 clerks, grade 9, at not exceeding $1,700 each; 375 clerks, grade 8, at not exceeding $1,600 each; 7,703 clerks, grade 7, at not exceeding $1,500 each; 952 clerks, grade 6, at not exceeding $1,400 each; 1,737 clerks, grade 5, at not exceeding $1,300 each; 2,721 clerks, grade 4, at not exceeding $1,200 each; 60 clerks, grade 3, at not exceeding $1,100 each; 4,666 clerks, grade 2, at not exceeding $1,000 each; 1,164 clerks, grade 1, at not exceeding $900 each; in all, $28,385,500: *Provided*, That railway postal clerks shall be credited with full time when deadheading under orders of the department, and the appointment and assignment of clerks hereunder shall be so made during the fiscal year as not to involve a greater aggregate expenditure than this sum; and, to enable the Postmaster General to reclassify the salaries of railway postal clerks and make necessary appointments and promotions, he may exceed the number of clerks in such of the grades as may be necessary: *Provided*, That the number of regular clerks in the aggregate as herein authorized be not exceeded.

Mr. BLACK. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 16, line 15, after the word "railway" insert "and substitute railway."

Mr. BLACK. Mr. Chairman, the purpose of the amendment I have offered is to enable the Post Office Department to credit substitute railway postal clerks for full time when deadheading under orders of the department; and in respect to the amendment I will state to the committee that the Second Assistant Postmaster General says that he now has no authority to credit a substitute with his time while he is deadheading under orders of the department, and that in many cases a hardship is thereby done the substitute, and he favors an amendment of this kind. I do not think it is necessary to argue it any further, unless the committee should have some objection.

Mr. MOON. Mr. Chairman, I see no reason why the amendment should not be agreed to.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For miscellaneous equipment and supplies, including the purchase and repair of furniture, letter boxes, package boxes, posts, trucks, baskets, satchels, straps, letter-box paint, baling machines, perforating machines, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and exchange of equipment, the erection, manufacture, repair, and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; for miscellaneous expenses in the preparation and publication of post-route maps and rural-delivery maps or blue prints, including tracing for photolithographic reproduction, and the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps or blue prints at the cost of printing and 10 per cent thereof added, the proceeds of such sale to be used as a further appropriation for the preparation and publication of post-route maps and rural-delivery maps or blue prints; of this amount $1,500 may be expended in the purchase of atlases and geographical and technical works, and for other expenditures necessary and incidental to post offices of the first, second, and third classes, including offices of the fourth class having or to have rural-delivery service, $480,000.

Mr. ROBBINS. Mr. Chairman, I want to ask the gentleman in charge of this bill if they have adopted any standard for

rural mail boxes? Do they require any uniform manufacture, make, or form in the case of these boxes?

Mr. MOON. What item, what page?

Mr. ROBBINS. In this paragraph they refer to letter boxes.

Mr. MOON. On page 29, is it?

Mr. ROBBINS. It is on page 29. It seems to be covered in this paragraph. Is there any uniformity required in the rural boxes that are put up by the patrons of the rural routes?

Mr. MOON. Well, I think the department has heretofore indicated the character of box that might be used upon a route, but there is no requirement.

Mr. ROBBINS. There is no required form other than that those placed by the patron should be accessible to the carrier?

Mr. MOON. I think so.

The Clerk read as follows:

For rental, purchase, exchange, and repair of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices, including cost of power in rented buildings, and miscellaneous expenses of installation and operation of same, including salaries of five traveling mechanicians and for per diem allowance of traveling mechanicians while actually traveling on official business away from their homes and their official domiciles at a rate to be fixed by the Postmaster General, not to exceed $4 per day, $337,000.

Mr. FOSTER. Mr. Chairman, I move to strike out the last word. May I inquire of the chairman of the committee, in reference to the rental of these canceling machines, what the annual rental is, what the purchases amount to now in place of rental, and if it is the policy of the department to purchase these machines instead of renting them whenever it is possible to do it?

Mr. MOON. Well, the department says in the hearing:

Estimate of the department is $337,000, a decrease of $86,000. That decrease is due to the fact that the department is now operating its own canceling machines. There will be no rented canceling machines in the Postal Service after December 31, 1918.

Mr. FOSTER. So they are not purchasing any at all?

Mr. MOON. They are not buying any at all.

Mr. FOSTER. Can the gentleman inform the committee how much these machines are costing—these large machines?

Mr. MOON. The individual machine?

Mr. FOSTER. Yes.

Mr. MOON. No; I can not. It is in the hearing, perhaps, but I do not recall it.

Mr. FOSTER. I withdraw the pro forma amendment.

The Clerk read as follows:

For experimental motor vehicle truck service in such localities of the United States as the Postmaster General may select, the establishment and extension of such service, the improvement of highways, the purchase, manufacture, exchange, and repair of equipment, supervision and maintenance, and expenses incidental to conveyance and marketing of produce and commodities, $1,000,000.

Mr. STEENERSON. Mr. Chairman, I move to strike out the words "the improvement of highways."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 23, line 18, after the word "service," strike out the words "the improvement of highways."

Mr. MOON. Mr. Chairman, I hardly think it is necessary to take any time on that. I think that motion is a very good one, and I think it ought to be stricken out.

The question was taken, and the amendment was agreed to.

Mr. STEENERSON. Mr. Chairman, I now move to strike out "$1,000,000" and insert "$500,000."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 23, line 21, strike out "$1,000,000" and insert "$500,000."

Mr. MOON. Mr. Chairman, I suggest to the gentleman from Minnesota that we ought not to limit this matter too closely. Possibly $1,000,000 is a little excessive; suppose he makes his amendment $750,000.

Mr. STEENERSON. If the gentleman will permit me perhaps I will do that, but I want to say I have a letter from the department, from Mr. Blakslee, Fourth Assistant Postmaster General, and I would like to have it read and answer it. I will require about 10 minutes. It relates to this point. I ask that I may have 10 minutes.

Mr. MOON. I request that the gentleman have 10 minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. STEENERSON. Now, I would like to have this letter read.

The CHAIRMAN. Without objection, the letter will be read in the time of the gentleman.

There was no objection.

The letter was read, as follows:

POST OFFICE DEPARTMENT,
Washington, December 17, 1918.

Hon. HALVOR STEENERSON,
House of Representatives.

MY DEAR CONGRESSMAN: I note in the CONGRESSIONAL RECORD of Monday, December 16, 1918, that you state—

"And the remarkable thing about this motor-truck service is that they parallel the railroads. They run parallel in most every instance to an existing railroad line, and the railroads, of course, are anxious for business."

Later you state:

"It must be that the Post Office Department intends to supplant railroads by motor trucks."

The hearings before the Committee on the Post Office and Post Roads will disclose that experimental motor vehicle truck service is to be established between any two large markets through producing territory not adjacent to rail or water transportation facilities. This is exactly what has occurred in every instance, except where road conditions would not permit any other method of operation unless adjacent to railroad lines. This only in a very limited number of instances.

You also state that under cross-examination it was admitted "that in arriving at income of motor-truck service on those routes they counted all the postage."

Any expert accountant will assure you that this method is pursued in all enterprises that maintain accurate income or cost records. Gross revenue is always reckoned on the basis of total amounts received and in making up cost sheets deductions are made for every item that should be properly charged against the total income. Therefore, in the hearings before the Committee on the Post Office and Post Roads it was clearly set forth that allowances had been made for war tax and for the treatment of mail prior to its receipt on motor-truck routes and its dispatch from termini thereof, together with every conceivable direct or indirect operating expense, including depreciation, interest on the investment, and replacement of equipment.

I note you fail to include in your remarks any reference to the mile cost of this service as compared to star contract service or rural delivery service.

You made inquiry by telephone of the department on these subjects. The cost of star route service per mile is 11.8 cents; the cost of rural delivery service is 18.4 cents; the cost of motor vehicle truck service is 17.1 cents.

No doubt you overlooked these statistics on account of the many numerous items in the postal appropriation bill which you endeavored to explain.

I wish to thank you for your complimentary reference to my ability, and in return I feel sure that your well-known sense of fairness will prompt you to include this letter in the RECORD to correct any misunderstanding as to the intent of this service to parallel railroads or to take credit for earnings that belong to some other branch of the postal establishment.

My contention has always been that where the railroads should be used, use them; where the waterway should be used, use it; where the air lane should be used, use it; and where the highway should be used, I hope for your hearty cooperation.

Sincerely, yours,

JAS. I. BLAKSLEE,
Fourth Assistant Postmaster General.

Mr. STEENERSON. Mr. Chairman, now it is unnecessary for me to say it was far from my intention to misrepresent anything that Mr. Blakslee has said, that the omission to mention the cost of rural service per mile, motor-truck service and contract service, the star-route service. The subject was not on my mind. I had very many subjects to deal with, and I had no intention to create a false impression by such omission. But what he mostly complains of here is a few remarks I made in reference to the inquiry of the gentleman from Iowa [Mr. GREEN]. Mr. GREEN inquired about the calculations, whether they were too optimistic or not, and it was rather a little pleasantry on my part that in referring to the Fourth Assistant Postmaster General I described him as rather too sanguine about phenomenal returns of this service. Well, it was not my intention to reflect in any way upon the gentleman's ability or correctness or intended correctness in his testimony, but I did intend to indicate that he was a little too optimistic, that he was led too far afield by his vivid imagination.

Now, we all like an imaginative person. I do. I am very fond of the Fourth Assistant Postmaster General personally. But he has, no doubt, a very vivid imagination, and he is an optimist, which is also creditable; but it is not always safe to follow the calculation of people who are so sanguine. Now, one of the points he makes in his letters is, that it does not parallel the railroads as I said it mostly did. Now, if you take the Postmaster General's report, where he deals with the subject, you will find in every instance so far as I can determine the motor-truck route starts from a railroad point, a railroad town, and ends in a railroad town, in most of the cases on the same railroad. The gentleman refers here to a blue print that he gave to the Committee on the Post Office and Post Roads. I have been unable to see it. Perhaps that blue print would indicate that the motor-truck route does bulge out, or makes a little departure from the straight line of the railroad. But in the sense I used it, I think it is fair to say that it is competitive with the railroad and that it is to a great extent competing. However, I wanted Mr. Blakslee's statement to go before the House, as it was far from my intention to misrepresent anything. I derived my information not from a blue print but from the general maps

of the country, which give the railroads in this section, and, of course, they are drawn on rather a small scale, and when you only know the two termini of a road, and they both begin and end on the same railroad, you naturally conclude that it is a competing and parallel line.

The most important part of the letter is in reference to the calculating of the revenue, and he says that you should always include the total postage. He says that is the practice of accountants. That shows he has faith in accountants. He trusts blindly in them. But I submit that you can not always do that. You must think it out for yourself, if you want to arrive at the truth. Now, let us see what the result of this method of the accountants would be.

You take one of these motor-truck routes 100 miles long, and you credit the total postage. We will say that on the starting point and on the stopping places along the route he collects 100 pounds of first-class mail, and he collects 1,500 pounds of parcels, farm truck, and such things, which is the usual amount, say, 1,000 or 1,500 pounds. The revenue on that would be about a cent and a half a pound on the farm produce. Under the lower parcel rate for 150—that is, 5 cents for the first pound and 1 cent additional for each additional pound—fifteen hundred pounds would be $22.50. But the letter postage is 2 cents an ounce, which was the rate before the war, and would bring in 90 cents a pound, and 100 pounds would bring in $90, or, if it was 3 cents an ounce, it would be $135. And if you credit the route with the first-class postage, why, you can figure up a most wonderful income for that route. But if it did not go by motor route but went by rail then it would cost about 6½ to 7 cents per ton-mile, and you would have about 35 cents for the whole cost, if I figure it right in my head. A profit of $89 or $134, as the case might be, according to what rate of letter postage is charged.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEENERSON. I would like to have two minutes more.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for two minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr STEENERSON. So that the letter mail when it is paid by the pound is the most profitable thing and it pays for nearly the whole service. And, of course, if you are going to give the credit to the motor route for all the postage on first-class mail that passes over it, you include what it costs the Government to bring letters through, and so forth. However, Mr. Blakesley seems to think that it is right to credit the route with this postage on this profitable matter as correct. I can not agree with him. If we shipped the letters by rail it would only cost a few cents, and the rest would help to pay other postal expenses.

However, I submit his letter to the House for what it contains. I am afraid of this proposition. The gentleman is too sanguine. Every great man is sanguine. If Columbus had not been visionary and been gifted with great imagination, he would never have discovered America and we would not have been here. So I do not want to blame him for being too optimistic; but at the same time, inasmuch as we are holding the purse strings, I want to go a little slow, and I want to be a little careful. I would like to have an accountant, an inspector, an expert in journal business, go over these routes and inform Congress before we go to work to appropriate so much as this.

Now, the chairman of the committee has suggested that if the motion was to substitute $750,000 instead of $1,000,000 he might agree to it. However, I think it is fair to the House that we should vote on my motion to strike out $1,000,000 and insert $500,000. I understand there are others here on the floor that would like to increase it to $1,500,000. So you would have your choice. It seems to me it is a dangerous thing to place so much money in the hands of the department for this purpose, because you are simply duplicating other service to a very large extent; and you are entering upon a new field, and you will not know where it will end.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAUNDERS of Virginia. Mr. Chairman, I wish to offer an amendment. I understand the motion is to strike out of the bill $1,000,000 and insert $250,000.

Mr. STEENERSON. Five hundred thousand.

Mr. SAUNDERS of Virginia. I offer a substitute for that, making it $1,500,000.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS of Virginia. I would like to say a word in connection with the bill.

The Clerk read as follows:

Substitute offered by Mr. SAUNDERS of Virginia: Page 23, line 21, strike out "$1,000,000" and insert "$1,500,000."

Mr. SAUNDERS of Virginia. Mr. Chairman, if there is any one feature of this bill which should commend itself to the Representatives from the country districts, as most of us are, it is the provision for this motor service.

The gentleman from Minnesota [Mr. STEENERSON] indicated that he was afraid of these "experiments" (as he calls them), on the part of the Post Office Department. But, having in mind the experiment upon which we have entered in the aeroplane venture, we should not be afraid of experiments like this on firm ground. We are not "up in the air" with respect to this proposition, but on the sure foundation of the solid earth.

This proposition relates to a form of activity by the Post Office Department which will inevitably develop every area into which these projected lines will run. The scheme has been fully worked out on trial routes. It does not come before the committee enveloped in the uncertainty which surrounds the aeroplane project. While I believe that airplanes may be used in connection with the transportation of the mails and to a limited extent may be serviceable, yet I have no idea that any largely extended airplane service will ever be worth one tithe of the money that will be required to maintain it. The conditions of the enterprise limit its commercial feasibility.

Mr. MOON. Mr. Chairman, will the gentleman yield there?

Mr. SAUNDERS of Virginia. Yes.

Mr. MOON. As I understand the gentleman from Minnesota [Mr. STEENERSON], he is now willing to let the amount of $1,000,000, which the department desires, remain in the bill. He is willing to withdraw his amendment for $500,000. I think it would be a good idea for the gentleman from Virginia also to withdraw his amendment for $500,000 more, and let the amount remain in the bill as it is.

Mr. SAUNDERS of Virginia. Well, if it is the sense of this committee, and the sense of the Committee on Post Office and Post Roads that this amount of $1,000,000 is as much as we should expend at this time in this connection, I would be willing under those circumstances to withdraw my amendment.

Mr. STEENERSON. I understand that the department never asked that the amount given by the committee be increased.

Mr. SAUNDERS of Virginia. So far as that is concerned, I am proposing that the House should increase this amount. As I have stated, this is one of the most fruitful and hopeful projects of development under the auspices of the Post Office Department which has come to my attention.

Mr. STEENERSON. The proposition of the chairman of the Committee on the Post Office and Post Roads was, as I understood it, the advisability of adhering to the committee's figures. I will say to the gentleman from Virginia that I am disposed to follow my distinguished colleague on the committee, the chairman of the committee.

Mr. SAUNDERS of Virginia. Well, so far as I am concerned, I will complete the remarks that I had in mind in this connection.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. TILSON. Is the gentleman willing to limit this provision to the handling of rural mails, and not go into an experiment to show that motor trucks can successfully compete with railroad trains in carrying the mails? In order to make a good financial showing it is probably necessary that these motor-truck routes should run from one big city to another. If so, it is almost sure to parallel a railroad and duplicate what the railroad might do.

Mr. SAUNDERS of Virginia. The experiment has been sufficiently tried out under practical conditions, to enable any open-minded investigator to conclude that it will be a success on a largely extended scale, indeed on a Nation-wide scale. I have examined some of the expense sheets in connection with this service, showing the expenses, and returns, and if these sheets may be relied upon the success of the experiment thus far has been simply wonderful. Having before us the main fact of these eminently successful trial routes, I see no reason why we should not extend this service, particularly in view of the liberal not to say extravagant amount which this bill provides for extensive experimentation in the air service, a field in which any ultimate outcome of commercial success is admittedly highly uncertain. The meager results which have been attained from experiments admittedly incomplete in the field of aerial mail transportation, do not justify the really gigantic sum which has been appropriated for further experimentation in this direction. Yet gentlemen who favored this fanciful scheme for handling the mails, begrudge any adequate sum for the development of

a service which has successfully stood the rigid tests to which it has been subjected in the effort to ascertain its feasibility, and practical utility.

Mr. TILSON. Does not the gentleman see the distinction? In the case of the Air Service we must run the airplane as a part of our military program, in any event. We must keep the airplanes flying; but it is not necessary to keep the automobiles going.

Mr. SAUNDERS of Virginia. I understand of course that now that the Army has a finger in the pie, my friend will support this fantastic project of experimenting with aeroplanes as a new instrumentality for transporting the mails, without regard to the likely chances of serious pecuniary loss that we confront in carrying out this enterprise. But this other experiment, as I have said, has been worked out, and the expense sheets show a most satisfactory and practical success in the operation of the service. For that reason I desire to see this enterprise which will be conducted on the solid ground, supported by such ample appropriations that it will affect with its benefits the people of the entire country. This enterprise enlists my support on the ground that it is feasible, practical, thoroughly worked out, beneficial alike to the people on the routes, and in the cities, and capable of practically indefinite expansion all the while paying its way in the process of extension.

Mr. MADDEN. Mr. Chairman, I understand that the gentleman from Virginia [Mr. SAUNDERS] has withdrawn his amendment, but I want to make a few observations on this amendment anyway.

Mr. MOON. Can it not be understood, first, that both amendments are withdrawn, and then the gentleman from Illinois can proceed?

Mr. ROBBINS. I thought you agreed to $750,000 as to that item.

Mr. MOON. I understood that the gentleman from Minnesota [Mr. STEENERSON] would withdraw his amendment, and that the gentleman from Virginia [Mr. SAUNDERS] would withdraw his, and leave the amount as it is in the bill.

Mr. SAUNDERS of Virginia. That is not the proposition, as I understood it.

Mr. MOON. If that is not correct, the gentleman from Virginia is misinformed, and his amendment ought to be still pending.

Mr. STEENERSON. I said I understood that was the proposition of the gentleman from Tennessee. I did not say that I would agree to it.

Mr. MOON. Will the gentleman agree to it?

Mr. STEENERSON. I am not prepared to do that.

Mr. MOON. I think we had better consider as pending the proposition of the gentleman from Virginia.

The CHAIRMAN. Both amendments could be withdrawn at the same time if desired.

Mr. MADDEN. I hope the amendment of the gentleman from Virginia [Mr. SAUNDERS] will not prevail. I rather hope the amendment of the gentleman from Minnesota will prevail, if it is still pending. I think I am authorized to say that I have had a talk with the Postmaster General in connection with this legislation, in the course of which he assured me—and he authorized me to say so if I chose to do it—that he is utterly opposed, to begin with, to any appropriation in this bill for the building of highways. That is already eliminated, so that that is not under discussion. He says that he has no purpose whatever to establish a comprehensive system of truck service. I have a great deal of admiration for the imagination of the Fourth Assistant Postmaster General, Mr. Blakslee. He has just as much imagination as Mulberry Sellers ever had. He is one of the nicest fellows I ever knew, and personally I like him, and he has some good views, but he is overenthusiastic. I am afraid he is too optimistic about what the outcome of this system of service will be.

What I fear is if we establish the service on anything like the basis suggested it will be a good deal more of a pork barrel in the future than the river and harbor bill ever was, because everybody in Congress will want truck routes established in their district. Already, I think, appeals have been made for the establishment of truck lines where they ought not to be. I understand that the Posmaster General already has appointed a committee of experts to examine into the desirability of establishing this truck service, and that these men understand the Postal Service better than any others connected with the department. I understand that they are almost ready to report, and whatever their report may be I do not know, but I apprehend that it will not be very favorable to the establishment of these truck lines. There is no sense in having them. We ought not to be in the truck business; we ought not to be dealing in garden truck, for that is what this means. It seems to me that we are establishing automobile lines here, there, and everywhere, for the purpose of carrying products from the farm to the middlemen, and adding not to the economy of the consumer but to the profit of the men who sell to the consumer. We are doing it at the expense of the taxpayer. It is easy to figure out a large profit, but it is not so easy to prove that the profit figured out is there. As long as you have the Treasury of the United States behind any scheme that may be established from which to draw, of course, you can go on, but if you had to put this on a business basis, depending on its own earning power, without the right to draw against the Treasury of the United States for the deficiency, you would find out before 30 days that instead of making fabulous profits you were making fabulous losses. I dare anyone to undertake to prove that a profit has ever been made on any truck service that so far has been at work in the Post Office Department. You can not do it. Mr. Blakslee can do it, but, as I said, I have a good deal of admiration for Mr. Blakslee's imagination. If he only had the other ingredients of Col. Sellers that he never was able to find, the Post Office Department would be flying around the United States on wings, and you would never have to charge postage for any service rendered to the people. Mr. Blakslee has a scheme by which his imagination can work up into the clouds and from which profits rain into the coffers of the Treasury Department. If you would listen to Blakslee there would not be a highway in the United States that would not be rebuilt in the next six months out of the earnings in the truck service of the Post Office Department. And we would be unable to find men to build the roads these profits would build. We have over 2,000,000 miles of highways in the United States, but that would not satisfy Blakslee. He comes from Pennsylvania, where the air is rarified on account of the mountain scenery, and he imagines that everything is built on the basis of the mountains of Pennsylvania.

Why, Mr. Blakslee is one of those imaginary dreamers in the matter of post-office profits that nobody every heard of before. I do not say that in disparagement of Mr. Blakslee's ability. I like it, I like imagination; it takes a man with imagination to accomplish results, but he is going too far afield. [Applause.]

Mr. MOON. Mr. Chairman, I usually find some ground on which my good friend from Illinois and I may stand together, but I can not agree with him on this proposition. This proposition is one that will bring very great benefits to the people of the country in the handling of their produce. It is one that will bring benefit to the merchant in the disposition of his goods and to the people of the country in the exchange of produce for cash, but I believe, too, it will reduce the cost of living to the masses of the people in the cities. I am not going into the argument which has been offered so ably and frequently in support of such propositions.

I want to observe the remarkable fact that when anything arises in the House for Government control, anything that promises direct and immediate benefit to the common people of the country, it obtains too much resistance on this floor. It is a remarkable fact that that is so, because the majority are from the country districts.

The gentleman from Illinois [Mr. MADDEN] said it has not been demonstrated that this is a profitable service. Who knows whether it is profitable or not? Not the gentleman from Illinois, not myself, not any other individual who has not been closely and intimately associated with the operation of this service. The Postmaster General ought to know, but the Fourth Assistant Postmaster General ought to know more about it than the Postmaster General does, because the Fourth Assistant has installed the service, and he shows in the report that it is not only a self-sustaining proposition but a money-making proposition. From the 1st of July to the 30th of September in the last fiscal year on 19 routes there was a profit of $18,889. If that goes through 250 routes which may possibly be established—and that is all that is going to be established—you will have a profit of $2,300,000 at least.

Now, whether there is a profit or not, if it was self-sustaining and gives to the country people an advantage to which they are entitled in moving the products, we ought not to hesitate to pass this provision.

Mr. FOSTER. Mr. Chairman, it seems to me that there has been no more important amendment proposed than the amendment for the experimental motor-truck service. I think Mr. Blakslee may be very enthusiastic, and yet I think he has reason to be congratulated on the success that he has made so far with this experimental truck service. This has been in operation for some time—more than a year, as I now recall—and he has demonstrated that it is a money-making part of the Postal Service and a great convenience to the people. These trucks

go through the country, from one city to another, and gather up the produce that would probably not get to the market if it was not for this service. He has delivered it to the cities in quicker time than is ordinarily done and it has been sold to the consumer at a less price than the consumer has heretofore been compelled to pay. It seems to me when this service has been successful so far, that we ought not to cut down the appropriation, but rather that we ought to increase it so that the service be extended. I hope it will never be a pork barrel. It ought not to be. It ought to be established upon its merits and where it would be justified. I do believe we ought to continue it. If it is demonstrated that it is not a paying service, if it is not a benefit to the people, then it ought to be discontinued. So far the Fourth Assistant Postmaster General has demonstrated his ability to make it successful. If it is necessary to appropriate $1,500,000, $500,000 more than is already in the bill, we ought to do it. We ought not to cut down this appropriation at this time, but should give sufficient money to make this experiment, whether it be located in Illinois, or Pennsylvania, or Georgia, or any other State. I shall vote for the amendment of the gentleman from Virginia so as to give this branch of the Postal Service a fair trial.

Mr. KELLY of Pennsylvania. Mr. Chairman, I sincerely hope that this amendment to reduce the appropriation for the motor-truck service of the Post Office Department will not be adopted. On the contrary, the amount of $1,000,000 carried in the bill for this service should be doubled. No money expended by the Government at this time will bring more profitable returns than that used in expanding this method of direct communication between country and city.

It is a new service, but the initial appropriation of $300,000 made by Congress last year has produced results which warrant an extension of a chain of routes radiating from all the large cities of America to the farming communities within a radius of a hundred miles.

Experience with the routes now in operation demonstrate that this service is not only self-supporting but profitable to the Government. It costs $800 a month to operate the route between Washington and Philadelphia, and the gross earnings are $16,000 a month. Gen. Blakslee, of the Post Office Department, in his statement before the Committee on Post Offices and Post Roads, states that the gross earnings of the 19 motor-truck routes already established between July 1 and September 30 of this year were $292,024.95. On a yearly basis these 19 routes will produce revenues of more than a million dollars. Of course, the war-revenue tax on the mail matter and crediting to other branches of the service its share of the first-class mail matter carried would reduce this figure, but after making all allowances there is a substantial profit in the operation of each of these routes.

Now, these results have been obtained by individual dealing between the farmer in the country and the individual consumer or business firm in the city. When the disadvantages and difficulties of such dealing are taken into consideration, the showing made by these truck routes is but a faint idea of the possibilities of this service.

Daniel C. Roper, former First Assistant Postmaster General, in his book The United States Post Office states that the operation of the parcel post has proved "disappointing."

That is true, for in spite of the eagerness of the people to utilize the parcel-post facilities, there have been many difficulties, and even those who were most enthusiastic in the inauguration of the service five years ago to-day confess that those difficulties must be removed before the parcel-post idea in America can be acclaimed a real success.

But every one of those difficulties, so vitally affecting the success of this means of communication, arise from the lack of organization and cooperation between the consumers on one side and the producers on the other.

For instance, the expense of securing individual shipments of food products from the farmer to the city dweller is almost prohibitive. The expense of shipping a single dozen of eggs is so much greater in proportion than shipping a crate of eggs that it raises the price to a point which minimizes the value of the service.

Suppose a family in the city desires a dozen eggs a week and wishes to get them direct from the poultry yard in the country. It is necessary to buy a metal container, which costs $1. The postage is 7 cents on each dozen. Then letters must be written in ordering the eggs and in sending payment. Money orders require an additional fee. If the eggs are ordered from different producers, still more letters are necessary.

I believe it is a fair estimate to say that it costs 15 cents a dozen to buy eggs direct in this manner, which is entirely too high. The fact that this service has proved at all successful is due to the very earnest desire of many persons to secure fresh, wholesome products direct from the producer, for which they are willing to pay even the highest price.

But we should have this service of value to those who can not afford the highest price—to the average man both in the city and country.

How can this cost be lowered? Only by organization and combined action on the part of consumers and producers. Instead of individual, there must be collective dealing.

Suppose there were an organization of consumers in the city and of producers in the country, both acting as a unit, with a responsible agent for each association.

Thirty or more families desire a dozen eggs each week. The order goes in a single letter to the organization in the country. The standard 30-dozen crate, which costs 15 cents, is used. The postage on the entire crate is 65 cents. One letter carries the money order for payment. In this way eggs can be delivered direct at a transportation charge of 3 cents a dozen.

Fifteen cents a dozen by individual dealing; 3 cents a dozen by collective dealing. Those figures spell the difference between failure and success in this service.

But there is another great difficulty in the plan of individual dealing between producer and consumer. That is the inconvenience to the producer of handling many petty accounts. He must fill each individual container and ship it. He must keep his records and collect his bills from many customers, with the danger of loss in some of them. It is little wonder that many farmers, after having tried to deal direct with individual customers, have become discouraged and given it up. The inconvenience is too great and the farmers go back to the old methods of marketing.

But organized action does away with this difficulty entirely. The farmer is dealing through a responsible association with a responsible association. His eggs and other products are shipped in bulk and he is paid with one check instead of a score. He has no bad bills, for the collecting is made by the agent of the consumers when the products are delivered. It requires organized buying and selling to meet this difficulty, which has prevented the success of direct dealing.

Then there is a third difficulty with the system of individual dealing. The producers and consumers do not know each other. The man in the city does not know what farmers desire to sell their produce direct and the farmer does not know the city dweller who is longing for his products.

Since this motor-truck service was established some postmasters have published lists of the farmers along the routes who will sell produce direct. But after all a name means nothing to the consumer who desires mutually profitable relations, and little benefit has resulted from these lists.

Think of the difference when rural and city community are both organized. Responsible agents speak for each of them. The quantity of goods available and the prices are known and are sent to the city community. On one side the producers who have the commodities, on the other the consumers who desire them. Between them the motor transport service of the Post Office Department linking them up and uniting them in a profitable relationship.

This, then, is the problem of parcel post success. There must be organization both in city and country, at both ends of the line. Only when this is done can we expect success in the plan of getting the products of the farm direct to the table of the consumer.

Neighborhoods must be organized if this plan is to succeed. The unit of neighborhood in America is the public school district, and that is the logical basis for this marketing organization. The public-school building is located within convenient reach of the children of the neighborhood, and therefore of all the people as well.

This building belongs to all the people, not to a group. Whether all the children go to school in it or not, the fact remains that the building is built with public funds, to which all contribute. Every citizen shares with all the other citizens in the community of its ownership.

Every one of these buildings in America is capable of being used as the headquarters of the people of the neighborhood. They stand ready to hand to be used as stations of collection and distribution in the great movement to bring the consumers and producers together, through the agency of the Post Office Department, operated for public service.

Mr. Chairman, that the schoolhouse and the post office can be linked together in a successful effort of coordination is not a theory, it is a proven fact.

Here in Washington City the people of Park View district have organized their community in their schoolhouse. They have elected their officers, of whom the most important is the com-

munity secretary, Mr. J. G. McGrath, who is the responsible agent for the neighborhood in its marketing operations.

This organization has been in existence for two years and has been a splendid community center, where all the people come for recreation and for discussion of vital questions. It has made of Park View district a real neighborhood with a fraternity of feeling plainly evident. During the war the various war activities were presented at the community meetings and were entered upon with enthusiasm by the community. Each citizen gained through his membership in this all-inclusive organization the sense of "belonging" to America.

Three months ago the community secretary was appointed a postal-station agent and a complete post-office equipment was set up in the schoolhouse. This unprecedented arrangement, which should be the most natural combination of activities, has been a success from the first day. The people gladly avail themselves of the postal facilities in the schoolhouse and the receipts have increased rapidly.

Then came the question of using these facilities for the purpose of securing food products directly from the producer. The motor-truck service was utilized and orders were sent out to individual farmers. The result proved the advantages of buying direct, but there were difficulties which had to be overcome. It required the product of many farmers to supply the needs of the community, and a great deal of inconvenience was experienced in getting in touch with producers who desired to sell their produce in this manner.

Finally it was seen that the only solution is organization on the part of the producers. The shipments at the farm must be organized, and in the rural sections, too, the schoolhouse stands ready to be used for this purpose.

One of the motor-truck routes from Washington leads to Gettysburg, Pa. It traverses a good farming country for 80 miles and in no part of it parallels a railroad. In the past hundreds of tons of vegetables, fruit, and so forth, raised in this territory have been allowed to rot and waste simply because there was no connection with a market which offered profitable returns.

The route passes through Mount Joy Township, Adams County, Pa., which is on the edge of the historic battle field of Gettysburg. There only a few weeks ago was formed the first rural postal-school organization in the United States. The producers of the township, gathered in the Two Tavern schoolhouse, formed the Mount Joy Community Association. Mr. Rudisill, a former member of the State legislature, was elected president, and the public-school teacher was made the community secretary. This official is A. Nevin Sponsellor. His election as community secretary was by the people of the community, and by virtue of that election he has been made a postal agent of the motor transport service of the Post Office Department.

The motor truck stops each morning at the schoolhouse and picks up the crates of eggs, containers of butter, boxes of poultry, and other commodities collected there. These goods are delivered the same evening at the Park View schoolhouse in Washington and there distributed to the people of the community.

The list of prices is sent each week by the Mount Joy community secretary to the Park View community secretary. Orders are sent out and the goods shipped as desired. Payment is made by check weekly, and the community secretary at Mount Joy keeps the records of the shipments made by each farmer and makes payments accordingly.

It is the first direct communication between rural and urban communities by means of the motor transport service in American history. It is but the beginning, for already the Washington community is demanding more than the entire output of the township and other organizations are being formed to meet the demand.

Around that little town of Gettysburg 55 years ago was fought the greatest battle on American soil. For three days the red gods of war took mighty toll of blood and life. From that field the Confederacy reeled backward, facing a certain end. Sixty-six hundred men died there in fratricidal strife, brother slaying brother in a frenzy of wrath and hate.

It seems peculiarly appropriate that there, within sight of Cemetery Ridge and the Peach Orchard and the Wheat Field and the Round Top, should be organized the first community center in the linking up process of the Postal System and the public school, the community added to communication for a united, coordinated America.

There on the site of battle, where men went through blood and fire because of disunion and secession, began the movement for unity and cooperation. And the victory which is yet to be won and celebrated for this real fellowship and fraternity of America will be even more far-reaching than that which crowned the storm-swept crests of Gettysburg in those bloody days of sixty-three.

Here is the constitution adopted by the people of Mount Joy community assembled in the schoolhouse. It shows the many phases of activity possible to such organization of the citizenship and it will serve as a model for similar organizations elsewhere:

CONSTITUTION OF THE MOUNT JOY COMMUNITY ASSOCIATION.

We, the people of the United States residing in Mount Joy Township, Adams County, Pa., in order more perfectly to fulfill the obligations of our membership in humanity and of our citizenship in this Nation, this State, this county, and this township, and thus to secure the blessings of democracy to ourselves and our posterity, do constitute ourselves a community association, and, for our use and guidance, do ordain and establish this constitution:

ARTICLE I.—NAME.

The name of this organization is the Mount Joy Community Association.

ARTICLE II.—PURPOSE.

Our purpose in this association is orderly, all-sided, constructive conference upon public questions and practical cooperation in the common interest.

ARTICLE III.—MEMBERSHIP.

SECTION 1. Members: All citizens of the United States 21 years of age or over, both men and women, residing in Mount Joy Township are, by virtue of this national citizenship and this residence, members of this association, and have full and equal responsibility and right to attend all community meetings, to participate in all discussions, and, upon being registered or enrolled, to vote and otherwise share in the proper exercise of citizen authority in and through this association.

SEC. 2. Prospective members: All aliens 21 years of age or over, both men and women, residing in Mount Joy Township, who have declared their intention to become citizens are, by virtue of this declaration of intention and this residence, prospective members of this association, and as such may attend all community meetings and participate in all discussions, but may not vote, hold office, or otherwise share in the exercise of citizen authority in or through this association.

ARTICLE IV.—OFFICERS.

The officers of this association are president, vice president, and the community secretary.

ARTICLE V.—DUTIES OF OFFICERS.

SECTION 1. President: It is the duty of the president of this association to preside at all community meetings and to perform such other functions as are hereinafter prescribed.

SEC. 2. Vice president: It is the duty of the vice president of this association to preside at community meetings in the absence or at the request of the president.

SEC. 3. The community secretary: It is the duty of the community secretary to serve as the agent of the citizens of the United States residing in this township and constituting the membership of this association in officially communicating with and receiving official communications from national, State, and county representatives and administrators and in preparing for market and dispatching or ordering and receiving commodities for residents of this township as this association may direct; to serve as the clerk in connection with and at such community meetings as this association may direct to be called; inviting and arranging for the coming of such public officials, candidates for public office, or other speakers as the association may desire to hear; seeing that the school building is open and in readiness for each community meeting or other gathering arranged by or under the auspices of this association; being responsible to the board of school directors for assuring the observance of the board's regulations established to forward the rightful and prevent the improper use of the public-school property; keeping a correct roll of registered members and prospective members and a complete record of attendance, topics considered, principal speakers, and actions taken at each community meeting; to serve as custodian of all books, pamphlets, charts, pictures, and other informational or exhibit material belonging to, loaned to, or to be acquired by this association; cataloguing and arranging the same so as to facilitate its effective and proper use, and making available for signing such nominating, initiating, or other petitions, subscription rolls, lists of positions vacant, applications for employment, or other lists, forms, or files as the association may direct or the public need require to be compiled or kept; to serve as the executive of this association in arranging for such occasional or special programs, lectures, exhibits, entertainments, celebrations, festivals, and commemorations as this association may direct; in organizing and conducting the social and recreational activity of the youth and children of the township as this association may direct; and in managing whatever tax-maintained cooperative enterprise or enterprises or local branch of a national, State, or county enterprise or enterprises as may be established or authorized to be conducted in or in connection with this public-school building; to serve as supervisor of such dramatic, literary, or other special-group organizations, societies, clubs, or classes as may be formed under the auspices of this association or authorized to meet in this school building; and at all times and in every way to seek to assure a proper coordination and harmony between the instructional use of the public-school property for the children and its use by the older members of this community.

ARTICLE VI.—ELECTION OF OFFICERS.

The election of the officers of this association shall be by ballot. The officers elected at the time of organization shall serve until the annual community meeting, to be held in ———. Thereafter the term of each office shall be one year. Each officer shall serve until his successor shall have been duly installed. Any officer may be recalled at any regular community meeting upon a three-fourths vote of the members present, the association having determined by a two-thirds vote at a community meeting held at least two weeks before that the question of such officer's recall is to be voted on at such community meeting. In the event of the death, resignation, or recall of any officer, or in the event of failure on the part of the board of school directors to ratify the citizens' election of community secretary and to intrust to the person thus elected the care of the public-school property for its use outside of regular school hours, a special election shall be held upon arrangement with the board of school directors, due notice of such special election being given.

ARTICLE VII.—COMMITTEES.

There shall be six standing committees—the committee on food production and marketing, the committee on savings and investment, the committee on health and sanitation, the committee on recreation and the interests of youth, the committee on child welfare, and the executive committee. Special committees may be appointed from time to time as the association shall direct. The chairmen of all committees, except the executive, shall be named by the officers of the association, subject to the approval of the association. The chairman of each committee, except the executive, shall select the other members of his committee. The duties of the several committees, except the executive, shall be to cooperate with the community secretary in promoting understanding and effective action regarding the particular matters indicated by their respective titles, and to discharge such other functions as this association may direct. The officers of the association, together with the chairmen of the several committees, shall constitute the executive committee. The president of the association shall serve ex officio as chairman of the executive committee. The executive committee shall act as advisory council to the community secretary and discharge such other functions as the association may direct.

ARTICLE VIII.—MEETINGS.

A regular community meeting shall be held in the Two Taverns schoolhouse on Friday evening of each week, beginning at 8 o'clock. Special community meetings may be called at any time by the community secretary.

ARTICLE IX.—QUORUM.

Twenty members present at any regular community meeting and 40 members present at any special community meeting shall constitute a quorum for the transaction of business.

ARTICLE X.—AMENDMENTS.

This constitution may be altered or amended by a two-thirds vote of the members present at any regular community meeting, the proposal to amend having been submitted in writing at a regular community meeting not less than two weeks prior to the meeting at which the proposed amendment is to be voted on.

ORDER OF BUSINESS.

1. Call to order.
2. Reading of minutes of previous meeting.
3. Correction or approval of minutes of previous meeting.
4. Presentation of proclamations of the President of the United States or other official statements or communications from National, State, or county representatives or administrators.
5. Discussion and action regarding matters presented in official communications.
6. Reports of standing committees.
7. Reports of special committees.
8. Presentation of and discussion and action upon unfinished business.
9. Presentation of and discussion and action upon new business.
10. Address of evening or other special program.
11. Discussion and action upon matters presented in address of evening.
12. Adjournment.

(Music or other entertainment may, of course, precede and social activities follow this regular order of business.)

RULES OF PROCEDURE.

RULE 1. Parliamentary usage, as set forth in Robert's Rules of Order, and parliamentary courtesy shall be strictly observed in the conduct of all community meetings.

RULE 2. All participation in discussion, whether upon matters presented in official communications, unfinished or new business, or matters set forth in the address of the evening, shall relate directly to questions properly before the meeting at the time, and must have the character of orderly, all-sided, constructive conference. Otherwise it is out of order.

RULE 3. In all discussions speakers, except the speaker of the evening, shall be limited to five minutes each, with extension of time only by unanimous consent.

RULE 4. In all discussions no person may speak a second time until all others who wish to speak have spoken.

RULE 5. Before adjournment the speaker of the evening shall be given opportunity to sum up, answer questions, and close the discussion.

The order of business may be suspended or changed, and the rules of procedure may be altered, amended, or added to by a three-fourths vote of the members present at any regular or special community meeting.

More money paid to the producer, less money paid by the consumer; that is the record made by these initial organizations, the beginning of a movement which should soon be nation wide.

In Washington the prices of oysters have almost doubled in the past five years, while the price paid to the producer has remained stationary. For gathering the oysters, shucking, and so forth, the producer received about 75 cents a gallon. Those oysters were sold to the people of Washington at from 60 to 80 cents a quart.

A few months ago the Park View community association, of Washington, decided to establish direct connection with oyster farmers, using the motor transport service of the Post Office Department.

They engaged to buy the entire supply of Charles Connelly, of Britton Bay, at $1.50 a gallon. He agreed to furnish the containers and pay the postage.

Those oysters were delivered to the postal station at the Park View schoolhouse and were delivered to the people of the community at 40 cents a quart, which covers the entire cost of paper container, handling, wastage, and so forth. Of course, no profit was included, the public machinery of school and post office alone being used.

What has been the result? The first order was for 10 gallons a week. Within two months it had been made 35 gallons a week with the demand growing continuously. The producer having for the first time a sure and profitable market is developing a first-class oyster business. He is experimenting in an effort to produce the very best oysters possible. He is employing additional men at good wages and at steady work. The old uncertainty of delivery, the loss of all the oysters gathered for the day if the boat failed to arrive, which meant the total loss of food supplies, has given way to certainty. And the oysters gathered in the morning are served on the tables of Washington families that same evening.

Above all, the producer gets twice as much for his oysters as he ever received before and the consumer pays exactly half the price he was formerly compelled to pay.

If that is not an object lesson as to the mutual benefits of this community organization plus the post-office motor service, I do not know what could be.

When oysters can be handled to such advantage in this manner it goes without saying that many other food products can be handled still more advantageously. Eggs, butter, poultry, honey, apples, potatoes, and many other commodities can be easily transported by this motor-truck service. In fact, all of them have been successfully handled by the Park View organization.

For Thanksgiving the members of this community association purchased turkeys at 32 cents a pound when they were selling in the markets at 50 cents a pound.

Christmas trees which sold in the market for $1 added to the joy of the holiday in Park View homes just as successfully even though they only cost 25 cents. They had come direct from a schoolhouse community center in Maryland after having been cut in the woods by the schoolboys.

For Christmas in the Park View community an order was placed by Community Secretary McGrath, with Miss Love, community secretary of a newly organized rural neighborhood center in Maryland Springs, for 140 turkeys. Those turkey were brought to the schoolhouse by the producers and were shipped directly to the Washington schoolhouse on a post-office motor truck.

They were disposed of in less than an hour at 42 cents a pound. One thousand three hundred and sixty-eight pounds of turkeys, and they were carried out of the schoolhouse by men and women who have proven the value of this kind of collective action. These Washington City residents paid 42 cents a pound, an average of 15 cents a pound less than the price prevailing in the markets here.

But the turkey raisers in the country received 41 cents a pound, 6 cents a pound more than they were paid by the dealers in this city.

Such a demonstration shows the value of organized action. Six cents a pound more to the producer and 15 cents a pound less to the consumer ought to prove what this system of direct communication means when expanded to its possibilities. Give that kind of encouragement to the man who raises food products and it will increase production. It will prevent the loss of that which is raised. It will reduce the cost of living to the city dweller. It will bring both producers and consumers into closer contact, will develop better understanding between them, and make their business relations of mutual profit and benefit.

Almost every form of farm produce can be handled by this organized system. Park View School postal station has distributed chickens, turkeys, oysters, butter, eggs, potatoes, apples, cranberries, and other fruits. Mr. McGrath, community secretary, states that he is doing now a business of $200 a day and that his greatest difficulty is in securing the produce to meet the demand. Not a cent of profit is taken, it is carried on by public agencies in the schoolhouse by the post-office motor transport service and its advantages go wholly to the people themselves.

"Food—that is the future of freedom and peace." During the last two years the world's food and feeding problem was the trembling issue on which all the hopes of liberty for the world rested.

Now that the war is over, it is true that the task of producing and distributing the food which is necessary to the very life of every American holds its challenge just the same. The high cost of living is not a war product; it is a vital problem of peace.

People should live more cheaply in America than anywhere else on earth. We have unlimited resources; land enough to feed the world in abundance. We have not begun to crowd ourselves, for here there are only 33 persons to the square mile, while Belgium before the war supported 671 persons to the square mile. France had 191, England 379, and the other European nations were generally as thickly populated.

But in spite of marvelous advantages the prices of foodstuffs have been climbing steadily upward for years and have reached the point where many persons are unable to secure sufficient of these necessities to enable them to maintain proper physical conditions. The consumer is obliged to pay a vastly too large

proportion of his day's work to secure these commodities of life.

I have heard men gravely declare that there is no answer to this flaming question. They state that prices of food must of necessity go higher and higher, and that hunger will always be the lot of some of the population of America.

I do not believe it. I will not believe that the Nation that can perfect the telephone and telegraph, the wireless, the flying machine, and a hundred other marvels of science, must halt helpless before this task. I will not believe that the America which would harness its energies into an invincible fighting machine in a single year's time must be forced to bow impotent before this problem.

The fact is that America has never tried to solve this problem in constructive fashion. While banking, transportation, industry have been highly organized, the mighty business of producing and distributing the food of the Nation has been left to blind chance. There has been no organized effort, only a medley of conflicting interests which injured producer and consumer alike.

Now let us try cooperation in the production and the distribution of food. The organization which has proved so effective in other lines will prove equally effective in this great work of feeding the people. The schoolhouses of America offer the logical centers for action, both in country and in city. Once the people realize the advantages, they will eagerly seize this opportunity for mutual benefit, as is proven by the many requests that have come from neighborhoods in the vicinity of Washington that schoolhouse organizations be formed.

And connecting these communities, like veins and arteries of the body, carrying the life-giving currents to every part, should be the motor-transport service of the Post Office Department. It is a public service of the people for the people and by the people.

Mr. Chairman, I believe that this motor transport service of the Post Office Department may be made as important an agency in peace as the motor transport service of the United States Army has been in war.

Over there in France the victories of Chateau Thierry and St. Mihiel were made possible because of those soldiers of transport and subsistence, who fought against a hundred obstacles, but who carried a burden of tonnage which is one of the marvels of the war. For every soldier in France it required 9 tons of supplies a year. These supplies were landed in great base depots in France and then were transported, mainly by motor trucks, to the front lines.

It was no accident that made those names in France stand for great deeds in American history. It was because the American machine that fed the fighting men was so well constructed that it met every need.

I saw great warehouses going up overnight. They were filled with supplies before they were roofed. Farms were turned into factories and swamps into teeming communities. We built a motor town in France almost as large as Detroit.

The roads were literally filled with trucks carrying supplies to the trenches. They ran up under the fire of the shells, and no braver feats were performed than those of the drivers who held the steering wheels and kept their trucks moving forward in momentary peril of dreadful death.

The service of supply it was called, and its scope and success over there gives us a sure faith that it can be made a great factor in the readjustment over here.

American soldiers were spread over 400 miles of communication. A million men were split up into units of from five hundred to a hundred thousand, and all had to be supplied. A 90-day reserve supply of food for the entire overseas force was necessary.

Every day tens of thousands of tons of supplies were landed at the ports. This was placed in base supply depots at the ports. Then it was taken to the intermediate supply depots and then farther up front to the advanced supply depots. Each one of these institutions was a city, with thousands of workers and every detail of a bustling, thriving community.

American soldiers were better fed than those of any other nation in this war. The meat ration was 20 ounces a day, the largest known army meat ration. There were vegetables, fruits, chocolate, coffee, and other components. All of these were collected, transported, and distributed by the wonderful organization of the service of supply.

The reserve rations, for use in emergency, such as breakdown in food supply in the rear, were brought up in motor trucks. Often a motor truck was used as a traveling commissary store and it brought its supplies up within gunshot of the enemy, but doing its service to the soldiers just the same.

I maintain that the same ability and genius which made possible the service of supply in France will make possible an even greater success of the service of supply in America.

Mr. Chairman, the motor transport service of the Army can be used in this new service of peace. Already this Congress has empowered the Secretary of War to turn over automobiles, trucks, and so forth, which may be of use to the Post Office Department. There are at least 50,000 trucks now in possession of the War Department which will admirably suit the purposes of this new service. The use of these for the transportation of commodities through territory not touched at present by any adequate means of communication will give employment to 50,000 soldiers who have been a part of the personnel of this war agency.

We are hearing much of the problems of demobilization and we are going forward largely in a planless way. Here is a practical way to guarantee to many thousands of returning soldiers useful employment, which will mean the welfare of the Nation. Here is a program of constructive development which will be of permanent benefit not only to the veterans but to all the people. In the midst of the parades and enthusiasm and red fire for the victorious soldiers of America we should show in practical fashion the real measure of public appreciation and gratitude.

The operation of this direct marketing plan between organized communities will show very soon, also, the importance of permanent road construction. A system of great trunk highways, crossing the continent east and west and north and south, can be built and paid for largely out of the receipts of this motor transport service of the Post Office Department. They would be post roads as intended by the Constitution, and would be Federal highways with connecting roads built by the States and local subdivisions.

No more important task could be undertaken by this Government now, and it would furnish constructive employment to thousands of those who are returning from oversens with experience in road construction in France and Italy and Belgium.

These roads, thus constructed, would bind the Nation together in a unity which would defy the barriers of sectionalism. They would result in better schools, for there is a direct relation between poor schools and poor roads. Children are kept from school by bad roads, and frequently the average small attendance is so greatly reduced that the efficiency of the one-room country school is materially affected. Good roads mean consolidated schools, with better educational facilities and with the pupils carried to and from the schoolhouse in motor trucks, which might also be a part of the post-office equipment and engaged at the same time in post-office service. When you link the post office and the schoolhouse together you have laid the foundation for real progress along many lines.

Mr. Chairman, we have heard much of Americanization and the vital necessity of making the melting pot function. No group effort and no piecemeal procedure can meet this problem of making Americans of those strangers who comes to our shores. The foreigner must be made a member of the Nation. He must be given the sense of belonging.

That means that the action must come from the community in which he lives. If there is to be no "Little Italy" or "Little Russia" or "Little Poland" or "Little Anything Else," there must be all-inclusive American communities where each resident feels a sense of partnership, of real fellowship.

Organizing the community in the school building, the property of all, will help weld the citizenship into one composite whole as nothing else could do. It will bring neighbors together for many varied purposes—educational, social, recreational, and so forth. And when people get together they find agreement, fellowship, and cooperation.

Making of that schoolhouse a station of the Postal Service, with one of those engaged in educational work as the responsible agent of the community and also an agent of the Post Office Department, means the linking up of the individual citizen with the Federal Government. It means that Government, instead of being paternal, is fraternal.

But it does still more than that. For the International Postal Union is the one organization that has swept aside all barriers of nationality and made of the entire world a neighborhood. Through it the most remote community in America is in direct communication with every community in the world.

So it is that the prosaic bread-and-butter question, which makes necessary the organization of producers and consumers and the establishment of communication between them, with no unjust and unnecessary toll levied, may well be the impelling force which will drive us to true democracy, which will be safe for us and for the world—a democracy that means not only uni-

versal liberty but universal organization, which will guarantee equal opportunity and equal justice to all.

Mr. SISSON. Mr. Chairman, I am going to support the amendment offered by the gentleman from Virginia [Mr. SAUNDERS]. One of the problems that has confronted every man living on the farm at some distance from a market has been to get the products of his farm to the place where it is to be consumed. There is, perhaps, not a rural community in the United States where a great deal of food does not go to waste solely because they have no economical means of getting it to market. It would not matter how completely the farmers of one part of the country might organize unless they had an assured and daily transportation to carry their produce to the city. I do not believe this will help the man in the country half as much as it will help the man in the city. The problem has always been with the human family in thickly populated sections of the country to be able to get ample food supplies. That problem has not confronted the people of America so much in the past as it will in the future. As population continues to increase we have got to have a quick, easy access from the place of production to the place of consumption. When the place of consumption is easily, economically, and certainly reached the production always necessarily increases rapidly, because the demand is there. If you can supply the demand, the man in the country is willing to produce the stuff to satisfy the demand; but when he produces it and it is wasted or destroyed, that makes for inefficiency in the distribution of food products. The railroads have been of very great advantage. They have developed in this country great industries that never could have been developed but for the transportation from the point of production to the point of consumption. In many communities they are now running what is called the milk daily wagon, where the farmers themselves, without the assistance of the Government, have established milk routes, and they find when they get a creamery established in the community that it is extremely profitable. The number of cattle has been greatly increased, which not only increases the amount of milk supply, so much needed, but the meat supply also, because it makes raising cattle profitable. So if you will connect the gardens and the fields of the farmers with the consuming communities products will be increased rapidly, because it will pay the farmer to produce the food. I think it would be taking a backward step to cut the appropriation down. I think the people in the cities are the ones who will be much more benefited than the people in the country. I shall support the amendment offered by the gentleman from Virginia.

Mr. BLACK. Mr. Chairman, I would not support any amendment to cut down the appropriation in the bill, neither will I support the amendment of the gentleman from Virginia to increase the appropriation. I have no attack whatever to make on the motor-truck service as it has been inaugurated by the Post Office Department. It is, of course, more or less in the experimental stage. I think it has in it great possibilities if it is put in operation in those places where it is practicable and where it is feasible, but in my discussion with the Fourth Assistant Postmaster General, who is one of its most enthusiastic advocates, and in the hearings that we have had on this proposition I have pointed out this fact as a reason for caution in dealing with a matter of this kind; that we are inaugurating a new transportation service in the Post Office Department, and as long as it is left to the wise judgment of the administrative officers to put it into operation where it is feasible and proper it is all right and will be operated as a success, but when it gets to the point that Congress will step in and, without hearings, without information, and without facts, vote large additional sums and force the Post Office Department to extend where it is not feasible and proper, it will then become a source of deficit rather than revenue. In other words, my contention is that this new form of service should not be extended beyond the bounds of reason based on the data and information in hand. Now, what information does the gentleman from Virginia or the gentleman from Mississippi give us throwing light as to whether there are any places where this $500,000 will be needed? I believe the gentleman from Virginia moved to increase it by that amount?

Mr. SAUNDERS of Virginia. I will ask the gentleman—he is a member of the Committee on the Post Office and Post Roads, I believe—what information he gave of a definite character that we needed the gigantic sum for the aeroplane service called for in the bill?

Mr. BLACK. I will answer that question very frankly. I voted in the committee and stood for the proposition to only spend $300,000 for aircraft-mail service in the fiscal year 1920. I feel free to make that statement because it was my contention that the aerial-mail service was still more or less experimental and not too great a sum should be appropriated for its extension and operation until its feasibility and practicability had been more thoroughly established.

Mr. SAUNDERS of Virginia. I am not assailing the gentleman's attitude at all; I am asking what information of any definite character was given to this body that that gigantic sum was needed properly for the aeroplane service?

Mr. BLACK. Answering that with perfect frankness, not sufficient information, in my opinion. Now, the item we have under consideration the Post Office Department in its original estimate asked $300,000 for the service for the next fiscal year. The committee, after hearing the statement of Fourth Assistant Postmaster General, Mr. Blakslee, saw fit—and I am not going to attack the action of the committee—to increase that to $1,000,000. And now come other gentlemen, without information to show where it can be put into successful operation, and seek to increase that $500,000 more. I submit, gentlemen, that it is a matter we ought not to act on without information and therefore should not adopt the amendment of the gentleman from Virginia.

Mr. STEENERSON. If the gentleman will permit, is it not a fact, under last year's law, that, in addition to this money, the department could get free motor vehicles from the War Department?

Mr. BLACK. That is true. The present law provides that the Secretary of War may, in his discretion, deliver and turn over to the Postmaster General from time to time and without charge, for use in the Postal Service, such aeroplanes and automobiles as may prove to be or shall become unsuitable for the purposes of the War Department, but suitable for the Postal Service.

Mr. SAUNDERS of Virginia. Mr. Chairman, my amendment seems to have led rather to an attack upon the Fourth Assistant Postmaster General (Mr. Blakslee) than to a discussion of the merits of motor routes as provided for in the bill.

Mr. MADDEN. Will the gentleman yield?

Mr. SAUNDERS of Virginia. I will.

Mr. MADDEN. I hope the gentleman did not take what I said as an attack upon the Assistant Postmaster General.

Mr. SAUNDERS of Virginia. When you refer to an official in charge of a great department of the Government, and presumably a hard-headed, efficient, practical man of affairs, as a dreamer, and put him, and the men who agree with him as to the utility of this enterprise in the class of Col. Mulberry Sellers, what is that but an attack upon his capacity as a public official? If it is not an attack upon him, what is it? Should a man of the Sellers type hold a responsible Government position? Your remarks certainly present this official as an incapable member of the working force of the Post Office Department. Dreamers, visionaries, enthusiasts of the Mulberry Sellers type, are not likely to afford an efficient, or satisfactory administration of the large responsibilities that attach to the position of Fourth Assistant Postmaster General. I have noted, as the gentleman from Tennessee has noted, that whenever any proposition that is presented in this body that has nothing to commend it, save that it will be helpful to the plain people, such a project is sure to be viciously assailed as a pork barrel, or as an airy fantastic dream. There is nothing of the glamorous about this project. It does not touch the imagination, like the project for carrying the mails by hurrying flocks of fast-flying aeroplanes. It is a prosaic, humdrum, every-day working proposition that has nothing in its favor save that it will develop the communities which it will serve with its branching routes, and serve alike to their advantage the farmers on the routes, and the working population of the cities. Of course it is a dream. Of course it smacks of the pork barrel to its opponents. It is too absurd to be formulated, or supported save by dreamers. But this country, and humanity owes much to the alleged dreamers: They are generally the pioneers in new projects of universal utility. For years the dreamers dreamed of a parcel-post law. I recall the arduous road traveled by the dreamers and enthusiasts who struggled and fought to make a place for that enterprise in our post-office system. Other dreamers, visionaries, and enthusiasts dreamed of a comprehensive road development in continental United States with the help of Federal aid extended by an appropriate Federal statute. The project was vehemently assailed. Like this project of Mr. Blakslee it was denounced as a pork-barrel scheme that would put all other pork-barrel enterprises to the blush. This apprehension was expressed in terms of picturesque invective.

Yet none of these dreadful apprehensions have been realized, and in view of the great expansion of road development that

has taken place, and is now in progress since the passage of the Federal road act, I doubt if there is a Member of this body who would now expunge this measure from the statute books, if he had the power to do so, or who would not admit, unless he is a reactionary of the most hopeless type, that his gloomy anticipations have not been realized. If the man who devised, developed, and patiently, and thoroughly laid out these motor routes, is a dreamer, and the men who regard them as hopeful enterprises, promising large returns of public benefits, are dreamers, what shall we say of the men who pin their faith to the aeroplane as a practical instrumentality for the commercial carrying of the mails, and are willing to risk millions in that enterprise? Certainly as a practical man I can not see that these two propositions rest upon any equality of merit, or hopefulness. The truck enterprise has been thoroughly tried out, and its value determined. If anyone desires to ascertain the results of this experiment he can call at the office of the Fourth Assistant Postmaster General, and by scrutinizing the returns, and expenses of the enterprise, satisfy himself that this is not the airy fabric of a dream but a practical experiment under severe tests which has fully justified the hopes of its friends.

If the Fourth Assistant Postmaster General is a dreamer as to this enterprise, there are others to be remitted to that class. The chairman of the Committee on the Post Office and Post Roads seems to be a dreamer, since a few minutes ago he gave vigorous testimony to the feasibility, practicability and fruitful possibilities of this enterprise. I am not afraid to put this project of rural development upon a sure foundation basis of development, or unwilling to expend in experimentation on this line, if indeed the development of this project can now be fairly styled experimentation, a sum far greater than that which has been voted for experiments in mail carrying by fast-flying machines in the uncertain realm of the air, nor do I apprehend that appropriations to enlarge this project of universal utility will ever be the subject of successful attack.

Mr. BLACK. Will the gentleman yield?

Mr. SAUNDERS of Virginia. I am perfectly willing, so far as I am concerned, to take all the chances of mischief that it is suggested will follow upon the adequate development of this service. The figures on file at the Post Office Department very sufficiently establish both the merits and the potentialities of this child of the brain of the Fourth Assistant Postmaster General.

Mr. BLACK. Will the gentleman yield?

Mr. SAUNDERS of Virginia. With pleasure.

Mr. BLACK. The gentleman says he wants to put it at least on an equal footing with the aeroplane experiment.

Mr. SAUNDERS of Virginia. To do that, having in mind the value of the machines directed to be turned over by the War Department, and the amount of the appropriation, we ought to appropriate in this connection about $7,000,000.

Mr. BLACK. I want to call this fact to the gentleman's attention. The aeroplane appropriation, as we passed it, carries $500,000. This carries a million, and the Post Office Department will get the Army trucks from the War Department, just as they will get the aeroplanes, and you will have $2 for this where you would have $1 for the other.

Mr. SAUNDERS of Virginia. The gentleman has not fully apprehended the effect of the Garrett amendment. According to the best estimate I can make, of the value of the planes, and engines directed to be delivered to the Post Office Department, the effect of the Garrett amendment will be to turn over to that department material that must be worth $5,000,000 or $6,000,000. We do not propose to turn over any such value in motor trucks to this service.

Mr. BLACK. We have the authority now.

Mr. SAUNDERS or Virginia. We have directed the War Department to turn over these planes and engines to the Post Office Department. The War Department will have no discretion in the matter. Our mandate is peremptory, and we have nominated the material to be delivered.

Mr. CANNON. Mr. Chairman, I regret I have not had the benefit of the discussion on this amendment, which, I understand, is the difference between $1,500,000 and $500,000. I should be very glad to see that part of the paragraph stricken out and not give either the $500,000 or $1,500,000.

Let us stop and think a minute. We are scattering jurisdiction to this department and that department and the other department. This, as I understand it now, is to repair motor trucks, and for the purchase, manufacture, exchange, and expenses incidental to conveyance and the marketing of produce and commodities. That is broad enough, I take it, to cover the construction of roads.

Mr. SAUNDERS of Virginia. If the gentleman will pardon me, because of the apprehension on the part of some gentlemen that it might be possible to do that under this amendment, that portion relating to roads has been stricken out.

Mr. CANNON. I know; but you leave language there that I believe would be held, when it came to be passed on by the comptroller, to include the improvement of roads.

Now, let us stop and see where we are. There has been under the highway act money appropriated, and it is available for two years, to the extent of $75,000,000, to aid in the construction of roads.

Mr. MADDEN. Will my colleague yield?

Mr. CANNON. I will.

Mr. MADDEN. The road question is out of this.

Mr. CANNON. The road question is out of it, but you leave language in here that any comptroller who passed upon it would hold would apply to the construction of roads. Now, when you get good roads the farmer will take care of himself. We have gotten railroads. I hope that they would not become largely increased in the expense of their operation a little later on by legislation. God knows, I want to see us get back instead of going forward and having the Federal Government running the whole machine, because then you come to inefficiency, with great expense and many cooks.

Now, I have a letter here from the Agricultural Department touching the construction of highways, $75,000,000 all told. It is an interesting letter, but I have not time to read it in my five minutes. I speak in the highest respect of our former colleague, Postmaster General Burleson, but he is running to the extent of his ability, at railroad speed, toward the Government doing everything.

Now, there is upon us here during this Congress and the one to follow after many questions concerning the unscrambling of these eggs. We put it in expressly as to highways, but you strike highways out, and it would have to be construed under "repair of equipment, supervision, and maintenance, and expenses incidental to conveyance and marketing of produce and commodities." Now, I represent an agricultural district, one of the best in the United States. My State of Illinois has just voted, on a referendum, $60,000,000 for the purpose of improving the roads—those black lands. My own county voted $1,500,000 to improve roads. We have the spirit. The time has come when we can afford to do it. And here is the legislation calling for $75,000,000 altogether. And if one State does not take it in two years, it can be reapportioned to the States that do take it. Let us keep this thing as near as we can under one jurisdiction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIN. Mr. Chairman, I do not agree with the distinguished gentleman from Illinois [Mr. CANNON]. This branch of the Post Office Department has gone through its experimental stage and has demonstrated it is to be not only self-sustaining but a great boon to both the people who live in the urban communities and to the producers of farm products.

The gentleman from Illinois has advanced no argument here why the farmers of this country should not have the Government, through its post-office facilities, go out through the country and gather up butter and eggs and vegetables of all kinds and bring them into town. What good would a million dozen eggs left out in the country be if the people in the cities who want them could not get them? What if you have potatoes, Irish and sweet potatoes, carrots, corn, away out in the country when the people in the towns, who are hungry for something to eat, can not get them?

If you please, the Government, through the Post Office Department, has demonstrated that it can send these motor trucks out into these rural communities and upon the payment of the bare parcel post on them bring all the farm products into the town and transport them into the cities where the people can use them, without one cent of cost to the Government. If the gentleman from Illinois will inquire of the Fourth Assistant Postmaster General, Mr. Blakslee, he will learn that these trucks have made enormous profits in the populous settlements of this country. Of course he will not introduce this service in places where they could not find any farm products or bring anything into town to satisfy the hunger of the people. It must be assumed that the Post Office Department will exercise common sense and judgment and find these communities where the motor trucks will do the most good and where the service will be self-sustaining and of advantage to the man out in the country who has farm products for sale, as well as the man in the city who must eat.

The gentleman from Illinois must think that a man can have 500 hens running around in his front yard in the city and that he can raise farm products in town. [Laughter.] That is a mistake. This produce must all come from the country. The farmers make it to sell to people in the cities. Of course, the man in town must pay the profits of all these middle men that

have had the benefits derived from the old system all these years. In Washington City it takes a rich man to get enough to eat. You can not live and pay the high prices that are exacted here, because all these middle men must get their rake-off before this produce gets on the consumer's table.

The department has gone into that and realizes the necessity for relief and has demonstrated its plan to be a success; and now the department asks this Congress to put up the money in order that it may go out into different branches all over this Republic and do the splendid work that it has done in these communities where it has tried out the system as an experiment. Yet the gentleman from Illinois finds fault with that. He complains that out of this money highways might be built somewhere. That feature is stricken out of the bill. I would not care if it were allowed to remain. I want the people out in the country to get good roads. I can not see why the gentleman from Illinois should object to the man who has produce to bring into town having a good road to travel over. The improvement of roads is one of the best things in this country that has ever been started, and I for one will be glad to see the improvement of roads extended all over this country. [Applause.] Yet the gentleman from Illinois is afraid the Comptroller of the Treasury might construe this item to warrant the officials of the Post Office Department in going out and building roads wherever they please. He complains that they will have to sustain this equipment. Does he object to the improvement of the equipment and having the motor trucks kept in good repair—the motor trucks which are necessary to haul this produce? Of course, the motor trucks would go down if you did not furnish money in this bill to keep them in repair and supply them with axle grease and lubricating oil and all other things that are necessary to keep up the equipment. [Applause.]

The CHAIRMAN. The gentleman from Minnesota [Mr. STEENERSON] offers an amendment to strike out "$1,000,000" and insert in lieu thereof "$500,000," and the gentleman from Virginia [Mr. SAUNDERS] offers a substitute by striking out "$1,000,000" and inserting in lieu thereof "$1,500,000." The question is on agreeing to the substitute offered by the gentleman from Virginia.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. NORTON. A division!

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 19, noes 30.

So the amendment was rejected.

The CHAIRMAN. Now, does the gentleman from Minnesota [Mr. STEENERSON] desire to withdraw his amendment?

Mr. STEENERSON. I am willing to withdraw it.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For travel and miscellaneous expenses in the Postal Service, office of the Fourth Assistant Postmaster General, $1,000.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. TREADWAY. I do so for the purpose of asking the chairman of the committee the courtesy to kindly allow me to ask him a question with reference to the paragraph on lines 5 to 7, which have already been read. I understand the star-route contracts are for a four-year period. I simply wish to ask him whether or not there is any provision whereby an increase of the rates over those stated in the contracts made four years ago can be made, in view of the additional cost of maintenance to those who have taken contracts at the prices then prevailing for marketable goods at that time?

Mr. MOON. The act making appropriations for the department for 1918 provided that the Postmaster General may readjust all these star-route contracts on the basis of equity and justice, regardless of the original contract, and may continue the service at whatever sum may be reasonable or may relieve him of the contract entire.

Mr. TREADWAY. That is the law now?

Mr. MOON. Yes.

Mr. TREADWAY. And it would apply to such a condition as that to which I refer?

Mr. MOON. Yes.

Mr. TREADWAY. I have in mind several cases where contractors are actually losing money on account of the increased cost of their equipment, horses, and feed.

Mr. MOON. I think that was the main inducement for the passage of that law.

Mr. TREADWAY. At that time?

Mr. MOON. Yes; at that time.

Mr. TREADWAY. I thank the gentleman for his courtesy.

Mr. MONTAGUE. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Virginia moves to strike out the last two words.

Mr. MONTAGUE. I make this pro forma amendment, Mr. Chairman, with a view of asking the chairman of the committee [Mr. MOON] a question. I would like to ask the distinguished chairman whether or not he has any report from the Post Office Department in relation to the action taken under section 4 of the act of July 2, 1918, authorizing the Postmaster General to adjust the equities under certain contracts where in the performance of these contracts great losses have accrued to the contractors?

Mr. MOON. No; there is no report made to the committee, and none properly due to the committee under the law on that subject. My information is that the Postmaster General, in exercising the discretionary power that he has in that matter, has made an adjustment of a number of those matters, but there are some that have not been adjusted.

Mr. MONTAGUE. I would like to follow that with another question. I am apprised that there are one or two, perhaps more, contracts in which the losses are so great that the department declines to adjust them. In one instance the loss has been as much as 125 per cent, and the ground of nonaction is that the loss is too great to adjust. I submit that the greater the injustice, the greater the loss, the greater is the reason for adjustment.

Mr. MOON. That is not an inquiry for me to answer; it is a matter of administration under the Postmaster General.

Mr. MONTAGUE. I wanted to get the view of the chairman upon it.

Mr. ROUSE. Will the gentleman yield?

Mr. MONTAGUE. Certainly.

Mr. ROUSE. I will state that I know of one single case where the contractor for screen-wagon service in Cincinnati has that kind of a contract, and it has not been adjusted, but they are working on a basis of 80 per cent.

Mr. MONTAGUE. Has not the Postmaster General designated the Federal Trade Commission, or some official from that body, to ascertain the losses incident to the performance of these contracts?

Mr. ROUSE. I am not advised on that matter, but I know that there are constantly received at the Post Office Department appeals asking that these contracts be adjusted.

Mr. MONTAGUE. I am advised that the Federal Trade Commission has in one contract found the losses to be 125 per cent, and yet the Post Office Department has declined to afford any remedy. The contractor is not released from the performance of his contract, but must continue in its performance, thus driving him into bankruptcy.

Mr. NORTON. Has the Post Office Department any authority to revoke or cancel these contracts?

Mr. MONTAGUE. Under the provision I have just cited it would seem that he has such authority. I refer to the act of July, 1918.

Mr. ROBBINS. Will the gentleman yield?

Mr. MONTAGUE. I will.

Mr. ROBBINS. I have a pressing case in my district, and when this fourth section of the act of July, 1918, was up I called the attention of the committee to it, and I think I asked the chairman if it was not the intention to adjust such contracts. The contractor in my district has filed a claim and wanted the contract adjusted; he is day after day losing money, his bondsmen are responsible, and he has protested, but can get no relief. The section is being evaded or overlooked. I am anxious to have light on the subject, and I am very much interested in the interrogation of the gentleman from Virginia.

Mr. Chairman, examine the part of this bill beginning on page 26, line 2, and note that line 22 provides for the compensation of rural carriers. A day's work of the rural carrier, so far as travel is concerned, is 24 miles and the time is six days per week. For such service the carrier receives $1,440, and he is allowed $24 per year for each mile or major fraction over 24 miles that he is compelled to travel, and the compensation is reduced where the mileage is less by a graded scale until where the route is 4 miles and less than 6 miles the compensation is only $576 per year. This compensation is inadequate, although it was increased by the last act of Congress. In rural districts where the country is hilly and the roads, many of them,

almost impassable during the winter season the carriers are put to a greater expense to keep up the service.

In Westmoreland and Butler Counties, composing the twenty-second congressional district of Pennsylvania, that I have the honor to represent in Congress, many of the carriers, in order to meet the requirements of the service, now that parcel post has grown so heavy, are required to keep two horses and wagons, and some of them use motor cars and wagons, and others use motor cars alone; but nearly all of these are required to keep both kinds of transportation—horses and wagons for winter and motor cars for summer.

When this matter was examined into by the last Congress, a hearing was given the rural carriers, and it was shown by the report of 30 carriers, which I filed from my district, that the actual necessary expense in keeping up the vehicles was from $67.50 per month down to $30 per month, so greatly had the cost of horse feed, horseshoeing, and upkeep of vehicles, and cost of gasoline, tires, and upkeep of automobiles increased during the last year. The majority of the carriers were compelled to pay out on an average of $60 per month for transportation alone. This left them but from $50 to $60 per month upon which to live and keep their families. The result has been that in my district many vacancies in the service have occurred, caused by resignations, because the carriers could no longer support their families and continue in the service.

Formerly these carriers made a large amount of money by carrying packages and making small purchases in the stores for their constituency. This, now, is taken away by the Parcel Post Service, these packages being sent more cheaply by postage.

These carriers applied for an advance in this compensation at this Congress and filed their claim with the committee, in which it was set forth, "We respectfully ask your committee for increase of 30 per cent on the basic pay for the next year and the same gradation of pay above the standard that is provided by law for less than the standard." Yet this appeal was ignored by the committee. They have granted an increase to the city carriers, where the pay of $1,500 per year is allowed, and they are furnished with automobile or horse and wagon by the Government; but the rural carriers are compelled to furnish their own automobile or their own horse and wagon, pay entirely for its upkeep, and carry the mail for a maximum of $1,440 per year for 24 miles per day travel.

This is unfair. The compensation is inadequate and ought to be increased, and I shall vote for the amendment pending to increase this pay, although the amendment pending does not go as far as I would go, because I would favor the increase of 30 per cent which the carriers ask.

There is another matter, which is covered by the next paragraph of the bill, namely, the investigation of conditions arising from contracts on the star-route service and the adjustment of the compensation therefor.

Under the act of July 2, 1918, the Postmaster General was authorized to adjust these contracts and give relief under the following provision of the law:

SEC. 4. That the Postmaster General is authorized to investigate conditions arising from contracts in the star route, screen wagon, and other vehicle service entered into prior to June 30, 1917, and from contracts for furnishing envelopes, blanks and blank books, and the Official Postal Guide, for contracts entered into prior to June 30, 1917, with a view to determining whether any adjustment should be made in the compensation and to adjust the same for materials or services hereafter to be furnished or rendered in cases where the facts disclose the necessity for such adjustment, or, in his discretion, with the consent of the contractor and his bondsmen, the Postmaster General may cancel such contracts.

Yet it seems to be impossible to obtain from the Postmaster General an examination into and adjustment of the compensation of star-route carriers, who, because of the increased cost of transportation and living, are losing money in carrying out their contracts.

I have in my district a star route extending from Mount Pleasant to Donegal, Pa., and serving several intermediate offices. This contractor took this contract for a period of four years beginning in 1916, before the great advance in cost of the necessary articles that he is compelled to use in carrying out his contract. He has been losing money every day for more than a year and a half last past. He has demonstrated to the Post Office Department that the cost of horses and wagons and the upkeep thereof and the increased burden of the Parcel Post Service have made it impossible for him to complete his contract. He is, however, under bond, and the Government insists upon him carrying out the contract and losing money continuously and seems to be unwilling to grant him the relief that the law provides. The Government of the United States should not be an unfair employer. It ought not to extort, under changed conditions, compliance with a contract when it makes a bankrupt of the party with whom the contract is made.

To meet that very condition the above law was enacted, and Congress in good faith has given the Postmaster General power to adjust unusual cases, such as the one I have cited, and yet the Post Office Department seems unwilling to grant the relief it is legally authorized to extend to this unfortunate man. Mr. Chairman, I submit that these two wrongs ought to be corrected.

Mr. MONTAGUE. Mr. Chairman, I concur in the suggestion of the gentleman from Pennsylvania, but I wish to couple with that suggestion the observation, perhaps a repetition of what I said a moment ago, that the greater the inequity, the greater the losses, the more the reason for the department to take action. It appears here that the reason for nonaction is just the converse of that contention, namely, that the losses are so great that the department should not take action.

Mr. AYRES. We have given the Postmaster General the authority under the act of July 2, 1918. What further can Congress do?

Mr. MONTAGUE. Of course, something further could be done; it is possible to provide mandatory legislation, but I am simply bringing the subject to the attention of the committee that they may see what the legislation has accomplished.

Mr. MADDEN. Will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. MADDEN. I simply wish to say to the gentleman from Virginia that when the Post Office Committee reported this legislation for the relief of contractors losing money on account of the war, we assumed that the larger the loss the greater the need of readjustment.

Mr. MONTAGUE. Precisely; the greater the loss the greater the reason that remedy should be afforded.

Mr. MOON. I want to say that the power conferred in the act on the Postmaster General was discretionary, and it does not lie in the mouth of anybody in Congress to say that that discretion has been improperly exercised, unless the facts are presented upon which that might be determined. The gentleman, in his opinion, may think it has been improperly exercised, but the Postmaster General may, on the other hand, think he has exercised his discretion properly.

Mr. MONTAGUE. Will the gentleman permit a question?

Mr. MOON. Yes.

Mr. MONTAGUE. Suppose the designated agent from the Federal Trade Commission has reported a loss of 125 per cent in one contract, and the contractor requests a readjustment, does not the gentleman think that that would be an instance for the exercise of discretionary power?

Mr. MOON. If we have no statement of facts accompanying it, it would be a mere conclusion and not worthy of consideration. If all the facts involved show the loss has occurred and that the matter requires readjustment, I think the Postmaster General would be in error in not exercising the discretion.

The CHAIRMAN. The pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

SEC. 2. That on and after July 1, 1919, clerks in first and second class post offices and letter carriers in the City Delivery Service shall be divided into six grades, as follows: First grade, salary $1,000; second grade, salary $1,100; third grade, salary $1,200; fourth grade, salary $1,300; fifth grade, salary $1,400; sixth grade, salary $1,500: *Provided*, That clerks in first and second class post offices and letter carriers in the City Delivery Service shall be promoted successively after one year's satisfactory service in each grade to the next higher grade until they reach the sixth grade. All promotions shall be made at the beginning of the quarter following one year's satisfactory service in the grade: *Provided further*, That clerks in first and second class post offices and letter carriers in the City Delivery Service who have served satisfactorily for one year in grades 1, 2, 3, 4, and 5, respectively, under the act approved July 2, 1918, shall be promoted to the next higher grade: *Provided further*, That the salaries of railway postal clerks shall be graded as follows: Grade 1, at $1,100; grade 2, at $1,200; grade 3, at $1,300; grade 4, at $1,400; grade 5, at $1,500; grade 6, at $1,600; grade 7, at $1,700; grade 8, at $1,800; grade 9, at $1,900; and grade 10, at $2,000.

Mr. CANNON. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman wherein this changes existing law.

Mr. MADDEN. It does not; it only makes it permanent law.

Mr. MOON. That is all; it is exactly the same as the previous statute, except that we make this permanent.

Mr. CANNON. There is no increase in the salary; it simply makes it permanent law?

Mr. MOON. That is all.

Mr. CANNON. And there is no other change beyond——

Mr. MOON. There will be when we come to the next page.

The Clerk read as follows:

The Postmaster General shall classify and fix the salaries of railway postal clerks, under such regulations as he may prescribe, in the grades provided by law; and for the purpose of organization and establishing maximum grades to which promotions may be made successively, as hereinafter provided, he shall classify railway post offices, terminal

railway post offices, and transfer offices with reference to their character and importance in three classes, with salary grades as follows: Class A, $1,100 to $1,400; class B, $1,100 to $1,500; class C, $1,100 to $1,700. He may assign to the offices of division superintendents and chief clerks such railway postal clerks as may be necessary and fix their salaries within the grades provided by law without regard to the classification of railway post offices.

Mr. MADDEN. Mr. Chairman, I desire to offer an amendment.

The Clerk read as follows:

Page 25, line 3, strike out "$1,400" and insert "$1,500."

Mr. MADDEN. And in line 7 strike out "$1,500" and insert "$1,600."

The Clerk read as follows:

And in line 7 strike out "$1,500" and insert "$1,600."

The CHARIMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendments were agreed to.

Mr. LAGUARDIA. Mr. Chairman, I move to amend, on page 25, in line 7, by striking out "$1,700" and inserting "$1,800."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 25, line 7, strike out "$1,700" and insert "$1,800."

Mr. MADDEN. Mr. Chairman, the classes of the railway mail clerks within which the classes A, B, and C are grouped have been fixed in the classification laws, and the idea was, and is, by the amendments suggested by me, to permit of an automatic promotion of $100 in each grade. Without the amendments I suggested they would not be able to get the automatic promotions within those classes. It has always been understood that there was $100 difference between each of the grades, and for the men in class A, running from $1,100 to $1,500, that will give them an automatic promotion of $100 now. For those from $1,100 to $1,600 in class B it makes a difference of $100 there; and if class C remains where it is, it makes exactly $100 difference between class B and class C, as there is between class A and class B. I do not see any reason in the world why the gentleman from New York [Mr. LAGUARDIA] should offer the amendment that he has offered, or, having offered it, why the committee should adopt it, because it makes a disparity between the classes which ought not to exist. This is a matter that has been given consideration by the members of the Post Office Committee—a matter in connection with which consultations have been had both with the postal authorities and the men in the Railway Mail Service—and I may say that the amendments that I offered, which have been adopted, are not only satisfactory to the postal authorities, but they are also satisfactory to the man who speaks for the railway mail clerks, and he has, in words that could not be misunderstood, expressed satisfaction with the action that was proposed to be taken and which has been taken.

Mr. LAGUARDIA. It was simply to keep it in the same ratio as you have it now.

Mr. MADDEN. That is a mistake. There ought not to be $200 difference between them. There ought to be $100 difference.

Mr. LAGUARDIA. You have $200 now, between $1,500 and $1,700.

Mr. MADDEN. But we have three classes—$1,500, $1,600, and $1,700—$100 difference between each class.

Mr. LAGUARDIA. I will state to the gentleman that the matter was called to my attention by the Railway Mail Clerks' Association.

Mr. NORTON. Mr. Chairman, will the gentleman from Illinois yield?

Mr. MADDEN. Yes.

Mr. NORTON. What are these various classes—class A from $1,100 to $1,500?

Mr. MADDEN. These are classes that have been in existence in the Railway Mail Service for years. For example, class A men do the work on the light routes, class B the work on trains that run on heavier routes, and class C includes the men who work on very heavy routes.

Mr. NORTON. They begin to work at the same rate as class A?

Mr. MADDEN. They begin to work at the same rate, but as long as they are in the class they can go to a certain point only, and after they are transferred to another class they get a new compensation.

Mr. NORTON. They go in a higher grade.

Mr. MADDEN. That is it.

Mr. MOON. Mr. Chairman, I want to say that I approve of the remarks of the gentleman from Illinois [Mr. MADDEN], and while this is not a committee amendment the committee have informally considered it and have approved it, so far as a majority of them is concerned. All of them could not be consulted. It is also approved by the Post Office Department and it is approved by the railway mail clerks to be benefited by the legislation.

Mr. STEENERSON. Mr. Chairman, will the gentleman yield?

Mr. MOON. Yes.

Mr. STEENERSON. I did not catch what the gentleman said about the Post Office Committee's action.

Mr. MOON. I said the Post Office Committee had not acted on it.

Mr. STEENERSON. The bill as printed represents the action of the Post Office Committee.

Mr. MOON. The bill as printed is the action of the Post Office Committee; but I am speaking of the amendment offered by the gentleman from Illinois.

Mr. STEENERSON. When was that considered?

Mr. MOON. It has not been considered by the Post Office Committee. A majority of the committee have indicated informally, without acting upon it, that they were favorable to the amendment.

Mr. STEENERSON. Including the chairman? The chairman is in favor of it?

Mr. MOON. I think so. I hardly ever set up my judgment against the majority of the committee, against the Post Office Department, and against the people who are to be benefited by the legislation.

Mr. STEENERSON. I wanted to be sure, because I did not know anything about any action.

Mr. MOON. The chairman did not call anyone into consultation about it. He simply received that information from the members.

Mr. STEENERSON. Will this result in any discrimination as to the amount of increase of other employees?

Mr. MOON. I think not in the least.

Mr. STEENERSON. The suggestion has been made that it might make a larger increase for these men than the increase that we have given to the other employees.

Mr. MOON. I think not.

Mr. BLACK. Mr. Chairman, I move to strike out the last word in order to explain the reason for the Madden amendment by perhaps mentioning one matter that the gentleman from Illinois [Mr. MADDEN], who offered it, did not mention. Under the plan of increase that we have in section 2 of the bill the post-office clerks and letter carriers will be automatically promoted one grade each year from the grade they are now in to $1,500. Under the grouping of the railway mail clerks group A would be from $1,100 to $1,400 as written in the bill, and the gentleman from Minnesota, if he will give heed, can readily see that those in group A could never go as high in their promotions as letter carriers or postal clerks, because they would be restricted to $1,400.

Mr. STEENERSON. They are performing similar service to the post-office clerks.

Mr. BLACK. Yes; and we think it equitable to enlarge that group $100, making it $1,100 to $1,500, and to enlarge the second group from $1,100 to $1,600, and leave the third group as it is now, at $1,100 to $1,700.

Mr. STEENERSON. Otherwise the clerks in these terminals covered by this proposition would receive higher pay as clerks than the regular clerks.

Mr. BLACK. Yes; the gentleman is correct. Group A is restricted in section 2 from $1,100 to $1,400 and ought to be enlarged another grade.

Mr. STEENERSON. That is simply correcting an error of the committee?

Mr. BLACK. Yes; it really would not be doing justice to the railway mail clerks if we did not make the change so as to harmonize with the other provisions of the bill.

Mr. STEENERSON. But the gentleman opposes the amendment of the gentleman from New York?

Mr. BLACK. I do not favor the amendment of the gentleman from New York. I think the amendment which we have just adopted is sufficient to adjust the equities of the case.

Mr. LAGUARDIA. Mr. Chairman, I just want to make one statement—that this matter was called to my attention by the representative of the Mail Clerks' Association, and they are not at all satisfied, as was stated on the floor. They desire to have the increase of grade C kept in the present ratio; that is, the difference between grade B and C. That is all the information I have on this, and I submit it.

The CHAIRMAN. The Chair will state the committee has already adopted the amendment of the gentleman from Illinois. The question now is on the amendment of the gentleman from New York.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Clerks in class A shall be promoted successively to grade 3, clerks in class B shall be promoted successively to grade 4, and clerks in class C shall be promoted successively to grade 5, at the beginning of the quarter following the expiration of a year's satisfactory service in the next lower grade. Promotions above these grades within the maximum grades of the classification may be made in the discretion of the Postmaster General for meritorious service. No promotion shall be made except upon evidence satisfactory to the Post Office Department of the efficiency and faithfulness of the employee during the preceding year: *Provided further*, That clerks assigned as clerks in charge of crews consisting of more than one clerk shall be clerks of grades 6 to 10, inclusive, and may be promoted one grade only after three years' satisfactory and faithful service in such capacity: *Provided further*, That on and after July 1, 1919, the compensation of each rural letter carrier for serving a rural route of 24 miles and over, six days in the week, shall be $1,440 and $24 per mile for each mile or major fraction thereof over 24 miles per annum, payable monthly; on routes 22 miles and less than 24 miles, $1,382; on routes 20 miles and less than 22 miles, $1,296; on routes 18 miles and less than 20 miles, $1,152; on routes 16 miles and less than 18 miles, $1,008; on routes 14 miles and less than 16 miles, $864; on routes 12 miles and less than 14 miles, $806; on routes 10 miles and less than 12 miles, $748; on routes 8 miles and less than 10 miles, $691; on routes 6 miles and less than 8 miles, $635; on routes 4 miles and less than 6 miles, $576. A rural letter carrier serving one triweekly route shall be paid on the basis for a route one-half the length of the route served by him, and a carrier serving two triweekly routes shall be paid on the basis for a route one-half of the combined length of the two routes: *Provided further*, That hereafter postmasters of the fourth class shall receive the same compensation as now provided by law, except that they shall receive 100 per cent of the cancellations of the first $100 or less per quarter: *Provided, further*, That if the compensation does not exceed $75 for any one quarter, fourth-class postmasters shall be allowed an increase of 20 per cent of the compensation allowed under existing law: *Provided further*, That hereafter the increased compensation provided in section 2 of the act approved July 2, 1918, making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1919, and for other purposes, shall remain the same for employees other than those mentioned herein.

Mr. ALMON. Mr. Chairman, I offer the amendment which I have sent to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 26, line 2, strike out, after the words "*Provided further*," down to and including the figures "$576," in line 17, and insert the following: "That on and after July 1, 1919, the compensation of each rural letter carrier for serving a rural route of 24 miles and over six days in a week shall be $1,500 and $24 per mile for each mile or major fraction thereof over 24 miles per annum, payable monthly; on routes 22 miles and less than 24 miles, $1,440; on routes 20 miles and less than 22 miles, $1,350; on routes 18 miles and less than 20 miles, $1,200; on routes 16 miles and less than 18 miles, $1,070; on routes 14 miles and less than 16 miles, $900; on routes 12 miles and less than 14 miles, $840; on routes 14 miles and less than 12 miles, $780; on routes 8 miles and less than 10 miles, $720; on routes 6 miles and less than 8 miles, $660; on routes 4 miles and less than 6 miles, $600.

Mr. MOON. Mr. Chairman, I reserve a point of order on the amendment. I just make the point of order and I will let the Chair rule on it. This is new legislation on an appropriation bill, and the fact that each section of this bill was put in the order by agreement does not authorize, in my judgment, any new legislation or any change in the salary law. That increase was put on in accordance with the existing salaries already provided by law and the amendment proposed would be a change of the salary law.

Mr. ALMON. Mr. Chairman, the purpose and effect of the amendment is simply to provide for a small increase in the compensation for rural letter carriers over that reported in the bill, and as far as I am concerned I am willing to submit the question of the point of order to the Chair. The gentleman from Tennessee [Mr. MOON], the chairman of the committee, has not given any reason why my amendment is not in order under the rules of the House, and I am willing to leave it with the Chair to decide.

Mr. MOON. I suggest the law as it now exists fixes these salaries. This amendment proposes to change it in this appropriation bill.

The CHAIRMAN. The Chair would like to ask the gentleman from Tennessee a question. The Chair would like to ask the gentleman from Tennessee if there is any statutory law fixing the salary of rural letter carriers?

Mr. MOON. I think there is.

Mr. MANN. Mr. Chairman, it makes no difference if there are 40 statutes fixing the salary of letter carriers, because what is proposed in the bill is to fix the salary of letter carriers and made in order by unanimous consent of the House. It would be subject to the point of order if it had not been by unanimous consent. This fixes the salary after the 30th of June next and is made in order. Now, the amendment changing the rate of salary is, of course, germane and clearly in order.

The CHAIRMAN. The Chair agrees with the gentleman from Illinois, and the Chair was asking the chairman of the committee a question for information, because the Chair does not pretend to know all the postal laws. The Chair overrules the point of order.

Mr. ALMON. Mr. Chairman, I have offered this amendment for the purpose of equalizing the compensation of city letter carriers and rural letter carriers.

The basic pay of city letter carriers is $1,200 per year for eight hours per day, and pro rata pay for all overtime.

The basic pay of rural letter carriers is $1,200 per year for daily service on routes of 24 miles, with half the pro rata pay for overmileage.

The allowance for mounted city letter carriers covers the entire cost of equipment maintenance, and amounts in some cases, for horse-drawn vehicles, to $700, and for motor vehicles, $1,500. (First Assistant Postmaster General Koons has stated that the cost would in some instances be increased 100 per cent this year.)

The allowance for equipment maintenance for rural carriers is nothing.

Under the Post Office appropriation bill, as reported by the Post Office Committee, city letter carriers are given an increase of $300 per year.

Under the same bill rural carriers are given an increase of $240 per year.

Under the bill a mounted city letter carrier will receive:

Salary	$1,500
Equipment allowance (possible)	1,500
Total	3,000
Under the same bill a rural letter carrier will receive a total of	1,440
Difference in favor of the city carrier	1,560

For some reason—I do not know why—the last Post Office appropriation bill reported by the committee made provision for an increase of compensation for city letter carriers amounting, on the average, to 20 per cent, the same bill making provision for an increase of compensation for rural letter carriers of 15 per cent. I offered an amendment making it 20 per cent, which was adopted and concurred in by the Senate. The same thing has occurred again. The bill now before the House provides for the classification of city letter carriers and fixing their compensation on an average of 25 per cent more than it was before the war.

Mr. BLACK. Will the gentleman yield?

Mr. ALMON. Yes.

Mr. BLACK. I want to call the gentleman's attention to the fact that the increases we have in this bill as to letter carriers, postal clerks, and railway mail clerks are identical with what we have in the bill passed in June, 1918, and at the same time the gentleman offered his motion to increase the salary of the rural carriers to 20 per cent.

Mr. ALMON. It is evident to anyone who will examine this bill that the statement which I have just made is correct. I think the increase of compensation provided for city letter carriers is just and proper, and I favor it, but I am opposed to the discrimination provided for in this bill. I have always thought if there was any difference in compensation in these two classes of postal employees it should be in favor of the rural letter carrier, for the reason that he is required to furnish his own equipment for the carrying of the mails, the cost of which in some cases is one-half the salary paid the carrier. The cost of living and equipment is as great as it was a year ago, if not greater.

This bill provides for a large increase in the appropriation to cover the expenses of equipment furnished by the Government to mounted city letter carriers. The chairman of the committee, in support of that increase, said that it was shown by the statement of the First Assistant Postmaster General that the Government had to pay in some cases as much as 100 per cent more for its equipment for mounted city letter carriers than four years ago, one reason being the increased cost of labor and gasoline, and another reason was in some cases there had been an increase of 100 per cent in mail matter over several years ago. For the same reason there should be an increase of compensation given the rural letter carrier.

I know of rural letter carriers who have been required to purchase additional equipment and keep as many as three horses to carry the mail on routes where one horse and a light vehicle were sufficient several years ago. And after paying the present high price for corn, hay, and oats and the upkeep of his equipment there is but little left of his salary with which to support himself and family. I have always believed that the rural letter carrier should be paid more than the city carrier, for the reason he is required to furnish and maintain his equipment.

Considerable has been said about the permanent feature of the salaries fixed by this bill by some of the Members. They seem to overlook the fact that section 3 of this bill makes pro-

vision for the appointment of a commission to investigate and report to the next Congress on the subject of equalizing and readjusting the salaries of the postal employees. If this is done, I trust that the commission will call attention to the unjust discrimination against rural letter carriers, if this bill should be passed as reported by the committee, and recommend that the next Congress readjust the salaries in such a manner as to be fair to the rural carriers.

Mr. ROUSE. I would like to ask the gentleman if he knows how much this would increase the appropriation?

Mr. ALMON. I have not made the calculation, but understand it would be about $2,000,000 a year.

Mr. ROUSE. It would be about $2,500,000.

Mr. ALMON. Let it be that. We should do the right thing regardless of what it will cost.

Mr. ESCH. Can the gentleman inform the House how many resignations there were of rural letter carriers last year?

Mr. ALMON. I don't know, but am informed that it amounted to about 18 per cent of the carriers.

Mr. ESCH. My impression is, judging from my own district, there must be a very large number.

Mr. ALMON. There have been more resignations of rural letter carriers in the district which I represent since their salaries were increased 20 per cent than before this was done, on account of the increased cost of living and equipment and because the carriers claim they can make more in other lines of business.

I hope that the House will adopt my amendment and correct the proposed very unjust discrimination against these faithful and underpaid postal employees engaged in carrying the mails to the people in the rural districts of this country. [Applause.]

The CHAIRMAN. The gentleman from Tennessee [Mr. MOON] is recognized.

Mr. MOON. Mr. Chairman, I know that the House is always very strongly in sympathy with the raising of salaries of rural carriers. I feel that way myself. I do not know why, but for some reason they have felt pretty close to me. I suppose they are pretty good men in a district. We are all alike in matters of that sort.

But we must have some consideration for the Treasury in matters of this kind. We have provided in this bill for a commission that will look into the whole question of salaries, and that commission will classify and rearrange the whole system throughout the department affecting its officials. Until that is done I do not believe there ought to be any increase in the salaries over those carried in the present bill.

Now, we carry in this bill exactly the same provision on the question of city clerks and carriers and city post offices and railway mail clerks and rural carriers as was carried in the last bill. We carry the 10 or 15 per cent provision in another section of the bill for other employees of the department.

You will observe, if you will think for a moment, that in the statute that was passed there was a discrimination which was unfair to the other employees of the department, because those employees did not get the percentage of raise that the carriers got, or that the rural carriers got, and the rural carriers got the best raise of all. The average raise of the other clerks did not amount to 15 per cent, but this House raised the pay 20 per cent additional to the rural carriers on the bill which was approved last year and became part of the law.

Now, we are seeking to make that permanent. That is all we are giving them; exactly the 20 per cent which they had before; and that is going to add $10,150,000 to this bill—even the provision that we have got here now. This is to make it permanent.

It seems to me we should go a little slow in handling the public money. Nobody is demanding a raise except the gentleman from Alabama [Mr. ALMON]. The representatives of the rural letter carriers express themselves as being entirely satisfied with the present salaries. I have had no request as chairman of this committee from any rural carriers in the United States to raise their salaries. They are all satisfied to have the present raise made permanent and to take their chances before the commission.

Mr. ROBBINS. Mr. Chairman, if the gentleman will read page 116 of the hearings before his committee he will notice that a statement was filed by Mr. W. D. Brown, attorney for the National Rural Letter Carriers' Association, in which he says:

I respectfully ask your committee for an increase of 30 per cent on the basic pay for the next year and the same gradation of pay for mileage above the standard, as is provided by law for less than the standard. A little later I will submit statistics in support of my request.

Mr. MOON. He puts that in the record. But the gentleman should understand that he is not the only representative of these people. He has no authority, so far as I know, to make that request. However, I do not want to discuss that.

Mr. ROBBINS. He says he asks for an increase of 30 per cent on the basic pay of this year, so that there is a request for an increase.

Mr. MOON. That is what they are going to ask under this commission when it is created, as I am informed. No contest was made before our committee or the suggestion pressed. Everybody, including Mr. Brown, appeared to be satisfied with this provision. But, as I said, I do not care to go into a discussion of that matter. There is no demand from the individual carriers anywhere, except a few, that has come to this committee for an increase. I know they want a slight increase in the final readjustment, as Mr. Brown stated, in these salaries, but it is not a very large one. It is a small one. It is one that ought to come to them, but it ought to come on the basis of the readjustment of the other salaries. We have made the provision in the last bill permanent law, and I think that is all we ought to do.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. ALMON].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That a commission consisting of five members of the Committee on Post Offices and Post Roads of the United States Senate and five members of the Committee on the Post Office and Post Roads of the House of Representatives, to be appointed by the chairmen of the respective committees, is hereby authorized to investigate the salaries of postmasters and employees of the Postal Service with a view to the reclassification and readjustment of such salaries on an equitable basis; and said commission shall make a report with recommendation to Congress at the first day of the next regular session. The expense of such inquiry shall be paid from the unexpended balance of any appropriation for the Postal Service for the fiscal year ending June 30, 1919.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. How much of an expense is it expected that this commission will cause?

Mr. MOON. I do not know. There has been no estimate of it and no discussion of it, so far as I know. I take it that this commission ought to sit entirely in the city of Washington, where they can get all the facts that are necessary to make their report. These expenses are usually about $15,000 or $20,000, I believe, but I see no reason why this should be as much as would be incurred by a commission sitting outside of the city.

Mr. MANN. Is it expected that the commission will have any traveling expenses throughout the country?

Mr. MOON. We did not contemplate any. We did not know of any.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn. The Clerk will read.

Mr. MADDEN. Mr. Chairman, I would like to offer an amendment as section 3½ for the time being.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

Mr. MOON. Is that an appropriation?

Mr. MADDEN. No. It is to authorize the Post Office Department to purchase supplies from the Army and other departments. I would like to have it read for information.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Insert as section 3½ a new section, as follows:

"SEC. 3½. That the Postmaster General and other responsible officials, in expending appropriations contained in this act, so far as possible, shall purchase materials, supplies, and equipment, when needed and funds are available, from the various services of the Government possessing materials and supplies and equipment no longer required because of the cessation of war activities. It shall be the duty of the Postmaster General and other officials before purchasing any of the articles described herein to ascertain from the other services of the Government whether they have articles of the character described that are serviceable, and articles purchased from other sources of the Government, if the same have not been used, shall be paid for at a reasonable price, not to exceed the actual cost, and if the same have been used, at a reasonable price based upon length of usage. The various services of the Government are authorized to sell such articles to the Postal Service under the conditions specified, and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. ROUSE. Mr. Chairman, I desire to call the attention of the gentleman from Illinois to the amendment he offered yesterday.

Mr. MADDEN. We can go back to that. I would like to ask unanimous consent to go back to page 10.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to return to page 10.

Mr. MOON. Mr. Chairman, that is for the purpose of restoring two or three lines that are left out. I believe we had better finish the bill and go back to it.

Mr. MADDEN. Very well.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. That if the revenues of the Post Office Department shall be insufficient to meet the appropriations made by this act, a sum equal to such deficiency of the revenue of said department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply said deficiencies in the revenues for the Post Office Department for the year ending June 30, 1920, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

Mr. MOON. Mr. Chairman, I desire to offer an amendment to the section. After the figure "4," in section 4, I want to insert before the word "that" the following: "That there shall be appropriated out of any money in the Treasury of the United States not heretofore appropriated a sum equal to the sum that will be necessary to pay the increased salaries allowed in this bill."

The CHAIRMAN. Has the gentleman reduced his amendment to writing?

Mr. MOON. I have not, but the gentleman from Texas [Mr. BLACK] will.

The CHAIRMAN. While that is being done we will take up the request of the gentleman from Illinois.

Mr. MADDEN. I ask unanimous consent to return to page 10.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MADDEN. After the word "pay," on line 13, I move to amend by inserting the following, which I send to the Clerk's desk.

The Clerk read as follows:

Page 10, line 13, after the word "pay," at the end of the line, insert the following: "*Provided*, That there may also be employed at first-class post offices foremen and stenographers at a salary of $1,300 or more per annum; in all, $55,000,000.

Mr. MADDEN. That was in the bill before, and we struck it out, but it ought not to have been stricken out.

Mr. STEENERSON. "Thirteen hundred dollars or more?"

Mr. MADDEN. Yes; that is the way it read in the bill.

Mr. STEENERSON. Not less than $1,300.

Mr. MADDEN. No; at a salary of $1,300 or more.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. MOON. Now, Mr. Chairman, I offered an amendment with the view that it was possible that the last section which has been read does not carry language of appropriation for the amount of the increased salaries. But I take it, in view of the language employed there providing for a deficiency to be paid out of the Treasury for all appropriations, that it will not be necessary to offer the amendment, and I therefore withdraw it.

Mr. STEENERSON. I will say that in my opinion it is entirely unnecessary.

Mr. MANN. It is covered by the language in the first paragraph of the bill.

Mr. ROBBINS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks on the rural-carrier proposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Chairman and gentlemen of the committee, it has been my privilege for a number of years to serve as a member of the Post Office Committee under the distinguished chairman, Mr. MOON. I want to say that I have never occupied a service in all the history of my experience that has been so satisfactory as the service I have had with him. [Applause.] He has been clean, courteous, painstaking, and fair in everything he had to do, and this being the close, substantially, of the gentleman's chairmanship, I think it is only fair for me to say to him and to you what I think of the service he has rendered.

No man has ever occupied a distinguished position with greater conspicuity than the gentleman from Tennessee [Mr. MOON] has occupied in the chairmanship of this committee. [Applause.]

The country owes him a debt of gratitude for the painstaking care and conduct of this great service. I am proud to testify not only to my confidence in him but to his ability, to his fairness, and his character as a man, and to say that if I have the good fortune in the future to be placed as satisfactorily in my work in the House as I have in my service under JOHN MOON, the chairman of this committee, I shall be very happy indeed. [Applause.]

Mr. STEENERSON. Mr. Chairman, I ask unanimous consent for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STEENERSON. Mr. Chairman, I take great pleasure in uniting with the gentleman from Illinois [Mr. MADDEN] in this encomium upon our chairman. I began service with the gentleman from Tennessee 16 years ago, and although he is a man of positive views, and I have disagreed with him many times most radically, we have in the main agreed. Where we have disagreed we have disagreed in the most reasonable and fair way. Our disagreements have never left any rankling in our hearts, and when the dispute was over I always found the gentleman from Tennessee the very acme of good nature and companionship, so that I can heartily second every word that the gentleman from Illinois has said. [Applause.]

Mr. MOON. Mr. Chairman, I hardly think I am entitled to all the compliments my two friends, the gentleman from Illinois and the gentleman from Minnesota, have paid me, and yet I hope with becoming grace I accept them with much pleasure. It always does us good to know that our friends think well of us, and even if they do not think so well of us, in public they always say they do. [Laughter.] I am to be with them, I hope, again on this committee. There is no reason why the distinguished gentleman from Minnesota and the distinguished gentleman from Illinois should not occupy positions at the head of the table in the next Congress. At the foot of the table I will render them all the earnest service I shall be capable of giving. I thank them for what they have said. Mr. Chairman, I move that the committee do now rise, and that the Chairman be directed to report the bill back to the House with the recommendation that the amendments adopted in the Committee of the Whole be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRISP, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 13308) making appropriation for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. AYRES. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. AYRES. I desire to offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. AYRES. I am not.

The SPEAKER. If any gentleman opposed to the bill wants to make a motion to recommit, the Chair will recognize him. Otherwise the Chair will recognize the gentleman from Kansas. The Clerk will report the motion to recommit.

The Clerk read as follows:

I move to recommit the bill to the committee, with instructions to report the same back forthwith with an amendment striking out the amendment offered by the gentleman from Iowa [Mr. GREEN], which amendment reads as follows:

"After the word 'aeroplanes,' in the first line, strike out '$59,825,000' and insert in lieu thereof '$59,625,000'; after the word 'exceeding,' in the second proviso, strike out '$500,000' and insert '$300,000' in lieu thereof; and at the end of the amendment, after the words 'aeroplane service,' strike out the period, insert a comma, and add the following: 'And that no part of said sums shall be expended for the maintenance or operation of the aeroplanes above directed to be delivered to the Postmaster General by the Secretary of War, but such machines shall be operated and maintained by the personnel of the Air Service of the Army, under the control and direction of the Postmaster General.'"

Mr. MANN. Mr. Speaker, I make the point of order that the motion to recommit offered is not in order. I believe the Speaker has ruled on several occasions that where an amendment has been agreed to by the House, reported from the Committee of the Whole House, it was not then in order to move to recommit to strike out a part of the amendment which had just been agreed to. Of course the gentleman could have reached this proposition by offering an amendment to the amendment when it came before the House, but that was not done.

The SPEAKER. The gentleman's contention is correct. The motion to recommit is not in order. If the thing could be done which the gentleman from Kansas is trying to do, discussion of the bill in Committee of the Whole would be almost useless.

Mr. LONDON. Mr. Speaker, can not the object of the gentleman from Kansas be reached by asking for a separate vote on his amendment?

The SPEAKER. It is too late. All of the amendments have been agreed to, and the bill has gone to a third reading. Anybody who examines the question can easily tell the reason for the ruling. The question is on the passage of the bill.

The bill was passed.

Mr. MOON. Mr. Speaker, I move to reconsider the vote by which the bill was passed and lay that motion on the table.

The motion was agreed to.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to Mr. LINTHICUM for four days on account of important business.

CHARLOTTE STERLING (H. REPT. NO. 873).

Mr. SANFORD. Mr. Speaker, I offer the following privileged resolution from the Committee on Accounts, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 471.

Resolved, That the Clerk of the House of Representatives be, and he is hereby, authorized and directed to pay out of the contingent fund of the House, to Charlotte Sterling, clerk to the late John A. Sterling, a Representative from the State of Illinois at the time of his death, October 17, 1918, the sum of $166.66, being an amount equal to one month's salary of a clerk of a Representative in Congress.

The SPEAKER pro tempore (Mr. GARRETT of Tennessee). The question is on agreeing to the resolution.

The resolution was agreed to.

E. NIEDNER (H. REPT. NO. 872).

Mr. SANFORD. Also the following, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 467.

To pay E. Niedner, clerk to the late Jacob E. Meeker, a Representative in Congress, $166.66.

Resolved, That the Clerk of the House of Representatives be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to E. Niedner, clerk to Jacob E. Meeker, a Representative from the State of Missouri at the time of his death, October 16, 1918, the sum of $166.66, being an amount equal to one month's salary of a clerk of a Representative in Congress.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

MARY B. JONES (H. REPT. NO. 871).

Mr. SANFORD. Also the following, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 450.

Resolved, That the Clerk of the House be, and he is hereby, authorized to pay, out of the contingent fund of the House, to Mary B. Jones, daughter of Thomas D. Jones, late an employee in the office of the Clerk of the House of Representatives, a sum equal to six months of his compensation as such employee, and an additional amount not exceeding $250 to defray burial expenses of said Thomas D. Jones.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

W. RAY LOOMIS (H. REPT. NO. 874).

Mr. SANFORD. Mr. Speaker, I also offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 436.

Resolved, That the Clerk of the House is hereby directed to pay out of the contingent fund of the House, until otherwise provided for, extra compensation to W. Ray Loomis, assistant superintendent of the document room of the House, for extra work performed in compiling and editing the Weekly Compendium and Monthly Compendium, at the rate of $125 per month from and after January 31, 1918, the date when the preparation of said compilations began.

With the following committee amendments:

Line 2, strike out the words "until otherwise provided for" and insert "during sessions of the Sixty-fifth Congress."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

Mr. SANFORD. Mr. Speaker, this resolution requires some explanation and perhaps some consideration. As a general rule, I am opposed to paying extra compensation to persons who are regularly carried on the rolls of the House, but in this particular instance I favor making an exception to that rule and passing this resolution. W. Ray Loomis is an employee in the document room, receiving, I think, $2,500 a year. He undertook at the date mentioned in the resolution the publication of a monthly compendium and a weekly compendium. He has done unquestionably a vast amount of work and he has done it well. He has received from about 240 Members of Congress encouragement in doing this work and has received their approval. In a word, I desire to tell you the contents and the purpose of this compendium. It contains a subject index of all public laws and joint resolutions receiving action during the Congress, a list of all resolutions introduced seeking investigation, a list of laws and public resolutions enacted during the Congress, a synopsis of the riders that appear in the different appropriation bills, and a history of the omnibus pension status, and a numerical status of all bills and resolutions and other transactions of Congress that are not so easily classified. I have made some investigation among the different Members of Congress who have used this publication, and I find that those who use it universally commend it.

Mr. MADDEN. Did the gentleman say how many used it?

Mr. SANFORD. Two hundred and forty Members of Congress have certified in writing that they have used it, and they have been helped greatly by it.

Mr. MADDEN. I would not give 50 cents for it.

Mr. SANFORD. There are Members of Congress, on the other hand, who take the position the gentleman from Illinois takes, who do not find it useful, but it does seem to me from the examination I have given it and the use I have made of it and my secretary has made of it that it does serve a purpose that is not duplicated in any way by the daily calendar or the synopsis that appears in the RECORD.

Mr. BLACK. Will the gentleman yield?

Mr. SANFORD. I will.

Mr. BLACK. Speaking of the 250 Members who have approved the publication of this compendium, is it not true that the author of it has written Members of Congress asking their judgment of his work?

Mr. SANFORD. I have no doubt the author of this work, like authors of a great many other literary publications, has sought commendation for his efforts. I dare say, however, that a Member of Congress has not given that approval without some consideration.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. SANFORD. I will.

Mr. HUDDLESTON. If this work is any different in its nature from the regular calendar, why should it not be prepared just as the calendar is prepared; why should we leave it to private initiative?

Mr. SANFORD. That question can not be answered. I do not know why Congress does not provide to have everything done that ought to be done, but the fact remains there is a great deal of precedent in the House for encouraging these men who on their own initiative find a field for their efforts and work diligently in that field. It can be said for this man that he has certainly worked with a great degree of assiduity, and his publication does show that it has been carefully and conscientiously done and that Congress has been using it. Of course, I have no interest in having this man paid; in fact, my prejudice would be against having him paid; but on a full examination of the facts it seems to me the man merits the compensation which he asks.

Mr. HUDDLESTON. When does the man do this work?

Mr. SANFORD. I have asked very carefully, and he says he does it outside of the regular hours of his employment in the Document Room.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. SANFORD. I do.

Mr. GREEN of Iowa. I will say that I have on three different occasions saved several hours of time in looking up matters. I know in one instance I got the data which I knew from previous experience took me half a day to get.

Mr. SANFORD. I have had that same experience, and I have against my prejudice become a convert to this resolution. I have had a great many conversations with this fellow and looked over his work, and I can not resist his claim for compensation for that reason.

Mr. SMITH of Idaho. Is it not possible to refer to this compendium and ascertain the status of any bill that has been acted upon in committee and in process of enactment?

Mr. SANFORD. Not only that but also to find its number, when it has become the law, and by this publication it seems that a man without much experience in Congress can readily find out what he wants to know about the status of legislation. I know of no other way that a man who is not very familiar with proceedings here can find his way about.

Mr. MANN. Will the gentleman yield to me a moment?

Mr. SANFORD. I shall be glad to do so.

Mr. MANN. Mr. Speaker, I do not oppose the passage of the resolution. I yield due deference to the gentleman who did the work but question very much whether all the work he has done has been performed outside the hours of his usual employment. This weekly compendium is quite a bulky affair, weekly and monthly. I do not pretend to pass judgment upon it. I have been away very much of the time when it was being issued. It is not used in my office. I have examined it and could find nothing in it that I could not find in the regular index to the CONGRESSIONAL RECORD. The index to the RECORD is issued every two weeks. This is issued every week. This does not cover private bills. Usually the most difficulty which Members have in looking up matter in the RECORD is as to private bills. It may be, however, useful, and if useful it should be provided for in the regular way. However, I have no objection where a man has performed the service to having him paid extra compensation, although it raises his compensation, I think, to $4,000 a year. The last Republican House had a man employed who kept track of every bill that was introduced and notified the introducer of the bill whenever any move was made on the bill, both in the House and the Senate. When the bill was referred, when the bill was reported, when the bill was acted on in the House, when the bill was sent to the Senate and referred and reported by the Senate committee, when acted on by the Senate, when enrolled and sent to the President, the introducer of the bill received a notice telling him what action had been taken, which was quite useful. I remember with what enthusiasm for economy the Democratic side of the House abolished that place, said that hereafter we do not propose to waste the people's money [laughter on the Republican side] for these extravagant things. Let Members keep track of the legislation that is going on; they ought to know what is doing in the House from day to day, and along comes a very good man over in the Document Room receiving, I think, a salary of $2,500 a year, and, recognizing the extent of the ignorance of Congress, proceeds to instruct them by getting out practically a duplicate of what is now issued by other employees of the House in the form of the index to the RECORD. Well, I do not know how he got it published, but it was published. The work evidences a great deal of hard labor on the part of this gentleman. There is no doubt about that. And if Members of the House make use of it—as they say they do, and I do not dispute that—then, of course, fairness would require that he be paid and that his place be provided for in the regular way, not by giving him increased compensation for doing something which he says he does out of regular hours and which we know can not be done out of regular hours entirely. Give him pay for that instead of double pay for performing one service and drawing pay for another.

The SPEAKER pro tempore (Mr. GARRETT of Tennessee). The question is on agreeing to the committee amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER pro tempore. The question is on the passage of the resolution as amended.

The question was taken, and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SANFORD. Mr. Speaker, I ask for a division.

The House divided; and the resolution was agreed to.

CHAIRMAN OF COMMITTEE ON BANKING AND CURRENCY.

Mr. KITCHIN. Mr. Speaker, I wish to nominate and move the election of Mr. PHELAN, of Massachusetts, to be chairman of the Committee on Banking and Currency, to fill the vacancy caused by the resignation of Mr. Glass. [Applause.]

The SPEAKER pro tempore. The gentleman from North Carolina nominates Mr. PHELAN to the chairmanship of the Committee on Banking and Currency, and moves his election.

The question was taken, and the motion was agreed to.

THE PRIVATE CALENDAR.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that it shall be in order to-morrow to consider bills on the Private Calendar.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that it shall be in order to-morrow to consider bills on the Private Calendar.

Mr. FOSTER. May I ask the gentleman if this is to be bills unobjected to or are we to commence with the Private Calendar and take up each bill?

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Reserving the right to object, I understood from the gentleman in private conversation that the desire was to substitute to-morrow for Friday.

Mr. KITCHIN. It would be regularly in order on Friday.

Mr. MANN. The Private Calendar would be in order on Friday?

Mr. KITCHIN. Yes.

Mr MANN. And the gentleman desires to substitute to-morrow, as I understood, with the intention that by agreement we would adjourn over until Monday?

Mr. KITCHIN. Yes; and when we finish to-morrow's work, which is when we adjourn to-morrow, I shall ask unanimous consent to adjourn over until Friday.

Mr. MANN. Let us have it all in one request.

Mr. KITCHIN. I will ask that.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that the business in order under the rules on Friday next shall be in order to-morrow, and when the House adjourns to-morrow it shall stand adjourned until Monday next at 12 o'clock noon. Is there objection?

Mr. TILSON. Reserving the right to object, may I ask one further question? Ordinarily the claims alternate, with war claims and pension claims sandwiched in between Friday after Friday. Now, what special committee will have the floor to-morrow?

Mr. KITCHIN. Private claims on the Private Calendar.

Mr. TILSON. There are a number of other bills besides claims.

Mr. KITCHIN. Those that are on the Private Calendar, some from the Indian Affairs Committee, some from War Claims, and some of what we call private claims, from the Committee on Claims.

Mr. TILSON. On one Friday claims are in order and on the next Friday pensions, and the next Friday war claims and the next Friday pensions again. Which will be considered to-morrow?

Mr. KITCHIN. It is for all as they appear on the Private Calendar.

Mr. LONGWORTH. Mr. Speaker, reserving the right to object, may I ask the gentleman if he has come to any determination about the Christmas recess?

Mr. KITCHIN. I think I have stated, certainly once or possibly twice, that when we adjourn Tuesday I shall ask unanimous consent to adjourn over until Friday, with the understanding that on Friday we will do no work, but adjourn over until the following Monday.

Mr. LONGWORTH. The gentleman expects to have a session on both Monday and Tuesday of next week?

Mr. MANN. Probably there will no business.

Mr. KITCHIN. This coming Monday and Tuesday?

Mr. LONGWORTH. Yes.

Mr. KITCHIN. I understand the rivers and harbors bill will be in. I saw the chairman, the gentleman from North Carolina [Mr. SMALL] about it, and he says he will report the river and harbor bill to-morrow and they will take that up on Monday and Tuesday.

Mr. STAFFORD. And the next appropriation bill——

Mr. KITCHIN. Will be the legislative bill, we hope.

Mr. STAFFORD. I thought the foreign affairs bill would be first in order.

Mr. KITCHIN. Whichever is ready first.

Mr. STAFFORD. I do not believe the legislative bill will be ready until the week after the holidays.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. KITCHIN]?

Mr. MONTAGUE. Mr. Speaker, reserving the right to object, may I ask the gentleman from North Carolina a question?

Mr. KITCHIN. Certainly.

Mr. MONTAGUE. There is a bill upon the calendar, but I do not think upon the Private Calendar, yet in one sense it is private, which relates to an incorporation to dispense a very urgent and imperative charity for the relief of suffering people in the Near East. If I could get unanimous consent I would like to bring it up to-morrow.

Mr. KITCHIN. I think the gentleman could ask unanimous consent to-morrow morning for that.

Mr. MANN. I think he could do it. I do not know what the bill is.

Mr. KITCHIN. It is to incorporate a charitable institution. I can say that the gentleman can ask unanimous consent to-morrow before we take up private claims.

Mr. MONTAGUE. I do not want to take up the time of the House. If it should take up the time of the House I would not want to do it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KITCHIN. Both requests were included in one, Mr. Speaker, as I understand.

The SPEAKER pro tempore. Yes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title:

H. R. 13261. An act providing for the transportation from the District of Columbia of governmental employees whose services no longer are required.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 187. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Member of Congress.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Thursday, December 19, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting a copy of a communication from the Secretary of Agriculture, submitting a supplemental estimate of appropriation required by the Department of Agriculture for the general expenses of the Forest Service, fiscal year 1919 (H. Doc. No. 1602); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Department of Commerce, transmitting report of the board of visitors to the Bureau of Standards (H. Doc. No. 1603); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

3. A letter from the Secretary of the Department of the Interior, transmitting traveling expenses incident to the detail of employees from the office of one surveyor general to another during the fiscal year ended June 30, 1918 (H. Doc. No. 1604); to the Committee on Expenditures in the Interior Department and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (H. R. 249) to authorize the Secretary having jurisdiction of the same to set aside certain public lands to be used as national sanitariums by fraternal or benevolent organizations, and for other purposes, reported the same with amendment, accompanied by a report (No. 869), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Idaho, from the Committee on the Public Lands, to which was referred the bill (H. R. 13353) to extend the provisions of the homestead laws touching credit for period of enlistment to the soldiers, nurses, and officers of the Army and the seamen, marines, nurses, and officers of the Navy and the Marine Corps of the United States who have served or will have served with the Mexican border operations or during the war with Germany, reported the same with amendment, accompanied by a report (No. 870), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HOUSTON, from the Committee on War Claims, to which was referred the bill (H. R. 4440) for the relief of the heirs of Mrs. Susan A. Nicholas, reported the same with amendment, accompanied by a report (No. 864), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ZIHLMAN: A bill (H. R. 13426) authorizing and directing the Secretary of War to make certain donations of ordnance and cannons to designated cities; to the Committee on Military Affairs.

By Mr. KELLY of Pennsylvania: A bill (H. R. 13427) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Monongahela River at or near the borough of Wilson, in the county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: A bill (H. R. 13428) for the protection and improvement of the Lassen Volcanic National Park, Cal., and for other purposes; to the Committee on Appropriations.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13429) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Ohio River at or near McKees Rocks Borough, in the county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. HUSTED: A bill (H. R. 13430) to amend section 1766 of the Revised Statutes relating to officer in arrears; to the Committee on the Judiciary.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13431) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Monongahela River at or near the borough of Wilson, in the county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. RIORDAN: A bill (H. R. 13432) providing for a survey of Great Kills, Staten Island, N. Y.; to the Committee on Rivers and Harbors.

By Mr. STEELE: A bill (H. R. 13433) to promote interstate trade or commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GANDY: A bill (H. R. 13440) transferring jurisdiction and control over Battle Mountain Sanitarium of the National Home for Disabled Volunteer Soldiers from the Board of Managers of the National Home for Disabled Volunteer Soldiers to the Secretary of War for use for Army hospital purposes for the period covered by the exigencies growing out of the present war; to the Committee on Military Affairs.

By Mr. DARROW: Joint resolution (H. J. Res. 371) expressing the sense of Congress on the punishment of the late Emperor of Germany and everyone associated with him in violation of the law of nations and the committing of brutal atrocities in the late war; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 13434) granting a pension to Adeline Bomgardner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13435) granting an increase of pension to William R. Roark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13436) granting an increase of pension to Burnetta Dayton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13437) granting an increase of pension to Frank B. Gillespie; to the Committee on Invalid Pensions.

By Mr. FORDNEY: A bill (H. R. 13438) granting an increase of pension to Charles H. Crandall; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 13439) granting a pension to Henry S. Palmer; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of president and faculty of Duquesne University, Pittsburgh, Pa., urging the independence of Ireland; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Resolutions by transportation bureau of the Denver Civic and Commercial Association, favoring the return of the railroads to the management of their respective owners at earliest date practicable; to the Committee on Interstate and Foreign Commerce.

By Mr. DOOLING: Resolutions adopted at a mass meeting of citizens of New York City, held at Corpus Christi Hall, November 26, 1918, relating to Irish freedom and self-determination; to the Committee on Foreign Affairs.

By Mr. ESCH: Resolutions of the Oshkosh Rotary Club, pledging their support to the principle of universal obligatory military training for all young men before voting age; to the Committee on Military Affairs.

By Mr. FULLER of Illinois: Resolutions of Rockford (Ill.) Affiliated Council, No. 169, of the North American Union, favor-

ing Senate bill 3475, concerning certification of death of soldiers; to the Committee on the Judiciary.

By Mr. KAHN: Resolution of San Francisco Sales Managers' Association, urging the appointment by Congress of a business-planning commission; to the Committee on Ways and Means.

Also, resolution by members of local board No. 151, New York City, urging passage of legislation recognizing the various draft boards for their past services; to the Committee on Military Affairs.

By Mr. LUNDEEN: Petition of Minnehaha Lodge, No. 827, I. A. of M., of Minneapolis, Minn., requesting permanent Government control and eventual ownership of the railroads of the United States; to the Committee on Interstate and Foreign Commerce.

Also, petition of Electrical Workers' Local No. 528, of Minneapolis shops, Chicago, Milwaukee & St. Paul Railway, asking that the railroads remain under Government control; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: Resolution urging the passage of Senate bill 4967, by faculty of State Normal School of San Jose, Cal.; to the Committee on Education.

By Mr. SCHALL: Resolution by Dr. S. N. Deinard, Rabbi Silbers, Rabbi Matt, Dr. Marcus, and M. Zipperman, and sundry other Jewish citizens of Minneapolis, Minn., urging intervention on behalf of the Jews in Poland and Galicia; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, *December 19, 1918.*

(Legislative day of Sunday, December 15, 1918.)

The Senate met at 12 o'clock noon on the expiration of the recess.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, S. Dak.	Myers	Smith, Ga.
Bankhead	Jones, N. Mex.	New	Smith, Md.
Beckham	Jones, Wash.	Nugent	Smith, S. C.
Calder	Kellogg	Page	Smoot
Culberson	Kenyon	Penrose	Spencer
Curtis	Kirby	Phelan	Sutherland
Dillingham	La Follette	Pittman	Thomas
Fletcher	Lenroot	Poindexter	Townsend
Gay	Lodge	Pollock	Trammell
Gerry	McCumber	Pomerene	Underwood
Gronna	McKellar	Ransdell	Vardaman
Hale	McLean	Shafroth	Watson
Harding	McNary	Sheppard	Weeks
Hardwick	Martin, Ky.	Sherman	
Henderson	Martin, Va.	Simmons	
Johnson, Cal.	Moses	Smith, Ariz.	

Mr. McNARY. I desire to announce that my colleague [Mr. CHAMBERLAIN] is absent on official business.

Mr. TOWNSEND. I wish to announce the absence of my colleague [Mr. SMITH of Michigan] on account of illness.

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is absent owing to illness.

Mr. SUTHERLAND. My colleague the senior Senator from West Virginia [Mr. GOFF] is absent on account of illness.

The VICE PRESIDENT. Sixty-one Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13261) providing for the transportation from the District of Columbia of governmental employees whose services no longer are required.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

H. R. 13261. An act providing for the transportation from the District of Columbia of governmental employees whose services no longer are required; and

S. J. Res. 187. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Member of Congress.

SHIPS OF WAR SURRENDERED TO THE ALLIES.

Mr. LODGE. Mr. President, I know this is a recess and there is no opportunity for morning business, but I have a Senate resolution of inquiry which I should like to have read to appear in the RECORD. I shall call it up at the proper time when we have routine business.

The VICE PRESIDENT. Without objection, the resolution will be read.

The Secretary read the resolution (S. Res. 390), as follows:

Resolved, That the Secretary of State be directed to inform the Senate whether the report that the peace delegates of the United States at Paris are advocating the destruction of the ships of war surrendered to the allies and to the United States is correct; and, if so, by what authority the delegates to the peace conference are demanding the destruction of enemy property in part surrendered to the United States.

LEAGUE OF NATIONS.

Mr. PHELAN. Mr. President, on November 21, 1918, I submitted a resolution (S. Res. 351) approving the organization of a league of nations to prevent wars and enforce justice, which was ordered to lie on the table. I move that the resolution be taken from the table and be referred to the Committee on Foreign Relations.

The motion was agreed to.

LIQUOR TRAFFIC.

Mr. OVERMAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 2614) to amend sections 2139 and 2140 of the Revised Statutes and the acts amendatory thereof, and for other purposes, asked to be discharged from the further consideration of the bill and that it be referred to the Committee on Indian Affairs, which was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 5209) granting an increase of pension to David W. Herriman; to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 5210) to donate a gun or howitzer to the town of Claremont, in the State of New Hampshire; to the Committee on Military Affairs.

A bill (S. 5211) granting an increase of pension to Henry S. Silsby (with accompanying papers); to the Committee on Pensions.

By Mr. LENROOT:

A bill (S. 5212) for the relief of Philip S. Everest; to the Committee on Claims.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL.

Mr. JONES of Washington. I ask unanimous consent to submit an amendment intended to be proposed to the legislative, executive, and judicial appropriation bill. I simply wish to say that it relates to the compensation of clerks and assistants to Senators, which we have had up several times before, and on which I hope to have favorable action by the committee hereafter. I move that the amendment be referred to the Committee on Appropriations and printed.

The motion was agreed to.

SALARIES OF FEDERAL JUDGES.

Mr. GORE submitted an amendment intended to be proposed by him to the bill (H. R. 12001) to amend an act entitled "An act to revise, codify, and amend the laws relating to the judiciary," approved March 3, 1911, which was referred to the Committee on the Judiciary and ordered to be printed.

THE REVENUE.

Mr. KELLOGG submitted an amendment intended to be proposed to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

AERIAL MAIL SERVICE.

Mr. SHERMAN. Mr. President——

Mr. SIMMONS. Mr. President, I must object to further routine business to-day.

Mr. SHERMAN. May I offer a matter that I wish referred to the Committee on Military Affairs?

Mr. SIMMONS. I will be glad to yield to the Senator if he will just send it to the desk.

Mr. SHERMAN. Yes; it will take but a moment. I submit a communication from Capt. B. B. Lipsner, lately received, relating to the aerial mail service. I think it ought to go to the Committee on Military Affairs.

The VICE PRESIDENT. It will be so referred.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. When we recessed on yesterday, it was with the understanding that we should take up this morning the

section relating to the repeal of the zone system. I understand the Senator from Georgia [Mr. HARDWICK] is ready to proceed with it.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 276 the committee proposes to add a new section, to be known as section 1402, in the following words:

SEC. 1402. (a) That section 1103 of the revenue act of 1917 is hereby repealed.

(b) Section 1101 of such act is hereby amended to read as follows:

"SEC. 1101. That on and after July 1, 1919, the rates of postage on publications entered as second-class matter (including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, shall be 1 cent per pound or fraction thereof for delivery within the first and second zones applicable to fourth-class matter, and 1½ cents per pound or fraction thereof for delivery within any other zone."

(c) This section shall take effect July 1, 1919.

Mr. HARDWICK. Mr. President, I hope to have the attention of Senators present, because I am not endeavoring to make a speech, but to present certain facts in behalf of the Post Office Department. Senators who are about to vote on this question undoubtedly will want to do so with the fullest information possible on the merits of the matter upon which they are about to vote. For that reason I express the hope that the Senate may give me its attention, and in return I promise to be as brief and compact in my statement of the matter as possible.

Under date of December 13, 1918, the Post Office Department sends me this memorandum respecting the proposed committee amendment:

The rates proposed in the revenue bill for second-class matter would abolish the present zone rates and make the flat rate of 1 cent a pound for the first zone of 150 miles; beyond that it would be 1½ cents per pound. This would make the old second-class rate apply to the first 150 miles and the increase beyond that but one-half cent per pound. This would possibly increase the revenue over the old rate—

That is, the old law before the war—

approximately $4,000,000 annually, not as much additional revenue as will be derived from the present law during the first year.

The Senate will recall, let me say parenthetically, that in the first war-revenue bill we increased these rates through a period of years, climaxing, my recollection is, at the end of the third fiscal year.

If the amendment proposed in the revenue bill now before the Senate is finally made law, the second-class publications will be handled at an annual loss of approximately $68,000,000. It was estimated that the zone rates now in effect would ultimately have increased the revenue on second-class matter about $18,000,000 or $20,000,000. Even at those rates in effect the loss would have been at least $50,000,000 over the cost of transportation handling. The proposed rates will not pay the handling costs in any instance, let alone the transportation and other charges.

Mr. President, it is therefore evident to the Senate, unless Senators are prepared to dispute the statements of fact made by the Post Office Department, that second-class mail matter was being handled at the time this war began at an annual loss of approximately $70,000,000. The figures have varied, I think, all the way from $68,000,000 to $73,000,000.

When we passed the last war-revenue bill it was finally voted into that bill that there should be an increase on the zone system, applicable to the advertising sections alone of newspapers and magazines, which the department now says it estimates at the period when the greatest increase would be applicable to reduce that loss, the deficit of handling this sort of matter from $18,000,000 to $20,000,000 per annum by that amount.

Now, the Senate Committee on Finance proposes, before this law can have but a few months' trial, to substitute for it a proposition which will not possibly increase the postal revenues from this class of matter more than $4,000,000, and which will still leave the Government handling publications of that character and mail matter of that class at an annual loss of approximately $60,000,000.

Mr. President, I think the most complete and comprehensive statement of the facts that was ever made with reference to this much-disputed matter was made on the 1st day of May, 1918, before the Senate Committee on Post Offices and Post Roads by the present able and efficient First Assistant Postmaster General, Mr. Koons. The Publishers' Association, supporting Senator MCKELLAR's proposition, had appeared before that committee. They had been given an extended and exhaustive hearing. At the conclusion of their hearing Mr. Koons, representing the Government, appearing for the Post Office Department, presented what I regard as the most compact and complete statement of the facts with reference to this matter that has ever appeared in print.

The old law affecting second-class mail rates, or establishing them, which the Senate committee proposes to restore with a slight increase, almost inappreciable, of $4,000,000, was passed in 1885. Mr. Koons, on that question, presenting the view of the department, made this short statement of fact to which I wish to invite the attention of the Senate. He said:

The matter of increased rates of postage on second-class matter has been pending for a great many years. The present low flat rate was enacted in 1885. It has been investigated by at least one commission and on numerous occasions by the department. Increased rates have been recommended by practically every Postmaster General for the last 12 or 15 years.

The act that goes into effect on the 1st of July, as you know, is a part of the revenue bill. The department's attitude on the legislation was stated yesterday by Senator HARDWICK, and is a matter of public record. The Congress has passed this legislation. The department is not in favor of any change or suspension of the law at this time.

The bill as passed, as you know, provides a separate rate for reading matter and advertising matter.

Proceeding with the statement before the committee, Mr. Koons said——

Mr. POMERENE. May I ask the Senator what he is reading from?

Mr. HARDWICK. I am reading from the hearings before the Post Office Committee, May 1, 1918, the statement of the First Assistant Postmaster General, Mr. Koons.

Continuing his statement before the committee, Mr. Koons observed that the existing law—that is, the so-called zone system for advertising matter—had been framed by the department, by the Postmaster General, and by that officer of the Government presented to the conferees on the first war-revenue bill, by them adopted, and by them reported to both Houses of Congress, which finally assented thereto.

He continues:

The present low flat rate of 1 cent a pound has been in effect for many years, and that rate was fixed for the purpose of the dissemination of news and educational matter. It was the desire of the department that this flat rate be continued. At the time the present law was passed the advertising matter constituted about 5 per cent of the publications, and the flat rate will continue on publications that do not exceed this amount.

That was in 1885 that the per cent of advertising matter, taking the country as a whole and these publications as a whole, both magazines and newspapers, amounted to 5 per cent of the total contents of their respective publications.

Mr. Koons appears there to go on to demonstrate from the facts on file in his office that the percentage of advertising matter carried in the publications of the country, both in magazines and newspapers, has increased to such an extent that to-day it is at least 50 per cent or probably more.

Mr. LA FOLLETTE. Mr. President, there was so much confusion in the Chamber at the time the Senator from Georgia made his statement as to the provisions of the old law that I am going to ask him to repeat it.

Mr. HARDWICK. Very well. The provisions of the old law——

Mr. LA FOLLETTE. I refer to the provisions of the law which was passed in 1917.

Mr. HARDWICK. The provisions of the old law, which imposed the present flat rate of 1 cent a pound—the purpose of which was to encourage the dissemination of educational matter throughout the country—should be continued on all reading matter, but that on advertising matter—and that is very easy to determine with a foot rule—the department would exact a slight increase, graduated through a scale to a climax at the end of the third fiscal year, from which increase the department estimates that from $18,000,000 to $20,000,000 of this $70,000,000 deficit on this class of postal matter would be saved to the Government and to the Public Treasury at the end of the three-year period and annually thereafter.

Mr. Koons, in proceeding with this proposition, took the Saturday Evening Post, Harper's Weekly, and a great many of the leading magazines throughout the country. He showed the development of the advertising proportion of their matter in each of these publications, beginning at a very low rate in 1885—an average of 5 per cent throughout the country—of advertising as compared to the total space in these publications, which has increased until it has reached an average of 50 per cent throughout the country.

I pause here, Senators, to show you the kind of matter which we are handling as mail. Now, here [exhibiting] is a recent issue of the Iron Age. Its weight is 5½ pounds. It is almost entirely advertising. Any Senator who desires to do so can examine it.

Mr. POMERENE. Mr. President, I desire to ask the Senator from Georgia who is the publisher of the Iron Age?

Mr. HARDWICK. I shall have to examine the publication in order to answer the Senator. I suppose it is published by a company, as most of these magazines are.

Mr. POMERENE. Mr. Penton is the publisher, is he not?

Mr. KELLOGG. Yes.

Mr. HARDWICK. He may be at the head of the company.

Mr. POMERENE. I may say that Mr. Penton is one of the most earnest advocates of the increase of postage on second-class mail matter.

Mr. HARDWICK. Well, it is very much to his credit; and I am glad to hear the Senator from Ohio make that statement.

Mr. POMERENE. The Senator will find, in the discussion which occurred on this question probably a year ago, that I introduced a letter from Mr. Penton urging the increase.

Mr. HARDWICK. I am very glad to hear the Senator say that, and it reflects very great credit on Mr. Penton.

Mr. POMERENE. I may also say that Mr. Penton not only has control of the publication to which the Senator from Georgia has called attention but he also has control of three or four or perhaps five other similar publications.

Mr. HARDWICK. Yes. I presume the Senator from Ohio knows the facts; and I again say that it is very much to the credit of this gentleman that he does not want to continue that indefensible graft which we are responsible for, if we continue the policy at the expense of the taxpayers and Treasury of this country.

I want to read to the Senate briefly an analysis made by the Post Office Department in reference to this particular magazine, the Iron Age.

Mr. KELLOGG. From what issue is the Senator from Georgia reading?

Mr. HARDWICK. I am reading from a statement of the department as to the issue of January 3, 1918. What I shall now read is not found in the hearings. The Iron Age is a weekly publication. The analysis is as follows:

Weight per copy—pounds	5¼
Circulation (weekly) (about)	14,000
Estimates based on 90 per cent by mail (about)	12,600
Pounds mailed this issue (about)	64,000
Postage at 1 cent per pound paid on same	640
If sent by express, charges, with war tax, would have been from 11 to 54 cents per copy.	
At minimum of 11 cents per copy	$1,386
Advertising rate per page—	

That is what the publisher or the publishing company got for advertising—

This issue	$42
Number pages advertising this issue	692
Total number pages this issue	848

So out of 848 pages, 692 were advertising—

Percentage of advertising—per cent	81
Advertising revenue this issue	$29,000

The Post Office Department lost nearly $4,000 in the distribution of this one issue.

Mr. President, I next take up one of the trade journals, which is called the Hardware Age. The department sends me an analysis of a single copy of that publication. I am not going to bore the Senate by putting in a great number of these, but I am going to take two, merely to show that the one that I have offered is not exceptional. The analysis as to this issue of the Hardware Age of February 7, 1918, is as follows:

Hardware Age, annual spring buying number, issue of Feb. 7, 1918.

Weight per copy—pounds	2½
Circulation (weekly) (about)	18,000
Estimates based on 90 per cent by mail (about)	16,200
Pounds mailed this issue (about)	40,500
Postage at 1 cent per pound (present rate) (about)	$405
If sent by express, charges, with war tax, would have been from 11 cents to 36 cents per copy.	
At minimum of 11 cents per copy (about)	$1,782
Advertising rate per page this issue	$56
Number pages advertising this issue	309
Total number pages this issue	420
Percentage of advertising this issue—per cent	73
Advertising revenue	$17,304

The Post Office Department lost nearly $2,500 in the distribution of this one issue.

I have had sent to me by the Post Office Department a great number of other exhibits of the same kind and type, demonstrating, as they do, a condition that ought to be intolerable to any man who knows the facts accurately, and representing a condition which I do not believe any Senator of the United States will vote to perpetuate and continue if he knows the truth about the matter.

Mr. SHAFROTH. Mr. President, I desire to ask whether or not there is any postage on the reading matter in these magazines over and above what there was under the old law?

Mr. HARDWICK. Not one penny is added. The original policy established by this Government was that, in order to encourage the dissemination of information among the masses of the people, which is necessary if democratic institutions are to be maintained and perpetuated, we would give practically a nominal rate for the diffusion among the people of that sort of information, and the law which the committee is now seeking to repeal left that policy absolutely unchanged and unaltered.

Mr. SHAFROTH. That is a rate of 1 cent per pound?

Mr. HARDWICK. Yes, sir; a rate of 1 cent a pound.

Mr. SHAFROTH. Now, I should like to ask the Senator whether the Government sustains a loss on the shipment of this second-class matter even at 1 cent a pound on the reading matter?

Mr. HARDWICK. Yes. I have already told the Senate that the loss by reason of that fact is $70,000,000 a year.

Mr. SHAFROTH. Can the Senator estimate how much the loss is per pound?

Mr. HARDWICK. I can state to the Senator that the estimate of the Hughes Commission—and the department approved of it—was that it cost the Government 8 cents and a fraction per pound to handle and transport this second-class mail matter, taken as a whole. Therefore when we charged a cent a pound we lost over 7 cents a pound on every pound we handled. I will give the Senator from Colorado the exact figures, if he would like to have them, though I have stated them substantially.

Mr. SHAFROTH. I should like to have the exact figures.

Mr. HARDWICK. It is incomprehensible to my mind——

Mr. MYERS. Mr. President, I should like to ask the Senator if the committee purposes entirely repealing the law to which he has referred and going back to the old system?

Mr. HARDWICK. Almost that. The committee proposes that after——

Mr. MYERS. I should like to know what it does propose.

Mr. HARDWICK. The Senator will find it in the bill on page 276.

Mr. SHAFROTH. It establishes a rate of one and a half cents a pound after the second zone.

Mr. HARDWICK. After the second zone—which is 150 miles, according to my understanding—they propose to charge a cent and a half a pound instead of 1 cent, and a cent per pound even on such stuff as this [exhibiting] in the first zone.

Mr. MYERS. Then it is without limit after they get out of the first zone?

Mr. HARDWICK. After they pass the first two zones there will be charged a cent and a half, without any further charge for advertising matter or anything else.

Mr. SHAFROTH. And leaving a loss of six and a half cents on each pound shipped by the Government?

Mr. HARDWICK. Involving a loss of six and a half cents on each pound shipped by the Government, amounting, the Postmaster General says, to $60,000,000 out of the pockets of the taxpayers and the Public Treasury of this country.

Mr. THOMAS. Mr. President, is it not also true that the owners of these periodicals, as to the short hauls, instead of taking advantage of the mails or of the mail routes use the express companies, because they find it cheaper? So they put the long haul upon the Government and deprive it of the profitable short haul by taking advantage of the express companies.

Mr. HARDWICK. Undoubtedly; but we have no right to expect anything else. That is just good business on their part.

Mr. THOMAS. Of course; and I am not complaining about it.

Mr. HARDWICK. But I understand the fact is as the Senator states it.

Mr. THOMAS. And it is something that ought to be considered in connection with this proposition.

Mr. HARDWICK. The Senator is quite right; that does not add to the beauties of the situation, considered from the standpoint of the taxpayer and the Public Treasury. But it seems to me that we have not any right as sensible men to expect that they as sensible business men will do anything else except that.

Mr. SHAFROTH. I should like to ask the Senator another question, namely, whether this cheap rate of postage, in the case of magazines particularly, has had a tendency to increase the advertising matter in the magazines and to make it more profitable to the magazines themselves?

Mr. HARDWICK. I think it has, of course; I think the Senator's question answers itself. Under this principle of the Government which we put into the law for the education of the people, a great commercial business has been built, which has been sustained and fostered and strengthened and enriched out of the Public Treasury and at the expense of the Nation. It is not only true, let me say to the Senator, with reference to the magazines, but it is true with reference to every newspaper in this country, daily and weekly alike.

Mr. SHAFROTH. Has the Post Office Department made any estimate as to the increase in advertisements and increase in their profits occasioned by the low rates?

Mr. HARDWICK. Yes, sir; I have made some reference to that, and, if the Senator will give me his attention, he will find that I am going to cover that pretty well, I think.

Mr. SHAFROTH. Very well.

Mr. HARDWICK. Mr. Koons continues—

We have been able to find a few of the publications in the Public Library. The Saturday Evening Post, for instance, on July 11, 1885, carried a total number of columns of 64. It carried 3.7 columns of advertising. In the issue of April 14, 1917, the total number of columns of that publication was 528, with 324 columns of advertising, or 61 per cent of advertising. It has increased from 5.8 in 1885 to 61 per cent of advertising.

Harpers Magazine apparently carried no advertising, so far as we are able to ascertain, in the early days. In the issue of January, 1885—

When the law establishing the 1-cent rate was originally put into effect—

it carried 48 columns (of advertising) out of a total of 328. In the issue of April, 1917, out of a total of 574 columns it carried 238 columns of advertising; or had increased from nothing to 41.49 per cent.

That statement is true with reference to a great number of other publications.

Mr. SMITH of Arizona. Nearly all of them.

Mr. HARDWICK. Yes. And let me say, Mr. President, that it is not only true with reference to the magazines, from which we all seem to be willing to require to render full and exact justice to the Public Treasury and to the people of the United States, but it is true with reference to the newspapers, that most of us want to favor and exempt in this matter. I will demonstrate that, too, before I finish.

I desire now, Mr. President, to ask permission to incorporate in my remarks, without wearying the patience of the Senate to read them, the tables to which I have referred.

The VICE PRESIDENT. Without objection, it is so ordered.

The tables referred to are as follows:

Proportion of advertising to reading matter in certain publications of the dates indicated.

SATURDAY EVENING POST, PHILADELPHIA, PA.

Date of issue.	Total columns contents.	Advertising columns.	Advertising.	Date of issue.	Total columns contents.	Advertising columns.	Advertising.
			Per ct.				Per ct.
Aug. 1, 1871	48	1½	3.12	July 22, 1876	68	4.4	9.16
Oct. 17, 1874	48	1½	3.12	Jan. 3, 1885	64	5.4	8.44
Dec. 26, 1874	48	0.7	1.50	May 2, 1885	64	3.2	5.00
Jan. 1, 1876	48	8.1	17.00	July 11, 1885	64	3.7	5.80
May 6, 1876	48	7.5	15.62	Apr. 14, 1917	528	234.0	41.00

HARPER'S MAGAZINE, NEW YORK, N. Y.

June, 1850	290	None.	None.	January, 1875	302	None.	None.
July, 1850	290	None.	None.	June, 1875	320	None.	None.
August, 1850	296	None.	None.	October, 1875	302	None.	None.
September, 1850	288	None.	None.	January, 1885	328	48	14.63
October, 1850	286	None.	None.	May, 1885	320	52	16.25
November, 1850	286	None.	None.	October, 1885	370	44	11.89
December, 1850	288	None.	None.	April, 1917	574	238	41.49

NORTH AMERICAN REVIEW, NEW YORK, N. Y.

January, 1850	264	None.	None.	July, 1875	244	3	1.23
April, 1850	276	None.	None.	October, 1875	208	23	8.61
July, 1850	272	None.	None.	January, 1885[1]	116	18	15.51
October, 1850	264	None.	None.	May, 1885[1]	108	10	9.34
January, 1875	252	7	2.78	October, 1885[1]	114	6	5.31
April, 1875	260	7	2.70	April, 1917[1]	178	16	8.99

[1] Monthly.

AMERICAN AGRICULTURIST, NEW YORK, N. Y.

January, 1850	62	4½	7.26	October, 1875	120	29½	24.58
March, 1850	64	7½	11.19	January, 1885	144	45	31.25
October, 1850	64	5½	8.85	March, 1885	150	57	38.75
January, 1875	132	35½	26.89	October, 1885	150	58½	38.00
March, 1875	120	33½	28.06	May 12, 1917	80	32	40.00

Mr. HARDWICK. After giving these tables, Mr. Koons concludes with this proposition:

This shows—

That is, the tables referred to—

that since the present law—

That is, the 1-cent law of 1885—

was passed a new feature has entered into the business of these publications, and that is the feature of advertising. They have commercialized to a large extent the second-class matter.

Mr. Koons was next asked to give to the committee the prices that these users of the second-class mail privilege get for their advertising, and he gives us a table showing what they get per page and per column. Take, for instance, the Saturday Evening Post. The price for advertising in that publication is $5,000 a page and $1,250 a column. The different publications receive varying amounts, but I am not going to weary the patience of the Senate by reading this table. I am going to ask, Mr. President, in a general way, permission to include each of the tables to which I shall refer during the course of these remarks without other than the general permission from the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

The table last referred to by Mr. HARDWICK is as follows:

Prices for advertising.

	Page.	Column.
Christian Herald	$800.00	$255.00
Saturday Evening Post	5,000.00	1,250.00
Collier's Weekly	3,000.00	750.00
The Youth's Companion	1,600.00	475.00
Literary Digest	1,280.00	435.00
Harper's Magazine	225.00	112.50
American Magazine	1,200.00	420.00
Delineator	3,500.00	1,000.00
Everybody's	700.00	250.00
Farm Journal	2,205.00	750.00
Good Housekeeping	1,000.00	357.50
Ladies' Home Journal	6,000.00	1,600.00
Cosmopolitan	1,750.00	643.50
McCall's	2,160.00	804.00
McClure's	1,445.00	425.00
Metropolitan	1,400.00	350.00
Modern Priscilla	1,680.00	420.00
Review of Reviews	300.00	150.00
Scribner's	250.00	125.00
Successful Farming	1,800.00	600.00
Woman's Home Companion	3,800.00	1,000.00
World's Work	224.00	112.00
Iron Age	72.00	(?) 36.00
Engineering News-Record	(?) 18.00	(?) 24.00

Mr. SHAFROTH. Does the $5,000 referred to by the Senator relate to the rate for advertising in one issue only or for a year or for a month?

Mr. HARDWICK. The rate for each issue.

Mr. SHAFROTH. For one issue?

Mr. HARDWICK. For one issue—$5,000 a page and $1,250 a column. If any Senator wishes to ask about any particular one of these publications, I have the information here for him, and I think I am prepared to give it, but he will find these tables in the RECORD if he will read them after they are printed.

The fact is, Mr. President, that these men have grown rich out of commercializing the Governmental principle of sending through the mail reading matter at a nominal rate among the people in order to maintain democratic institutions in a free country. The position of the Post Office Department, and my position here to-day, speaking for them and in my representative capacity, is that we ought to make these men, every one of them, pay to the extent to which they have commercialized this principle. It is all right to continue to let them educate our people, if by courtesy in some cases we still choose to term it "education," by sending out publications among them; but it is all wrong to let them commercialize the proposition to the extent of more than 50 per cent and to send out their advertising in books like this [exhibiting] at a cost of thousands of dollars to the Government for each issue of each one of these publications.

Mr. POMERENE. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. POMERENE. I have before me the letter of Mr. John A. Penton, of the Penton Publishing Co., written to me on June 7, 1917.

Mr. HARDWICK. I should be glad to have the Senator read it, if he cares to do so.

Mr. POMERENE. I will send it to the desk and ask to have it read.

Mr. HARDWICK. Is it a very long letter?

Mr. POMERENE. It is about a third of a column.

Mr. HARDWICK. I do not object to the Senator having it read.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

[From the CONGRESSIONAL RECORD of August 27, 1917, at page 6362.]

THE PENTON PUBLISHING CO.,
Cleveland, June 7, 1917.

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.

MY DEAR SIR: We desire to make a protest against the suggestion to increase, particularly at this time, the cost of letter postage to the people of the United States. A burden of more than $60,000,000 a year would be imposed upon them if Congress puts into effect the proposal to advance the rate of the ordinary letter from 2 to 3 cents and of the postal card from 1 to 2 cents. This is seriously contemplated despite the fact that over $70,000,000 is given annually as a subsidy to the publishers of America in the form of a rate of 1 cent a pound for carrying their publications when it costs perhaps 7 or more cents a pound to perform this service.

Receiving the benefit of this service there are actually, for instance, monthly publications weighing as little as 75 to the pound. In other words, one of these periodicals must be carried and delivered through the mails for six and one-fourth years for 1 cent.

A subsidy such as this is outrageous. In our judgment it would be entirely justifiable for our Government to pay a bounty to build up our merchant marine, which involves international competition; but in our domestic business Government aid is unwarranted, and those accepting it do, in a sense either consciously or unconsciously, make of themselves objects of charity. Congress has no jurisdiction over foreign ships, which, under normal conditions, are the recipients of Government aid of one kind or another, but it might well overcome the handicap resting against American ships by some character of Federal assistance. Congress has, however, complete jurisdiction over all domestic enterprises, including publications.

The daily, weekly, and monthly periodicals of the United States have in a majority of cases carried on an incessant campaign against every real and imaginary form of special privilege for many years. At the same time they are themselves the greatest, most insistent, irrepressible, and unyielding seekers for Government aid in this or any other Nation. There is no more excuse, economic, educational, or sentimental, for this unrestrained expenditure of public funds than there would be were the Federal Treasury to subsidize our railroads, street cars, lighting systems, department or corner grocery stores.

To hand over $70,000,000 annually to the publishers simply because they demand it is to yield to a "hold-up" of the most brazen kind. It is an example of Government extravagance which every Senator and Representative must know is indefensible.

To do this and then attempt to further penalize the business interests of America, who are the large buyers of postage stamps, while our first-class postage already shows a profit of upward of $80,000,000 a year, is but little short of a crime.

To say the least, it is immoral, and our company does not desire to be the beneficiary of a system that is as much of a reflection upon those who receive it as it is upon those who give it.

Yours, sincerely,

JOHN A. PENTON, *President.*

Mr. HARDWICK. Mr. President, I can only say that I congratulate the Senator from Ohio on the possession of so honest and so fair-minded a constituent. Although this man himself is a beneficiary, and a large one, as I have shown, of this very system, he has the honesty to repudiate it; and I wish there were more like him, not only among the magazine publishers, but among the daily and weekly publishers of this country.

Mr. POMERENE. Mr. President, I may say—perhaps I did say a moment ago—that he is a publisher of four or five trade journals.

Mr. HARDWICK. Four or five magazines of this character, I understood the Senator to say.

Mr. President, a moment ago the Senator from Colorado [Mr. SHAFROTH] propounded a question that I am coming to in detail next. He said the proposition is that we shall charge 1 cent a pound for the first 150 miles, and a cent and a half a pound for all hauls longer than that for this class of mail. What does it cost us to give the service? Reading from page 60 of the hearings, the Post Office Department, speaking through Mr. Koons, gave the committee, and through it the Senate, this information. He was asked the same question by the Senator from Tennessee [Mr. MCKELLAR], and his reply was:

Now, for the first, second, and third zone rates the average cost would be 5.44 cents a pound. That includes transportation, handling, and overhead charges. That is the first 300 miles. For the fourth zone, which is from 300 to 600 miles, 6.35 cents; in the fifth zone, which is from 600 to 1,000 miles, 7.76 cents; in the sixth zone, 1,000 to 1,400 miles, 9.18 cents; in the seventh zone, from 1,400 miles to 1,800 miles, 11 cents; and in the eighth zone, 1,800 miles and over, 12.62 cents.

Averaging for the country as a whole, and following the conclusions reached by the Hughes commission, which some years ago gave this very matter an exhaustive and careful investigation, the cost was stated to be for the country as a whole, $8\frac{5}{10}$ cents a pound.

The contention was made before the committee that a great part of this deficit came from magazines and trade journals of the character I have exhibited to the committee. The department, replying to that question through Mr. Koons, said this:

The estimated total expense for the daily and weekly papers was 53 per cent of the entire expense * * * for handling all second-class matter.

So that no Senator need delude himself with the idea that the loss comes principally from such publications as this, because 53 per cent of all—$53 out of every $100—comes from the newspapers themselves, which any man who reads them knows contain a large and an increasingly larger percentage of advertising matter in their columns, dailies and weeklies alike. The other 47 per cent of second-class matter, Mr. Koons said, was composed of magazines. The weight of the dailies and weeklies, based on an estimate made in 1912, was 400,000,000 pounds, and the total weight of all second-class mail matter was 704,000,000 pounds; so you see that his 53 per cent estimate is not excessive.

The contention was made by the publishers of certain small dailies, as I will term them for comparative purposes, published in cities the size of Nashville and Memphis and Atlanta and Savannah and cities of that type throughout the country, that they caused very little of this deficit; and a very distinguished and able gentleman, who was the owner and publisher of one of these papers at Nashville, undertook to make an elaborate argument before the committee to sustain that contention, on which contention, let me say, the McKellar proposition rests solely and exclusively. Mr. Koons's reply to him was to show the difference that that same gentleman made to his own subscribers when his paper, the Nashville Banner, was delivered by carrier in the one instance or by mail in the other; and he put in evidence before the committee the subscription rates charged on his paper under the two systems.

Now, here are the subscription rates for the daily and Sunday Banner by carrier in Nashville and the surrounding towns and by mail outside of Tennessee and Alabama and southern Kentucky:

By carrier, first, for one month they charge 65 cents. If delivered by mail, 45 cents for one month.

Three months, $1.95 if by carrier; $1.35 if by mail.

Six months, $3.75 by carrier and $2.60 by mail.

One year, $7.50 if delivered by carrier and $5 if delivered by mail.

So you can see how much this privilege is worth to daily newspapers of that kind and character.

Mr. KELLOGG. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. KELLOGG. Were those subscription rates under the law of 1917?

Mr. HARDWICK. No; this was the difference under the old law, before the law of 1917 came into effect. It must be remembered that the law of 1917 did not go into effect until July 1 of the present year.

Mr. HITCHCOCK. Mr. President, the Senator is aware that in delivering to a subscriber by mail in almost all cases the delivery is not made to his house, but is made to the post office in the town in bulk, whereas the newspaper in delivering to the subscriber by carrier delivers it by special messenger, practically, to his house; so that the cost of delivery in delivering by carrier is very much larger than it is in delivering at the post office in bulk, where the subscriber comes and gets his paper.

Mr. HARDWICK. Exactly; or where it is sent to him by the Government servants, either by the rural carrier or by the city carrier.

Mr. HITCHCOCK. In the case of rural delivery, it is delivered along the route; but most of the subscribers to daily papers are residents of towns, and the papers are delivered in mail bags to the post office, and the subscriber comes to the post office and gets his paper.

Mr. HARDWICK. No; very rarely.

Mr. HITCHCOCK. I am calling the attention of the Senator to the fact that the cost of delivery in one case is not comparable with the cost of delivery in the other.

Mr. HARDWICK. And I am replying by calling the Senator's attention to the fact that this privilege is worth a good deal to the publisher of that class of paper. That is right. They are sent to the post office. The Government then, at its own expense—and that is why this charge is all proper against the papers—sends them out, either by rural carrier or by city carrier, in most cases, to the residence. The papers in cities like Atlanta and Savannah are always delivered through the mail by letter carrier.

Mr. HITCHCOCK. Mr. President, the answer to that is this: If you take the town of Atlanta, Atlanta has its own daily papers.

Mr. HARDWICK. Yes.

Mr. HITCHCOCK. And people in Atlanta do not subscribe to a paper published in another city; but, on the other hand, the people living in a small town of, say, 500 or a thousand population, which has no delivery from the post office, are the ones who subscribe to daily papers; and if you take a town of, say, a couple of thousand population in Georgia, distant perhaps 100 miles from Atlanta, the people in that town taking a daily paper from Atlanta will go to the post office themselves and get it.

Mr. HARDWICK. They prefer that. They do not mind that. They like to go to the post office to see their neighbors and gossip about local affairs.

Mr. HITCHCOCK. I am impressing upon the Senator that his comparison of the daily rates when the paper is delivered to the individual home and the rates by mail when the subscriber goes to the post office and gets the paper is not a fair one.

Mr. HARDWICK. Well, I do not agree with the Senator; that is all. The Senator is not impressing it on me very much. He is not impressing me. I do not think so. Of course, the Senator is entitled to his opinion, but that is not mine.

Mr. Koons continues:

It will be observed that where delivery is made by the publisher, he charges $2.50 more per annum than where it is made by mail. This additional charge of $2.50, of course, covers the delivery cost only to the publisher. Based on the weight of the publication, this would be

an average cost of approximately 3 cents a pound for delivery service only, which the publisher charges the subscriber. These subscription rates also demonstrate that it is possible to charge two rates for subscriptions, or, in other words, to zone the rates as it will be observed that within a certain zone the subscription price is $5 per annum, and in a more distinct zone it is $7.50 per annum.

I next invite the attention of the Senate to the statement furnished it by the Post Office Department concerning the average haul, taking the country as a whole, of these various classes of publications that avail themselves of the second-class mailing privilege:

Average haul of different classes of publications, as shown by the department's testimony before the Hughes Commission.

	Average haul, miles.
Daily newspapers:	
Subscribers' copies	255.41
Sample copies	315.25
Subscribers' copies and sample copies combined	255.75
Weekly and other than daily newspapers:	
Subscribers' copies	489.89
Sample copies	495.99
Subscribers' copies and sample copies combined	490.13
Scientific periodicals:	
Subscribers' copies	793.82
Sample copies	790.21
Subscribers' copies and sample copies combined	793.62
Educational periodicals:	
Subscribers' copies	641.91
Sample copies	706.29
Subscribers' copies and sample copies combined	644.27
Religious periodicals:	
Subscribers' copies	598.38
Sample copies	666.47
Subscribers' copies and sample copies combined	599.27
Trade journal periodicals:	
Subscribers' copies	704.86
Sample copies	736.02
Subscribers' copies and sample copies combined	707.11
Agricultural periodicals:	
Subscribers' copies	520.83
Sample copies	576.51
Subscribers' copies and sample copies combined	525.49
Magazines:	
Subscribers' copies	907.64
Sample copies	1,027.02
Subscribers' copies and sample copies combined	920.79

That is 920 miles for the magazine as against about 255 miles for the daily newspaper, and about 490 for the weekly newspaper; but it must be remembered that both the daily and the weekly newspaper have a greater volume of business and a larger number of copies to handle than the magazines, and that fact has to be taken under consideration.

I next invite the attention of the Senate to the loss involved—the loss to the Government, to the Public Treasury, and to the people of the United States—by this transaction.

Mr. KELLOGG. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. KELLOGG. Does the Senator mean the loss between the bill of 1917 and the proposed committee bill?

Mr. HARDWICK. I am going to take up, first, if the Senator pleases—the Senator's question is very pertinent, because I have not yet made it exactly plain—first, what the loss is under the old act, the act of 1885; second, how much of that loss we would have recouped under the existing law, the zone system included in the war-revenue bill of 1917; and, third, how much of that loss we would recoup if we substituted the McKellar proposition for the existing law or for the committee amendment.

Mr. KELLOGG. As I understand, the law of 1917 provided that the zone system should go into effect July 1, 1918.

Mr. HARDWICK. Yes.

Mr. KELLOGG. And the Senator will give us an estimate of the difference in revenue between that law, if it is allowed to remain as it is, and the proposed changes in second-class mail rates?

Mr. HARDWICK. Yes, sir; between that bill and the rates that the committee proposes, and the rates that the Senator from Tennessee [Mr. McKELLAR] proposes. I am going to do it in all three instances.

Mr. KELLOGG. And the present amendment of the committee does reduce the charges for second-class mail, as I understand.

Mr. HARDWICK. It reduces the loss from it, the Senator means?

Mr. KELLOGG. Yes.

Mr. HARDWICK. Yes; $4,000,000, and I will tell you frankly——

Mr. KELLOGG. The committee amendment is a reduction over the one of last year?

Mr. HARDWICK. Oh, yes; it is a reduction to the publishers.

Mr. KELLOGG. Yes; that is what I mean.

Mr. HARDWICK. It leaves the Treasury about where it was before. The $4,000,000 is not worth the expense and trouble of collecting it, and the change is not worth making, because then we will be met with the claim that we have already started a reform in this matter, and reduced it, and the subject ought not to be reopened again.

Mr. KELLOGG. The reason why I ask the Senator is this: I am not on the Finance Committee, but I have been told by some members of the Finance Committee that the committee amendment would increase the revenues of the Government, and increase the charges to the newspapers over the existing law of last year.

Mr. HARDWICK. Let me read it again, because the Senator evidently did not hear what the Post Office Department said about it.

Mr. KELLOGG. I heard what the Senator read.

Mr. HARDWICK (reading)—

This would possibly increase over the old rate—

That is, the law of 1885—

approximately $4,000,000 annually.

The Senator has that figure fixed in his mind. He says:

It was estimated that the zone rates now in effect would ultimately have increased the revenue on second-class mail matter about $18,000,000 to $20,000,000.

In other words, the Post Office Department makes a statement that under the law contained now in the revenue act of 1917, which only took effect July 1, after the three-year period of increase is through and a maximum has been reached, an increase in the revenue from second-class matter of from $18,000,000 to $20,000,000 would result.

Mr. SMOOT. At the end of three years.

Mr. HARDWICK. Of course, the proposition would be a small increase—five or six million dollars the first year, ten or twelve million dollars the second year, eighteen or twenty million dollars the third year.

Mr. KELLOGG. Then, as I understand the Senator, it is claimed that in three years the increase of the revenue of the Government would be about eighteen or twenty million dollars.

Mr. HARDWICK. Yes, sir.

Mr. KELLOGG. But under the committee amendment only $4,000,000.

Mr. HARDWICK. Only $4,000,000. That is the fact. The department estimates that if the amendment proposed in the revenue bill now before the Senate becomes a law, second-class publications will be continued to be handled at an annual loss of approximately $68,000,000. The department contends also—it has estimated and does estimate—that the zone rates now in effect—that is, the existing law enacted in the revenue bill—would have ultimately raised the revenues by a sum of from eighteen to twenty million dollars; that is, when we arrive at the end of the three-year-period increases and reach the climax of increases, it was the figure that was to be annually raised thereafter.

Mr. President, it is utterly impossible to defend or justify the policy that this Government has maintained since these publications have been so largely commercialized. Just as this honest publisher out in Ohio said, it is a graft that no man who understands the truth can justify. I can not believe that the Senators of the United States for any motive, political or otherwise, with the truth staring them in the face and the facts known to them and their own Government appealing to them in the interest of the taxpayers and the Public Treasury, will continue to perpetuate this thing.

The truth is, Mr. President, that the increase carried in the revenue act of 1917 is from $18,000,000 to $20,000,000, but the period of gradual increase through a three-year period, in order to give these men time to adjust their business to it, is the most reasonable, and extraordinarily reasonable, increase in a matter of this kind that I ever heard suggested. We did not get near out of them what we ought to have gotten in the way of an increase. If the Government is losing $70,000,000, in round numbers, in this matter to carry publications, magazines, newspapers, and what not throughout this country that are one-half commercial and one-half advertising matter, instead of educational matter, it ought to recoup itself to the extent of $35,000,000 a year at least, instead of $18,000,000 or $20,000,000. Yet if we follow the recommendations of the Senate committee, instead of reducing the deficit from $70,000,000 to, say, $50,000,000 or fifty-odd million dollars, by taking back $18,000,000 or $20,000,000 of losses, as we have done in the existing law, we will only add a measly, trifling $4,000,000 to the revenues of the Government. If we were to adopt the proposition proposed by the Senator from Tennessee [Mr. McKELLAR], the effect would be simply this, that we would reduce the losses from the old standard by about $8,000,000 or, it may be, $10,000,000, at the outside, and practically exempt from con-

tributing their share to it all papers in towns of the size of Nashville, Macon, Atlanta, and Savannah. That is the real meaning of his proposition. I do not say he so intended it, but it is the effect of it. It is a middle ground. In other words, by the existing law we cut down the $70,000,000 deficit about $20,000,000—$18,000,000 at least—and under the proposal of the Senate committee suggested by the Senator from Utah we would reduce it $4,000,000 only. Under the proposition of the Senator from Tennessee [Mr. MCKELLAR] we would reduce it $10,000,000 at the outside.

It is very difficult, Mr. President, to make an argument of this sort to a Senate as busy as this one. I do not propose—because I am not trying to make any speech—to waste any further effort on it. I feel that I have discharged my duty by the Senate and by the Post Office Department and by the Government when I have done what I have in reference to the matter. I think Senators either know or can know the truth about this thing, and I am sure if they take the trouble to know they will not come in here and blindly vote for the committee amendment.

Mr. THOMAS. Mr. President, I am very glad the Senator from Georgia [Mr. HARDWICK] has given the Senate the benefit of his information upon this very important subject. That it is one of far-reaching importance has always been recognized, and particularly by the members of the Finance Committee, before which it has been very thoroughly discussed on at least one side of it on two occasions, one being during the pendency of the act of 1907 before the committee, and the other during the past summer and fall when the committee was considering the pending bill.

Mr. President, I have not the slightest desire to inflict any injustice or be the cause of any injury to the newspapers and periodicals of the country. If I thought that the present law in any wise unnecessarily placed a burden upon the shoulders of the publishers of the various magazines, newspapers, and journals, I should be among the last to insist upon its retention on the statute book.

I have not given this subject the same consideration that it has received at the hands of the Post Office Committee, where it properly belongs, but I have had occasion to look into it to some extent, and I have come to the conclusion, rightly or wrongly, that the old second-class postal rate has built up a system of periodicals and has operated to I will not say prohibit but very largely interfere with the circulation of local periodicals in the country to a degree which perhaps is not generally understood.

In correspondence with one of the representatives of the press during the past two or three months, my statement that the Government under the old system, as under the present system, was carrying and distributing second-class matter at a loss was challenged. It was very spiritedly challenged, with the result that I wrote a letter to the Post Office authorities and received from the Attorney General a statement the effect of which was substantially that to which the Senator from Georgia has already called attention.

I am, therefore, Mr. President, forced to the conclusion that we are giving the mail facilities of the Government of the United States to a certain class of its citizens at an enormous annual loss, while, on the other hand, we are unduly burdening other classes of mail matter from which a revenue and a large revenue has for many years been derived.

One of the most significant facts regarding the manner in which this evil has been taken advantage of is disclosed by the growth of the volume of second-class mail, which in 1880 was only 60,000,000 pounds, but which in 1907 was 1,202,000,000 pounds, an increase which is so enormous as to be almost incredible, but which is sustained by the statistics and records of the Post Office Department. Of course, it may be said that the growth of the country is commensurate with the growth of periodicals, and that in some degree is true, but the growth of the country, while very large, has certainly not kept pace with the growth of second-class mail matter.

In the very nature of things, Mr. President, it does but stand to reason that a system of postal rates which virtually carries one pound 2,000 miles at the same rate, or substantially so, at which it carries a half ounce is a losing proposition, or one which imposes an undue burden upon the lighter class of matter, and that is only saying that there would be a similar imposition in the other direction. The need for such a regulation if it existed, whatever the cost to the Government, could be justified by its existence; but the need, if there ever was a need, has in my judgment long ago disappeared.

Nowadays, Mr. President, the purpose of the average daily, weekly, and monthly periodicals is advertisements. Formerly these periodicals were circulated for educational purposes, for the dissemination of information, and for the amusement as well as the edification of the general public. We know that the press has been commercialized, however, along with practically everything else in this country, until the time has come when newspapers and periodicals are not so much distinguished for the substance of the reading matter which they carry as for the great bulk of advertising matter which through circulation they are able to command.

Mr. President, I am credibly informed, and I think there is no doubt about the fact, that under the old second-class postal system a great many periodicals were organized and instituted, and then proceeded to build up circulation by virtually giving it as a gratuity, sometimes for a comparatively small amount, frequently through combinations of different periodicals for practically nothing, the object being to establish a large circulation list, which, of course, is the best of all assets for advertising purposes.

Mr. JOHNSON of South Dakota. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. JOHNSON of South Dakota. I wish to ask the Senator if he means by the old system the system which was in operation before the law of 1917 went into effect?

Mr. THOMAS. That is exactly what I mean; and I believe that practice is equally feasible now because of the very slight increase. My attention has been called to a number of trade journals which have gone out into the highways and byways of the country and have offered irresistible inducements for subscriptions at prices far below the actual cost of the publication—sometimes below the cost of the paper used in the publication—and, of course, for the obvious purpose of approaching advertisers with a very large subscription list, which is not only valuable in securing advertisements but also in fixing the rate for which the advertisement shall be carried. That has resulted in an undue multiplication of trade journals. We have a number of technical journals on agriculture, mechanics, coal, mining of all kinds, ostensibly devoted to these lines of industry, but really prompted to come into being and inspired by the tremendous profits that can be realized from advertisements, and that is the reason for such a multiplication. I do not think that is good for the various pursuits which are particularly represented by these journals. I think half a dozen, or, if you please, one in every large community and State, ably managed and capably run, filled with information of a valuable and educational character, making the matter of advertisement entirely secondary to its value as an educational institution, is worth to the country and to the community a half dozen journals of similar character in the same community bent upon the obtaining of advertisements.

The daily and weekly newspapers have, I will not say, followed suit. They may, perhaps, have set the example. Take any of the great papers of the country and compare them with what they were 30, 35, or 40 years ago. In those days the managing editors of the great metropolitan papers of the country—New York, Chicago, Philadelphia, St. Louis, San Francisco—were leaders and directors of public thought and opinion. Who can name to-day, outside of the press gallery, of course, the managing editor of a single New York paper? Who knows who is the managing editor of a San Francisco paper, a Chicago or St. Louis paper, a Philadelphia paper; aye, the papers in Washington here? The reason is not far to seek. Journalism has become a specialized and commercialized industry and depends not upon its readers except in so far as the readers can be made available for advertising purposes.

Take the magazines. I have heard a good deal about the educational work which the magazines of the country must perform and which they can not perform if they are compelled to pay decent rates of postage. There was a time when most of the magazine literature of the country was educational in a high degree. I can recall a few years ago when it was the only medium of genuine public instruction, when it was really independent, and when it sought not so much to secure advertisements as to convey to people an actual knowledge of existing conditions, whether for good or for evil. They, too, yielded to the general impulse and fell into the general current, so that they were known more by the extent of their advertisements than by the reading matter which they contained, and to-day I do not know of a single magazine of the new birth, if I may coin the expression, by which I mean magazines other than the Century, Scribner's, the Atlantic, and Harper's Monthly, in which you can find anything whatever that is worth reading.

Then think of the crops, Mr. President, of cheap magazine literature containing stories, some interesting, some questionable, some decidedly off color, but accompanied always in the beginning and in the end of the books with vast quantities of

advertising matter, carried to the minds of those who are fond of that kind of so-called literature. They are the things which the advertiser wants to call to their attention for the purpose of increasing business.

Mr. JOHNSON of South Dakota. Mr. President——

Mr. THOMAS. I yield to the Senator from South Dakota.

Mr. JOHNSON of South Dakota. Mr. President, if the conclusions of the Senator from Colorado are correct—and I am inclined to think they are—this proposed amendment would affect every small weekly newspaper in the country and also every small daily.

Mr. THOMAS. I am coming to that, if the Senator from South Dakota will permit me.

Take the Sunday editions of the leading papers in every city having a daily newspaper in the United States, some of them having circulation all over the country. They generally consist of some 25, 75, and even 80 pages, including their comic supplement; and those comic supplements, Mr. President, are not only a disgrace to modern journalism, but they are a reflection upon the intelligence of the American public. Perhaps as high as 75 per cent of these papers contain advertising matter. Some of them contain some very interesting educational articles, but those could easily be condensed into a very small supplement. I am not complaining about the newspapers because, after all, in my judgment, the people get the class of newspapers they want and are willing to pay for, and the apology for the yellow newspaper is a yellow public in nine cases out of ten.

Mr. McKELLAR. Mr. President——

Mr. THOMAS. I yield to the Senator from Tennessee.

Mr. McKELLAR. Speaking of the educational advantage of magazines, I desire to ask when it is realized that we pay $70,000,000 per year bonus for those educational papers, would it not be better if the Government is going to do that, is going to afford that kind of education for the public, that the Government should publish its own educational magazines whereby the public could get something that would be really worth while?

Mr. THOMAS. The Senator's suggestion, Mr. President, is absolutely unanswerable. That is true, but I do not think the Government, if it desired to publish magazines, would publish such magazines, for example, as Adventure, the Black Cat, the Red Dog, and Stories of the Sea, and all that stuff and nonsense which to-day forms, I am sorry to say, a great, if not the greatest, element of reading matter of the public.

Some time ago, Mr. President, a gentleman whose little pamphlet on the subject I shall ask to have incorporated in the RECORD a little later, and who is the head of an association whose purpose is to secure, if possible, 1-cent first-class postage, called attention to the fact that the patronage of the public libraries was constantly decreasing with regard to books of real substantial educational value, while it was increasing very perceptibly as regards the trashy literature comprising what are called "the best sellers," and their imitations—and, of course, the imitations are very numerous—all of which has evidently as its origin the circulation of cheap, weedy literature, which no man who has anything to do at all would waste his time by devoting himself to.

Why is this so? Because these things can be scattered over the country at the public expense, and all subscription lists, once secured, become an asset for advertising. Fortunes of enormous amounts are made by a great many of these publishers, perhaps by the majority of them. I am not finding fault particularly with that, for it is merely a phase of human nature. If I were in the publishing business I should like nothing better than to start a magazine of some kind, and then go out and get as many subscriptions as possible all over the country and utilize them for the purpose of making money and for securing advertisements.

The Senator from South Dakota [Mr. JOHNSON] asked me a question with regard to the effect of these conditions upon the local periodicals and journals. When this subject was up last year the Senator from North Dakota [Mr. GRONNA] placed in the RECORD a letter which he had received from one of his constituents, the editor and proprietor of a newspaper at Devils Lake, I think, in his State. I hope that Senator will, before this subject is disposed of, again call attention to the substance of that communication, for it is the best thing upon the subject I have seen. This gentleman's name is Bloom; he used to live in my State, and I know him very well. His letter was a reply to an organization in the East committed to the repeal of the present law, and asking him to carry in his paper the literature of the organization in behalf of the repeal of the zone system. His answer was that he was in favor not only of the zone system but of an increase of rates, because, independently of the subject as considered from a national standpoint and from the standpoint of subsidy, of its effect upon local journalism. This gentleman, and others similarly situated, can not compete or if they do can only compete under adverse circumstances with Chicago papers enjoying the largess of the Government to such a degree as to enable them to lay down their issues every day at prices with which local competition is practically impossible.

Mr. President, if the so-called rural journalists of the country could only wake up to existing conditions, they would, in my judgment, be practically a unit in insisting upon the extension of these zone systems and the increase of the postage which the Government now exacts. There is a great loss at present, but this was the best that could be done under the circumstances, owing to the tremendous opposition of the beneficiaries of the system, and the average legislator, while he fears an organization or a union, is mortally afraid of a newspaper, because the newspaper has something to say pretty much every day, and to a gentleman of tender conscience and timid impulses such a thing, to use a common expression, is apt to get upon the nerves. It is because the daily press of the country and the periodical press of the country are the beneficiaries of this system that it is impossible to do away with the abuse and impossible to offer much remedy for it, and I think impossible to go any further than the present bill proposes.

One of the gentlemen who appeared before our committee sought to illustrate the injury of the present system upon periodicals by citing the case of the Sunset Magazine, which is printed at San Francisco, Cal. His wail was that, owing to the zone system, the Sunset Magazine had been able very largely to build up and increase its circulation by offering special inducements within the zones contained in the place of publication and those immediately adjoining. Mr. President, to my mind that was the strongest, or at least one of the strongest, possible argument in favor of its continuation, for it indicates that without it the publication in San Francisco, the publication in Denver, the publication in South Dakota, the publication in Kansas City, or in Texas, because of the partnership of the Government with the huge publications of the eastern houses, find their limitations prescribed for them, and, apart from the immediate wants of the particular locality, they are unable to spread the benefits of their particular publication, however desirable it might be to do so.

Mr. President, I refer now to another consideration. I called the attention of the Senator from Georgia [Mr. HARDWICK] to the fact that, so far as the short haul is concerned, the only haul upon which the Government can make any money at all on second-class matter, these periodicals use the express companies because they can get cheaper rates, with the result that the Government loses the profit which it might derive from the short haul and at the same time loses the difference between the cost and its charges upon the long haul. It gets left in both directions. I am not complaining about this, because any publisher, following the dictates of common business horse sense, will of course use the cheaper method of transportation wherever it is possible; but certainly, Mr. President, it is inconsistent for these people to come before the Congress of the United States and ask for the perpetuation of this subsidy when admittedly they only use it when it redounds to their financial benefit.

Mr. McKELLAR. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. McKELLAR. In other words, when the transportation rate is less than 1 cent, or when the periodical is transported such a short distance that the rate is less than 1 cent, the publisher uses the freight rate.

Mr. THOMAS. Yes.

Mr. McKELLAR. And the Government gets no advantage of the short haul.

Mr. THOMAS. None whatever; it is obsolete for all practical purposes.

Mr. McKELLAR. It is absolutely obsolete within a certain zone of the home office of a newspaper publication, but when it goes beyond the 1-cent rate they use the Government facilities and get the advantage.

Mr. THOMAS. Precisely; and that is good business. The newspapers must not be blamed for that; it is the conditions which cause it, Mr. President; and so long as they exist so long will they be availed of.

We have added four or five million dollars, I think—and four or five million dollars only—to the burden to those who patronize the second-class mail facilities of the Government, but for the purpose of raising revenue to meet war expenditures we increased the postage on first-class mail matter for long distances by 50 per cent, and we increased the postage rate on first-class mail matter for short distances, such as postal cards, 100 per cent, although for some time prior to the commencement of the war first-class postage was paying the Government a profit

of from seventy-five to eighty million dollars. By a stroke of the pen, Mr. President, we inflicted upon the people of the United States who patronize the mails by the use of first-class matter an additional burden of from sixty-five to seventy million dollars. If we are going to show favors, if we are going to extend privileges through the operation of governmental machinery, why should we not extend it to those who are already paying too much instead of increasing their burdens and barely touching the others?

Mr. President, if this subject could be stripped of its political aspects, I do not believe that the cent-a-pound proposal would get half a dozen votes in this body. If the matter could be regarded from the standpoint of what is fair and just and right to the taxpaying public of the United States, I do not think that any publishing organization would have the audacity to come here and insist upon the perpetuation of a system which subsidizes a class by imposing an added burden of millions upon the taxpayers of the United States.

Mr. President, I shall conclude by asking that there be inserted at the end of my remarks the little pamphlet which I hold in my hand, entitled "Justification of Zone-System Advances," by Mr. Charles William Burrows, of Cleveland, Ohio.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

JUSTIFICATION OF ZONE-SYSTEM ADVANCES IN POSTAGE RATES OF ADVERTISING MATTER IN PERIODICALS ENACTED IN FIRST SESSION OF SIXTY-FIFTH CONGRESS.

[A précis specially prepared for Members of Congress by Mr. Charles William Burrows, president National One Cent Letter Postage Association, 1219-20 Guardian Building, Cleveland Ohio, January, 1918.]

INTRODUCTION.

Many articles have appeared recently denouncing zone advances in mail rates on the advertising pages only of periodicals.

Most are clearly misleading as to what has been done, while insistently urging its undoing. An understanding, therefore, of what advances have been made and why is highly desirable.

Congress will scarcely undo the sole piece of constructive postal legislation looking toward right enacted in a generation. Magazines should not dare to ask that their "special privilege," a fraction only of which has been cut off, should be restored, while "everybody" else loyally consents to be "taxed till it hurts."

Most such articles deplore "a fine on reading"; are piteous about "sectionalism," prate about "perfidy," and misrepresent generally until they forcibly remind us of Macaulay's cogent statement that "the doctrine of universal gravitation would still be disputed if a financial interest were arrayed against it."

Every contention may be convincingly answered. Those mammoth issues which harp so nobly upon "special privilege" never turn the light inward.

Let us hope that publishers may in time see a light in connection with their industry, which, conducted like all others for profit, is the only one by law freed from paying cost of distribution of those advertising pages which are its merchandise. These latter, too, are simply circulars stitched together, and should pay third-class rates, or 8 cents a pound instead of 1.

IMPERATIVE NECESSITY FOR RECENT ADVANCES IN SECOND-CLASS MAIL RATES.

Many emphatic arguments exist for advances in the almost free second-class rates, but one of the strongest is that higher rates will diminish the ever increasing loss it occasions.

The volume of second-class mail—
In 1880 was only 60,000,000 pounds; loss about $4,000,000.
In 1890 was 204,000,000 pounds; loss about $12,000,000.
In 1900 was 450,000,000 pounds; loss about $27,000,000.
In 1910 was 873,000,000 pounds; loss about $52,000,000.
In 1917 was 1,202,000,000 pounds; loss over $70,000,000.

And 2,000,000,000 pounds, with accompanying loss of $125,000,000, was in sight within 10 years had advances not been made. This loss, which is due to the utterly insufficient rate periodicals pay, is a serious menace to the department's finances.

Second class practically doubles in volume each decade and consequent loss increases as rapidly.

Even though a surplus exists for the past year, the deficit created by second class is no less enormous, simply large profits upon letter mail permit the showing. Had each class paid its way the entire profit created by first class would have been revealed as surplus instead of a comparatively meager sum. It would have been $90,000,000 instead of only $9,000,000.

Giving service to second class, which (disregarding parcel post) is about two-thirds of the paid-for mail, for less than $11,500,000, while total expense runs $300,000,000, and requiring first class, in volume one-fifth as much and costing less, to pay $190,000,000 revenue (at pre-war rates) for service costing half that is an evident grave injustice.

Letter mail has produced $1,350,000,000 revenue in the last 10 years, while costing less than $750,000,000. On the contrary, periodicals at the almost free rate of 1 cent a pound (one-seventh cost) have within the same 10 years produced only $85,000,000 revenue, though costing about $800,000,000.

Moreover, this utterly inadequate revenue from over a billion pounds a year of periodical mail has resulted in cramped service everywhere, and here is found the main source of complaint about poor work.

In these days of war conservation in all ways, Congress absolutely can not sit quietly by and see 1,000,000,000 pounds of periodical mail grow to 2,000,000,000 within very few years. Publishers must begin to stand, not all, but a fairer part of cost of distributing their merchandise.

Fair play by all means, but no more $70,000,000 subsidy. No mischief; no check to healthy growth; tenderness even in lopping off part of the subsidy. With this in mind, Congress did not make the law operative until July, 1918, and then the first advance is small, while all will not be effective until 1921. "Reading" matter, moreover, is exempted from zone advances, which apply solely to advertising and then only if in excess of 5 per cent.

IS A ZONE SYSTEM OF ADVANCES "UNFAIR"?

Publishers often assert that postage rates for periodicals based on a zone system are "unfair." It will be seen by a little thought, however, that a step toward rather than away from "fairness" has been made.

Remember that the zone system applies solely upon high-priced advertising pages, simply circulars stitched together, which should go at third-class rate of 8 cents a pound instead of 1.

Also any reasoning about a "flat" rate based upon its being accorded to letter mail is fallacious. Handling of letters is a monopoly. You are not at liberty to send them in any way other than through the post office. Also as the rate is high, Government gets mostly profitable hauls. The revenue from billions of such letters not only takes care of loss incurred in handling the comparatively few which get long haul and delivery in sparsely settled regions, but also provides large net profit.

With second class this is all different. The pound rate it pays, only 1 cent, is a mere fraction of cost, and its carriage neither is a monopoly nor can well be made one, so publishers give long runs and single-copy deliveries to Government and short runs and bulk lots, on which the department might make a profit, to express companies. So Government gets all losing and no profitable business. Any "flat" rate on second-class mail will be "unfair" to the department, which will get little revenue from hundreds of millions of pounds of such mail. To users of letter mail, whose excessive rate produces revenue to care for loss occasioned by inadequate charge on second class, it is also "unfair."

There are, however, several kinds of second-class mail.

That which is hauled 2,000 miles and given copy distribution may easily cost 50 or more cents a pound, though paying but 1. Packages of daily papers, however, sent in bulk to near-by newsdealers may cost little more than they pay.

Can anyone think it "fair" to make the rate for these two kinds of service the same?

Moreover, lack of candor on the publishers' part is evident when we find them characterizing as "unfair" a zone basis for handling hundreds of millions of pounds of printed advertising, their merchandise, and yet remember that a few years ago they, one and all, clamored for a zone system for parcels of other merchandise.

From the service efficiency standpoint there is also to be found a strong argument against a "flat" rate for second class.

Of first class there are over 45 pieces in an average pound; of second class under 5 (4.72). Due to greater uniformity in size and lighter piece weight, a "sorter" can "throw" a tray of several thousand letters in "takes" of 20 quicker than he can "plant" one-tenth as many pieces of second class, many of which are of such awkward shape that they can not be "thrown" at all. Others are so heavy that it would damage other mail and equipment to "throw" them. They must be "placed" in bag or pigeonhole.

The above is another reason why a "flat" rate is economical for letters but not for second-class mail.

WHY A POUND-RATE LAW WAS ENACTED AND SOME OF ITS EFFECTS.

One publisher contends (Leslie's, Nov. 24, 1917, p. 174) that enactment of a pound-rate law was "voluntary," and that change was made, not for the benefit of publishers but of subscribers.

Passing a pound-rate law was forced by necessity. Postage on periodicals had been paid quarterly in advance by subscriber in driblet sums, running 7, 11, etc., cents. No track could be kept of these thousands of trifling amounts without prohibitive expense. It was difficult to keep accounts straight, and some made little effort to do so. Investigation became necessary and showed that of every 100 errors perhaps 90 were against Government.

So passage of a law collecting postage "at source" was enacted. Publishers protested against charges high enough to cover cost. The founder of one great magazine worked strenuously for low rates; and as the amount involved was small, they were granted.

To sum up, contrary to Leslie's statement, the law was distinctly passed not to benefit either publisher or subscriber but to diminish opportunity for fraud, and evidence exists that publishers had much to do with making the rate low when on June 23, 1874, the law was enacted. Rates were then, however, higher than now, being 3 cents a pound for magazine and 2 for newspapers.

The operation of this law entirely changed our periodical literature. The old literary magazine like Atlantic, North American Review, Century, Harper's, etc., had paid expenses, both of production and distribution, as does the book, through price charged. They contained a literary product of high class. They made for plain living and deep thinking.

The fruit of this enactment was a "subsidized" periodical getting distribution at practically a franking rate. Then was born a new kind of magazine, edited from the business office to carry advertising, only circulars stitched together, or third-class matter, which should pay 8 cents instead of 1.

Tempted by this nearly free distribution, an average of more than 10 new periodicals a day have secured second-class privileges for every day (Sundays and holidays inclusive) of the past 15 years.

Of the product thus evolved, the opinion held by one editor is shown in quotation from Howe's Monthly, Atchison, Kans., here presented:

"Best sellers in magazines vie with each other in vulgarity. They outrival each other as to which can be boldest without being barred from the mail. Stories dealing with sex problems, having unmarried mothers and women of the demimonde as heroines fill them. The country is overrun with publications issued to secure advertising under the benign protection of the second-class rate."

Without altogether agreeing with the editor, nevertheless the "weekly" literary matter of some, combined with the high-priced advertising that constitutes their bulk, make it evident that Government has distributed this load at heavy loss for years enough. It is time to call a halt.

At this time, when Government seeks to check all abuse, periodical publishing, organized for profit, as are other industries, should be abundantly satisfied to be advanced from one-seventh to one-third cost only instead of having to pay full costs of distribution. They should be grateful that a $70,000,000 subsidy is reduced one-third instead of abolished entirely.

As periodicals deliberately close their pages to articles opposing the second-class privilege, and as they are not only its beneficiaries but also constitute virtually the sole publicity machinery of the land, it is easily seen why this inquiry has persisted.

SECTIONALISM.

A recent article in Saturday Evening Post stated that zone advances for second-class mail would "denationalize" the press and introduce "sectionalism."

It further stated that we would not permit seaboard States to levy duties on trans-Mississippi wheat or bacon nor tolerate any sectional tariff.

To answer their contention, it is obvious that when merchandise is sent to different parts of the country and goes "prepaid," whether it be bacon, boots, books, or wheat, the freight will vary with distance and total cost will, therefore, vary, which variation, through price being figured on article delivered, sometimes shows indirectly.

It has never been argued, however, that for a packer to charge more for sending bacon 1,000 miles than 100 would "sectionalize" the United States. No more will slight differences in postage "denationalize" the country just because the merchandise, instead of being bacon, happens to be paper in shape of circulars stitched together, the advertising pages of periodicals.

As well might we attempt distribution of the fruits of the earth, the products of the manufacturer, the wares of the merchant at a "flat" rate as to extend this favor to over 1,000,000,000 pounds of periodicals, the merchandise of fewer than 30,000 publishers, whose output moreover is susceptible of such excessively rapid increase in volume.

When we reflect that this particular issue of the Post contained over 50 pages of advertising, costing $5,000 a page and upward, and that it carried, therefore, more than $250,000 of advertising, yet paid for its postage only about $15,000 for service that cost over $80,000 for the portion mailed, and that this is repeated weekly, we well understand why the Post opposes any advance, even though to but one-third cost and on the advertising only.

That the Post, which, it is reported, carried last year more than $20,000,000 of advertising, can not take care of added expense of this sort, is not believable. Doubtless in preparation for just this situation it has by increasing proportion of advertising and in other ways apparently increased its advertising receipts heavily since war began.

HIGH-PRICED PAPER ADVANCES.

Publishers contend that there have been such advances in price of paper that the present is an inauspicious time for postage increase.

To give this contention weight, specific assertion is made that for a series of 86 journals, whose combined profits amounted to but $1,197,000, extra cost of paper for one year will amount to $3,034,000.

Answer to this is simple. These publishers prove too much. If all these increases are more than publishers can stand, they will be driven out of business anyway, and postal advances will matter little. If, however, by drastic readjustment they can meet conditions, then it will be comparatively easy to absorb the postal expense.

The argument is a specious one, but let us remember that in 1911 and in 1914 many publishers, at a time when print paper was about the lowest known, bitterly opposed advances, that in 1914 being a "flat" one of only 1 cent a pound.

Furthermore, since enactment of postal advance in October, 1917, magazine publishers are quite generally making lower subscription rates, which all shows that enlarged circulations with consequent higher advertising rates are what they want. They would give away "circulation" if Government permitted. This is indicated by a report that one prominent magazine recently sold to an agency 200,000 "circulation" at 27 cents per subscription. Its nominal yearly rate is $1.50. The object is, of course, apparent—to get the largest possible output.

Another instance: One E. T. Meredith, of Des Moines, Iowa, publisher of Successful Farming, while vigorously denouncing all advances in postage rates, "zone" or "flat," has, we are informed, offered seven years' subscription to his journal (a large affair with lots of advertising) for $1, a rate that probably does not pay half cost of paper.

These low prices for periodicals stimulate wasted consumption. The story goes that one man subscribed for three magazines with aggregate list prices of $3 because he could get them for $2. When they began to arrive, however, he found that the first was one he didn't want, the second his wife didn't want, the third neither wanted.

WILL ADVANCES KILL THE READING HABIT?

One contention of publishers is that our boys and girls will be shut out from forming the "reading habit" at time of life when most essential.

In writer's opinion, the contrary effect will result. Taking away from a school girl opportunity to eat half a pound of chocolates daily will probably turn here to nutritious bread, meat, and potatoes, which should mainly constitute her diet.

Similarly, feeding youthful imaginations with Magazine of Mystery, Stories of Adventure, Police Gazette, scores like them and hundreds of the "popular-but-weedy" variety tends, through oversupply of "literary sweetmeats," to destroy opportunity to benefit the mind by reading the best in essay, history, poetry, travel, and "belles-lettres" generally.

Due almost solely to its inadequate postal rate, second class, as shown previously, has increased from forty million pounds in 1875 to twelve hundred million pounds in 1917. This means that several billion more copies of popular magazines are issued than formerly, and each extra hundred million magazines crowds out ten million books.

The result is that while America publishes more periodicals than all nations of the globe united and half as many again, she has lost her position as a book producer save of "best sellers" in erotic fiction. Fast power presses that print periodicals have displaced for young and old the cultural training that good books alone can give.

Our literary decadance has been deplored by many thinkers. While we formerly held high rank as publishing good books in all lines, to-day (under normal conditions) book publishing in Switzerland, the Scandinavian and Teutonic nations, France, and Great Britain runs from six to eight times as many per capita as with us. Japan publishes four times as many; Roumania, thrice; Russia, of whose population 79 per cent is an ignorant peasantry that can neither read nor write, publishes for the remainder many more books than we; while Spain issues as many books per capita as we.

The "weeds of literature" that too many trashy periodicals are, have been too much for the book.

This lack of "cultural" value in the reading most available results in impoverished development of the young intellect.

Further detrimental influence is seen in an economic direction. In the farm-journal line, overproduction has been excessive, so much so that we are mailing over 600,000,000 farm journals per annum to our 6,000,000 farmers. Many of these are "islands" of reading surrounded by "oceans" of advertising, prepared often thoughtlessly, always hastily, so publication date may not be delayed.

Under the influence of such "reading," American farmers produce, working on soil of unsurpassed fertility, from one-quarter to one-half as much of a given crop per acre as their European brothers, who get carefully prepared manuals, not weak journals loaded with advertising.

One representative of a conservative old farm journal told the writer that he would gladly see competition diminished. He asserted that in the effort to get circulation, a journal with yearly subscription rate of $1 had to give 95 cents to the canvasser who secured the order. It was further necessary to give the farmer a premium represented as worth price of subscription, though it actually cost about 35 cents. This building circulation by premiums has caused wasteful overproduction in this field. The department, in fact, was finally obliged to investigate. The report of the Third Assistant Postmaster General (1911, p. 39) shows that one such agricultural publication with 143,000 circulation had 122,000 premium induced. Another, with circulation of 53,000 had 41,000 so secured. A third, with nearly 500,000 per issue, had only 60,000 subscriptions not obtained by means of this extraneous inducement.

Another illuminating fact as to this "special privilege" is seen in the financial field. Investigation shows that something like 86 banking periodicals are issued to supply a need which a prominent bank official stated would be better filled by 6. The extra ones were just "leg-pullers" for advertising.

And the situation in nearly all lines is similar.

MISCELLANEOUS POINTS.

Appointing commissions.

Many publishers contend that before advance in postage is made a congressional commission should sit, make scientific research, weighings, not for a month only, but for a year, and that the department should get down to "brass-tack" information and establish a bureau to examine the situation scientifically.

The answer to this is that six different commissions have investigated the question in the past 20 years at a direct expense of over $300,000 and an indirect one many times as large. The uniform decision of all is that the 1 cent a pound paid is a mere fraction of cost of service.

While there is some dispute as to exact cost, none exists as to the general conclusion. No person of sound mind, however, can require the "findings" of any commission to decide this question himself. With an expense account (parcel post disregarded) of $300,000,000 per annum, and two-thirds of the mail, second class, paying only $11,500,000 of revenue, one conclusion only is possible, namely, that it pays nowhere near enough. Of course, the deficit is cared for by requiring one-fifth as much first class to pay $190,000,000 revenue.

No acute perception is needed to see why another commission is desired. It would inject delay into the situation.

No commission need make microscopic measurement of a superdreadnaught to decide whether that mammoth construction can be installed in an apartment-house kitchenette. Some things are self-evident. This for one and the second-class mail situation for another.

How much does second-class mail feed first class?

Another plea of publishers is that second-class gives rise to much first-class mail, originated in responding to advertisements. Now, if second-class mail originates first class in large amount anywhere, it is upon rural routes. The city man who desires an advertised article goes to a shop for it. The country resident is the one who must write a letter ordering it.

In spite of some such mail this is not the case to a profitable extent, for only about $8,000,000 worth originated on all rural routes last year, while loss on second class was over $70,000,000. Credit answers to advertisements with half of this, and even give it credit for as much more from large cities, and the situation is little changed.

The gross exaggeration of this claim is further shown below. Recently an advertiser in a certain number of the Saturday Evening Post addressed a letter to all other advertisers in the same issue asking how many replies each had gotten. Responses showed about 20,000; figure all as letters at 2 cents each and a revenue of $400 from that source appears.

Of the 118 who advertised 83 replied and 35 did not, but allow that half only replied, instead of four-fifths, and that the other half would furnish another 20,000 replies, the profit would have been only $400. But loss on distribution of this issue was about $70,000.

WHAT POSTMASTER GENERAL ALBERT SIDNEY BURLESON SAYS ABOUT SECOND-CLASS MAIL RATES.

[From his report for fiscal year ending June 30, 1917, p. 60, F. F.]

Regarding advances in second-class mail rates enacted in the war-revenue act the report says in part:

Advanced rates on second class were to partly reimburse the department for enormous loss in handling this class.

Difference between revenue and admitted cost is so great that publishers could no longer expect to defer remedial legislation.

When it became apparent that some increase in rates must be enacted the Postmaster General conferred with many publishers, but at no time was he able to suggest a method acceptable to all.

Advertising, a new element, amounts to as much as 60, 70, or even 80 per cent of the issue. It is but just that this matter pay more.

The department was at all times scrupulously fair to publishers in presenting its statistics.

Realizing that they had adjusted business to the low rate, Congress showed greatest care in framing the law.

While the new rate on first-class mail went into operation within 30 days, the first slight advance in second-class rates will not be effective until July 1, 1918. Additional increases are distributed over a three-year period, giving ample time for readjustment.

Continuance of the low flat rate on reading is a complete answer to criticism that the zone system applied to advertising matter will build up sectionalism. No greater limitation than before was put on dissemination of information, but the law wisely made a distinction between reading and advertising.

Advertising matter is in all respects third-class matter, except in method of circulation, so a higher rate is rightly fixed upon it, this rate varying with cost, which varies with distance. It properly goes under a zone system, as do parcels.

Even on short hauls the exceedingly low "flat" rate is inadequate to pay the expense of handling and transportation.

If a publication contains less than 5 per cent of advertising it is exempt. The rates which apply to reading matter are lower than those that have been recommended by any investigation commission, and even the highest rate on advertising is lower than this same material would cost distributed as circulars—that is, as third-class mail—and also much less than cost of handling. The department will still incur heavy loss from second class.

Some publishers claim that they can not pay a higher rate of postage. That legitimate business can not readjust itself to normal costs is an argument without merit.

This is not believed true of any legitimate business, even publishing.

Mr. McKELLAR. Mr. President, just for a few moments I wish to restate some of the propositions which arise annually, and sometimes oftener, in regard to this question. Every year, and sometimes several times a year, the publishers come before Congress seeking to perpetuate this subsidy. The question is, Shall we change the plan that we adopted last year; and, if so, how shall it be changed?

Mr. President, I am unalterably in favor of a zone system for second-class mail matter. It is the only fair, just, and equitable method of handling it.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER (Mr. McLEAN in the chair). Does the Senator from Tennessee yield to the Senator from North Dakota?

Mr. McKELLAR. I yield to the Senator.

Mr. GRONNA. Mr. President, this is a very important matter, and I think we ought to have more Senators present. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, S. Dak.	Martin, Va.	Simmons
Beckham	Jones, N. Mex.	Moses	Smith, Ariz.
Borah	Jones, Wash.	Myers	Smith, S. C.
Curtis	Kellogg	New	Smoot
Dillingham	Kendrick	Nugent	Spencer
Fernald	Kenyon	Page	Sterling
France	King	Penrose	Sutherland
Gay	Knox	Poindexter	Thomas
Gerry	La Follette	Pollock	Townsend
Gronna	McCumber	Saulsbury	Trammell
Hale	McLean	Shafroth	Underwood
Henderson	McNary	Sheppard	Warren
Hitchcock	Martin, Ky.	Sherman	Wolcott

Mr. SHEPPARD. I wish to announce that the Senator from Arkansas [Mr. KIRBY], the Senator from Mississippi [Mr. VARDAMAN], and the Senator from Oregon [Mr. CHAMBERLAIN], are necessarily detained on important public business.

Mr. TOWNSEND. I desire to announce again the absence of my colleague, the senior Senator from Michigan [Mr. SMITH], on account of illness. This announcement may stand for the day.

Mr. McKELLAR. I desire to announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

Mr. SUTHERLAND. I announce the absence of my colleague [Mr. GOFF] on account of illness.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. A quorum is present.

Mr. McKELLAR. Mr. President, the old flat rate of 1 cent per pound on second-class mail matter prior to July 1, 1918, had been in force for nearly or about 30 years. During that time, of course, the amount of second-class postal matter going through the mails has increased in a very remarkable degree.

In 1880, about the time the flat rate was first established, there were only 60,000,000 pounds of second-class matter going through the mails, and the Government at that time lost only $4,000,000 a year in carrying it. In the year 1885 the amount had increased up to 204,000,000 pounds, and the loss of the Government was $12,000,000. In 1890 the amount had increased to 450,000,000 pounds, and the loss to the Government was $27,000,000. In 1900 it was 873,000,000 pounds, and the loss had increased to $52,000,000. In 1917, when the law was changed, the amount of second-class mail matter going through the mails had increased to 1,202,000,000 pounds, and the loss to the Government in transporting it had increased to $70,000,000 per year. It is estimated that if this growth had continued in the same way that it had been going on since 1880 there would be a loss of $125,000,000 to the Government each year for carrying second-class postal matter through the mails.

These potent facts of loss to the Government, by reason of the Congress granting a subsidy to a class of publishers, had made such a great impression upon the Congress and upon the country that in October of last year the system was changed from a flat rate to what is known as the zone rate; and I want to read for just a moment the law as it was passed in 1917 to remedy this very patent monstrosity in the matter of carrying this portion of our mails.

In 1917—on October 3, as I recall—the Congress passed this law on the subject:

In the case of the portion of such publication devoted to advertisements—

I need not read the preceding part, because this will give the entire system—

the rates per pound or fraction thereof for delivery within the several zones applicable to fourth-class matter shall be as follows (but where the space devoted to advertisements does not exceed 5 per cent of the total space, the rate of postage shall be the same as if the whole of such publication was devoted to matter other than advertisements): (1) On and after July 1, 1918, and until July 1, 1919, for the first and second zones, 1¼ cents; for the third zone, 1½ cents; for the fourth zone, 2 cents; for the fifth zone, 2½ cents; for the sixth zone, 2¾ cents; for the seventh zone, 3 cents; for the eighth zone, 3¼ cents; (2) on and after July 1, 1919, and until July 1, 1920, for the first and second zones, 1½ cents; for the third zone, 2 cents; for the fourth zone, 3 cents; for the fifth zone, 3½ cents; for the sixth zone, 4 cents; for the seventh zone, 5 cents; for the eighth zone, 5½ cents; (3) on and after July 1, 1920, and until July 1, 1921, for the first and second zones, 1¾ cents; for the third zone, 2½ cents; for the fourth zone, 4 cents; for the fifth zone, 4½ cents; for the sixth zone, 5½ cents; for the seventh zone, 7 cents; for the eighth zone, 7¾ cents; (4) on and after July 1, 1921, for the first and second zones, 2 cents; for the third zone, 3 cents; for the fourth zone, 5 cents; for the fifth zone, 6 cents; for the sixth zone, 7 cents; for the seventh zone, 9 cents; for the eighth zone, 10 cents.

That is the law as Congress established it a little more than a year ago. That is the law that we are called upon to-day to change in this bill; and that proposed change is found in section 1101, on page 277, of the pending bill. That section reads as follows, and I want to have it go into the RECORD so that Senators may have it in a form that they can look at:

SEC. 1101. That on and after July 1, 1919, the rates of postage on publications entered as second-class matter (including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, shall be 1 cent per pound or fraction thereof for delivery within the first and second zones applicable to fourth-class matter, and 1½ cents per pound or fraction thereof for delivery within any other zone.

It is seen that the change which is made is substantially going back to the old flat-rate system. The only change in the old flat-rate system provided in the pending amendment is this, that in the first two zones of 200 miles, 50 miles for the first zone and 150 miles for the second zone, there is a flat rate of 1 cent a pound, and in all zones beyond that 1½ cents a pound. The amount of increased revenue from that provision will be very small. It has not been estimated, as I find, by the committee. Certainly we have had no report on it. The question for the Senate to decide is whether we are going back to the old flat-rate system, as provided in this committee amendment. Are we going back to the subsidy system, or are we going back and instead of paying $70,000,000 paying perhaps $66,000,000 a year in subsidies to the publishers on account of rebates in rates on the magazines largely?

I want to be frank with the Senate in this matter. I am inclined to believe that the provision of 1 cent a pound within a radius of 200 miles for newspapers, or for all periodicals, is fair and right. I believe that the newspapers pay their own way within such a zone, and I shall be very glad to see the zone system modified so as to fix a rate of 1 cent a pound within the first two zones. That part of the amendment changing it is all right; I see no objection to it. I want it adopted. It is somewhat the same as an amendment that I proposed last year, and I really believe it would be better for this reason: It will be remembered that the real cost to the Government of the second-class mail is transporting it a long distance at a flat rate. It has been shown by proof that I believe to be competent before the Post Office Committee from time to time that within a zone of 200 miles, and I think even farther than that, probably 250 miles, newspapers are absolutely self-sustaining; in other words, they pay for the cost of their transportation. The present law provides for a constantly increasing rate, as has been seen by my reading of it a few moments ago, gradually increasing the rates on the first two zones from 1 cent and a quarter a pound up to 2 cents a pound. I believe when we reach the maximum of 2 cents a pound in a zone of 200 miles, it is going to be found to pay a great deal more than the cost of transporting all the periodicals within that zone. Indeed, I think it will pay twice as much as it costs the Government to transport it. I do not believe that is proper or right.

On the other hand, it will be found that the rates were too low for the farther zones. The highest rate it will reach is, I think, 8 cents a pound. I understand the present law will produce in revenue, when the system is in full force in 1921, when this increase in rates year by year goes on until 1921, about $20,000,000. In other words, all that will be done by this bill will be to wipe out about $20,000,000 of the deficit, taking away from the publishers $20,000,000 of the subsidy now granted them. In other words, the United States will thereafter pay to the publishers a subsidy of $50,000,000 instead of a subsidy of $70,000,000, as it does now. That is the effect of the present law passed in 1917, and so far so good.

That is the effect of the present law, passed in 1917, and so far so good.

The zone system certainly ought not to be abolished as by this bill is provided. The only modification that I have to suggest is this: Under the amendment I have offered, and which is pending before the Senate, in a zone of 200 miles, the first two zones, instead of the rates being 1¼ cents, as it is now, and

gradually ascending to 2 cents, my amendment provides that it shall be 1 cent. The subsequent part of my amendment retains a zone system just as it is, but increases for the farther zones just a little more than the proposal of the committee. The result is that under the provisions of the amendment I have offered, in addition to its being a fairer method of settling this controversy by reason of the fact that the newspapers and periodicals circulating in a zone of 200 miles are now paying their own expenses, it simply amounts to this: The amendment that I have offered does not go quite as far as the law does now. Under my amendment the amount that will be produced to the Government will be from twelve to fifteen million dollars, about three-fourths not of what is now brought in but what will be brought in at the end of the four-year period under existing law.

Mr. President, I am going to offer that amendment and ask the Senate to vote on it. If the Senate declines to accept that amendment I am going to vote against any change of the zone system, because I believe that the zone system is the only proper method of dealing with this second-class postal rate question.

It is contended that the present zone system is unfair. I suppose whenever any bounty is taken away from anyone the method adopted of taking it away is considered by those whom it affects as being unfair. Did it ever occur to Senators, now that there is such a complaint about the first-class mail matter, as to the cause of that complaining? Every day our mail is filled with complaints from the fathers and mothers of this country about their letters not reaching their boys in Europe and about their boys' letters not reaching them. Just this morning I received a letter from a Congressman elect saying that his boy had been in France for four months; that the family had written to him very often, and he had never received a letter in the four months. Just a day or two ago the parents received four letters written at various times from their boy. In these he said that he had never received a dollar of pay since he had been over there, and that though his father had sent him money from time to time he had never received a dollar of that money. There must be some fault about our mails. I do not know how it can be accounted for except that our mails are so full of second-class mail matter that the first-class mail matter is being neglected to give way for carrying the second-class mail matter. In other words, the mails are so crowded and stifled that first-class mail matter does not have a fair chance. I do not know that that is the reason for it, but there ought to be some explanation of the very remarkable fact that letters do not go as they formerly did.

Mr. HITCHCOCK. Mr. President——

Mr. McKELLAR. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. Mr. President, I am afraid the explanation the Senator from Tennessee gives for the defective mail service between the United States and France will hardly do. As a matter of fact there is comparatively little second-class mail that goes to France, and therefore it could not be held responsible for the failure of the delivery of letters there. On the other hand, the second-class mail in this country is very large, and the delivery of first-class mail in this country is entirely satisfactory.

The only explanation for the failure to deliver the mail to the soldiers in France, and for the failure to receive the letters of soldiers in France written to their families in this country is, in my opinion, rank incompetency; and I just take this occasion to say that it is one of the most disgraceful breakdowns of the Post Office Department, in the first place, and of the War Department management, in the second place, that the soldiers in France have been deprived of their home letters and the folks at home have been deprived of the letters from their soldiers. It has been destructive or injurious, at least, to the morale of our soldiers abroad, and it has caused a world of anxiety unnecessarily to families here. It is due, first, last, and all the time to the rankest sort of mismanagement and incompetency in the Post Office Department and the War Department. We might as well be plain about that. It is one of the things that is causing in this country the most widespread dissatisfaction and indignation, and no explanation for it has been made, and none can be made, except rank, miserable incompetency.

Mr. McKELLAR. The Senator may be entirely correct about it. At the same time I notice that the increase in the volume of second-class matter is out of all proportion in the matter of pounds, in the matter of millions of pounds, to the first-class matter. It may be that first-class matter has got blocked, as I suggested a while ago. I can not say about that. I am not here to decide the question as to who is responsible for it. I have a different proposition on hand just now which I want to talk about. There have been many difficulties to overcome in handling our over-seas mail.

Mr. HITCHCOCK. It is just——

Mr. McKELLAR. And I will be glad to proceed. I know the Senator is correct in his statement that there is constant complaint from citizens all over the country about the mails between here and their boys in Europe, and we ought not to be in a position where complaints can justly be made. I know they are made, and repeatedly made, and I wish I could in some way remedy that very unfortunate situation. I can not undertake to attempt to fix the blame now.

Mr. HITCHCOCK. The Senator knows from his service on the Military Committee that repeated efforts have been made to ascertain the cause of this miserable breakdown, and the committee has been unable to get anything like an adequate explanation from the people responsible for it. It is worse probably, but not much worse than the breakdown of the business management in this country which has failed to pay family allotments to the families of soldiers who are serving abroad. It is like the business breakdown which has resulted, when, as we know, soldiers in the service have gone one, two, three, four, five, and six, and in some case seven, months without their pay. It is such a business breakdown that it reflects most seriously against the business management of these departments we have intrusted with responsible duty during this war.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Colorado?

Mr. McKELLAR. I yield.

Mr. SHAFROTH. I wish to say a word in answer to the Senator from Nebraska [Mr. HITCHCOCK]. I have three sons in the service and they write and we get the letters not every day, but seldom a week passes that we do not get letters from them. I can not understand why there should be such a lack of letters that are written by soldiers to other people. We have had a fair return in the way of answers and the letters that have been written from our side have reached them; sometimes not rapidly, of course, for there is difficulty in transmitting mail over there, and there is great difficulty also in finding the regiments because the troops are going from one part of the line to another every few days. I can give an illustration of this difficulty. When my youngest boy was about to sail from Long Island we went to see him off. We had been informed that he was going to sail in a day or two. We got to the gate and we were told that the battery had not gone. They said it would be found several blocks over in a certain direction. We went over in that direction making frequent inquiry. We went a distance of six or seven blocks and there we were told we should go over in another direction. We went to no less than eight different places that were designated and at last found a man who said, "I will take you right to the battery," and so he did, and that is the only way we found it. We found that the battery was located within two blocks of where we first made inquiry, but they had said "no; it is not here."

Of course, it is on account of the temporary character of the location of the troops; nobody can keep track of them, and on that account I have not any doubt but that there have been failures to deliver mail. I have not any doubt but that some of the mail does not come here that is written by our soldiers abroad, but considering the confused character of the various regiments, batteries, and companies and the movements almost daily to different parts of the line, I have not any doubt but that the service has been very good; not the best in the world, because it can not be so good as when people are established in a locality.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Kansas?

Mr. McKELLAR. I yield.

Mr. CURTIS. Has not the Senator received a large number of complaints from his constituents that their mail has not been delivered and that they have not received their mail from over there?

Mr. SHAFROTH. Yes; I have received some, not many; but I say to the Senator, while some of the complaints are well founded, I find in many instances it is absolutely the fault of the soldier boy. In one instance a mother complained bitterly and said there must be some fault, that her boy was a most dutiful boy, and his allowance had always come to her; but for the past four or five months she had not heard from him; that something was terribly wrong, and she wanted something done. I made inquiry concerning the matter, and I found that the boy five months before had married and transferred his allowance to his wife instead of his mother.

There are instances, of course, where there are failures to deliver the mail at times, and it may be the case for a while longer;

but where you have two or three million men scattered over wide territory, no one knowing exactly where they are—the mail authorities probably do not know—it does seem to me that there has been a fair accommodation in mail matters between Europe and the United States.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Massachusetts?

Mr. McKELLAR. I yield for a question; but I want to go on. It will take me but a few minutes to conclude. The mail service matter is beside this particular question.

Mr. WEEKS. I do not want to ask a question. I want to ask about what has been said on this subject, if the Senator will permit me.

Mr. McKELLAR. That is wholly apart from the subject I am discussing, but I yield.

Mr. WEEKS. I did not suppose there was a Senator on this floor who would have the temerity to even apolize for the foreign mail service. The Senate Military Committee, as the Senator from Tennessee knows, has frequently made inquiry about the matter. There has been a deluge of complaints from every source, complaints that have been verified, and it has been acknowledged on the part of the War Department officials appearing before the committee that the service was bad and they did not know, practically speaking, how to correct it. What the Senator from Nebraska [Mr. HITCHCOCK] has said about it is absolutely true. It is not only a breakdown, it is a hopeless breakdown, and it shows an incompetency which I have not seen anywhere in the Government service since I have been in Congress.

Mr. HITCHCOCK. Mr. President, one more moment. The Senator can go further than that. He can say it got so bad that the War Department itself insisted upon taking over the service. It was taken away from the Post Office Department because it was so impossible, and now the War Department itself has broken down in about the same degree. It has attempted the delivery of mail to soldiers over there, and I am told by those who have seen it that mail for weeks is held plled up by the ton in the sacks it came in without having been delivered.

Mr. SHAFROTH. I have no doubt that the failure has been because of the difficulty in getting the addresses of companies and the location of them. Here is a letter I have just received from one of my sons, written the 30th of November, mailed the 2d of December, and received to-day. Seventeen days in transmission from France is not bad. Considering the fact that in a great big army of that kind the addresses are often wrong, it does seem to me that that is a pretty fair service. It is true that you can not have perfect service where you have two or three million men who are in various and different locations, moving from one part of the line to another, but it seems to me that all things considered it is not a bad service. When officers are doing the best they can under the circumstances I believe they should be encouraged instead of being condemned.

Mr. McKELLAR. Mr. President, we have wandered somewhat afield, and I want to come back to the real controversy here. Our New England, New York, and Eastern friends who are interested in the publishing business frequently tell us it is very unfair to the West, to the far-off States, for their citizens not to be able to get the advantages of the lower rates of postage, and there is a great educational propaganda that is being sent out by the aforesaid eastern publishers for the benefit of our far-off southern and southwestern and western communities. I do not think I ever read a better answer to that proposition than in a letter I have before me, and I am going to call the attention of the Senate to it. It is from Mr. F. P. Holland, who is president of the Texas Farm and Ranch Publishing Co., and, I think, answers every contention I have ever heard made on that subject. For the benefit especially of our western and southwestern Senators I want to read it:

DEAR SIR: I have been advised that there is a strong movement under way—

He is right about that, I will interpolate, not a strong movement is, but a strong movement has been, is now, and ever will be as long as we permit these gentlemen to enjoy this subsidy. Mark me, as long as Congress permits the owners and controllers this subsidy that they are drawing from the Government in whole or in part we are going to find a strong current right here in Washington seeking to uphold it, seeking to make it larger, seeking to defeat all the legislation that has been passed here to put them on an equality with the rest of our citizens. I read on:

I have been advised that there is a strong movement under way to repeal the zone system, and I desire to enter a protest, both as a publisher and a citizen, feeling that the period of readjustment following the war will be difficult enough, without sudden shifts in the salutary program recently adopted.

The old flat rate, in effect, constituted an economic, social, religious, and political barrier. It tended to discourage literary and technical development in the magazine field outside of the East.

May I interpolate right here that the complaint that is coming here from the zone system emanated directly or indirectly in the eastern part of our country and not from the western and southern part of our country.

In operation it was nothing less than a subsidy granted the New York publications.

Remember, Senators, the Government gives us a bounty scores of millions of dollars every year, and it is growing constantly under the old flat-rate system which we are asked to restore.

If to the former subsidy in postage the existing burden in freight is added—and freight in carload lots to Texas amounts to between $400 and $500—then it is clear that no publication outside of the favored circle has an even chance to make good, except to the extent that it is able to give greater value for less money.

The freight rate has increased by the action of Congress almost double. The Government has to pay more for the cost of carrying these periodicals than ever before—probably 100 per cent more—and yet because Congress has taken just a small portion of that subsidy away from them they were back here at Congress urging us to restore the old flat rate almost before we got acquainted with the new law. I do not see how any Senator can vote for a return to the old flat-rate system. I do not know how he is going to defend his vote. I do not believe he can defend his vote. But I will read on:

The eastern publications have carried on a vigorous propaganda since the zone system was first suggested, spending thousands of dollars in their efforts to secure a flat rate, even at double the present cost in postage. Why? They desire to perpetuate the principle of subsidy as an advantage against the remainder of the country, whether the haul is 10 miles or 10,000.

Now, notwithstanding the fact that many of them have increased their subscription rates enough to absorb the additional cost of carriage, they are still bent upon creating a monopoly.

They have already increased the rates for their magazines upon the people to pay them for this increased cost of transportation; they are still bent upon holding their subsidy and building up their monopoly—

The only side of the argument presented to the public has been their side, and many organizations have indorsed their statements without giving the facts any consideration whatever.

And may I interpolate again that to my certain knowledge thousands and thousands of letters printed and signed by various organizations in my State have been forwarded to me against the zone system, and I believe in every case where I have taken the trouble to write to the writer of the letter and ask how it happened that he or she wrote to me about it, he or she came back and said they were asked to do it by the publisher of a certain paper or in answer to a request in an advertisement; that they knew nothing about it themselves, but they were caught with the idea that they would get their periodicals cheaper perhaps. Reading on:

It is unfair to assume that a magazine mailed from Dallas to Waco should bear the same rate borne by a magazine going from New York to Manila, just as it is unfair to argue that publishers at a distance from the paper mills should enjoy the benefit of a common freight rate. Indeed, when it comes right down to it, I might as well contend that a publisher in Texas is entitled to the reduced freight rate, since the argument differs in no material respect.

But there is another and a far more vital reason why the East should not be permitted to furnish the reading matter for the Nation. As you will remember, Wall Street clamored against currency reforms, and yet, when the reforms were finally inaugurated, the country, as a whole, derived immediate benefits, and to-day it is doubtful whether a financial panic is possible.

That was one of the financial reforms inaugurated. So when the Federal reserve bank was established we remember that these same eastern allied interests—not the same interests, of course, but I suppose similar—were absolutely sure that it would ruin the country. Yet Congress adopted the great Federal Reserve System of banking, and you see the benefits all over the country, notwithstanding the cocksure predictions of some of our eastern friends.

With greater elasticity an era of confidence was ushered in, despite the loud predictions of interested prophets. The equitable rate offered publishers came during the war, when materials and wages were high; at a time when the Government very wisely prohibited the consumption of paper in new ventures.

Had the zone system been adopted during normal times, legitimate expansion would have disarmed the sharpest critic of the existing system. New York has the population, the factories, the combinations of capital, and the magazine. It is inevitable under existing conditions that the magazines should offer the standards of the East for the consideration of the West, to the exclusion of the ideals and ambitions of the West; that instead of abolishing sectionalism they should gradually bring the country to one system of belief, founded on sectionalism brought to its highest possible standard of refinement.

There is no such thing, for example, as a national farm paper, owing to the varying conditions of climate, soil, transport, market, and labor, and agriculture, admittedly, is the basic occupation. Considering this phase of the business alone, it is to the advantage of the Nation to encourage the development of journals which reflect local conditions and stimulate community progress, and what is true of

agriculture in the narrow sense is true of education in the broader sense, for each section of the country has an inherent right to self-expression, and the newspaper is not the medium through which thought becomes a permanent enriching asset.

Wall Street was not slaughtered by currency reforms, neither will the national magazine be killed by a fair rate of remuneration for the service rendered. It is rather absurd, when you come to think of it, that a Texas magazine, which occupies new territory, should have to help defray the carriage on an eastern publication. The subscriber should pay the bill if he happens to be a long way from market, just as he pays on a shipment of mackerel from Maine.

I believe that the maximum benefit will be derived by the people of this country when they are fortunate enough to be able to present their own views in their own way, and I am convinced that enough of the big journals will endure to help bind the people together, although I am not quite certain, under the provision of the zone system which provides that not more than 50 per cent can be paid in commissions for subscriptions, that some of the advertising sheets which depend solely upon bogus circulation will continue to prosper. Again, I hardly think that the spiritual uplift of the Nation will be furthered by a low rate on such decadent trash as Snappy Stories and The Parisienne, themselves a thousand times more pernicious than the so-called sectional journalism which New York dreads.

As I have pointed out, the publications which contend for the flat rate, even at a stiff increase, are interested primarily in the ratification of a system of subsidy under which they can operate more readily against competition arising off the Atlantic coast. If the flat rate is sound and the people stand in need of education, as authors of the propaganda contend, then it certainly follows that the Bible, Shakespeare, Gibbon, Dickens, and Wilson should enjoy it, for it is hardly compatible to urge that a passage from Diamond Dick equals a passage from the Bible when it comes to promoting morals, progress, political unity, and literary comprehension.

Remember, Senators, that on all these books there is a different rate; they pay according to the length of transportation, and do not go as second-class matter.

Before the zone system is tampered with, I think it is only fair that it should be given a thorough trial under conditions of peace. To alter it now because it is bitterly opposed by selfish interests claiming leadership in intellectual matters would lead to confusion and leave the question of merit undetermined.

I believe that the Government, which now aspires to such big things in regard to the common welfare, would commit a grievous blunder if it reestablished the old form of subsidy, which enabled periodicals in the great centers to circulate advertising through its direct patronage.

I do not want to place myself in the light of contending for special consideration; I do want to make myself clear in regard to postage determined by the nature of the service rendered.

Yours, very truly, F. D. HOLLAND,
President Texas Farm and Ranch Publishing Co.

Mr. President, I want to commend the statements in this letter to the Senate. Let us give this zone system a fair and impartial trial. The magazines have not gone out of business since it has been established, which was a little over a year ago, and it has been in force since last July. I have not heard of a single magazine that has suspended. Freight rates have increased nearly a hundred per cent. The Government has to stand that, while the magazine rates have been increased by the Government only about 10 or 11 per cent, and they never will go to an increase of more than 20 per cent under the present law.

The truth of the business is that the publishers ought to be glad, looking at it from a selfish standpoint, which I do not think ought to exist; but looking at it from their own selfish standpoint, they ought to be glad to forgo the $70,000,000 of subsidy which the Government is giving them under the present law and accept what the present law gives them. The Government is not giving to any other class of our citizens a subsidy. The lawyers of the country do not get a subsidy; the farmers of the country do not get a subsidy; the mechanics of the country do not get a subsidy; the laboring men do not get a subsidy; the ministers of the gospel do not get a subsidy; the doctors, the merchants, the blacksmiths, the clerks, do not get a subsidy; no other class of our people get a subsidy except this one class, and we are giving them $70,000,000 a year under the flat-rate system. We have only as yet taken away $4,000,000 of this, and yet they want us to return it.

Who appeared before the committee? Did the publishers? I ask the chairman of the committee, did the publishers or any of the representatives of the publishers appear before the committee and ask that this system be changed almost before we even started it?

Mr. SIMMONS. Mr. President, I will say to the Senator from Tennessee that at the time we were having hearings and up to the time we closed our hearings there was no suggestion of a change. The suggestion of the amendment came in executive session, but a great number of publishers came personally and talked with members of the committee.

Mr. McKELLAR. I am not surprised. The publishers have been here very regularly in their own behalf. They argue well a bad cause. I am sure that there is no public sentiment for the change back to the old flat-rate system except such as has been created by the advertisements of publishers and salesmen and by personal visits. In almost every magazine of this country we have seen advertisements substantially like this: "Do you think that the people in distant communities ought to be discriminated against; that they ought to pay more for their reading matter than the people in New York pay? Ought they not all to have their reading matter at the same rate as the New Yorkers get theirs?"

Quite frequently that kind of argument catches the person to whom it is addressed. These advertisements are so arranged as to make them very enticing to people who do not understand the matter, people who would not for a moment uphold any Senator or any Representative in voting this immense subsidy of $70,000,000 to the allied magazine interests. I think there are about 87 magazines in the whole country, or something like that. According to the proof they are all united by bonds of some sort; all have a community of interest in fighting for the restoration of this flat rate, fighting for this subsidy. One publisher, as I recall the facts, is the owner of 11 magazines, and receives an annual subsidy from the Government of over $5,000,000. Is that right? Why to that distinguished publisher, owning many newspapers and 11 magazines, should Congress vote a rebate in freight rates of over $5,000,000 a year?

The time has come, Senators, when we should be very careful about the expenditure of the people's money. The war is over. It is necessary for us to tax our people heavily; we have got to lay a heavy taxing hand on them, but we ought to be very careful about expenditures and to be very careful about the subsidies which we grant to any class of our citizens. Let us give this system, which we only enacted last year, a fair trial. It is not exactly what it ought to be. I think it might be made a little more equitable. I may be wrong about it, but we have just put it into force; it has not yet been in force for six months. Let us give it a fair trial. Do not let us change at this time.

I beg the Senate to disagree with the unamended amendment which has been offered by the committee and to vote it down. I ask the Senate first to vote for the amendment which I have offered. If added to the committee amendment it will perfect that amendment. It will retain the zone system and will not require newspapers circulating in a zone of 200 miles to pay more than the cost of transportation within that zone. It will distribute the cost more equitably. I want to insert here the committee amendment as amended by my amendment. If this amendment is not adopted I shall vote against the repeal of existing law.

The PRESIDING OFFICER. In the absence of objection, the amendment of the committee, as proposed to be modified by the amendment of the Senator from Tennessee, will be printed in the RECORD.

The committee amendment, as proposed to be modified, is as follows:

SEC. 1402. (a) That section 1103 of the revenue act of 1917 is hereby repealed.

(b) Section 1101 of such act is hereby amended to read as follows:

"SEC. 1101. That on and after July 1, 1919, the rates of postage on publications entered as second-class matter (including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, shall be 1 cent per pound or fraction thereof for delivery within the first and second zones applicable to fourth-class matter.

"Third zone, 1½ cents per pound.
"Fourth zone (300 to 600 miles), 2 cents per pound.
"Fifth zone (600 to 1,000 miles), 3 cents per pound.
"Sixth zone (1,000 to 1,400 miles), 4 cents per pound.
"Seventh zone (1,400 to 1,800 miles), 5 cents per pound.
"Eighth zone (over 1,800 miles), 6 cents per pound:

"*Provided*, That free-in-county circulation provided by law shall continue as at present: *Provided further*, That the Postmaster General may hereafter require publisher to separate or 'make up' to zones, or in such manner as may be directed, all matter of the second class when offered for mailing."

(c) This section shall take effect July 1, 1919.

Mr. SMOOT. Mr. President, I feel myself guilty in taking the time of the Senate to discuss this question, but the time so far to-day has been taken up by Senators who are opposed to the repeal of the zone system. I am, therefore, going to ask the indulgence of the Senate for just a few minutes to call attention to some of the statements which have been made and to briefly state why I think that, for the best interests of the country at large, the zone system should be repealed.

We have heard repeated again to-day the old charge that there was a subsidy of $70,000,000 granted to the publishers of this country through the old 1-cent rate upon second-class mail matter. Mr. President, how is that arrived at and upon what is it based? Everyone who makes the statement bases it upon the Hughes Commission report. I say now that if all of the second-class mail matter were eliminated from the mails to-day and first-class mail matter alone carried, instead of there being a profit, there would be a deficit.

The $70,000,000 which is charged up to the second-class mail matter is reached in this way, which is unfair: The mail is

weighed and after determining the number of pounds of all the mail which is carried from all parts and to all parts of the country, the expense of carrying the mail, and administering the affairs of the Post Office Department are all ascertained. They then find how much it is going to cost a pound to carry the mail—first class, second class, third class, and fourth class—and the second-class mail matter is charged with its pro rata amount of expense based upon the total weight. We are told that by that system there is a deficit in carrying second-class mail matter of $70,000,000.

Mr. McKELLAR. Mr. President, will the Senator from Utah yield to me?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. Yes; I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator from Utah seems to be in doubt as to whether this is a fair method of reaching what the actual amount of the deficit is. On the other hand—and the Senator may be correct about it, as I am not certain about it myself—the Senator has no doubt in his mind that whether the method of finding out the cost is correct or not, there is a deficit of many millions of dollars in carrying the mails, has he?

Mr. SMOOT. The Senator from Tennessee has asked me that question before, and I frankly said I had no doubt of a deficit; but I wish to say to the Senator that it costs the Government of the United States more to deliver a hundred pounds of first-class mail matter than it does to deliver a hundred pounds of second-class mail matter, and——

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. I do.

Mr. HARDWICK. While that is true, the department reports full allowance for that, and they give the figures for each class. The Senator understands, if he has examined the question, that the department has applied the same system for determining what it costs for each class of mail matter.

Mr. SMOOT. That is exactly what I said, that this same system was applied to every class of mail matter in the United States, and I say that it is not fair. Take a letter that weighs an ounce. Under the old rate it was 2 cents for a letter; it could be carried from New York to San Francisco for 2 cents, and it could be carried from San Francisco to England for 2 cents, there being no zone system whatever in regard to that class of mail. I call attention to the fact that nearly every civilized country in the world carries its mail on a flat rate, and no matter whether the distance is 10 miles—if 10 miles is outside of the drop zone—or 3,000 miles, the rate is the same.

Mr. McKELLAR. Mr. President, will the Senator from Utah yield to me?

Mr. SMOOT. I yield first to the Senator from Georgia.

Mr. HARDWICK. I want to call the attention of the Senator to the fact that, while this system of including overhead charges applies to all four classes of mail matter, as I stated just now, the fact remains that the department, the Hughes Commission, and everybody else has always figured the cost of handling first-class mail as being in excess of 50 cents a pound, instead of 8 cents, which is the estimate for handling second-class mail matter.

Mr. SMOOT. I say to the Senator that I will agree with him when he says that the Post Office Department and the Hughes Commission agreed to the cost, but when he says that everybody else agrees to it, I must disagree with his statement.

Mr. HARDWICK. Probably I "covered too much territory."

Mr. SMOOT. I want to say to the Senator that there are men in the Post Office Department who have studied this question, and who are as intimately acquainted with it as any of the assistant postmasters general; and they say that the Hughes Commission report can not be sustained. But even granting what the Senator says, Mr. President, I say, in my opinion there is a loss in carrying second-class mail matter——

Mr. HARDWICK. There is a very heavy loss.

Mr. SMOOT. But not any such loss as shown by the Hughes Commission report.

Mr. McKELLAR. What would the Senator fix the loss at?

Mr. SMOOT. Mr. President, I never like to state a figure upon the floor of the Senate unless I am pretty positive that it is correct. So I can not answer the Senator's question positively; but I will state to him that it would not surprise me at all if there was a loss of $10,000,000 or $15,000,000 a year, basing the estimate upon the old rate, provided the overhead charges and the expense of delivering the second-class mail matter are estimated as they have been estimated in the past. I have no desire, Mr. President, to try to mislead Senators upon this question.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Tennessee?

Mr. SMOOT. Yes; I yield.

Mr. McKELLAR. The Senator spoke of the policy of other Governments, and said that none of them had established a zone system, but that they had a flat rate. I am not advised about that; but the Senator understands, does he not, that no Government in the world has as good a postal system as we have?

Mr. SMOOT. Mr. President, take Canada, on the north. The rate charged by Canada on second-class mail matter is half a cent a pound, or 50 per cent of what we originally charged. Canada, passing through this war, imposing such taxes upon her people as never were known before, and looking for money from every possible source, has felt that it was very unwise to increase the rate on second-class mail matter. I could, Mr. President, go into the postal rates of every country this afternoon, but I do not wish to take the time of the Senate now to do so. I simply wish to record my dissent from some of the statements that have been made here to-day in relation to the cost to the United States Government of handling second-class mail matter.

The Senator from Tennessee just a few moments ago said that there was one publisher in the country who was receiving from the Government of the United States a bonus of $5,000,000. I know to whom the Senator refers, and I wish to say to the Senator that if he would go to the Treasury Department and could secure the return of that publisher showing his net income for the last year, the Senator would find that his income was not anywhere near $5,000,000.

Mr. President, the United States Government established postage rates; it invited all the publishers of the United States to build their business upon those rates, and the publishers of this country had a perfect right to believe that the rates that were imposed in the old law would stand. Why? Because no other civilized country has thought of increasing rates upon second-class mail matter, but the almost invariable rule in other Governments has been to decrease such rates.

Mr. McKELLAR. Mr. President, if the Senator will look at the hearings he will find the figures which I gave to be accurate, so far as the proof was concerned. That leads me to ask the Senator this question: The Senator will recall that last year and heretofore the question of zone rates was fought out by the Post Office Committee. There was a great fight made, and the Post Office Committee had very extended hearings on the subject. They went over the whole matter, and they reported a system after the most careful examination. Now, why is it that the Finance Committee takes jurisdiction of this matter after a system had been adopted by Congress under a report of the Post Office Committee?

Mr. SMOOT. Mr. President, we find that a year ago the revenue bill was made the vehicle, as it were, for an amendment to the then law increasing the rate of postage, and not only increasing the rate of postage but providing for the establishment of a zone system. The bill which we have now under consideration repeals that law and enacts another law, and the Finance Committee is simply carrying out the policy adopted when the zone system was put into effect.

Mr. President, can anybody defend the fact that an American citizen living in San Francisco can send to the farthest ends of India second-class mail matter for about one-quarter of the amount that he can send it from San Francisco to New York? Can anyone defend the fact that a citizen of Canada, to the north of us, can send to the farthest parts of the United States a magazine published in Canada for nearly one-fourth of what an American citizen can send a magazine published in New York to the same point when the new rates shall be in full force?

Mr. McKELLAR. Mr. President, I do not know whether that can be done under our law or not; the Senator is more familiar with it, probably, than I am; but I wish to say to the Senator that, if that is the law, I will very cheerfully join the Senator in an attempt to repeal it, so as to make it fair to the American public.

Mr. SMOOT. I wish to say to the Senator that it is not fair to-day; and the Senator's amendment, I will add, is simply midway between the present law and the amendment which is reported by the committee; in other words, the amendment reported by the committee will yield over and above the old rate between four and five million dollars per annum, while the amendment which the Senator from Tennessee has just offered to the committee amendment would yield about ten or eleven million dollars a year over and above the old rate in force before the present law.

Mr. President, America must not be split up into half a dozen sections. I believe in the theory of the fathers that the Post Office Department was never intended as a revenue-collecting institution. It is not so regarded in any country, and it should not be so regarded in our country.

I could not help smiling when the letter of Mr. Penton, the publisher of the Iron Age, was read. In all of these tax matters, Mr. President, when a letter comes recommending certain increases in taxes that may fall upon the party making the recommendation, I always look for "the nigger in the woodpile," and he can generally be found. In this case the writer of the letter does not say that he is in favor of a zone system, but he does say that he would prefer to have an increase in second-class postage rather than to have an increase in first-class postage rates. Why? Pick up the Iron Age, Mr. President, particularly the holiday issue that has been presented here to-day as a frightful example, and you will see in that publication thousands of little advertisements. The publisher of that periodical knows that he can pay upon the 18,000 copies of each issue the increased rate on second-class mail matter and still pay less than if he had to pay increased postage on his letters to his advertisers, not only on the original letter addressed to them, but when a return is made for the payment of the advertisements on the letter acknowledging its receipt; indeed, there is no telling how many other letters must be sent, including statements showing amounts due, and in connection with other contracts between the publisher and the different advertisers in his periodical. Therefore it perhaps would have been an advantage to him to let the postage on first-class mail matter remain as it was and increase the rates on second-class mail matter as he suggested.

Mr. POMERENE. Mr. President, is the Senator referring to Mr. Penton?

Mr. SMOOT. I am referring to Mr. Penton, publisher of the Iron Age.

Mr. POMERENE. Does the Senator know how many letters he writes each year?

Mr. SMOOT. I do not know the number; but I do not think it is necessary; the same can be fairly judged.

Mr. POMERENE. Does the Senator know the amount of second-class mail matter that Mr. Penton sends out?

Mr. SMOOT. He at least sends out his weekly issue of 18,000 copies or more.

Mr. POMERENE. Let me ask the Senator upon what does he base his assertion that Mr. Penton would be saving money in that kind of way?

Mr. SMOOT. I base it upon the evidence that has been submitted of similar publications to the committee several times when this question has been up. I wish to say to the Senator that publishers and others who have used the second-class mail privilege have shown to the committee that their first-class postage was more than their second-class postage expense.

Mr. POMERENE. Mr. President, the Senator referred to Mr. Penton's letter?

Mr. SMOOT. Yes.

Mr. POMERENE. I know Mr. Penton, and I know him to be an honest man. He knows his business, and, I dare say, knows it better than the Senator from Utah knows it; and I am a little surprised to hear the Senator make a statement of that kind without having more data with regard to Mr. Penton's business.

Mr. SMOOT. The Senator from Ohio did not hear what the Senator from Utah said or he would not have made the statement which he has made. The Senator from Utah has not charged Mr. Penton with being a dishonest man; but the Senator from Utah has stated that he was bright enough and a smart enough business man to know what his expense would be under the zone system for second-class mail as compared with the increase in the first-class letter postage.

Mr. POMERENE. Does the Senator mean by that statement to have it inferred that Mr. Penton is controlled in his views with regard to public legislation by the amount of money he is to get out of it?

Mr. SMOOT. Mr. President, I think that was what brought forth his letter—the very fact that there were taxes to be imposed that fell upon his business; and the letter itself shows that that was the reason why he wrote it.

Mr. POMERENE. Always these men who are after a certain class of governmental graft are questioning the motives of other men. I deny the right of the Senator to question Mr. Penton's motive in this matter.

Mr. SMOOT. Well, Mr. President, I have made the statement, and I think it is well within the bounds of truth.

Mr. HARDWICK. Mr. President——

Mr. McKELLAR. Mr. President, will the Senator yield to me for a question?

Mr. SMOOT. I promised the Senator from North Carolina [Mr. SIMMONS] that I would be through in a very few moments, and I have taken now more time than I anticipated.

Mr. McKELLAR. If the Senator declines to yield, very well.

Mr. HARDWICK. Mr. President, will the Senator yield to me?

Mr. SMOOT. I will yield the floor, if necessary.

Mr. HARDWICK. All right. I will take it, then, to answer what the Senator has said.

Mr. SMOOT. But I am not through yet.

Mr. HARDWICK. Oh! I thought the Senator had yielded the floor. Mr. President——

The VICE PRESIDENT. The Senator from Georgia.

Mr. HARDWICK. I just want to suggest that there might be more force in the last argument made by the Senator from Utah with reference to Mr. Penton, of Ohio, if it were not for the fact that the Senator from Utah proposes in this same bill to reduce not only his second-class postage but his first-class postage back to where it was; so the position of the Senator from Utah is that he will save for him at both ends of the line.

Mr. SMOOT. Mr. President, this letter was written in June, 1917, when the present law was under consideration; and the Senator has not found Mr. Penton writing a letter now, when a decrease of rates is proposed.

Mr. HARDWICK. No, Mr. President; and that is not the important phase of the matter; but here was a proposition of a gentleman who was a very large beneficiary of this system telling the truth about it, whatever his motive. Now, he is not to be discredited by the committee because he has done that—and of course I know there is no personal effort to discredit him, and I have not taken any such view as that of the matter—when the committee in one hand hands him a reduction on his first-class mail matter and in the other hand presents him a reduction on his second-class matter.

Mr. SMOOT. Now, Mr. President, I should like to proceed.

I wish to say that I have not reflected upon Mr. Penton in any way, shape, or form. He has done just what other business men in the United States have done; but I want to say that if in this bill we had proposed an increase in the postal rates on first-class matter no doubt you would have heard from Mr. Penton, and there is no reason why you should hear from him now when there is a decrease.

I can understand why the publishers of the Saturday Evening Post do not care whether they have the zone system or whether they do not. That developed at the hearing of a year ago. The officers of that paper know well that if the zone system is in vogue there will be perhaps thousands of magazines and small weekly newspapers that will go out of existence, and the more that go out of existence the greater monopoly the Saturday Evening Post will have; and they can make more money by eliminating competition and competitors than they can by trying to secure reduced rates of postage.

The Senator has tried to make it appear that only the publishers of the country are interested in this subject, those that are pecuniarily interested; that they are the ones that are appealing to Congress. Why, Mr. President, there was a great convention held by the United States Chamber of Commerce at Atlantic City just the other day. Business men from all over this country, representing all classes of business, were in attendance upon that convention, and this is the resolution that was adopted by the convention:

> Whereas the absolute industrial unity of our Nation is the basic factor in our splendid and prosperous development, and is moreover the basis upon which industrial reconstruction must rest; and
> Whereas national unity is wholly dependent upon the maintenance of easy and equitable channels of communication between all sections of the Nation, which can only be accomplished through the operation of equal postal functions and uniform postal rates between all parts of the country; and
> Whereas the postal zone law hastily passed by Congress last year is not only destructive of such unity, both educationally and industrially, but means the sectionalizing of our Nation: Therefore be it
>
> *Resolved*, That we most earnestly urge the repeal of this postal zone law on second-class matter, and most heartily commend and indorse the action of the Finance Committee of the Senate of the United States in incorporating an amendment to repeal this destructive and un-American law.

Mr. President, I can not state the reasons for the repeal of this obnoxious law more succinctly or more to the point than the resolution passed by that great body of business men of this country.

Much has been said about carrying magazines with advertising matter in them. I have on my desk, I suppose, a hundred letters from different organizations of the country, showing the amount of mail first class in character that comes to those concerns through the advertisements as they appear in publications; and in every case the receipts by the Government from the first-class mail will far more than pay the expenses of carrying that advertising matter through our mails. Think of the millions of

advertisements in the magazines of the country. Every issue, whether they be weekly or monthly, reaching to the ends of the country, going to the homes of the people; and we all know that unless it was profitable, and unless there was some return by way of orders from the people, they would not advertise. There is no order given, there is no invoice sent, there is no return made, there is no letter of explanation given from the purchaser or the advertiser, but that carries a postage stamp of 3 cents upon it. So, Mr. President, when we stop and consider the situation as it is, I believe with all my heart that a mistake will be made if we begin sectionalizing this country.

Why should a citizen of San Francisco pay four times the amount of transportation for his magazines from New York than a citizen of Ohio pays?

Mr. McKELLAR. Mr. President, why should he pay more for the transportation of himself from New York to San Francisco than he does from New York to Ohio?

Mr. SMOOT. I expected that very question, Mr. President.

Mr. McKELLAR. The Senator has had it.

Mr. SMOOT. And I want to say now to the Senator that that is quite a different proposition. One is a commercial transaction pure and simple. The other is an educational matter, and recognized as such by every civilized country in all the world. I may answer it by asking the same question: Why should a letter be sent from New York to San Francisco at the same rate of portage as from New York to Jersey City? For the same reason and no other, Mr. President; and when we begin to chop up this country into sections it will be a sorry day for the unity and unification of the people of this country.

Therefore, Mr. President, I trust that the committee amendment will be agreed to by the Senate.

Mr. TOWNSEND. Mr. President, I know it will be useless to spend any time in discussing this question, especially as I have no particular suggestions to make for or against the pending amendment, and I do not propose to delay action, but I do not care to let the matter pass without repeating somewhat that I said last year.

I did not believe that in last year's revenue law we dealt with postal rates in a scientific manner, nor do I consider the committee provision or the pending amendment as more than an attempt to palliate a bad condition in existing postal laws. In spite of all the arguments that have been made or that will be made to the contrary, it is a notorious fact that second-class mail matter is not paying its proportionate share of the maintenance of the Post Office Department. Special commissions composed of wise men from civil life and others from congressional membership have investigated the question and determined this truth. The stock argument that newspapers and publications generally, without distinction, are educational and necessary for upbuilding the intellectual and moral tone of the country is always advanced as reason for granting special privileges to second-class mail matter, but it is nevertheless a fact that a great majority of these beneficiaries are issued as commercial projects, with no other object in the world. They are maintained for the money the publishers get out of them.

However, this seems to be a legislative question that is very difficult to settle. I do not know whether this is due to the fact that the newspapers and magazines have such a great political influence as to warp the legislative mind or not, but I think it is. It is also true that many Members of Congress are interested in newspapers, and I can readily see that this is an embarrassing matter to them. I may not know what the reason is, but it seems to be impossible to deal with this question by itself. It ought to be considered as a separate proposition. It was not put in the revenue bill in the first place for the purpose of raising revenue. It is not now here as a purely revenue matter, but because there was and is an opportunity to annex it to a tax bill. Those who have had courage enough to meet the question of postal rate adjustment have been in the minority and have been unable to secure consideration for it as an independent proposition.

I hope that during the next Congress we shall deal with this whole question in a separate bill, and that it can be brought forward standing upon its own bottom. The bill that we have here makes very little present difference in the situation as it affects publishers. The existing law has only been in force since the 1st of last July. It has not wrought serious injury to these publications; they are simply afraid of the future; and the pending amendment does not propose to change the 300-mile limit zone. That is to be at the old rate of 1 cent a pound. Such rate, in my judgment, is too low. I have no hesitation in saying that, because evidently it is true.

We are conducting the business of transporting these publications at a loss to the people. First-class letter postage pays not only its cost but yields a big revenue besides to the Government; and yet under our existing rates on second-class matter we are obliged to use all of that surplus revenue to make up the deficit on such matter. Will anyone contend that it is right in equity or morals for the Government to tax one class of mail users at least 100 per cent more than the cost of their service in order that a bonus may be granted to another class of users who pay less than one-fifth of what it costs the Government to serve them? And when you consider that this latter class are using the mails largely for commercial purposes the more astounding the proposition becomes.

Mr. President, I for one propose to insist at the next session of Congress, if it is possible to do so, upon having this question raised and settled upon its merits. I do not want to do injustice to the publishers of the country. I may not know the facts, but I want to know them, and if they disclose discriminations I want to correct them. If I could be sure that this would be done, I would not care what happened in this bill. It would not make very much difference what you do with it if we could get action in the immediate future upon this proposition.

We have been dodging the issue. As was submitted by the Senator from Ohio [Mr. POMERENE], in the letter from Mr. Penton, some of the publishers themselves admit that they are securing from the Government something to which they are not entitled, and all of them know that this is so. It is unadulterated favoritism; and it is granted, I submit, simply or largely because of the influence that those publications can exert upon the political fortunes of Members of Congress who are called upon to legislate.

I feel this way, and this is my only excuse for giving expression to my thoughts at this time. I do not like to have the provision passed with the thought that I acquiesce in these things. When I have yielded in the past it has been because I have been obliged to do so, not being able to secure the thing that I felt was absolutely just and fair to all the people of the United States. If justice and equity were done, we could reduce first-class letter postage to 1 cent, and handle all the mail of the country without loss.

You may talk about educational influences, but I suppose that letter mail is an instrument of education quite as essential as the great majority of the publications that are getting this subsidy from the Government. People correspond through the mails. It is a source of intelligence; it has an uplifting influence; and yet we tax the letter writer 2 and 3 cents per letter in order that we can give advertising mediums an opportunity to go into the Treasury of the United States and use up all its surplus postal fund.

These are plain facts, but I believe they are truths. Some newspapers and other publications might be injured if they were compelled to pay their cost of transportation to the Government. Some might have to suspend; but I submit that other provisions of this tax law are not so solicitous of the businesses to which they apply. If we must impose special burdens upon one class of mail users in order to grant special privileges upon another class, if we must, in fact, place a financial burden upon the people, in order to keep alive a few newspapers and magazines published and circulated for personal benefit and financial profit, it is time we found out whether the result is worth while.

Mr. POMERENE. Mr. President, I had not intended to make any observations upon this subject, more than to ask a few questions as the debate progressed. My attention, however, has been called to the fact that the Senator from Utah [Mr. SMOOT], in beginning this discussion, referred to the letter of Mr. John A. Penton, which I had read into the RECORD, as having something about it which was an object of suspicion; at least, he referred to it as having a "nigger in the woodpile," or a nigger in the "wood fence," I am informed, is the way he put it.

I have known Mr. Penton for a good many years. He does not belong to my party, but he is one of the Republicans who has real courage; and when he sees that a thing is wrong the mere fact that righting it may take dollars out of his pocket does not influence his judgment as a public citizen.

No matter what position Senators may take as to what is the actual cost of delivery of second-class mail matter, everyone seems to concede that the carrying of newspapers and magazines by the Government is done at a very large loss. So far as this legislation is concerned it matters not whether that loss is $25,000,000 or $50,000,000 or $70,000,000. The amount which the statute now requires these publishers to pay is only a modicum of the actual cost, and Senators shoot far afield when they simply suggest that it does not cost the Government as much as the Post Office Department contends that it does cost.

We have heard the argument to the effect that the press is an influence for good, and that therefore we ought to let it have these privileges. No one is denying the fact that the press is

an influence for great good. Through the propaganda which has been spread over this country during the past few years I have heard from many ministers of the Gospel on this subject, and they delight to tell of the influence of the religious papers, and state that they will be handicapped if they are not permitted to have them carried at special rates. But at the same time the atheist circulates his paper, having the same privileges; and while the minister of the Gospel is saying one word for the religious paper he is saying the same word for the atheist publication.

Then we have the publishers of the great literary magazines speaking of the benefit of their publications; and at the same time that they are speaking in the interest of their publications they are saying a good word for the publishers of the Police Gazette.

Mr. President, there is only one thing to do when it comes to legislation of this character, and that is to do what is going to be right for all the taxpayers and all the citizens of the country.

The Senator from Georgia [Mr. HARDWICK] referred to the large increase in the amount of advertising matter that appears in many of these periodicals. There is no question but that his statement is absolutely accurate, if he has not understated it; and what is this advertising matter? Why, it is a part of the merchandise of the advertiser.

The newspapers have said, the magazines said last year, "If you increase our rates, we must increase our subscription rates." Well, what if they do? Just the other day I received a statement from one of the magazines which heretofore I have received at $3.50 a year. They have increased the subscription rate to $4 a year. I am not complaining about that. It is a magazine that I have read for 30 years, and I expect to continue to read it. But I suspect that this great magazine—and its influence is great—if it would continue to take the right side of problems of this kind and say to the publishers everywhere, "You must pay for the service you get," would have a greater influence in the moral world than it and similar magazines have when they are insisting always that public servants shall vote to them large subsidies. If the Senators who are pleading for this subsidy for the publishers now were to ask for the same privilege for any other interest they would be driven from public life.

The fact is that I have heard it stated that those publishers who are opposed to this increase are now boasting of the scalps they got at the last election, and they are going to continue the fight. When I can stay in public life only by yielding to influences of that kind or threats of that kind, I prefer to get out of public life and remain in private life.

Mr. President, when this matter was up before I had some correspondence with the publishers of newspapers, and I read into the RECORD a letter from Mr. Harry E. Taylor, who is the publisher of one of the very live daily papers in southern Ohio. His home city is Portsmouth, a city of probably forty or fifty thousand inhabitants, and this was his letter:

> DEAR SENATOR: I wish to express my hearty approval of your stand on the matter of newspapers and periodicals paying their way through the Postal Service. We are engaged in a legitimate commercial business, and we have no right to ask or expect that the Government shall carry our papers at a loss, as is being done now. I am confident that the great majority of publishers engaged in legitimate business feel about it as I do and are willing to pay their way with the Government or anyone else.
>
> Sincerely, HARRY E. TAYLOR.

And again he wrote me another letter, from which I at that time read into the RECORD a paragraph. I want to read it:

> I have always felt that the drawback to the newspaper business was that it was not generally recognized as a legitimate commercial enterprise. It was the custom so long for publishers of newspapers to sit around at the back doors with their hands out, begging for alms, that newspaper men came to be regarded as a sort of high-class mendicant—a sort of necessary evil, as it were. Newspaper men seemed to think, and religiously cultivated the idea, that they could not get along without subsidies and concessions from city, county, State, and National Governments in the way of special privileges. It has seemed to me that the sooner we get away entirely from this idea and stand squarely on our feet, paying our way as we go, neither asking nor accepting favors, the better it will be for all of us.

I submit that Mr. Taylor takes the real position which ought to be assumed by every publisher.

Mr. TOWNSEND. May I interrupt the Senator from Iowa?

Mr. POMERENE. I yield.

Mr. TOWNSEND. I was interested in what the Senator said about the notice he had received from the magazine publisher that the price of his magazine was going up 50 cents a year. It reminds me of a little correspondence I had with one of my constituents who had been importuned by a magazine publisher to write to his Senator asking me to defeat any proposition which looked to an increase of the second-class mail rate, stating that if that were done the publisher would have to increase the price of his magazine 50 cents a year. I wrote to this correspondent of mine and asked him about how many letters he and his family wrote during the year. He wrote me back that they figured it up that he and the rest of his family wrote on an average at least four letters a week, or 208 letters a year, on which they paid a postage of $4.16. I suggested to him that the proposition was to reduce first-class letter postage to about what it cost, and to raise second-class mail postage to about what it would cost the Government, and if that were done he would get his letter postage for 1 cent and save $1.08, and could therefore well afford to pay 50 cents to the publisher and save the balance.

Mr. POMERENE. I am glad the Senator has contributed that information to the discussion. I had a good deal of correspondence on this subject, too. Some of it was with high-school children. One of these very magazines to which I refer telegraphed me at one time to the effect that their magazine was being taken by many thousands of high-school pupils in the great State of Ohio, and so forth, and urged that I, for their benefit, should allow these publishers to get their hands into the public till. While they have increased the subscription price of the magazine, I dare say if we would reduce the price of postage on second-class mail matter to what it was before the increase was made there would not be any decrease in the subscription price of the journal.

Mr. McKELLAR. The amendment which I propose is to perfect the amendment of the committee. I now offer it and ask for a vote. I call attention to the fact that the amendment comes in on line 10, page 277 of the bill, immediately after the word "matter."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 277 strike out all of line 10 after the word "matter" and all of line 11 and insert in lieu thereof the following:

> Third zone, 1½ cents per pound.
> Fourth zone (300 to 600 miles), 2 cents per pound.
> Fifth zone (600 to 1,000 miles), 3 cents per pound.
> Sixth zone (1,000 to 1,400 miles), 4 cents per pound.
> Seventh zone (1,400 to 1,800 miles), 5 cents per pound.
> Eighth zone (over 1,800 miles), 6 cents per pound:
> *Provided*, That free-in-county circulation provided by law shall continue as at present: *Provided further*, That the Postmaster General may hereafter require publisher to separate or "make up" to zones, or in such manner as may be directed, all matter of the second class when offered for mailing.

Mr. GRONNA. Mr. President, I shall occupy only a few minutes of the time of the Senate to briefly explain my own position and to state why I am opposed to the proposed change of the law. I think all of us realize the importance of collecting as much revenue as we possibly can to defray the expenses of this war. I believe even the Senator from Utah will admit that it is necessary in order to carry on the tremendous expenses of the Government.

If the provision which is now being discussed was simply one which affected newspapers I should not take any of the time of the Senate, nor should I oppose the provision offered. We know, Mr. President, that that is not the amendment which we are about to vote upon.

A farmer in the South raising cotton has just as much right to ask for a subsidy and ask that his cotton shall be transported free of charge to the markets as a newspaper publisher has to ask for the subsidy which is provided for in this amendment, not that portion of his paper or magazine which diffuses knowledge to the public, but the commercial part of his paper, namely, the advertising part, which is purely a commercial affair.

I say the cotton planter in the South has just as much right to ask for a subsidy and ask that his cotton be transported free, and so has the grain producer of the West or anyone else in the United States to ask for similar subsidy. Think of it, Senators! If any of us should propose a bill or an amendment asking that our product should be transported free of charge how ridiculous it would appear! But it is being done in this case simply because some of us are afraid of the great metropolitan press, afraid of the influence of newspapers and the magazines. Senators, the day may come when some of us will be willing and glad to let those gentlemen get our scalps rather than to submit to propositions which we know are unfair and unjust.

The Senator from Ohio [Mr. POMERENE] referred to the fact that those same people had gloated over the fact that they got the scalps of certain men in the last election, and that that campaign will be carried on. So far as I am personally concerned they are welcome to my scalp if at the expense and the sacrifice of my own conscience and my own judgment I shall submit to a proposition which is, in my judgment, unfair, unjust, and indefensible.

In the first place, Mr. President, I am going to vote against the amendment and support the Post Office Department in what they ask, because I know the Government needs the revenue. In the second place, I am going to oppose this amendment because I believe it is an injustice to the small newspaper men in the country. I wonder what the great Security League of New York will think about Senators who are opposing administration measures now. I hope this will not be one of the 8 or 10 propositions upon which they agreed to determine whether a man was loyal or disloyal.

I say to the Senator from Utah, who is courageous, that he is taking a tremendous responsibility upon himself, because that great league is composed of the great men of this country. I know one of them very well. He testified before the Committee on Agriculture last year, at least he was present for about 30 days. He was at that time representing some of the great trusts of the country. I do not say that all trusts are bad—100 per cent bad—but this particular gentleman was not representing the common people throughout the country at that time. Perhaps he has reformed now. Perhaps he has seen the error of his ways and been instrumental in having the resolution adopted in that great convention, and which the Senator from Utah just read into the RECORD, and I have no doubt it was a great convention, composed of very eminent men.

I say to the Senator from Utah if you take it as legitimate business proposition, you can not defend it; it is indefensible; and while you argue in favor of it, you will have to argue around a circle in order to defend yourself. From the standpoint of the publishers of the small newspapers of the country, I ask to have this letter read at the desk.

The PRESIDING OFFICER (Mr. KIRBY in the chair). The Secretary will read as requested.

The Secretary read as follows:

JAMESTOWN, N. DAK., *December 13, 1918.*

Hon. A. J. GRONNA,
Washington, D. C.

DEAR SENATOR: We understand an effort is being made by the big daily and the magazine publishers to secure their old subsidy privileges of the mail by a repeal of the present zone system of postage rates. We earnestly hope you will oppose vigorously this rank discrimination against the small dailies, which are growing in numbers and filling a field satisfactorily. The small daily is rapidly developing into a necessity of the smaller towns, and the reason is evident. Type-setting machines and telephones transmitting news formerly sent by telegraph have given the small daily a chance to supply the needs of the community with a combination local and general newspaper. The big dailies do not print the local news, and all the small dailies now have wire press reports and print the important news of the world and the Nation, together with the local, State, and county news.

Many persons in small towns are not able to take or have time to read the larger dailies for the general news, and are satisfied with the small daily service. The local merchant also has in the small daily a satisfactory medium to advertise his goods, which is of value to the community and a right to which it is surely entitled.

The small daily is also filling a demand of farmers for a daily newspaper delivered by rural carriers. The war, the draft, and the Red Cross have created a new class of newspaper readers, and thousands of town and farm families are now subscribers to local dailies who never subscribed or read regularly any daily paper before. The combined local and general news in concise space is all that this class of readers desire. Should they be deprived of it?

Is not the privilege of the residents of the smaller towns equal in importance to the demands of publishers of larger dailies who wish to monopolize the local field, and is it just to permit the small daily to be driven out of existence by subsidizing the larger ones by Federal discrimination?

We believe that the injustice in permitting this will only add fuel to the arguments of those who are using claims of big business favoritism to create a strong sentiment in this country against all conservative, sane, and fair legislation for all classes alike.

We hope you will oppose strenuously and promptly any change in the zone system of postage rates for newspapers.

Yours, truly,

ALERT PUBLISHING CO.,
By W. R. KELLOGG.

Mr. GRONNA. Mr. President, that letter is from a newspaper man in my State, a man of very high standing. He is also a Republican.

If it were not for the fact that the Government at this particular time needs all the money that we can possibly collect, it might not be out of place to take this $70,000,000 out of the Treasury and subsidize the press to that amount, if they were willing to acknowledge that they are subsidized. But, Mr. President, for one I have nothing against the large newspapers of the country. They are really responsible for my presence here, because I have always had their opposition. Had it not been for their opposition, I doubt if I would have been here at all. I know the voice of the country press, of the little weekly newspaper, of the small daily newspaper in the country comes nearer to expressing the real sentiment of the people of the country than the voice of some of the large metropolitan newspapers.

Some other day, when the time of the Senate is not so precious as it is now, I shall try to amplify upon this subject; but I see that my patient, good friend from North Carolina, the chairman of the committee, is getting somewhat anxious to have the bill passed.

Mr. SIMMONS. The Senator has correctly interpreted my feelings.

Mr. GRONNA. I shall forego taking up very much more time, although I should like to have an hour or two to tell the Senators who are present and others who may hear me what I think about this proposition. But I am going to ask the Senate to listen to a letter written by a Democratic editor of North Dakota, the editor of the only daily Democratic newspaper in my State. It is a letter which was sent to me last year. I ask the Secretary not to read his letter to me, but to read a letter which is addressed to Mr. Rex Beach. It seems that Mr. Rex Beach was president of the Authors' League of America to educate other editors throughout the country, and the letter which I ask to have read is in answer to Mr. Rex Beach by Col. J. H. Bloom, of Devils Lake, N. Dak.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

DEVILS LAKE, N. DAK.

Mr. REX BEACH,
New York, N. Y.

DEAR SIR: I have your article advocating repeal of the new second-class postage rates which you kindly gave me first chance to publish here. I can not use this article, for I am not at all in sympathy with your position, nor is this very strange. You are a magazine and story writer; I just a plain country editor. We have no interests in common.

With the abolition of the railroad pass and other "something-for-nothing" privileges, there no longer exists any good reason why even newspapers should be deadheading it at the post office. Whatever faint excuse there may have been at one time for the carriage at a loss by Government of newspapers, none has ever existed for so carrying magazines, for this nearly free carriage and distribution could be regarded as advisable only in connection with dissemination of news, not of mere information, no matter how valuable the latter. Books give information, generally more thoughtfully prepared. Free or nearly free distribution for country newspapers did give a means of quickly getting to rural and small-town residents important news about current happenings, but that argument never applied to the magazine, which of necessity is prepared days and even weeks ahead of publication. Its contents, while in some instances containing knowledge, by no possibility furnish news, for such information as is provided ceased to be news 24 hours after it was made public.

My objection to the new law is that it does not go far enough nor quick enough. If I had my way, the rates would jump until this handling of second-class mail became profitable. Subscribers who were unwilling to pay a proper price, based on cost, for favorite periodicals, would be of mighty little value to the community.

I live in a region of farmers, and so far as they are concerned know that they are literally pestered with "junk" masquerading as farm journals, and a law that would relieve them would be welcome. I am quite aware that many people have no high regard for the country press and consider it of little consequence. Likewise many people think that we have too many magazines which are entirely unsuited for admittance to respectable homes. They get their large circulations because, through "sponging" their transportation from the Government, they can afford to make enticing offers to subscribers, and having built a big circulation get a stiff price from advertisers. Moreover, these advertisements are simply circulars or third-class matter, save in method of distribution. As such, they should pay 8 cents per pound instead of 1.

They would give away circulation if the law permitted, and even now they circumvent it in every way possible. Here is one way in which farm journals get around it: With a subscription price of $1, a journal I have in mind gives a solicitor 95 cents for procuring the subscription, and then gives a premium to the farmer which costs 35 cents, though it is represented as worth $1.50. In one case of this sort 60,000 subscriptions out of 500,000 issue were taken because of a real desire for the farm journal, the entire remainder being induced by joint action of glib-tongued solicitor and fascinating "premium."

As a result, advertisers are "bilked" into giving business to "circulation" which few read, and the post office is burdened with distribution at a loss of mountains of trash. With popular magazines the desire for increased circulation induces publishers to give agencies such rates that clubbing offers work a similar fraud upon the department and the advertiser. Wasted circulation is promoted. A subscriber who takes three periodicals, with aggregate list price of $3.50 for $2, may find that the first is one he does not want, the second his wife does not want, and the third neither wants.

I will admit I am mercenary in opposing, just as you are in exploiting, your program. I am opposed to classifying newspapers with magazines for postage purposes. Not only do newspapers render services to the public which entitle them to better rates but also the haul of the magazine is a thousand miles, and then some, while the newspaper goes perhaps 50 miles. When rates are based on common sense, the country paper will come into its own again, and the advertising that formerly appeared in its columns but has of late been carried in magazines will once more return there. Then its influence will increase, for advertising will protect its patrons against mail-order vampires, and the local merchant can once more afford to take space and exploit his wares, to the joint benefit of himself, the farmer, and the small paper.

THE ZONE SYSTEM IS THE SALVATION OF THE COUNTRY PAPER.

Every country newspaper in the United States should oppose your scheme of repeal, but they won't, for they haven't sense enough to do it. They will follow the lead of the big city papers and magazines of the East and howl about the great injustice of the increase, as you so thrillingly put it, blissfully unconscious of the fact that by so doing they are assisting the chief agents of the mail-order houses in stealing away their trade.

Another point: I want any paper that comes into my territory from St. Paul, Chicago, and New York to pay well for the privilege; at least, let it pay cost. I have to pay freight on my paper which comes to me before it is printed and then I distribute it to near-by patrons by mail, and I object to the easterner getting his paper, just because it is printed, into my people's hands free, or nearly so.

If our Congressmen do their duty by their constituents, the only change that will be made in the law will be to put more "teeth" into it, making second-class mail pay cost of handling.

Believe me, the noise the "big boys" are making is tuneful to me, but I am wondering if they can continue to get away with it. I know they should not, but they are a resourceful lot. It wasn't such a bad idea, either, to get you and the Authors' League to do some of the calamity howling.

Yours, very truly.

J. H. BLOOM,
Editor The Journal.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Tennessee [Mr. MCKELLAR] to the amendment of the committee.

Mr. SIMMONS. I understand the amendment of the Senator from Tennessee is an amendment to the committee amendment repealing the zone system.

Mr. McKELLAR. It is to perfect the amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the adoption of the amendment proposed by the committee.

Mr. HARDWICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Johnson, Cal.	New	Smith, S. C.
Borah	Johnson, S. Dak.	Norris	Smoot
Calder	Jones, N. Mex.	Nugent	Spencer
Curtis	Jones, Wash.	Page	Sutherland
Dillingham	Kellogg	Penrose	Swanson
Fernald	Kendrick	Poindexter	Thomas
Fletcher	Kenyon	Pollock	Townsend
France	Kirby	Pomerene	Trammell
Frelinghuysen	Knox	Ransdell	Underwood
Gay	La Follette	Saulsbury	Vardaman
Gerry	Lodge	Shafroth	Warren
Gronna	McKellar	Sheppard	Watson
Harding	McNary	Sherman	Weeks
Hardwick	Martin, Ky.	Simmons	
Henderson	Martin, Va.	Smith, Ariz.	
Hitchcock	Moses	Smith, Md.	

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. There is a quorum present. The question recurs upon the adoption of the amendment as proposed by the committee.

Mr. McKELLAR. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Is the vote to be taken on the committee amendment or is there a vote to be taken on an amendment to the amendment?

The PRESIDING OFFICER. The vote is now to be taken on agreeing to the amendment as proposed by the committee.

Mr. NORRIS. I thought the Senator from Tennessee had offered an amendment to the amendment.

The PRESIDING OFFICER. His amendment to the amendment was defeated. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. GAY (when his name was called). I announce my pair with the Senator from Indiana [Mr. NEW]. If I were at liberty to vote, I should vote "yea." Not knowing how the Senator from Indiana would vote if present, I refrain from voting.

Mr. FERNALD (when Mr. HALE's name was called). I desire to announce that my colleague, the junior Senator from Maine [Mr. HALE], is absent on official business. If he were present, he would vote "yea."

Mr. KNOX (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], who is not present. I transfer that pair to the senior Senator from Minnesota [Mr. NELSON] and vote "yea."

Mr. PENROSE (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I will transfer to the junior Senator from Maine [Mr. HALE] and will vote "yea."

Mr. SAULSBURY (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. COLT]. Not knowing how he would vote, if present, I refrain from voting.

Mr. SMITH of South Carolina (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING]. In his absence I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON], and therefore withhold my vote.

The roll call was concluded.

Mr. UNDERWOOD. I wish to announce that my colleague [Mr. BANKHEAD] is absent on account of official business. He is paired with the Senator from New Jersey [Mr. BAIRD].

Mr. KENDRICK (after having voted in the affirmative). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. I transfer that pair to the Senator from Texas [Mr. CULBERSON], and will let my vote stand.

Mr. SHERMAN (after having voted in the affirmative). I have a pair with the senior Senator from Kansas [Mr. THOMPSON]. I am informed that if present he would vote for the committee amendment. So I am at liberty to vote, and I will let my vote stand.

Mr. WATSON (after having voted in the affirmative). I have a general pair with the junior Senator from Delaware [Mr. WOLCOTT]. I voted, but because I am unable to obtain a transfer of my pair I desire to withdraw my vote.

Mr. WARREN (after having voted in the affirmative). Has the Senator from North Carolina [Mr. OVERMAN] voted?

The PRESIDING OFFICER. He has not.

Mr. WARREN. Then I will ask to withdraw my vote, as I have a general pair with that Senator.

Mr. STERLING. I desire to state that the Senator from North Carolina [Mr. OVERMAN], the Senator from Delaware [Mr. WOLCOTT], the Senator from Minnesota [Mr. NELSON], the Senator from Missouri [Mr. REED], and the Senator from Utah [Mr. KING] are absent on business of the Senate.

Mr. GERRY. I wish to announce that the Senator from California [Mr. PHELAN] is detained on official business.

I desire also to announce that if the Senator from Utah [Mr. KING] were present, he would have voted in favor of the so-called McKellar amendment.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

Mr. McKELLAR. I desire to announce that my colleague [Mr. SHIELDS] is detained from the Senate on account of illness.

Mr. STERLING (after having voted in the affirmative). I am informed that the Senator from South Carolina [Mr. SMITH], with whom I have a general pair, has not voted. Not knowing how he would vote, I withdraw my vote.

The result was announced—yeas 34, nays 22, as follows:

YEAS—34.

Borah	Hitchcock	McNary	Simmons
Calder	Johnson, Cal.	Martin, Va.	Smith, Md.
Dillingham	Jones, N. Mex.	Moses	Smoot
Fernald	Jones, Wash.	Page	Spencer
Fletcher	Kendrick	Penrose	Swanson
France	Knox	Poindexter	Underwood
Gerry	Lodge	Pollock	Weeks
Harding	McCumber	Ransdell	
Henderson	McLean	Sherman	

NAYS—22.

Beckham	Kenyon	Norris	Sutherland
Curtis	Kirby	Nugent	Thomas
Gronna	La Follette	Pomerene	Trammell
Hardwick	McKellar	Shafroth	Vardaman
Johnson, S. Dak.	Martin, Ky.	Sheppard	
Kellogg	Myers	Smith, Ariz.	

NOT VOTING—40.

Ashurst	Gay	Overman	Smith, S. C.
Baird	Goff	Owen	Sterling
Bankhead	Gore	Phelan	Thompson
Brandegee	Hale	Pittman	Townsend
Chamberlain	Hollis	Reed	Wadsworth
Colt	King	Robinson	Walsh
Culberson	Lenroot	Saulsbury	Warren
Cummins	Lewis	Shields	Watson
Fall	Nelson	Smith, Ga.	Williams
Frelinghuysen	New	Smith, Mich.	Wolcott

So the amendment of the committee was agreed to.

Mr. SIMMONS. Mr. President, on page 7, line 1, the committee desire to perfect its amendment by adding, after the word "any," the word "stock," and after the word "taxpayer," by inserting the words "during the calendar year 1918."

The PRESIDING OFFICER (Mr. MARTIN of Kentucky in the chair). The amendment to the amendment proposed by the Senator from North Carolina will be stated.

The SECRETARY. On page 7, line 1, after the word "any," which is the first word in the line, it is proposed to insert the word "stock," so that it will read "any stock dividend," and after the word "taxpayer," in the same line, to insert the words "during the calendar year 1918."

The PRESIDING OFFICER. The question is on the amendment to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. SIMMONS. Mr. President, I will ask the Secretary to read the next committee amendment which was passed over.

The SECRETARY. The next amendment passed over was, on page 11, beginning in line 3, which was passed over at the instance of the senior Senator from Wisconsin [Mr. LA FOLLETTE], where the committee proposed to strike out beginning in line 3, down to and including line 9, as follows:

(a) In the case of a citizen or resident of the United States 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That upon the first $4,000 of this amount the rate shall be 6 per cent.

(b) In the case of a nonresident alien, 12 per cent of the amount of the net income in excess of the credits provided in section 216.

And in lieu thereof to insert:

(a) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 6 per cent.

(b) For each calendar year thereafter, 8 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 4 per cent.

Mr. SIMMONS. Mr. President, that amendment was passed over with my consent. It involves the 1920 tax, and I think it may again be passed over. I do not think we are ready to take it up at this time.

Mr. President, I think the Senator from Wisconsin [Mr. LA FOLLETTE] asked that the surtax section on page 11 be passed over. There is no notation on the back of the bill that he requested it, but I am quite sure that he did request it. I will ask the Senator from Wisconsin if I am correct about that?

The PRESIDING OFFICER. That amendment has been agreed to.

Mr. LA FOLLETTE. It has been agreed to. I waived that request.

Mr. SIMMONS. Very well; I overlooked that fact.

The PRESIDING OFFICER. The next amendment passed over will be stated.

The SECRETARY. The next amendment passed over is the one at the foot of page 47, which was passed over at the instance of the Senator from New Mexico [Mr. JONES]. The amendment is under the heading of "Tax on corporations"——

Mr. JONES of New Mexico. Mr. President, I should like to have that section go over again if agreeable. I wish to submit to the Senate some remarks concerning it, and I do not believe that I care to do so this afternoon, unless it is insisted upon. I should like to take that up with some other provisions of the bill, which I hope to discuss the first thing to-morrow.

Mr. SIMMONS. Mr. President, I shall not insist upon it, because I am aware of the fact that the Senator desires to discuss other portions of the bill in connection with that provision.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The SECRETARY. The next amendment passed over was passed over at the request of the Senator from Utah [Mr. SMOOT], on page 65, beginning in line 1, to insert:

CONSOLIDATED RETURNS.

SEC. 240. (a) That corporations which are affiliated, within the meaning of this section, shall, under regulations to be prescribed by the commissioner, with the approval of the Secretary, makes a consolidated return of net income and invested capital for the purposes of this title and Title III, and the taxes thereunder shall be computed and determined upon the basis of such return.

In any case in which a tax is assessed upon the basis of a consolidated return, the total tax shall be computed in the first instance as a unit and shall then be assessed upon the respective affiliated corporations in such proportions as may be agreed upon among them, or, in the absence of any such agreement, then on the basis of the net income and invested capital properly assignable to each. There shall be allowed in computing the income tax only one specific credit of $2,000 (as provided in section 236); in computing the war-profits credits (as provided in section 311) only one specific exemption of $3,000; and in computing the excess-profits credit (as provided in section 312) only one specific exemption of $3,000.

(b) For the purpose of this section, two or more corporations shall be deemed to be affiliated—

(1) If one corporation owns directly or controls through closely affiliated interests or by a nominee or nominees substantially all the stock of the other or others, or if substantially all the stock of two or more corporations is owned or controlled by the same interests, or if one such corporation buys from or sells to another products or services at prices above or below the current market, thus effecting an artificial distribution of profits, or in any way so arranges its financial relationships with another corporation as to assign to it a disproportionate share of net income or invested capital.

(2) A foreign corporation shall not be deemed to be affiliated with a domestic corporation unless substantially all its stock is owned or controlled by such domestic corporation or by a resident taxpayer or group of resident taxpayers owning or controlling substantially all the stock of such domestic corporation. Where under this subdivision a foreign corporation is affiliated with a domestic corporation, the total tax (computed as a unit as above provided) shall be reduced by the credit authorized in section 238.

Mr. SMOOT. Mr. President, I will state that I asked that that amendment go over at the request of the Senator from Minnesota [Mr. KELLOGG], who is now present and who will offer any amendment he desires.

Mr. KELLOGG. Mr. President, I have heretofore presented an amendment, which was printed, providing a substitute for subdivisions 1 and 2 of paragraph (b) of the amendment in regard to consolidated returns; but on reconsideration I ask to perfect the amendment so as simply to strike out part 2 of subdivision (b), on page 66, and insert in lieu thereof the amendment which I will ask to have read.

The PRESIDING OFFICER. The Secretary will read the amendment offered by the Senator from Minnesota to the amendment reported by the committee.

The SECRETARY. On page 66, beginning in line 8, it is proposed to strike out subdivision 2 of paragraph (b) down to and including line 16 on that page and to insert in lieu thereof the following:

(2) A foreign corporation shall not be deemed to be affiliated with a domestic corporation unless a majority of the stock or a controlling interest in the stock is owned or controlled by such domestic corporation or a resident taxpayer or group of resident taxpayers, or by such domestic corporation and a resident taxpayer or group or resident taxpayers closely affiliated with the management of said domestic corporation. Where under this subdivision a foreign corporation is affiliated with a domestic corporation the total tax (computed as a unit, as above provided) shall be reduced by the credit authorized in section 238.

Mr. KELLOGG. Mr. President, the object of that amendment is simply this: A domestic corporation doing business in a foreign country—in Canada, for illustration—renders a consolidated return of all its business and profits, but it is given credit for the taxes which it pays in Canada, as Canadian corporations are given credit for taxes they pay in this country. As a matter of fact, in carrying on business in Canada American corporations have found it necessary, instead of becoming admitted into Canada as foreign corporations, to hold the stock of Canadian corporations, and in many instances they have allowed local stockholders of their holding company to subscribe for stock in the Canadian company.

While, of course, the Congress can not compel a foreign corporation to make a consolidated return in this country, yet it is to the advantage of the foreign corporation to make a consolidated return if it can have a credit for the taxes it pays in that country, the same as foreign corporations have for taxes paid in this country; otherwise it is perfectly manifest that holding corporations in this country which have been compelled to carry on their business in a foreign country through a subcompany will not have any dividend declared from the subcompany.

I believe the Treasury Department is convinced that the Government will get more taxes under the amendment I have proposed and at the same time it will encourage American business men to continue business in Canada.

Along the northern boundary of this country there are a great many business institutions which have branches in Canada which are usually controlled by a holding company. The holding company sometimes owns 35 or 40 or 50 per cent, and the stockholders, resident taxpayers, will hold the remainder; but they are affiliated together, the companies are operated as one company, and they are perfectly willing to make returns as one company.

This bill provides—and it is a very wise provision—that where substantially all the stock belongs to a holding company it shall make consolidated returns. Personally I can not see any reason why, if they control the subcompany, a consolidated return should not be required in the same way.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. KELLOGG. Certainly, I yield.

Mr. SMOOT. I notice that the Senator's amendment provides, "unless a majority of the stock or a controlling interest in the stock is owned or controlled by such domestic corporation or a resident taxpayer," and so forth. A controlling interest in the stock might be even less than a majority of the stock.

Mr. KELLOGG. It might be less.

Mr. SMOOT. That often happens.

Mr. KELLOGG. If the company is controlled by the stock of some of its own stockholders who act with the company that would be a controlling interest.

Mr. SMOOT. Does not the Senator think that if the corporation is allowed to make a consolidated return it at least ought to have a majority of or a controlling interest in the stock? Many corporations are controlled by one man who owns, say, 45 per cent of the stock; and it seems to me if we are going to allow consolidated returns at least there ought to be a majority of the stock owned by the individual.

Mr. KELLOGG. That is owned by the company or individual stockholders—resident taxpayers—who act with it.

Mr. SMOOT. Certainly.

Mr. KELLOGG. I have no objection to that, and I will perfect the amendment in that way if the Senator from North Carolina is willing to accept it.

Mr. SIMMONS. What is the suggestion?

Mr. SMOOT. I called the attention of the Senator from Minnesota to the fact that under the wording of his amendment a controlling interest in the stock may be less than the majority of the stock, and I asked the Senator if he would not be willing to amend his amendment so as to require a majority of the stock to be owned or controlled by the corporation making the consolidated return.

Mr. SIMMONS. Not less than a majority.

Mr. SMOOT. Not less than a majority of the stock.

Mr. SIMMONS. If the Senator will do that——

Mr. KELLOGG. Mr. President, I have no objection to that, provided that majority includes the stock held by resident taxpayers who act with the affiliated corporation, the same as in the case of the original amendment.

Mr. SMOOT. Then say "not less than a majority of the voting stock."

Mr. KELLOGG. If the Senator in charge of the bill wishes, I will withdraw the amendment at present and offer it later.

Mr. SIMMONS. I think that will hardly be necessary.

Mr. KELLOGG. Then, Mr. President, I will read the amendment as I have modified it:

(2) A foreign corporation shall not be deemed to be affiliated with a domestic corporation unless a majority of the voting stock is owned or controlled by such domestic corporation or a resident taxpayer or group of resident taxpayers or by such domestic corporation and a resident taxpayer or group of resident taxpayers closely affiliated with the management of said domestic corporation. Where under this subdivision a foreign corporation is affiliated with a domestic corporation the total tax (computed as a unit as above provided) shall be reduced by the credit authorized in section 238.

Mr. SIMMONS. I did not hear the first part of the suggestion, having been interrupted. Does it provide that it shall be not less than a majority of the voting stock?

Mr. KELLOGG. Yes; "unless a majority of the voting stock"——

Mr. SIMMONS. If that is the amendment, while I think the committee amendment is somewhat preferable, I am anxious not to have controversies where it is not necessary, and the amendment of the Senator from Minnesota is so much like that of the committee that I am disposed to accept it.

Mr. KELLOGG. I send the amendment to the desk.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. The next amendment passed over will be found on page 84, beginning with line 19.

Mr. SIMMONS. I will ask the Chair if there was not an amendment passed over on page 83?

The PRESIDING OFFICER. There was not. The Senator from Colorado gave notice that later on he would offer a substitute for the amendment on page 83.

Mr. SIMMONS. Yes. It is marked here, and the mark does not indicate the purpose.

The SECRETARY. The next amendment passed over begins on page 84 with the subdivision (b) under the third bracket on line 19, and was passed over at the request of the Senator from Utah [Mr. SMOOT].

Mr. SMOOT. Those are the 1920 rates on excess profits, and that amendment will be disposed of in connection with the other similar amendments in other parts of the bill.

Mr. SIMMONS. Let that go over again.

The PRESIDING OFFICER. The amendment will be again passed over.

Mr. SMOOT. Mr. President, on page 168, if the Senator will turn to that page, on line 25, the word "in," after the word "spirits," should be "and."

Mr. SIMMONS. That is correct.

Mr. SMOOT. I move to strike out "in" and insert "and" at that point.

The PRESIDING OFFICER. Without objection, the vote whereby the amendment was agreed to will be reconsidered. The Chair hears no objection.

The SECRETARY. On page 168, line 25, after the word "spirits," it is proposed to strike out the word "in" and insert in lieu thereof the word "and."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. The next amendment passed over is on page 85——

Mr. SMOOT. The amendment on page 85 was passed over for the same reason as the former amendment.

Mr. SIMMONS. That is because it involves the question of the excess-profits tax.

The SECRETARY. On page 95——

Mr. SIMMONS. Mr. President, that amendment was passed over at the request of the Senator from Louisiana [Mr. RANSDELL]. I think the Senator has decided not to offer an amendment, which at one time he expected to offer.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The SECRETARY. The next amendment passed over will be found on page 105, under "Part VII.—Miscellaneous," section 335.

Mr. SMOOT. That is the same thing, and I ask that that be passed over.

The PRESIDING OFFICER. The amendment will be again passed over.

The SECRETARY. The next amendment passed over is the one on page 107, at the foot of the page, where the committee proposes to strike out "Title IV.—Estate tax," going to the bottom of page 136. The amendment was passed over at the instance of the Senator from Colorado [Mr. THOMAS].

Mr. SIMMONS. Mr. President, I do not see the Senator from Colorado in the Chamber. I should like very much to have action upon this amendment this afternoon, if possible.

Mr. LA FOLLETTE. Mr. President, I think the Senator from Colorado has left the Chamber for the day. He stated to me a few moments ago that he was having some throat trouble, and had to be treated by a specialist; and I understood him to say that he would not be here for the balance of the afternoon.

Mr. SIMMONS. Very well, Mr. President; let it go over.

The PRESIDING OFFICER. The amendment will be again passed over.

The SECRETARY. The next amendment passed over will be found on page 137.

Mr. SIMMONS. That amendment was passed over at the instance of the Senator from Washington [Mr. JONES]. He is not here, and he requested me to have it passed over again. He said that he was necessarily called out of the Chamber.

The PRESIDING OFFICER. The amendment will be again passed over.

The SECRETARY. The next amendment passed over will be found on page 144, and was passed over at the suggestion of the chairman of the committee.

Mr. SIMMONS. Mr. President, I now send to the desk an amendment proposed by the committee as a substitute for the whole of the balance of that section. The section relates to marine and fire insurance and some other miscellaneous insurance.

I will state to the Senate that the committee has worked out in the case of fire and marine insurance a different scheme of taxation from that embodied in the bill, just as it worked out a different scheme of taxation on life insurance companies, which has heretofore been adopted by the Senate. I now send the amendment to the desk. It will be seen that there are at the end of the substantive amendments a great many small amendments that are made necessary by the sweeping change in this title of the bill.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. The amendment begins on page 143, line 4, with the heading "Insurance." After the heading "Insurance," it strikes out all of sections 503 and 504 and proposes the insertion of four new sections, as follows:

SEC. 503. That there shall be levied, collected, and paid in respect of all policies (not exempt under subdivision (b) of section 505) issued by any mutual insurance company a tax equivalent to 1 per cent of the excess of the gross amount of premiums charged (including reinsurance premiums charged) under such policies over the amount of premiums paid for reinsurance, return premiums, and premiums on policies not taken, such tax to be paid by the company issuing the policy.

SEC. 504. That from and after January 1, 1918, there shall be levied, collected, and paid, in respect of all policies (not exempt under subdivision (b) of section 505) issued by any insurance company other than a mutual insurance company, the following taxes upon the excess of the gross amount of premiums charged (including reinsurance premiums charged) under such policies, over the amount of premiums paid for reinsurance, return premiums, and premiums on policies not taken, such tax to be paid by the company issuing the policy:

(a) In the case of policies of casualty insurance, a tax equivalent to 1½ per cent of such excess;

(b) In the case of policies of marine and inland insurance (except policies of insurance upon exports) a tax equivalent to 2½ per cent of such excess: *Provided*, That under rules prescribed by the commissioner, with the approval of the Secretary, any marine insurance company or fire and marine insurance company may elect to be taxed in respect of all policies (including policies of insurance upon exports)

issued by such company, in which case the rate shall be 1½ per cent, but such election once made shall be adhered to in subsequent years unless permission to change is given by the commissioner;

(c) In the case of all other policies a tax equivalent to 1½ per cent of such excess.

SEC. 505. (a) That for the purposes of sections 503 and 504 the term "policies" includes contracts of reinsurance, and all fidelity and surety bonds upon which premiums are charged, and the term "insurance company" includes reinsurance companies.

(b) Policies issued by any corporation enumerated in section 231, life insurance and annuity contracts issued by any life insurance company, and mortgage guarantee policies and policies guaranteeing titles to real estate, shall be exempt from the taxes imposed by sections 503 and 504.

SEC. 506. That the taxes imposed by sections 503 and 504 shall be computed quarterly for the periods ending on March 31, June 30, September 30, and December 31, of each year, and every person subject to such taxes shall make quarterly returns under oath, in duplicate, to the collector of the district in which the principal office or place of business of such person is located. Such returns shall contain such information and shall be made in such manner and at such times as the commissioner, with the approval of the Secretary, may prescribe. The tax shall, without assessment by the commissioner or notice from the collector, be paid to the collector at the time so prescribed for filing the return: *Provided*, That in the case of the tax imposed by section 504 for the calendar year 1918, return shall be made and the tax shall be paid on or before March 15, 1919, and any amounts theretofore paid under subdivision (b) or (c) of section 504 of the revenue act of 1917, or under subdivision 2 of schedule A of Title VIII of the revenue act of 1917, on account of any policy issued on or after January 1, 1918, shall be credited toward the payment of such tax.

If any tax imposed by section 503 or section 504 is not paid when due, there shall be added as part of the tax a penalty of 5 per cent of the amount unpaid, together with interest thereon at the rate of 1 per cent for each full month from the time the tax became due until paid.

Mr. SIMMONS. Mr. President, my motion is to strike out all of section 503 and all of section 504 and insert what has been read by the Secretary. It begins on page 143, line 5, and is a motion to strike out all of section 503 and section 504.

Mr. CURTIS. Mr. President, does the Senator expect to have a vote on that amendment to-night?

Mr. SIMMONS. I should like to have it voted upon to-night.

Mr. CURTIS. There are several Senators who are interested in that section, and who were not aware that the amendment was to be proposed. If the Senator wants a vote now, I shall have to suggest the absence of a quorum.

Mr. SIMMONS. I shall not ask for a vote to-night if the Senator is going to make that motion; but I do not believe there will be any objection to this change in the bill.

Mr. CURTIS. The amendment has not yet been explained, and it is a new proposition. It has not yet been printed.

Mr. SIMMONS. Very well, Mr. President; the matter may go over. Does the Senator object to having it adopted subject to a motion to reconsider if any Senator desires?

Mr. CURTIS. If the Senator will consent to that action being taken.

Mr. SIMMONS. Yes; I will consent to that.

Mr. CURTIS. The Senator will agree to have it reconsidered if anybody objects in the morning?

Mr. SIMMONS. I will agree to it; yes.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

The amendment was agreed to.

The SECRETARY. On page 9, in lines 8 and 16, after the word "company," it is proposed to insert the words "or a mutual insurance company."

The PRESIDING OFFICER. For the purpose of this amendment and the others about to be stated, the votes whereby amendments have already been agreed to will be reconsidered in the absence of objection.

Mr. SIMMONS. I make that motion, Mr. President.

The PRESIDING OFFICER. The Chair hears no objection, and the votes will be reconsidered.

Mr. SIMMONS. Therefore the Chair can consider as being reconsidered all the amendments necessary to perfect this amendment.

The SECRETARY. On page 9, lines 8 and 16, after the word "company," it is proposed to insert the words "or a mutual insurance company" within the parentheses.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 31, line 14, after the word "income," at the end of the line, it is proposed to insert a comma and the words "or taxable under section 504."

The amendment was agreed to.

The SECRETARY. On page 39, line 7, after the word "income," it is proposed to insert a comma and the words "or taxable under section 504."

The amendment was agreed to.

The SECRETARY. On page 47, lines 21 and 22, after the word "corporation," in line 21, it is proposed to strike out the words "other than a life insurance company" and insert "except insurance companies taxable under section 245 or section 504."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 55, line 24, after the word "income," it is proposed to insert a comma and the words "or taxable under section 504."

The amendment was agreed to.

The SECRETARY. On pages 58 to 60, it is proposed to strike out paragraph "(10)," beginning on line 24, page 58, and all of paragraphs "(11)" and "(12)" down to and including line 4 on page 60.

The amendment was agreed to.

The SECRETARY. On page 61, lines 10 and 11, it is proposed to strike out the words "except in the case of life insurance companies" and insert in lieu thereof "for the purpose only of the tax imposed by section 230."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 67, line 1, after the word "companies," in the title, it is proposed to add the words "and mutual insurance companies."

The amendment to the amendment was agreed to.

The SECRETARY. On page 67, line 4, after the word "company," it is proposed to insert "and every mutual insurance company."

The amendment to the amendment was agreed to.

The SECRETARY. On page 67, line 5 and line 10, it is proposed to strike out the words "life insurance."

The amendment to the amendment was agreed to.

The SECRETARY. On page 67, line 18, it is proposed to strike out the words "a life" and insert the word "an."

The amendment to the amendment was agreed to.

The SECRETARY. After the word "company," in line 19, it is proposed to insert the words "taxable under section 245."

The amendment to the amendment was agreed to.

The SECRETARY. On page 67, line 23, and on page 68, line 1, it is proposed to strike out the word "An" and insert the words "In the case of a life insurance company, an."

The amendment to the amendment was agreed to.

The SECRETARY. On page 68, line 16, it is proposed to strike out the words "life insurance."

The amendment to the amendment was agreed to.

The SECRETARY. Also, on page 68, line 21, it is proposed to strike out the words "a life" and insert the word "an."

The amendment to the amendment was agreed to.

The SECRETARY. And after the word "company," it is proposed to insert the words "taxable under section 245."

The amendment to the amendment was agreed to.

The SECRETARY. On line 24, after the word "rents," it is proposed to insert a semicolon and the following: "and (2) the term 'reserve funds required by law' includes, in the case of any assessment insurance company, sums actually deposited with State or Territorial officers pursuant to law as guarantee or reserve funds."

The amendment to the amendment was agreed to.

Mr. SIMMONS. Mr. President, in the amendment on page 68, line 21, which reads: "Strike out the words 'a life' and insert the word 'an,' and after the word 'company' insert the words 'taxable under section 245,'" I am advised that the numeral "1" should be inserted in brackets.

The SECRETARY. In the amendment on page 68, line 21, it is proposed to strike out the words "a life" and insert "an," and after the word "company," at the end of the line, it is proposed to insert "taxable under section 245," and to insert in brackets the numeral "(1)."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 77, line 19, after the word "title," it is proposed to insert the words "or by section 504." There are already inserted at that place the following words:

And every personal-service corporation.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, there is an amendment already adopted on page 77, line 19, and this comes before that amendment.

The SECRETARY. Then it is proposed to insert, before the amendment already agreed to, after the word "title," on page 77, line 19, the words "or by section 504."

The amendment was agreed to.

The SECRETARY. On page 88, line 8, after the word "companies," it is proposed to insert a comma and the words "mutual insurance companies and insurance companies taxable under section 504."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 208, lines 8 and 9, strike out the words "other than a life insurance company."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 208, lines 21 and 22, it is proposed to strike out the words "other than a life insurance company."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 209, line 12, after the numerals "231," at the end of the line, it is proposed to insert a comma and the following: "nor to any life insurance company, mutual insurance company or insurance company taxable under section 504."

The amendment was agreed to.

The SECRETARY. On page 234, line 21, after the word "all," it is proposed to insert the words "mortgage guarantee policies and policies guaranteeing titles to real estate, and on all."

The amendment was agreed to.

The SECRETARY. On page 234, line 24, it is proposed to strike out the words "subdivision (b) of," and after "503" to insert "or 504."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. Mr. President, on page 87, line 24, I offer the amendment which I send to the desk.

The SECRETARY. On page 87, line 24, it is proposed to strike out the period and insert in lieu thereof a colon and the following:

Provided, That the tax upon such second part shall in no case be less than 20 per cent thereof, unless the tax upon the entire net income, if computed without benefit of this section, would constitute less than 20 per cent of such entire net income, in which event the tax shall be determined upon the entire net income, without reference to this section, as other taxes are determined under this title.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. I offer the following amendment, to come in on page 94, line 13.

The SECRETARY. On page 94, line 13, in the amendment already agreed to, strike out all after the word "assets" and the comma, and insert in lieu thereof: "valued in accordance with the provisions of subdivision (a) of section 326, section 330, and section 331."

The PRESIDING OFFICER. Without objection the vote by which the amendment was agreed to will be reconsidered, and the question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. On page 94, line 22, after the word "capital," I move to insert "for any year."

The amendment was agreed to.

Mr. SIMMONS. On page 95, line 12, I move to strike out the word "taxable" before the word "year."

The amendment was agreed to.

Mr. SIMMONS. On page 98, after line 4, I move to add as a new paragraph the following:

The average invested capital for the prewar period shall be determined by dividing the number of years within that period during the whole of which the corporation was in existence into the sum of the average invested capital for such years.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. On page 191, line 2, after the comma and following the word "organizations" where it first occurs in that line, I move to insert the words "Society for the Prevention of Cruelty to Children or Animals."

The amendment was agreed to.

Mr. SIMMONS. I yield to the Senator from Louisiana [Mr. RANSDELL].

Mr. LA FOLLETTE. Will the Senator from Louisiana yield to me to offer an amendment?

Mr. RANSDELL. Yes, sir.

Mr. LA FOLLETTE. I offer an amendment in the nature of a substitute for the pending bill, which I ask to have printed.

The PRESIDING OFFICER. Without objection, the amendment will be printed.

Mr. LA FOLLETTE. In connection with the amendment in the nature of a substitute which I have just presented, I submit a table which I have had prepared, being a comparison of the income-tax rates and the amount of income taxes upon specified individual incomes under the existing law, the Senate bill, and the proposed substitute for the bill.

Also, I submit a table showing the surtaxes upon individual incomes at the steps provided in the substitute and an estimate of the revenue it would raise, compared with the estimated revenue from individual incomes under the rates of the bill reported from the committee. I ask that the tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Comparison of income taxes upon specified incomes under the existing law, the Senate bill, and the proposed substitute bill.

Income.	Existing law.		Senate bill.		Substitute bill.	
	Amount.	Rate.	Amount.	Rate.	Amount.	Rate.
		Per cent.		*Per cent.*		*Per cent.*
$2,500	$10	0.40	$30	1.20	$10	0.40
$3,000	20	.67	60	2.00	20	.67
$3,500	30	.86	90	2.57	30	.86
$4,000	40	1.00	120	3.00	40	1.00
$4,500	60	1.33	120	3.33	50	1.11
$5,000	80	1.60	150	3.60	60	1.20
$5,500	105	1.91	215	3.91	95	1.73
$6,000	130	2.16	250	4.16	130	2.17
$6,500	155	2.38	320	4.92	165	2.54
$7,000	180	2.57	390	5.57	200	2.86
$7,500	205	2.73	460	6.13	235	3.13
$8,000	235	2.93	530	6.63	285	3.56
$8,500	265	3.12	605	7.12	335	3.94
$9,000	295	3.28	680	7.71	385	4.28
$9,500	325	3.42	755	7.95	435	4.58
$10,000	355	3.55	830	8.30	485	4.85
$12,500	530	4.24	1,235	9.88	800	6.88
$15,000	730	4.87	1,670	11.13	1,235	8.23
$20,000	1,830	5.90	2,630	12.15	2,335	11.67
$25,000	1,780	7.12	3,720	14.89	3,935	15.74
$30,000	2,380	7.93	4,930	16.43	6,235	20.95
$35,000	2,980	8.51	6,270	17.91	8,635	24.67
$40,000	3,580	8.95	7,730	19.33	10,985	27.46
$45,000	4,330	9.73	9,320	20.71	13,335	29.63
$50,000	5,130	10.38	11,030	22.06	15,685	31.37
$60,000	6,780	11.30	14,830	24.71	21,585	35.97
$70,000	8,880	12.69	19,130	27.33	27,485	39.24
$80,000	10,980	13.72	23,930	29.81	34,035	42.54
$100,000	16,180	16.18	35,030	35.03	48,435	48.44
$150,000	31,680	21.12	57,030	44.69	86,935	57.96
$200,000	49,180	24.59	101,030	50.52	125,435	62.72
$300,000	92,680	30.89	173,030	57.68	203,435	67.81
$500,000	192,680	38.54	323,030	61.60	361,435	72.29
$1,000,000	475,180	47.52	703,030	70.30	761,435	76.14
$5,000,000	3,140,180	62.80	3,783,030	75.66	3,961,435	79.23

Surtax rates and estimated revenue under the substitute bill.

Net income.	Taxable income.	Surtax rate.	Revenue.
		Per cent.	
$5,000 to $7,500	$675,000,000	5	$33,750,000
$7,500 to $10,000	340,000,000	8	27,200,000
$10,000 to $15,000	474,000,000	13	61,620,000
$15,000 to $20,000	315,000,000	20	63,000,000
$20,000 to $25,000	225,000,000	30	67,500,000
$25,000 to $50,000	615,000,000	45	276,750,000
$50,000 to $75,000	240,000,000	57	136,800,000
$75,000 to $100,000	220,000,000	70	154,000,000
$100,000 to $200,000	394,000,000	75	295,500,000
$200,000 to $300,000	185,000,000	76	140,600,000
$300,000 to $500,000	163,000,000	77	125,510,000
Over $500,000	423,000,000	78	332,280,000
Total	7,400,000,000		1,711,510,000
Normal tax		2	70,000,000
			1,781,510,000
Estimated return under Senate bill			1,432,000,000
Increase over Senate bill			352,510,000

MERCHANT MARINE.

Mr. RANSDELL. Mr. President, I have been very much interested in the subject of ships and shipping and our American merchant marine. After conferring with several friends I decided to call a conference in this city of patriotic Americans who feel an interest in this subject. I have prepared this invitation, which I would like to read to the Senate, dated yesterday, and addressed to patriotic Americans interested in ships and shipping. It will take but a minute to read it.

WASHINGTON, D. C., *December 18, 1918.*

To all patriotic Americans interested in ships and shipping:

In my capacity as a Senator from Louisiana, a State vitally interested in our merchant marine, and as a member of the Commerce Committee of the United States Senate I invite to a conference in the auditorium of the Smithsonian Institution at the Nation's Capital, January 22 and 23, 1919, representatives of every class of patriotic Americans who wish to see our shipping restored to the proud place it held 80 years ago, when 90 per cent of American commerce was carried in American ships and the Stars and Stripes floated over rich argosies of trade in every sea.

For three-quarters of a century we have had no ship policy worthy of the name. Since the world war began marked progress in legislation has been made and excellent and important work done by the United States Shipping Board and the Emergency Fleet Corporation. It is essential to our welfare that this work be continued and expanded; that we build and operate ships of commerce on a scale commensurate with out greatness and the national security; and that a secretary of marine be created.

There is much wisdom in unity of counsel. Exchange of views between many wise men, representing all interests in America, gathered together in this center of the Nation's thought should result in outlining a ship policy and in supporting it by healthy public opinion under the guidance of a great voluntary patriotic association to be formed by the conference, if deemed best.

I respectfully urge each and every citizen who has real ideas on this vital subject to attend the meeting and present his suggestions. Those who expect to be present will please advise me as promptly as possible.

JOSEPH E. RANSDELL.

Mr. President, I do not intend to take the time of the Senate to discuss this subject now. At a later date I hope to do so rather fully.

CHANGE OF NAME OF STEAMER.

Mr. HARDING. I ask permission to submit a report from the Committee on Commerce. From the Committee on Commerce I report back favorably, without amendment, the bill (S. 5102) to authorize the change of name of the steamer *Charlotte Graveraet Breitung* to *T. K. Maher*, and I submit a report (No. 626) thereon. I ask unanimous consent for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Commissioner of Navigation is hereby authorized and directed, upon application of the owner, the Morrow Steamship Co., of Mentor, Lake County, Ohio, to change the name of the steamer *Charlotte Graveraet Breitung*, official No. 27665, to the *T. K. Maher*.

The bill was reported to the Senate without amendment, ordered to be engrossed for the third reading, read the third time, and passed.

LEAGUE OF NATIONS FOR PEACE.

Mr. LODGE. Mr. President, I wish to give notice that on Saturday next, immediately after the morning business, if we have any morning business on that day, I shall address the Senate on the question of peace and the proposed league of nations. If we do not have routine morning business on Saturday, I fear I may be compelled to connect the speech with the revenue bill now pending.

AFFAIRS IN RUSSIA.

Mr. TOWNSEND. Mr. President, a day or two ago the junior Senator from California [Mr. JOHNSON] submitted to the Senate some remarks relative to the situation in Russia so far as the United States is concerned.

I have received many letters concerning our men in the American Army who are in Russia. I have called the attention of the Secretary of War to some of these conditions; but for the purpose of giving a little more publicity to the situation, I send to the desk a letter which I have received to-day on this subject, and I ask to have it read.

The PRESIDING OFFICER (Mr. MCLEAN in the chair). Without objection, the Secretary will read the letter.

The Secretary read as follows:

DETROIT, MICH., *December 17, 1918.*

Senator CHARLES E. TOWNSEND,
Washington, D. C.

DEAR SIR: I have been requested to write to you by Mrs. Charles A. Hawley, a widow, of 734 East Lawn Avenue, Detroit, Mich., regarding her son, Sergt. Harold Culver, Company A, Three hundred and thirty-ninth Infantry, American Expeditionary Force, northern Russia. She has written to him numerous times, but has never received a letter from him since he went overseas, and notwithstanding repeated efforts in various directions has been unable to learn anything about him.

She would indeed appreciate anything you can do to acquaint her with his present whereabouts and condition, if alive, or to confirm her belief that he has been killed or has died of disease.

In connection with this, although perhaps boring you with details that you have no doubt heard in many forms heretofore, I would also like to register a complaint regarding treatment of the American Expeditionary Force in northern Russia.

I have a personal acquaintance with at least a dozen families in Detroit who have boys in this force and know of a number of others with whom I have not a personal acquaintance, every one of which has, I believe, a just complaint. In the first place, this force sailed for England on July 22 and arrived there on August 4. Left England for Russia on the 25th and arrived in Archangel September 10 to 12. The first mail that this force received after leaving Camp Mills was delivered to them on October 6, which, to put it very mildly, is some delay in service, and especially so when every man no doubt was longing and wishing for letters from home. I sent two cablegrams to my son, Corpl. Howard A. Stafford, Three hundred and thirty-ninth Infantry, Machine Gun Company, American Expeditionary Forces, while he was still in England. These cablegrams did not reach him until October 6, and then by mail. Postal money orders mailed to him were two months and a few days in reaching him, and we were not allowed to send anything to him that would add to his comfort and pleasure until October 21, and not since then. Right here I would ask if it is not possible now to send small packages containing things of which he is fond and which he is unable to get in northern Russia?

I have written at least two letters to the War Department asking what bearing the armistice will have in the home-coming of this north Russian force. Also inquired if it is possible to get them out of Archangel or that vicinity during the winter, back to civilization, but have received no direct answer, the only answer of any consequence being to the effect that the peace conference in Paris would determine the future policy in Russia, but whereas we know that four months after peace treaty is signed their term of service automatically discontinues. This date of possible release is so indefinite that I would like to have it substituted by something more definite.

In connection with this, I would like to ask if the purpose of the American Expeditionary Force in northern Russia has been changed since the signing of the armistice, as I believe that the force has accomplished the object for which it was originally sent to Russia, namely, the protection of the port of Archangel from German invasion. I have before me a letter received by an officer in that north Russian American Expeditionary Force, who says that they have accomplished everything for which they originally went to Russia to accomplish.

In view of this and the unnecessary hardships those men are suffering at the present time at the front, after accomplishing their object, namely, living in small box cars, as many as 15 to a car, which car also must contain their equipment of every kind, stove, wood, ammunition, etc., and I understand that some of the organization has been at the front for two months or more, and there they are obliged to live in old log houses, or, if there are no log houses in the vicinity, they live outdoors, which in Russia at this time of year, you must admit, will probably bring them back to us, if at all, in bad condition.

I do not pretend to attempt to dictate what the Government is doing with their military forces. This handful of men in Russia, in so far as I can see, can not accomplish anything of value, and they seem to have been forgotten, and the Government evidently has no stated policy or reason for keeping them in that territory, and if you and others could but add your protest to that of Senator JOHNSON of California it might be possible to get these forsaken fellows out of that God-forsaken country. The feeling in Detroit against maintaining them longer in Russia is crystallizing and gaining in strength, as witnessed by very numerous letters of protest appearing daily in all Detroit papers, and I would ask that you use your large influence in protest against what I believe is unnecessary suffering and get this American force out of Russia as soon as possible, leaving this police duty—for it can be no more than that with so small a force—to the people to whom this work rightfully belongs, namely, European forces.

Understand, the writer is calling your attention to these things, which are creating a great deal of dissatisfaction everywhere, especially in Detroit, the home of 80 per cent of this American Expeditionary North Russian Force, knowing full well that the welfare of these Michigan boys is close to your heart and that when the extent of the feeling against maintaining this American force in Russia is brought home to you that you will thoroughly investigate the truth of what I have said and you will use your best endeavor to rectify the Government's failure to handle the situation in Russia correctly as regards the Three hundred and thirty-ninth Infantry.

With sincere thanks for what you may be able to accomplish, I am,
Yours, very truly,

D. P. STAFFORD.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its Enrolling Clerk, announced that the House had passed the bill (S. 4924) to amend section 336 of the Revised Statutes of the United States relating to the annual report on the statistics of commerce and navigation of the United States with foreign countries.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 11709) granting the consent of Congress to the village and township of Halstad, Norman County, Minn., and the township of Herberg, Traill County, N. Dak., to construct a bridge across the Red River of the North on the boundary line between said States.

The message further announced that the House had passed a bill (H. R. 12001) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED.

H. R. 12001. An act to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, was read twice by its title and referred to the Committee on the Judiciary.

H. R. 13308. An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, was read twice by its title and referred to the Committee on Post Offices and Post Roads.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SMOOT. Mr. President, it is so late in the evening that I shall not now offer an amendment respecting the income of estates, but I shall move to perfect that section of the bill the first thing in the morning.

EXECUTIVE SESSION.

Mr. SIMMONS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

COMMERCE WITH GUATEMALA.

On motion of Mr. HITCHCOCK, the following convention between the United States and Guatemala, signed December 3, 1918, was ratified and the injunction of secrecy removed therefrom:

The Senate:

I transmit herewith, to receive the advice and consent of the Senate to its ratification, a convention between the United States and Guatemala, signed December 3, 1918, for the development of commerce between them and to increase the exchange of commodities by facilitating the work of traveling salesmen.

Respectfully submitted.

WOODROW WILSON.

THE WHITE HOUSE,
Washington, December 3, 1918.

—

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President with a view to its transmission to the Senate, if his judgment approve thereof, to receive the advice and consent of the Senate to its ratification, a convention between the United States and Guatemala, signed December 3, 1918, for the development of commerce between them and to increase the exchange of commodities by facilitating the work of traveling salesmen.

Respectfully submitted.

ROBERT LANSING.

DEPARTMENT OF STATE,
Washington, December 3, 1918.

—

The United States of America and the Republic of Guatemala, being desirous to foster the development of commerce between them and to increase the exchange of commodities by facilitating the work of traveling salesmen, have agreed to conclude a convention for that purpose and have to that end appointed as their plenipotentiaries: The President of the United States of America; Robert Lansing, Secretary of State of the United States; and the President of the Republic of Guatemala, Señor Don Joaquín Méndez, his envoy extraordinary and minister plenipotentiary to the United States, who, having communicated to each other their full powers, which were found to be in due form, have agreed upon the following articles:

ARTICLE I.

Manufacturers, merchants, and traders domiciled within the jurisdiction of one of the high contracting parties may operate as commercial travelers either personally or by means of agents or employees within the jurisdiction of the other high contracting party on obtaining from the latter, upon payment of a single fee, a license which shall be valid throughout its entire territorial jurisdiction.

In case either of the high contracting parties shall be engaged in war, it reserves to itself the right to prevent from operating within its jurisdiction under the provisions of this treaty, or otherwise, enemy nationals or other aliens whose presence it may consider prejudicial to public order and national safety.

ARTICLE II.

In order to secure the license above mentioned the applicant must obtain from the country of domicile of the manufacturers, merchants, and traders represented a certificate attesting his character as a commercial traveler. This certificate, which shall be issued by the authority to be designated in each country for the purpose, shall be viséed by the consul of the country in which the applicant proposes to operate, and the authorities of the latter shall, upon the presentation of such certificate, issue to the applicant the national license as provided in Article I.

ARTICLE III.

A commercial traveler may sell his samples without obtaining a special license as an importer.

ARTICLE IV.

Samples without commercial value shall be admitted to entry free of duty.

Samples marked, stamped, or defaced in such manner that they can not be put to other uses shall be considered as objects without commercial value.

ARTICLE V.

Samples having commercial value shall be provisionally admitted upon giving bond for the payment of lawful duties if they shall not have been withdrawn from the country within a period of six months.

Duties shall be paid on such portion of the samples as shall not have been so withdrawn.

ARTICLE VI.

All customs formalities shall be simplified as much as possible with a view to avoid delay in the dispatch of samples.

ARTICLE VII.

Peddlers and other salesmen who vend directly to the consumer, even though they have not an established place of business in the country in which they operate, shall not be considered as commercial travelers, but shall be subject to the license fees levied on business of the kind which they carry on.

ARTICLE VIII.

No license shall be required of—

(a) Persons traveling only to study trade and its needs, even though they initiate commercial relations, provided they do not make sales of merchandise.

(b) Persons operating through local agencies which pay the license fee or other imposts to which their business is subject.

(c) Travelers who are exclusively buyers.

ARTICLE IX.

Any concessions affecting any of the provisions of the present treaty that may hereafter be granted by either high contracting party, either by law or by treaty or convention, shall immediately be extended to the other party.

ARTICLE X.

This convention shall be ratified, and the ratifications shall be exchanged at Washington or Guatemala within two years, or sooner if possible.

The present convention shall remain in force until the end of six months after either of the high contracting parties shall have given notice to the other of its intention to terminate the same, each of them reserving to itself the right of giving such notice to the other at any time. And it is hereby agreed between the parties that, on the expiration of six months after such notice shall have been received by either of them from the other party as above mentioned, this convention shall altogether cease and terminate.

In testimony whereof the respective plenipotentiaries have signed these articles and have thereunder affixed their seals.

Done in duplicate, at Washington, this 3d day of December, 1918.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Friday, December 20, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nomination received by the Senate December 19 (legislative day of December 15), 1918.

INTERSTATE COMMERCE COMMISSION.

Joseph B. Eastman, of Massachusetts, to be a member of the Interstate Commerce Commission for a term expiring December 31, 1922, vice George W. Anderson, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 19 (legislative day of December 15), 1918.

ASSISTANT CHIEF INSPECTOR OF LOCOMOTIVE BOILERS.

John A. Shirley to be assistant chief inspector of locomotive boilers.

APPOINTMENT IN THE NAVY.

Victor Blue to be Chief of the Bureau of Navigation in the Department of the Navy, with the rank of rear admiral.

HOUSE OF REPRESENTATIVES.

THURSDAY, *December 19, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

Almighty God, Thou who art the giver of every good and perfect gift, from whom we take our being and to whom we must at last give account of ourselves, we pray that Thy holy word may have lodgment in our hearts to-day and Thy holy spirit attend us along the journey of life. Be with the deliberations of this day in the House, keep Thy servants in perfect peace, in clearness of mind, in strength of heart and purpose, and to Thy name shall be all the praise, through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

CONTESTED-ELECTION CASE—WICKERSHAM AGAINST SULZER.

Mr. WILSON of Louisiana. Mr. Speaker, I desire to give notice that the contested-election case of Wickersham against Sulzer will be taken up in the House on the 3d day of January.

Mr. STAFFORD. The gentleman from Louisiana will notice that the 3d of January is Friday of the week in which New Year's occurs.

Mr. WILSON of Louisiana. Yes.

Mr. STAFFORD. And a great number of the Members will not be here.

Mr. FOSTER. They ought to be here.

Mr. STAFFORD. Yes; but many Members have not their families here with them, and they have gone home to spend the holidays with their families.

Mr. WILSON of Louisiana. I imagine that there will be a quorum here on that day.

Mr. STAFFORD. I think it would be more convenient for the membership of the House if we took it up on the Monday following.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed without amendment bills of the following titles:

H. R. 12945. An act providing for the purchase of uniforms, accouterments, and equipment by officers of the Navy, Marine Corps, and Coast Guard, and midshipmen at the Naval Academy from the Government at cost; and

H. R. 12916. An act to provide for the temporary promotion of commissioned officers of the Marine Corps serving with the Army.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to return to the House of Representatives, in compliance with its request, the bill (H. R. 12001) entitled "An act to amend an act entitled 'An act to codify, revise, and amend the laws relating to the judiciary,'" approved March 3, 1911.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 988. An act providing for the payment of certain interest on items 1 and 4 of the judgment of the Court of Claims of May 18, 1905, in favor of the Cherokee Nation; to the Committee on Indian Affairs.

RESOLUTION BY NATIONAL ASSEMBLY OF PANAMA (H. DOC. NO. 1607).

The SPEAKER laid before the House a communication from the Acting Secretary of State, as follows, which was ordered to be printed, with accompanying documents, and referred to the Committee on Foreign Affairs:

DEPARTMENT OF STATE,
Washington, December 17, 1918.

Hon. CHAMP CLARK,
Speaker of the House of Representatives.

SIR: I have the honor to inclose for the information of the House of Representatives a copy of a dispatch from the American minister at Panama, communicating a copy of the resolution adopted by the National Assembly of Panama on November 11 last felicitating the Government of the United States and the Governments of the allies on the signature of the armistice on November 11, 1918.

I have the honor to be, sir,
Your obedient servant,

FRANK L. POLK,
Acting Secretary of State.

AMENDING THE LAW RELATING TO STATISTICS OF COMMERCE AND NAVIGATION.

Mr. SIMS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 4924) to substitute the calendar year for the fiscal year for statistical reports from the Bureau of Foreign and Domestic Commerce in the Department of Commerce. The bill has passed the Senate, and if passed now the department can put the new year in force on the 1st day of January. The committee has had a hearing and feels satisfied that it is legislation that ought to be enacted.

The SPEAKER. The gentleman from Tennessee asks unanimous consent for the present consideration of the bill S. 4924, which the Clerk will report.

The Clerk read as follows:

An act (S. 4924) to amend section 336 of the Revised Statutes of the United States relating to the annual report on the statistics of commerce and navigation of the United States with foreign countries.

Be it enacted, etc., That section 336 of the Revised Statutes of the United States be, and the same is hereby, amended by striking out the word "fiscal" immediately preceding the word "year" at the end of the first sentence of said section and by inserting in lieu thereof the word "calendar."

Mr. STAFFORD. Mr. Speaker, the bill does not give us very much information, and I think the gentleman from Tennessee should give us some statement as to the real purpose of the bill.

Mr. SIMS. The report is very short, although we had a full hearing in the committee.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that before the objection is waived that the report be read.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the report (by Mr. SIMS), as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 4924) to amend section 336 of the Revised Statutes of the United States relating to the annual report on the statistics of commerce and navigation of the United States with foreign countries, having considered the same, report thereon with a recommendation that it pass.

The following is the report of the Senate Committee on Commerce on this bill:

"The Committee on Commerce, to whom was referred the bill (S. 4924) to amend section 336 of the Revised Statutes of the United States relating to the annual report on the statistics of commerce and navigation of the United States with foreign countries, having considered the same, report favorably thereon with the recommendation that the bill do pass.

"The bill has been referred to the Secretary of Commerce, and his report thereon (together with communications from the chairman of the United States Shipping Board and the War Industries Board with reference to H. R. 11848, on the same subject) is as follows:

"DEPARTMENT OF COMMERCE,
"OFFICE OF THE SECRETARY,
"*Washington, September 19, 1918.*

"MY DEAR SENATOR: In response to your communication of September 14, requesting for your committee suggestions touching the merits of S. 4924 and the propriety of its passage, I take pleasure in advising you as follows:

"From time to time it has been proposed that the annual official report on the statistics of foreign trade of the United States which, as provided in paragraph 1 of section 336 of the Revised Statutes, is now required to be issued to the close of the fiscal year ending June 30, be changed to cover the period to the close of the calendar year.

"At the time when this law was passed these statistics were compiled and published principally for the information and guidance of the Government particularly as a guide for legislation. In later years the use of foreign-trade statistics by industrial and commercial organizations has been rapidly increasing, and as their business year is more largely than any other the calendar year they find it inconvenient not to be able to procure official statistics of our foreign trade of calendar years.

"The chief value of trade statistics lies in their comparability with statistics of production and with trade statistics of other countries. Practically all the statistics of production, both agricultural and industrial, that are compiled and published by the executive departments of this Government, as well as of other governments, relate to the calendar year, as, for instance, the statistics of manufacture, etc., compiled by the Bureau of the Census of this department, the statistics of mineral production compiled by the Geological Survey, and the statistics of agricultural production and estimates compiled and published by the Department of Agriculture. The United States is the only important country in the world which publishes its foreign trade statistics for the fiscal year rather than for the calendar year, the only other countries being Mexico, Turkey, Persia, Honduras, and Haiti, and the following British colonial possessions: Canada, Australia, and India.

"The change proposed in the pending bills has been recommended by a special statistical committee appointed by the Department of the Treasury and the Department of Commerce as well as by a special statistical committee of the Chamber of Commerce of the United States. Moreover, at the present time the Shipping Board, the War Trade Board, and the War Industries Board, which boards are making very valuable use of our statistics in connection with the Government's control of trade and industry, and particularly the Shipping Board in its efforts to conserve tonnage for military use, are all very anxious to have these statistics issued for the calendar instead of for the fiscal year. For this reason the proposed legislation may be looked upon as a war-time measure, the speedy enactment of which will be of considerable assistance in the fulfillment of our military program.

"I am taking the liberty of sending with this letter a copy of the latest issue of Commerce and Navigation of the United States, being the report authorized by section 336 of the Revised Statutes and which it is now desired to have relate to the calendar rather than the fiscal year. Should you desire additional copies of this report for any or all of the members of your committee, they will be gladly furnished on request.

"Very truly, yours,
"WILLIAM C. REDFIELD,
"*Secretary.*

"Hon. DUNCAN U. FLETCHER,
"*United States Senate, Washington, D. C.*

"UNITED STATES SHIPPING BOARD.
"*Washington, September 19, 1918.*

"Hon. DUNCAN U. FLETCHER,
"*Chairman Senate Committee on Commerce,*
"*United States Senate, Washington, D. C.*

"MY DEAR SENATOR FLETCHER: My attention has been called to a bill now pending in the House (H. R. 11848) providing for the compilation of foreign-trade statistics, published by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, by the calendar year rather than the fiscal year.

"Inasmuch as statistics are valuable to the extent that they may be used in reference to future action, and inasmuch as such value is greatly enhanced if statistics are readily comparable with other statistics of a like nature, it seems to me highly desirable that the foreign-trade statistics of the Department of Commerce should be brought in line with the statistics gathered by the Bureau of the Census, Geological Survey, Bureau of Mines, and trade statistics of most of the foreign countries. All these statistics are published for the calendar year. I feel confident that this legislation will find ready acceptance in your committee, but write to you in view of my personal interest in foreign-trade matters.

"With kindest regards, I am,
"Yours, very truly,
EDWARD N. HURLEY,
"*Chairman.*"

"WAR INDUSTRIES BOARD,
"*Washington, September 20, 1918.*

"Hon. DUNCAN U. FLETCHER,
"*Chairman Senate Committee on Commerce,*
"*United States Senate, Washington, D. C.*

"MY DEAR SENATOR: The bill H. R. 11848 authorizing a change from the fiscal to the calendar year in the compilation of foreign-trade statistics in the annual report of the commerce and navigation of the United States, as published by the Department of Commerce, would, in my opinion, effect a valuable aid to American business and statistical organizations. Because of that I should like to see the proposed legislation enacted.

"Very respectfully, "B. M. BARUCH."

The SPEAKER. Is there objection?

Mr. GREEN of Iowa. Mr. Speaker, reserving the right to object, I would like to make an inquiry of some gentleman to explain the bill, whether it be the gentleman from Tennessee or the gentleman from Wisconsin.

Mr. SIMS. I would be glad to have the gentleman from Wisconsin answer the question, as he is very familiar with the facts.

Mr. GREEN of Iowa. Does this pertain to the matter included in the monthly reports called the Reports of Commerce and Navigation, which are subsequently bound in the annual report?

Mr. ESCH. It covers that, although they get out an annual report.

Mr. GREEN of Iowa. Does this apply simply to the annual report? I ask for this reason: The committees that are making up the bills, especially the Ways and Means Committee, need the report that corresponds to the fiscal year, with reference to the amount of imports and exports, especially imports, in order that we may know how much tariff dues to lay for the fiscal year. We ought to have some report of the fiscal year. If we do not we will have to do a large amount of work ourselves to sift it out of the report for the calendar year.

Mr. ESCH. I understand from the officials of the Bureau of Foreign and Domestic Commerce that they would make out a report for six months, and also the annual report. They would make out some annual reports which would give the committee the information the gentleman seeks.

Mr. GREEN of Iowa. And we will still receive the monthly reports?

Mr. ESCH. Yes. The object is to harmonize the foreign statistics as to exports and imports with the statistics we are gathering in other fields. The agricultural statistics are for the calendar year, and the statistics of the Geological Survey as to minerals are annual. Up to 1916 the Interstate Commerce Commission gathered the statistics of railroads for the fiscal year, but in the latter part of 1915 they issued an order making these reports based on the calendar year. So that these three great statistical bureaus are all on the calendar-year basis. We are trying to put the foreign and domestic commerce statistics on the same basis, to correspond likewise with the statistics furnished by all the great commercial nations of the world, and it ought to be done at once, so that the department can begin on the 1st of January.

Mr. SIMS. Mr. Speaker, one further statement which the gentleman from Wisconsin did not refer to: It was testified before our committee that under the present plan of making reports business men and corporations were continually calling for reports with reference to foreign trade, and as these were made up at the end of the fiscal year there was some difficulty, requiring much more time to get up reports for the calendar year to comply with the special inquiries made. If this bill was passed it would save a great deal of work for the bureau that they now have to do in order to supply people with the statistical information that they request on the calendar-year basis.

Mr. NORTON. Mr. Speaker, will the gentleman yield for an inquiry?

Mr. SIMS. Yes.

Mr. NORTON. I note that the report urged as a reason for the passage of this legislation that it was a war measure.

Mr. SIMS. That was the statement before the Senate committee.

Mr. NORTON. And the argument for its passage was that it was a war measure. In what way does the chairman of the committee hold that this particular legislation is a war measure, needed to carry on the war?

Mr. SIMS. That statement was made by the Secretary to the Senate committee, in his letter to the Senate committee.

Mr. NORTON. I call attention to that for the reason that I think that statement is ridiculous. It seems to me this legislation is meritorious, from a business point of view. There is a real need for it, but it has nothing to do with the war.

Mr. SIMS. We are not asking for the bill on that account.

Mr. ESCH. Mr. Speaker, in reply to the gentleman's suggestion, that letter was written before the signing of the armistice, and prior to that date the War Industries Board and the War Trade Board made numerous demands on the Bureau of Foreign and Domestic Commerce for statistics, and the information given was important to these two war boards. That is possibly why in that letter it was referred to as a quasi war-time measure.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to make an inquiry. What has this to do with the war?

Mr. SIMS. The war now?

Mr. MANN. Yes.

Mr. SIMS. Nothing that I know of.

Mr. MANN. I notice that the principal reason why the Secretary of Commerce asks for the enactment of this legislation is contained in this sentence:

> For this reason the proposed legislation may be looked upon as a war-time measure, the speedy enactment of which will be of considerable assistance in the fulfillment of our military program.

Is it not about time that the various departments of the Government asking for legislation by Congress should quit trying to impose upon Congress the idea that legislation in no wise connected with the war is desired to further the interests of the military program?

Mr. SIMS. There was nothing before our committee to that effect.

Mr. MANN. Oh, yes; this was before the committee, and it was just read from the Clerk's desk at the gentleman's request as a part of the report of the committee, and it was the only thing practically that the committee had before it.

Mr. SIMS. Oh, no. We had hearings, and officials from the Department of Commerce were there, and they did not even refer to the war.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on the third reading of the Senate bill.

The bill was ordered to be read the third time and was read the third time and passed.

On motions of Mr. SIMS, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS THE RED RIVER OF THE NORTH.

Mr. STEENERSON. Mr. Speaker, I ask the Chair to lay before the House the bill (H. R. 11709) granting the consent of Congress to the village and township of Halstad, Norman County, Minn., and the township of Herbert, Traill County, N. Dak., to construct a bridge across the Red River of the North on the boundary line between said States. It is a House bill with Senate amendments.

The SPEAKER. The Chair lays before the House the bill H. R. 11709, a House bill with Senate amendments, which the Clerk will report.

The Clerk read the Senate amendments.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

AMERICAN COMMITTEE FOR RELIEF IN THE NEAR EAST.

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to discharge the Committee on the Judiciary from further consideration of the bill (S. 4785) to incorporate the American Committee for Relief in the Near East, and that the same be considered at this time.

Mr. MANN. Where is the Senate bill now?

Mr. MONTAGUE. It is before the Committee on the Judiciary. A similar House bill has been unanimously reported by the Committee on the District of Columbia.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate bill 4785, and that the same be taken up for consideration at this time. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the following persons, namely, James L. Barton, Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, Charles R. Crane, William Howard Taft, Charles Evans Hughes, Elihu Root, Harry Pratt Judson, Charles E. Beury, Arthur J. Brown, John B. Calvert, William I. Chamberlain, William T. Ellis, James Cardinal Gibbons, Jerome D. Greene, David H. Greer, Harold A. Hatch, William I. Haven, Myron T. Herrick, Hamilton Holt, Frank W. Jackson, Arthur Curtiss James, Frederick Lynch, Vance C. McCormick, Charles S. Macfarland, Henry B. F. Macfarland, William B. Millar, John R. Mott, Frank Mason North, George A. Plimpton, Philip Rhinelander, William Jay Schieffelin, George T. Scott, Albert Shaw, William Sloane, Edward Lincoln Smith, Robert Eliot Speer, James M. Speers, Oscar S. Straus, Charles V. Vickrey, Harry A. Wheeler, Stanley White, Ray Lyman Wilbur, Talcott Williams, and Stephen S. Wise, their associates and successors duly chosen, are hereby incorporated and declared to be a body corporate of the District of Columbia

by the name of the American Committee for Relief in the Near East and by that name shall be known and have perpetual succession, with the powers, limitations, and restrictions herein contained.

SEC. 2. That the object for which said corporation is incorporated shall be to provide relief and to assist in the repatriation, rehabilitation, and reestablishment of suffering and dependent people of the Near East and adjacent areas; to provide for the care of orphans and widows, and to conduct any industrial enterprises or operations of a philanthropic character which may, in the judgment of the corporation, be necessary to promote the social, economic, and industrial welfare of those who have been rendered destitute, or dependent directly or indirectly, by the vicissitudes of war, the cruelties of men, or other causes beyond their control.

SEC. 3. That the direction and management of the affairs of the corporation, and the control of its property and funds, shall be vested in a board of trustees, to be composed of the following individuals: James L. Barton, Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, Charles R. Crane, William Howard Taft, Charles Evans Hughes, Elihu Root, Harry Pratt Judson, Charles E. Beury, Arthur J. Brown, John B. Calvert, William I. Chamberlain, William T. Ellis, James Cardinal Gibbons, Jerome D. Greene, David H. Greer, Harold A. Hatch, William J. Haven, Myron T. Herrick, Hamilton Holt, Frank W. Jackson, Arthur Curtiss James, Frederick Lynch, Vance C. McCormick, Charles S. Macfarland, Henry B. F. Macfarland, William B. Millar, John R. Mott, Frank Mason North, George A. Plimpton, Philip Rhinelander, William Jay Schieffelin, George T. Scott, Albert Shaw, William Sloane, Edward Lincoln Smith, Robert Elliot Speer, James M. Speers, Oscar S. Straus, Charles V. Vickrey, Harry A. Wheeler, Stanley White, Ray Lyman Wilbur, Talcott Williams, and Stephen S. Wise, who shall constitute the first board of trustees and constitute the members of the corporation. Vacancies occurring by death, resignation, or otherwise shall be filled by the remaining trustees in such manner as the by-laws shall prescribe, and the persons so elected shall thereupon become trustees and also members of the corporation.

SEC. 4. That the principal office of the corporation shall be located in the District of Columbia, but offices may be maintained and meetings of the corporation or of the trustees and committees may be held in other places, such as the by-laws may from time to time fix.

SEC. 5. That the said trustees shall be entitled to take, hold, and administer any securities, funds, or property which may be transferred to them for the purposes and objects hereinbefore enumerated by the existing and unincorporated American Committee for Armenian and Syrian Relief, and such other funds or property as may at any time be given, devised, or bequeathed to them, or to such corporation, for the purposes of the trust; with full power from time to time to adopt a common seal, to appoint officers, whether members of the board of trustees or otherwise, and such employees as may be deemed necessary for carrying on the business of the corporation, and at such salaries or with such remuneration as they may think proper; and full power to adopt by-laws and such rules or regulations as may be necessary to secure the safe and convenient transaction of the business of the corporation.

SEC. 6. That as soon as may be possible after the passage of this act a meeting of the trustees hereinbefore named shall be called by Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, William B. Millar, George T. Scott, James L. Barton, and Charles V. Vickrey, or any six of them, at the Borough of Manhattan, in the city of New York, by notice served in person or by mail, addressed to each trustee at his place of residence; and the said trustees named herein, or a majority thereof, being assembled, shall organize and proceed to adopt by-laws, to elect officers, and generally to organize the said corporation.

SEC. 7. That Congress reserves the right to alter, amend, or repeal this act.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I hope the gentleman from Virginia will make some explanation of the bill.

Mr. MONTAGUE. Mr. Speaker, I should be very glad to make an explanation, if it is desired. I do not want to consume the time of the House, for I know this day has been set apart for the consideration of bills on the Private Calendar. If this charity is to be effective, however, the bill must be very speedily passed. Ten days at least must elapse before the bill can become operative after its passage.

Mr. GARRETT of Tennessee. This makes this a corporation of the District of Columbia, does it?

Mr. MONTAGUE. It makes it a national corporation, in my opinion.

Mr. TOWNER. It makes it a corporation of the District of Columbia by the terms of the bill.

Mr. MONTAGUE. Technically, it is a corporation with head offices in the District of Columbia.

Mr. TOWNER. Mr. Speaker, if the gentleman will permit, the important matter is that it should be incorporated by the Congress of the United States. It effects almost the consolidation of existing societies, because of the importunate nature of the relief work. About 4,000,000 of these Syrians and Armenians have been driven from their homes and are refugees only, without clothes and without food, dying every day.

The importunate nature of this is to gather together and unify this relief work. This organization of men embraces leading men who have been interested in this relief work, and is to unify it and place it under one control. That, of course, is the object of the bill. It passed the Senate unanimously the other day, and it has been favorably reported by the committee here.

Mr. GARRETT of Tennessee. Now, there is some language in section 2——

Mr. MONTAGUE. I would say to the gentleman, supplementing what the gentleman from Iowa has said, that the temper and mind of the peoples in the Near East with whom this fund will have to be distributed is such that unless you have some governmental impress upon the organization itself its object can not be effectively secured. It is proposed to raise a very large sum by voluntary contributions, to be administered by this corporation for the relief of the distressed people of Armenia, of Syria, and the other sections of the country formerly under the Ottoman domination. I may say that perhaps no distress and suffering ever equaled the distress and suffering that this bill attempts to meet, and the immediate necessity alone justifies me in asking its present consideration by the House.

Mr. GARRETT of Tennessee. I desire to call my friend's attention to the language in section 2, in which there is enumerated the object or objects, "and to conduct any industrial enterprises," that is in lines 18 and 19.

Mr. MONTAGUE. If the getleman will read the residue of the sentence, he will see it says, "and to conduct any industrial enterprises or operations of a philanthropic character." That is, the operations of the industrial enterprise must be of a philanthropic character. There may be technical and mechanical training schools, for example.

Mr. GARRETT of Tennessee. The gentleman says there may be technical schools there. May I ask where?

Mr. MONTAGUE. In Armenia or Syria, Asia Minor.

Mr. GARRETT of Tennessee. It is not expected they will operate in this country?

Mr. MONTAGUE. Not at all. The entire administration of this philanthropy is to be in what is generally called the Near East; that is, in Syria, Asia Minor, and contiguous country.

Mr. GARRETT of Tennessee. Now, may I ask my friend from Virginia just why it is necessary to have a special act? Why can not this be incorporated under the general laws of the District of Columbia?

Mr. MONTAGUE. For the reason suggested by the gentleman from Iowa awhile ago; that is, unless the people in the Near East believe that the Federal Government in some way has given its impress to this philanthropic undertaking it will not meet with the success that is desired.

Mr. GARRETT of Tennessee. Mr. Speaker, may I ask the gentleman if this bill or a similar bill is now pending before the Committee on the Judiciary?

Mr. MONTAGUE. This bill was presented by me some months since, and the next day, upon looking at the calendar, I found the bill had been referred to the Committee on the District of Columbia. I thought it should have been referred to the Committee on the Judiciary, in my ignorance. The Committee on the District of Columbia, however, reported it out unanimously, so I was informed by Mr. JOHNSON of Kentucky, the chairman of the committee. In the past few days a similar bill has passed the Senate unanimously, being reported by the Judiciary Committee of the Senate. That bill came to this body and was referred to the Committee on the Judiciary. Therefore I made the request a few moments since for unanimous consent that the Committee on the Judiciary should be discharged from the further consideration of the Senate bill, and that that bill should be taken up and considered in lieu of the House bill heretofore reported by the Committee on the District of Columbia. That is the parliamentary status, as I understand it.

Mr. SLAYDEN. Will the gentleman yield for a question, just for a moment?

Mr. MONTAGUE. I will.

Mr. SLAYDEN. Is this money to be collected by this proposed organization to be handled in the same way as that of the Armenian Relief Committee, who heretofore handled contributions sent to them without overhead charges or expense for transmission, and so forth?

Mr. MONTAGUE. I am very glad the gentleman has asked that question, and I would like to have the attention of the gentleman from Tennessee and the other Members of the House, because it is an important inquiry. Millions of dollars have been solicited and much already sent to these suffering people and not one cent of overhead charge has been incurred in connection with the distribution or the administration of that fund, and the hope of the incorporators is to do the work without any overhead charge. It is a piece of clean charity from beginning to end. It is simply asked that the organization may have the imprimatur of the Government itself to facilitate its banking operations or its contact with the Governments of that country to give the organization a standing greater than a mere voluntary or a private organization could obtain.

Mr. LONDON. Will the gentleman yield?

Mr. MONTAGUE. I will.

Mr. LONDON. Does the expression "Near East" have a definite legal meaning?

Mr. MONTAGUE. I think not. I think it has a historic meaning which is better understood by the gentleman than by myself.

Mr. LONDON. Would it not be better to define it in the law?

Mr. MONTAGUE. It says the "Near East and adjacent areas" and specifically contemplates Syria and Armenia, does it not? I think that is ample geographically and governmentally. The trouble is if this bill is amended now it will have to go back to the Senate, and what we desire to do is to get immediate relief to these poor, starving people.

Mr. LONDON. Does the gentleman believe the slightest amendment would defeat the bill now?

Mr. MONTAGUE. I do not think it would defeat the bill, but it would delay the bill, because it would have to go back to the Senate.

Mr. LONDON. Of course, the expression "Near East" has a definite historical meaning and is used in historical works. The question is whether the courts will take judicial notice of the meaning of that expression.

Mr. MONTAGUE. Well, I do not know what the courts would hold. I will say to the gentleman that I think the term "Near East," if I am not mistaken, has, as the gentleman says, a definite historical meaning, and it was put in this bill by the suggestion of those who have given very largely to this charity, and I have no doubt they had quite a satisfactory idea of what is meant by the terms "Near East" and "adjacent areas."

Mr. EMERSON. Will the gentleman yield?

Mr. MONTAGUE. I will.

Mr. EMERSON. How were these names suggested?

Mr. MONTAGUE. These names were suggested originally by this very committee, or some gentleman of this committee, as I understand. It was a voluntary committee, and perhaps enlarged by these names contained in the bill.

Mr. EMERSON. All the interests have been consulted in connection with this?

Mr. MONTAGUE. I understand from my correspondence with the secretary that this bill is the unanimous wish of all of these incorporators—very eminent incorporators, as the gentleman will observe.

Mr. ALMON. Mr. Speaker, reserving the right to object, I will say to the gentleman from Virginia that this day was set aside especially for the Private Calendar, and with the understanding that he would let this bill go over if discussion arose and it was found that time would be required to pass it. I think if it requires discussion and time he ought to let it go over until the Private Calendar is disposed of.

Mr. MONTAGUE. I assure the gentleman that I am not desirous of discussion.

Mr. ALMON. With the understanding that you will let it go over if time is required——

The SPEAKER. Is there objection?

Mr. GARD. Reserving the right to object, Mr. Speaker, this bill, as I understand, was introduced by the gentleman from Virginia in the House on the 1st of July, 1918. It was referred, possibly inadvertently, to the Committee on the District of Columbia, the only connection which one can see being the fact that it is supposed to be incorporated in the District of Columbia. The real object of such a bill as this is to obtain what they call the "prestige" of having the United States of America back it as an incorporation. The bill has never had any action in the Committee on the Judiciary of the House of Representatives, notwithstanding that it is now there. The Senate bill is sought to be substituted, without consideration or amendment, and the Senate bill is now, so I am informed as to the parliamentary status, in the Committee on the Judiciary of the House of Representatives.

It seems to me there may be a number of things in this bill in the matter of the perfection of the details, as suggested in this debate, in the matter of seeing to whom this relief does go, in the matter of consideration of the great scope of section 2, which provides for the conduct of industrial enterprises and of operations of a philanthropic character, and proceedings necessary to promote the economic welfare, and such things of that kind—and I assuredly have no objection to the accomplishment of these very worthy objects—but I have an objection to the incorporation without consideration of bodies of men calling themselves different associations, seeking to become incorporated in the District of Columbia for a national purpose, and it certainly is most unwise to make an incorporation even of this admittedly excellent character unless it can be passed upon by the proper committee, unless certain amendments or suggestions can be considered after hearings, unless the membership of the House can be advised rightly, because it is not a right thing to incorporate and to give the great benefit of national incorporation to any society unless we know the exact meaning of what is sought to be accomplished and see whether these meanings coincide with our power to afford national incorporation. It seems to me we ought not peremptorily set aside action and discharge a committee which has never had opportunity to give consideration to a bill and take up a Senate bill that we know little of. This proposed relief has been and can be afforded without this bill. And under the circumstances, therefore, Mr. Speaker, I am constrained to object until the proper committee has opportunity to consider it.

The SPEAKER. The gentleman objects, and the gentleman from Mississippi is recognized.

PRIVATE CALENDAR.

Mr. KITCHIN. Mr. Speaker, I believe it is understood that we call the bills as they appear on the Private Calendar.

Mr. MANN. You have to move to go into the Committee of the Whole.

Mr. KITCHIN. I was going to make a unanimous-consent request. I ask unanimous consent that all bills on the Private Calendar be considered in the House as in the Committee of the Whole.

Mr. MANN. Oh, no. I will say to the gentleman that that is wholly impracticable.

The SPEAKER. The gentleman from Illinois objects.

Mr. KITCHIN. I thought we could save time.

Mr. MANN. The bills are called only by unanimous consent.

The SPEAKER. The gentleman from Illinois objects.

EXTENSION OF REMARKS.

Mr. ALMON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the Post Office appropriation bill.

The SPEAKER. The gentleman from Alabama asks unanimous consent to revise and extend his remarks in the RECORD on the Post Office appropriation bill. Without objection, it is so ordered.

There was no objection.

PRIVATE CALENDAR.

Mr. KITCHIN. Then we will have to make a motion on each bill.

Mr. MANN. Oh, no.

The SPEAKER. The only motion to make is to go into the Committee of the Whole.

Mr. KITCHIN. I move, Mr. Speaker, that we go into the Committee of the Whole House on the state of the Union to consider bills on the Private Calendar.

The SPEAKER. The gentleman from South Carolina moves that the House resolve itself into the Committee of the Whole House on the state of the Union to consider bills on the Private Calendar.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of bills on the Private Calendar, with Mr. GARD in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the purpose of consideration of bills on the Private Calendar. The Clerk will report the first bill.

STEAMSHIP "CALDERA."

The first bill in order on the Private Calendar was the bill (H. R. 4988) to authorize the changing of the name of the steamship *Caldera*.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice and take its position at the foot of the calendar. The reason for my making that request, I believe, though I have not had time to confirm it, is that there is a Senate bill of identic character that was passed some months ago. Otherwise I would move to lay the bill on the table.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin that this bill be passed without prejudice and go to the foot of the calendar?

Mr. FOSTER. Mr. Chairman, why not let it take its place? It is not being objected to. Why not leave it where it is and pass it over temporarily?

Mr. STAFFORD. I have no objection to that, Mr. Chairman. If there is any member of the Committee on the Merchant Marine and Fisheries in the Chamber, I would be glad if he would give us information on this bill. I believe that a Senate bill of identical character was passed in the summer session. Mr. Chairman, I ask that the bill be passed over without prejudice.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin by unanimous consent that this bill be passed over without prejudice?

There was no objection.

The CHAIRMAN. The Clerk will report the next bill.

DAVID L. BRAINARD.

The next business in order on the Private Calendar was the bill (S. 979) for the promotion and retirement of Col. David L. Brainard, Quartermaster Corps, United States Army.

The title of the bill was read.

The CHAIRMAN. Is there objection to the consideration of this bill?

Mr. STAFFORD. Mr. Chairman, we are not considering bills under reservation of objection. We are considering all the bills on the Calendar in their order. This bill is on the Calendar, and has been called, and is entitled to consideration. I rise to ask recognition from the Chair.

Mr. KITCHIN. The gentleman from California [Mr. KAHN], who is familiar with this bill, is here.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] asks recognition of the Chair?

Mr. STAFFORD. Yes.

The CHAIRMAN. The Chair recognizes the gentleman.

Mr. STAFFORD. I was under the impression, Mr. Chairman—and that impression is confirmed by the gentleman from California [Mr. KAHN]—that the purpose of this bill was incorporated in the Army appropriation bill. I therefore move that the bill be reported back to the House with the recommendation that it lie upon the table.

The CHAIRMAN. The gentleman from Wisconsin moves that this bill (S. 979) be reported back to the House with the recommendation that it lie on the table. The question is on agreeing to that motion.

The motion was agreed to.

STEAMSHIP "CALDERA."

Mr. STAFFORD. Mr. Chairman, my attention has been called, since the first bill was brought up for consideration, to the calendar, which shows that Senate bill 2469, now public law 118, authorizing the change of the name of the steamship *Caldera*, has passed both bodies and is now a law. I now ask that the House bill 4988 be called up formally so that I may make a motion to have it reported back to the House with the recommendation that it lie on the table.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to call up the bill H. R. 4988. Is there objection?

There was no objection.

Mr. STAFFORD. I move, Mr. Chairman, that the bill H. R. 4988 be laid aside with the recommendation that it lie on the table.

The CHAIRMAN. The gentleman from Wisconsin moves that the bill (H. R. 4988) to authorize the changing of the name of the steamship *Caldera* be laid aside with the recommendation that it lie on the table. The question is on agreeing to the motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next bill.

MARY NEAF.

The next business in order on the Private Calendar was the bill (H. R. 7715) for the relief of Mary Neaf.

The title of the bill was read.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That Mary Neaf, mother of Richard Neaf, who served under the name of John Ryan as a private in the One hundred and sixty-seventh Company, Coast Artillery Corps, shall be considered as the duly designated beneficiary of the late Richard Neaf, alias John Ryan, under the act approved May 11, 1908, as amended by the act approved March 3, 1909.

Mr. STAFFORD. Mr. Chairman, I move, if some member of the committee does not wish so to move, that this bill be laid aside with a favorable recommendation that it do pass. I beg the pardon of the gentleman from Missouri [Mr. IGOE]. The gentleman can make the motion.

Mr. IGOE. Never mind. Go ahead.

The CHAIRMAN. The gentleman from Wisconsin moves that the bill (H. R. 7715) for the relief of Mary Neaf be laid aside with the recommendation that it do pass. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next bill on the Private Calendar.

CLAIMS AGAINST THE CHOCTAW AND CHICKASAW NATIONS.

The next business in order on the Private Calendar was the bill (H. R. 329) referring certain claims against the Choctaw and Chickasaw Nations of Indians to the Court of Claims.

The title of the bill was read.

Mr. HASTINGS. Mr. Chairman, the bill just read by title was incorporated as an amendment to the Indian appropriation bill last year. For that reason I move that the bill be reported back to the House with the recommendation that it lie on the table.

The CHAIRMAN. The gentleman from Oklahoma moves that the bill H. R. 329 be reported back to the House with the recommendation that it lie on the table. The question is on agreeing to that motion.

The motion was agreed to.

HARRIET FISHER.

The next business in order on the Private Calendar was the bill (H. R. 855) for the relief of Harriet Fisher.

The title of the bill was read.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent to Harriet Fisher, of St. Louis, Mo., for the southeast quarter of the southwest quarter of section 28, in township 17 south, range 7 west, of the fifth principal meridian in Arkansas: *Provided*, That she shall file application for the land and pay therefor at the rate of $1.25 per acre within six months after the approval of this act.

Mr. TILLMAN. Mr. Chairman, I assume that there will be no opposition to the passage of this measure.

In 1861 a certain military land warrant was issued and it was sought to be located on a particular 40 acres of land in the State of Arkansas, and described in the bill. A mistake was made in the location of the land and the location was canceled. Later another effort was made to locate this particular land warrant, which was located on different land from the tract in question. For the past 50 years this tract of 40 acres has been occupied and thought to be owned by different individuals. Finally this St. Louis woman, Mrs. Harriet Fisher, acquired the land through purchase in good faith for a valuable consideration. It developed that the tract had never been patented. During all these years the taxes assessed against the property have been paid. The title was thought to be good, and now this party simply asks the privilege of entering it at the prevailing price of $1.25 an acre.

I move, Mr. Chairman, that the bill be reported back to the House with the recommendation that it be passed.

The CHAIRMAN. The gentleman from Arkansas moves that the bill H. R. 855 be reported back to the House with the recommendation that it be passed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next bill on the Private Calendar.

ALEXANDER F. M'COLLAM.

The next business on the Private Calendar was the bill (H. R. 1423) for the relief of Alexander F. McCollam.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent to Alexander F. McCollam, of Yankee Jims, Placer County, Cal., for the lands described in homestead entry No. 07349, Sacramento series, being homestead-entry survey No. 147, in section 28, township 14 north, range 10 east, Mount Diablo Meridian, in Sacramento land district, in Placer County, Cal., and containing 1$\frac{1}{10}$ acres, according to official plat of homestead-entry survey No. 147, in the Tahoe National Forest made July 19, 1915.

Mr. RAKER. Mr. Chairman, this bill passed the House and went to the Senate during the last days of the last Congress, and like many other bills did not get through the Senate. The committee has again unanimously reported it to the House, and I move it be reported to the House with a favorable recommendation.

Mr. MANN. Mr. Chairman, I know from observation in the past that the gentleman from California can make himself heard, but we could not hear what he said at this time.

The CHAIRMAN. Does the gentleman ask that the gentleman from California repeat his statement?

Mr. MANN. I could not ask that he repeat it, but I ask the gentleman to explain the bill so that we may know something about it.

Mr. RAKER. Mr. Chairman, I would be pleased to make a statement. The purpose of the bill is to have a patent issued to the present owner, Alexander F. McCollam, so far as the records are concerned of the probate court in Placer County. Originally Henry Eckhoff made application for a homestead. It was land segregated in a forest reserve set apart for town purposes. People were allowed to make homestead entries on the land. Eckhoff made a homestead entry, inclosed it, and thereafter died before patent could issue. The probate proceedings were taken in the court of Placer County before Judge Prewett, the necessary proceedings were had at the sale, and McCollam purchased the property and a deed was issued to him.

Mr. STAFFORD. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. STAFFORD. Under the regulations of the Land Office is it necessary for the purchaser at an administration sale of the rights of the deceased intestate to public lands to also prove that he himself is qualified as an entryman and entitled to a patent?

Mr. RAKER. It might be if it was an ordinary homestead of 160 or 320 acres; but this is a small tract of a forest reserve that these people were allowed to homestead. The gentleman will notice that this only comprises 1.16 acres of land—a town lot.

Mr. STAFFORD. The gentleman has not answered my question. The gentleman is on the Public Land Committee, and, I suppose, is well acquainted with the laws as to the rights of purchasers of the claims of deceased homesteaders.

Mr. RAKER. If a man makes a purchase at a valid sale he does not have to prove his qualifications as a homestead claimant, if all the proceedings are under the land laws. But in this particular instance, being a town lot, fenced, and a nice little home on the place, they do not require the purchaser to show his qualifications as a homestead claimant. In other words, the ordinary course would be to make final proof and get a patent for the heirs. There were no heirs. The effort was made, and the court allowed the proceedings to go through the probate court, and McCollam purchased at an administrative sale, paid his money, and then his only course by which he could obtain the title to the land was to make a proper showing to the Land Office, which he has done, and they recommended that the patent be issued for this small tract of land.

Mr. STAFFORD. I do not believe the department has gone quite as far as the gentleman says in recommending that a patent be issued to the purchaser of the rights of the deceased claimant.

Mr. RAKER. They have said that they would make no objections.

Mr. STAFFORD. I am a little in doubt as to whether the purchaser would not have to qualify to show that he was a qualified entryman in order to entitle him to a patent.

Mr. RAKER. No; if he applied to the Land Office and got a patent issued to him directly, not as an heir of the original applicant, he might have to do it; but there are no provisions in the law whereby you can sell the rights of a homestead claimant at an administrative sale and get a patent, and therefore it requires this kind of legislation.

Mr. NORTON. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. NORTON. As a matter of fact, the estate of this man Eckhoff had no interest in this land whatever under existing law.

Mr. RAKER. Except as a homestead claimant.

Mr. NORTON. That is no interest at all. You are trying to have enacted law which would give McCollam this land, whereas under any claim of right that he makes as having a right from Eckhoff does not exist. The gentleman is asking Congress to give him pure new legislation, to give him this land and put it under the guise that Eckhoff at one time had a claim on the land. That is it in substance.

Mr. RAKER. I beg the gentleman's pardon, there is no assumption about it. The probate court assumed jurisdiction and wound up the estate. Administration was completely had and the court authorized the sale by giving public notice, which was given. They authorized the sale of 1.16 acres, and at the executive sale Mr. McCollam bought and paid the money and got his deed. Eckhoff had no heirs that they have been able to find. Mr. McCollam has paid the money and the Department of Agriculture has received it, and the Secretary of the Interior says that this is the only method by which a man can obtain title to what he has bought and paid for. We have taken this method to do it.

Mr. NORTON. You would have exactly a similar case if a man had last year taken up 640 acres in North Dakota, settled on it, and a few days after settling had died, and I had gone out there, had his estate probated, and had included in the estate the 640 acres and made a purchase of it, when under the law I knew that that land would not descend to his estate at all.

Mr. RAKER. Oh, yes.

Mr. NORTON. And the administration of the estate, including that land, was a mere fiction.

Mr. RAKER. Oh, I beg the gentleman's pardon. Under any homestead filing properly complied with the widow, if any, and the minor children, if any, or the representatives, may make final proof on the homestead and get a patent. I have seen it done many times.

Mr. NORTON. So have I; but in this case there is no widow and no children.

Mr. RAKER. In this case it is only a town-lot site set aside in a forest reserve as part of the town, where the man had been living on it, and they called them homesteads, and the man got his filing for this 1.16 acres, built a nice home, and then died, and the probate court administered upon it, and McCollam purchased it at the sale. This is the only method by which he can get the title.

Mr. HAMILTON of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. HAMILTON of Michigan. Assuming the probate proceedings were entirely regular, did not McCollam take only such title as Eckhoff actually possessed, and he possibly bought the property in at the administrators' sale at a price somewhat below what the property would be worth if the title was known to be absolutely settled?

Mr. RAKER. No; I think not. I understood from what I gathered, which is not in the record, that it was offered at public sale, and he paid a fair price. Just what amount he paid I do not remember.

Mr HAMILTON of Michigan. Of course, he bought the property with his eyes wide open, knowing what he was getting.

Mr. RAKER. Oh, surely; but the judge who administered upon the case is one of the ablest men in California, and ordinarily people have great confidence in a proceeding before a judge of that kind. The judge assumed jurisdiction and completed the administration. Here is a little home, and the man assumed that he would eventually get the title. He finds now that the strict legal title is in the Government. The equitable title to the fence and in the house was in McCollam, beyond question. He asks Congress to allow the Secretary of the Interior to issue him a patent for this land, and the Department of the Interior as well as the Department of Agriculture accede to that; they think it ought to be done.

Mr. HAMILTON of Michigan. Of course, the gentleman understands that I am not questioning the legal ability of the court.

Mr. RAKER. I appreciate the importance of the gentleman's question.

Mr. NORTON. The gentleman states that Eckhoff built a nice home on this land.

Mr. RAKER. He did.

Mr. NORTON. And lived there—settled there.

Mr. RAKER. He did.

Mr. NORTON. He resided there for some time?

Mr. RAKER. He resided there for some time and then died.

Mr. NORTON. How much was this home worth?

Mr. RAKER. I do not remember now just what it is worth.

Mr. NORTON. I notice that McCollam paid $75 for it.

Mr. RAKER. Yes.

Mr. NORTON. It must have been a very fine home.

Mr. RAKER. I have seen many homes on this land we are trying to legislate about, for homesteaders, for $50 or $75.

Mr. NORTON. What is the land worth per acre?

Mr. RAKER. At this particular place?

Mr. NORTON. Yes.

Mr. RAKER. Oh, it is a little town in the mountains.

Mr. NORTON. As a matter of fact, of course, under the law I know, and I think the gentleman knows——

Mr. RAKER. I said that the strict legal title is in the Government.

Mr. NORTON. It is just passing legislation here to give him a piece of Government land which he can acquire in another way.

Mr. RAKER. No, he can not.

Mr. NORTON. Can he not make entry on this land now?

Mr. RAKER. No.

Mr. NORTON. Why not.

Mr. RAKER. It would not be practical to use his homestead rights on an acre of town lots that he thought he was getting title to. It is too small to take the time of the House.

Mr. NORTON. Another way in which he would acquire it, instead of coming here to Congress and taking the time of Congress and incurring an expense of several hundred dollars on the part of Congress, would be to buy scrip and scrip it.

Mr. RAKER. No; that kind of land is not subject to scrip.

Mr. NORTON. Santa Fe scrip.

Mr. RAKER. No; you can not scrip on an acre and sixteen one-hundredths of an acre.

Mr. NORTON. I do not want to dispute the gentleman, but I do not know of any land that can not be scripped.

Mr. RAKER. There have been too many thousands of acres scripped in my district, taken from the Santa Fe, and you can not do it.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. STAFFORD. I was rather surprised at the gentleman's statement of the law that it was not necessary for the purchaser to qualify himself as an entryman in order to entitle him to succeed to the rights of the deceased intestate. I direct the gentleman's attention to the language of the Secretary of the Interior on that subject on page 4 of the report. That is the reason that I inquired as to the law and regulations governing that phase of the subject. In the last paragraph but one from the end the Secretary writes:

No evidence has been submitted tending to show whether or not Alexander F. McCollam possesses the requisite homestead qualifications necessary to the entry by him of public lands under the homestead laws.

I take it from that statement that the department would decline to recognize any person as purchaser of the rights of a homestead entryman unless he could qualify as a homestead entryman.

Mr. RAKER. Not in a case of this kind. I feel quite sure of the point because of the peculiar status of those town-site lots. It is divided up in blocks or lots, and these people were permitted to take these pieces each one was living on and call it his home, and in a way they called it a homestead.

Mr. STAFFORD. They had to qualify to take those pieces of land under the homestead law?

I do not believe the intent of the homestead law would cover that case. Unquestionably, in my mind, from reading the Secretary's letter, it does technically require that a person must be a qualified entryman.

Mr. RAKER. Ordinarily I think there is no doubt about that. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

The motion was agreed to.

DAVID E. GRAY.

The next business in order on the Private Calendar was the bill (H. R. 1607) for the relief of David E. Gray.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the accounts of David E. Gray, postmaster at Greeley, Colo., in the sum of $10,088.09, due to the United States on account of postage stamps and other stamped paper on account of losses resulting from burglary of said post office on July 1, 1911.

Mr. TIMBERLAKE. Mr. Chairman, unless some explanation is asked of this bill I would like to move that it be reported back to the House with a favorable recommendation.

Mr. STAFFORD. Mr. Chairman, the bill carries the very large amount of $10,000, and I think the gentleman should make some explanation of the merits of this bill before moving its adoption.

Mr. TIMBERLAKE. I will be very glad to do so. This is the case of a post-office burglary. The post office at Greeley, Colo., in 1911 was robbed of stamps and post-office receipts to the amount of $10,088.09. The report accompanying this bill is a very complete showing that full investigation of the robbery was made by the representatives of the Post Office Department in Colorado, to which investigation the postmaster himself gave every aid possible and spent quite a large sum of money in order to apprehend the thief and recover the stolen property, however without avail. The fact that it exceeds the amount of $10,000 is the only thing that prevented prompt settlement by the Post Office Department, the law requiring that when the amount exceeds $10,000 that the Post Office Department must be authorized by a special act of Congress to relieve the indebtedness, and that is the purpose of this bill, which has the full indorsement of the Postmaster General.

Mr. MANN. Will the gentleman yield for a question?

Mr. TIMBERLAKE. Yes; I shall be glad to do so.

Mr. MANN. Has this bill been before previous Congresses?

Mr. TIMBERLAKE. That is a question that I am unable to answer. It only was brought to my attention in the fore part of 1916. At the time I introduced the bill, I think——

Mr. STAFFORD. I know that the gentleman is very familiar with it, but the report does not disclose that it has ever been submitted to the House or the Senate for action.

Mr. TIMBERLAKE. I think that is true if I remember correctly.

Mr. STAFFORD. And the letter of the Postmaster General on this subject is as late as January 22 of this year.

Mr. MANN. It seems to me remarkable that where the Post Office investigators promptly made an investigation and promptly reported that the postmaster should be relieved from the liability no claim has been made to Congress between 1911 and 1917. I did not recall the bill in a former Congress, and that is the reason I asked the gentleman.

Mr. TIMBERLAKE. The report does not disclose that, and I have no personal information with reference to it. I know a considerable sum was spent by the postmaster himself in conjunction with the representatives of the department in an endeavor to run down the thief. They had several clues presented to them, and considerable time was used in such investigation before remedy was asked from the department.

Mr. BLANTON. Will the gentleman yield?

Mr. TIMBERLAKE. I shall be very glad to do so.

Mr. BLANTON. Did the committee before whom this bill was pending hear evidence of the justice of the claim?

Mr. TIMBERLAKE. The member of the Post Office Committee [Mr. STEENERSON] who made the report on the bill will answer that question.

Mr. BLANTON. I would just like to know whether or not favorable report on this bill was made solely upon the letter of the Postmaster General or did they hear evidence?

Mr. STEENERSON. We heard the representative of the Post Office Department and the committee was unanimous in recommending it.

Mr. BLANTON. I wanted to know if the evidence showed that the requirements under section 361 of the postal regulations were carried out by the Postmaster, that the funds were securely locked up as required by that regulation?

Mr. STEENERSON. Yes; the evidence showed that they were locked in a safe furnished by the United States Government, and it was not the postmaster's property.

Mr. BLANTON. That the postmaster was in no way negligent?

Mr. STEENERSON. No; the burglar entered by taking out a pane of glass in the rear and reaching around and opened the lock of the door. This safe formerly was in use by the United States Government at Colorado Springs, and the post-office inspector had this safe moved to Greeley, and it was furnished to the postmaster by the United States Government and locked, and they knocked off—what is it?

Mr. TIMBERLAKE The combination of the safe.

Mr. STEENERSON. The knob you turn.

Mr. BLANTON. I would like to know whether if the full amount of the loss, as evidenced by this claim, was definitely proven by evidence of probative force?

Mr. STEENERSON. It was absolutely proven and the only reason why the Post Office Department did not pay it at once was because it exceeded by $85 the maximum the department can pay in such cases under the statute of 1888.

Mr. BLANTON. I would like to state to the committee the reason I am asking these questions is there are a number of claims coming from various postmasters all over the country for alleged loss of stamps and funds, and so forth, against which I expect to lodge objection, and I did not want a precedent to be established in this particular case by lettting this bill go through unless all of these matters had been met——

Mr. STEENERSON. That is very true.

Mr. BLANTON. I want to call the attention of the committee to the fact that during the past fiscal year there were 664 claims made in the Post Office Department by 664 different postmasters, aggregating $98,966.40, which were allowed by the Postmaster General and paid, not claims made and disallowed but claims made and allowed by the Postmaster General.

Mr. STEENERSON. Because they were less than $10,000.

Mr. BLANTON. Because the Postmaster General could not say that they had not met the requirements of the law or had been negligent. Now, if there were this number of claims allowed by the Postmaster General, the committee can readily understand how many other claims were made and were turned down. So you can see it is a momentous question, after all, that is under consideration. And I want to see these claims especially proven before the committee by competent evidence of probative force, and not merely take it for granted that the loss occurred and the postmasters suffered the various losses claimed.

Mr. STEENERSON. There is no question in this claim.

Mr. BLANTON. No question as to the loss or want of negligence on the part of the postmaster?

Mr. STEENERSON. The claim would have been paid by the department if they had had jurisdiction, but unfortunately it exceeded their jurisdiction by $88. It is recommended by the department and urged by them.

Mr. TIMBERLAKE. Mr. Chairman, I move that the bill H. R. 1607 be referred to the House with a recommendation that it pass.

The CHAIRMAN. The gentleman from Colorado [Mr. TIMBERLAKE] moves that the bill be referred to the House with the recommendation that it pass.

Mr. BLANTON. Mr. Speaker, just one moment. I would like to ask the gentleman why this particular claim was not referred to the Committee on Claims for attention? It occurs to me that it is a claim that should properly have gone to the Committee on Claims.

Mr. TIMBERLAKE. In reply to the question of the gentleman from Texas, permit me to say that I was quite new in my service here at the time I presented this bill, and I took advice from older parties, and that was that, with the recommendation and reports that were made by the Post Office Department, the Committee on the Post Office and Post Roads would be the proper place to refer the bill.

Mr. BLANTON. May I ask whether the Committee on the Post Office and Post Roads usually investigate claims of this character? Are they in the habit of investigating claims of this character?

Mr. STEENERSON. We have in some cases. In some cases, if they are less than $10,000, we do not want anything to do with them. That is a claim the department has control of. In a claim of this kind the statute itself requires it to be reported to the Speaker of the House for adjustment.

Mr. BLANTON. I might add that the Committee on Claims has lately investigated carefully a case involving over a million dollars. So, I take it——

Mr. STEENERSON. I know that the committee did not ask for any bill. I would like to get rid of it, but as long as it was before us without objection we did our best to report it. The chairman of the committee is here.

Mr. MOON. Mr. Chairman, I want to say that it is very clear under the rules that not only the Committee on the Post Office and Post Roads but the Committee on Claims may take jurisdiction of claims of this character. It has been the habit of the Committee on the Post Office and Post Roads frequently to take care of these cases, and where many of these claims have come to us we have voluntarily relinquished our jurisdiction and sent them to the Committee on Claims for adjudication. There is no question of the right of the Post Office Committee to determine these matters.

The CHAIRMAN. The gentleman from Colorado moves that the bill H. R. 1607 be reported back to the House with the recommendation that it be passed.

The motion was agreed to.

WILLIAM M. WILSON.

The next business in order on the Private Calendar was the bill (H. R. 2635) to authorize the issue of a patent to certain land in Alabama to William M. Wilson.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby directed to issue a patent to William M. Wilson, of Chilton County, Ala., for the southeast quarter of the southeast quarter of fractional section 32, and the southwest quarter of the southwest quarter of fractional section 33, township 21 north, range 17 east, St. Stephens meridian, in the State of Alabama, reserving to the United States the right to overflow all or any part of said land in the construction and maintenance of work for the improvement of navigation in the Coosa River, without compensation to the said Wilson, his heirs or assigns, for any damages they may sustain by reason of such overflow.

Mr. FOSTER. Mr. Chairman, this is a bill in reference to land, as I understand, down in Alabama. I notice in the report it says something about the use of this land for Government work in that vicinity, as I have it marked here. I would like to ask if this land is to be used in Government work down there in the completing of a dam, or whatever it may be, for the improvement of navigation.

Mr. WALTON. I am unable to personally answer that question. This is a bill of the gentleman from Alabama [Mr. BLACKMON], and I understand he is ill. I was directed by the Committee on Public Lands to make a favorable report. As I understand, this land was withdrawn in 1908, on the Coosa River, it being the intention to determine just what portion was necessary for the river's improvement. In 1912 Mr. Wilson through inadvertence was allowed to make a homestead entry, which he perfected, but on account of a prior withdrawal patent could not be granted. I do not know anything about the project.

Mr. FOSTER. The letter of a Secretary of the Interior says:

The tracts involved, with other unappropriated lands bordering on the Coosa River and the islands therein, were in the year 1908 withdrawn from all forms of disposal for use in connection with the improvement of said river until it should have been determined what portions were actually needed for the work.

Now, this man went on there. I think he is entitled to some relief. But we have in some of these cases allowed a money consideration for damages in going on the land, and I wondered if this land was really land that was to be used in Government work down there. I notice it says that the Government shall not be held responsible for any damage done to this land by overflow, but the question is whether it was in proximity to this work, where this land was necessary, and it probably ought to be retained, and whether the man ought or ought not to be paid, instead of given the land, for whatever damages have come to him as the result of his being permitted to settle on the land. That is the inquiry I wanted to make.

Mr. WALTON. I am not familiar with the facts in detail. Perhaps the gentleman from Alabama [Mr. ALMON] knows something about them.

Mr. ALMON. I understand the only way the land will ever possibly be needed by the Government will be by reason of overflow for building of dams, and the bill provides that Mr. Wilson shall not have any claim against the Government for overflow, and if that is true I do not see that the Government would have any further interest in it.

Mr. ROBBINS. Mr. Speaker, I notice in this report this significant statement of the Secretary of the Interior, namely, that there has been an appeal taken from a decision; that this man appears to have inadvertently gone onto land which was withheld from entry, and it simply says this, quoting from the report:

From said decision an appeal was prosecuted to the department, and the case is now pending here pursuant thereto.

It seems to me there has been no decision on the appeal in the Land Office. If that is true, I do not think we ought to legislate until that appeal is decided.

Mr. FOSTER. Here is some land that was afterwards withdrawn from entry. There comes along a man who is permitted to enter on the land. Of course, the Government does not guarantee a title when men enter upon land, and yet he was permitted to enter on the land and it seems he made all proof to secure this land.

I think when the Government does that it is at least morally under obligation not to permit men to spend their money and get nothing for it. We have passed bills similar to this, I will say to the gentleman from Pennsylvania, and have paid men for the land where it was not feasible to give the land.

Now, the only question in my mind is whether this land is of the kind to be used by the Government in its work down there. I do not believe there is any question but that the man has a claim against the Government. We are assured by the gentleman from Alabama [Mr. ALMON] that that land is not to be used by the Government, so that under the circumstances, as I look at it, this man ought to have this land. He has complied with the law as far as he could. The fact that the land was withdrawn was not known to him.

Mr. ROBBINS. Does the gentleman, who speaks with some knowledge of this bill, know anything about the improvements that have been made upon the land by Mr. Wilson, the alleged settler?

Mr. RAKER. Mr. Chairman, if the gentleman from Illinois will permit, Mr. BLACKMON appeared before the Committee on Public Lands when this bill was under consideration, and my recollection is that he stated there were some improvements on the land such as a homesteader generally places on land, and I recall the further fact that this man in good faith made his filing, and the Land Office permitted him to make the filing, but they denied him the final proof, which they had to do under the law, because the land had been withdrawn. He took his appeal in order to keep his homestead intact. The Secretary of the Interior in the last Congress—the Sixty-fourth Congress—recommended that this bill be passed, and the Secretary again recommends here that the bill be passed. This man had to take the appeal or he would have been down and out entirely. He has taken the appeal solely to protect his rights. With the appeal pending in the Land Office, the Secretary heartily recommends that the bill be adopted, so that the applicant may get title to the land.

I recollect the further fact, as presented by Mr. BLACKMON, that it is a question, even if the Coosa Dam was built, whether it would overflow it.

Mr. ROBBINS. I was going to ask how far is this Government improvement on the Coosa River from this land? It is evidently a backwater proposition that they are trying to protect here. What information has the gentleman on that?

Mr. RAKER. At this time I have no information as to the distance of this land from the dam, but it is on the river where it is expected there may be an overflow. But this protects the Government, and this man would get no compensation for it.

Mr. ROBBINS. On that statement I have no objection.

Mr. WALTON. Mr. Chairman, I move that the bill be reported back to the House with favorable recommendation.

The CHAIRMAN. The gentleman from New Mexico moves that the bill H. R. 2635 be reported back to the House with the

recommendation that it do pass. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next bill on the Private Calendar.

ALMA HARRIS.

The next business in order on the Private Calendar was the bill (H. R. 4240) for the relief of Alma Harris.

The title of the bill was read.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to Alma Harris for the southeast quarter section 12, township 29 south, range 7 west, New Mexico principal meridian, in the Las Cruces land district, New Mexico, upon payment of the lawful purchase price of said land, without further proof of compliance with law.

Mr. FOSTER. Mr. Chairman, I understand the only reason why the bill seeks to give this woman the title to the land without further proof of compliance with the law is on account of its being close to the Mexican border.

Mr. WALTON. Yes. This land is located close to the Mexican border.

Mr. FOSTER. And it is unsafe for her to be there?

Mr. WALTON. Yes; and the War Department notified her that it would be unsafe. I move the bill be reported to the House, Mr. Chairman.

The CHAIRMAN. The gentleman from New Mexico moves that the bill H. R. 4240 be reported to the House with favorable recommendation. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next bill.

THOMAS CAMPBELL.

The next business in order on the Private Calendar was the bill (H. R. 1873) for the relief of Thomas Campbell.

The title of the bill was read.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to remove from the records of his department the charge of desertion against Thomas Campbell, formerly of Company K, Ninth Regiment New York Volunteer Infantry, and to issue to him an honorable discharge as of the date of May 20, 1863, when said regiment was mustered out of service.

With a committee amendment, as follows:

At the end of the bill insert the following:

"*Provided*, That no pension, bounty, or allowances shall accrue prior to the passage of this act."

Mr. CRAGO. Mr. Chairman, the gentleman from New York [Mr. RIORDAN] is absent from the House, as is Mr. CALDWELL, who reported the bill. In their absence I ask that the bill be favorably reported to the House.

Mr. FOSTER. Mr. Chairman, as I understand, this is to give this man an honorable discharge.

Mr. CRAGO. Yes, sir.

Mr. FOSTER. That, to my understanding, has never been done. I recall a few years ago getting a bill unanimously through this House twice and through the Senate twice unanimously, and each time it was vetoed. Does the gentleman suppose that if he gets this bill through for an honorable discharge for this man he will get it signed?

Mr. HARRISON of Virginia. They have a prescribed form.

Mr. FOSTER. I understand so. This is designed, as I understand, to give this man a pensionable status, and there is a prescribed form by which that is done.

Mr. MANN. Not a prescribed form, but a customary form.

Mr. FOSTER. Yes; that is better.

Mr. CRAGO. This is out of the ordinary.

Mr. MANN. If the gentleman from Pennsylvania will yield, I will say that when I came here first this form of a bill was passed and a great many bills of this character became laws. Finally the War Department advised, I think, President Roosevelt first that it was without the power of Congress to change the facts, and President Roosevelt vetoed all of the bills of this character which were sent to him after a certain time. There were not very many sent. When Mr. Taft came in as President a bill of this kind slipped through the House and the Senate, and was, I believe, vetoed by President Taft for the same reason.

The War Department has consistently maintained the position that it would recommend that the President veto any bill which provided that you grant an honorable discharge to a man who had not received an honorable discharge, and that Congress by legislating could not alter facts. The fact remains in the War Department that a man had been dishonorably discharged. We might say that we change the facts, but the facts would still remain. We adopted then the policy of granting the right of pension to soldiers on the theory that that would admit them to the Grand Army of the Republic if they were granted a pension, because ordinarily a man can not receive a pension unless he has an honorable discharge, and the fact was they got their pension and practically an honorable discharge.

Mr. CRAGO. I think the gentleman is entirely correct as to the proposition, and we have endeavored in our committee to put all the bills in that shape. I think the proper course here would be, since that has not been done with respect to this bill, to change it in accordance with that form.

This man Campbell is a brother of the late Hon. Timothy J. Campbell, who served in the House from New York a number of years ago.

I move, Mr. Chairman, that the bill be amended to read as follows:

That in the administration of any laws conferring the rights, privileges, or benefits upon honorably discharged soldiers, Thomas Campbell, formerly of Company K, Ninth Regiment, New York Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said company and regiment on the 20th day of May, 1863, when said regiment was mustered out: *Provided*, That no pension, bounty, or allowances shall accrue prior to the passage of this act.

Mr. STAFFORD. Will the gentleman yield before the gentleman makes that motion? Will the gentleman advise the committee as to the policy of the Committee on Military Affairs in favorably reporting bills of this character, where the soldier was obligated to serve a term of three years and then deserts, and his justification is that when he enlisted he enlisted with the understanding that he was only to enlist until his regiment was mustered out?

Mr. CRAGO. I will say that the policy of the Military Committee on these bills has been this: They are all referred to a subcommittee, the subcommittee looks over the records, considers them carefully, and if they are unanimous in their conclusions they so report it to the full committee. The full committee authorizes some one of the subcommittee to make the report. With the thousands of cases before the committee, they steer clear of giving any man a pensionable status who had not served one year. This man was transferred to this battery with the understanding that when the organization went home to New York he would go home with them and be discharged. He served more than a year, and went back to New York with his battery, and he thought he was mustered out.

Mr. STAFFORD. But he enlisted for a term of three years.

Mr. CRAGO. The battery went home and was mustered out, and he thought he was mustered out. He stayed there in his usual avocation, and it is easily understood that where a man's organization was taken home to New York, and he was a member of that organization, it was not a very great stretch of the imagination for him to think that he was mustered out as well as the rest. It was merely a matter of bookkeeping.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out certain language and insert the language that he has stated.

Mr. CRAGO. I will furnish the Clerk with the amendment in writing.

The CHAIRMAN. The question is on the motion of the gentleman from Pennsylvania.

The motion was agreed to.

Mr. CRAGO. I move that the bill as amended be reported to the House with the recommendation that it be passed.

The motion was agreed to.

CHARLES LYNCH.

The next business on the Private Calendar was the bill (H. R. 1954) for the relief of Charles Lynch.

The Clerk read the bill, as follows:

Be it enacted, That in the administration of any laws conferring the rights, privileges, or benefits upon honorably discharged soldiers, Charles Lynch, who was a private in Company A, Ninth Connecticut Volunteer Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said company and regiment on the 16th day of July, 1864: *Provided*, That no back pay or pension be allowed prior to the passage of this act.

Mr. FOSTER. Mr. Chairman, I notice this proviso is in a little different form than usual on these bills. This says that "no back pay or pension shall be allowed prior to the passage of this act." Usually it says that "no back pay, bounty, or allowances shall accrue," and so forth.

Mr. TILSON. There was no intention not to have this in the usual form. Mr. Chairman, I move that the proviso be amended so as to read that "no pension, bounty, or allowances shall accrue prior to the passage of the bill."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the proviso by making it read: "*Provided*, That no pension, bounty, or allowances shall accrue prior to the passage of this act."

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, this bill was passed unanimously by the Sixty-fourth Congress and failed to receive consideration in the Senate. It is back here by unanimous report of the Committee on Military Affairs.

The facts are set out quite fully in the report, and unless there is some question, which I shall be very glad to answer, I move that the bill be laid aside with a favorable recommendation.

Mr. STAFFORD. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. STAFFORD. I would like to know the reason why he was denied an honorable discharge.

Mr. TILSON. Because he was left by his organization. He had been in the service nearly three years. His regiment started to return by boat from New York, having been at home to fill up its ranks by recruiting, and he was to sail with the rest of the regiment, but they went away without him. He had been allowed to go ashore by his lieutenant for the purpose of purchasing some tobacco. When he returned to the dock the ship with all his personal equipment and everything else was gone. Instead of trying to follow up his command or reporting himself to the Provost Marshal, as he should have done, he was improperly advised and enlisted in another regiment 12 days later. In the new regiment he served until August, 1865. He has an honorable discharge by law from the second enlistment, but he has no honorable discharge from the first enlistment, and this precludes him from receiving a pension. I move that the bill be laid aside with a favorable recommendation.

Mr. RAGSDALE. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. RAGSDALE. I thought the House was committed to the policy that where people did not have an honorable discharge in this war they should not be allowed a pension. Why should they be allowed a pension in any other service if not in this war? Is not the service as great in this war as in any other war?

Mr. TILSON. Oh, yes; but this man has an honorable discharge from one service, but has not from the other. He was accidentally left by his organization, and while technically he was a deserter, he was not really a deserter.

Mr. RAGSDALE. And yet by the rule which has been stated on the floor of the House he would not be entitled to a pension.

Mr. TILSON. That is the rule as it has always existed, but under the facts we think he ought to have a pension.

Mr. RAGSDALE. Then we are going to make exceptions to the rule which we affirmed the other day relating to those who are serving in France to-day.

Mr. TILSON. Oh, I suppose we shall make exceptions under all laws where proper cases arise.

Mr. FOSTER. There will probably be soldiers in this war where they make a proper showing, where exceptions will have to be made.

Mr. TILSON. Undoubtedly; it is human to err, and mistakes have been made through all time. Where we find that a real mistake has been made and because of it some soldier who has rendered honorable service has been injured, that mistake ought to be remedied just as far as possible.

Mr. RAGSDALE. The gentleman thinks this is purely a question of mistake and of no intention upon the part of the man?

Mr. TILSON. The committee was entirely convinced that there was no fault on the part of the soldier so far as his being left was concerned, and it is shown that he was very much disturbed on account of being left behind. The boat carried away all of his clothing and equipment, and it appears that the man was very much disconcerted on account of it.

The CHAIRMAN. The question is on the motion of the gentleman that the bill H. R. 1954 be laid aside with a favorable recommendation to be reported to the House with the recommendation that the bill as amended do pass.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next bill.

JEREMIAH STOVER.

The next business on the Private Calendar was the bill (H. R. 667) for the relief of Jeremiah Stover.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Jeremiah Stover, who was a private of Company B, One hundred and eighty-eighth Pennsylvania Infantry Volunteers, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said company and regiment on the 16th day of October, 1865.

Mr. CRAGO. Mr. Chairman, unless some explanation is asked to this bill——

Mr. FOSTER. Oh, I think the gentleman should explain it.

Mr. CRAGO. The facts, in brief, are these: This bill went through the same course as all the other bills in the subcommittee and in the full committee. Jeremiah Stover is more than 80 years of age. He lives in Gettysburg. He has a son-in-law there who is a prominent citizen and an official of one of the railroads. Mr. Stover was a soldier who served more than three years' honorable service. He was doing provost duty at one time and was authorized by the officer having charge of that duty to purchase his own horse. He purchased his own horse, and later, with some of the natives in that locality, he made a trade, and I imagine, like some horse trades that we have all heard of, it was not a satisfactory trade. In any event, after the organization had left that immediate vicinity, this man, who had traded the horse for Stover's own horse, reported to the military authorities that Stover had gone off with a Government-owned animal. The truth of the matter is that if it was a Government-owned animal, it was an animal that was in this other man's possession, and was traded to Stover for Stover's own horse. Stover knew nothing of this for several months after that, until just before they were mustered out. He was then charged with it, and I believe was found guilty of having in his possession an animal owned by the United States Government. He was sentenced to serve some time, but the sentence was commuted, and he was released from arrest. He went home. He is an honorable citizen and has been resting under this unjust charge all of these years. He simply made a trade with one of the natives with a horse that he owned himself or a horse which might have belonged to the United States Government, and the committee thought in view of his more than three years of honorable service for his country this old man at this time ought to be put on the honor roll.

Mr. FOSTER. So the gentleman thinks in this case it was just as in other cases where one man got the better of another in a horse trade.

Mr. CRAGO. That is all there is to it.

Mr. RAGSDALE. Mr. Chairman, will the gentleman yield?

Mr. CRAGO. Yes.

Mr. RAGSDALE. In other words, this person to whom it is proposed to give relief was guilty merely of receiving stolen goods.

Mr. CRAGO. That is only according to the man who may have got the worst of it in a horse trade.

Mr. RAGSDALE. That is the fact in the case, is it not?

Mr. CRAGO. That is the allegation.

Mr. RAGSDALE. The charge was that he had stolen a horse.

Mr. CRAGO. Yes.

Mr. RAGSDALE. And the difference is that he merely received stolen goods.

Mr. CRAGO. The difference is that he traded for this horse, which may have belonged to the United States Government.

Mr. RAGSDALE. Is it not a fact that it did?

Mr. CRAGO. I am not sure.

Mr. RAGSDALE. Is not that the record? In other words, he could not have stolen the horse at all; but it did belong to the Government.

Mr. CRAGO. He made a trade of his own animal for this animal.

Mr. RAGSDALE. The relief that the gentleman is asking is from the charge of having stolen a horse, when the fact is that he was found in possession of property that did belong to the Government.

Mr. CRAGO. What appealed to the committee was this: Here is an old man 80 years of age, who has given more than three years of service to his country, and all of these years he has been denied any of the financial benefits——

Mr. RAGSDALE. I am not making any question about that. What I am trying to do is to get at the facts. The facts are that the property was the property of the United States Government.

Mr. CRAGO. That was the finding of the court-martial; yes.

Mr. RAGSDALE. The finding was that he got the property of the United States Government.

Mr. CRAGO. Probably that is true.

Mr. RAGSDALE. And the only thing the gentleman is pleading here is that, instead of having gotten it directly from the Government, he received stolen goods that were the property of the Government, although he gave his horse in return for them.

Mr. CRAGO. What Mr. Stover maintains with all the vigor that any man can maintain is that he knew nothing about the ownership of this animal, except that he thought the man with whom he made the trade owned it.

Mr. RAGSDALE. I am just trying to get the facts. He did receive goods that was stolen from the United States Government.

Mr. CRAGO. That was the finding, I suppose, of the court-martial.

Mr. RAGSDALE. And that you are trying to relieve him of.

Mr. CRAGO. Yes.

Mr. RAGSDALE. And the plea put up is that instead of stealing it he received it.

Mr. CRAGO. Not knowing that it was stolen.

Mr. RAGSDALE. The plea the gentleman is making is that instead of stealing it he simply received stolen goods.

Mr. CRAGO. No; there is nothing of that kind.

Mr. RAGSDALE. Why, the gentleman offers by way of justification that he did not know that the horse was stolen.

Mr. CRAGO. That is exactly correct.

Mr. RAGSDALE. Therefore he was receiving stolen goods, and the plea by way of justification is that he did not know it was stolen.

Mr. CRAGO. The court-martial found that the property he received was stolen.

Mr. RAGSDALE. The court-martial found he was receiving stolen goods.

Mr. CRAGO. He admits that he received this, but he does not admit he knew it was the property of the Government.

Mr. ELSTON. Will the gentleman yield?

Mr. CRAGO. I will.

Mr. ELSTON. We will presume the court-martial gave him a trial, and there were witnesses examined and possibly a judgment was had after a full explanation on his part, so far as he could make it. How does he explain that the court-martial made a wrong judgment in the case on the facts?

Mr. CRAGO. That is sometimes a violent assumption in time of war. It is not always true, and a private soldier, even in time of war, has very little chance of defending himself or presenting his side of the case to the court-martial where they consider him technically guilty.

Mr. ELSTON. Did he give an explanation which satisfied the committee that was true?

Mr. CRAGO. The explanation that he gave to me individually was this: That he had this horse, that the organization was preparing to move, and this man had this other horse in his possession—he was a farmer in the locality—that he made this trade in good faith, believing that this other horse belonged to the man with whom he was trading. He was allowed to have this horse by permission of the provost marshal.

Mr. PARKER of New Jersey. Will the gentleman yield for a question?

Mr. CRAGO. Yes.

Mr. PARKER of New Jersey. This was a court-martial during time of war. Did the gentleman have any record of the evidence taken by that court-martial?

Mr. CRAGO. We could not get the evidence.

Mr. PARKER of New Jersey. Had the man ever made any application for relief to Congress, or when did he first do it?

Mr. CRAGO. So far as I know—well, I can not give any answer to that.

Mr. PARKER of New Jersey. Did he make the application before the witnesses were dead who were called before the court-martial, or after they had died?

Mr. CRAGO. We had the affidavit of his comrades as to his service and as to the fact that when this was reported to his company there was not a man who was in the company who believed that this man would be guilty of anything of the kind.

Mr. PARKER of New Jersey. That may be all true; but you did not have any opportunity to go over the court-martial, which always ought to stand unless there is some mistake.

Mr. CRAGO. After all these years it was hard to do that.

Mr. PARKER of New Jersey. Then, after all these years we ought not to entertain a bill——

Mr. CRAGO. One of the things which appealed to the committee was that he had rendered three years of valuable service——

Mr. PARKER of New Jersey. A great many people gave valuable service.

Mr. CRAGO. Mr. Chairman, I ask that the bill be laid aside with a favorable recommendation.

Mr. FOSTER. Mr. Chairman, before that is done, let us have the amendment put on.

Mr. STAFFORD. I would like to ask for recognition——

Mr. CRAGO. If the gentleman will notice, this is the exact form prescribed by the department or suggested, and, if the gentleman will notice, it says "shall hereafter be held and considered to have been honorably discharged." Now, the ruling under that is that prior to the passage of this act and its approval he is not entitled to any benefits of pension or anything of that kind.

Mr. FOSTER. I do not know; the Military Affairs Committee has been bringing in all kinds of bills—some of them with language in them and some without—and we ought to have some uniformity of bill. If we say that no back pay, bounty, or allowance can be paid from the passage of the act——

Mr. CRAGO. It can not be. That is in another form of a bill.

Mr. HARRISON of Virginia. This last form is what the Secretary of War furnished as being the proper form.

Mr. RAGSDALE. Mr. Chairman, it seems to me, if the gentleman will permit the suggestion, this was a finding of a body of fellow soldiers of Mr. Stover.

Mr. CRAGO. Of officers; yes.

Mr. RAGSDALE. Well, they were fellow soldiers. I believe the gentleman himself was an officer of the Spanish-American War?

Mr. CRAGO. Yes.

Mr. RAGSDALE. Well, officers are soldiers.

Mr. CRAGO. I often went before court-martials and got fellows free from charges when, I think, if I had not appeared they would have been held under the charge of dishonorable conduct.

Mr. RAGSDALE. In other words, the gentleman thinks the tendency of the officers appointed by our Government is to discredit soldiers?

Mr. CRAGO. No; not in all cases; but in some cases very little consideration is given the rights of the individual soldier.

Mr. RAGSDALE. The gentleman thinks men who fought 50 years ago had very little consideration given them by the officers who commanded them?

Mr. CRAGO. That may have been true in certain cases but not in all cases.

Mr. RAGSDALE. Now, this man was tried by his fellow soldiers?

Mr. CRAGO. That is what the record shows.

Mr. RAGSDALE. And the record shows he was found guilty of theft.

Mr. CRAGO. That is the record.

Mr. RAGSDALE. And he is here now after fifty-odd years asking for relief.

Mr. CRAGO. That is a mere matter of argument.

Mr. RAGSDALE. No——

Mr. CRAGO. This is the situation this man finds himself in to-day, and he appeals to us as reasonable human beings after 50 or more years have gone by. This man served for more than three years in the defense of his country, rendered good service—we have letters to the War Department from members of the company who served with him, and not a man of that company believed that this man would be guilty of anything of the kind of which he was charged.

Now, admitting that he was found guilty of having received a horse which his own investigation ought to have shown him was Government property; admitting that he did it, he used it in the Government service. That is all that happened to the animal. Now, technically he may have been guilty. Can not we afford to overlook that matter and put this old man, 80 years of age——

Mr. SLAYDEN. On the pension roll?

Mr. CRAGO. On the pension roll. That is exactly correct.

Mr. RAGSDALE. Will the gentleman pardon me?

Mr. CRAGO. Yes, sir.

Mr. RAGSDALE. The record is that he bought a horse and took it for his own service.

Mr. CRAGO. He bought a horse originally by the permission of the provost officer for his own use. He traded that horse for this horse. This man afterwards alleged——

Mr. RAGSDALE. For his own use?

Mr. CRAGO. In the Government service. He was not a cavalryman.

Mr. RAGSDALE. Where does that appear? That was at the time of his discharge.

Mr. CRAGO. Oh, no; it was while he was in the service.

Mr. RAGSDALE. The record does not show that. It states——

Mr. CRAGO. The record shows that Stover obtained permission from the provost marshal to purchase a horse, which he did, and that the man with whom Stover had traded reported he had gone off with a Government horse. The facts of the case are that he was doing duty which made it convenient for him to be mounted, and he bought a horse at his own expense, and, in continuing this duty, he traded that first horse which he bought for this horse which they afterwards alleged was Government property.

Mr. RAGSDALE. That does not appear in here.

Mr. CRAGO. I am telling you the story that I got from his comrades and himself.

Mr. RAGSDALE. According to the records here, he was permitted to buy a horse; he traded it for another horse, and then he took this horse, which belonged to the United States Government, home with him. His comrades in arms, with whom he served, tried him and convicted him of being a thief. He was convicted, having two years' service.

Mr. SLAYDEN. Penal service?

Mr. RAGSDALE. It does not say. It was remitted, and he served until 1865. This transpired fifty-odd years ago. Now, the gentleman from Pennsylvania [Mr. CRAGO], with that same sort of fairness and desire to protect the common soldier that he referred to this morning when he was a comrade in arms in the last war, I am sure, is led to come forward and ask for consideration for this man. But the question is, What is there to show that this man at that time did not know that he was getting United States property that could not have been shown at that time? And if he could not show it to his comrades in arms at that particular time, and as the country he was fighting for at that particular time was being heavily taxed and he was breaching their trust and carrying their property away, and he was tried and convicted at that particular time, not only with being disloyal to the flag but for a breach of trust, why after 50 years should the man come in, a man of that type, and be put on an honorable footing with the men who were loyal?

Mr. CRAGO. He has paid the penalty for 50 years. He has been kept off the honor roll, and kept from being paid a pension, and if that is not penalty for a man who has served three years for his country—and I ask the indulgence of this House in agreeing to debate the question of whether or not he should be relieved of the stigma that was passed upon him.

Mr. RAGSDALE. I am willing to debate the question of whether a soldier, wearing the uniform of the United States, who by his own associates in arms was convicted of being a thief, and who stole Government property, should ever enjoy the honorable place that a soldier does who served in the same war and who was never guilty of anything dishonorable.

Mr. CRAGO. A soldier may step aside, as a civilian, and do something that may ruin his record for years and years. I say this, that where these years have passed, and he has borne the stigma all that time, it is not very much of a recompense for the service that man gave to the country at this time for us to come here in his old age and restore him to the honor roll.

Mr. RAGSDALE. I would much prefer to give him money compensation than put him in the same position of the men who deserved the confidence that the Union placed in them and who never betrayed it.

Mr. SLAYDEN. Does the gentleman from Pennsylvania really believe that the records of the War Department—and this does not apply to this particular case, I will say to the gentleman—does the gentleman believe that the records of the War Department should be falsified in the interest of men who deserted?

Mr. CRAGO. We are not changing that feature.

Mr. SLAYDEN. I know you are not, in this particular case. But the gentleman and I have sometimes discussed these so-called charges of desertion, where the records have been made to tell a falsehood and to say that a man was honorably discharged when in point of fact he was dismissed because of the most serious of all military crimes, namely, desertion, and men have been restored purely because they wanted to get a pension and live upon the taxpayers. Here is the case of a man about which I know nothing except that I have heard the facts stated in the discussion by gentlemen here—the case of a soldier who served——

Mr. CRAGO. Yes; he served after the alleged act for which he was tried was committed.

Mr. SLAYDEN. How long did he serve before that?

Mr. CRAGO. About two years.

Mr. SLAYDEN. And then he committed an offense which——

Mr. CRAGO. He denies that he committed an offense. The court found him technically guilty.

Mr. SLAYDEN. Well, they dismissed him for dishonesty, and perhaps because they needed his services they put him back again. Does the gentleman believe that the pension rolls ought to be further padded at the expense of the people by adding the names of men who have been proved guilty, at least, of serious military offenses and personal dishonesty?

Mr. CRAGO. I will say to the gentleman from Texas that of the thousands of cases that have come before our committee we do not favor many of them, but where a case goes to a subcommittee and that subcommittee finds that a man has given one or two or three years' faithful service to the Government, even admitting that the man did what he is charged with doing, we have taken the position in such cases that such a man ought really to be restored to his rights.

Mr. SLAYDEN. "His rights"? I understood you were proposing it a little while ago on the basis of charity. I do not think he has any "rights."

Mr. CRAGO. I think it is a right. In many cases where courts-martial were justified in acting as they did, in 10 or 15 or 25 years afterwards it is not a very great act of graciousness on the part of the Government in restoring them.

Mr. SLAYDEN. When a man deserts, he forfeits his rights.

Mr. CRAGO. There is no charge of desertion here.

Mr. SLAYDEN. And when a man steals a horse, that is an act of dishonesty.

Mr. CRAGO. With all our facilities for keeping our records, and all our bookkeeping, and the millions of money that we have spent in trying to keep track of affairs in the past year or two, thousands of errors, glaring errors, have been made, not only in the records of the War Department but in orders. I have on my desk a death certificate sent to the parents of a boy who was said to have been killed in France, whereas the boy is in Walter Reed Hospital to-day. I told him he should keep that death certificate as a souvenir. Men are certified by the department as having been killed in action when they are alive and well, and others will be reported as absolutely safe, when they have been killed perhaps 60 or 90 days before; so that these records of the Civil War, like those of the present war, are not perfect records, and every now and then a case occurs where, if the facts were presented to a court-martial, the man concerned would not be declared guilty. I have been out with men who have been away from home for two or three years fighting for their country, and who happened in a moment of forgetfulness to do something that we would not want to see them do, and yet in the main they were good men.

Mr. ELSTON. May I inquire of the gentleman if this man is up in years?

Mr. CRAGO. Yes. He is advanced in years.

Mr. RAGSDALE. Simon F. Smith, who signed the affidavit which is filed by the committee in this case of Jeremiah Stover, was the man himself from whom Jeremiah Stover claimed to get the horse?

Mr. CRAGO. He was the man who received the horse on the Jeremiah Stover trade, but I imagine that he did not receive as good a horse as he thought he was getting, and that is the reason why he reported the case.

Mr. RAGSDALE. But if it was not a fact would he have directed the attention of the Government to the fact that this stolen horse was carried away?

Mr. CRAGO. I am in favor of reporting the bill with the recommendation that it pass.

Mr. RAGSDALE. So that the gentleman's position is that although the court-martial's decision was just, and Jeremiah Stover was a thief and stole this property from the Government, he favors action which would put Jeremiah Stover on the level with those who served under the flag of the Union faithfully, and would put that man on the honor roll at this time along with men who served the flag gallantly and honorably until the Nation had been made one again?

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. CRAGO. Yes.

Mr. PARKER of New Jersey. Does the gentleman know whether or not at that time all Government horses were branded with the letters "U. S."?

Mr. CRAGO. I asked that question of the gentleman, and he said he did not know. I do not know.

Mr. PARKER of New Jersey. I understood they always had the letters "U. S." branded on the Government horses.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. CRAGO. Yes.

Mr. BLANTON. The gentleman speaks of incorrect reports being made by the War Department. There is no such thing usually as an incorrect report made in the finding of a court-martial unless it is set aside, is there? The finding of a court-martial is based upon evidence and not merely on such reports as are made ordinarily?

Mr. CRAGO. The court-martial, of course, is a human agency for administering justice.

Mr. BLANTON. Like a court, it is presumed to carry out the law.

Mr. CRAGO. Many findings of courts-martial are such that we would not make them if you and I were on those courts.

Mr. BLANTON. The Congress does not go behind the findings of courts-martial.

Mr. CRAGO. That is the only relief they have—at the hands of Congress.

Mr. BLANTON. But very rarely does Congress go behind the findings of a court-martial.

Mr. CRAGO. I want to give an illustration of how courts-martial are conducted sometimes. I remember the case of a court-martial trying an officer in the Philippines. There were five Regular Army officers on that court and six men who never served in the Regular Army. Those five Regular Army officers were serving with the volunteer forces. When it came to a question of guilt of the captain who was tried—a volunteer officer—every man on the court-martial who had seen service in the Regular Army voted "guilty" and every man who came from the volunteer service voted "not guilty." They stuck to that notwithstanding the court-martial proceedings were sent back three times for revision, by direction of the commanding general, to change the findings.

Mr. BLANTON. The question I am trying to get the gentleman to answer is, Is it not a dangerous precedent for Congress to go behind the court-martial?

Mr. CRAGO. Not 50 or 60 years after it happened.

Mr. BLANTON. The further removed, the more danger there is.

Mr. CRAGO. I hardly think so.

Mr. FIELDS. Will the gentleman yield?

Mr. CRAGO. Yes.

Mr. FIELDS. It is guaranteed to the accused that he will have a fair trial; and if the court-martial knows that there is another tribunal that will review it, it makes a difference.

Mr. BLANTON. Fifty years after?

Mr. CRAGO. My attention has been called to the fact that they went behind the record of the court-martial in the case of Fitz John Porter, and President Garfield was a member of the court-martial and also a Member of the House later.

Mr. SLAYDEN. But the gentleman remembers what Congress did in the case of Fitz John Porter. It was to have the accused retried, and at West Point on the court-martial were three major generals of the Army.

Mr. EMERSON. Will the gentleman yield?

Mr. CRAGO Yes.

Mr. EMERSON. Is this a case where two soldiers traded horses?

Mr. CRAGO. No; a soldier and a civilian. He found a horse in the hands of a civilian that he liked better, and he traded. After they went away the man charged him with having sold a horse that belonged to the Government.

Mr. EMERSON. Was that in the South or in the North?

Mr. CRAGO. I can not answer the question, but my impression is that it was in the North.

Mr. EMERSON. I did not know that they found them guilty in the South.

Mr. MANN. Mr. Chairman, there were a good many errors in findings by courts-martial during the Civil War; probably there are a good many errors in the findings of courts-martial in the present war. That is not strange when you consider that the War Department itself officially is constantly making errors. I would like to give one illustration of the fallibility of human endeavor as exemplified by the business methods in the War Department. I received a letter the other day from a lady residing in Texas stating that her son was in the Army in France; that before he went he made an allotment of a part of his compensation to her. The War Department, which has charge of it, informs her that they have no record of the allotment. So she has not received any money, but they have deducted the entire amount of the allotment when they went to pay the son. So he has not received the money. The War Department has received no such notice of the allotment when it comes to paying money to the one, but has full notice when it comes to pay money to the other.

Mr. BLANTON. That is an error of some $100 a month clerk down here in the War-Risk Insurance Bureau who has passed upon the matter without giving it careful investigation.

Mr. MANN. I think the War-Risk Insurance Bureau has nothing to do with it.

Mr. BLANTON. Well, some clerk in the War Department. The error before the House, the error that is claimed, is against the court-martial, which is in effect the judgment of a court. That finding of the court-martial is to be passed on by Members of Congress, who know nothing in the world about the facts, nothing at all about the rules and regulations of the War Department, and it was made 50 years ago in the performance of its duties.

Mr. MANN. I fully appreciate the position of the gentleman from Texas, and yet courts-martial and courts frequently register the opinion of the clerk, who may or may not receive as much as $100 a month. I do not know whether this was a $100 clerk in the War Department or not, but I do know that the records, except for the fallibility of human nature, ought not to show, in the War Department or elsewhere, that a certain fact exists for one purpose and does not exist for another purpose.

Mr. SHALLENBERGER. Mr. Chairman, if the gentleman will yield, I call the attention of the gentleman from Texas and the gentleman from Illinois to the fact that during this war there has been a large number of men sentenced to be shot to death by musketry for desertion and the President of the United States has set aside the findings of every one of these courts-martial and the penalty has not been inflicted. So the President has set aside these findings.

Mr. RAGSDALE. Mr. Chairman, in view of the fact that the distinguished gentleman from Illinois, the minority leader, for whom I have profound respect, calls attention to the errors being committed to-day, I suggest that there never was a time when the House ought to be more particular in the findings that condone or encourage those who have been dealing unfairly with the Government. Whatever mistakes have been made by the War Department or in the Army, whatever has been done by any man in this war, certainly this is the time for the American Congress to go on record that where a man in uniform, no matter what his position, has been found guilty of thieving and has been convicted by his associates, his name should not be placed on the roll of honor.

Mr. CRAGO. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. CRAGO. Yes.

Mr. STAFFORD. Does not the gentleman intend to incorporate in this bill the customary proviso about pension and bounty?

Mr. CRAGO. No; that is not necessary. This is the form that is recommended by the Secretary of War to the committee and it does not require that proviso. Where we use the other form that proviso is necessary.

Mr. STAFFORD. Then I desire recognition.

The CHAIRMAN. The Chair will recognize the gentleman from Wisconsin.

Mr. STAFFORD. Mr. Chairman, a distinguished member of the Committee on Military Affairs states that it is not customary to add the proviso that no pension, bounty, or allowance shall accrue prior to the passage of this act. The bill considered just previous to this was a bill in identic phraseology to the bill now before the committee, and that bill contained that proviso.

Mr. CRAGO. It was in the old form, and we changed it to this form. I do not believe the gentleman has the facts clearly before him.

Mr. STAFFORD. Oh, yes; I have. I direct the gentleman's attention to the bill introduced by the gentleman from Connecticut [Mr. TILSON], which has just been considered.

Mr. CRAGO. Will it be satisfactory to the gentleman if we put that amendment on?

Mr. STAFFORD. We ought to take that precaution, at least.

Mr. CRAGO. Very well. Mr. Chairman, I move that the language "provided that no pension, bounty, or allowances shall accrue prior to the passage of this act" be added to the end on this bill.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAGO: After line 11, after the word "sixty-five," add the words:
"*Provided*, That no pension, bounty, or allowances shall accrue prior to the passage of this act."

The CHAIRMAN. The question is on agreeing to this amendment.

The amendment was agreed to.

Mr. CRAGO. Mr. Chairman, I move that the bill as amended be laid aside with a favorable recommendation.

The question was taken.

Mr. RAGSDALE. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from South Carolina makes the point of order that there is no quorum present. The Chair will count.

Mr. RAGSDALE (interrupting the count). Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from South Carolina withdraws the point of order. The question is on the motion of the gentleman from Pennsylvania that the bill as amended be laid aside with a favorable recommendation.

The motion was agreed to.

CLEMENT H. COLE.

The next business on the Private Calendar was the bill (H. R. 3090) for the relief of Clement H. Cole.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Clement H. Cole, who was a private in Company H, Fifty-eighth Regiment Pennsylvania Volunteer Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a private of said company and regiment on the 5th day of November, 1864.

Mr. CRAGO. Mr. Chairman, in order to comply with the request of the gentleman from Wisconsin [Mr. STAFFORD], I move that the amendment be inserted at the end of the bill, as in the previous bill.

The CHAIRMAN. The Clerk has the language at the desk and will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Mr. CRAGO moves to amend, on page 1, line 10, after the word "sixty-four," by inserting the following:

"*Provided,* That no pension, bounty, or allowances shall accrue prior to the passage of this act."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRAGO. Mr. Chairman, if there is no explanation desired of this bill, I shall move that it be laid aside with a favorable recommendation.

Mr. STAFFORD. Mr. Chairman, I think we ought to have some statements of the bill.

Mr. CRAGO. Mr. Chairman, the facts in the case are these: This old gentleman, 80 years old, lives up in the northern part of Pennsylvania. He served for two years and nine months and four days in the Army. He became ill. He was in a hospital for a time, and was then given a furlough of 35 days. He was suffering at that time from chronic diarrhea, which, of course, was the curse of the Army. He returned to the home of Mrs. Adaline Metcalf, at Port Allegany, Pa., which is at the headwaters of the Allegheny River of Pennsylvania, practically on the New York State line. He made his home there, having none of his own. He was unable to leave his bed for many months. There does not appear to be any doubt of the facts. The soldier suffered from chronic diarrhea for from 18 months to two years after reaching home. We have the affidavits of the attending physicians. He was wholly disabled for military duty. There is evidence that the soldier stands well in his community, and that he has served five terms as a justice of the peace. The committee thought it to be one of the cases that was deserving of consideration. I therefore move that the bill be laid aside with a favorable recommendation.

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. CRAGO. Yes.

Mr. PARKER of New Jersey. Mr. Chairman, this is one of the cases where a man states that he was sick and went home on a furlough and then overstayed his furlough. When I was a member of the Committee on Military Affairs my friend, Mr. Bishop, who served in the Civil War and who lost his arm there, would have nothing to do with such a case. He said: Did the soldier ask for his pay; did he report where he was; did he send a letter saying where he was? If he did and if he were well, he would have been taken to camp. If he were sick, he would have been given a discharge because of illness, if his illness was incurable. He would have been given his pay if he was not shirking, Mr. Bishop used to say, for he would have written for his pay and reported where he was, and the thing would have been settled at that time. I learned from Mr. Bishop, with whom I served on the subcommittee, never to vote for a case where a man said he went home sick and stayed home sick and was not able to get back unless the man had reported where he was.

Mr. CRAGO. Mr. Chairman, I will just say to the gentleman that this case comes within the cases where it was decided where a man had had honorable service for two years or more he should receive consideration, even though he did not do what a reasonable man should have done in making his whereabouts known.

Communication was not easy 50 years ago, and these men did not know often where to report their whereabouts. This man had gone home sick. The evidence is undisputed by those who attended him. These affidavits, I would say, were made quite a number of years ago, but they are on record in the War Department, and they show that from 18 months to 2 years after he went home, long after the close of the war, that he was not fit for military duty.

Mr. PARKER of New Jersey. Will the gentleman permit a question?

Mr. CRAGO. I will.

Mr. PARKER of New Jersey. The gentleman says he did not know to whom to report?

Mr. CRAGO. Many of these men did not.

Mr. PARKER of New Jersey. Does not the gentleman know there were provost marshals in every district of the whole United States looking after fellows who were out of the ranks, and all he had to do was to report, and he would either have been returned to the ranks or else he would have been sent to the hospital or else discharged? It is not a man's business to come to Congress 50 years afterwards——

Mr. CRAGO. We are not passing a strict judgment in this matter. We are simply trying to do what we think is an act of justice on the part of the Government after all these years in view of the man's honorable service in the Army.

Mr. RAGSDALE. Will the gentleman yield for a question?

Mr. CRAGO. I will.

Mr. RAGSDALE. If one of the young men who enlisted from the gentleman's own district, who had been conscripted and had gone into the service under the flag in the great war we have just won, had deserted under a condition like this, would the gentleman at this time want him reinstated on the roll of honor?

Mr. CRAGO. I will say to the gentleman if I am spared to be here to plead for him 50 years from now I will do so very gladly.

Mr. RAGSDALE. I am not talking about the future, I am asking the gentleman, when the boys come back who have done so nobly over across the seas, where they have undergone everything that they have been called upon to bear, where they have won battles the like of which were never seen before, if a man had deserted and left them there to die and suffer as they have, the men who have been left in the ranks to undergo all they have, does the gentleman think a deserter who left them there ought to have the same place in the affections of the people of this country and on the rolls of honor of this country as the men who stayed?

Mr. CRAGO. No; but I do say if some innocent country boy got away from his command and was sick and in the hospital, and did not properly report where he was and his whereabouts to the War Department, and the War Department on the records recommend the giving of a dishonorable discharge, I am contending he ought to have an honorable discharge when his comrades know he is no deserter.

Mr. RAGSDALE. Does not the gentleman know at this particular time they are not asking the consideration of any boys, nor will they do it in this Congress, because the Secretary of War has asked that no bill of any kind relieving desertion should be reported since October 15, because of the effect on the boys who are now in the service?

Mr. CRAGO. I do not know anything of that kind.

Mr. RAGSDALE. The Secretary of War has not addressed a communication to your committee asking you not to bring in bills for the relief of desertion since October 15?

Mr. HARRISON of Virginia. Mr. Chairman, I would like to make a statement to this effect, that several of these desertion bills were submitted to the War Department for report thereon in accordance with the custom of the committee; that the Secretary of War or the Assistant Secretary of War—well, both the Secretary of War and the Assistant Secretary of War—recommended that the committee should not favorably report that particular bill, because at this present time—at the time he wrote—he did not think there ought to be any condonation of desertion cases.

Mr. McKENZIE. I would like to ask my colleague if it is not true the Committee on Military Affairs of this Congress, and especially this session or the last session, has declined to report any desertion bill or take up any new cases, and that all of these cases on the calendar are simply bills that have been reported and most of them passed in the last Congress?

Mr. CRAGO. That is true.

Mr. HARRISON of Virginia. I would like to add I happen to be chairman of this subcommittee before which these desertion cases come, and the cases that are now on this calendar are cases that have been previously reported in former Congresses and in many cases they passed the House, were favorably reported by the Senate, but died in the Senate because they could not be reached on the calendar.

Mr. McKENZIE. If the gentleman will allow me one question for the benefit of my friend from South Carolina, is it not a fact that the Committee on Military Affairs have consistently refused to report any bill where the evidence indicated that the soldier deserted from the Army under fire or when a battle was imminent?

Mr. CRAGO. Yes; or if it was willful desertion.

Mr. RAGSDALE. I am going on the record, and the record states that the Government was sufficiently considerate of this man to give him 35 days' furlough, that he left there and never came back; the showing is that he never returned, nor is there any showing that he made any effort to return, nor was there any effort made by him to advise anybody of his whereabouts; and the question now before this body is, Was desertion fifty-odd years ago a penal offense? Was it a threat against the flag? Was it a danger to the United States? If it was then, is it not now? He deserted fifty-odd years ago at a period of time when the very preservation of the Union was threatened to be set aside, and I wonder, if Benedict Arnold could come on the floor of this House and have our illustrious friend from Pennsylvania to help him, would we receive and reinstate him in the affections of the American people and put him upon our roll of honor?

Mr. Chairman, if the gentleman will permit me——

Mr. CRAGO. The gentleman is making quite a speech.

Mr. RAGSDALE. It seems to me there ought never to have been a time nor should there ever be a time when the men who fought for the flag should ever cease to be properly venerated. There ought never to be a time when those who deserted, those who left their comrades in arms in places of danger and exposed them to death ought to receive the same commendation at the hands of this Congress or of the American people as those who stuck by their guns until the end was in sight.

Mr. CRAGO. Mr. Speaker, in answer to the eloquent argument of the gentleman from South Carolina [Mr. RAGSDALE] I simply want to say this, that if one of these boys over in France, even though he may never have seen more than three months, or six months, or one year of service, should be sent home sick and should fail to report to his commanding officer and in innocence of what was required of him as a soldier should remain at home ill, I know there is no question of what the Congress would do in righting that man's record. And I am proud to say, after we have made an investigation of these cases, that I am doing what I can to help personally all these old men, who for one year, two years, or three years fought for this Union, and technically committed some error. I am willing to help them in the last years of their lives to join their comrades in the Grand Army of the Republic, and to acknowledge that they paid a bigger price than many men pay who fight their cause here in Congress.

Mr. FIELDS. Mr. Chairman, I have given a good deal of thought to cases of this character, having been on the Military Affairs Committee for some time and for a while chairman of the committee on desertions. There are a number of cases where men are charged with desertion where the evidence and the records of the case fail to show that there was ever any intent on the part of the man to desert. Now, we all realize, as the gentleman from Pennsylvania [Mr. CRAGO] said a moment ago, that means of communication were not good during the days of the Civil War. The gentleman from New Jersey [Mr. PARKER] asked why the man did not report to the provost marshal. Why, probably he was 50, possibly 100 miles away from the provost marshal at that time. Men in many instances were captured or were confined to hospitals or were left sick by the roadside.

Mr. RAGSDALE. Will the gentleman permit an interruption?

Mr. FIELDS. Not just now. Men who lived in that day know how difficult, and not only difficult but impossible, it was for men to go single handed and alone and reach their commands after their recovery or after their release or escape from prison.

Mr. NORTON. Will the gentleman yield?

Mr. FIELDS. Not just now, with all courtesy.

I have in mind a case where a man enlisted and served for two years. He was captured in the Battle of Richmond. He was kept in prison for seven months. He escaped from prison by some means that I do not now recall. The day following his escape from prison he enlisted in another organization, being informed that his own organization was at that time in Texas. He had been detained somewhere in Kentucky. Does it stand to reason that that man could reach his organization in Texas? Would any reasonable man on the floor of this House or anywhere else charge him with desertion because of his failure to reach his organization, which was then reported in Texas? He probably should have reported to the proper military authorities and gotten a new assignment. But we can understand how easy it is for men who are gathered up here and there, who never had any military service or military training, and probably are illiterate, to fail to understand their duties. But the man did the best thing he knew to do. He enlisted in another organization and served until the end of the war, engaged in four or five battles, and was given an honorable discharge. Yet years afterwards when he applied for a pension he was notified by the War Department or by the Pension Bureau that he was a deserter, and the charge of desertion stands against him to-day.

There are many cases along that line, and I feel that the most cruel thing that the Government can do is to call to its service a patriotic man and after months or probably years of service, because of some circumstances for which he is not responsible, he is separated from the service to then charge him with desertion. I have no patience with a willful deserter. I have no sympathy for him. But I say to you that the Government had better pension 99 deserters than to charge 1 innocent man who served his country faithfully with desertion when he did not desert. It is, as I have said, the most cruel thing, to my mind, that the Government of the United States could do. And the officials of the War Department should be careful, and Congress should not consider its functions of too great importance to review these cases. Because it is upon that spirit, the spirit of patriotism, that these men show when they go to war, that the safety and perpetuity of the Republic depends, and it should be protected in the individual the same as in the public at large.

Mr. RAGSDALE. Will the gentleman permit an interruption?

Mr. FIELDS. Yes.

Mr. RAGSDALE. Was not the gentleman very eloquent on the floor and very active the other day in an endeavor to get through a bill here which denied any consideration to deserters? Why, did not the gentleman try to vacate a vote here on the floor this very week because of the fact that some benefits might accrue to somebody that might be charged with desertion?

Mr. FIELDS. Not at all.

Mr. RAGSDALE. What is the reason the gentleman asked for the vacating of that vote?

Mr. FIELDS. I am glad the gentleman asked that question. A vote was had here the other day on a bill, which a good many gentlemen voted against because the words "honorably discharged" had been stricken out of it through mistake, between the gentleman who offered the amendment and the Clerk at the desk. That did not worry me. The bill had to go to the Senate and to conference. I will say to the gentleman that had the words not been restored I, as one of the conferees, should I be one of them, would see to it that the words were restored in conference. And I think I would have no trouble in doing that, because I think every conferee would have been willing for the restoration of the words. So that was no reason in my mind for voting against the bill, though many men voted against it who had probably not thought of that phase of it after the record vote was had on the bill. I asked unanimous consent to restore the language to the bill and then vacate the roll call to prevent putting men on this floor in a false position.

I think that the gentleman from South Carolina should have been fair enough to have agreed for the roll call to be vacated. I want to say to the gentleman from South Carolina that I never found pleasure—and I hope I may never find pleasure—in taking advantage of men on the floor of this House and attempting to put them in false positions before the country because of some unfortunate position that has arisen here. I was not in that position. I voted for the bill, but men who had voted against it because those words were left out of the bill were not given a fair deal, and the gentleman from South Carolina was not fair in his objection to the vacation of the roll call. It did not mean anything to me. It was not worth anything to me to vacate the roll call, but in a spirit of fairness to the men who had voted against the bill because those words had been omitted.

Mr. RAGSDALE. Mr. Chairman——

Mr. CRAGO. I yield to the gentleman from South Carolina.

Mr. RAGSDALE. Mr. Chairman, I may be unfair, but if I am unfair to men it will be while they are on the floor of the House, and it will not be afterwards. I understood from the gentleman from Kentucky that the matter would not be taken again on the floor that day.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. RAGSDALE. Yes; I will deal a little more fairly with the gentleman than he did with me. He declined to yield to me.

Mr. FIELDS. I will say to the gentleman that I had no such agreement as that with the gentleman from South Carolina.

Mr. RAGSDALE. Mr. Chairman, the gentleman from New York [Mr. DONOVAN] was sitting right by me, and he heard what transpired, and at no request of mine, but because he understood from the conversation between the gentleman from

Kentucky and myself that I was under the impression that the motion would not be made to vacate in my absence from the Chamber, he objected and prevented the gentleman from Kentucky from succeeding in vacating the motion.

Now, Mr. Chairman, I think those who have served with me here during the period of time that I have been here know whether or not I have been fair. They know whether or not I have brought sectionalism into the discussions or attempted to arouse any party strife here, or to do those things on the floor of this House that ill become a Member of this House. I have stood here trying not to injure the good name of any Member of this House, nor have I tried to do those things that would create animosity or unkindly feeling between Members. I am sorry that the gentleman from Kentucky should come on the floor of the House and charge me with being unfair merely because I, as a representative of the people who have sent me here, objected to the use by him of a motion to vacate a roll in the House. If I have to defer to him, if I must give up my right to object to the undoing of things that have been done in the RECORD in order to maintain his good will, Mr. Chairman, then, great as the loss must be to me, irreparable as the injury is that I must suffer, I am sorry that I shall have to go from this body with that great loss, for which nothing else can recompense me.

Mr. CRAGO. I yield five minutes to the gentleman from Kentucky [Mr. FIELDS].

The CHAIRMAN. The gentleman from Kentucky is recognized for five minutes.

Mr. FIELDS. Mr. Chairman and gentlemen of the House, I should not reply to the gentleman from South Carolina [Mr. RAGSDALE] had he not charged or intimated that I had an agreement with him that I would submit a request for unanimous consent in his absence.

Mr. RAGSDALE. Mr. Chairman, will the gentleman permit an interruption?

Mr. FIELDS. Yes.

Mr. RAGSDALE. I did not make any such statement, Mr. Chairman. What I stated was that I had a conversation, and that a listener thought from the conversation that took place that I was under the impression that the motion would not be renewed. Mr. DONOVAN, of New York, made that statement to me.

Mr. FIELDS. I asked unanimous consent to vacate the roll call, and the gentleman objected. I spoke to him over there, or over here, and asked him not to object. I told him that it was only fair to the membership that the roll call be vacated, and he said that he was unwilling that it should be vacated, and later in the day I asked unanimous consent again. I did not say to the gentleman nor did I intimate to him that I would not renew my request that the roll call be vacated. If I had said to the gentleman that it was over for the day, I will say to him now that I would not have asked it at a later time. But I made no such statement to the gentleman, nor did I say anything to him in the conversation from which any man could draw the inference that I intended not to call up or ask for the unanimous consent during his absence. It is true that the gentleman was not on the floor when I made the request the last time, and I will say, Mr. Chairman, that it is so much easier to transact and expedite business in the absence of the gentleman from South Carolina than it is in his presence that no man could be blamed for submitting his request during the absence of the gentleman. If he wanted to object to it, he should have stayed here.

Mr. BURNETT. Mr. Chairman, I just rose for the purpose of expressing the hope that the gentlemen will not delay legislation by settling their grievances here when the Private Calendar, that we so seldom get an opportunity to take up, is under consideration. For the Lord's sake, let us get along with this important business.

Mr. CRAGO. Mr. Chairman, I yield to the gentleman from Ohio [Mr. LONGWORTH].

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. LONGWORTH. Mr. Chairman, I merely desire to ask the gentleman a question relating to the policy of the committee on this class of cases, in order that I may intelligently answer men who occasionally ask me to introduce such bills as these. My recollection is that in the first 10 years of my service in this House it was the invariable rule of the Committee on Military Affairs to report none of these bills under any circumstances. I am not quite clear what the policy after 1914, when I came back to this House, has been. I would like to ask the gentleman what the policy of the committee has been and what it will be in the future in regard to desertion cases.

Mr. CRAGO. I explained to the House the procedure of the committee. All bills are referred to a subcommittee. If the bill meets with the unanimous approval of the subcommittee it is reported back to the full committee, and if the full committee unanimously agrees to it some one is appointed to make a report. This class of cases has received favorable consideration, and they are cases where the man has had a year and a half or two or three years honorable service. There have been hundreds and hundreds of cases where sympathy dictated relief, but the committee did not think they were justified in giving relief.

Mr. LONGWORTH. Is that to be the policy in the future? I understood the gentleman from Virginia to say that such cases would not ordinarily be considered.

Mr. CRAGO. That is true during the period of the war. We were not considering desertion cases during the war, for fear it might have some effect on the morale of the soldiers.

Mr. HARRISON of Virginia. I understood that was to be the settled policy of the committee.

Mr. CRAGO. These are all bills considered one or two years ago.

Mr. HARRISON of Virginia. This question of desertion cases does not seem to be a new question at all with the subcommittee. Hundreds of cases passed by Congress gave relief to men who had been charged with desertion, and it did not seem to be right that any distinction should be made between men that became entitled to it virtually under the same circumstances. And so our committee has been reporting these cases of desertion where there were equitable grounds, although the men may have been shown to have had an honest service for two or three years. But when these cases were sent to the Secretary of War, as all these cases are, the Secretary of War made the request that there should be no further reports made on cases of this character. I prepared a letter and sent them to gentlemen interested in these cases.

Mr. LONGWORTH. Then it will be correct to say that now it is the policy of the committee to report no desertion cases?

Mr. HARRISON of Virginia. That is the standing policy of the committee.

Mr. CRAGO. Mr. Chairman, I move that the bill be reported to the House with a favorable recommendation.

The motion was agreed to.

MARSHALL M. POOL.

The next business on the Private Calendar was the bill (H. R. 2492) to establish the military record of Marshall M. Pool.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause the name of Marshall M. Pool to be entered on the muster roll of the United States Army as captain of Illinois Volunteers under date of August 25, 1864, and to issue to said Marshall M. Pool an honorable discharge as captain of Illinois Volunteers and as aid-de-camp on the staff of Bvt. Maj. Gen. James H. Wilson, under date of April 23, 1865.

Mr. CRAGO. Mr. Chairman, the gentleman from Illinois [Mr. MANN], who introduced the bill, knows all about the personality of Mr. Pool. The thing that struck me forcibly as a member of the subcommittee on this bill was a letter from Gen. James H. Wilson. Gen. Wilson, as you all know, is probably one of the greatest living officers of the Civil War. He was also an officer in the Spanish-American War. He is said to have been probably the greatest engineer officer in the Civil War and has written one of the most interesting histories, not only of the Civil War but later of the Spanish-American War. He organized for the Army of the Potomac the Cavalry branch of the Army, and it is on the strength of that letter certifying to the services of Marshall M. Pool, reading between the lines, that I would take it for granted that Mr. Pool was a young man, who, in his eagerness to serve the Nation, did not go through the formality of securing a commission in the Federal Army. He was, however, commissioned by the governor of the State of Illinois and was ordered to report for duty at the headquarters of the military division of the Mississippi at Nashville, Tenn., and he did so report. Transportation was furnished him by the Army for two horses and one servant. Gen. Wilson certifies that he served on his staff in the month of November, 1864, as aid-de-camp. He participated in the Cavalry operations against Hood's army from that date until Hood was expelled from Middle Tennessee.

Capt. Pool then continued on my staff at the Cavalry camp of instruction at Gravelly Springs, Ala., till about the 20th of March, 1865, when operations began against Selma, Montgomery, West Point, and Macon, Ga. He participated in all the marching and fighting that was done during that campaign, ending in the capture of Jefferson Davis and various members of his cabinet. Capt. Pool left my staff about the 1st of May, 1865, when the war was entirely ended, and returned to his home in Illinois.

That in brief is about the service of Capt. Poole on the staff of Gen. Wilson, one of the most distinguished officers of the Civil War. Your committee thought it was only just and

proper that he should be given a discharge from the service, having served as an officer of the United States Army.

Mr. STAFFORD. Will the gentleman yield?

Mr. CRAGO. Yes.

Mr. STAFFORD. Can the gentleman inform the committee whether there are many instances of persons commissioned by the governors of the respective States who joined the Federal service but did not enlist in the Federal Army, similar to the case of Capt. Poole?

Mr. CRAGO. I have known of other cases where they have been given commissions later.

Mr. STAFFORD. What reason can the gentleman give for Mr. Poole not enlisting in the Regular Army but retaining a commission from the governor?

Mr. CRAGO. At that time not enough attention was given to the technical position in which it placed them. The governors of the States commissioned men to serve in the Federal Army and commissioned them as officers of the volunteer forces in those States.

Even as late as the Spanish-American War commissions issued to volunteer troops in that war were issued by the governors of States for Federal service, and men were simply mustered into the service of the United States by the officers of the company, and the entire company lining up and taking the oath of allegiance to the United States. This young man was commissioned just the same as any other officer, but he was assigned staff duty, and the matter of being mustered in had probably been overlooked, because he was not with any organization. If he had been with the First Illinois or any other organization, he would have gone out and held up his hand and been mustered in, and that would have been his commission, because the only one he would have would be the commission from the governor of the State. Not having been mustered in, he is not on the muster rolls of the Federal Government, but he did this service, and it is certified to by Gen. Wilson, and I think is deserving of consideration.

Mr. STAFFORD. He joined the Federal forces rather late in the war.

Mr. CRAGO. Yes; he was a very young man, and his father furnished him with his outfit, horses, and everything.

Mr. STAFFORD. I wish to inquire whether under the phraseology of this bill he will be entitled to a pension dating back to 1865.

Mr. MANN. Oh, no; because no back pensions ever date prior to the date of application.

Mr. STAFFORD. By this bill granting him an honorable discharge as captain of Illinois Volunteers, under date of April 23, 1865——

Mr. MANN. He is entitled to pay and they recommend that he be allowed pay for the time he served.

Mr. STAFFORD. I am more concerned about whether he would have a claim against the Government for a pension.

Mr. MANN. He would not have any claim.

Mr. FOSTER. Has he ever applied for a pension?

Mr. CRAGO. No.

Mr. MANN. If he has, it is not known to me. He would not have had any status for a pension.

Mr. FOSTER. Suppose he had made application for a pension and we should pass this legislation, what then?

Mr. MANN. This would not give it to him. I am not in favor of granting him back pension.

Mr. STAFFORD. No one would be in favor of granting him a pension to date back to 1865 under any circumstances.

Mr. MANN. I move that the bill be laid aside with a favorable recommendation.

The motion was agreed to.

MAJ. CHALMERS G. HALL.

The next business on the Private Calendar was the bill (S. 3299) authorizing the President to reappoint Maj. Chalmers G. Hall, retired, to the active list of the Army.

Mr. CRAGO. Mr. Chairman, the facts in this case have left me just at the present time; but I want to call the attention of the House to the communication from the present Secretary of War dated January 17, 1918, in which he finds that Maj. Hall was not given a fair chance when he was mustered out of the Army. It seems that he had been sick and an operation had been performed upon him, and before he had recovered from that operation, which was performed by a medical officer of the Army, he was mustered out because of physical disability. I quote from the letter of the Secretary of War:

> Maj. Hall protested against retirement and requested a delay of six months, to be then again examined to determine his fitness for promotion. This was denied him, but he was assured that if he fully recovered he could be returned to the active list under the law. The application of the law as applied to field officers had expired March 5, 1917. Maj. Hall accepted the action of the board under this misapprehension, and having recovered from his physical disability it seems evident that the retiring board erred in its findings of permanent disability. Maj. Hall was examined January 14 by a board of medical officers and was found physically fit to return to the active list. In view of these circumstances I recommend the passage of this bill.
>
> Very respectfully, yours,
>
> NEWTON D. BAKER, *Secretary of War.*

In view of these circumstances, we think he is entitled to consideration.

Mr. MANN. When was he retired?

Mr. CRAGO. Some time in the year 1916.

Mr. MANN. Is he in the Army now?

Mr. CRAGO. I can not answer that. I will say frankly to the gentleman that the status of this gentleman has slipped my mind. I did not know this matter was coming up to-day.

Mr. MANN. Of course, he would have had an opportunity to get back during this war.

Mr. CRAGO. And I have no doubt that he did.

Mr. MANN. If he did, is it necessary to enact this legislation?

Mr. CRAGO. I would say, to put him back regularly, it is. Under this recommendation made in January, 1918, I think we ought to take action, because if he did go in, he would go in simply as a volunteer officer and would be mustered out. They have no authority to keep in men except Regular Army men, and this would put him in a position so that he could take his status as a Regular Army officer.

Mr. MANN. Here is what was in my mind. I do not see any objection to passing this bill if war had not occurred; but if he did not get back in the Army, to put him back now in the rank he would have had if he had remained in the Army, with the very large promotions, would not be right, I think. I do not know that it would give him anything above a colonel. Plainly it ought not to give him anything except an automatic promotion.

Mr. CRAGO. I suggest that it might be well to let this bill go through, and then we could thoroughly investigate matters before it was taken up in the Senate, before any action was taken upon it. I will say frankly that I do not know this, but I shall endeavor to find it out.

Mr. MANN. The gentleman will not have any control. Maj. Hall, if he is around, will look after it himself. I am not going to object.

Mr. GREENE of Vermont. The gentleman from Illinois will remember we did in some Army bill some years ago make a provision returning to the active list officers retired if they were fit to return, but there was a date put upon it.

Mr. MANN. I have no objection to letting him go back into the Army, even if we do not need him as an officer. I take it we do not, if he went in the Army during the war. If he declined to go into the Army during the war, it does not seem to me he ought to be retired now and give him the rank that he would have had if he had remained in the Army from the beginning.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

> *Be it enacted, etc.*, That the President is hereby authorized to reappoint to the Cavalry Arm as an extra number, with such rank as he would have had if he had never been retired, Maj. Chalmers G. Hall, of the United States Army, retired.

Mr. CRAGO. Mr. Chairman, I move that the bill be laid aside, to be reported to the House with a favorable recommendation.

The motion was agreed to.

JENNIE M. HEATH.

The next business in order on the Private Calendar was the bill (H. R. 10225) striking from the pension roll the name of Jennie M. Heath.

The Clerk read as follows:

> *Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to strike from the pension roll the name of Jennie M. Heath, helpless and dependent child of Charles E. Heath, late of Company G, First Regiment Minnesota Volunteer Infantry, who is now pensioned by special act of Congress approved August 7, 1914.

Mr. STAFFORD. Mr. Chairman, I think some little mention should be made of this unprecedented bill in the history of legislation in the Congress. I do not recall in my 14 years of service where we have ever separated any person from the pension roll of the Government. Here is a case, an exceptional case, one that will go down in the history as a cause celèbre, perhaps, where the Committee on Invalid Pensions recommends the separation of a pensioner who lately became married to a rich person. I suppose if the pension rolls were examined there would be many similar instances where pensions are payable to persons after their pensionable status is removed. I move, if there is no member of the Committee on Invalid Pensions who desires to do so, that the bill be laid aside with a favorable recommendation.

The motion was agreed to.

THOMAS J. ROSE.

The next business in order on the Private Calendar was the bill (H. R. 925) for the relief of Thomas J. Rose.

The Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas J. Rose, who was a private in Company H, Sixth Pennsylvania Volunteer Infantry, and a private in Company H, Forty-eighth Pennsylvania Volunteer Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a private of Company H, Forty-eighth Pennsylvania Volunteer Infantry, on the 11th day of November, 1862.

Mr. CRAGO. Mr. Chairman, in view of the remarks which have already been made concerning the other bills, I move you that the usual proviso be inserted at the end of the bill.

Mr. STAFFORD. Before the gentleman moves the amendment and general debate is terminated thereby, I rise for recognition. I do not wish, however, to take the gentleman off of the floor.

The CHAIRMAN. Does the gentleman yield to the gentleman?

Mr. CRAGO. I will gladly yield to the gentleman.

Mr. STAFFORD. I may be misinformed about this case, but the report, as I read it, shows that this soldier was pronounced fit for duty on November 11, 1862, and yet at that time he left the service. I understood from the statement of the gentleman from Virginia that it was the policy of the committee that they would not recommend any bills where the soldier left the service and really was a deserter.

Mr. CRAGO. The gentleman will notice, if he goes into this further, that what we are trying to help out here is really the supplementary service. If the gentleman will let me explain the bill, I will make my motion to amend a little bit later. This soldier did enlist in 1861 and served until September 9, 1862, having been reported in the meantime or pronounced fit for duty. The testimony shows that this soldier suffered with the disease for which he had been treated. He went to Pittsburgh, Pa., to visit a sister, and after partially recovering from said disability enlisted in the Navy at Pittsburgh, Pa., on August 25, 1864, for service on the Mississippi Squadron. The fact of his naval service is borne out by the records of the Navy Department, as follows:

That Thomas J. Rose enlisted in the United States Navy at Pittsburgh, Pa., August 25, 1864, to serve one year; served on the *Grampus*, *Great Western*, and *Volunteer*, and was discharged August 1, 1865, at Mound City, Ill.

So the two services combined make a good and faithful service of more than two years and a half. After his discharge from the service he went to Pittsburgh, and never went through the formality of securing an honorable discharge, but thought that since he was reinstated in the Navy that that would cure everything. The record has stood on that basis up to the present time. Now, I simply want to call attention to the fact that crept into this report from the correspondence that we have, and that is, namely, that the only brother of this soldier—George W. Rose—lost an arm at Antietam; that his father, Daniel Rose, was wounded in the Battle of the Wilderness; and that his mother, Susanna Rose, was a nurse in the Harewood General Hospital, Washington, D. C. This old gentleman has been an honored resident in the district represented to-day in Congress from our State by Mr. HEATON, of Pennsylvania, all these years, and we thought it was only a simple act of justice for the Government to give this man credit for those two services. He has an honorable discharge from the last service, and he wants to connect up the two of them. I, therefore, move to amend by adding the usual proviso at the end of the bill.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 12, after the word "sixty-two" insert "*Provided*, That no pension, bounty, or allowances shall accrue prior to the passage of this act."

The amendment was agreed to.

Mr. CRAGO. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

The motion was agreed to.

MARY J. LACEY.

The next bill in order on the Private Calendar was the bill (H. R. 8856) for the relief of Mary J. Lacey.

The bill was read as follows:

Be it enacted, etc., That Mary J. Lacey, mother of William A. Stewart, late private, Company E, Fifth Regiment Maryland National Guard Infantry, who died on October 4, 1916, at Indio Ranch, El Paso, Tex., while in the service of the United States, shall be regarded as the duly designated beneficiary of the late Pvt. William A. Stewart, under the act approved May 11, 1908, as amended by the act approved March 3, 1909.

Mr. COADY. Mr. Chairman, I move that this bill be reported back to the House with the recommendation that it do pass.

The CHAIRMAN. The gentleman from Maryland moves that the bill (H. R. 8856) be reported back to the House with the recommendation that it do pass.

The motion was agreed to.

THOMAS G. ALLEN.

The next bill in order on the Private Calendar was the bill (H. R. 4610) to compensate Thomas G. Allen for injuries received while employed in the General Land Office of the United States and making an appropriation therefor.

The bill was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas G. Allen the sum of $3,000 for injuries received while employed in the United States General Land Office, Washington, D. C., December 27, 1915.

Also the following committee amendment was read:

Committee amendment: Page 1, line 6, strike out "$3,000" and insert "$1,000 in full settlement of all claims against the Government."

Mr. STAFFORD. Mr. Chairman, I wish to be recognized in opposition to the bill. Unless the gentleman wishes to take the floor I will withhold asking for recognition at present.

Mr. STEPHENS of Mississippi. Mr. Speaker, I would like to make a statement. This bill is for the relief of Thomas G. Allen, who was employed in the General Land Office of the United States. It seems while Mr. Allen was working in the line of his duty that some heavy bookcases, containing some large books, fell upon him. He was entirely covered up by this mass of stuff, and it required the work of about 15 persons for 30 minutes to remove the débris from him and take him out from under the things that had fallen upon him. Mr. Allen was in the hospital two or three months, and was considered to be in rather a serious condition. After two or three months he was discharged and returned to work.

I have seen this gentleman recently. This accident occurred about three years ago this month. He is still in an enfeebled condition, claims that he suffers very much from the injuries received on that occasion. He was receiving at the time the sum of $1,000. The bill provided that he should be paid the sum of $3,000, but the committee, after considering the matter, amended it by providing the payment of $1,000 in full settlement of all claims. That amounts to one year's salary. We feel under all the circumstances that this gentleman should be allowed that sum.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?

Mr. STEPHENS of Mississippi. I will.

Mr. McLAUGHLIN of Michigan. Has this claimant returned to take up his own work under the Government?

Mr. STEPHENS of Mississippi. Yes. He went back to work there, but he was able to do only very light work. I do not remember that I asked him his age, but he must be 70 years of age.

Mr. McLAUGHLIN of Michigan. Is he receiving the same salary now that he did before the injury?

Mr. STEPHENS of Mississippi. I think he is receiving practically the same salary; yes, sir.

Mr. McLAUGHLIN of Michigan. Then his loss, so far as money is concerned, was for being deprived of his salary during his absence in the hospital?

Mr. STEPHENS of Mississippi. Yes, sir. Then, of course, he had to defray his doctor's bill, and the man has suffered a great deal through all these years.

Mr. McLAUGHLIN of Michigan. I speak only of the money loss.

Mr. STEPHENS of Mississippi. I think the monetary loss is what you say.

Mr. McLAUGHLIN of Michigan. He did not receive a salary while he was absent?

Mr. STEPHENS of Mississippi. I do not think he was allowed the entire salary. I think, perhaps, he had 30 days' sick leave during that time.

Mr. McLAUGHLIN of Michigan. Do you know if the custom of that department is if a man is injured in the service and it necessitates his absence from duty longer than the 30 days' leave that is given, that he is stricken from the roll and not permitted to draw any of the stipend?

Mr. STEPHENS of Mississippi. I do not think he was stricken from the roll. I think he was allowed to continue in the employ of this department.

Mr. McLAUGHLIN of Michigan. If there is any foundation for this claim, it would be in the idea that the Government was to blame for the injury and not the man himself, and under those circumstances, it seems to me, he ought not to have been deprived of his wages during the time he was in the hospital or unable to perform his work.

Mr. STEPHENS of Mississippi. It was held, I will say to the gentleman, that this man did not fall within the compensation act of 1908. Some of the employees of the Government when injured are compensated.

Mr. McLAUGHLIN of Michigan. We would have provided a fixed compensation under that act?

Mr. STEPHENS of Mississippi. Yes, sir.

Mr. McLAUGHLIN of Michigan. I was speaking of the burden resting on the Government to continue that man on the roll and pay him wages for the injury, which was the fault of the Government and not that of the man himself.

Mr. STEPHENS of Mississippi. It appeared clear to the committee that the injury was the fault of the Government and not of the man.

Mr. McLAUGHLIN of Michigan. The amount of money allowed him, then—$1,000—is evidently small enough.

Mr. STEPHENS of Mississippi. We thought so.

Mr. FOSTER. How much would he get under the compensation act of 1908 if he received it under that law?

Mr. STEPHENS of Mississippi. About the amount, I think, the committee allowed.

Mr. STAFFORD. What is the basis of the gentleman's statement? The gentleman is making some statements that are not supported by the report.

Mr. STEPHENS of Mississippi. I do not understand.

Mr. STAFFORD. The gentleman is acquainted with the report. I know he does not do it intentionally.

Mr. STEPHENS of Mississippi. I do not know what the gentleman means by that statement. I would like to have him say.

Mr. STAFFORD. The gentleman said this man was out of work for several months.

Mr. STEPHENS of Mississippi. I did not say "several months."

Mr. STAFFORD. Two months?

Mr. STEPHENS of Mississippi. Something like that—two or three months.

Mr. STAFFORD. The report showed that he was confined to his bed only three weeks, and he was only disabled from performing his duty from December 27 to February 7.

Mr. FOSTER. He was able to do only a little work.

Mr. STAFFORD. Though the record does not show, and I believe I am not indulging in a wild assumption when I say that he is one of the old men connected with the Land Office who is carried on the rolls as a pensioner.

Mr. STEPHENS of Mississippi. I will say to the gentleman that the records show he was incapacitated from regular work, and when he came back he was allowed to do very light work, about two months later. For quite a little time he was not in condition to do work of any moment at all. Therefore he was practically out of business, as I said, for two or three months.

Mr. FOSTER. As I understand, under the compensation law for a death they gave a year's salary. Many of them have been denied further compensation than the one year's salary, whatever it might be. This man was not killed, but went back to work to do something, at least, in the course of a few months. It does not seem to me that under that compensation law he would be entitled to a thousand dollars. I have not looked it up; I have forgotten about it. When I served on the Committee on Claims I used to be more familiar with the law than I am now. I do not remember, but it seems to me it would not be a thousand dollars.

Mr. MANN. Under the compensation act he would be paid only for the time he was absent.

Mr. FOSTER. Yes. As to these cases that did not come under the compensation act we have always settled them on the basis of the compensation act of 1908.

Mr. MANN. We have endeavored to settle them on the basis that they should not receive more than a year's pay, which was the utmost allowed by the compensation act.

Mr. FOSTER. That was for very severe injury or death.

Mr. MANN. Even then we paid it on the theory that we would not allow more than that, and we have allowed that in a good many cases where they would not have received it under the compensation act.

Mr. FOSTER. I know we investigated a number of very pitiable cases that excited the sympathy of every Member, but we did not go beyond one year's salary for a death.

Now, if this man was out but a few weeks or a few months and went back and received his salary in full, it seems to me we are doing more for him than we did for those in the past.

Mr. MANN. Of course.

Mr. FOSTER. And I do not think we ought to establish a precedent of this kind.

Mr. EDMONDS. I want to call attention to the fact that the committee has given him this $1,000 on account of the fact that he was permanently injured.

Mr. FOSTER. He is drawing a salary from the Government.

Mr. EDMONDS. Of course. He is permanently injured, and Secretary Lane states in his letter that he is of opinion that he should have some compensation.

Mr. FOSTER. He is drawing the same salary that he formerly received?

Mr. EDMONDS. I think he is.

Mr. FOSTER. It seems to me that giving him a thousand dollars is more than we have been doing in the past for others.

Mr. STEPHENS of Mississippi. It has been done time after time.

Mr. BLANTON. Mr. Chairman, the committee, as stated by the gentleman from Pennsylvania [Mr. EDMONDS], based its action, as I understand it, on this language by the Secretary of the Interior:

> Mr. Allen was unable to return to his official duties until February 8, 1916, and he has not entirely recovered to this time from the injuries inflicted and will probably never be restored to his former physical condition.
>
> I am therefore of the opinion that Mr. Allen should be compensated for the injuries he sustained.

Like my friend from Illinois [Mr. FOSTER], I think that the compensation is excessive; I believed that $500 was maximum compensation, in view of the fact that he drew all of his wages. He lost none of his wages while he was out of the office for some time. When he came back he got his pay. I think $500 really is an excessive amount, but I was willing to give that amount. But in view of the fact that all my colleagues on the committee agreed to reduce the claim from $3,000 to $1,000 and all insisted on giving him a thousand dollars, I did not see fit to fight their action in the committee.

Mr. FOSTER. I am not sure that he ought to have anything.

Mr. STAFFORD. Mr. Chairman, this is a claim to reimburse an old person, 74 years of age, for some slight injuries that occurred in the performance of his work, from no fault of his, I take it, although the report does not show that. I will concede that. And his injury came not through any negligence of the Government. He was in the filing room of the Land Office and some books and files fell down, which resulted, according to the certificate of the physician, in contusion of the abdomen and an abrasion of the knee. The accident occurred on December 27, 1916.

Mr. McLAUGHLIN of Michigan. Nineteen hundred and fifteen.

Mr. STAFFORD. Yes; 1915. He was confined to bed for three weeks. He resumed his duties on February 8, 1916. He was receiving a salary of $1,200—a man 74 years of age. It is not a radical assumption that he was a pensioner—a clinger-on to the Government pay roll—and is to-day. There are many such men in all our departments. That is one of the great questions before the Government in the administration of its affairs—that we keep on the salary rolls men who are of no value in the administration of its affairs and pay them a salary of $1,200, or thereabouts, because we have no civil pension list. He returns to duty, and the only permanent injury, as disclosed by the report, is that he is nervous. A man suffers an abrasion of the knee.

I want to treat this man as he deserves to be treated, but if he were in private employment he would not have the nerve to ask any such amount as $3,000. He would be glad to receive his salary, such as he receives from the Government, and the expenses of his sickness and hospital charges. But no; he retains his position with the Government and makes a claim for $3,000 upon that statement. This superannuated employee was only out of the service for six weeks and confined to bed for only three weeks, and the only permanent injury is nervousness; the committee reports in favor of paying him $1,000.

I say we should not establish the precedent here to pay any of the Government employees when they are so slightly injured as this man is. There is another bill on the calendar substantially similar in extent, to pay a man $1,000.

I am going to be liberal. I am going, Mr. Chairman, to move—so that they can not say that I have no milk of human kindness toward the Government employees and toward this superannuated old employee—to reduce the amount of $1,000 to $250. We are pensioning him at $1,200 a year. He has not lost any salary at all. I do not believe that he should receive anything. With consummate nerve, suffering only from that slight injury, and the Government keeping him on the pay roll at $1,200, he comes here and asks for reimbursement to the extent of $3,000.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SLOAN. Is the gentleman giving evidence of his milk of human kindness by reducing this old man's claim from $1,000 to $250? Does not that indicate that the gentleman's milk of human kindness is considerably soured? [Laughter.]

Mr. STAFFORD. No. That is the kind of logic that the gentleman from Nebraska usually uses in this Chamber, because the gentleman from Nebraska has the reputation of pouring more bitter gall on the other Members of this Chamber than any other Member of this body.

Mr. BLANTON. Mr. Chairman, I desire to be recognized, being a member of the committee, to speak on this question. Under the law this man is not entitled to a single dollar. Anything that is given him here is merely a bounty given by this Government. I quite agree with the gentleman from Wisconsin [Mr. STAFFORD] that the committee has been too liberal in passing upon this case. I do not think that a precedent should be set here to pay every man who gets injured unless he comes within the purview of the law. We have a law providing for the compensation of injured employees. To get compensation he should bring himself within the provisions of this statute. I do not think we should set a precedent out of the bounty of the people's money by paying every person who gets hurt.

As stated, this man was in bed only three weeks. He was 74 years of age at the time he was hurt. If he had been younger, he probably would not have been injured. Of course, he can not be condemned because he is old, but I take it that he was hurt primarily because he was old, and that if he had been a younger and more active man he would have gotten out of the way when the cases fell. I think $250 would be a maximum amount out of the bounty of the people's money, and I hope the amendment offered by the gentleman from Wisconsin will be passed.

Mr. STEPHENS of Mississippi. Mr. Chairman, in answer to the gentleman from Wisconsin, the record shows that this man suffered more than from bruise of the knees. The doctor's certificate states that he suffered contusion of the abdomen, with shock and contusion of abdominal contents, contusion and abrasion of knees.

It is stated further that this man had become very nervous since the accident. It is not surprising that he should become so, because it is stated by the employees in that department that it required them, with the assistance of 15 or more men, 20 minutes to take him out from under the files and books which covered him up. I did not prepare this report, but it happens that there is nothing stated in it in regard to his present condition. Only a few days ago, the first time I ever saw the old gentleman, I did see him, and he was in the same condition that the doctor stated, to wit, he was very nervous. The old man is almost a nervous wreck. As I said a moment ago, it is not surprising that that condition should come upon him, covered up as he was for 20 minutes under these heavy books and file cases, suffering, not as the gentleman says, with some abrasions of the knees, but contusion of the abdomen, shock, and contusion of the abdominal contents.

I think, Mr. Chairman, that the House ought not to allow this old man so small a sum as $250. It is my judgment that he ought to be allowed a reasonable and decent sum or nothing at all.

The CHAIRMAN. The question first is on the committee amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 6, strike out the figures "$3,000" and insert "$1,000, in full settlement of all claims against the Government."

Mr. STAFFORD. Mr. Chairman, I offer an amendment to the committee amendment. Strike out "$1,000" and insert "$250."

The Clerk read as follows:

Amendment by Mr. STAFFORD to the committee amendment: Strike out "$1,000" and insert "$250."

The CHAIRMAN. The first question is on the amendment to the committee amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 6 ayes and 27 noes.

Mr. BLANTON. Mr. Chairman, I make the point of order that no quorum is present.

Mr. STEPHENS of Mississippi. Mr. Chairman, I move that the committee do now rise.

The question was taken; and the Chairman announced that the noes had it.

Mr. STEPHENS of Mississippi. I demand tellers.

Tellers were ordered, and the Chair appointed Mr. STEPHENS of Mississippi and Mr. BLANTON as tellers.

The committee again divided; and the tellers reported—ayes 2, noes 58.

So the committee declined to rise.

Mr. GARRETT of Tennessee. Has the Chair declared that no quorum is present?

The CHAIRMAN. The Chair has not.

Mr. MANN. The point of no quorum was made some time ago.

Mr. GARRETT of Tennessee. But the Chair has not declared that no quorum was present.

Mr. BLANTON. Mr. Chairman, I withdraw my point of order, and I offer the following amendment.

The Clerk read as follows:

Amend the committee amendment by striking out "$1,000" and inserting "$500."

Mr. MANN. That amendment is not in order unless the other amendment is withdrawn.

The CHAIRMAN. The Chair has declared the amendment of the gentleman from Wisconsin as not agreed to, and it was not agreed to.

Mr. BLANTON. Mr. Chairman, I understand this is acceptable to the chairman of the committee and his associates.

Mr. STEPHENS of Mississippi. The gentleman from Texas is mistaken. I told him to see the author of the bill.

Mr. BLANTON. I have seen him, and the gentleman from Pennsylvania [Mr. BRODBECK] is willing to accept it.

Mr. BRODBECK. I am willing to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas to the committee amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 41, noes 13.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. STEPHENS of Mississippi. Mr. Chairman, I move that the bill as amended be reported back to the House with the recommendation that it pass.

The CHAIRMAN. The gentleman from Mississippi moves that the bill be reported to the House with the recommendation that as amended it do pass.

The motion was agreed to.

MRS. W. E. CRAWFORD.

The next business on the Private Calendar was the bill (H. R. 2012) for the relief of Mrs. W. E. Crawford.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Mrs. W. E. Crawford the sum of $140.40 in full compensation for services rendered as auxiliary carrier of mails at Decatur, Ala., from February 28, 1914, to June 28, 1914.

Mr. ALMON. Mr. Chairman, I will make this explanation: This bill is to appropriate $140.40 to Mrs. Crawford for services rendered as auxiliary letter carrier. It is admitted by the Post Office Department that the services were rendered, and the amount is due and unpaid, but that for technical reasons the department did not see proper to pay the claim, because it was claimed that there was a civil-service register from which the postmaster should have selected some one to render this service. It is claimed by the Post Office Department that the postmaster knew that there was such a register and had been notified to make the selection from the register. It was claimed that the notice was given to him by the secretary of the Civil Service Commission. The postmaster says that he did not receive notice. The records fail to disclose any such notice to the postmaster, and even if the postmaster did have knowledge of it, Mrs. Crawford, who rendered the service, had no notice of it. I made this explanation before the committee at the last session of Congress, and the bill passed this House unanimously, but failed to pass the Senate for want of time.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. ALMON. Yes.

Mr. STAFFORD. As I recall the reading of the report, she was paid up to March 28, 1914.

Mr. ALMON. Up to the time it was claimed that the Civil Service secretary notified the postmaster to discontinue her services. The postmaster states that he had no such notice, and that Mrs. Crawford was continued in the service until June 28, 1914, at $1.50 a day.

Mr. STAFFORD. Was not the postmaster compensated at the time when he might have obtained a person from the civil-service register?

Mr. ALMON. She was paid up to the time the claim the civil-service secretary gave the notice to the postmaster; and while

it appears there was a civil-service register, the postmaster states that he could not have gotten anyone to serve from that register if he had gotten the notice.

Mr. STAFFORD. The bill states that he was paid for services from February 28, 1914, to June 28, 1914. The Postmaster General's letter in the third paragraph from the end says:

In the settlement of the postmaster's accounts, after very careful consideration by this department and the Civil Service Commission of all the facts in the case, this department allowed the postmaster's claim up to March 28, 1914, the date on which the postmaster was given a clear understanding of the situation by the district civil-service secretary.

Mr. ALMON. Yes.

Mr. STAFFORD. They allowed his claim up to March 28.

Mr. ALMON. I am asking for pay from February 28, 1914, to June 28, 1914.

Mr. STAFFORD. But he was allowed compensation, according to the Postmaster General, up to March 28, 1914, and I am rising to inquire whether the gentleman is not giving him more pay than he is entitled to, paying him for time for which he has already received compensation.

Mr. ALMON. No.

Mr. STAFFORD. There is surely some confusion here somewhere.

Mr. ALMON. The report says:

This bill is for the payment of $140.40 earned by Mrs. Crawford as temporary auxiliary carrier of the mails at Decatur, Ala., for February 28 to June 28, 1914.

That is in the report.

Mr. STAFFORD. I think this is a mathematical error. The bill itself provides for the payment for services from February 28, 1914, to June 28, 1914. I direct the attention of the chairman of the committee to the statement as contained in the Postmaster General's letter which I just read. There is some conflict there. You are paying him in addition to what he has already received compensation for.

Mr. ALMON. There may be a difference in date there, but there is no question about the amount.

Mr. STAFFORD. The record of the department shows that he was allowed compensation up to March 28, 1914. I go further and I read——

Mr. ALMON. I am only asking in the bill for payment after February 28.

Mr. STAFFORD. I know, but he already received compensation up to February 28.

Mr. ALMON. I see what the gentleman means now.

Mr. STAFFORD. There is a conflict there, whereby you are paying him money for the month for which he has already received compensation.

Mr. ALMON. The bill ought to be amended so as to make it March 28. The amount is correct. There is no question about that.

Mr. MANN. I think he was only paid up to February 28.

Mr. ALMON. That is the way my bill reads.

Mr. STEPHENS of Mississippi. On page 10 of the report the First Assistant Postmaster General, Mr. Roper, fixed the time from February 28 to June 28, 1914.

Mr. STAFFORD. But the gentleman is reading from a letter of date March 25, 1915, and I am reading from the latest expression by the department, February 5, 1916, on page 2 of the report, the first letter in the report.

I will continue reading to show that while this postmaster has no technical right for reimbursement after February 28, 1914, notwithstanding the department allowed him compensation up to March 28, 1914, and in support of that position I will continue the reading where I left off a minute ago:

Under a strict application of civil-service rules the postmaster's claim should not have been allowed beyond the date on which the eligible register was established, February 28, 1914, but because of his ignorance and misunderstanding of the rules the Civil Service Commission agreed to approve Mrs. Crawford's employment until the date mentioned above.

What was that date? Originally March 28, 1914. There was one month's compensation for which she has already received allowance. Originally, as the letter of the First Assistant points out, and which is supported by the position of the Postmaster General, he is technically entitled to no money after February 28, but the Post Office Department allowed him compensation up to March 28, 1914.

Mr. WELLING. But if the gentleman will continue reading, and read the next paragraph—

The amount stated in the bill is the amount disallowed in the postmaster's account.

So if there is any confusion in these dates it certainly does not go to the amount that the bill asks for of $140.

Mr. STEPHENS of Mississippi. The very next sentence below where the gentleman stopped reading shows that.

Mr. STAFFORD. This is a small matter; I went over it carefully some months ago and I gained the impression from my reading of the full report, which is of some 14 pages—I may have wasted a lot of time, perhaps, on the matter—that he was not entitled to that $140, and I base that upon the statement of the postmaster. This is a letter addressed by the First Assistant Postmaster, January 20, 1915:

I therefore ask that you suspend the small technicality of the law and authorize the payment of this amount; also that the amount already expended, $40.50, from February 27 to March 31, 1914, be paid. The total amount of these sums held up is $140.40.

That confirms what I said originally. The postmaster asks for compensation from February 28 up to June 28 of a total of $140. In that amount there was a claim for $40.50 from February 27 to March 31, and the Postmaster General states he has been allowed that up to March 28. On that basis you are giving her about $35 or $40 more than to which she is entitled.

Mr. ALMON. It will amount to $140.40, at $1.50 a day, for the time the gentleman claims.

Mr. STAFFORD. I read this very carefully, and I could not arrive at any other conclusion but that he had received this by reason of the courtesy of the Postmaster General.

Mr. ALMON. There is no mistake in the amount of the claim.

Mr. STAFFORD. From his own statement he says the total amount, February 28 to June 28, is $140.40. This amount, February 27 to March 31, was $40.50, and the total amount of those sums held up is $140.40. The Postmaster General claimed he receded from his original position and says, "We will pay you up to March 28, 1914."

Mr. MANN. Mr. Chairman, probably this claim will be allowed and paid, yet it involves quite an important general proposition. We have had a great many complaints on our side of the House that there has been quite a disregard of the civil-service law in many branches of the Government in recent days, months, and years. Many have been employed for duty, and let us assume they have performed the service, where the law provided they should not have been appointed. We have had complaints of that character. Now, here is a case where the Postmaster General reports—and there is no controversy about it—that the postmaster first ignorantly disregarding the civil-service law appointed his wife as a carrier of mail. She has been paid for the time while he was in ignorance. She was appointed when there was no civil-service register for the place. Afterwards a civil-service register was posted and the department says the postmaster was fully cognizant of the fact and of the law but he deliberately, according to the statement of Gen. Burleson, disregarded the law and continued the appointment of his wife, and—so far as I know there is no reason why he should not have appointed his wife to perform the service; maybe he could not have gotten anybody else to do it as well—deliberately disregarded the law. The Civil Service Commission after consideration of the case authorized the payment of the time while he was in ignorance but declined to authorize the payment of compensation after he knew better. The Postmaster General winds up his letter on the subject in the report on this bill in this way:

There is no question as to the performance of the service by Mrs. Crawford, but this department can not recommend the enactment of this bill because the postmaster persistently and knowingly violated the civil-service rules.

Now, the lady who performed the service was probably as well posted on the subject as her husband who made the appointment. Of course the service so performed would not have cost any less to have it performed by somebody else, but after all it is a question, where the service is required and performed and appointment has been made in flat violation of law, with a willful disregard of law, whether Congress should take special action to pay the person who has not only himself or herself disregarded the law, but whose superior making the appointment disregarded the law. Why should not anybody disregard the law in reference to appointment if they are to be paid just the same as though the law had been complied with?

Mr. ALMON. Mr. Chairman, just another word. The statement of the Postmaster General that the postmaster had notice of the civil-service register is based upon the statement that the civil-service secretary had given the notice to the postmaster. There is nothing in the record, there is nothing furnished by the Post Office Department showing that the civil-service secretary gave the notice to the postmaster. The postmaster states positively that he did not have the notice. Now, if the postmaster had gotten the notice from the civil-service register then there would be something on which the Postmaster General could have based this statement, and if that notice was given by the civil-service secretary to the postmaster there

ought to be some evidence of it, and some record of it should have gone into this hearing before the committee.

It is not in there, which corroborates the postmaster when he makes his statement that he did not get such a notice, and for that reason he continued Mrs. Crawford in the service. It is stated the lady who did this work was the wife of the postmaster. That is true, and his predecessor had his daughter in this service for many years. It is usual and customary down there. And besides that, there is no question but that her work was efficient and that she performed it faithfully and well. The hearings show that just before that time by the civil-service register that there were four or five on the register, and the postmaster was unable to get anyone of them to serve. Now, this same question was raised, and my good friend from Illinois [Mr. MANN] reserved his objection when we had it up last Congress, and when I made this explanation he withdrew his objection, and I am quite sure he is not going to oppose the passage of the bill at this time.

Mr. MANN. I am not.

Mr. STAFFORD. Will the gentleman yield?

Mr. ALMON. Yes.

Mr. STAFFORD. Has the gentleman examined the record since I addressed the House as to the amount? I can not, after going over it again, find that I am in error in my position that she was paid this $40 from February 28 to March 28.

Mr. ALMON. No. I have been listening to the gentleman from Illinois [Mr. MANN].

Mr. SHALLENBERGER. I have computed it at $1.50 a day for 93 days, which, of course, is $139.50. She evidently was paid for the extra month, but still has $139.50 under the bill.

Mr. ALMON. The statement shows that the auxiliary letter carrier was allowed $1.50 a day.

Mr. EDMONDS. I would like to call the attention of the gentleman from Wisconsin to the fact that in the same letter the postmaster states the amount in the bill is the amount disallowed in the postmaster's account.

Mr. STAFFORD. After he had been given an allowance.

Mr. MANN. This claim is for 93 days.

Mr. ALMON. Yes.

Mr. MANN. That would be from March 28 to June 28 and not from February 28. From February 28 to June 28 is four months.

Mr. ALMON. Mr. Chairman, I move to amend the bill in the eighth line by striking out "February" and inserting in lieu thereof "March."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. ALMON moves to amend, page 1, line 8, by striking out the word "February" and insert in lieu thereof the word "March."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALMON. I move that the bill be reported to the House as amended, with the recommendation that it do pass.

The motion was agreed to.

Mr. LONDON. Mr. Chairman, may I ask unanimous consent that the committee take up out of order a bill, No. 144 (H. R. 8473), page 36? It is the only private bill I have introduced. It will take but a minute or two.

Mr. BROWNING. Mr. Chairman, I object. I have a bill on the calendar.

Mr. FAIRFIELD. I have one bill on the calendar, and it comes next.

The CHAIRMAN. The gentlemen object.

IRA G. KILPATRICK AND GUY D. DILL.

The next bill in order on the Private Calendar was the bill (H. R. 8444) for the relief of Ira G. Kilpatrick and Guy D. Dill.

The bill was read, as follows:

Be it enacted, etc., That the title of Ira G. Kilpatrick and Guy D. Dill, as tenants in common, in and to the west half of the southeast quarter of section 3, township 32 north, range 8 east, in the district of lands subject to sale at Fort Wayne, Ind., in Whitley County, Ind., as assignee from Jonathan Pearson, by conveyance be, and the same is hereby, quieted and confirmed, and patent therefor shall issue to the said Ira G. Kilpatrick and Guy D. Dill as tenants in common.

Also the following committee amendment was read:

Committee amendment: After the word "common," in line 11, insert "upon payment to the United States of $1.25 per acre."

Mr. FAIRFIELD. Mr. Chairman, this bill is a bill to perfect the title for 80 acres of land held for something like over 50 years on a tax title. It was found rather a strange circumstance that they taxed the land, sold the tax title, then went upon it and improved it, and ditched it, and to-day the land is worth perhaps $50 or $60 an acre. The bill has passed the House once before, but too late to have action upon it in the Senate. It has been recommended by the committee and also by the Secretary of the Interior.

Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

The CHAIRMAN. The question first arises on the committee amendment.

The question was taken, and the committee amendment was agreed to.

The CHAIRMAN. The question now recurs on the motion made by the gentleman from Indiana to lay aside the bill H. R. 8444 as amended, with a favorable recommendation.

The motion was agreed to.

Mr. STEPHENS of Mississippi. Mr. Chairman, I move that the committee do now rise and report the bills back to the House with the recommendations of the committee.

The CHAIRMAN. A motion is made by the gentleman from Mississippi that the committee do now rise and report the bills back to the House with the recommendation, in some instances, that the bills be laid on the table and, in other instances, that the bills, with and without sundry amendments, be passed.

Mr. MANN. Not all of them should pass. They should be reported back to the House, with the recommendations made by the committee.

The CHAIRMAN. That motion is made by the gentleman from Mississippi. The question is on agreeing to the motion.

The motion was agreed to.

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. GARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration certain bills on the Private Calendar and had directed him to report the same back to the House, with the recommendation that as to some of them they be laid on the table, and that as to others, some with amendments and some without amendments, that they be passed.

The SPEAKER. The Chairman of the Committee of the Whole House on the state of the Union reports that that committee has had under consideration sundry bills and has directed him to report the same back to the House, some with amendments and some without, with the recommendation that the amendments be agreed to and that the bills do pass, and three with the recommendation that they lie on the table. The Clerk will report the first of these bills.

STEAMSHIP "CALDERA."

The Clerk read as follows:

A bill (H. R. 4988) to authorize the changing of the name of the steamship *Caldera*.

The SPEAKER. Without objection, it will lie on the table.

There was no objection.

COL. DAVID L. BRAINARD.

The Clerk read as follows:

A bill (S. 979) for the promotion and retirement of Col. David L. Brainard, Quartermaster Corps, United States Army.

The SPEAKER. Without objection, the bill will lie on the table, according to the recommendation of the committee.

There was no objection.

CLAIMS AGAINST THE CHOCTAW AND CHICKASAW NATIONS.

The Clerk read as follows:

A bill (H. R. 329) referring certain claims against the Choctaw and Chickasaw Nations of Indians to the Court of Claims.

The SPEAKER. Without objection, it will lie on the table.

There was no objection.

MARY NEAF.

The Clerk read as follows:

A bill (H. R. 7715) for the relief of Mary Neaf.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

HARRIET FISHER.

The Clerk read as follows:

A bill (H. R. 855) for the relief of Harriet Fisher.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

ALEXANDER F. M'COLLAM.

The Clerk read as follows:

A bill (H. R. 1423) for the relief of Alexander F. McCollam.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed

DAVID E. GRAY.

The Clerk read as follows:

A bill (H. R. 1607) for the relief of David E. Gray.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

WILLIAM M. WILSON.

The Clerk read as follows:

A bill (H. R. 2635) to authorize the issue of a patent to certan land in Alabama to William M. Wilson.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

ALMA HARRIS.

The Clerk read as follows:

A bill (H. R. 4240) for the relief of Alma Harris.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

THOMAS CAMPBELL.

The Clerk read as follows:

A bill (H. R. 1873) for the relief of Thomas Campbell, with amendments.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

CHARLES LYNCH.

The Clerk read as follows:

A bill (H. R. 1954) for the relief of Charles Lynch, with amendments.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

JEREMIAH STOVER.

The Clerk read as follows:

A bill (H. R. 667) for the relief of Jeremiah Stover.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

CLEMENT H. COLE.

The Clerk read as follows:

A bill (H. R. 3090) for the relief of Clement H. Cole, with amendments.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

MARSHALL POOL.

The Clerk read as follows:

A bill (H. R. 2492) to establish the military record of Marshall Pool.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

MAJ. CHALMERS G. HALL.

The Clerk read as follows:

A bill (S. 3299) authorizing the President to reappoint Maj. Chalmers G. Hall, retired, to the active list of the Army.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

JENNIE M. HEATH.

The Clerk read as follows:

A bill (H. R. 10225) striking from the pension roll the name of Jennie M. Heath.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

THOMAS J. ROSE.

The Clerk read as follows:

A bill (H. R. 925) for the relief of Thomas J. Rose, with amendments.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

MARY J. LACEY.

The bill (H. R. 8856) for the relief of Mary J. Lacey, reported from the Committee of the Whole without amendment, was ordered to be engrossed and read a third time, was read the third time, and passed.

THOMAS G. ALLEN.

The bill (H. R. 4610) to compensate Thomas G. Allen for injuries received while employed in the General Land Office of the United States, and making an appropriation therefor, was reported from the Committee of the Whole with an amendment.

The amendment was agreed to and the bill as amended ordered to be engrossed and read a third time, was read the third time, and passed.

MRS. W. E. CRAWFORD.

The bill (H. R. 2012) for the relief of Mrs. W. E. Crawford was reported from the Committee of the Whole House with an amendment.

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

IRA G. KILPATRICK AND GUY D. DILL.

The bill (H. R. 8444) for the relief of Ira G. Kilpatrick and Guy D. Dill was reported from the Committee of the Whole with an amendment, the amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read a third time, and passed,

Mr. STEPHENS of Mississippi. Mr. Chairman, I move to reconsider the votes whereby the several bills were passed and that that motion lie on the table.

The motion was agreed to.

SALE OF LANDS MISSOULA COUNTY, MONT.

Mr. EVANS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9865) to authorize the sale of certain lands to school district No. 28, of Missoula, Mont.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to sell and convey to school district No. 28, of Missoula County, Mont., the southwest quarter of the southwest quarter of the southeast quarter of section 36, township 21 north, range 20 west, on the Flathead Indian Reservation, in Montana, or so much thereof as may be required, for public school purposes, under such terms and regulations as he may prescribe, at not less than its appraised value; and the net proceeds from the sale of said land shall be deposited in the Treasury of the United States to the credit of the Flathead Indians, to draw interest at the rate now provided by law, and to be used for the benefit of the Indians on the Flathead Indian Reservation: *Provided*, That the patent therefor shall contain the condition that Indian children residing in the said school district No. 28 shall at all times be admitted to the privilege of attendance and instruction on equality with white children.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. EVANS. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROBBINS. May I ask at what price these lands are to be sold? This is a quarter section?

Mr. EVANS. No; there is only about 10 acres of the land. The land was appraised by a commission and was turned over to the town of Ronan. But the town of Ronan can not turn it over to the school district, and there is no other way to make it available except by this legislation.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. EVANS, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. MARTIN, by unanimous consent, was granted leave of absence for 15 days on account of important business.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 11709. An act granting the consent of Congress to Norman County, Minn., and Traill County, N. Dak., to construct a bridge across the Red River of the North on the boundary line between said States.

ADJOURNMENT OVER.

Mr. KITCHIN. Mr. Speaker, on yesterday unanimous consent was given that when the House adjourns to-day it adjourn to meet on Monday next. I ask unanimous consent to modify that so that when the House adjourns to-day it adjourn to meet on Saturday next, with the understanding that nothing will be done on Saturday except the filing of the report of the Committee on Rivers and Harbors, and then a motion to adjourn will be made immediately thereafter.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to modify the order of yesterday that when the House adjourns it adjourn to meet next Monday so that it will meet on Saturday next. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.) the House, under its previous order, adjourned until Saturday, December 21, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting a communication from the Secretary of Agriculture submitting a supplemental estimate of appropriation required by the Department of Agriculture for the eradication of the potato wart (H. Doc. No. 1605); to the Committee on Agriculture and ordered to be printed without illustrations.

2. A letter from the Secretary of War, transmitting a tentative draft of a bill to prohibit intoxicating liquors and prostitution within the Canal Zone, and for other purposes (H. Doc. No. 1606); to the Committee on Military Affairs and ordered to be printed.

3. A letter from the Acting Secretary of State, transmitting copy of a dispatch from the American minister at Panama communicating a copy of the resolution adopted by the National Assembly of Panama on November 11 last, felicitating the Government of the United States and the Governments of the allies on the signature of the armistice on November 11, 1918 (H. Doc. No. 1607); to the Committee on Foreign Affairs and ordered to be printed.

4. A letter from the Secretary of Commerce, transmitting a statement of the expenditures in the Coast and Geodetic Survey for the fiscal year ended June 30, 1918 (H. Doc. No. 1608); to the Committee on Expenditures in the Department of Commerce and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. BRUMBAUGH, from the Committee on Railways and Canals, to which was referred the bill (H. R. 11579) to authorize the appointment of a board of engineers to make a preliminary location, survey, and plans for a canal connecting the waters of Lake Erie and the Ohio River on the line of the Miami & Erie Canal from Toledo to Cincinnati, Ohio, and from a point near Defiance, Ohio, to a point in the southerly end of Lake Michigan, and to estimate the cost thereof, reported the same with amendment, accompanied by a report (No. 875), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. DENT, from the Committee on Military Affairs, to which was referred the bill (H. R. 13274) to provide relief where formal contracts have not been made in the manner required by law, reported the same with amendment, accompanied by a report (No. 877), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 13306) to authorize the payment of allotments out of the pay of enlisted men in certain cases in which these payments have been discontinued, reported the same with amendment, accompanied by a report (No. 876), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MONDELL: A bill (H. R. 13441) to authorize advances to the reclamation fund, and for the issue and disposal of certificates of indebtedness in reimbursement therefor; to the Committee on Ways and Means.

By Mr. GOULD: A bill (H. R. 13442) authorizing and providing for the purchase of land abroad for military cemeteries, and for their preservation and maintenance, in which to inter the remains of officers and enlisted men of the American Expeditionary Forces killed in battle or who have died abroad; to the Committee on Military Affairs.

By Mr. GREEN of Iowa: A bill (H. R. 13443) to provide for the organization of an army to be used abroad, known as the Army of Occupation, and the discharge of enlisted men in the military service not included in the Regular Army; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 13444) to commission members and chief clerks of local and district draft boards; to the Committee on Military Affairs.

By Mr. WELTY: A bill (H. R. 13445) to provide for the registration and Americanization of aliens; to the Committee on Immigration and Naturalization.

By Mr. MORIN: A bill (H. R. 13446) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Allegheny River at or near Sixteenth Street, in the city of Pittsburgh, county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13447) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Allegheny River at or near Millvale Borough, in the county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES B. SMITH: A bill (H. R. 13448) to amend the act entitled "An act to extend temporarily the time for filing applications and fees and taking action in the United States Patent Office in favor of nations granting reciprocal rights to United States citizens," approved August 17, 1916; to the Committee on Patents.

Also, a bill (H. R. 13449) amending section 4904 of the Revised Statutes of the United States; to the Committee on Patents.

Also, a bill (H. R. 13450) amending chapter 143 of the act of March 3, 1883, and for other purposes; to the Committee on Patents.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARKLEY: A bill (H. R. 13451) to pension Lettie A. Troutman, dependent mother of Charles Troutman, late of the United States Navy; to the Committee on Pensions.

By Mr. PETERS: A bill (H. R. 13452) granting an increase of pension to Elisha S. Perkins; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 13453) granting an increase of pension to George W. Shuck; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 13454) granting a pension to Nancy Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13455) granting a pension to William H. Hart; to the Committee on Pensions.

Also, a bill (H. R. 13456) granting a pension to George W. Foust; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13457) granting a pension to David A. Turner; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 13458) granting a pension to Hiram Dillon; to the Committee on Pensions.

By Mr. CHARLES B. SMITH: A bill (H. R. 13459) for the relief of George Deitz; to the Committee on Military Affairs.

By Mr. VOLSTEAD: A bill (H. R. 13460) granting a pension to Samuel S. Daniell; to the Committee on Pensions.

By Mr. WHITE of Ohio: A bill (H. R. 13461) granting a pension to Edward C. Crawford; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ESCH: Evidence to accompany H. R. 13408, granting a pension to Clark Sturdevant; to the Committee on Invalid Pensions.

By Mr. FULLER of Illinois: Petition of A. H. Cohn (Inc.) and Slade, Tenney & Weadley, of Chicago, protesting against a discriminating tax on jewelry, and asking that all industries be taxed alike; to the Committee on Ways and Means.

By Mr. RAKER: Resolution by military order of Loyal Legion of the United States, Commandery of the State of Illinois, requesting Representatives of the Lower House of Congress from State of Illinois to use their endeavors to have Senate bill 130, or the bill prepared by Congressman Raker, reported out that it may come to a vote; to the Committee on Military Affairs.

SENATE.

FRIDAY, *December 20, 1918.*

(Legislative day of Sunday, December 15, 1918.)

The Senate met at 12 o'clock noon, on the expiration of the recess.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, N. Mex.	Myers	Smoot
Bankhead	Jones, Wash.	New	Spencer
Culberson	Kellogg	Norris	Sterling
Curtis	Kendrick	Nugent	Swanson
Fernald	Kenyon	Page	Thomas
France	King	Penrose	Townsend
Frelinghuysen	Knox	Pittman	Trammell
Gay	La Follette	Poindexter	Underwood
Gerry	Lenroot	Pollock	Vardaman
Gronna	Lodge	Saulsbury	Walsh
Hale	McCumber	Shafroth	Warren
Harding	McKellar	Sheppard	Watson
Henderson	McLean	Simmons	Weeks
Hitchcock	Martin, Ky.	Smith, Ariz.	
Johnson, Cal.	Martin, Va.	Smith, Ga.	
Johnson, S. Dak.	Moses	Smith, S. C.	

Mr. McKELLAR. I desire to announce that the senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. SAULSBURY. I wish to announce that the senior Senator from Maryland [Mr. SMITH] is necessarily absent on important business of the Senate.

Mr. STERLING. I desire to announce that Senators NELSON, OVERMAN, WOLCOTT, and REED are necessarily absent on official business.

Mr. CURTIS. I wish to announce that the Senator from Illinois [Mr. SHERMAN] is absent on account of illness in his family. I ask that this announcement may stand for the day.

Mr. SHEPPARD. I desire to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from California [Mr. PHELAN] are detained on important public business.

The VICE PRESIDENT. Sixty-one Senators have answered to the roll call. There is a quorum present.

BUSINESS OF THE SENATE.

Mr. LODGE. Mr. President——

Mr. SIMMONS. If the Senator will pardon me, I wish to state to the Senate, in fact I was requested to state to the Senate, that arrangements have been made for an adjournment for the holidays as soon as the revenue bill is passed; that is to say, if the bill is passed on Saturday or on Monday arrangements have been made to recess until the 2d day of January. Of course that would not be the case if we fail to pass the bill by Saturday night or at furthest by Monday.

PERSONAL EXPLANATION.

Mr. LODGE. Mr. President, I rise to a question of personal privilege.

I notice in the Associated Press dispatch to the Washington Post this morning the following statement at the end of the dispatch on page 3:

> President Wilson continues to receive exhaustive reports of what is going on in Washington and the United States, and he has read the 21 points outlined by Senator LODGE in a speech in the Senate.

What particular form of misinformation has been given to the President or what particular form of misrepresentation of the President is implied in that statement I can not tell, but I do know exactly what the misrepresentation is so far as it affects me. I have made no speech in the Senate, and I have not outlined 21 points or any other number of points.

On the 10th of December I introduced a statement from the executive board of the National Committee of Patriotic Societies, representing 46 leading patriotic war organizations, and I asked that it be printed in the RECORD and referred to the Committee on Foreign Relations. They were resolutions in the nature of a petition. It is needless to say here that we all introduce resolutions and petitions which may not represent our personal views at all, because it is the duty of a Senator to present petitions sent to him by his constituents whether he agrees with them or not. Those 21 points, many of which are excellent, were not mine nor did they represent my views. It represented the views of 46 patriotic war organizations. I hope to-morrow to speak, and then I shall give my own views in my own way. These resolutions included among them "international arbitration and league of nations as complement to the policy of national defense" and "the control of raw materials by the allies."

I do not think myself that the league of nations or any provision looking in that direction ought to be made a part of the peace with Germany. I feel very strongly it should be treated separately entirely. As to the control of raw materials by the allies and the United States, I have never heard of such a proposition except in this way.

As I said, Mr. President, everybody knows that we all present petitions and resolutions which do not represent in the slightest degree our own opinions. That it is well known here is shown by an article printed in the New York World, which speaks about this matter and the interpretation given it abroad, and says:

> The newspapers began gravely discussing "Senator Lodge's statement of peace terms." He promptly and properly explains that the communication he offered did not represent his personal views.

I stated that to the press some days ago, and it is known, as that shows, to the American press; and now comes back this thing from Paris, I have no doubt misrepresenting the President, utterly misrepresenting me.

This is not a time, Mr. President, for such misrepresentations to be made. This subject is too important, the utterances here in the Senate carry too much weight for such misrepresentation.

I am told it was said that some newspaper correspondent in New York sent it out that I was going to advocate these 21 points. Of course, that is pure misrepresentation and invention.

Mr. President, it is an illustration of the inaccuracy, to use no harsher word, of the reports which we receive from Paris and which Paris receives from us. To such opinions as correspondents choose to put out I have no objection, but no responsible press association has any right to misrepresent facts in this great debate now going on.

I desired to make this explanation and show the utter falsity of what I have quoted, and I hope that the great press association which committed the error will correct it in Paris.

FREEDOM FOR GREEKS.

Mr. SMOOT. I have a telegram from the chairman of an organization of Greek people in the State of Utah, and with it the request of the organization to have it printed in the RECORD. I ask that that may be done.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

PRICE, UTAH, *December 19, 1918.*

Hon. REED SMOOT,
United States Senate, Washington, D. C.:

Kindly present the following resolution to the United States Senate and House of Representatives:

We, 2,000 law-abiding American citizens of Greek descent, residing in Carbon County, Utah, by resolution appeal to the honorable House of Representatives of the United States of America for liberty and unity for the Greek Nationals, all Grecian people residing in Thrace, Asia Minor, Epirus, and the Ægean Islands, who have suffered for 450 years under barbarous Turks. The majority of said territories are Greek. There are in the Vilayets of Konstantinopolis and Adrianopolis 800,000 Greeks, having 658 schools, 1,500 teachers, and 80,000 pupils; North Epirus and Koritsa, 222,000 Greeks, 275 schools, 386 teachers, and 13,000 pupils; Ægean Islands, 105,000 Greeks. All of

said population is looking for the great assistance of the United States of America, and depending on the honorable House of Representatives of the United States, whose platform forever is liberty and freedom for all people who are suffering as slaves. We are begging you to protect our brothers there, appealing to our great President, Hon. Woodrow Wilson, to obtain liberty and unity for these long-suffering Grecian people.

STYLIAN STAES, *Chairman.*

HOUSE BILLS REFERRED.

H. R. 10225. An act striking from the pension roll the name of Jennie M. Heath, was read twice by its title and referred to the Committee on Pensions.

The following bills were severally read twice by their titles and referred to the Committee on Military Affairs:

H. R. 667. An act for the relief of Jeremiah Stover;
H. R. 925. An act for the relief of Thomas J. Rose;
H. R. 1954. An act for the relief of Charles Lynch;
H. R. 2492. An act to establish the military record of Marshall M. Pool;
H. R. 3090. An act for the relief of Clement H. Cole;
H. R. 7715. An act for the relief of Mary Neaf; and
H. R. 8856. An act for the relief of Mary J. Lacey.

The following bills were severally read twice by their titles and referred to the Committee on Public Lands:

H. R. 855. An act for the relief of Harriet Fisher;
H. R. 1423. An act for the relief of Alexander F. McCollam;
H. R. 2635. An act to authorize the issue of a patent to certain land in Alabama to William M. Wilson;
H. R. 4240. An act for the relief of Alma Harris;
H. R. 8444. An act for the relief of Ira G. Kilpatrick and Guy D. Dill; and
H. R. 9865. An act to authorize the sale of certain lands to school district No. 28, of Missoula County, Mont.

The following bills were severally read twice by their titles and referred to the Committee on Claims:

H. R. 2012. An act for the relief of Mrs. W. E. Crawford; and
H. R. 4610. An act to compensate Thomas G. Allen for injuries received while employed in the General Land Office of the United States and making an appropriation therefor.

The following bills were severally read twice by their titles and referred to the Committee on Post Offices and Post Roads:

H. R. 1607. An act for the relief of David E. Gray; and
H. R. 1873. An act for the relief of Thomas Campbell.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 3299) authorizing the President to reappoint Maj. Chalmers G. Hall, retired, to the active list of the Army.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 667. An act for the relief of Jeremiah Stover;
H. R. 855. An act for the relief of Harriet Fisher;
H. R. 925. An act for the relief of Thomas J. Rose;
H. R. 1423. An act for the relief of Alexander F. McCollam;
H. R. 1607. An act for the relief of David E. Gray;
H. R. 1873. An act for the relief of Thomas Campbell;
H. R. 1954. An act for the relief of Charles Lynch;
H. R. 2012. An act for the relief of Mrs. W. E. Crawford;
H. R. 2492. An act to establish the military record of Marshall M. Pool;
H. R. 2635. An act to authorize the issue of a patent to certain land in Alabama to William M. Wilson;
H. R. 3090. An act for the relief of Clement H. Cole;
H. R. 4240. An act for the relief of Alma Harris;
H. R. 4610. An act to compensate Thomas G. Allen for injuries received while employed in the General Land Office of the United States, and making an appropriation therefor;
H. R. 7715. An act for the relief of Mary Neaf;
H. R. 8444. An act for the relief of Ira G. Kilpatrick and Guy D. Dill;
H. R. 8856. An act for the relief of Mary J. Lacey;
H. R. 9865. An act to authorize the sale of certain lands to school district No. 28, of Missoula County, Mont.; and
H. R. 10225. An act striking from the pension roll the name of Jennie M. Heath.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 11709) granting the consent of Congress to Norman County, Minn., and Traill County, N. Dak., to construct a bridge across the Red River of the North on the boundary line between said States, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. LODGE presented a petition of sundry citizens of Boston, Mass., praying for the submission of a Federal suffrage amendment to the legislature of the several States, which was ordered to lie on the table.

He also presented memorials of the Olympia Theaters (Inc.) and sundry other motion-picture theaters in the State of Massachusetts, remonstrating against any increase in the tax on admission to theaters and also against the taxation of motion-picture films, which were ordered to lie on the table.

He also presented resolutions adopted by the County Galway Men's Benevolent Association, of Greater Boston, of Local Division No. 9, Ancient Order of Hibernians, of Weymouth; of Local Division No. 6, Ancient Order of Hibernians, of Gardner; and of Local Division No. 14, Ancient Order of Hibernians, of Brighton, all in the State of Massachusetts, praying for the freedom of Ireland, which were referred to the Committee on Foreign Relations.

Mr. TOWNSEND presented a petition of the Cadillac (Mich.) city schools, and a petition of teachers and board members of the public schools of Charlotte, Mich., praying for the creation of a department of education, which were referred to the Committee on Education and Labor.

SHIP CONSTRUCTION (S. DOC. NO. 315).

Mr. FLETCHER. Mr. President, I ask unanimous consent to report a resolution from the Committee on Commerce. It is to print a report from the Shipping Board in pursuance of a resolution passed by the Senate on November 21, 1918. The report should have been ordered printed when it was received by the Senate, but it was simply referred to the Commerce Committee, and that committee desires that it be printed. I therefore report this resolution in connection with it and I ask unanimous consent for its present consideration.

The resolution (S. Res. 391) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the communication from the acting chairman of the United States Shipping Board, transmitting, in response to a Senate resolution of November 21, 1918, information relative to existing contracts for ship construction, the cost of such construction, in both private and Government shipyards, be printed as a Senate document.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HITCHCOCK:

A bill (S. 5213) to amend the act approved April 18, 1918, to give indemnity for damages caused by American forces abroad; to the Committee on Military Affairs.

By Mr. TOWNSEND:

A bill (S. 5214) granting a pension to William Meyers (with accompanying papers); to the Committee on Pensions.

By Mr. MARTIN of Virginia:

A bill (S. 5215) granting a pension to Floyd B. Daugherty; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 5216) granting a pension to Nellie White (with accompanying papers); to the Committee on Pensions.

WAR-RISK INSURANCE.

Mr. POMERENE. Mr. President, I ask unanimous consent to introduce a bill which provides for the amendment of the act governing the Bureau of War Risk Insurance. Several similar bills are before the Finance Committee, and I think this one should also be referred to that committee. I have before me a statement in explanation of the bill which has been made by a very practical insurance man, and I believe that it will be of service to the committee. I ask that the bill and accompanying statement be printed in the RECORD without reading, and referred to the Committee on Finance.

The bill (S. 5217) to amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance at the Treasury Department," approved September 2, 1914, and amended October 6, 1917, and for other purposes, was read the first time by its title, the second time at length, and, with the accompanying paper, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That article 4, section 400, of House bill 5723, approved October 6, 1917, as amended, is hereby amended to read as follows:

"SEC. 400. That in order to give to every commissioned officer and enlisted man and to every member of the Army Corps (female) and of the Navy Nurse Corps (female) when employed in active service under the War Department or Navy Department greater protection for themselves and their dependents than is provided in Article III, the United States, upon application to the bureau and without medical examination, shall grant insurance against the death or total permanent dis-

ability of any such person in any multiple of $500, and not less than $1,000 or more than $10,000, upon the payment of the premiums as hereinafter provided.

"A grace of 31 days shall be granted for the payment of premiums, during which time the insurance shall continue in force; but in the event of the death of the insured during said period the overdue premium shall be deducted from the amount payable.

"The insurance certificate or policy may be reinstated by the insured at any time within six months after the expiration of the 31 days of grace, upon application in writing to the Bureau of War-Risk Insurance, and without medical examination, upon payment of all arrears, with interest thereon, not to exceed 6 per cent per annum."

This amendment to take effect as of November 11, 1918.

The accompanying statement was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

There is a very important matter which should be taken up in regard to the United States Government war-risk insurance.

Millions of Americans are now engaged in the military and naval service of the Government, and most of these men have taken out what is known as war-risk insurance. The great bulk of this insurance is kept in force by the payment to the Government of a small amount of money each month, and these payments are generally deducted from the pay of the soldiers and sailors, thus keeping the insurance in force by this automatic method of deducting the amount which is due monthly from the monthly pay.

When the war is over and the armies are disbanded, the pay of the soldier or sailor will cease and the Government will have no funds due those who carry insurance from which to deduct the amounts payable for the insurance.

As a practical insurance man I know that a very large number of the soldiers will fail to pay the premiums which are due in order to keep the insurance in force and it will lapse. Many of those who are insured do not know where to send the money to keep the insurance in force; there are many others who do not realize the great value of the Government insurance; they do not know that they can keep the insurance in force by the payment of small monthly premiums for a period of five years after the war, and that within this five-year period they have the privilege of converting the insurance into regular old-line contracts at net rates without medical examination; that is, that they can secure from the Government a regular policy on the ordinary 10, 15, or 20 payment life plan, or can apply for a policy on the endowment plan. These policies will contain the regular paid-up extended insurance and cash-surrender values.

Something should be done to inform every soldier as to just how he can keep the insurance from lapsing; just where he may pay the premium and the amount of premium; and a campaign should be conducted to post every soldier and sailor as to the great value of this insurance.

As a suggestion, I think a law should be introduced into Congress extending the time for the payment of premiums for six months after the armies are disbanded and allowing every soldier to reinstate his policy within the six-month period without medical examination, so that they all really have an opportunity to secure the benefits of this protection.

It will be the most natural thing in the world for most of the men now engaged in the military and naval service of the country, as soon as demobilization takes place, to start for their homes. The great war will be over; their thoughts will be entirely centered upon seeing the home folks; they will not think of insurance, and I do not know of any provision in the law which will prevent the policies, or, rather, certificates of insurance, from lapsing in the event that the monthly payments are not made.

The Government war-risk insurance not only supplies what is generally known as life insurance but also supplies disability insurance at the same time. The proceeds of the insurance are nonattachable for debt, and the cost to the insured is very low. In fact, the Government is only requiring the insured to pay the theoretical mortality rate in peace times on the term plan without making any expense charge, without charging anything for the disability hazard, and without making any charge for the increased hazard due to war.

Many of the soldiers and sailors will return in impaired physical condition, so that they would not be able to pass a medical examination, and would thus be debarred from getting life insurance anywhere else. These men who are fighting the battles of our country should be given every opportunity to keep this insurance in force, and surely no party would deny them this right.

I have met officers in both the Army and Navy of the United States who had a very vague idea of all of the advantages and privileges contained in the war-risk insurance law, and if this is so in the case of many commissioned officers it will probably be more general in the case of privates and noncommissioned officers.

The certificates of war-risk insurance issued by the United States Government contain the following clauses: "Subject to the payment of the premium required"; "subject to the provisions of the acts of March and October and of any amendments thereto and all regulations thereunder."

MINING CLAIMS IN ALASKA.

Mr. JONES of Washington. Mr. President, I introduce a joint resolution and ask that it be referred to the Committee on Territories. This joint resolution is in lieu of the one I introduced a few days ago covering the same subject, and I think it covers the situation much better.

The joint resolution (S. J. Res. 198) to suspend the doing of assessment work on mining claims in Alaska for the years 1917, 1918, 1919, and 1920, and extending to that Territory the provisions of public resolution No. 10, Sixty-fifth Congress, approved July 17, 1917, and public resolution No. 12, Sixty-fifth Congress, approved October 5, 1917, and for other purposes, was read twice by its title.

Mr. JONES of Washington. I ask that the joint resolution be referred to the Committee on Territories.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). The Chair will inquire of the Senator from Washington whether joint resolutions of this character do not properly belong in the Committee on Public Lands?

Mr. JONES of Washington. This measure relates particularly to Alaska, and therefore should go to the Committee on Territories.

The PRESIDING OFFICER. Has the Senator any precedent for that request?

Mr. JONES of Washington. I think all measures which relate solely to Alaska go to the Committee on Territories. I move that the joint resolution be referred to the Committee on Territories.

The motion was agreed to.

THE REVENUE.

Mr. JONES of New Mexico submitted six amendments intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which were ordered to lie on the table and be printed.

Mr. KIRBY submitted an amendment intended to be proposed by him to the bill (H. R. 12863) to provide revenue, and for other purposes, which was ordered to lie on the table and be printed.

COMMITTEE ON AMERICANIZATION.

Mr. MOSES. Mr. President, I ask that the report of the Committee on Americanization for the State of New Hampshire relative to the teaching of the English language in public, parochial, and other private schools be referred to the Committee on Printing with a view to having it printed as a public document.

The VICE PRESIDENT. Without objection, it is so ordered.

ALLOTMENTS TO FAMILIES OF SOLDIERS.

Mr. STERLING. Mr. President, I have received a great many complaints because of the failures and delays in the payment of allotments to the wives and dependents of enlisted men. I appreciate the fact that there is a great deal of work connected with the payment of these allotments on the part of the War Risk Insurance Bureau, but it would seem that an allotment having been made, and a payment having once been made on that allotment, there is little excuse then for subsequent delays and failures in making the payments.

I have a letter here received from the chairman of the local board for the county of Minnehaha, in my State, and I ask unanimous consent that the communication may be read to the Senate. It occurs to me that the War Risk Insurance Bureau, or perhaps better, the Treasury and War Departments themselves, as well as the country, should know something not only of the inconvenience but of the actual suffering caused the wives and dependents of soldiers because of the failure to pay the allotments on time.

The VICE PRESIDENT. Is there objection to reading the letter?

Mr. SIMMONS. I shall not object, but after the letter is read I shall ask for the regular order.

The Secretary read as follows:

SIOUX FALLS, S. DAK., *December 17, 1918.*

HON. THOMAS STERLING,
United States Senate, Washington, D. C.

DEAR SIR: The following are a few instances of nearly a hundred cases of similar kind that have come to the knowledge of the board. It appears to this board that the way these allotments have been handled is a disgrace to the American Nation, the memory of which will remain with the returned soldier as long as he lives.

A lady came into the board office carrying two children aged 2 and 4 years. She asked the board to obtain her allotments and allowance for her, stating that her husband had been in the Army six months and she had received one check only from the War-Risk Insurance Bureau. She had a few hens and had traded a dozen eggs that day for a bottle of milk and a loaf of bread, and that was all they had to eat. Her children were both sick. One of the children had spasms the night before; she thought it would die but did not have enough money to notify a physician.

The board, out of their own pockets, furnished her with some money to buy food and medicine and sent her to a physician, who prescribed free of charge. Her case was then referred to the Red Cross, and afterwards she was taken care of.

Another woman appeared before the board with four small children. Her husband had felt it his duty to enlist in the Army. He had been gone since last May. In July she had received one allotment and had received no more up to the present time. Her husband had made arrangements; with her allotment and with the money he left her she would be able to support herself without any assistance.

Owing to the fact that her allotments did not come, she had reached the point where she could not furnish food for her children or fuel to keep them warm, so she asked the board if we could not hasten her allotment. Her case was then turned over to the Red Cross, and they furnished her support.

Another instance: A mother has three sons in the service and two small children. Each of her boys is making allotment to her. She received one allotment of $25 several months ago and has never received another one. When she reported she was without coal; her children were suffering from the cold, both from lack of fuel and the lack of proper winter clothing. The Red Cross has furnished her with the necessities of life, awaiting the action of the War-Risk Insurance Bureau.

In another case the woman came to us, telling us that her husband had been in the war for months; that they had been able to accumulate sufficient furniture to make a home; that she had been obliged to go

to a hospital for an operation. Due to this, she was unable to work; due to the operation at the hospital, she would have to wear a cast for a year or more. So she had been obliged to eat up her furniture until she had eaten up all except the bed, a small oil stove, and a few cheap dishes. When she reached the point where she had no more furniture, she applied to the local board to see if they could not get her allotment for her.

These are a few cases which are typical of about 100 cases which we have had brought to our attention in this county, and we wish to say that we are certainly ashamed of the portion of the Government which handles the allotments of war widows.

Yours, truly, D. L. McKINNEY,
Chairman Local Board, Minnehaha County.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. JONES of New Mexico. Mr. President, I realize the importance of promptly passing the pending bill, and I shall not delay the Senate a great while in submitting some remarks which I have thought the Senate ought to hear.

I realize that it is extremely difficult to get the Senate to consider provisions of such a bill as this independently of the recommendations of the committee, and under ordinary circumstances, involving only ordinary questions, I should feel like voting for a bill recommended by the committee in its entirety, but this bill proposes to raise such an enormous sum of money by taxation that I believe Senators, although not members of the committee, are justified in studying its provisions. Moreover, I believe that it is the duty of a member of the committee who has been devoting a number of weeks to the exclusive study of the provisions of such a bill as this, to give to the Senate the benefit of that study and to let his views be known. I shall not take a great while in giving to the Senate some thoughts which I think the Senate ought to have, and which I believe the Senate will want to have. I shall discuss the matter just as briefly and as concisely as I can. I hope to conclude before Senators feel that they must retire to the lunchroom.

I think it is important that we get a perspective of what this legislation means and what the war has made necessary in the way of finances. This revenue legislation is a principal part of the system for providing revenues for carrying on the war. The war began in April, 1917, during the latter part of the fiscal year 1917, the year ending June 30 of last year; but even during that period the finances of the country felt the effects of the war, and, of course, during the whole of the last fiscal year, ending June 30, 1918. It is feeling the effects of it now, and its effects will undoubtedly extend to the end of the fiscal year 1920. So we have in mind these four years of war financing, and I am sure it will be interesting to Senators to get a short view of what has been done.

For the first fiscal year ending June 30, 1917, the total expenditures of the Government were $2,026,678,446.74. The receipts from revenue for that year were $1,124,000,000. That leaves a deficit of $902,000,000—I will give the figures in round numbers—but of that sum we loaned to the allies prior to June 30 of last year $885,000,000, leaving a net debt increase of only $17,000,000.

In the next fiscal year ending June 30, 1918, the total expenditures were $13,000,000,000 plus, and the revenues were over $4,000,000,000, leaving a debt incurred of $9,000,000,000, but of this we loaned to the allies $4,739,000,000 plus, leaving a net debt increase of only $4,276,000,000.

For the year ending June 30, 1919, it is estimated by the Treasury Department that the expenditures of the Treasury for the year will be $18,000,000,000. We have already loaned during the fiscal year to our allies about one and three-fourths billion dollars. It is thought that the loans to the allies will be increased to at least $3,000,000,000 up to June 30, 1919.

We expect to raise from revenue during the fiscal year by this bill $6,000,000,000. There are other miscellaneous receipts. During the fiscal year 1917 the miscellaneous receipts were $500,000,000, or half a billion. Laying aside the increase which will come from miscellaneous sources, we shall raise in revenue during the fiscal year ending June 30, 1919, $6,500,000,000, which will leave a deficit of $8,500,000,000.

No official estimate has been made of the expenditures for the fiscal year ending June 30, 1920; but if we take the estimate of the Senator from Utah [Mr. SMOOT] and place the figure at $10,000,000,000——

Mr. SIMMONS. Mr. President, did the Senator from New Mexico say that no official estimate has been made of the expenditures for 1920?

Mr. JONES of New Mexico. I so stated.

Mr. SIMMONS. The Senator is mistaken. The official estimates are in the reports of the Secretary of the Treasury, and they are, in round figures, $6,250,000,000.

Mr. JONES of New Mexico. I understood that those were the estimates for appropriations.

Mr. SIMMONS. No; the estimates for appropriations are $7,440,000,000.

Mr. JONES of New Mexico. Then the estimates unquestionably are those just stated by the chairman of the committee; but the Senator from Utah made some statements regarding expenditures which I am inclined to believe will increase the estimates which have been made by the Treasury Department.

Mr. SMOOT. I will say to the Senator from New Mexico that my estimate and that of the department for the regular appropriations amounted to $7,443,000,000.

Mr. SIMMONS. That is for the appropriations.

Mr. SMOOT. That is to be appropriated for, and then there are the additional amounts for contracts, both obligated and unobligated, on the part of the Government, which must be filled and which can not be canceled. That will drop into the year of 1920, making $10,000,000,000.

Mr. JONES of New Mexico. I think that the Senate has gotten these various views as to probable expenditures, and while my personal belief is that the expenditures for the fiscal year 1920 will not reach $10,000,000,000, I thought it wise to assume some such expenditure as that. I think the Senator from Utah [Mr. SMOOT] included in his estimate some "hangovers" from the expenditures on war contracts which the Treasury Department expected to be included in the $18,000,000,000, and for that reason I am inclined to believe that the actual expenditures will not reach $10,000,000,000; but when I made the remark awhile ago that there was no official estimate I rather intended to be understood by that as saying that there was no official estimate of such a definite character that we could absolutely rely upon it. Assuming, however, $10,000,000,000 to be the sum of expenditures for the fiscal year 1920, we expect to raise in revenue under this bill $4,000,000,000. The miscellaneous receipts, if not increased, would amount to $500,000,000 more, making four and a half billion dollars, leaving a deficit for the fiscal year 1920 of five and a half billion dollars. But we know already of very large sums of money which are going to be derived through the salvage of purchases for the war. What they shall amount to, of course, we can not definitely state at this time, although I should not be surprised to see something in the neighborhood of $2,000,000,000 realized from that source.

But laying that aside, and assuming a deficit of five and a half billion dollars, then we have this showing: During this war for the first fiscal year a deficit of $17,000,000; for the second fiscal year, $4,276,000,000; for the third fiscal year, $8,500,000,000; and for the fourth fiscal year, $5,500,000,000, making a total, in round numbers, of $18,000,000,000. My belief is that through the processes to which reference has just been made the total deficit will be around $15,000,000,000 or $16,000,000,000, not, of course, taking into consideration any sums which have been loaned to our allies. The credits arranged in that connection already amount to about eight and a quarter billion dollars, and probably will reach $10,000,000,000 altogether, which will give us at the conclusion of the war an increase in our bonded indebtedness of about $25,000,000,000 or $26,000,000,000.

I think it will be interesting to know how our financing has compared with that of other countries. Italy and France, of course, have raised by taxation a very small sum, relatively speaking, for the purposes of the war, I think, amounting to about 12 or 15 per cent only of their expenditures. England has done a little better than that; her receipts from taxation have amounted to about 24 per cent of her total indebtedness; but, excluding the amounts of money which England has loaned to the allies, she has raised about one-third of the cost of the war by taxation.

Mr. SMOOT. A little less than 30 per cent.

Mr. JONES of New Mexico. I am putting it at the maximum. It is claimed that it is less than a third, and even less than 30 per cent.

The United States has gone further than that. For the first fiscal year of the war, which was only a partial year, the United States raised in revenue within 1½ per cent of the total cost of the war, including the loans to the allies. For the second fiscal year the amount raised by taxation amounted to just about 50 per cent of the total war expenditures; for the third fiscal year, if the estimates which have been made here are accepted of $18,000,000,000 of expenditure and only $3,000,000,000 loaned to the allies, then we are paying by taxation, even for this fiscal year, at the peak of war financing, 43½ per cent of the expenditures; and for the fiscal year 1920, if we assume expenditures of $10,000,000,000 and raise only four and a half

billion dollars, and exclude all receipts from salvage, we are still paying 45 per cent of the cost of the war by taxation. Taking that all together, if you sum up the total expenditures of the war and deduct the amount of money loaned to the allies, you will find that, taking the four-year period, the United States through taxation has raised just about 50 per cent of the cost of the war.

Mr. THOMAS. Mr. President, before the Senator proceeds let me ask him if he has made any computation of the percentage, including the advances to our allies?

Mr. JONES of New Mexico. I have not those figures here, except in this way: I have got the amount, but I have not figured out the percentages.

Mr. SMITH of Georgia. Mr. President, the percentages, however, which the Senator gives are intended to be percentages exclusive of loans to the allies——

Mr. THOMAS. The Senator said that.

Mr. SMITH of Georgia. Treating them not as an expenditure, but as an investment.

Mr. JONES of New Mexico. Yes, sir.

Mr. THOMAS. The Senator so stated.

Mr. SIMMONS. Mr. President, I wish to say to the Senator that I have been making the same character of investigation that he has made, and I think that his statement is substantially correct.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. GERRY. There is no country in the world in the history of war finance that has ever accomplished such an enormous feat as that.

Mr. JONES of New Mexico. I am sure the Senator from Rhode Island is absolutely correct. To my mind, and so far as my information goes, this is unprecedented in the history of the world.

This signifies something more, and something which, I think, will cause a feeling of pride to glow in the breast of every American citizen. These billions of dollars we have been talking about—these twenty-five or twenty-six billions of dollars—do not represent mere currency, but every dollar which has been expended thus far represents commodities, the production of the people of this country. We do not shoot dollars. We have not loaned dollars to our allies. What we have done has been to ship material and commodities, and use those; and when we consider the net income of the United States prior to this war, we get a view of what the country has actually done.

Statisticians tell us that prior to our entry into the war the annual total net income of the United States which was used for new investments was only five or six billions of dollars; so during this war we have not only put into it an amount equal to the total net income of the country prior to the war, but during the first full year of the war we put into it more than twice what was the net income of the country prior to the war, and we are proposing to put into it this fiscal year more than three times what was the total net income of the country prior to the war.

Mr. President, I believe that this thought should encourage the people of this country. It should make them proud of this country. They should realize the latent resources of the country; and I want to say here and now that the brain which visualized the latent resources and the latent energy of this country has furnished the world one of the most monumental conceptions in all history. This enormously increased production has been accomplished by the people of this country. With their patriotism aroused, realizing the enormity of the task which we had undertaken, they were willing to make the necessary sacrifices. It was necessary to divert from peaceful pursuits the vast energy of this country. It is estimated now, I believe, that we have 15,000,000 men engaged in war pursuits who ordinarily are engaged in peace pursuits; and we have done all this with 4,000,000 of the flower of our manhood taken from productive pursuits. I think that the country, for all time to come, will not forget the enormous service that the people of this country—the workers of this country—have performed in this great time of stress.

Mr. President, while that represents production, yet in order to get the production it was necessary in the first place to obtain the money; and this, of course, was raised only from two sources—from bond issues and from taxation. We all know the history of the sale of bonds; and I suppose it may be generally known also that when we entered the war and it became known that our allies would call on us for assistance, the bankers of the country considered the situation, and the opinion was expressed by some eminent bankers that the utmost this country could loan to our allies was four or five hundred millions of dollars. When we came to the first sale of liberty bonds, the bankers of this country predicted that we could not sell over $1,000,000,000 of bonds; that the country would not take them. But some master brain conceived the notion that through arousing the patriotism of this country it was willing to accept more than a billion dollars in bonds, and the result of the recent experience is that in one bond issue there was sold nearly $7,000,000,000 of bonds, or more by far than the total net income of the country for a year prior to the war.

Mr. President, the rest of this money has been raised by taxes, and it is interesting to keep in mind the amount of taxes which has been collected. During the first full year we collected over $4,000,000,000; during this year we contemplate raising six and one-half billions of dollars; and I might say that before the signing of the armistice it was contemplated to raise $8,000,000,000, and a bill which would have done substantially that was passed by the other House and came to the Senate and the Senate committee. It is stated by the chairman that it passed the House without a dissenting vote. When it came here and was referred to the Senate Finance Committee, that committee went to work to prepare a bill which would raise the $8,000,000,000, and had it practically prepared when the armistice was signed, and then we found that the total expenditures during the fiscal year probably would be $18,000,000,000 instead of twenty-four.

This money, raised by taxes, has come from two general sources, the principal source being a tax upon incomes and excess profits, the remainder being a tax which I might term an indirect tax upon incomes, because in the final analysis all taxes must be paid from income. It may not have come in just immediately, but it is income; so, when we talk about consumption taxes, that is only an indirect tax upon incomes.

In addition to this tax which we have raised, measured in dollars, there has been an additional burden upon the people of this country which is unmeasured. The high cost of living by reason of the war has been in effect a tax upon the small incomes of the country. It has been a tax equivalent, I believe, to about 100 per cent, and when people talk about the rich paying the expenses of this war, and assert that we are levying undue tribute upon wealth, I wish to remind them that there has been a hundred per cent tax upon the salaried people of this country during the war. This indirect tax upon incomes, through high living expenses and through the taxes which we have levied upon so-called luxuries or semi-necessaries, has been principally borne by those with the smaller incomes of this country. And so when we come to consider the equities of this bill we should not overlook the tremendous fact that while we make exemptions which seemingly exempt a very great class from the burdens of this war, they have not really been exempted, but in my judgment have been taxed far more, relatively, than any other class of people in this country. Unfortunately it can not be avoided.

Mr. President, we are still proposing to levy taxes upon consumption. We have six titles in this bill practically devoted to that end. I might in the first place, however, refer to the position of the Senator from Utah [Mr. SMOOT], in which he proposed that a 1 per cent tax should be levied upon all sales of commodities to be used; and he suggested that that ought to be done so as to create a sinking fund for this war debt. I want to say to the Senator from Utah that the people of this country will never consent that the sinking fund shall be taken out of the mouths of the people of this country. If we are going to create a sinking fund—as we must—then, I say, that that sinking fund should be created in an equitable manner, and not imposed upon the poverty and stress and necessities of the country.

There is another title in this bill, Title IV, which is an inheritance tax. The bill as it came to us from the House contained an estate tax. We have changed this to an inheritance tax, and I think it might very properly be called a special form of income tax, because we impose the tax upon the income from the estate which the beneficiary receives. That tax, while some have opposed it in its entirety, is in my belief a just tax. Moreover, I believe that it might very well be increased, and I think that would be one prolific source for obtaining revenue with which to create a sinking fund.

I shall not refer to these consumption taxes or indirect taxes, such as the tax on transportation, the tax on the manufacture of commodities, and so forth. There is no general principle involved, further than that, in my humble judgment, such taxes should be made just as light as possible. But the committee has considered that matter. It is a mere weighing of opinion as to the amount of such taxes; and while I would like to have a great many of them reduced, and while I think I can show

before I conclude where we could reasonably bring about some reduction of such taxes, yet in the main I am sure the Senate is going to accept such taxes.

Mr. SIMMONS. Mr. President, will the Senator permit me to say there—because I think it probably ought to go in his statement right at this point—that the committee has reduced the inheritance or estate tax as imposed by the House to a point that will leave a large margin to the States for taxing inheritances; and I think I ought further to suggest to the Senator, with reference to the tax on transportation, that it is one of the few taxes that the committee has left right where it is in the present law without making any change whatever.

Mr. JONES of New Mexico. I am sure that Senators are glad to hear the remark of the chairman of the committee. Some members of the committee contended that there should be no tax upon inheritances or estates; that all of that should be left to the States; but, for one, I was unable to see any distinction between that and an income tax. There is no reason why the States should not raise their revenue by income taxes; and if we are going to turn over to the States any one source of revenue I do not see why it could not be argued that anyone might be left out of this bill, and have few sources remaining.

Much the greater portion of this revenue, however, has been raised by a direct tax upon incomes; and when we realize that the taxes upon incomes and profits for this fiscal year will amount to $4,600,000,000 we must also realize the importance of imposing those taxes in an equitable and a fair way.

At this juncture I want to call the attention of the Senate to a question which has been discussed at considerable length in the press of the country. I call attention to a discussion of it published in a newspaper in my own State and dated December 9. If that article had appeared during the campaign I should not have referred to it, I should have considered it only as an argument for the purposes of the campaign; but the article appears on December 9 of this year, and I think it well that some excerpts from it may be submitted to the Senate. This article which I read was published and appeared in the Albuquerque Morning Journal of Monday, December 9, of this year. It says:

A gentleman, evidently a lawyer from one of the Southern States, asks the Journal for proof that southern Congressmen who controlled war legislation were guilty of shifting from the South its just proportion of the taxation burdens necessary for the support of the war.

The Journal has complied. The communication by Mr. Simmons—

Not Simmons but Sinnons—

is printed elsewhere and the figures asked by him are appended. They are taken from official publications of the present administration, therefore should not be questioned by any Democrat.

The following States, which constitute what is commonly called the solid South—Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Tennessee, and Arkansas—have wealth estimated by the United States census approximately three times as great as that of the State of Ohio. Yet the State of Ohio paid in taxes for support of the war $75,000,000 more than was paid by all of these Southern States combined. In other words, the revenue bills were so juggled that $16,000,000,000 of wealth in 11 Southern States was left untouched by the tax collector.

And then similar figures are given and comparisons made as to the wealth of Pennsylvania, New York, and other States. It then proceeds as follows:

The southern people did not ask KITCHIN and SIMMONS and Carter Glass and the rest of the southern chairmen of the great committees to exempt them from their just burdens of carrying on the war. They responded readily and patriotically to the draft. They volunteered before the draft. The sons of South Carolina and Texas have fought and died side by side with the sons of Massachusetts and New York.

It speaks of some southern Senators who were left out in the last election.

But both KITCHIN and SIMMONS come back from North Carolina, and Tom Watson was elected to Congress from Georgia.

The article containing the data from which those statements were made was copied from the New York Sun. The date of the article in the Sun I do not know, but the New York Sun is considered one of the reputable papers of this country, and I may say, parenthetically, that the Albuquerque Journal is also ordinarily an ably edited paper. Yet this comes as published in the New York Sun where these various comparisons were made. In quoting the article from the New York Sun the editor of this paper, in parentheses, as an introduction to the quoted article, uses this language:

The Journal always tries to accommodate its readers; therefore it reprints the summary which recently appeared in the New York Sun, the figures of which were taken from the latest reports of the United States as to the wealth of the various States, and from the report of the Treasury Department of the revenues collected from each State for war purposes. As to the statesmen responsible, first of all were Congressman KITCHIN, chairman of the House Ways and Means Committee, who openly stated several times that the bill was being framed so that the burden would fall on the Northern States, and Senator SIMMONS, chairman of the Finance Committee. Along with these men were all the Congressmen and Senators from the Southern States, except one from Virginia and two from Tennessee.

Why there should have been excluded the one from Virginia and two from Tennessee I am sure I do not know.

After giving a comparison of the estimated wealth of the States, and then the taxes paid, the article from the Sun continues:

Even the border States could not escape the discrimination which the Kitchins exercised against everybody and everything beyond the sacred soil which they were saving from taxes. Missouri, with less wealth than Texas, must pay twice the taxes paid by Texas. Maryland, with less wealth than Georgia, must pay two and a half times more taxes.

Thus the very records of the United States Government show that the Kitchin taxes were deliberately and malignantly rigged so that the solid South oligarchy might not merely sponge, but prey, upon the taxpayers whom KITCHIN had threatened north of Mason and Dixon's line.

Mr. President, it seems to me that such statements are "the limit." The assumption that this Congress, the Senate and the House, are controlled by Members from the so-called solid South is absolutely preposterous. To assume that the Finance Committee is dominated by a few Senators from the South, and to assume likewise that the honored Senators from the South who are members of the committee would so stultify their position as to bring about this alleged unsavory situation, is beyond belief of anyone, and it is likewise beyond the conception of any just being why any such argument as this should be used in this connection in these papers.

I will recite the names of the members of the Finance Committee of the Senate, for the benefit of the RECORD and in the order in which they appear:

SIMMONS, of North Carolina, chairman.
WILLIAMS, of Mississippi.
SMITH, of Georgia.
THOMAS, of Colorado.
GORE, of Oklahoma.
JONES, of New Mexico.
GERRY, of Rhode Island.
LEWIS, of Illinois.
NUGENT, of Idaho.
ROBINSON, of Arkansas.
And of the minority:
PENROSE, of Pennsylvania.
LODGE, of Massachusetts.
MCCUMBER, of North Dakota.
SMOOT, of Utah.
LA FOLLETTE, of Wisconsin.
TOWNSEND, of Michigan.
DILLINGHAM, of Vermont.

Of all these 17 Senators only 4 come from the solid South—SIMMONS, WILLIAMS, SMITH, and ROBINSON—and to try to have the people of the country believe that those four men could, if they so desired, control that committee and accomplish this outrageous purpose is beyond the conception of man. Anyone who knows those four men likewise knows that such a thought never entered the heart of any of them.

Mr. SMITH of Michigan. Mr. President, will the Senator allow me to ask him a question?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SMITH of Michigan. In doing so I simply want to develop the fact that I do not think the Senator has given the South the entire credit it deserves. I am not one who finds fault with the preponderance of the South in shaping this and other important legislation. It has always been so whenever the Democrats have been in control of Congress. The dominating strength of that party, which is in the South, has taken charge of the most important part of its legislation. I find no fault with it. The South controls the Democratic Party. But where was the Senator from New Mexico born?

Mr. JONES of New Mexico. I was born in the great State of Tennessee.

Mr. SMITH of Michigan. Exactly. And I think the Senator from Oklahoma [Mr. GORE] was born in Mississippi. When you trace back to its final analysis the geographical strength of the South on this committee you get a pretty fairly generous representation on all committees, and, I think, rather a high-minded representation.

I want to observe in the Senator's time that from the chairman of that committee, the distinguished Senator from North Carolina [Mr. SIMMONS], to the humblest member of the committee, I do not think the members could have been more patriotic or country loving in their purpose than they have been, even if they had all come from the great industrial centers which I in part represent.

Mr. JONES of New Mexico. Mr. President, I felt sure that the Senator would make the latter remark.

Mr. SMITH of Michigan. The distinguished Senator from Colorado [Mr. THOMAS] was from Georgia. I do not care

where Senator THOMAS was born; he is an able, honorable, clean, high-minded man, and brings to the discharge of every public duty an intelligence and patriotism and independence most rare. I hope the Senator is not seriously annoyed over the suggestion that the prepondering influence in congressional legislation is from the South. If it is good legislation and the best that can be devised under the present strained conditions, I do not care where it comes from, and the fact that our party has practically indorsed it in the House as well as here does not leave very much party ground to stand on.

Of course, some of us would have pursued a different course. I would revive the old protective duties which have carried us safely through many severe trials and which I hope to see reestablished under favorable conditions; but this can not be done now, and we must bow to present conditions.

Mr. SMITH of Georgia. Mr. President, while this subject is under consideration I ask leave to simply make this statement: There never has been at any meeting when I was there a party vote except on one question. That was the general scheme of the reduction of taxation for 1920. On the items of the bill we split in that committee right straight along without reference to party.

Mr. JONES of New Mexico. I thank the Senator from Georgia for making that statement, because I was going to try to convey the same idea. I might say not only that with reference to this bill, but with reference to the bill which passed Congress last year, during the deliberations of the committee last year there was not a party vote on any question.

Mr. McKELLAR. May I interrupt the Senator?

Mr. JONES of New Mexico. I yield to the Senator from Tennessee.

Mr. McKELLAR. I want to interrupt just to say I think the record shows as to two distinguished Senators in this body, one representing the State of Washington in part and a Republican in politics, Senator MILES POINDEXTER, and the other Senator, A. A. JONES, representing the State of New Mexico in part, and a Democrat in politics, that both these distinguished gentlemen were born in Tennessee—the first in Memphis and the second in Union City—and Tennessee is very proud of them in every sense of the word. She is proud of the splendid records of both of these progressive and successful sons of hers, without regard to their politics. They are living evidences of Tennessee's ability to produce the best that is in either party.

Mr. SIMMONS. Will the Senator let me state one circumstance, which seems to conclude this question, the fact that the bill we are now considering was adopted by the House without a dissenting vote. If there can be anything more conclusive than that in rebuttal of the suggestion that the bill is sectional, I can not conceive of it.

Mr. JONES of New Mexico. Mr. President, of course, as to the statement made in the newspaper article about the tax paid, it is probably true that the figures were taken from the official document of the Government, but with respect to the amount of the tax annually arising from each State, the figures themselves as stated in the article do not represent the fact. I read from the official document this short paragraph. It says:

> The following table shows the net income and tax reported in the returns by States. The figures do not represent, however, what may be called the geographical distribution of income. They are based upon the returns filed in each State. An individual files his income-tax return in the State in which he resides and a corporation files its income-tax return in the State in which its principal place of business is located. Consequently income reported by an individual or corporation in one State may have been derived from sources in other States. Furthermore, under the provision for the collection of tax at the source the collecting agent filed the return in the State in which the agent was located, regardless of the residence of the person earning the income.

So the figures given do not reflect the inference which is drawn from them. But the vital point in this connection is overlooked. If we were taxing the wealth of the country by a direct tax upon the land and the property itself, then I submit that the inference drawn in these articles might very well be drawn, but it was to escape that kind of taxation, to escape even a tax based upon population, that the Constitution of the United States was amended, and that is why we have the right now to levy a tax upon incomes. There is no contention here that a man in Georgia or North Carolina does not pay the same tax upon an equal income as a citizen of New York. There is no claim that there is any discrimination between the corporation of Georgia or New York. The only deducible result of the argument upon the facts stated is that there should not be an income tax at all.

Mr. President, to my mind the amendment of the Constitution providing for an income tax has enabled the country to carry on this war, and without it we should have met with disaster. The horror of the situation, if any, arises not from the fact that these taxes are sectional in their nature but from the fact that the incomes of the country have become sectionalized so far as location is concerned, through transportation, the control of finances, and the tariffs of the country. Consider for a moment that for the last 50 or 60 years one section of the country has been gathering into its borders the liquid wealth, the liquid assets of the country, and that much the greater part of all the railroads and ocean transportation lines have been made tributary to New York. Until the passage of the Federal reserve act all the finances of the country centered in New York, and we all know that the tariffs, whether for good or ill, have resulted in fostering manufacturing industries which are in great preponderance located in the so-called Northern States.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. NUGENT in the chair). Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield.

Mr. SIMMONS. As the Senator has spoken of the South's, and especially of North Carolina's, contribution to the taxes of the Federal Government under the revenue bills which have heretofore been passed, I desire to say that under the present revenue law for the last fiscal year, imposing an aggregate taxation of $4,000,000,000, North Carolina paid into the Federal Treasury something over $50,000,000—$54,000,000, I think; but, at any rate, over $50,000,000. If you will eliminate the great States of New York, Pennsylvania, and Illinois, which because of their great population and wealth are not to be compared in this matter with the other States, North Carolina paid as much as did the average State in this Union.

Mr. PENROSE. Mr. President, I should like to state on that point that Pennsylvania paid one-sixth of all the revenues received by the Government.

Mr. JONES of New Mexico. And I may add right in that connection, not for the purpose of minimizing the Senator's statement, but for the purpose of emphasizing the fallacy of the position which I have been trying to combat, that the State of New York pays more than three times as much in taxes as does the State of Pennsylvania.

Mr. PENROSE. Mr. President, if the Wall Street district, which really belongs to the whole country, is eliminated, Pennsylvania pays a much larger amount of taxes than does the whole State of New York.

Mr. JONES of New Mexico. Mr. President——

Mr. SIMMONS. If the Senator from New Mexico will pardon me, the incomes of the Wall Street taxpayers are not made in New York nor in Wall Street, but they are made in every quarter of this country.

Mr. PENROSE. I have stated that that district admittedly belongs to the whole country.

Mr. SMITH of Georgia. But if we take the apparent tax paid by that State, simply from the returns made in the State, the facts would seem to be as suggested by the Senator from New Mexico [Mr. JONES]. However, the distinction made by the Senator from Pennsylvania [Mr. PENROSE] is undoubtedly a just and a correct one, and it also equally applies to other States in the Union.

Mr. PENROSE. But it applies preeminently and particularly to the Wall Street district.

Mr. JONES of New Mexico. Mr. President, I am glad this colloquy has taken place, for it emphasizes more than any expression of my own could have done that these references to the sectionalizing of our revenue bills are without any foundation, and to my mind they are an imposition upon the intelligent reading public of this country.

Mr. President, I am now reaching a point where I feel that I must present to the Senate some views not in accord with the action of the committee.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the folowing Senators answered to their names:

Ashurst	Henderson	Myers	Simmons
Baird	Johnson, S. Dak.	Nelson	Smith, Ga.
Bankhead	Jones, N. Mex.	New	Smith, Mich.
Beckham	Jones, Wash.	Norris	Smoot
Borah	Kendrick	Nugent	Spencer
Curtis	Kenyon	Overman	Sterling
Dillingham	King	Page	Swanson
Fernald	La Follette	Penrose	Townsend
Fletcher	Lenroot	Phelan	Trammell
France	McKellar	Pittman	Vardaman
Frelinghuysen	McLean	Poindexter	Walsh
Gerry	McNary	Pollock	Warren
Gronna	Martin, Ky.	Pomerene	Watson
Hale	Martin, Va.	Saulsbury	Wolcott
Hardwick	Moses	Sheppard	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, there is a quorum present. The Senator from New Mexico will proceed.

Mr. JONES of New Mexico. Mr. President, I have now reached the point where I feel like presenting to the Senate some facts regarding the operation of this bill which, to my mind, can be demonstrated as tending or promising to work very great injustices. In a revenue measure of this magnitude I think the prime question should be, Have we made the measure as equitable as we can? Does the burden bear equally upon all shoulders of the same width? I do not believe I shall have any difficulty in pointing out to the Senate at least some instances wherein the bill will not operate in the way that it should.

Unfortunately we can not treat all incomes just alike; I mean we can not tax them in the same manner. There are individual incomes, incomes from partnerships, and incomes from corporations. The theoretically accurate way would be to have all incomes, all earnings from whatever source derived and to whatever use put, taxed precisely in the same way; and I may say that during the Civil War, with some exceptions, when a tax was put upon corporate incomes, those incomes were taxed as the property of individuals, and all of the earnings of the corporations were considered as divided for the purposes of taxation among the stockholders, precisely in the same way as we are proposing to do now in the case of partners. We say that individuals and partnerships shall be taxed alike. We require the individual partner to make out his return and include in it all of his share of the earnings of the partnership, whether distributed or taken out of the business or not; but we do not do that with corporations; and from that very fact a most confusing and perplexing problem is presented. I do not believe that anybody can ever present a scheme which will bring about exact justice in this situation, but I do say that Senators should exert themselves in every conceivable way to bring about exact justice as nearly as may be.

As between individuals and members of partnerships there is comparative equality in this bill, but there are three exceptions even there. In the first place, this bill exempts from its operations taxes upon interest derived from State and municipal bonds, and of course some of the income from Federal bonds is exempt from taxation. That makes an inequality. If a man who is confronted with high surtaxes sees fit to do so, he can invest his money in State and municipal bonds and the few bonds of the General Government which are exempt from all taxation. There is a great inducement under this bill for that to be done.

The total taxes under this bill in the higher brackets reach 77 per cent of the income, and in the case of a man with an income of $2,000,000 or $3,000,000 or $4,000,000, every dollar of new income means that he must give 77 per cent of it to the Government. If he can invest it in State and municipal bonds, he can afford to carry those bonds for three or four years without getting any interest, rather than add to his income for the taxable year and pay 77 per cent of it in taxes.

What is the result of this? If you will examine the financial columns of the press you will find that the securities market for State and municipal bonds is on the boom. You will also see advertisements of State and municipal bonds calling attention especially to the fact that they are exempt from income taxes and that they are, therefore, an advantageous investment for men of great wealth. You will find further that those bonds are sold to-day upon a rate of interest not exceeding 4½ per cent, and that while those State and municipal bonds bearing 4½ per cent sell at par, even the bonds of the Federal Government bearing 4½ per cent are to-day discounted almost 5 per cent.

Mr. PENROSE. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Pennsylvania?

Mr. JONES of New Mexico. I yield.

Mr. PENROSE. I simply wish to take this opportunity, with the permission of the Senator, to remind him that in the Committee on Finance I favored taxing these bonds. I think they ought to be taxed, and I believe that a very large proportion of the financial leaders of Pennsylvania, particularly in the western part of the State, also think that these bonds ought to be taxed.

Mr. JONES of New Mexico. I am glad the Senator has made that statement.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Ohio?

Mr. JONES of New Mexico. I yield.

Mr. POMERENE. May I ask the Senator what, in his judgment, would be the effect of a tax upon the salability of municipal bonds? Would it not have the effect to increase the rate of interest on the bonds themselves, and in that way interfere with the financing of municipalities?

Mr. JONES of New Mexico. Mr. President, I am very glad the Senator has asked the question.

Mr. PENROSE. Mr. President, before the Senator goes on I should like also to remark that my colleague [Mr. KNOX] addressed the Senate on the constitutionality of a tax on these bonds and advocated that they should be taxed.

Mr. JONES of New Mexico. Mr. President, replying to the Senator from Ohio [Mr. POMERENE], the Senator is quite right in intimating that exempting such bonds from taxation will make them bring a higher price in the market. To state it in another way, it would mean that you could sell State or municipal bonds at par bearing a lower rate of interest than if the interest on them were subjected to the taxes which we are now seeking to impose. But, Mr. President, I ask the Senator from Ohio if under all the circumstances he thinks such bonds should be exempted? There are in this country already about $6,000,000,000 of such securities. It would simply enable six or seven billion dollars of the liquid wealth of this country which is subject to these very high surtaxes to bury itself in such bonds.

I am sure the Senator voted for the bill providing for the second and third liberty loans. The Senator will observe that in that bill we exempted the income from Federal bonds only from the normal income tax; we did not exempt them from any surtax; but finally we came to the conclusion that in order to help float the fourth liberty loan, which was so tremendous, the act ought to be amended in some respects. So we provided that a limited amount of Federal bonds, not exceeding $30,000, might be exempt from surtaxes for a period of only two years after the war. And why did we do it? Because the Senate objected on principle to hiding the wealth of this country where it could not be reached to pay the expenses of the Government.

Mr. POMERENE. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. POMERENE. The Senator has addressed his argument to me, and perfectly properly, because I asked the question. I am not entirely clear as to what is the best policy in connection with this matter, but I do know the effect that the taxing of bonds has had in my own State.

For instance, years ago our Constitution provided, and had so provided for many years, that all municipal, county, educational, and township bonds should be made taxable the same as any other credit or security under our Constitution. The result was that when there was a sale of public bonds for a public purpose these bonds were not purchased by Ohioans, or, if purchased, were not held by Ohioans, but they were immediately taken up by the Massachusetts and New England savings banks. Later on we amended our Constitution and provided that these public bonds should not be made taxable. The result of this was that our bonds sold in Ohio for a very much better figure, or, to put it in another way, at a lower rate of interest. Our farmers and people of small means would take up these bonds, and it had the effect of bringing into circulation a lot of money which otherwise would have been kept in private safe-deposit boxes, or in old socks, as we sometimes say in Ohio.

Now, it seems to me that it is hardly a fair proposition to say that six billions of bonds will escape taxation. That is true in one sense of the word; but these six billions of bonds, if they are not made taxable, will be sold at a lower rate of interest, and the income which the holders will have from those bonds will be less than if it was taxed. That is the other side of the proposition.

Mr. JONES of New Mexico. The Senator has very concisely presented the arguments which I have heard for the other side.

Mr. POMERENE. And if I may add this further, in a great industrial State like my own, where these towns and cities are increasing in population almost fabulously, they are having serious difficulty now to finance themselves, and my fear has been that if you make these bonds taxable you are going to increase the difficulties which the cities and towns of the States would have.

Mr. JONES of New Mexico. The fact remains, however, that the Federal Government has deemed it wise not to exempt from surtaxes its own bonds; and if it is not wise to exempt from surtaxes its own bonds, is it wise to permit the incomes from State and municipal bonds to escape taxation? It has been thought by the Federal Government that we could afford to pay a higher rate of interest at the present time rather than to permit its bonds, bearing any reasonable rate of interest, to be purchased and hoarded by the extremely wealthy persons of this country.

To illustrate to the Senator just what it means, it is only necessary to call attention to the fact that to-day in the market the 3½ per cent bonds of the Federal Government are selling

for nearly par, while the 4¼ per cent bonds of the Federal Government are selling at about a 5 per cent discount. That means that for the present, at least, the Government is paying in interest about 22 per cent for the privilege of making the interest from these bonds ultimately subject to taxation. If the Government is willing to pay that price in order to prevent what appears to be a grave evil, shall we give this privilege of exemption to those who hold the bonds of the States and the municipalities to-day, and not only for those that are already issued but for the billions of such bonds that may be issued in the future?

The House in its bill did not tax bonds presently issued, but it did make subject to taxation the incomes from State and municipal bonds which may be issued in the future. I think that the House might very well have imposed a tax upon all incomes, in the language of the amendment to the Constitution, "from whatever source derived." I believe that is what we should do, but the least we can do is to sustain the provision which was inserted in the bill by the House. The House bill provided that the taxes should be imposed only upon the interest derived from future issues of such bonds, and that the interest from such future issues upon holdings not in excess of $5,000 should be exempt.

Mr. SMITH of Georgia. Mr. President, does the House bill apply to bonds already issued or only to future bonds?

Mr. JONES of New Mexico. Only to the future issues.

Mr. SMITH of Georgia. Does not the Senator think that is thoroughly objectionable? If we are going to tax these bonds at all, ought not the tax to apply to all of the bonds, rather than to those issued in the future alone?

Mr. JONES of New Mexico. I think it should certainly apply to all issued in the future; and, so far as I am concerned, I think it should apply to the income from all those issued in the past. The bonds issued in the past were sold upon the market in competition with all other securities, and to exempt them from these taxes now is to present to the present holders of those bonds an increase in value of at least 20 per cent.

Mr. President, there is one other injustice which I think exists with respect to the taxation as between individuals. Under this bill, if an individual or a corporation or a partnership owns the building in which he does business he is not charged as income with the rental value of it; and if his competitor does not own the building in which he does business and has to rent it, the competitor is permitted to charge off of his income the amount which he must pay for rent. I think that is fair, but when you come down to the other class of taxpayers who are not engaged in a business we find that they are not put on the same equal basis. If the head of a family owns his home he is not charged with the reasonable rental value of that home as a part of his income, but if he does not own a home he is not permitted to deduct from his taxable income the rent which he must pay for a home. I believe that is a gross injustice to the man who is unable to own a home and who pays rent. I think he, with the same income from his daily wage or from his salary ought to be put on precisely the same level as the man who owns a home, and therefore I offer an amendment providing that the head of a family who pays rent may deduct from his taxable income the amount of rent actually paid by him within the taxable year, but not exceeding $1,000.

These special taxes in the bill operate unequally. They tax some industries and not others, but how to remedy that maze of confusion I confess I have no definite plan. We have to raise some money from some such sources.

Now, with respect to corporations: I do not believe the tax as between corporations bears equally upon all, or as nearly equally as it can be made to bear. All incomes of corporations, of course, are taxed with what we call a normal tax of 12 per cent. That bears equally upon all; but we have provided in this bill what we call a war excess-profits tax. There are two exemptions from the amount of income which is subject to this tax. There is what is called the war-profits tax, but it is not. It is a plan which simply provides that a man may deduct from his income 10 per cent of his invested capital, and on the excess above the 10 per cent he pays a tax of 80 per cent. The other plan is that he may deduct 8 per cent of his invested capital.

Mr. SIMMONS. Mr. President, has not the Senator got that wrong? I understood the Senator to say that from his war profits he is entitled to deduct only 10 per cent.

Mr. JONES of New Mexico. The Senator is quite right; I did not cover the whole field. That blanket exemption of 10 per cent applies to new corporations and those which had no prewar income and to the additional capital which the taxpayer has brought into his business subsequent to the prewar period.

Mr. SIMMONS. And as to the whole business it is only a minimum tax. The minimum is 10 per cent as to the whole business; but the deduction as to the whole business is the full amount of the average prewar earnings.

Mr. JONES of New Mexico. The Senator is right as to concerns which had prewar incomes. It operates, however—and it was the operation that I had in my mind, and that caused the confusion in the expression—so that the old businesses of the country, the businesses largely capitalized, are exempted as to 10 per cent, whether they earned it before the war or not; and in effect as to a great mass of industries in this country it simply operates as a 10 per cent deduction and a tax of 80 per cent on the amount above that. But if the concern was fortunate enough prior to the war to earn more than 10 per cent, then it is exempt, whatever it earns, from this 80 per cent tax, but not less than 10 per cent.

The next is an exemption of 8 per cent of the invested capital. On the earnings above 8 per cent and not above 20 per cent of the invested capital the tax is 30 per cent. Above 20 per cent of the invested capital the tax is 60 per cent; and virtually, as stated in the bill as it came from the House, the tax is levied on the income measured by whichever one of these plans will produce the most revenue.

Mr. President, to my mind that kind of a tax is inequitable; it is harmful; it is going to destroy the future progress and development of this country. It destroys individual initiative. It absolutely prevents the investment of money in some of the most essential industries of this country. It takes no reckoning of the difference between safe investments and hazardous investments. In my State to-day the merchants and the stockmen are paying 8 and 10 per cent interest on money with which to do business, and to give them only an exemption of the interest rate is simply to discourage and deter business in such circumstances. We all know that prior to the war, and even now, the stocks of some of the old, stabilized industries of the country were and are selling upon less than a 6 per cent basis. Why? Because the experience of years has made the investment absolutely safe. To put money into a concern of that sort is almost equivalent to buying a Government bond; and so the man who does it, who knows that his money is safely invested, is willing to derive only the limited rate of interest. But take the man who is going into a new industry, where the field is unexplored, whether it be in one section of the country or the other. Will he put his money into the enterprise if he can only hope to earn a paltry 8 per cent? Take it in the mining industry. Will a man venture a dollar in a mine if he can only hope to retain 8 or 10 per cent of his earnings? The reason of it is that there is more than a dollar put into the ground and lost for every dollar that is taken out of the ground; and unless there is some unusual reward no man will take the risk of venturing into such an industry.

Mr. SIMMONS. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SIMMONS. Has the Senator taken into account a very important fact, to my mind, in that connection? He has referred to the 8 per cent interest charge paid in his country. Has he taken into account the fact that in addition to the flat exemption of 8 per cent upon the invested capital the 8 per cent interest that the operator he has spoken of who borrows money has to pay is also allowed him as an additional exemption? That is to say, before his income is assessed any interest charge that he may have paid is deducted.

Mr. JONES of New Mexico. The Senator is quite right; and just in that connection I want to observe that every one of these old, stablized concerns which borrows money has a right to deduct the amount which it pays in interest when we come to consider its income. So in that respect the one industry is on precisely the same plane as the other.

Mr. SIMMONS. I ask the Senator to take into account another fact. Where there is a new industry we allow a flat exemption of 10 per cent, but we allow the new industry also the privilege of what we call the earnings of representative concerns—that is to say, we give the new business, whatever it represents, what is allowed to representative concerns engaged in like or similar business.

Mr. JONES of New Mexico. The Senator is quite right.

Mr. SIMMONS. That enlarges the deduction which a new concern is entitled to.

Mr. JONES of New Mexico. It helps out in that individual case, and it is one of the remedial measures in the bill to which I intended to call attention a little later. The bill as it comes from the House makes a far greater inequality than the bill now presented to the Senate, and for such remedial measures as the Senator from North Carolina has now referred to I think many concerns in the country will be exceedingly grateful. But that does not alter the fact that there are still inequities and injustices in the bill.

Mr. SIMMONS. I wish to say, and the Senator is entitled to have it said, that in my judgment when the Senate committee changed the House proposition, which was to allow new business an exemption of only 10 per cent and allowed it the exemption that representative concerns were entitled to, one of the most important relief measures that the Senate committee has provided was incorporated in the bill, and I want to add that it was incorporated into the bill at the instance of the Senator from New Mexico. I think the country is entitled to give to him credit, and ought to give him credit for that very excellent relief amendment.

Mr. JONES of New Mexico. I thank the Senator for his very complimentary reference. I am thankful to the committee for the very many meritorious features of the bill, but I still feel that I would be derelict in my duty to my constituents and my country if I did not call attention to other inequities in the bill which in my judgment could be remedied and ameliorated.

Of course, as is suggested to me, these remedial features are not yet the law; we do not know what may occur in conference, but I do want to make an earnest appeal to the conferees on the part of the House to retain these provisions in the bill. I know the conferees on the part of the Senate will do all that they can in that direction, but for the good of the country and for the good of business, I appeal to the conferees on the part of the House to permit these remedial features to remain in the bill.

Mr. President, that does not alter the fact that a national bank, the good old Chemical National Bank, that we have known of all our lives, with its stock selling for $4,000 a share, and on a basis of a dividend return of only 4 or 5 per cent upon the investment, is entitled to the same exemption from excess-profits taxes under this bill as the other concern which has gone out into the mountains or upon the plains of the country and developed the natural resources of the country which have been so essential in the conduct of this war.

Is that right? There is only one excuse on earth for the provisions of the bill in that respect, and that is absolute necessity. If we have got to raise the money in that way, I say the business men of the country will stand it; they will stand anything to pay the expenses of the war; they will stand it for the year 1918, but I want to say that they will not stand this discrimination for long, and the Representative in Congress or the Senator or the party which tolerates such inequities will soon be deprived of power.

Mr. President, there are a great many remedial measures which have been brought into the bill. I shall not take the time to refer to them. I wish I did have the time, because I think the country ought to know that we have at least tried to do something to equalize conditions and that we have partially succeeded. For instance, under the present law if a man discovers a mine or if he discovers oil he may have made a failure all his life until to-day. He finally makes a strike. He makes a discovery. The cost of the particular discovery may not be large; it may be nominal. Under existing law if he sold the property the next day for a million dollars the whole million dollars would be considered as income and subjected to these high taxes. We have changed that in this bill. We have provided that in such circumstances he shall be credited with its then value, and if he sells it the tax shall not exceed 20 per cent of the proceeds of the sale. But I call attention to the further fact that if he does sell it and a man puts his money into the operation of the mine, puts it in the operation of the oil well, he does not know when the vein is going to stop. He does not know when the flow is going to cease. But under the bill he is entitled to only the same deduction from excess-profits tax as the man who owns Chemical National Bank stock. Is that right? I am willing to bear the burden for the year 1918 because it is almost ended. The business of the year has been done, the money has been earned; it was earned during the war; and we are willing to pay that money to the Treasury. I say "willing"; I think the people will stand it; but I think there will be complaining, and I think there will be just complaining. I wish we might change it.

But for one I am willing to compromise by saying that the provisions of the bill, harsh as they are, shall apply to the earnings of 1918. However, I do not want to say to the hardy manhood of this country, "If you go out into a new enterprise, if you go into a hazardous industry, hoping to derive a reward from your efforts, you shall be treated only upon the same plane as the man who suffers no risk, who sits by his own fireside and clips coupons."

Mr. SIMMONS. If the Senator would not consider my interruption out of order, I should like to make just one suggestion to him. The Senator has spoken of a case where a mine can be sold and where a flat tax is imposed of 20 cents instead of 25, but he says if the owner of that mine, not having sold it, should operate it, the mine might soon be exhausted and the capital would all be gone. I understood that to be the suggestion of the Senator. I ask the Senator, is it not a fact that one of these amendments which he has so heartily indorsed provides in that case for an amortization to the full extent of the cost of the mine and its development?

Mr. JONES of New Mexico. I am glad the Senator has referred to that again. I think it is just one of those cases which probably points to the reason why we have been unable to get more relief in the bill for the hazardous industries. The question of the Senator contemplates that the mine shall be exhausted in the ordinary and expected course of operation. He loses sight of the fact that you never in the operation of mines know when the ore is going to stop; you never know of a mine when the cost of production is going to be beyond the selling price. There are hazards innumerable in connection with the mining industry which I do not believe Senators from other sections of the country understand. If they did understand them, I am satisfied that they would be willing to grant more relief. It is because, in my humble judgment, these things are not understood that I am here now trying to let the Senate understand and the country understand.

For the calendar year 1919 I have prepared an amendment which I am going to offer. Under that amendment we will raise just as much revenue through what is called the excess-profits tax of the bill as we do under the provisions of the reported bill, and, in my judgment, it would be acceptable to all the interests of the country; at any rate, I believe it will be acceptable to every honest-minded business man in the country. Bear in mind that the receipts of the next year are going largely to pay war expenses. Bear in mind also that thousands and thousands of the war contracts will expire next year; will be settled up next year; the profits will be derived next year. I believe the people of the country will stand an excess-profits tax; they will stand a war-profits tax; but, Senators, if we can raise the amount of money and have the result of it—a war-profits tax proper—then, I say, let us do that. So I have prepared an amendment to this effect, that the exemption from the excess-profits tax shall be the average earnings of the concern for the three years prior to the war. If it is an old, stabilized industry can it not afford to be limited at this time to the average earnings in its experience for three years prior to the war and give the balance, if need be, to the Government? But I do not ask for all the balance. We know that business was prosperous in this country, generally speaking, during those years. We know that the country progressed during those years. We know that there was development during those years; and if our taxes do not touch such profit we have every reason to believe that the business of the country will continue to prosper. I take into consideration that during the year 1919 the earnings of corporations and businesses generally will not be as large as in 1918, but if we give them every dollar that representative business earned prior to the war and tax the additional earnings 70 per cent, we will still raise a billion and a quarter dollars. That is the estimate of the experts.

This proposed amendment of mine allows to every concern its average profits for the three years' period, not exceeding 20 per cent. There is but one other limitation. The limitation is in the other direction. It provides that no concern shall be forced to pay any tax unless its net profits are above 6 per cent. Between those rates the concern will hold exempt from this tax everything that it earned before the war. I believe that concerns which were earning 20 per cent and more before the war are willing that all above 20 per cent may be subject to this tax.

As to the new business, business which was not earning before the war, and parenthetically I wish to say that 25 per cent, or one-fourth of all the corporations in this country to-day, have come into existence since the war, those new concerns are going to be permitted to have exempt from this excess tax just as much as the representative business of the entire industry prior to the war. Is not that fair, when we provide for a tax upon new business only if it is making more than the representative level before the war, and the old business can keep all it made or as much as it made before the war, provided it does not exceed 20 per cent upon the invested capital? The English war-profits tax law permits exemptions in the more hazardous industries equal to 23½ per cent of the invested capital. The tax is imposed only upon strictly war profits and the rate is 80 per cent. The method I propose relieves the Treasury Department of very great embarrassment. As far as invested capital is concerned, of old business you only have to consider two limitations, whether it is under 6 per cent or above 20 per cent. It will be found easy of administration, because under the bill as it is now framed all the new corporations are to receive the exemption of the representative business. You have got to find

under the reported bill what the earnings of the representative business were before the war in order to fix a tax upon one-fourth of all the corporations of the country, and while you are classifying and fixing that rate for the one-fourth of all the corporations—over 100,000 in number—why not, after you have found out what it is, apply it to all corporations which fall in those classes under my amendment and let them all be treated alike?

Mr. TOWNSEND. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. TOWNSEND. Would it disturb the Senator if I presented here a letter on this subject which I have received from the Calumet & Arizona Mining Co.?

Mr. JONES of New Mexico. Not at all.

Mr. TOWNSEND. The letter is as follows:

CALUMET & ARIZONA MINING CO.,
Calumet, Mich., December 16, 1918.

DEAR SIR: On examination of House bill 12863, Report No. 617 of the Committee on Finance, being "An act to provide revenue, and for other purposes," I call your attention to section 311, covering the war-profits credit.

Section (a) gives to old corporations a credit equal to the average net income of the corporation for the prewar period. But if the corporation had no income for the prewar period this credit is limited by section (b) to 10 per cent, and if it is a new corporation not in existence during the prewar period it is placed upon the same basis as corporations having prewar income and is allowed a credit of the same percentage as corporations having prewar income.

There are many mining companies that were organized long before the prewar period which had no earnings whatever during the prewar period, but were prospecting and developing their properties and preparing for the time when there might be some income. Such corporations are placed at an undue disadvantage over old corporations and are not allowed a credit which other corporations in like business are allowed before assessing a war tax.

For a concrete example use our New Cornelia Copper Co., which was organized in 1909 as a successor to several corporations which had been developing a copper property in Arizona prior to that time. The new corporation continued to develop the property from its organization, but had no income during the prewar period and was not a producer of copper during that period. Later development both on the property, ore bodies, and in the method of treatment of ores since that time have developed a very valuable mine. As a matter of fact it is the only new producer of copper in the years 1917 and 1918, or during the period since the United States entered the war, to add a considerable tonnage to the supply of copper. It began production on a considerable scale in June, 1917, and since that time has produced about 70,000,000 pounds of copper.

Under section 311 other copper-producing companies will be allowed from 50 to 200 per cent credit before the war tax can attach; in other words, they will pay an excess-profits tax but no war tax. These companies also had the benefit of the high prices of copper prior to the entrance of the United States into the war and prior to the time when the price of copper was fixed at 23½ cents a pound.

This new company has sold all the copper which it produced at the price fixed by the Government and has no war profits; yet on account of the wording of the act it would seem that it would be compelled to pay a war-profits tax of 80 per cent, and if forced to pay such a tax at the present time, it would be practically thrown into bankruptcy, as its income of the past year has been barely sufficient to pay the debts incurred to enable it to become a producer.

Is there any reason why corporations having no prewar earnings should not be placed in the same class as corporations not in existence for at least a whole year during the prewar period?

I suggest the elimination of paragraph (b) of section 311 and the amendment of paragraph (c) to read substantially as follows:

"If the corporation had no net income for the prewar period, then the war-profits credit shall be the sum of one and two."

This would place old corporations having no prewar earnings and new corporations, which, of course, could have no prewar earnings, in the same class, and place them on an equality with old corporations having prewar earnings.

I believe that you will see the justice of this and sincerely hope that you will use your best efforts to secure the amendment of the bill accordingly.

I also desire to register a protest against those provisions of the act which extend these taxes through years subsequent to 1918.

Very sincerely, yours,

GORDON R. CAMPBELL,
Secretary.

Hon. CHARLES E. TOWNSEND,
United States Senate, Washington, D. C.

I present this letter because it seems to me to have been intelligently written and bears understandingly on the question.

Mr. JONES of New Mexico. I am very glad the Senator has contributed that information to this subject.

Mr. SIMMONS. If the Senator will pardon me, I do not know whether I caught the latter part of the statement correctly or not, the statement with reference to earnings last year——

Mr. TOWNSEND. Of the prewar period, the same as we make the distinction for gas and oil.

Mr. SIMMONS. Does that statement refer to the prewar period or the last year?

Mr. TOWNSEND. The prewar period. All the period up to 1917.

Mr. SIMMONS. I understood the letter read by the Senator to refer to the earnings last year, and the statement, as I understood it, was that the expenses of operation had practically consumed the entire profits of last year.

Mr. TOWNSEND. No.

Mr. SIMMONS. I was going to suggest if that is true the writer of the letter stated himself out of court.

Mr. TOWNSEND. No; he does not state that. He states that this corporation was organized in 1909, and up until 1917 it had produced no copper, but at that time it did commence to produce copper on a paying basis and had produced large amounts of it since; that it would have no prewar profit and all its earnings this year would have to be exhausted in paying the debts which were incurred during the time it was not a paying proposition.

Mr. JONES of New Mexico. I am not sure that I understand the case presented, but I call the attention of the Senator to the fact that that particular case in some degree at least seems to be met by the remedial features of the bill.

Mr. SIMMONS. It would have the benefit of the prewar earnings on like business.

Mr. TOWNSEND. Nineteen hundred and seventeen and 1918 were the only years when it made a profit.

Mr. JONES of New Mexico. Under my amendment it would have the benefit of prewar earnings on like business, and, in addition to that, if it made an absolute loss in the year 1917, under the provisions of the bill it would be entitled to deduct the amount of that absolute loss from its income of this year before the question of taxes was considered at all.

The amendment which I offer is as follows:

PROFITS TAX FOR 1919 AND SUBSEQUENT YEARS.

SECTION 301.

Page 84, line 21, strike out, after the word "to," through line 3, on page 85, and insert in lieu thereof the following: "70 per cent of the amount of the net income in excess of the war-profits credit as determined under section 313."

Page 85, line 6, strike out "or (b)."

SECTION 311.

Page 89, line 8, after the word "That," insert the words "for the purpose of the tax imposed by subdivision (a) of section 301."

SECTION 313.

Page 92, after line 2, insert a new section, as follows:

"SEC. 313. (a) That for the purposes of this section the term 'trade percentage' means the percentage relation of the average net income to the average invested capital for the prewar period of corporations engaged in a trade or business of the same general class as that conducted by the taxpayer, but shall in no case be less than 6 per cent or more than 20 per cent. The trade percentage for each class of trade or business shall be determined by the commissioner upon the basis of data contained in returns for the taxable year 1917 made under Title II of the revenue act of 1917 and returns for the taxable year 1918 made under this act, and the determination of the commissioner when approved by the Secretary shall be final.

"(b) For the purpose of the tax imposed by subdivision (b) of section 301, the war-profits credit shall consist of a specific exemption of $3,000 plus the greater of the two following amounts:

"(1) An amount equal to the trade percentage of the invested capital of the taxpayer for the taxable year.

"(2) An amount equal to the average net income of the taxpayer for the prewar period plus or minus, as the case may be, an amount equal to the trade percentage of the difference between the average invested capital for the prewar period and the invested capital for the taxable year. If the tax is computed for a period of less than 12 months, such amount shall be reduced to the same proportion thereof as the number of months in the period is of 12 months.

"A foreign corporation shall not be entitled to the specific exemption of $3,000."

In this connection I wish to emphasize the importance of that remedial feature of the bill. It was discussed on Monday or Tuesday to a considerable extent in the Senate, and I want to call attention to that discussion. Under that provision of the bill, which has already been adopted by the Senate, if there were losses during the year prior to the taxable year, those losses may be recouped from the income of the taxable year before the net income on which taxes are imposed is ascertained, and likewise if they shall pay taxes this year and make absolute losses next year, then the concern may have its taxes for this year readjusted so that during a three-year period there shall be just and equitable balancing of taxes. I think that is a highly commendable feature of the bill.

Mr. SIMMONS. If the Senator will pardon me, what the writer of that letter speaks of as a hardship might possibly have occurred under the bill as it came to the Senate, but I think the Senator from New Mexico will agree with me that under the amendment we have made to the bill relating to industries of that kind, and I think the Senator will agree with me further that we have been very liberal to that class of industries, that sort of a result could not possibly happen now.

Mr. JONES of New Mexico. It certainly could not. I think that class of cases has been reasonably cared for in the bill.

Mr. THOMAS. By the amendments?

Mr. JONES of New Mexico. By the amendments which have been put upon it in the Senate committee and already adopted by the Senate.

I wish to insert at this point, if I may, sections 327 and 328 of the bill without reading them. They cover a great many

remedial features of the bill which have not been expressly referred to.

The PRESIDING OFFICER. Without objection, the sections will be inserted.

The sections referred to are as follows:

SEC. 327. That in the following cases the tax shall be determined as provided in section 328:

(a) Where the commissioner is unable satisfactorily to determine the invested capital as provided in section 326;

(b) In the case of a foreign corporation;

(c) Where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and bonds and the commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively;

(d) Where, as compared with representative corporations, engaged in a like or similar trade or business, the taxpayer would (under sec. 326) be placed in a position of substantial inequality, because of the time or manner of organization, or because the actual value of the assets on March 1, 1913, was substantially in excess of the amount at which such assets would be valued for the purpose of computing invested capital under the provisions of section 326;

(e) Where the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business because:

1. The capital employed, although a material income-producing factor, is very small or is in large part borrowed;

2. There are excluded from the invested capital as computed under the provisions of section 326, intangible assets of recognized and substantial value built up or developed by the taxpayer;

3. The net income for the taxable year is abnormally high due to the realization in one year of (a) gains, profits, or income earned or accrued during a period of years or (b) extraordinary gains or profit derived from the sale of property the principal value of which has been demonstrated by prospecting or exploration and discovery work done by the taxpayer. When the tax is determined under this paragraph proper allowance shall be made for the taxes which would have been payable in prior years if the gains, profits, or income earned or accrued in such years had been taxed at the rates then applicable;

4. Proper recognition or allowance can not be made for amortization, obsolescence, or exceptional depletion due to the present war, or to the necessity in connection with the present war of providing plant which will not be wanted for the purpose of the trade or business after the termination of the war.

SEC. 328. (a) In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year as the average tax of representative corporations engaged in a like or similar trade or business bears to their average net income (in excess of the specific exemption of $3,000) for such year. In such cases the commissioner shall compare the taxpayer only with representative corporations whose invested capital can be satisfactorily determined under section 326, and which are, as nearly as may be, similarly circumstanced with respect to gross income, net income, profits per unit of business transacted and capital employed, the amount and rate of war profits or excess profits, and all other relevant facts and circumstances.

(b) For the purposes of subdivision (a) the ratios between the average tax and the average net income of representative corporations shall be determined by the commissioner in accordance with regulations prescribed by him with the approval of the Secretary.

(c) The commissioner shall keep a record of all cases in which the tax is determined in the manner prescribed in subdivision (a) containing the name and address of each taxpayer, the business in which engaged, the amount of invested capital and net income shown by the return, and the amount of invested capital as determined under such section. The commissioner shall furnish a copy of such record and other detailed information with respect to such cases when required by resolution of either House of Congress, without regard to the restrictions contained in section 257.

Mr. JONES of New Mexico. I do want to call attention to two special classes of enterprises which are not cared for in the bill, one of them being extremely important; that is, an irrigation company. We are wanting to develop irrigation in this country just as much as we can; but under the existing law and under this bill as now presented the process would be about like this: A man would have a piece of land; he would borrow enough money to construct the irrigation works, which would amount to thirty, forty, fifty, seventy-five, or perhaps a hundred dollars an acre; he would give a mortgage upon the property. The mortgage would provide that all of the proceeds of the sale of land would have to be applied to the payment of the mortgage. That is the usual provision in such mortgages; it is the usual course of business. Under the rulings of the Treasury Department, and I think legally so, whenever he sold his first 80 acres or his first section, if the total proceeds of that, after deducting the actual cost of the land, were more than enough to pay his running expenses for the year, he would be taxed upon the balance as net income. Anybody who has had any practical experience with irrigation enterprises knows that that thing will not work out; that if the law remains in that form there will never be another irrigation enterprise in the West built by private capital.

The truth of it is that when you start in upon an irrigation enterprise it is treated as an entire project; it must be viewed from only one standpoint; and that is the final result. You may sell your land along for years, but you are still in debt; you have not had returned to you the original value of the land; you have not even paid your mortgage until you have sold enough to do those things, and there is not a possible dollar of income or profit in the business until after the mortgage is paid and the original investment is returned.

After that time everything that comes in may very well be considered income, but you never know whether you are going to reach that stage or not. There have been far more failures in irrigation enterprises than there have been successes, and to say that a man makes an income while he is still trying to get people to settle on the land and to pay for it while they are still subduing the wild soil is a great mistake. It is an absolute deterrent upon an enterprise of that kind.

As I have already stated, you will never hear of another such enterprise unless the provisions of the reported bill be changed. The war is over. Let us look to the future; let us encourage these industries; let us at least give the promoters of those enterprises a chance to make homes for the soldiers who are returning from the war.

Mr. KING. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I yield.

Mr. KING. I should like to ask the Senator from New Mexico whether the Committee on Finance placed the same construction upon this proposed act which the Senator from New Mexico now places upon it, and whether they did not conceive that the result of this act would be as just indicated by the Senator from New Mexico? Let me say that it seems to me manifest that those results will follow, and in view of that fact the Senate, if it wants to deal fairly with this subject, if it wants to permit the development of the West, must of necessity accede to the amendment which the Senator from New Mexico has suggested.

Mr. JONES of New Mexico. Mr. President, I do not like to discuss in the Senate what occurred in the committee, but I am sure, if the committee could have found some general provision which would have cared for this situation, the committee would have tried to have adopted it, but apparently the committee was unable to do so. Now, what I am proposing to do is to put irrigation company enterprises and town sites, which are handled in the same way, in a class by themselves, and an amendment is now being prepared by one of the experts to do that. I certainly hope that when it is prepared the committee itself will meet and recommend its adoption.

Mr. SIMMONS. I will state to the Senator from New Mexico that the committee considered an amendment this morning that may in a measure meet the objections of the Senator.

Mr. JONES of New Mexico. I am sorry to say, Mr. President, that I could not attend the committee meeting this morning, although I believe I have attended about as many meetings of the committee as has any other member of it, with the possible exception of its chairman. I was busy collating data for the present discussion.

Mr. SIMMONS. I think the Senator's statement in that regard is correct.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. GRONNA. Mr. President, I am very much interested in the discussion of the Senator from New Mexico. He is a member of the Committee on Finance, and, of course, thoroughly understands this bill, but it is possible that I misunderstood his statement.

In speaking of an irrigation enterprise and of one who might own the project, is it not true that under the provisions of this bill the owner of the project would be allowed credit for whatever interest he pays?

Mr. JONES of New Mexico. Yes.

Mr. GRONNA. Is not the Senator from New Mexico overlooking that fact?

Mr. JONES of New Mexico. No; I am not overlooking that fact at all. Of course the mortgage itself would provide that the interest would have to be paid; and that concern in that respect is on precisely the same plane as are all other business concerns.

Mr. GRONNA. Now, if the Senator will pardon me further, the Senator is, however, overlooking the fact that all throughout the country, whether it is in the West or in the East, he will find persons who may own real estate which may be mortgaged practically for what it is worth, and yet the payments, when they are made, will be taxed; in other words, the owners of the property will have to pay the tax upon those payments, and no deductions will be made because they are indebted practically for the full amount on the real value of the land. The only deductions which will be allowed them will be for the

interest upon the debt. In what different position is the man on the irrigation project from other people, I ask the Senator from New Mexico?

Mr. JONES of New Mexico. Mr. President, the Senator from North Dakota has presented a most interesting question, and I do not know how to deal with it; I mean I do not know how that matter should be dealt with, generally speaking; but the case mentioned by the Senator is different from that of an irrigation enterprise or a town-site company, for the reason that the total income in the case of the irrigation concern and of the town-site company is derived from the sale of a part of the investment, a part of the property, while, in the case of the farmer, the return comes from the cultivation of the soil. The farmer is not selling any part of the land; he is not parting with it. The question which the Senator raises is a very important one, and I can give him other illustrations.

A man will buy a herd of cattle and may mortgage the herd for three-fourths of what it is worth. When he makes a partial sale of the cattle he has got to apply all of the proceeds of the sale to the payment of the mortgage. And you find the same difficulty where you are selling in the usual course of business; you may apply that to a case where a man will buy a thousand shares of stock and will sell only a hundred shares of it. He may have a mortgage on the balance for nearly its full value. So the Senator must realize that there are situations which can not be relieved against without bringing about other abuses which are much greater, and this is one of them. I wish I could deal satisfactorily with the problem which the Senator from North Dakota has presented, but I do not know how to do so without bringing about a situation which would be worse than is the evil complained of.

Mr. GRONNA. Mr. President, I do not wish unduly to disturb the Senator from New Mexico in his argument, but I desire to say that I do not think I made myself quite clear to him.

I am very glad to hear that the Senator is willing, as he always is, to remedy any evil which exists; but suppose the owner of real estate does not himself farm the land, but sells it on crop payments, which is the custom in nearly all of the Western States. The owner of the land is in debt for practically all the land is worth, but when payment is made to him, he must pay the taxes on that money. Now, in what different position is the owner of an irrigation project from that of the owner of the land to which I refer?

Mr. JONES of New Mexico. May I inquire of the Senator from North Dakota whether he is now referring to the man who purchased the land under the circumstances which he has stated?

Mr. GRONNA. No; I refer to the man who sells the land and gets no return from it except the payment. He sells it on time.

Mr. JONES of New Mexico. But if he sells it on time he gets the interest on his mortgage?

Mr. GRONNA. Yes; that is true.

Mr. JONES of New Mexico. And he gets his share of the crop?

Mr. GRONNA. The only share he gets of the crop is the payment, or at least a part of his payment, which is applied to the principal, and while he gets interest, he also pays interest, just as a man does who may own an irrigation project.

Mr. JONES of New Mexico. Well, if he gets interest he is entitled to have any payments of interest deducted.

Mr. GRONNA. He receives the interest from the party to whom the land is sold, but he also pays interest.

Mr. JONES of New Mexico. Then the payments would undoubtedly offset each other if they were of like amount.

Mr. GRONNA. I am not speaking of interest, I am speaking of the capital. That will be assessed as income, and whoever receives it must pay the tax upon it, according to the pending bill.

Mr. JONES of New Mexico. I do not know that I have the case in mind as the Senator from North Dakota presents it or as the Senator has it in his mind. I really do not see where there would be much injury in the case he cites, because there must be absolutely net income before there can be any tax collected on it, and the exceptions in this bill from the gross income are very great, indeed. I think they cover the case mentioned by the Senator from North Dakota. I think the payer of interest would be entitled to deduct that from any of his income before the tax would apply; but if he receives interest, of course that interest would become a part of his income.

Mr. GRONNA. I am referring to the capital.

Mr. JONES of New Mexico. Well, if it is capital, then it is not considered as income at all, unless there is a profit in the transaction. When a sale is made and the proceeds are received in payment, there is no tax upon that unless it is sold for more than was paid for it.

Mr. GRONNA. That is exactly it.

Mr. JONES of New Mexico. And if the man sells it for more than the difference, of course it becomes income and is subject to tax.

Mr. President, I am sorry to have consumed so much time, and I am going to hasten just as much as possible with the other points which I have in mind.

I desire to call attention at this point to certain injustices as between corporations and individuals. I think I have shown, in certain cases, at least, discrimination. Now, I propose a remedy for that, and one which I believe will be very far-reaching in its effect. No man up to the present moment has suggested any reason which is convincing, to me, at least, as to why it should not be adopted. Last year under the present law we imposed excess-profits taxes upon individual business, upon partnership business, and upon corporate business all alike, so there is no obstacle to imposing an excess-profits tax upon partnerships and individuals. We also provide in this bill that certain corporations, where personal service is the principal source of income, may make a return as partnerships. Is there any reason on earth why partnerships which are discriminated against and why an individual in his business who is discriminated against should not make their returns as a corporation? I do not know of any. If there is a discrimination as between corporations and partnerships, why should not the corporation be permitted to make a return as a partnership? I do not know of any reason why it should not be done.

I can give you concrete cases where one business, which is a corporation on one side of the street, will pay one tax under this bill, and where a business concern doing a similar business on the other side of the street as a partnership will pay another, and where the discrimination is over a million dollars. Why not permit a partnership to make a return as a corporation, so far as its business is concerned, and if the inequity is the other way, why not permit the stockholders of a corporation to make return as a partnership?

Under this bill it may very well be said that, taking corporations as a whole and taking individuals and partnerships as a whole, one class of enterprises will bear probably as much taxes as the other, but the trouble comes from the fact that in the case of corporations only a small percentage of them will pay any excess-profits tax. Take the old stabilized industries, which make normal earnings but which are not earning above 10 per cent. They pay no excess-profits tax, or, if they pay any, it is very small; but the same kind of a concern doing business as a partnership on the opposite side of the street will pay surtaxes reaching up to 50 or 75 per cent. Is that right? Should not the one be able to make the same kind of a return as the other if it wants to do so? Give it the right to elect. By that process you will simply put competitors upon the same footing, whether they are partnerships or corporations or individuals. If they are competitors and earn the same amount of profits, simply put them upon the same basis. Can anybody suggest a reason why that should not be done? There is no difficulty in administration. The effect of this reported bill is to discriminate against the partnership which does not earn any excess profits and against the individual who does not earn any excess profits. Why not put them on the same plane? Therefore, I have prepared a couple of amendments dealing with that subject, providing that a corporation may make a return as a partnership, and that individuals and partnerships may have the right to make returns on the same basis and be subjected to the same tax as a corporation.

Mr. KELLOGG. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. KELLOGG. If a partnership should make a return as a corporation, then you would exempt the individual partners from any income tax?

Mr. JONES of New Mexico. Precisely.

Mr. KELLOGG. Would you consider the sums paid out to the partners as dividends?

Mr. JONES of New Mexico. That would be the effect of it.

Mr. KELLOGG. But they would pay an income tax on their dividends.

Mr. JONES of New Mexico. Yes, sir; whatever they withdrew from the business would be the same as dividends from the corporation.

Mr. KELLOGG. Under the present bill, as a whole, I do not see how it can be said that partnerships are discriminated against, because we simply tax the income as an income derived by the individual partners, but do not attempt to levy upon them an excess-profits tax.

Mr. JONES of New Mexico. I will explain the matter to the Senator in just a moment. I was going to call attention to a very great advantage in making returns as a corporation. Under this bill, if a corporation pays no excess-profits tax, all the tax that it pays is the normal tax. If a partnership has a large capital and earns precisely the same amount annually as the corporation, all the individual partners must pay high taxes. As an illustration we will take two concerns with a capital of $1,000,000, one a partnership and the other a corporation. Each earns $100,000 or, we will say, $80,000 because of the excess-profits exemption.

The corporation will pay only 12 per cent on that $80,000, or $9,600, while in the case of the partnership, if there are two partners, each partner will be taxed on $40,000 of income whether taken out of the business or not, and on an income of $40,000 under this bill the taxes reach up to 30 per cent, and each one of them would pay up to 30 per cent on his return.

Mr. KELLOGG. That is only in case the corporation does not declare any dividend; but if it declares dividends the stockholders have to pay their individual taxes on the income derived from the dividends.

Mr. JONES of New Mexico. The Senator is quite right; but I wish to tell the Senator that experience shows that, taking all the corporations in this country during last year and the year before, at least 50 per cent of the earned profits were not distributed in dividends; or, in other words, last year out of total profits of corporations amounting to $10,000,000,000, $5,000,000,000 remained in the treasuries of the companies and paid no surtax on the part of the stockholders, and, unless they paid an excess-profits tax, paid no tax at all other than the normal tax.

I call the attention of the Senator to the further fact that not only can a corporation fail to distribute its income and avoid any tax except the normal tax, but under this bill and under the present law it can add the retained income to its capital and receive exemption upon that for the next year. The fact is that last summer I called the attention of the Senate as graphically as I could to that situation. Unfortunately it was noised throughout the country that I wanted to impose a tax upon all accumulated surplus and undivided profits. Senators know that I did not want to do anything of the kind; that I proposed to put a tax simply upon current income so as to meet that situation, so as to have it operate as at least a partial surtax on the undistributed profits to equalize them with the surtaxes which individuals would pay or which individual stockholders would pay if that money were distributed. That retained income amounted to $5,000,000,000 last year, and under this bill that $5,000,000,000 now is added capital, and will have an exemption from the taxes this year of 8 or 10 per cent, whichever it may be.

So I appeal to Senators here to consider the question whether the House provision should not be adopted. Acting upon the case which I presented here last year, the House has partially met the situation. It imposes a tax of 6 per cent additional to the normal tax of 12 per cent on undistributed corporate income, but took the substance away by providing that it should not apply to earnings paid out on indebtedness or profits invested in Government bonds. It would not give an individual the right to pay his debts out of his income before his income is taxed, but it gives to the corporation the right to retain its income and to pay only a normal tax on the amount which remains after paying its debts or paying off its bonded indebtedness.

Mr. President, I am going to vote for the House provision of this bill in that respect; and I will propose another amendment to this bill which will meet the situation partially. Under this bill, as I have said, the undistributed dividends are added to the capital as a basis of exemption the next year. What I propose is that earnings since December 31, 1916, and up until the end of this year, shall not be added to capital for the purposes of exemption. That little amendment will add to the revenue of the Government a little over $100,000,000. The corporations retained the earnings in the first place for the purpose of preventing surtaxes being paid upon them. They have not only done that, but they have been adding that to capital, and they are now claiming their exemption of 8 or 10 per cent upon it from the taxes imposed under this bill. I say that is not right. If you have raised enough revenue without it, take the taxes off of commodities and leave that tax of $100,000,000 upon those earned profits which have been undistributed and which have only paid a normal tax.

Mr. President, it is said that ultimately these profits will be distributed. We have taxed stock dividends, but I want to say there will never be any stock dividends, the corporations will not declare any if they are subject to tax, and my judgment is that it will not be long before the Supreme Court will declare that such a tax is unconstitutional, for a stock dividend is a division of capital and not of profit or of income.

Now, Mr. President, I am going to close; but I do want to say just a word about the provision in this bill for taxes for the calendar year 1919.

In England, where they have had an income-tax law for over 60 years, the income tax has always been provided in advance of the earnings, so that anybody who was going to earn profits subject to an income tax knew at the beginning of the year just what he would have to pay on his profits earned during the ensuing year; and everybody knows that when a business man begins business the very first thing he does is to estimate the taxes he will have to pay. When he goes to mark his goods he includes in the mark upon every piece of goods the estimated tax upon conducting that business. Now, why should he not know it in advance?

I have here a little clipping, which says that last year the United States Steel Corporation overestimated its tax for the year by $36,500,000. Do you want to have anybody doing business as blindly as that—so blindly as to make a mistake, not against themselves, of course, but against the consumers, of $36,500,000?

Mr. President, I do think that for the year 1919 if we raise $4,000,000,000 that amount will be ample; and while it is a heavy load to carry, I believe the industries of the country will bear it, provided you can convince them that it is just. But I do want the committee and the Senate to consider the amendment which I have provided with respect to excess profits. I believe that if you adopt that amendment you will give hope to enterprise, you will give some encouragement to business initiative, you will enable the country to develop, you will enable new enterprises to come into existence. I do not believe, however, that we should work an injustice in any case where it can be avoided; and I appeal to Senators to give thought and consideration to these measures, to the end that enterprise may go forward, that our country may again become prosperous during this reconstruction period, and that no American citizen shall suffer an injustice through taxation.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	New	Sheppard
Curtis	Kellogg	Norris	Simmons
Fletcher	Kenyon	Nugent	Smith, Ga.
France	La Follette	Page	Smoot
Gerry	Lenroot	Penrose	Spencer
Gronna	McKellar	Phelan	Thomas
Hale	McLean	Pittman	Trammell
Henderson	McNary	Pollock	Warren
Johnson, Cal.	Martin, Ky.	Pomerene	Watson
Johnson, S. Dak.	Moses	Saulsbury	
Jones, N. Mex.	Myers	Shafroth	

Mr. McKELLAR. I announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

The PRESIDING OFFICER. Forty-two Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. CULBERSON, Mr. HARDING, Mr. KIRBY, Mr. KNOX, Mr. LODGE, Mr. MCCUMBER, Mr. MARTIN of Virginia, Mr. SMITH of Arizona, Mr. VARDAMAN, and Mr. WALSH answered to their names when called.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. There is a quorum present.

Mr. THOMAS. Mr. President, before the bill was reported out of committee I offered an amendment in the nature of a substitute for Title III, which deals with what are known as the war-profits and excess-profits taxes. The amendment, with one or two exceptions, is a rescript of the law of 1917 upon that subject of taxation as first reported to the Senate, as I now recall, in the month of July of that year. Owing to the very sudden increase in estimated expenditures, the Finance Committee then requested that the bill be returned to it for further consideration, it being necessary to provide for a larger amount of revenue than at first contemplated. When the bill was rereported and passed and went to the conference committee and was there considered the original plan of taxation upon war profits was completely transformed, and the Senate on final vote accepted the report of the committee and enacted the present so-called excess-profits system of taxation.

I did not then, nor do I now, find myself convinced of either the wisdom or the justice of the method of taxation upon which the excess-profits tax is founded; and I am somewhat gratified in having the support in this particular of the President of the

United States and the late Secretary of the Treasury, Mr. McAdoo. So fortified, I felt that the least I could do regarding the matter was to make an effort to substitute for the so-called excess-profits tax a system of war-profits taxation founded upon and analogous to the British system.

The original Senate bill of 1917 was largely modeled upon the British method of taxation. We had, therefore, and we still have, the experiences of the British Government in the administration of that law, and particularly as regards its effect upon business conditions. I am more than ever convinced, therefore, that we should adopt that system of raising extraordinary revenues, based upon unusual profits, rather than a system which in the very nature of things must be of an arbitrary nature, and which, therefore, must operate unequally and unjustly upon different corporations and individuals if the tax is carried to individuals and partnerships.

The distinction between war-profits and excess-profits taxes is nowhere stated better than by the Secretary of the Treasury before the House Committee on Ways and Means last summer. He then said:

> The distinction between a war-profits tax and the excess-profits tax is not a matter of form, but of substance. By a war-profits tax we mean a tax upon profits in excess of those realized before the war. By an excess-profits tax we mean a tax upon profits in excess of a given return upon capital. The theory of a war-profits tax is to tax profits due to the war. The theory of an excess-profits tax is to tax profits over and above a given return on capital. A war-profits tax finds its sanction in the conviction of all patriotic men, of whatever economic or political school, that no one should profit largely by the war. The excess-profits tax must rest upon the wholly indefensible notion that it is a function of taxation to bring all profits down to one level with relation to the amount of capital invested and to deprive industry, foresight, and sagacity of their fruits. The excess-profits tax exempts capital and burdens brains, ability, and energy. The excess-profits tax falls less heavily on big business than on small business, because big business is generally overcapitalized and small business is often undercapitalized.
>
> The war-profits tax would tax all war profits at one high rate; the excess-profits tax does, and for safety must, tax all excess profits at lower and graduated rates. Any graduated tax upon corporations is indefensible in theory, for corporations are only aggregations of individuals, and by such a tax the numerous small stockholders of a great corporation may be taxed at a higher rate than the very wealthy large stockholders of a relatively small corporation. The object of a graduated tax should be to make taxes fall upon the rich, who are best able to pay them. The graduated excess-profits tax disregards this and often produces the reverse result.

On the 27th day of May last the President of the United States, addressing a joint session of the two Houses of Congress, directed attention very briefly but very significantly to this unequal and unjust system of taxation. He did not, of course, go into detail, either by way of description or of definition, as the Secretary of the Treasury subsequently did, but I have no doubt that the reasons which actuated the President in condemning this method of taxation must have been the same which were afterwards stated by the Secretary of the Treasury before the Ways and Means Committee.

The excess-profits tax is a tax which must necessarily comprehend a profit over and above some fixed rate or percentage. The very term "excess" presupposes the necessity of such a condition; and the necessity of fixing an exemption percentage, to be called a normal profit, requires a definition of invested capital, and no definition of invested capital is possible for the purposes of such a tax which can satisfy everyone or operate equally and with a fair degree of justice.

To illustrate how the present law operates, Mr. President, in a single instance, public opinion for years has been aroused by, and has condemned, the undue and fictitious issue of capital stock. What is generally termed "watered stock" is banned by good business sense and by good public morals. We have enacted statutes, both State and National, to reach and control in part this tendency, but we have not been able to control it much. Now, the excess-profits tax, strange to say, so operates, under the definition of invested capital which is a part of it, as to encourage and reward the company which is overcapitalized, which is heavily capitalized, which is watered, and to punish the corporation whose capital stock is moderate in its amount, and therefore properly represents its actual capital value or investment. As a result, many corporations which have defied public opinion, many corporations whose stock consists more largely of a fictitious than of an actual issue, pay less taxes under this system than other corporations which have kept within the law, which have been conservative in their capital issues, and which have sought to harmonize the amount of their capitalization with the actual value of the capital and property invested in the business.

Upon the face of things, Mr. President, a system of taxation which in its practical operation will so result is wrong. It is fundamentally wrong; and I know of no way in which it can be corrected except by some definition of invested capital which the genius and the capacity and the experience of the Treasury experts have not yet been able to devise.

I may say here, Mr. President, that the country is under a great debt of obligation to three or four gentlemen connected with the Treasury Department, thoroughly experienced in all questions of taxation and of revenue, and who have given an amount of time and who have exhibited a capacity and an ability to handle these questions and have so handled them as to entitle them to the appreciation and the gratitude of the whole American people. I do not know what their personal opinions of an excess-profits tax may be; they have had enough to do without indulging in expressions of opinion; but I dare say that some of them who have been connected with the administration of the existing law feel just as I do regarding it.

Mr. President, the British theory of war-profits taxation does entirely away with the definition of invested capital except in so far as is necessary to reach corporations which have gone into business subsequent to the prewar period. That tax is levied not upon percentages of profit but upon actual amounts of profit regardless of the percentage as compared with invested capital. To illustrate, if during the three years which form the prewar period the normal profit of Corporation A was $25,000, and if during the taxable year the profit of the same corporation was $50,000, the war tax attaches to the addition $25,000. It takes no note whatever of the amount of capital invested. It merely considers the prewar profit, the normal profit, and the profit of the taxable year, which is the war profit, or rather the difference between which is the war profit; and the tax is then placed upon that amount without regard to the capital invested.

Of course, Mr. President, I have no idea in the slightest that anything which may be said by myself or by anyone else against so important a provision of the bill as this will have the slightest influence upon the action of the Senate. We have before us a bill which imposes a tax of $6,000,000,000, more than the amount of money in circulation, upon the productive energies of the American people; but as I discuss this very important feature I am able to count upon the Republican side five Members of the Senate and upon the Democratic side four Members of the Senate, exclusive of the occupant of the chair. That being the case, there can be no possibility, Mr. President——

Mr. POMERENE. Give us credit for the number who are here.

Mr. THOMAS. I do. I give Senators ample credit for their presence. I am not complaining in the slightest degree.

Mr. POMERENE. But there are six on this side.

Mr. THOMAS. The Senator from Ohio says that my calculation is wrong and that there are six Democratic Senators present. Neither am I complaining of these things. Whatever may be said of unpleasant and inconvenient things in the Senate, we are not obliged to stay and listen to each other's speeches. That is something from which we are fortunately relieved. Hence, Mr. President, I know I am simply wasting my sweetness upon the desert air when I attempt to give reasons for the substitute which I have offered, but I feel that, inasmuch as a permanent record will be made of what I have to say, it may possibly be that somewhere in the country the merits of the one and the demerits of the other system of taxation may be realized and to a certain degree fully understood.

Mr. President, I am not going to ask to have the amendment which I have offered read, because I think I can state the substance of its requirements and recitals with a sufficient degree of clearness and by that means very materially abbreviate the length of time that I will occupy the floor.

This proposed amendment takes the place of Title III and wipes out excess profits entirely, leaving the title to deal exclusively with war-profits taxes, and these taxes are to be levied not only upon corporations but upon partnerships and individuals as well; that is to say, upon all so-called war profits, whether they are realized by workmen, by farmers, by capitalists, by manufacturers, by partnerships, by individuals, or by corporations, because I take it that what we call a war profit as defined in our assessment and revenue laws is a war profit regardless of who may be the recipient of that profit; and wherever any individual or corporation or partnership has made a profit in excess of the prewar profit, such partnership, corporation, or individual should pay his, their, or its proportion of this extraordinary tax, because since war conditions have made these profits possible, the needs of war conditions should require the payment of a very considerable part into the Treasury.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Minnesota?

Mr. THOMAS. I yield.

Mr. KELLOGG. Generally speaking, what the Senator says about an excess-profits tax is in equity doubtless true; but

is it not a fact that under the bill substantially 90 per cent or more of the taxes paid will be under war profits instead of excess profits?

Mr. THOMAS. I do not think so.

Mr. KELLOGG. Because wherever the war-profits tax would yield more the war-profits tax applies.

Mr. THOMAS. On the contrary, we have wiped out, or supposed we had wiped out, that alternative condition by consolidating the two forms of tax. I do not want the Senator to misunderstand me. I do not say that the committee has done that. I have some doubt about it. But the committee attempted to do it, and in the opinion of a majority they succeeded.

But, Mr. President, it may be true, and for the sake of the argument let me concede that it is true, that it is the war profits rather than the excess profits which will pay 90 per cent of the revenue to be derived from this particular title; I am as much concerned about the 10 per cent as I would be if the proportions were reversed. My objection is rather to the method than to the amount of tax which may be realized under it. The one has reference to an artificial, extraordinary, and unnatural financial situation; the other is one which, without regard to war profits, levies a tax upon everything above an arbitrary percentage of profit, and it will affect corporations making more than 8 per cent or 10 per cent plus the $3,000 prior to the war quite as much as corporations making more than that since the war. In other words, it affects not war profits alone, but is liable to affect all profits whether they are war profits or not. That may be all right under the income-tax provisions of the law, but for the so-called extraordinary tax it is indefensible, in my judgment, and ought not to disfigure a great bill like this, as I am satisfied it must.

The Senator from New Mexico [Mr. JONES] spent a good part of the day in calling attention, in behalf of his amendment to this title, to the injustice which must result to many enterprises, and particularly speculative ones, from the statutory allowance by way of percentage of normal profits, which fixed at 8 per cent is applicable to institutions whose earnings of 6 per cent would be more than enough, whose earnings of 8 per cent are plenty, but also to those whose earnings of 8 per cent are not the equivalent of the risk taken by the capital invested, and which, of course, should be much greater. As you know, Mr. President, in the section of the country from which we hail [Mr. SHAFROTH in the chair] there are many enterprises sufficiently hazardous in their nature to offer no temptation whatever to capital yielding only 8 per cent net profit. If such a statute had been in existence 25 or 50 years ago, the tremendous development of that section would have been impossible through the absence of capital there. Because of the hazardous nature of the enterprises the promise of profit was not sufficient to make the risk justifiable. That, under the provisions of this bill, however, as drawn will unquestionably exist for some time and will affect parts of the country where mining of all kinds is carried on, where irrigation schemes must necessarily depend upon an extraordinarily good market, and where new enterprises, the pathway of which must be blazed in the future, may through experience realize certain profits, and therefore small ones, and which would attract capital, or large profits which need the extra inducement to secure the required investment.

The only argument I have heard to justify the excess-profits tax feature of the present law or of the proposed bill is that the war-profits tax will not reach a large number of corporations whose profits during the prewar period were abnormally large, and that as a consequence some other method of reaching them must be enacted into law. To meet that I have changed the text of the old bill by introducing on page 9 the following clause:

> (d) That if the Secretary of the Treasury finds that a corporation, partnership, or individual had a net income during the prewar period in excess of the average net income of representative corporations, partnerships, and individuals engaged in a like or similar trade or business, the war profits of such corporation, partnership, or individual shall for the purposes of this title include the amount of such excess.

In other words, if any corporation enjoying extraordinary profits because of war contracts given to them by the allies before our entry into the war would for that reason be exempt from any tax under the war-profits system of taxation, this clause will make them equally liable, since it fixes the normal profit of the representative corporations during the prewar period as the standard for the corporation which prior to the prewar period because of these extraordinary circumstances was enjoying extraordinary profits.

That feature, Mr. President, is not a unique one in this bill. We resort to that in other instances; indeed, in three or four, as I now remember. Consequently it is not an innovation. Indeed, the feature appears in the House bill in at least one instance that I recall, and I am inclined to think in two or three others. It does away with the only possible objection that could be made to the elimination of the excess-profits tax from the bill.

So much, Mr. President, for this particular amendment. I am not going to elaborate, as I intended to do, because the holidays are approaching, the Senate is impatient and a final vote upon this bill is desired, and also because the condition of my voice is such as to make it impossible, however important I may personally regard this substitute, to speak upon it as extendedly as I might desire.

Mr. POMERENE. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. POMERENE. As the Senator has not read his amendment and I have not seen it, I want to ask him a question to see whether I understand it.

Mr. THOMAS. I have several copies of it here. A page will distribute them to the Senators who are present. I think he will find there are more than enough copies to go around.

Mr. POMERENE. Assume, for the sake of the argument, that during the prewar period, if you provide for a prewar period——

Mr. THOMAS. I do; for three years prior to the war.

Mr. POMERENE. Assume that the net profits were 100 per cent on the capital stock, and that was technically what might be called an excess profit. Suppose another corporation with a similar capital stock during the prewar period had made a net profit during the three years of 10 per cent, and that during the war and due to the war it made a net profit upon that same capital stock of 25 per cent, 10 per cent of which would be due to the usual routine business, and 15 per cent of which would be due to the war. Under those circumstances, would the Senator by his amendment take a greater proportion of the 15 per cent than he would of the 100 per cent?

Mr. THOMAS. No; the same proportion. There is no graded tax provided for in this substitute. There is a flat rate of 70 per cent upon the war profits.

Mr. POMERENE. Let me ask the Senator a further question, so that I may understand the principle that is involved. I confess that theoretically there is a clear distinction between an excess-profits tax and a war-profits tax, as the able Secretary of the Treasury defines it, and I can arrive at a theoretical definition which satisfies my mind; but when it comes to the application of that definition to the business of each particular institution, I have always feared that there would be very great difficulty in the administration of the law; in other words, that it will be extremely difficult to say what shall be regarded as excess profits of a given corporation under the definition and what part of the earnings would be a war-profits tax under the definition.

Mr. THOMAS. Mr. President, the difficulties of administration of this title for the most part arose from the excess-profits division of it, not from the war-profits division of it. We have the experiences of the British Government to guide us with regard to war profits. The difficulties which the Senator apprehends have not for the most part materialized, if I am correctly informed. Their difficulties arise for the most part when they come to deal with institutions which have gone into business after the prewar period, and where a definition of capital is necessary in order to determine what their tax must be. So I think I can answer with perfect safety that, with the experiences of the British Government plus our own experiences under the existing law and with the known and acknowledged difficulties and complications which necessarily confront us under the excess-profits system, this amendment eliminates instead of increases and aggravates the difficulties with which the Treasury Department must contend in their attempt to apply the law to the taxpayers of the country.

Mr. President, I filed a minority report to this bill on my own account. I was as much alone, perhaps, in that respect as I am alone on the floor of the Senate in calling attention to it. Among the recitals of that report are outlined some objections to another title of the bill, which deals with taxes on inheritances or taxes upon estates. I voted for a motion to strike that title from the bill, which motion was rejected. I did so because I do not believe that the Government of the United States should extend its taxing power to the estates of individuals; not because I have any hesitation about taxing estates, not because I do not believe estates should be required to pay certain percentages to the Government, but because I think that that particular subject of revenue should be left to the States of the Union.

The Senator from New Mexico referred to that subject before taking his seat, and he said it would be quite as logical to insist that the tax on incomes should be left entirely to the States. It may be true that that might be done, but the reasons

upon which my objection rests would not apply to any other title of the bill.

In the first place, it is the States which are endowed with power to enact laws of descent and distribution. The Government of the United States, powerful as it is, has, up to this time, not even pretended to be invested with power to define and provide for descent of estates in Massachusetts or Colorado, and if such an attempt were made I believe that even in these days of liberal construction the Supreme Court of the United States would hold that such a power did not exist. Inasmuch as it is the States and the States alone which can prescribe rules and conditions of inheritance, therefore it is the States and the States alone which should have the power to determine what amounts of such estates shall, when called in, be paid into the local treasury.

Mr. President, taxes upon inheritances have been sustained by the Supreme Court of the United States largely upon the ground that they are not taxes at all, but rather conditions of inheritance. Being conditions of inheritance, a fortiori should the States and the States only be permitted to determine what those conditions are. I am aware, of course, that the Supreme Court has also held that a Federal estate tax is constitutional, although I never have been able to reconcile the decision in the case of Magoun versus the Illinois Trust Co. and in the Knowlton case with each other, since, if it be true that this is not a tax but a condition of inheritance, then it certainly should logically follow that only the sovereignty which has the power to impose this condition of inheritance would have the power to collect the so-called tax. So the subject matter of the tax being sui generis, I believe that the Federal Government should leave this item of taxation to the local sovereignty instead of arrogating that subject to itself.

There is another reason, Mr. President. Federal tax laws are constantly encroaching upon the domain of State powers of taxation. The imposition of Federal taxes comes in conflict—not legally, but practically—with the imposition of State taxes, and inasmuch as the Government is supreme as compared with the States, Federal taxation must necessarily supersede in time State taxation wherever the two shall so seriously conflict as to threaten the source of taxation with extinction.

The States must have revenue just as well as the United States. The municipalities created by the States must have revenue just as well as the States. It is impossible to conceive of an Anglo-Saxon community having any sort of existence without the power to levy and collect the revenues necessary to pay its actual expenses.

What are the sources of State taxation thus far left uninvaded by the Federal authority? I know of but one, and that is real estate, and even there taxes upon the incomes derived from real estate under the amendment to the Constitution are also subject to Federal taxation so far as they are regarded as incomes. The States raise a good deal of money by the imposition of licenses, principally upon cigars, tobacco, and intoxicants; but intoxicants are about to disappear and as a consequence the power to raise revenue through licenses is restricted to that extent.

Apart, therefore, from the raising of taxes by license, the raising of taxes from the sales of public property, which is so inconsiderable as not to be worth mentioning, and real estate, I know of nothing that is left excepting estates. We know that the expense of State administration is growing by leaps and bounds. I venture to say that there is not a State in the Union, I care not how economically its affairs are administered, whose actual expenses are not 30 or 40 per cent higher to-day than they were 20 years ago. I know that in the matter of municipalities, consequent upon borrowing money and making municipal improvements, taxes are very much heavier than they were even 10 years ago, and the tendency to increase is quite as obvious as our tendency here to increase the burden of our expenditures.

Mr. President, we have only begun in the levying of taxes upon estates. We have taken but one or two strides in the direction of progressively increasing rates of taxation. In all probability the next step, and it is bound to be taken, will be so considerable as to make it difficult, if not impossible, to provide for the collection of the Federal as well as the States' taxes upon inheritances. In the conflict the States must yield, and the ultimate outcome will be the imposition of all State taxes upon real estate only, and the burden of that State tax is liable to be so great as to give ground for all those social and industrial controversies and contentions which inevitably arise from the discontent of a too heavily taxed people.

This, Mr. President, is a legitimate ground for State taxation, and the Federal Government, in my judgment, is not justified in invading it, since it must necessarily, by restricting the sources of State taxation, not only increase the burden because of that fact but the burden must be increased also because of the growing expenditures. I think, therefore, that we are making a mistake, and particularly since the war is over, in not retracing our steps with regard to this basis of taxation, and leaving it, as it ought to be left, to the States to determine what the tax shall be and to collect it.

I know many fear that the great estates will escape the due burden that ought to be placed upon them unless the Federal Government imposes the tax. I have no such fear, Mr. President. The theory upon which American tax laws, State and National, is based is to impose the tax in such wise as to offend the least number of voters possible. I have heard a good deal about the theory of this bill. That is the theory of this bill. Let us levy this enormous tax so as to create as few resentments, and therefore subject ourselves to as little political danger, as possible. There is no danger of taxing the estates of dead men; they can not vote; usually speaking, their children are not old enough to vote; we consequently are within a sphere of taxation that seems to give immunity to the lawgiver; and the States will be quite as cognizant of that fact as is the Congress of the United States. Hence that circumstance, coupled with the natural tendency to place taxes upon wealth, which is perfectly proper, should rob the most apprehensive of any real, substantial fear of such a consequence if this field of taxation is not invaded by the General Government.

Mr. President, while I am on my feet—I have said practically all that I care to say with regard to the amendment and the report which I filed—I want to refer to two or three other subjects which are either in the bill or are closely related to it.

I have stated what I thought the theory of this bill was. I have heard some statements about its general policy. The only policy involved in this bill that I have been able to clearly perceive is the policy of raising $6,000,000,000. A great many objections—and I thought substantial objections—to various parts of the bill during its consideration by the committee were met with the query, "How is that going to affect the revenue? We have got to raise $6,000,000,000." I entertain an old-fashioned notion, Mr. President, that the equity and justice of the tax is quite as important as is the amount which we propose to raise, and that, in the event of a conflict between the two, equity and justice should be given first place.

The Senator from Utah [Mr. SMOOT] proposed to raise a large part of the amount which this bill covers by what is called a general sales tax. His idea was to impose a tax of 1 per cent upon retail sales throughout the country, and by that means not only raise a very considerable revenue—something over a billion dollars—but enable us to do away with those specific taxes which are more or less irritating in their operation, and which, consequently, produce much unpopularity and much resentment, and I think justly so. That proposal was not only voted down, but it is to-day objected to by the Senator from New Mexico [Mr. JONES] upon the ground that it is placing a tax upon the mouths of the people—I think that was his identical expression—in other words, it is a tax upon consumption. Mr. President, I know of no tax in this bill, with the possible exception of the income tax—and that may be transferred so far as the recitals of this bill are concerned—that is not ultimately a tax on consumption. The difference between the proposition of the Senator from Utah and the provisions of this bill is simply that the Senator from Utah proposes not to make two or three bites at a cherry, but to put the tax where it will ultimately go, while the provisions of the bill by an indirect process, of which the taxpayer may be wholly unconscious, reaches the same result.

Mr. SMOOT. Only multiplied.

Mr. THOMAS. Only multiplied as it passes from hand to hand, for every man who passes the tax on—I will not say every man, but many men who pass the tax on—takes advantage of his power to pass it on by adding a little something to it for extra measure, so that he gets not only the tax which passes on but gets a profit besides.

Mr. President, the man who invented the system of indirect taxation is the real inventor of chloroform and all other methods of bringing about a blissful unconsciousness during surgical operations. I have always objected to the protective tariff, among other grounds, because of its indirect processes, through which the taxpayer is hypnotized and then robbed. The other titles of this bill do the same thing. They hypnotize the ultimate consumer, and then they place the tax upon him.

Why, Mr. President, nine out of every ten—I do not think I exaggerate—of the men coming before our committee and objecting to this, that, and the other tax, placed their objections specifically upon the ground that they did not see how they could pass the tax on; and every man who was in a position to be able to pass on the tax, if he made any objection at all, objected to it for other reasons, and his objections were not

so loud and so insistent and so painful as were those of the gentlemen who did not see how they could pass the tax on.

Mr. President, it seems to me that the way to make the people take some concern about the manner in which public moneys are expended is to place the tax right upon their shoulders in the first place; to let them understand that they, and they alone, must "pay the piper." It is not only the best way to tax, it is the only honest way to tax, and honesty in taxation, Mr. President, in the long run, is perhaps more profitable even to the politician than that indirect process which bleeds the man to death while making him think that he is dreaming about paradise and happiness here and hereafter.

I am sorry that the tax proposed by the Senator from Utah was not incorporated in the bill in place of the taxes upon freight rates and passenger rates, in place of taxes upon candy and similar commodities, in place of taxes upon sales of automobiles and a great many necessities of life appearing in these other schedules. The committee, however, thought otherwise, and I have no doubt that the people will be told that this so-called sales tax, having for its purpose the taxing of the mouths of the people directly, was rejected so that the tax could be placed upon wealth, where the mouths of the people would in no manner be concerned or interested. I therefore voted for that tax as I understood it.

The Senator from Pennsylvania [Mr. PENROSE] called attention to the fact that the practical operation of that tax presented a great many difficulties, but that is true, Mr. President, of every important feature of taxation, either National or State wide in its scope, particularly if it is in an invasion either of some new field of taxation or the application of some new method of assessing the tax.

Mr. President, I have heard a number of estimates of the expenditures of the Government for the next year. The chairman of the committee having charge of the bill, and following the estimates submitted to him, fixed our expenditures for the year 1920, if I recall the figures properly, at something, in round numbers, like $8,000,000,000.

Mr. SIMMONS. Not $8,000,000,000 for the expenditures for 1920.

Mr. THOMAS. Yes.

Mr. SIMMONS. The department estimates the expenditures for 1920 as being about $6,250,000,000, in round numbers.

Mr. THOMAS. Well, I got it a little bit too large.

Mr. SIMMONS. The estimates of appropriations are $7,440,000,000.

Mr. THOMAS. Well, my figures, Mr. President, were sufficiently comprehensive. The Senator from Utah [Mr. SMOOT] is equally certain that our expenditures for that year will exceed $10,000,000,000.

Mr. SIMMONS. If the Senator will pardon me, before he goes on further I desire to say that the Secretary of the Treasury stated to the committee that whether or not the estimates which were presented covered the entire estimates, he thought $4,000,000,000 was as much money as we ought to raise by taxation.

Mr. THOMAS. Yes; I am aware of that.

Mr. President, a good many years ago Mr. Garfield, afterwards President of the United States and before then a Member of the House of Representatives, demonstrated that the peak of expenditures caused by a great war is only reached some months after the war has ended; in other words, the momentum of expenditures goes beyond the time of peace and projects itself into a part of the adjacent peace period. I forget what Mr. Garfield stated the average to be, but it was certainly not less than 12 or 14 months; and that, I am sure, will be our experience. I am inclined, therefore, to think that, unless we practice some sort of economy, the figures presented by the Senator from Utah may be verified by events.

What I am concerned about, however, Mr. President, regarding that feature of this discussion, is not so much what our expenditures are going to be but what our economies should be. I have not heard so far any discussion about retrenchment. I have heard much about probable expenditures, and I want to say that if this Congress and the succeeding one, recognizing the enormous burden of this war debt, will, regardless of party or party advantage, unite in effecting some system of substantial reform, we can reduce our expenditures for 1920 by perhaps $1,500,000,000, if not by $2,000,000,000. Will we do it?

Mr. President, primarily retrenchment is possible upon a large scale only by the adoption of a budget system. Just so long as I can introduce a bill for an appropriation of money which my constituents demand I am going to do it, regardless of the condition of the Treasury; just so long as the Senator from Utah, or the Senator from North Carolina, or the Senator from Texas, or the Senator from any other State, or the Representative from any other State can do the same thing, just so long, Mr. President, will the Treasury of the United States be utilized for the purpose of paying our political debts and replenishing the money in our respective districts and among our constituents. Indeed, Mr. President, that has grown into such a habit that the man who fails to bring home a sufficient amount of "swag" stands in great danger of being kept at home forever. The measure of a Senator's service in these degenerate days is the amount of money or the number of contracts he can get for his constituents, whether it be for the making of cottage cheese, the killing of prairie dogs, the treatment of boll weevils, the erection of public buildings at our various crossroads, or the payment of unnecessary pensions—it makes no difference what, so long as you get the money.

A budget system, Mr. President, will make that sort of thing absolutely impossible; and not only so, but it will relieve Members of Congress of both Houses of the embarrassments which necessarily result from getting money for one project in a State and failing to get it for another. It was not so in the olden days. I remember that Robert Toombs, of Georgia, once said that his proudest boast was that while in the Senate of the United States he never asked nor received a dollar for the benefit of his State or of its people. If he should get up before a Georgia community or any other American community to-day and make a statement of that kind he would simply read his own political death warrant. I regard it as he did, as a chaplet surrounding his brow and something that would look well as his epitaph upon a monument.

Now, we can make a great many reductions, Mr. President.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Iowa?

Mr. THOMAS. Always.

Mr. KENYON. I am interested in what the Senator is saying about a budget system. Does the Senator believe that so long as the condition which he has described exists, this local representation and this measure of service of a Representative or a Senator by what he can get out of the Public Treasury for his State or for his district, there can be any budget system adopted by Congress?

Mr. THOMAS. I will have to answer that question like the Yankee by asking another one. The Senator asked me whether I thought that so long as that condition existed there could be a budget system?

Mr. KENYON. Whether we would not have to start the leaven working at the other end of the line so as to cause the people to demand a budget system?

Mr. THOMAS. I do not think there will be any budget system so long as the present condition exists. I was going to put my answer in the form of a question, but I will say that I do not believe that a budget system is possible until public opinion gets behind it, until the taxpayer wakes up to the fact that we are squandering his money.

Mr. KENYON. Exactly.

Mr. THOMAS. About the only quarrels we have here now grow out of controversies as to how much we shall tax him.

Mr. KENYON. When he comes to realize that by taxation it is all coming back on him to some extent he may change his views as to how to measure the services of a Representative or a Senator. I wish to say to the Senator that I have been working for some time here in my feeble way to get even consideration for a budget system.

Mr. THOMAS. I know the Senator has.

Mr. KENYON. And there is a resolution now on the calendar proposing to create a commission to report a budget system to Congress, which would be under no obligation to adopt the report unless it wanted to do so. When the resolution was before the committee, and when I urged its adoption, the statement was made: "We do not know anything about a budget system; we do not know what it is." When it was replied that this commission would bring in outsiders who would give the information, the answer came back: "We do not want any outsiders to come and tell us our business." So the situation is almost impossible. I am glad that the Senator is for a budget system, and I hope that we may get the resolution to which I have referred adopted and have a commission appointed to report to the next Congress some form of a budget system.

Mr. THOMAS. I am very much in favor of it, because I think that without it the United States is going to be bankrupt within the next 15 or 20 years.

Mr. KENYON. Of course it is.

Mr. SMOOT. Mr. President, I should like to say to the Senator from Colorado that his criticism, if it does apply to Congress, certainly applies in a greater degree to the heads of the departments of our Government. I say now that there

has never been a Congress which has appropriated the amount of money that has been asked for by the heads of the departments, and if the Appropriations Committees of the House and the Senate had appropriated all that has been asked for by the different departments of this Government our appropriations would have been at least 20 per cent greater than they have been.

Mr. THOMAS. Mr. President, that is true; but the department heads are extravagant because Congress permits them to be. They would not spend the money if they did not know that we not only permit it but, by the enactment of deficiency bills, make good all that sort of thing. We have got to begin here. In the old days in Great Britain the principal controversy raging around the throne was the power of controlling the purse, and the assertion of the right to control the purse by the people's representatives, or the claim of that right, culminating in the Cromwellian wars, limited the right of expenditure by royal prerogative to such sums of money as might be granted by the people. In those days it was supposed that the people, who earned and raised the money as well as paid it, would see to it that economy was everywhere practiced, due regard being had to the public welfare; but no monarch of Great Britain, in his wildest dreams of extravagance, could compare to the modern American Congress, which, as representatives of the people, controls the public purse, and in these days not only welcomes but invites access to it by every combination that controls a sufficiently formidable number of votes.

Mr. President, we heard from the Senator from Pennsylvania [Mr. PENROSE] a day or two ago an estimate of appropriations for 1919–20, amounting in all to $8,089,667,298, of which $2,644,307,000 was for the Navy. I do not believe that one-half of that sum, that one-third of that sum, is necessary, actually necessary, for the Navy in 1920. We have a naval program that ought to be carried out, but I do not believe that that program should be amplified. I believe that every dollar placed in a battleship is so much money wasted. I do not believe, Mr. President, that 20 years from now a battleship will exist in the seven seas. This war has revolutionized naval conflict, and out of the welter and stress two great engines of warfare survive—one the submarine and the other the naval airplane—and between them the wars upon the seas in the future will very largely be waged. To spend money to-day upon new battleships and dreadnaughts is simply to provide quarter decks for naval officers, and in all probability the generation which succeeds this one will recognize it and act accordingly.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. THOMAS. I yield to the Senator from Rhode Island.

Mr. GERRY. Does the Senator mean to say that the first-line battleships did not have the effect of keeping the German merchant marine off the seas, and that we could have won this war if we had not had first-line battleships, both of the English Navy and our own Navy, which gave us the freedom of the seas?

Mr. THOMAS. I have not said anything of the kind. The first-line battleships in this war were very, very valuable, because Germany had a lot of first-class battleships that had to be kept in check. The first-line battleships and the other battleships were very, very essential in the protection of the English mercantile marine, but I want to say to the Senator that if when this war began Germany had had 150 submarines instead of having only half a dozen, we never would have heard of the first-line battleships or, much more, about the merchant marine of England. Fortunately, during the war the development of defensive measures against the submarine, and the multiplication of submarines by the allies, practically upon a line with their multiplication by the Germans, held that method of warfare in check.

Mr. President, I believe that if this war had continued six months longer every German battleship at Kiel would have been destroyed by American airplanes. I believe that airplane squadrons would have visited that rendezvous in quick succession, with the consequence that everything upon which the law of gravitation could operate would either have been disabled or swept out of existence, because of the myriad airplanes which, bearing the American colors, by that time would have had the supremacy of the air. I think that we should develop our submarines, our torpedoes, our aircraft, but I think, Mr. President, that the effect of this war upon the battleship will be precisely what the effect of the Civil War was upon the old wooden battle frigate—it will be retired and in length of time forgotten.

But whether that be true or not, Mr. President, if we are going to have, as I trust we shall have, a permanent peace—permanent for half a century at least—why should we, a year and a half after the war is ended, during a time of profound peace, spend more than two and a half million dollars for the increase of our Navy, when we have at the same time this gigantic burden of debt to carry, which our children, our children's children, and their children's children will never live long enough to pay?

We can cut out a great many other things, such as river and harbor bills and many appropriations in our Agricultural bills. We can do away entirely with the very foolish and expensive practice of erecting public buildings in little towns throughout the country; we can put a quietus here in Washington to enormous expenditures by serving notice upon the heads of the departments, to which the Senator from Utah referred, that these vast expenditures will no longer be tolerated. We can close up, and ought to close up, a very large percentage of the so-called bureaus and divisions not only in this city but their ramifications all over the country, and, above all, Mr. President, we can reduce the membership of our civil service by 40 per cent, save hundreds of millions of dollars, and at the same time increase our efficiency of service.

Why, Mr. President, a bill was introduced here the other day by a very enthusiastic and patriotic Senator, providing for three months' pay to every soldier in the United States Army upon his discharge. That appeals to the average man as something delightful; but I wonder if the Senator made a calculation as to what that would cost the Treasury of the United States. I have. It is considerably more than $400,000,000; but it has been introduced here, and it is not the only one. I simply cite it as a sample. The chances are that in our desire to secure the political support of these 4,000,000 of gentlemen when they come home the two great political parties will see which can get to its goal first and cast the most votes for that bill.

I do not know to what extent these things are going, but I do know that the watchword of this Congress and the next Congress should be retrenchment, frugality, economy—cheeseparing, if you please—and if we do that, $4,000,000,000 will be enough not only for the next year but for the year thereafter, and that is what I want to see in connection with this bill.

I hope, therefore, that before the conference committee passes upon this bill we will have an estimate of economies as well as an estimate of expenditures, and see how they look, publish them, let the people consider them, and let them contrast some of the various means to which we are proposing to resort to get money out of the Treasury. I do not know of anything that would make more interesting news than a collation of two weeks' introduction of bills in the House and the Senate calling for appropriations for this, that, and the other thing. I am inclined to believe that it would furnish a sort of a kaleidoscopic object lesson to the people of the manner in which the legislative department of the United States regards the money of the people, and perhaps, by its very extravagance and ludicrousness, awaken a public sentiment which up to this time, I am sorry to say, seems to be entirely dormant.

Mr. President, I had intended to discuss some other features of this bill at this time, but my failing voice warns me, to say nothing of the frowns of my very much beloved friend, the Senator from North Carolina, who has this bill in charge and who up to this time has displayed wondrous patience and forebearance with men like myself.

Mr. SIMMONS. I am not frowning; I am smiling.

Mr. THOMAS. I will, therefore, for his sake, if not for my own, to say nothing of the large and enthusiastic audience with which I have been honored during my discussion, leave the floor, in the hope that when my amendment is submitted for a yea-and-nay vote it will at least get the votes of the Senators who have honored me with their attention.

Mr. McKELLAR. Mr. President, I give notice that I shall ask for a separate vote on the postal-zone amendment, when it comes up in the Senate. It is section 1402 of the bill, amending section 1101 of the revenue act of 1917.

Mr. SIMMONS. Mr. President, I have placed in the Secretary's hands some amendments adopted by the committee which I should like to have read and acted upon. Most of them are pro forma amendments.

The PRESIDING OFFICER (Mr. JOHNSON of South Dakota in the chair). The amendments will be stated.

The SECRETARY. On page 7, line 15, the Senator from North Carolina proposes to reconsider the votes by which the amendments on that line were agreed to, and simply to strike out the numeral "1" in parentheses, and the numeral "2" in parentheses.

The PRESIDING OFFICER. Without objection, in cases where amendments are proposed to portions of the bill where amendments have been heretofore agreed to, the votes will be reconsidered. The Chair hears no objection. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 8, line 24, strike out all after the word "amounts," down to the words "net income," on page 9, line 1, and insert "allowed as a deduction under paragraph (6) of subdivision (a) of section 234."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 31, line 14, after the word "income," and after the amendment already inserted at that place, insert a comma and the following: "and amounts received as dividends from a personal-service corporation out of earnings or profits upon which income tax has been imposed by act of Congress."

The amendment was agreed to.

The SECRETARY. On page 55, line 24, after the word "income," and after the amendment already inserted at that place, it is proposed to insert a comma and the following: "and amounts received as dividends from a personal-service corporation out of earnings or profits upon which income tax has been imposed by act of Congress."

The amendment was agreed to.

The SECRETARY. On page 10, after line 18, it is proposed to insert a new section, as follows:

PARTS OF INCOME SUBJECT TO RATES FOR DIFFERENT YEARS.

SEC. 206. Whenever parts of a taxpayer's net income are subject to rates for different calendar years, the part subject to the rates for the most recent calendar year shall be placed in the lower brackets, the part subject to the rates for the next preceding calendar year shall be placed in the next higher brackets, and so on until the entire net income has been accounted for.

For purposes of the normal tax any personal exemption or other specific exemption allowed in any preceding year shall not be again allowed against that part of the taxpayers' net income for the taxable year which is subject to the rates for such preceding year.

Any deductions not otherwise allocable to any preceding year shall be applied against the income subject to the rates for the most recent calendar year; and any balance thereof shall be applied against the income subject to the rates for the next preceding year or years until fully allowed.

The amendment was agreed to.

The SECRETARY. On page 62, line 12, after the word "corporations," it is proposed to insert the words "subject to taxation under this title."

The amendment was agreed to.

The SECRETARY. On page 23, after line 14, it is proposed to insert:

In the case of a device which the taxpayer has invented and which has been accepted by the War or Navy Department since April 6, 1917, for use in the present war, and which has been put into actual use as the basis for successful major operations by the United States Government in said war, and the Secretary of War or the Secretary of the Navy shall so certify to the Secretary of the Treasury, no tax shall be imposed for the year 1918 on the royalties received or any amount received in lieu of royalties by the taxpayer for use of said device, and the expense and deduction properly allocated to such exempt income shall not be deducted from any remaining income of the taxpayer subject to taxation.

The amendment was agreed to.

The SECRETARY. On page 33, line 17, strike out the words "the last annual," and in lieu thereof insert the word "any."

The amendment was agreed to.

The SECRETARY. On page 33, line 18, strike out the words "prior to the close of," and in lieu thereof insert "ending within."

The amendment was agreed to.

The SECRETARY. On page 36, line 18, strike out the period and insert a comma and the following: "except that in determining the net income of the estate of any deceased person during the period of administration there may be deducted the amount of any income properly paid or credited to any legatee, heir, or other beneficiary."

The amendment was agreed to.

The SECRETARY. On page 36, at the end of line 22, insert the following: "and in the case of any income of an estate during the period of administration or settlement permitted by subdivision (c) to be deducted from the net income upon which tax is to be paid by the fiduciary."

The amendment was agreed to.

The SECRETARY. On page 37, line 6, strike out the words "the last annual" and insert in lieu thereof the word "any."

The amendment was agreed to.

The SECRETARY. On page 37, line 7, strike out the words "prior to the close of" and in lieu thereof insert the words "ending within."

The amendment was agreed to.

The SECRETARY. On page 64, line 26, after the period, add a new sentence, as follows:

When return is made under section 226, the credit provided in subdivision (c) of section 236 shall be reduced to an amount which bears the same ratio to the full credit therein provided as the number of months in the period for which such return is made bears to 12 months.

The amendment was agreed to.

The SECRETARY. On page 73, line 5, after the word "abatement," strike out the comma and insert "such sum of 5 per cent shall not be added, and."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 97, line 8, after the word "income," where it first occurs, insert the words "for the purposes of this title and of Title II."

The amendment to the amendment was agreed to.

The SECRETARY. On page 97, line 9, strike out the word "the" and in lieu thereof insert the word "such."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 207, beginning on line 19, strike out all of section 907, down to and including line 3, on page 208, and in lieu thereof, on page 259, after line 10, insert the following:

(c) Under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe, the taxes imposed under the provisions of Titles VI, VII, or IX shall not apply in respect to articles sold or leased for export and in due course so exported. Under such rules and regulations the amount of any internal-revenue tax erroneously or illegally collected in respect to exported articles may be refunded to the exporter of the articles instead of to the manufacturer, if the manufacturer waives any claim for the amount so to be refunded.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 251, lines 24 and 25, strike out the words "internal-revenue" and insert "income-tax and war excess-profits tax."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 273 strike out lines 1 to 15, inclusive, and insert:

SEC. 1320. That wherever by the laws of the United States or regulations made pursuant thereto any person is required to furnish any recognizance, stipulation, bond, guarantee, or undertaking, hereinafter called "penal bond," with surety or sureties, such person may, in lieu of such surety or sureties, deposit as security with the official having authority to approve such penal bond United States liberty bonds or other bonds of the United States in a sum equal at their par value to the amount of such penal bond required to be furnished, together with an agreement authorizing such official to collect or sell such bonds so deposited in case of any default in the performance of any of the conditions or stipulations of such penal bond. The acceptance of such United States bonds in lieu of surety or sureties required by law shall have the same force and effect as individual or corporate sureties, or certified checks, bank drafts, post-office money orders, or cash, for the penalty or amount of such penal bond. The bonds deposited hereunder, and such other United States bonds as may be substituted therefor from time to time as such security, may be deposited with the Treasurer or an Assistant Treasurer of the United States, a Government depository, Federal reserve bank, or member bank, which shall issue receipt therefor, describing such bonds so deposited. As soon as security for the performance of such penal bond is no longer necessary such bonds so deposited shall be returned to the depositor: *Provided*, That in case a person or persons supplying a contractor with labor or material as provided by the act of Congress approved February 24, 1905 (33 Stat., 811), entitled "An act to amend an act approved August 13, 1894, entitled 'An act for the protection of persons furnishing materials and labor for the construction of public works,'" shall file with the obligee, at any time after a default in the performance of any contract subject to said acts, the application and affidavit therein provided, the obligee shall not deliver to the obligor the deposited bonds nor any surplus proceeds thereof until the expiration of the time limited by said acts for the institution of suit by such person or persons, and in case suit shall be instituted within such time shall hold said bonds or proceeds subject to the order of the court having jurisdiction thereof: *Provided further*, That nothing herein contained shall affect or impair the priority of the claim of the United States against the bonds deposited or any right or remedy granted by said acts or by this section to the United States for default upon any obligation of said penal bond: *Provided further*, That all laws inconsistent with this section are hereby so modified as to conform to the provisions hereof: *And provided further*, That nothing contained herein shall affect the authority of courts over the security, where such bonds are taken as security in judicial proceedings, or the authority of any administrative officer of the United States to receive United States bonds for security in cases authorized by existing laws. The Secretary may prescribe rules and regulations necessary and proper for carrying this section into effect.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I ask that we now return to the amendments that have not been acted upon.

The SECRETARY. On page 11, an amendment was passed over at the instance of the Senator from Wisconsin [Mr. LA FOLLETTE], whereby the committee proposed to strike out all of line 3, down to and including line 9, and to insert two subdivisions, "(a)" and "(b)." Also, on page 47, at the bottom of the page, an amendment passed over at the instance of the Senator from New Mexico [Mr. JONES], under the head of "Corporations—Tax on corporations," all passed over down to and including line 13 on page 49.

The PRESIDING OFFICER. Does the Senator from North Carolina wish to have the amendments simply stated?

Mr. SIMMONS. That can go over. I am just trying to see if I can find any amendment that has been passed over that we can act upon this afternoon.

The SECRETARY. On page 65, under the head of "Consolidated returns," section 240 was passed over at the request of the Senator from Utah [Mr. SMOOT].

Mr. SMOOT. Mr. President, yesterday that section was disposed of, as far as the request made by me that it go over was concerned, after the Senator from Minnesota [Mr. KELLOGG] had offered his amendment, and it was accepted.

Mr. LENROOT. Mr. President, if that be true, I ask for its reconsideration now, so that it may remain open and go over. I wish to offer an amendment to section 240.

Mr. SMOOT. To the consolidated-returns section?

Mr. LENROOT. Yes.

Mr. SMOOT. Then it can go over again.

Mr. LENROOT. I ask that there may be a reconsideration.

The PRESIDING OFFICER. Is there any objection to the reconsideration?

Mr. SIMMONS. I have no objection, if the Senator desires to offer a further amendment.

The PRESIDING OFFICER. Without objection, the action whereby the amendment was agreed to will be reconsidered, and the section will be passed over until tomorrow.

The SECRETARY. The next amendment passed over will be found on page 84, beginning with the subdivision "(b)."

Mr. SIMMONS. Let that go over.

Mr. SMOOT. That may go over.

The PRESIDING OFFICER. The amendment will be again passed over.

The SECRETARY. The second bracket, also; and there were passed over the amendments which follow in section 302, proposing to strike out and insert,

Mr. SMOOT. Let that go over, too, Mr. President.

The PRESIDING OFFICER. The amendment will be again passed over.

The SECRETARY. On page 105, under "Miscellaneous," section 335 was passed over at the request of the Senator from Utah [Mr. SMOOT].

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The amendment will be again passed over.

The SECRETARY. On page 107, at the bottom of the page, Title IV, "Estate tax," was passed over at the instance of the Senator from Colorado [Mr. THOMAS].

Mr. THOMAS. Mr. President, that was with a view to the motion that I submitted to strike out, on page 123, beginning with line 23, after the word "decedent," the remainder of the sentence. I should like to take that up in the morning.

Mr. SIMMONS. Mr. President, that is all right. I am going to move to take a recess until 11 o'clock to-morrow.

Mr. THOMAS. Just a minute, Mr. President.

Mr. SIMMONS. I have not yet made the motion.

Mr. THOMAS. I am going to suggest to the Senator that there is a very important meeting of the Committee on Foreign Relations called for 10 o'clock to-morrow morning to consider two resolutions, one introduced by the Senator from Pennsylvania [Mr. KNOX] and the other by the Senator from California [Mr. JOHNSON]. They are both of great present importance, and I do not think it would be possible for that committee to finish its consideration of those resolutions and be able to attend the session of the Senate at 11 o'clock.

Mr. SIMMONS. I will state to the Senator that I was just about to say that the senior Senator from Massachusetts [Mr. LODGE] has given notice that he will make a speech to-morrow upon a resolution which he offered, I think, this morning. I have conferred with him about the matter of taking a recess until 11 o' clock and he does not offer any objection to it, as he will speak immediately after the Senate assembles and probably will occupy about an hour. By that time it will be the usual hour of assembling. I simply wanted to make that statement preliminary to making the motion—that the Senator from Massachusetts will speak in the morning when the Senate meets at 11 o'clock.

Mr. LODGE. Mr. President, in reply to what the Senator from North Carolina has said, I will state that it makes very little difference to me at what hour I speak; but there is a meeting of the Committee on Foreign Relations to-morrow at 10 o'clock which is of very great importance. It would be rather embarrassing for that committee to have a meeting of the Senate at 11 o'clock, and it would be rather difficult for me to be here. I could leave the committee, of course. My presence there is not essential.

Mr. SIMMONS. Then the Senate might take up this bill and continue its consideration at 12 o'clock.

Mr. LODGE. I have no objection to the Senate meeting at 11 o'clock, and I can arrange myself to be here at that time.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until to-morrow, Saturday, December 21, 1918, at 11 o'clock a. m.

SENATE.

SATURDAY, *December 21, 1918.*

(Legislative day of Sunday, December 15, 1918.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Vice President being absent, the President pro tempore assumed the chair.

Mr. KENYON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, S. Dak.	Martin, Va.	Smith, Ga.
Brandegee	Jones, Wash.	Moses	Smith, Mich.
Culberson	Kellogg	Myers	Smoot
Curtis	Kenyon	New	Spencer
Dillingham	King	Norris	Sutherland
Fernald	Kirby	Page	Swanson
France	Knox	Penrose	Thomas
Gay	La Follette	Pittman	Townsend
Gerry	Lenroot	Poindexter	Trammell
Hale	Lodge	Pomerene	Underwood
Harding	McCumber	Saulsbury	Vardaman
Henderson	McKellar	Sheppard	Warren
Hitchcock	McLean	Simmons	
Johnson, Cal.	McNary	Smith, Ariz.	

Mr. CURTIS. I desire to announce the unavoidable absence of the Senator from Indiana [Mr. WATSON]. I will allow this announcement to stand for the day.

Mr. KING. I wish to announce the absence of the senior Senator from Minnesota [Mr. NELSON], the senior Senator from South Dakota [Mr. STERLING], the junior Senator from North Carolina [Mr. OVERMAN], the senior Senator from Missouri [Mr. REED], and the junior Senator from Delaware [Mr. WOLCOTT] on official business.

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF], is absent owing to illness.

Mr. CURTIS. I wish to announce the absence of the Senator from Illinois [Mr. SHERMAN] on account of illness in his family. I will let this announcement stand for the day.

Mr. SHEPPARD. I desire to announce that the Senator from California [Mr. PHELAN] and the Senator from Montana [Mr. WALSH] are detained on official business.

I wish also to announce that the Senator from Mississippi [Mr. WILLIAMS] is detained by illness.

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present.

PETITIONS AND MEMORIALS.

Mr. JOHNSON of South Dakota. I have a telegram here from the Business Club of Deadwood, S. Dak., on the important subject of the Government ownership of railroads and express companies. I should like to have it printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

DEADWOOD, S. DAK., *December 10, 1918.*

Hon. E. S. JOHNSON,
United States Senate, Washington, D. C.:

Resolved, That it is the sentiment of the Deadwood Business Club that railroads, express companies, telegraph, telephone, and cable lines, which were taken over for operation by the Government as a war measure, should be returned to their respective owners for operation with least possible delay, and that the country be restored to an industrial peace basis as soon as possible.

DEADWOOD BUSINESS CLUB.

Mr. NELSON presented memorials of the J. N. Collins Co., of Minneapolis; the A. M. Ramer Candy Co., of Winona; of the Roach Tisdale Co., of Minneapolis; and of the Schuler Chocolate Factory; and McCusick Towle & Co., of Winona and Minneapolis, all in the State of Minnesota, remonstrating against a

tax on candy as proposed in the pending revenue bill, which were ordered to lie on the table.

He also presented a memorial of the Janney, Semple, Hill & Co., of Minneapolis, Minn., remonstrating against the proposed tax of 10 per cent on sporting goods, which was ordered to lie on the table.

He also presented a petition from the Albert Lea Publishing Co., of Albert Lea, Minn., praying for the repeal of the present zone rate on second-class mail matter, which was ordered to lie on the table.

He also presented a memorial of the Marshall Hardware Co., of Duluth, Minn., remonstrating against an increase in the tax on guns and ammunition, which was ordered to lie on the table.

He also presented a memorial of the Raw Fur Merchants' Association of New York City, N. Y., and a memorial of the Fur Merchants' Credit Association of New York City, N. Y., remonstrating against the proposed 10 per cent tax on furs in the pending revenue bill, which were ordered to lie on the table.

He also presented a memorial of William White & Co., of Moline, Ill., remonstrating against the passage of the pending revenue bill, which was ordered to lie on the table.

He also presented a memorial of the Minneapolis Auto Trade Association of Minnesota, remonstrating against the proposed tax on automobile parts and accessories, which was ordered to lie on the table.

He also presented a memorial of the North West Haynes Auto Co., of Minneapolis, Minn., remonstrating against the proposed tax of 5 per cent on automobiles and trucks, which was ordered to lie on the table.

GOVERNMENT CONTRACTS.

Mr. KING, from the Committee on the Judiciary, to which was referred the bill (S. 4733) requiring the filing of copies of all contracts for services rendered or materials furnished to the United States or certain contractors and agencies of the United States, reported it without amendment and submitted a report (No. 627) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 5218) granting an increase of pension to Alonzo R. Cole (with accompanying papers); to the Committee on Pensions.

By Mr. NELSON:

A bill (S. 5219) granting a pension to Edwin W. Gordon; to the Committee on Pensions.

By Mr. BANKHEAD:

A joint resolution (S. J. Res. 200) authorizing the Secretary of War to transfer to the Secretary of Agriculture certain war material suitable for improvement of highways, to be distributed among the several States; to the Committee on Post Offices and Post Roads.

EPIDEMIC OF INFLUENZA IN ALASKA.

Mr. JONES of Washington. Mr. President, the governor of Alaska has called to my attention a situation in Alaska that I think requires early and prompt action by the Government. That Territory, especially the southeastern part, is being ravished by the influenza, which is taking off natives by the hundreds. All the Territorial funds, the educational and medical funds, and the Red Cross funds are exhausted, and the governor has incurred obligations to the amount of seventy-odd thousand dollars more than he has money in taking care of the situation there, and the demands are increasing. From what he tells me, I think Congress ought to take action without delay, and, looking to that end, I ask unanimous consent to introduce a joint resolution, to be referred to the Committee on Appropriations, in the hope that the committee may meet soon and hear the governor and take proper action to meet the situation.

The joint resolution (S. J. Res. 199) proposing an appropriation to combat the prevailing influenza in Alaska, was read twice by its title and referred to the Committee on Appropriations.

EXCESS WAR DEPARTMENT SUPPLIES.

Mr. NORRIS. Mr. President, I submit a resolution of inquiry, and I desire to ask unanimous consent for its present consideration. The Senator from North Carolina [Mr. SIMMONS] has consented to yield for that purpose, if it does not take any time, and I am satisfied it will not.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska?

Mr. PENROSE. Let the resolution be read for information.

The PRESIDENT pro tempore. The Secretary will read the resolution.

The resolution (S. Res. 392) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of War be instructed to inform the Senate:

1. What amount of clothing, boots and shoes, leather, wool, cotton, and supplies of food the department has on hand that will not be necessary for the use of the Army under present conditions.

2. What action, if any, does the department contemplate in regard to the sale of such excess of supplies.

3. Is any additional legislation necessary to authorize the department to sell such supplies not necessary for the use of the Army?

SHIPS OF WAR SURRENDERED TO THE ALLIES.

Mr. KING submitted the following resolution (S. Res. 393), which was referred to Committee on Foreign Relations:

Whereas it is reported that plans are being formed by the naval authorities of the United States and the allied Governments to sink and destroy the vessels of war surrendered by Germany, according to the terms of the armistice; and

Whereas the destruction of such vessels is unnecessary and would serve no good or useful purpose, but, on the contrary, would be an unwarranted act of waste and improvidence: Now, therefore, be it

Resolved, That it is the sense of the Senate that said vessels of war be disposed of equitably between the United States and the allied powers, and that the same be adapted to proper use as vessels of war or be altered and adapted to proper use in maritime service.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. I should like to inquire of the Senator from Wisconsin [Mr. LA FOLLETTE] if he is ready to go on this morning?

Mr. LA FOLLETTE. Has the Senate disposed of all of the committee amendments?

Mr. SIMMONS. No; they are not all disposed of yet.

Mr. LA FOLLETTE. I will wait until they are disposed of before I offer a substitute.

Mr. TOWNSEND. May I propose an amendment? I do not care to discuss it to any extent. It was discussed before the committee, and I should like to have a vote of the Senate upon the proposition.

Mr. SIMMONS. There are some committee amendments left over and I will call them up.

Mr. TOWNSEND. I have no objection to taking up committee amendments. I know, of course, we have not disposed of the 1920 amendment, and it has to be debated, and I desire to discuss it when it comes up, but there is another amendment, a provision which was adopted by the committee, which I should like to have stricken from the bill. I am willing to reserve the matter until the proper time.

Mr. SIMMONS. There is some Senator, I do not now remember who it is, who desires to present an amendment to the section with regard to consolidated returns.

Mr. LENROOT. I desire to offer that amendment. I move to amend section 240, page 65, line 22, by inserting before the word "shall" the words "engaged in the same kind of business."

Mr. SIMMONS. I have no objection to that amendment if the Senator will, after the word "same," insert the words "or related," so as to include everything.

Mr. LENROOT. What would be the Senator's idea in inserting the word "related"?

Mr. SIMMONS. Where the work was in a coal mine, and in transporting it they were working in cooperation.

Mr. LENROOT. I have no objection.

Mr. SIMMONS. I have no objection to the amendment modified in that way.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. HITCHCOCK. I should like to hear the amendment read.

The PRESIDENT pro tempore. The Chair could not hear it himself. The Secretary will read the amendment.

The SECRETARY. On page 65, section 240, which was reconsidered last evening, line 22, after the word "corporations," insert "engaged in the same kind of business," so as to read:

(b) For the purpose of this section, two or more corporations engaged in the same kind of business shall be deemed to be affiliated—

And so forth.

Mr. PENROSE. That is not the way it was put. The word "related" was offered by the chairman.

Mr. SIMMONS. The word "related" should be inserted.

The PRESIDENT pro tempore. The Senator from Wisconsin will please send his amendment to the desk in writing.

Mr. PENROSE. There is really no difficulty about the amendment. The Senator from Wisconsin offered it, and the chairman of the committee suggested another word which the Secretary failed to read.

The PRESIDENT pro tempore. The Chair has been barely able to hear either of the Senators in regard to this amend-

ment, and the Secretary has not been able to do so. The rule requires an amendment to be reduced to writing.

Mr. SIMMONS. Mr. President, I have the amendment in writing at hand here. If the Senator from Wisconsin will give me his attention, I desire to say I think the amendment should read in this way:

For the purpose of this section two or more corporations engaged in the same or related business shall be deemed to be affiliated.

That is the amendment, Mr. President.

The PRESIDENT pro tempore. The Secretary will state the proposed amendment.

The SECRETARY. On page 65, line 2, after the word "corporations," it is proposed to insert the words "engaged in the same or related business."

Mr. HITCHCOCK. Mr. President, I would like to ask the Senator this question: Suppose one corporation is engaged in a manufacturing business and it finds it necessary, say, to construct a building for its use, or partly for its use, and it does so through another corporation, would that other corporation come within this limitation which the Senator now proposes to prescribe?

Mr. LENROOT. Certainly not if the building were only partly for the use of the corporation, and it ought not to; but if it were wholly for its use I should say "yes."

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Minnesota?

Mr. SIMMONS. The trouble with the suggestion of the Senator is that this would not apply to any one transaction, but it must be related in regular business.

Mr. HITCHCOCK. As the law has been heretofore, Mr. President, and as I think this bill proposes to leave it, any corporation could form a subsidiary corporation for some such purpose as that; but if I understand the Senator's amendment correctly, such a corporation, so formed, would not be subject to a consolidated return if it had in any degree any outside interest.

Mr. SIMMONS. Oh, no.

Mr. LENROOT. I will say in reply to the Senator that my understanding of the present regulation of the Treasury Department is that the consolidated return is now permitted only if the two corporations are engaged in the same kind of business.

Mr. HITCHCOCK. I think the Senator from Wisconsin is entirely mistaken in that. I have known of cases in which the consolidated return has been required where concerns, either mercantile or manufacturing, had constructed buildings, as in the instance I have given. The construction of a building and the operation of a building are not allied, are not similar, and are not the same business; it is only a subsidiary business, in a degree.

Mr. LENROOT. Does the Senator think, in that kind of a case, a corporation should be relieved from the payment of a war-profits tax because of the ownership of a building which it is renting to tenants?

Mr. HITCHCOCK. I do not understand that this is for the purpose of relieving such a corporation from the payment of the war-profits tax——

Mr. LENROOT. I understand it is.

Mr. HITCHCOCK. But it is for the purpose of requiring a consolidated return instead of two separate returns.

Mr. LENROOT. No; but it does, Mr. President, if I may give to the Senate my understanding of this provision as it now exists. Here is a corporation making tremendous war profits, and but for this provision it would pay a war-profits tax based upon the invested capital and income of that corporation; but if that corporation, or the individual who may own the stock in the corporation, is also engaged in some other business, or, in the instance such as the Senator from Nebraska now speaks of, an individual has erected a building and rented it to tenants, out of which there are no war profits at all, out of which he receives but a normal return, under this consolidated return section he may include all of the capital that the other corporation has invested in that building out of which it is receiving a normal return, and may have that capital included in the capital of the corporation making war profits, and thereby greatly reduce the war-profits taxes that the corporation shall pay.

Mr. THOMAS and Mr. KELLOGG addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield, and, if so, to whom?

Mr. LENROOT. I yield to the Senator from Colorado.

Mr. THOMAS. I merely wish to say that the experts who have been assisting the Finance Committee in the structure of this bill informed us that this consolidated system of returns will increase instead of decreasing the revenues of the Government. I do not think, therefore, that the construction which the Senator places upon the effect of this proposed consolidated return is a correct one.

Mr. LENROOT. I desire to ask the Senator this question: It does not require an expert to determine the fact that, if a corporation is engaged in making large war profits and it also owns stock in other corporations making only normal profits, under this consolidated return the corporation making war profits will be relieved from paying on war profits.

Mr. THOMAS. If the returns were to be made for the purpose indicated by the Senator from Wisconsin, of course the result would be as he claims; but the purpose of the consolidated return is largely as a matter of convenience, and the affairs of the different subsidiary corporations are set out in the consolidated return precisely as they would be if there were separate returns for each. It is a matter of administration, simplifying and expediting the business of the department.

Mr. LENROOT. Well, if the Senator please, the purpose in making the return can have no effect upon the results growing out of the return. The consolidated return is made compulsory.

Mr. THOMAS and Mr. KELLOGG addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield further; and if so, to whom?

Mr. LENROOT. I yield further to the Senator from Colorado.

Mr. THOMAS. I merely wish to say, if the Senator will permit me to make another statement—and that is a matter, of course, with which he is as familiar as myself—the consolidated returns, which are now permissible, result from departmental regulations and not from the statute; and the manner in which they have been made conforms to the process provided for in this proposed amendment. As made they have not had the effect, if I am correctly informed, now predicted by the Senator from Wisconsin.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Minnesota?

Mr. SMOOT. Mr. President, I think the Senator from Colorado——

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. KELLOGG] has been attempting to get the floor, and the Chair has asked the Senator from Wisconsin if he yielded to the Senator from Minnesota. Does the Senator from Wisconsin yield to the Senator from Minnesota?

Mr. LENROOT. I yield to the Senator from Minnesota.

Mr. SMOOT. I wish to say to the Chair that I thought the Senator from Wiconsin had yielded to me.

The PRESIDENT pro tempore. The Senator from Wisconsin has yielded to the Senator from Minnesota.

Mr. SMOOT. Excuse me. I did not know that.

Mr. KELLOGG. Mr. President, if I understand the Senator from Wisconsin [Mr. LENROOT], what he wishes to accomplish is this: The Senator does not object to a consolidated return in the case of what may be called an integrated business. If a manufacturing corporation must have a separate company to produce its raw materials and another company to transport the raw materials, and perhaps another company in this or in a foreign country to sell the manufactured materials, the Senator does not object to such a company rendering a consolidated return and the tax being paid on such consolidated return; but what he does object to is a corporation organizing or having stock in an entirely unrelated business simply for the purpose of reducing its taxes. If the amendment will accomplish the object which the Senator seeks, it would seem to me it would be a fair amendment if the Treasury Department believes that to be the result of the amendment.

Mr. SIMMONS. Mr. President, I did not understand that the Senator from Wisconsin was particularly opposing the consolidated return in the original section of the bill, but that he was proposing to amend it so as to make it better, in his judgment.

Mr. LENROOT. I am not opposed to the kind of a case which the chairman of the committee in his opening speech gave an illustration of, where a corporation was really engaged in the same kind of business. The Senator from Utah, I think, gave an illustration of a chain of stores, where, for convenience sake or possibly because of State laws, they were organized in different States, but were really one business.

Mr. SIMMONS. Where they were really one business.

Mr. LENROOT. I am not objecting to that; but I am objecting to the case where a corporation engaged in one line of business, making very large profits, may utilize the capital and returns of another corporation not making large profits to reduce the tax that it pays to the Government.

Mr. SIMMONS. In that, I think, I agree with the Senator. I think his amendment is very helpful, and I hope it will be adopted.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LENROOT. Yes.

Mr. KING. I think the Senator from Wisconsin in the statement that he has just made suggests a limitation that goes too far. I do not think that in the case of two corporations controlled by the same forces or the same individuals, and engaged in the same business—for instance, the manufacture of munitions—one in one town and one in another, one of which is profitable and the other is unprofitable, the losses of the unprofitable should be subtracted from the profits of the profitable for the purpose of diminishing the taxes. There they would be engaged in the same business; that is, the same character of business; but it does seem to me that it would be wholly improper and certainly unfair to the Government to permit the unprofitable concern to subtract its losses from the profits of the profitable one.

Mr. LENROOT. Mr. President, may I say to the Senator that when this amendment is disposed of I shall offer another amendment striking out from the paragraph the provision authorizing consolidated returns in the case of individuals holding the stock of two or more corporations, even though they are doing the same kind of business. If one corporation has subsidiary corporations engaged in the same kind of business I think it is proper that a consolidated return be permitted; but if one man owns a dozen corporations in different States, although they are engaged in the same business, the fact that an individual owns the corporations should not permit consolidated returns, thus relieving those corporations from just taxation.

Mr. KING. Mr. President, let me invite my friend's attention to the fact that in the mining districts can be found an exemplification that may result from the interpretation which I think can legitimately be placed upon this section. A and B may incorporate to operate a copper-mining claim and may also incorporate to operate a lead mine. From the copper property they may derive enormous profits, while the lead property, perhaps a hundred feet away, will be very unprofitable. The ownership is the same. It seems to me that it would be very unfair and very unjust to the Government for those individuals to take from the profits that they have made from the copper property the losses that they have sustained in the lead property for the purpose of diminishing the taxes which ought to be paid by the copper property corporation to the Government.

Mr. LENROOT. Mr. President, I will repeat that I expect to cover that question when the pending amendment is disposed of by offering another amendment to the committee proposal.

Mr. KING. I think the entire section is so dangerous that perhaps, in the interest of the Government, it ought to go out altogether.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Wisconsin to the amendment proposed by the committee.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment of the committee as amended.

Mr. LENROOT. I offer another amendment.

The PRESIDENT pro tempore. Is the Senator's amendment to the same amendment reported by the committee?

Mr. LENROOT. It is another amendment to the amendment of the committee.

The PRESIDENT pro tempore. The Secretary will state the proposed amendment to the amendment.

The SECRETARY. At the bottom of page 65, line 25, after the word "others," it is proposed to strike out the words "or if substantially all the stock of two or more corporations is owned or controlled by the same interests."

Mr. KING. May I ask the Secretary to state the amendment again?

The PRESIDENT pro tempore. The Secretary will again state the amendment.

The amendment was again stated.

Mr. LENROOT. Mr. President, this amendment reaches the question just raised by the Senator from Utah [Mr. KING]. Under the language of the amendment as reported by the committee, if adopted, we will have this kind of a situation: There may be three or four corporations in a given locality and three or four other competing corporations, some of which are making money, some of which are making war profits, and some of which are making only normal profits. If one man or one group of men own the three or four corporations, some of which are making exorbitant profits, others of which are making normal profits, and some of which may be making no profits at all, the amendment reported by the committee will permit consolidated returns of all of those corporations, depending upon the ownership by an individual of the corporations. In other words, it does this: The very wealthy man who may own several corporations will pay very much less taxes to the Government, and the Government will receive very much less revenue from those corporations by reason of the ownership of those corporations by an individual than it would receive from those same corporations if they were owned by different individuals.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LENROOT. Yes.

Mr. NORRIS. I am in sympathy with what the Senator is trying to accomplish, and perhaps his amendment will accomplish exactly what he expects it to do; but this idea has occurred to me: Suppose the Senator's amendment is agreed to, would it not be possible for these same individuals to incorporate and let the parent corporation own the stock rather than the individuals and thus avoid the effect of the provision which the Senator seeks to incorporate in the bill?

Mr. LENROOT. I think that is true, except that these very high taxes are levied for the year 1918, and they could not incorporate to escape the taxes that are really levied by this bill. That is the answer to the question.

Mr. NORRIS. I think that is a good answer, at least so far as the year 1918 is concerned; but they might adopt some such procedure for the next year.

Mr. LENROOT. As to the other proposition, I think that I can see within proper bounds for permitting consolidated returns. In some cases benefit may actually result to the Government by such a consolidation, while, of course, in others it will not; but we ought not by an amendment to offer a premium to enable a corporation or an individual owning a corporation to escape war profits.

Mr. President, the language of the amendment as reported by the committee does just this: It gives a premium, it gives a bonus, to the man who has control over a large number of corporations, tending to monopoly and tending to trusts in restraint of trade. The Government would take from the corporations owned by that man very much less in taxes than it would take from the same corporation if owned by separate individuals. It seems to me, Mr. President, that such a course can not be justified. Merely because Mr. Rockefeller, for instance, may own the stock of half a dozen corporations ought not to relieve those corporations from paying the same tax to the Government that those corporations would pay if they were owned by different individuals.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wisconsin to the amendment reported by the committee.

Mr. SIMMONS. Mr. President, I simply desire to say that this question of consolidated returns has been a very much mooted question. The Commissioner of Internal Revenue under the present law, although it was not expressly authorized, provided by regulation for consolidated returns in the case of the excess war-profits tax. The question was raised, first, as I understand, in the appropriate committee of the House as to the effect of that practice upon the revenues of the Government. Admittedly it is in the interest of easy and expeditious administration. It was contended, however, that possibly it might reduce the revenues of the Government because of the situation that the Senator from Wisconsin has presented.

The House did not authorize the continuance of this practice by the commissioner. It expressly prohibited it, and it did so upon the idea, as I am advised, that the result would be a diminution in the revenues of the Government. When the matter came before the committee of the Senate for revision we requested the authorities of the department to make a thorough investigation, based upon the experience of the department with reference to these consolidated returns as practiced under the present bill; and as a result of that investigation—very thoroughly made, as they have advised us—they found that instead of reducing the taxes of the Government it increased the taxes of the Government. Of course, we were advised that there would be cases in which the revenue would be less and that there would be cases in which the revenue would be greater; but, taking the average, we were informed that the returns to the Government were greater under this system than under the method provided by the House.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield to the Senator from Wisconsin.

Mr. LENROOT. I should like to ask the Senator two questions. First, I should like to ask him whether, under the present practice of the Treasury Department, the department permits a consolidated return depending upon the ownership by an individual of the stock of corporations?

Mr. SIMMONS. I am advised that it does.

Mr. LENROOT. Does the Senator think that there is any authority in law for doing that?

Mr. SIMMONS. Will the Senator repeat his question?

Mr. LENROOT. My question was whether the Treasury Department now, in permitting or requiring consolidated returns, permits or requires them, not depending upon the ownership of one corporation by another, it being a subsidiary corporation, but permits or requires a consolidated return depending upon the ownership of the stock of two or more corporations by an individual or group of individuals?

Mr. SIMMONS. Mr. President, it is very clear that if the stock of two corporations is substantially owned and controlled by one individual or a number of individuals, that is a unity of interest, and that is the basic principle of this amendment—that where there is a substantial unity of interest in both corporations or in both concerns, whatever may be their character, there may be a consolidation of their returns, because it is substantially the same interest, however owned. I do not conceive that it makes any difference whether it is owned by an individual or owned by a corporation. If the individual, as a matter of fact, owns a sufficient amount of the stock of the corporation to absolutely control that corporation, and owns a majority of whatever profits it makes, I do not see that that changes the situation at all. How does that differ from the case of a number of individuals joining their stock and controlling a corporation? Here you have, in the case of one individual, the same condition that you might have in another case as applied to five individuals interested in identically the same thing.

Mr. LENROOT. If I may answer that, there is just this difference—that you are offering a premium to large aggregations of capital, and saying to those large aggregations of capital: "The Government will take from you in taxes less than it will take from competing individuals." That is the answer.

Mr. SIMMONS. Mr. President, you would be offering that premium, as the Senator says, provided as the result of actual experience it is shown that you are granting a privilege to them, that you are permitting them to escape with a less tax. But when the proposition is sustained by the experience of the department, showing that, taken as a whole, it is not a privilege, but it is a burden, you do not reduce, as the result taken as a whole, the taxes that have to be paid and that the Government receives, but you increase the taxes to be paid and which the Government receives.

But, Mr. President, there is even a stronger argument than that in behalf of this general proposition. I think it requires only a little bit of analysis and reflection to see that if you permit separate returns for these great concerns that are substantially owned and directed by the same interest, you open the door to all sorts of manipulations, both as to capital and as to income. They may assign capital excessively to one concern, if it is to their interest to do it; they may assign income excessively to one concern, if it is to their interest to do it; and by manipulating the income and the investment of these affiliated corporations they may avoid and escape just taxation. Now, if you can treat them as a unit, the department can protect the Government against that sort of manipulated returns.

I am told—I do not know whether it is true or not—by representatives of the department that the department is in possession of information, since the passage of the bill through the House prohibiting consolidated returns, that there is a system being developed right now in this country, that some of the shrewdest talent of this country is being engaged in developing it, by which that can be made the means of so manipulating the returns of the taxpayers as to escape taxation upon a broad and big scale.

Mr. LENROOT. Mr. President, the Senator states that experts of the Treasury Department have advised the committee that the committee amendment would increase rather than decrease the revenue of the Government. In reply to that I will say that that can not be so if the Treasury Department performs its duty in allocating invested capital and incomes. It can only be true if the Treasury Department permits a corporation to assign to another corporation a greater proportion of income than belongs to that corporation, or a greater amount of capital than belongs to that corporation. But even if that were so, it would only come about through an increase—for the Senator states that he is speaking of the average—in the taxes of some corporations, thereby making up a deficit that will be created by the exemption from taxation of the war profits of other corporations. Even though that be true, it ought not to be a correct policy to lay down the rule that the wealthy corporation shall be permitted to escape its fair share of taxes if we make it up from some smaller corporation, so that the Government in the end does not lose revenue.

It is very plain, Mr. President—it must be plain to every Senator—that if there is a wealthy group of men, who of course own many corporations, a wealthy group of men making enormous profits out of this war, if they shall be permitted to include the stock, the capital, and returns of every other corporation that they may own—and of course they own a great many, some of them perhaps making losses, some of them making only a normal return—they will be permitted to utilize those corporations to escape their share of the tax on the war profits.

I have no hesitation in saying that if this provision remains in the bill, considering the fact—as fact it is—that most of these great corporations engaged in war activities are owned and controlled by a small group of men also owning and controlling many other corporations, it will readily be seen that the loss to the Government in revenue from the incorporation of this provision in the bill will run into hundreds of millions of dollars. It is one of these instances where, on the face of a bill, we seem to be exacting a very large share of the profits of corporations engaged in war activities, but in other parts of the bill there are concealed—I do not say intentionally by the committee, but nevertheless found there—provisions which it is difficult for any Member of the Senate, especially one who is not a member of the committee, to ferret out and find out whereby these war-profit-making corporations may escape their taxes on war profits. It is very difficult to ascertain the loopholes in this bill which do permit them so to escape. Nevertheless, they are there; and this provision that I seek to strike out is one of them. I say that if it does remain in the bill, the war profits that seem to be imposed upon these corporations would be very greatly reduced, without any justice and without any equity.

Mr. McCUMBER. Mr. President, the Senator from Wisconsin asserts very vociferously that the taxes will necessarily be reduced. The experts of the department say that they will be increased, and that was the testimony that was given before the committee—that the result of this change will be to increase and not decrease the taxes.

Mr. SIMMONS. That was the result of testing it out on the returns of last year.

Mr. McCUMBER. Yes; that was the result of testing it in connection with the returns of last year.

Mr. LENROOT. Mr. President——

Mr. McCUMBER. Now, the Senator from Wisconsin assumes that, in the majority of cases at least, the subsidiary corporations will not be making good profits; that there will be normal profits, or very little profits, or no profits, or losses; and that those will necessarily be deducted from the gains made by the principal corporation. But let us suppose, Mr. President, that you have here a corporation that makes a hundred million dollars, and that that is the principal corporation. It has 10 subsidiary corporations, each of them making $10,000,000, we will say. That would be another $100,000,000. Now, add those together and you have $200,000,000; and if in a consolidated return you base your excess profits upon the $200,000,000, the Government is going to get more money out of it than the Government would get out of it if you were to allow each one of the subsidiary corporations to make its exemptions and then pay on a basis of a very much less income. So the result will be, on the whole, that you would lose rather than make.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. McCUMBER. I do.

Mr. SMITH of Michigan. I should like to ask the Senator before he takes his seat what would be the effect if in the one company the owner or principal owner was making $100,000,000 and in each of a dozen subsidiary companies he was losing a million or two or three millions?

Mr. McCUMBER. Necessarily, Mr. President, there would be a loss; but inasmuch as the facts show that practically all of our corporations are doing well and making money, and making more money than they ever did before, and practically all of them are making excess profits, if you will add the excess profits of the subsidiary corporations to the excess profits of your principal corporation you will have a very much bigger tax for the Government than you would get if you should allow each one of the subsidiary corporations to make its deductions which are allowed by law and then to pay a less percentage upon a less amount of income.

Mr. NORRIS. Mr. President, may I ask the Senator from North Dakota, before he takes his seat, whether it is not true that in the illustration he has given he has not taken into con-

sideration the capital of the subsidiary corporations? Even though they all make a profit, I desire to ask him whether, in the aggregate, the tax would be greater than though they paid their tax separately? Would it not depend upon the size and the capitalization of these various subsidiary corporations?

Mr. McCUMBER. Whether they would make profits, or whether they would make losses, or whether they would break even, necessarily would depend upon the amount of capital invested as compared with the income received; but I am assuming that they are making a fair return upon their capital in most instances.

Mr. NORRIS. So am I. I am assuming that that is true, and I am just trying to get the real meat in the coconut if there is any. But the Senator, in adding the excess profits of the subsidiary corporations to those of the mother corporation, has said that that would make a largely increased profit, which would be true, and the rate would be higher as you go up.

Mr. McCUMBER. Certainly.

Mr. NORRIS. But it would be reduced by the amount of the capitalization, and the other deductions that each separate corporation would be entitled to make. They could take it out of the consolidated amount, just the same as though they made individual returns; so that that would be an element to consider, as to whether it would be an increase or a decrease.

Mr. McCUMBER. Yes; but if you will take a total of $200,000,000, and take $100,000,000 that will make a certain profit, we will say of $50,000,000 over the prewar conditions, and you take the other $100,000,000 which is earned by 10 other corporations, which is only $10,000,000 apiece, and then allow them their amount of exemptions, placing them in lower brackets than they would be placed in if they were added to the other $50,000,000, the Senator can easily see that there would necessarily be a loss to the Government.

If the hypothesis of the Senator from Wisconsin [Mr. LENROOT] is correct—that in the majority of cases, even in those that he mentions, where an individual interest owns the stock in a great many corporations, it would lower the taxes—of course, his argument would be good; but the evidence before the committee was just exactly to the contrary, and what we know of business in 1918 is that practically all corporations have made excess profits.

THE COMING TREATY OF PEACE.

Mr. LODGE. Mr. President, I regret to interrupt the debate, but I asked permission of the Senate a day or two ago that I might address them to-day on the question of the peace, which is the greatest question now before the world.

In the field of battle the great war has come to an end. The fighting with the German armies has stopped. An armistice, which amounts to an unconditional surrender on the part of the Germans, has been signed and is in course of fulfillment. But the peace is yet to be made. We must not lose in the terms of peace the fruits of the great victory which the armies of the allies and of the United States have won. A heavy responsibility, therefore, rests upon everyone who is to have any part, no matter how small, in the making of peace. The share of the Senate of the United States in that great work is very large and of decisive importance. No treaty can become binding upon the United States or be made the supreme law of the land without the consent of the Senate. The Constitution also gives to the Senate the right to advise as well as to consent, and it is the clear right of the Senate to offer its advice, whether invited or unasked, at any stage of the negotiations. Cases are not lacking in our history where Presidents have consulted the Senate before taking action in our foreign relations.

In 1902 I wrote an article on the treaty-making power of the Senate, and I there gathered together, I think, all the instances in which the Senate advised with the President before entering upon negotiations or upon any diplomatic transaction. They are very many. I am going to call attention to only two or three of them. The first one does not relate so directly to the situation now existing as some of the others.

In 1813 President Madison sent in a nomination for minister to Sweden to open diplomatic relations with that country and the Senate appointed a committee to confer with the President upon the subject. The discussion turned upon the President communicating through a committee of the Senate, but he makes a general statement, which I desire to read, because I think it is not without interest. He said:

> Without entering into a general review of the relations in which the Constitution has placed the several departments of the Government to each other, it will suffice to remark that the Executive and Senate, in the cases of appointments to office and of treaties, are to be considered as independent of and coordinate with each other.

How queer and old-fashioned it sounds to hear a President speak of the Senate as "an independent and coordinate body," and yet Mr. Madison was one of the framers of the Constitution, one of its principal authors, and in his day was considered a very able man.

On March 3, 1835, the Senate passed the following resolution:

> *Resolved*, That the President of the United States be respectfully requested to consider the expediency of opening negotiations with the Governments of other nations, and particularly of the Governments of Central America and New Grenada, for the purpose of effectually protecting, by suitable treaty stipulations with them, such individuals or companies as may undertake to open a communication between the Atlantic and Pacific Oceans by the construction of a ship canal across the isthmus which connects North and South America, and of securing forever, by such stipulations, the free and equal right of navigating such canal to all such nations, on the payment of such reasonable tolls as may be established, to compensate the capitalists who may engage in such undertaking and complete the work.

There the Senate advised the President to enter on certain negotiations, and the President was Andrew Jackson, a man usually reputed in history to have had a somewhat determined will and to be at times perhaps a little arbitrary. Did he resent it? On the contrary, on January 9, 1837, nearly two years afterwards, President Jackson replied to this resolution stating that in accordance with its terms an agent had been sent to Central America but that from his report it was apparent that conditions were not such as to warrant entering upon negotiations or treaties relating to a ship canal.

President Van Buren, on June 7, 1838, sent in a message announcing that he intended to authorize our chargé d'affaires to Peru to go to Ecuador and, as agent of the United States, negotiate a treaty with that Republic. Before doing so, however, he thought it proper, in strict observance of the rights of the Senate, to ask their opinion as to the exercise of such a power by the Executive in opening negotiations and diplomatic relations with a foreign State.

President Polk, on June 10, 1846, sent to the Senate a proposal in the form of a convention in regard to the Oregon boundary submitted by the British minister, together with a protocol of the proceedings, and on this he asked the advice of the Senate as to what action should be taken. The message then continues as follows:

> In the early periods of the Government the opinion and advice of the Senate were often taken in advance upon important questions of our foreign policy. Gen. Washington repeatedly consulted the Senate and asked their previous advice upon pending negotiations with foreign powers, and the Senate in every instance responded to his call by giving their advice, to which he always conformed his action. This practice, though rarely resorted to in later times, was, in my judgment, eminently wise and may, on occasions of great importance, be properly revived. The Senate are a branch of the treaty-making power, and by consulting them in advance of his own action upon important measures of foreign policy, which may ultimately come before them for their consideration, the President secures harmony of action between that body and himself. The Senate are, moreover, a branch of the war-making power, and it may be eminently proper for the Executive to take the opinion and advice of that body in advance upon any great question which may involve in its decision the issue of peace or war.

On August 4, 1846, President Polk, by message, consulted the Senate as to entering on peace negotiations with Mexico and advancing to that country a portion of the money to be paid as consideration for the cession of territory.

On February 21, 1861, President Buchanan asked the advice of the Senate as to entering into a negotiation with Great Britain for a treaty of arbitration in regard to a controverted point in the Ashburton-Webster treaty of 1846. His own words are: "The precise questions I submit are three: Will the Senate approve a treaty," and so forth.

On March 16, 1861, President Lincoln, in his first message to the Senate, repeated the questions of his predecessor as to entering upon this negotiation for an arbitration with Great Britain, and said, "I find no reason to disapprove the course of my predecessor on this important matter, but, on the contrary, I not only shall receive the advice of the Senate therein, but I respectfully ask the Senate for their advice on the three questions before recited."

Lincoln, I think, could hardly be described as a poor-spirited man, and yet that was the view he took of the relation between the Senate and the President.

May 13, 1872, President Grant sent a message to the Senate relating to differences which had arisen under the treaty of Washington, and said: "I respectfully invite the attention of the Senate to the proposed article submitted by the British Government with the object of removing the differences which seem to threaten the prosecution of the arbitration, and request an expression by the Senate of their disposition in regard to advising and consenting to the formal adoption of an article such as is proposed by the British Government.

"The Senate is aware that the consultation with that body in advance of entering into agreements with foreign States has many precedents. In the early days of the Republic Gen. Washington repeatedly asked their advice upon pending questions with such powers. The most important recent precedent is that of the Oregon boundary treaty, in 1846.

"The importance of the results hanging upon the present state of the treaty with Great Britain leads me to follow these former precedents and to desire the counsel of the Senate in advance of agreeing to the proposal of Great Britain."

On March 3, 1888, the Senate passed a resolution asking President Cleveland to open negotiations with China for the regulation of immigration with that country. President Cleveland replied that such negotiations had been undertaken.

Mr. BRANDEGEE. The Senator has referred to this as an article prepared by him. Will he give the title of it and where it can be found?

Mr. LODGE. It is printed as a Senate document, Fifty-seventh Congress, first session, Document No. 104.

It will be observed, Mr. President, that nearly all the Presidents have consulted the Senate in advance of negotiations, and they lay stress on the fact of the importance of the two branches of the treaty-making power consulting together before diplomatic negotiations of great moment are entered upon. No diplomatic negotiation ever entered upon compares in importance with that now pending.

President Polk, President Van Buren, and President Jackson, who was a soldier, Gen. Grant, who had been a great commander, all thought it expedient, and we have above all the precedent of the action of Washington and Lincoln, and, although I know a good deal of time has elapsed since they died, I think they are still considered two very great men.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Wisconsin?

Mr. LODGE. Certainly.

Mr. LA FOLLETTE. I am loath to interrupt the Senator, but I should like to quote right in connection with what the Senator has been saying with reference to the position of Washington and Lincoln the views of President Wilson as set forth in a brief paragraph——

Mr. LODGE. I think I was about to quote it.

Mr. LA FOLLETTE. I beg the Senator's pardon.

Mr. LODGE. If it is not, the Senator can add it to mine.

I was going to say, Mr. President, in concluding my precedents, that even our present President recognized the possibility of original thought on the part of Congress when he said in his message of December 4, 1917:

> If I have overlooked anything that ought to be done for the more effective conduct of the war, your own councils will supply the omission.

I yield to the Senator from Wisconsin if what he has is different.

Mr. LA FOLLETTE. The quotation I wish to present is very different from that. It presents tersely the views of Mr. Wilson a year or two before he became President. In his work on Constitutional Government in the United States, published in 1911, Mr. Wilson clearly defined his views as to the unlimited and exclusive prerogative of the Executive in dealing with foreign affairs. I now quote a short paragraph from that work. He said:

> One of the greatest of the President's powers I have not yet spoken of at all—his control, which is very absolute, of the foreign relations of a nation. The initiative in foreign affairs which the President possesses without any restriction whatever is virtually the power to control them absolutely. The President can not conclude a treaty with a foreign power without the consent of the Senate, but he may guide every step of diplomacy; and to guide diplomacy is to determine what treaties must be made if the faith and prestige of the Government are to be maintained. He need disclose no step of negotiation until it is complete, and when in any critical matter it is completed the Government is virtually committed. Whatever its disinclination, the Senate may feel itself committed also.

Mr. LODGE. Let timid souls then take courage and be cheerful. There is nothing either in law or good manners or custom which stands in the way of advice from the Senate to the Executive charged with initiating and carrying on negotiations when the Senate thinks advice desirable. Let me not be understood in saying this as reflecting in any way upon the President's failure to give the Senate representation among the delegates charged with the work of formulating the peace. While I think it a grave mistake on the part of the President to ignore the Senate, because our ultimate responsibility in making the peace is quite equal to his own, I have no fault to find with his not appointing Senators as delegates to the conference. There is no obligation whatever upon him to make such appointments. It has been done, I believe, only once in our history, and that was when President McKinley sent three Senators to Paris as delegates to make the peace with Spain. The fact that three Senators signed that treaty certainly helped in its ratification, which was strongly contested, and it seemed to me at the time that this was a fortunate circumstance, because it is extremely desirable that peace treaties should be promptly ratified and with general approbation.

This, however, is something wholly different from the proposition that the Senate should know nothing about the treaty or the considerations which led to the adoption of its terms until it is actually laid before them. It is equally distant from the sister proposition that it is an impertinence on the part of the Senate to dare to have or to express opinions upon the terms of a peace which involves the fate of the civilized world. After all, Senators are men of voting age and not devoid of responsibility. In the present situation, which is grave beyond comparison, I think it is of the last importance that those concerned in the actual negotiation of the treaty should at least know the views of the Senate so far as the Postmaster General, in control of the cables, and Mr. Creel, in control of the news, will permit the opinion of the Senate to be transmitted to Paris.

In the present unparalleled situation the right of the Senate to advise as to a treaty becomes a solemn, an imperative, duty. We can not compel information, but we are abundantly able to make our own opinions known not only to the President but to the allies, who have a very clear and even acute idea of the power of the Senate in regard to treaties. They must know that the Senate can reject and often has rejected treaties. Others the Senate has refused to ratify and held without action. Many others have been vitally amended. The allies should not be kept in the dark as to the views of the Senate nor should the Senate keep silent as to its own opinions or as to the wishes and demands of the American people. The plan seems to be to project upon the Senate the most momentous treaty ever made without any information as to the steps which led to it or as to the arguments and conditions which brought about its adoption. This scheme, which is indicated by all the facts known to us, rests on the theory that the Senate, although possessing the power, would not and could not dare to reject a treaty of peace. This unworthy calculation is perhaps sound in practice, and yet I have seen a peace treaty bitterly opposed and ratified, after the exertion of the most powerful influences, with only two votes to spare. But if a treaty of peace might not be rejected it can be debated and amended, and I can conceive of extraneous provisions wholly needless for a peace with Germany being unwisely added, provisions which would surely be stricken out or amended, no matter how many signatures might be appended to the treaty. Protracted opposition and amendments mean long delays, and delay is only less unfortunate than rejection. All these untoward results can be avoided if the Senate frankly expresses its views beforehand on certain leading points for the consideration of the allies and of the President himself.

We have had already some important, able, and illuminating debates upon at least one question with which it is supposed the peace delegates will be called upon to deal. I repeat that I should be glad if those debates could be supplemented by some definite resolutions expressing the views of the Senate tersely and simply on some of the most important points. Whether the Senate will take such action—although I know that we have very definite opinions—I can not tell because there seems to be a feeling among some Senators that it is an act of intolerable audacity for the Senate even to suggest to the Executive that it has opinions which ought to be considered. Personally I do not share that view. It appears to me more becoming to an autocratic government or to a dictator than to the constitutionally representative democracy which has thus far made the Government of the United States so successful and which has raised the country to the peak of greatness to which it has attained. But if the Senate is not ready to take action as a body, which I earnestly hope they may determine to do, I desire at least to express my own views of the situation.

We have had a great deal of eloquence expended here on the beauties of peace and the horrors of war. We have had flaming appeals to the God of justice and all the usual rhetorical accompaniments which go with an earnest desire to shun unpleasant facts. I have no fault to find with the rhetoric or the eloquence of the eulogies of peace and the denunciations of war. They have all been uttered many times and will be said over many times more. They have one distinct advantage. Everybody agrees with them. They have one very great disadvantage. They lead nowhere except into a pathless jungle of words. The mighty questions which confront us can not be settled or even intelligently dealt with by words and phrases or by setting forth in glowing terms, consecrated by long use, what are called ideals. We must deal with human nature as it is and not as it ought to be if we are to have any beneficial and effective results or if we are to convert ideals into realities. Let me therefore assume what is undoubtedly true, that we are all agreed in a fervent desire for peace and in an ardent hatred for war, and that

we all hope to have justice and righteousness prevail, and that we are all alike seeking to secure a durable peace. This agreement effected, let us come down to facts. In what I am about to say I shall confine myself to stating the facts which I believe are beyond dispute as simply as possible without ornament and without any attempt at eloquence or epigram.

Peace being our object, the first step toward peace is to make a peace with the country with which we have been and are at war—that is, with Germany. If the peace with Germany is to be durable, terms must be exacted which will make it, so far as human foresight goes, impossible for Germany to break out again upon the world with a war of conquest. This can not be done merely by treaty engagements and signatures to documents. At this juncture of affairs Germany would sign anything, and her pledge would be as worthless as the guaranties she gave to Belgium. It is well also to remember that Germany did not change her nature overnight when the Kaiser ran away to Holland. The deep-rooted ambitions, the evil principles carefully instilled for half a century, the barbarous methods and doctrines all remain unaltered. Physical guaranties which when taken would make signatures to treaties negligible can alone assure a durable peace with Germany. I do not need to rehearse what those physical guaranties should be, for I have stated my views upon them more than once to the Senate, and I think there is general agreement upon them not only in the Senate but among the American people. They include the restoration of Belgium, the return of Alsace-Lorraine to France, of the Italia Irredenta to Italy, the establishment of a Jugo-Slav State, and of an independent State formed by the Czecho-Slovaks. They include also the security of Greece, the settlement of Albania and Montenegro, the restoration of Roumania, the consolidation of all the Roumanian people under one government, as well as the neutralization of the straits, the putting of Constantinople under international protection, with Greece perhaps as the mandatory of the powers to administer the affairs of the city, the independence of Armenia, the return of those portions of Asia Minor where Greeks are predominant to Greece, the protection of Syria and Palestine from the Turks, a large, powerful, and independent Polish State, the independence of Russia's Baltic Provinces, the return of Danish Slesvig to the Danes, and the neutralization of the Kiel Canal. These physical guaranties which I have thus far suggested all have one object, and that is so to hem Germany in that she can not attempt conquest in Russia or in the East, and that the Slavic populations, which she has mercilessly used in her wars, can never be so used by her again. In addition to these guaranties, there must be heavy indemnities paid by Germany for the ruin she has wrought in Belgium and northern France and in Italy and for her destruction of vessels, both neutral and belligerent, through the use of submarines. In those indemnities the United States must have its proper and proportional share, not only direct indemnity for its ships destroyed by submarines and its people murdered on the *Lusitania* and other vessels, but a suitable restitution, in part at least, of the vast expenses forced upon us by Germany.

It will be for the peace conference to determine what disposition should be made of the German colonies, but one thing is essential, and that is that they should not be returned to the tyrannical misgovernment of Germany and that she should be deprived of those means for extending her commerce and building up military outposts in all parts of the world. The payment of the indemnities will be a work of time, and it will be necessary to take and hold ample security for the extinction of these debts. It is the duty of the allies and the United States to meet and determine what terms they will impose upon Germany, and then, and not until then, call in the representatives of Germany and impose the terms upon them. When this is done, the first great step will be taken toward the establishment of the world's peace. If we eliminate Germany from the opportunity to make war, the only source from which a great war is likely to come would be closed for generations.

Such in outline are the necessary steps demanded by exact justice, upon which, I think, the United States and the allies are substantially agreed, in order to make a lasting peace with Germany. But making peace by imposing the terms which we think proper upon Germany is only half the work which at this moment must be done. The peace must not only be made and agreed to, but it must be effective, and to render the peace effective there is much more to do than can be done by ink and paper. The first thing needful is to face the situation and look facts in the face. Nothing can be accomplished unless we work in complete harmony with those who are associated with us in the war against the central powers. I know very well that technically we had no treaty of alliance with the allies by whose side we fought, but technicalities are of no consequence in the presence of facts. No treaty of alliance could have caused a greater unity of action than was established between us and the nations with whom we joined in the war against Germany. Binding arrangements were made for common action in regard to food supplies, in regard to fuel, in regard to munitions of war, for the building of railroads and docks and everything concerning the supply of the armies in France. Our Navy worked in close alliance with the navies of Great Britain, France, and Italy. Our troops served under the command of a French marshal. All these things were vitally necessary, and these relations must be continued if we are not to lose at the peace table what we won in the field. To attempt in any way to separate us from our allies now or to prevent perfect unity of action is as harmful as such efforts were when we were fighting in northern France and on the plains of Flanders. To encourage or even to permit any serious differences to arise between the United States and Great Britain, or with France, or Italy, or Belgium, would be a world calamity of the worst kind. Any serious difference among English-speaking people would be deplorable in the highest degree. Any thought of war among them would be as abominable as it is inconceivable. To differ greatly with France, bound to us by so many ties of faith and affection, or with Italy or Belgium, is unthinkable.

Do not forget, however, that German propaganda with this object in view is as active and poisonous to-day as it has ever been. The people here and in the allied countries who were favorable to Germany are again busy in the effort to part the allies and the United States from each other, and their efforts find expression in dispatches in the newspapers and in the thousand and one forms with which we have been painfully familiar in the years just past. We must have common action now in making the peace as we had in carrying on the war, and this unity between us and the allies is the first essential condition for a successful peace.

We are also confronted with the great difficulty of finding a government in Germany capable of making a peace and fulfilling its international obligations. This is a problem which must be faced and which will require the greatest wisdom and caution of which the united peace delegates of the allies and the United States are capable. These are the two vital conditions precedent to a successful and truly victorious peace.

If these are fulfilled, then comes the practical work of making the peace effective. In other words, the terms of the peace must be carried out and executed. The United States did not enter this great war simply to vindicate its rights at sea, which had been invaded and disregarded by the German use of submarines, although that may have been the last drop which caused the cup of wrong and outrage to overflow. It was no doubt the technical point on which relations were broken, but it was trifling compared to the really great objects with which we entered the war and which alone justified our doing so. We took up arms against Germany because we were determined not only to protect our own safety and independence against her attacks but because the people of the United States believed that if the world was to be a possible place for free, law-abiding people to live in, the autocratic system and the organized barbarism of Germany must once for all be eliminated from among the nations. We went to war to save civilization. For this mighty purpose we have sacrificed thousands of American lives and spent billions of American treasure. We can not, therefore, leave the work half done. We are as much bound, not merely by interest and every consideration for a safe future but by honor and self-respect, to see that the terms of peace are carried out as we were to fulfill our great determination that the armies of Germany should be defeated in the field. We can not halt or turn back now. We must do our share to carry out the peace as we have done our share to win the war, of which the peace is an integral part. We must do our share in the occupation of German territory which will be held as security for the indemnities to be paid by Germany. We can not escape doing our part in aiding the peoples to whom we have helped to give freedom and independence in establishing themselves with ordered governments, for in no other way can we erect the barriers which are essential to prevent another outbreak by Germany upon the world. We can not leave the Jugo-Slavs, the Czecho-Slovaks, and the Poles, the Lithuanians, and the other States which we hope to see formed and marching upon the path of progress and development unaided and alone.

These are some of the tasks which the war has brought and which peace demands. They involve no alliances. They are specific questions, the settlement of which has been imposed upon us by the war, and they all are vital to an enduring peace. They ought to make the peace of the world. And behind the work of occupation to insure the payment of indemnities, behind these new States, whose existence we have recognized and whom

we have helped to call into existence, lies the great problem of Russia. We can not shirk the Russian question. The whole civilized world has been shaken and torn by the convulsion of the war, the greatest war in recorded history. As one of the greatest and most powerful of the civilized nations, if we are to have a lasting peace now, we can not avoid the problems which the war has bequeathed to us. Of these problems that of Russia is probably the most difficult. Moreover, we have been committed to this work by the statement of the President on the 8th of January. In stating his sixth point, he said:

> The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing, and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

The evacuation of Russia by the German troops, although postponed, is required under the armistice, but the President went much further than that. In the statement I have just read he in effect pledged the United States to aid Russia in rising from the chaos and disorder which had come upon her to the place which she ought to occupy in the family of nations. The restoration of Russia is essential not only to the peace but to the economic life of the world, in which we have so large a share, and the difficulties presented by Russia are in the last degree formidable. We have troops now in the northern part of western Russia, and other troops in Vladivostok. Unfortunately they are so few in number that it is greatly to be feared that they are wholly inadequate for the work they may have to do. Nevertheless they are there and must be sustained and very probably increased. We have at present no government in Russia with which anyone can deal intelligently. The thing that calls itself a government is no more fit to be dealt with in negotiation, no more capable of carrying out agreed terms, than a band of anthropoid apes.

We hear the condition of Russia spoken of as if it resembled that of the French Revolution. The only resemblance between them is that they were both revolutions. Russia is a welter of disorder, feebleness, and destruction. The French Revolution, it is true, was stained with great crimes and many executions, but the world has seldom seen a stronger government than that of the Committee of Public Safety. They consolidated France with a ruthless thoroughness which would have terrified the despotic kings like Philip the Fair, Louis the Eleventh, and Louis the Fourteenth, who devoted their lives to the same object. They put down civil war with one hand and threw back and defeated banded Europe with the other. Whatever the defects of the Government of France during the Revolution may have been, weakness was not one of them; but Russia within two years has spun round the whole circle from despotism to anarchy, and the most conspicuous feature is the utter inefficiency and feebleness of everyone concerned. They overthrew the autocracy, and the Duma established a provisional government, the natural step to be taken toward ordered liberty. The provisional government fell before Kerensky and his followers, who lacked every quality necessary to meet the situation. They had nothing but words to offer, and they fell in turn before men who were backed by German money and whose object was not to give freedom to Russia, but to destroy their fellow citizens and every element which was necessary to a social fabric under which men could live and prosper while they themselves profited in money and in power from the ruin they wrought. They have indulged in murder and massacre. They have destroyed property and all the instruments of industry, and the unhappy and ignorant people of Russia, in whose name they undertook to act, are to-day suffering from famine and disease and are in a worse condition than they were in the days of the Romanoffs. There is nothing to indicate that the Russian people have the power among themselves to extricate the country from this condition. It seems as if they had come full circle and had reached the point where nothing could rescue them but the strong man at the head of an army. Whatever the solution finally reached, however, it is perfectly clear that they will need the help of the civilized nations who have beaten Germany to her knees. It would be discreditable, indeed, to the United States if it failed to recognize its duty to this great country, a duty to which the President, so far as he could, has committed the United States. How the problem can be solved no man at this moment can say. The one ray of light seems to come from the people of the Ukraine, and we may be able to rebuild Russia by aiding the only people who have shown any capacity for maintaining a government and preventing the dissolution of the social fabric.

We must not forget the enormous importance of the Russian question and how much is at stake on its right solution. The only hope for Russia is to be found in the fact that there are countries, where a dissolution of the social fabric has not yet set in, which are able to sustain and help her. If Russian anarchy should be permitted to spread through western civilization, that civilization would fall. We have had in the past one great lesson in the fall of the civilization of Rome throughout the western empire. The ruin of the Roman civilization was followed by the Dark Ages, as they were called, and it took a thousand years for western Europe to creep slowly back to the plane of the civilization which had been destroyed. It is easy to wreck a great civilization. It is the work of centuries to restore it. We can not leave Russia lying helpless and breathing out infection on the world. We must help to bring her back to health and sanity and well-being. Some proper settlement of the Russian question is absolutely vital to the modern civilization of which we are a part. We can not disregard it or stand by as idle spectators without making any effort to aid Russia to rid herself of the poison which is now eating out her life and once more resume her place among the great nations of the world.

Beyond Russia lies the Empire of China, divided now into two governments. Our interest in China has always been great. It was never greater than at the present moment, for our safety in the Pacific may well depend upon the right settlement of the Chinese question.

I have merely touched upon some of the pressing questions growing out of the war and essential to the establishment of peace. These questions will tax the best ability and all the intelligence and disinterestedness of the civilized world, and now I ask, Is that not enough for the moment? If we are to bring out of the wreck of the war with Germany a world peace, is not the first step to make peace with Germany, with which we have fought, and settle, so far as we can, the grave problems which are inseparably connected with the war and the peace? Would it not be folly to attempt at this moment to go further? I ask this question because other propositions have been brought forward which, if an attempt is made to fasten them upon the peace with Germany, may ruin all by trying to do too much at once. The questions involving peace with Germany and the settlement of the questions growing out of the peace without which it can not be established are in themselves almost appalling in their difficulty and in their magnitude. Could anything be more unwise than to add to them needlessly and introduce subjects which may lead to division among the nations which have conquered Germany and retard the settlement of all the difficulties to which this war has given rise?

The other questions to which I refer, and which I think ought at this time certainly to be postponed, are those suggested by the President in his first four points and in his last point of January 8. The first one relates to secret diplomacy. The crying evil of what is loosely called secret diplomacy lies in the secret treaties familiar to Europe. No such treaties ought to exist. They never have existed in this country. They can not exist under the Constitution, because the Senate is an integral part of the treaty-making power. As to the negotiations by which treaties are brought into existence there must be a certain amount of secrecy. If all informal discussions of differences between nations were cried from the housetops and discussed in public assemblies we should produce abundance of quarrels and very few treaties. There are parts of negotiations and certain gatherings of the nations in convention, such as we have had at The Hague, which can no doubt be made public, but that all the preliminaries of negotiations and all discussions leading up to them should be in public seems to me impossible. I think it will be generally admitted that we have never had more secret diplomacy than in the last four years under President Wilson, which would seem to indicate that it is easier to talk about than to discard or abandon those methods. I think this may have been inevitable, but it demonstrates at least that secret diplomacy is a loose term, and also it shows, I think, that the question is one of no vital importance at this moment, and that whatever our views may be about the methods of diplomacy we can make peace with Germany without undertaking to settle what shall constitute secret diplomacy in the future and what shall not.

The next point is the freedom of navigation upon the seas outside territorial waters. Here again is a subject which is not defined. The seas are free to navigation in time of peace. Therefore this proposition can apply only to time of war, and what it is proposed to do in regard to freedom of navigation in time of war we have yet to learn. If it means that there must be

an abandonment of the belligerent right of blockade, by which in a large measure the United States was able to win the Civil War, I think the United States, as the greatest maritime Nation in the world next to England, will hesitate before it abandons a weapon absolutely necessary for its own safety and with regard to troubles which may arise within the regions covered by the Monroe doctrine. I can not imagine that England would for a moment think of abandoning the belligerent right of blockade, but I have no desire to enter upon the discussion of a subject which is wholly in the clouds. We can not talk intelligently about any proposition until we know just what it means, and that has not yet been disclosed to an interested world.

I can not, however, leave this question without pausing a moment to call attention to the strange development which has taken place in connection with the Naval appropriation bill now being considered by the House committee. It appears that the department is urging the adoption of a new program so large that it will in 1925 give us a Navy equal to that of England at that time, allowing for the British increase. I have been always an extremist in regard to the Navy. I have always desired to go further than almost anyone else, I think, in building ships. I strongly favored the program of two years ago because I believed that we had suffered from not working on a program and had an ill-balanced Navy owing to our helter-skelter method of unsystematic authorizations. But I never at any time advocated making the fleet of the United States equal to that of England, and I have never heard it advocated by anybody else. It has always been felt that the English fleet, which was based on the double standard—that is, which was always to be equal to the combined fleets of any two other nations—resulted in a navy larger than we needed in the United States and entailed a corresponding burden of expense. Our policy has been—that is, the policy of those who were extremely anxious that we should have a powerful Navy—to make our Navy the second in the world; but no one has ever thought it necessary to put it on the double standard. At this moment I am thoroughly in favor of a very strong Navy. I do not believe in reducing our Navy. I should be glad to see the number of enlisted men on the active list increased; but this new program goes beyond anything that I, at least, have ever contemplated. The present administration of the Navy, during the four years preceding the war, was in favor of a small Navy policy, to which I was greatly opposed. Now, the war is over. The German fleet has passed out of existence. The only naval danger that we were obliged to consider in the past on the Atlantic coast has ceased to be. We need a powerful fleet in the Pacific, and I am sure that we shall have a Navy sufficient to furnish that fleet to the western coast. And yet at this moment we are suddenly called upon to build a fleet which shall be equal to that of England. As one item, we are to have in 1925, 20 battle cruisers. Six are already authorized, although not yet begun; but I can not understand why it is proposed at the present time to provide for 20 battle cruisers at a cost of twenty millions each, to say nothing of the increases in all the other branches of the Navy which must correspond to the number of battle cruisers. I have heard reports that it was intended to be used in the negotiations to compel England to agree to disarmament under the menace of a great naval competition on our part. I mention this rumor only to say that it is unbelievable. I can not for a moment think that such an idea should be entertained by anyone, but it gives a suggestion of the impression which this enormous proposal for the naval increase brings. It must be false. Such a motive as that is too entirely unworthy to be entertained by any responsible public man. Another explanation was that offered by Admiral Badger, when he was advocating this new program before the committee of the House, which was to the effect that we should require it for police duty in connection with the league of nations. I will not stop to ask who is to order that navy about the world for police duty in behalf of the league of nations. I will merely say that it seems to me extraordinary that we should enter on a scheme for eternal peace throughout the world by proposing to build a Navy which in seven years is to be equal to that of England, so that at the end of that time England and the United States would have the two most enormous navies that the sun ever shone upon. How it fits in with the policy of reduction of naval and military forces or with the high objects of a league of nations I can not conceive. It is not necessary, however, to stop longer at this point.

One thing is certain, that the questions of international law involved in the loose term "freedom of the seas" are not in the least essential or necessary in making a peace with Germany now and in bringing the present war to an end.

The third point is about economic barriers. Different interpretations have been placed upon this proposition, but the President, in two notes which were read to the Senate not long ago, explained it to mean, as I understood, that while each nation was to impose any import duties which it pleased, the nations were all to agree that their respective tariffs should be the same to all other nations; that is, that there should be no discrimination. Let me remark in passing that this would prevent our having a reciprocity treaty with Cuba, which has been of great value both to the island and to ourselves; and if past treaties were exempted it would still prevent our making similar treaties with any of our neighbors in the Americas, because a reciprocity treaty is in its very nature a discrimination in favor of one nation against other nations. Personally I believe that we should have the right to discriminate against Germany if we choose, or against any other nation. The import duties we impose are a domestic question, and it should rest with the people of the United States to say whether they would discriminate or would not discriminate in those duties, whether they would make reciprocity treaties with other countries or whether they would not make such treaties.

Again let me say that I do not care to enter further upon this question, which opens a wide field of discussion. I desire simply to put it aside, because its settlement is not in the least essential to ending the war by a peace with Germany. We can make that peace without determining at this moment what we shall do with our tariffs, in the making of which I think every nation ought to have entire freedom.

The fourth is the point about armaments; in other words, the reduction of armaments, which, as I have already said, finds a queer expression in the administration's new naval policy. At this time reduction of armaments is a question which ought to be postponed, because we have neither the facts nor the knowledge necessary for intelligent action. It may be imperative to determine what sort of an armament Germany shall have by sea or land, because Germany has tried to conquer the world, and the world having conquered Germany has the right to put restrictions on her which would prevent her attempting the conquest a second time. But there is no reason for bringing up at this moment a general question of this sort, which can not now be intelligently determined with the world in the broken and torn condition it now is in.

The last proposition is the league of nations. The words "the league of nations" are captivating and attractive. Everybody would like to bring about a world condition in which wars would be impossible. We are all lovers of peace; we all are equally desirous to prevent the recurrence of wars. We all are deeply in sympathy with the purposes which the words "league of nations" are supposed to imply. But we ought to be extremely careful that in our efforts to reach the millennium of universal and eternal peace we do not create a system which will breed dissensions and wars. It is difficult to discuss it at this time, because no definite plan of any kind has yet been put forward by any responsible person. The Senator from Idaho the other day said and reiterated that in dealing with a league of nations we should demand that those who advocated it should be candid with the American people. That is the essence of the whole question. We all share in aspirations for complete world peace and for its maintenance; but the attempt to convert these aspirations into the hard, dry, and exact formulas of laws and treaties is a very arduous task. Intelligent discussion becomes difficult when the advocates of the league of nations drape themselves in trailing clouds of glory and omit to tell us the conditions to which they propose to bind the nations.

And yet it is essential that before we can pass upon a league of nations we must have the most precise definitions of what is intended. A league of nations is not a bill which can pass by title. A league is an agreement. We must know what we are to agree to, and no one has yet thought it worth while to tell the people of the United States what they are to agree to when a league of nations is formed. If, however, there is to be a league of nations in order to enforce peace, one thing is clear. It must be either a mere assemblage of words, an exposition of vague ideals and encouraging hopes, or it must be a practical system. If such a league is to be practical and effective, it can not possibly be either unless it has authority to issue decrees and force to sustain them. It is at this point that the questions of great moment arise. I will put a few of them as to details, which are more vital here than theories and which I hope will be carefully considered, not only by the Senate and the House but by the American people.

What nations are to be members of the league? Is Germany to be one of the members? If so, when? How are these nations thus joined in a league to vote in determining the operations of the league? Theoretically, in international law every independent sovereign nation is the equal of any other nation. Are the small nations to have an equal vote with the great nations

in the league, a vote equal to that of the United States or England or France? I saw that there occurred in New York a few days ago a meeting of representatives, so called, of some small nations who demanded this equality of voting power. I have the report of the meeting here, but it is not necessary to read it.

If this form of voting were agreed to, the small nations could determine the action of the league, and if the league had an international force behind it, they could order that force where they pleased and put it under any command they pleased, which might give rise to complications. If nations are to vote in the league on a democratic basis, then their voting power must be determined by population. Here, too, some curious possibilities arise, not without a certain intricacy. The population of China is, roughly, four times that of the United States, and this system would give China four times the vote of the United States in the league. If England is to have the right to cast the vote of her possessions, India alone would give her from three to four times as many votes as the United States and ten times the vote of France. This system seems open to some objections at first glance, and they are objections which will have to be considered.

All the plans which have been put forward tentatively for a league of nations, so far as I know, involve the creation of a court. We must remember that we have carried voluntary arbitration as far as it can practically go. Assuming that there is a distinction between justiciable and nonjusticiable questions, who is to decide whether a question is justiciable or not? Is it to be done by the league, voting in some manner hitherto undefined, or is each nation to decide for itself whether a question affecting its own interest is or is not justiciable? Let me give an example, to make my meaning clearer. We have recently purchased the Virgin Islands. Suppose that that purchase had not been effected and that Denmark undertook to sell those islands to Germany or some other great power. Is that a justiciable question? If it is and it went before a court there can be no doubt that any court would be obliged to hold that Denmark had the right to sell those islands to whom she pleased. In the past the United States would never have permitted those islands to pass out of Denmark's hands into any other hands, because we consider their possession of vital importance to our safety and to the protection of the Panama routes. The same will be true in regard to Magdalena Bay—a case in which the Senate passed a resolution, with unanimity, I think, stating that on the plain doctrine of self-preservation we could not allow Magdalena Bay, or any other similar position of advantage, to be turned into a naval base or military post by another power. Would that be justiciable? And if not justiciable, then is the league of nations to compel, nevertheless, its submission? The League to Enforce Peace and the League of Free Nations Association, of New York, state as their second proposition that for questions which are not justiciable in their character there shall be created a council of conciliation as mediator, which shall hear, consider, and make recommendations, and failing acquiescence by the parties concerned, the league shall determine what action, if any, shall be taken. This would deny to nations the right, hitherto exercised by every sovereign nation, to determine whether a question is vital to their independence and safety or not. This, I think, I may say without exaggeration, would be a very grave step for any nation to take.

Suppose now that the court is established with a police force behind it. I have seen it proposed that any nation refusing to obey this court's decrees shall be compelled to do so by the international police force just as the decrees of our own courts are carried out by a police force. Let us dispense with metaphors. An international police force is an international army and navy. Who is to order that army and navy into action, and who is to command it when it is in action? Are we prepared to allow any association of nations by a majority vote to order the troops and the ships of the United States to go to war? Unless we are prepared to do so we are not prepared to join a league of nations which is going to enforce peace, and we should never put our name as a nation to any treaty or agreement which we are not ready to carry out both in letter and spirit. To sign a treaty and then evade or disregard its provisions is not only bad faith and dishonor, it is the surest breeder of wars. Let us be honest with ourselves. It is easy to talk about a league of nations and the beauty and the necessity of peace, but the hard practical demand is, Are you ready to put your soldiers and your sailors at the disposition of other nations? If you are not, there will be no power of enforcing the decrees of the international court or the international legislature or the international executive, or whatever may be established.

This is the heart of the whole question, but there are others which would necessarily have to be considered. Are we ready to abandon the Monroe doctrine and to leave it to other nations to say how American questions shall be settled and what steps we shall be permitted to take in order to guard our own safety or to protect the Panama Canal? Are we ready to have other nations tell us by a majority vote what attitude we must assume in regard to immigration or in regard to our tariffs? These are lesser points, but they must be met and answered before we commit ourselves to permitting an association of nations to control in any degree the forces of the United States.

If we insist upon the Monroe doctrine, do you imagine that the other nations of the world are going to permit us with our vote and our power to say what shall be done in Africa, Europe, and Asia, and then when it comes to the Americas to be met with the statement that there is a great circle drawn by the Monroe doctrine about those continents and that they can not put their hands on them? Does anyone imagine for a moment that the other nations of the world would accede to such a proposition as this? The only alternative, if we are to have a league of nations which is to travel over the world and settle all possible wars under the authority of a body of nations assembled by representation, is to place them all on the same footing and the Monroe doctrine would have to be abandoned.

We have now at this moment a league of nations. They have been engaged in compelling Germany to make peace and in restoring peace to the world. It has taken four years of the bloodiest war ever known to get that peace. By this existing and most efficient league the peace once signed must be carried out and made effective. Therefore, it is well to reflect that entering upon a new and larger league of nations involves somewhat heavy responsibilities and dangers which must be carefully examined and deliberately considered before they are incurred. The attempt to form now a league of nations—and I mean an effective league, with power to enforce its decrees—no other is worth discussing—can tend at this moment only to embarrass the peace that we ought to make at once with Germany. The American people desire as prompt action on peace with Germany as is consistent with safety. The attempt to attach the provisions for an effective league of nations to the treaty of peace now making with Germany would be to launch the nations who have been fighting Germany on a sea of boundless discussion, the very thing Germany most desires. It would cause wide differences of opinion and bring long delays. If the attempt was successful and a league of nations, with the powers about which I have ventured to inquire vested in it, were to come here before the Senate, it might endanger the peace treaty and force amendments. It certainly would lead to very long delays. Is not the first duty of all the countries united against Germany to make a peace with Germany? Is that not the way to bring peace to the world now? Ought we not to avoid, so far as possible, all delays? Ought we not, speaking only for ourselves, to have a treaty here before the Senate which will not involve interminable discussions about the provisions of a league? Is it not our first duty and our highest duty to bring peace to the world at this moment and not encumber it by trying to provide against wars which never may be fought and against difficulties which lie far ahead in a dim and unknown future? I have merely glanced at these outlying questions, my purpose being simply to show that they ought none of them to be pressed at this time; that the making of peace with Germany and the settlement of the questions inseparably connected with it is enough and more than enough for the present without embarrassing it with questions which involve the settlement of the unknown, without the attempt to deal with all possible questions that ever may arise between nations. To enter on these disputed fields which are not necessary to the making of the peace with Germany seems to me perilous and more likely at this moment to lead to trouble and to a failure with the German peace and its associated questions than to anything else.

Mr. KELLOGG. Mr. President——

Mr. LODGE. If the Senator will allow me, as the supply of Document No. 104 is exhausted and many Senators desire to have it reprinted, I will print it at the end of my speech, if I have permission.

The PRESIDENT pro tempore. Without objection, leave will be granted.

The document referred to is as follows:

[Senate Document No. 104, 57th Cong., 1st sess.]

THE TREATY-MAKING POWERS OF THE SENATE.

(By HENRY CABOT LODGE. Reprinted, by permission of Charles Scribner's Sons, from Scribner's Magazine for January, 1902.)

"The action of the Senate upon the Hay-Pauncefote treaty in December, 1900, gave rise to much discussion not only in regard to the merits of the treaty and of the Senate amendments, but also as to the rights and functions of the Senate as part of

the treaty-making power. That there should be differences of opinion as to the merits of the questions involved in the treaty is entirely natural, but it seems strange that there should be any misapprehension as to the functions and powers of the Senate, because those are not matters of opinion, but well-established facts, simple in themselves and clearly defined both by law and precedent. Yet such misapprehension not only existed but was manifested here and there in the United States by statements and arguments as confident as they were erroneous. The English newspapers, as a rule, of course, did not know anything about the powers of the Senate, but seemed to have a general belief that the Senate amendments were in some way a gross breach of faith, a view not only susceptible of explanation, but very soothing to those who held it, and quite characteristic. It is, however, a much more serious matter when misapprehension of this kind is found among those who are charged with the conduct of government. It is their duty and their business to understand thoroughly the institutions, constitutional provisions, and political methods of other countries with which they are obliged to have dealings and to maintain relations. We have a right to expect that Lord Lansdowne, a statesman of long experience, who has held some of the highest offices under the British Crown, who has just been advanced from the great post of secretary of war to the still greater one of secretary of state for foreign affairs, should understand thoroughly the constitutional provisions and modes of governmental procedure in the United States. Yet we find in Lord Lansdowne's note to Lord Pauncefote of February 22, 1901, in reference to the Senate amendments the following statement:

"'The Clayton-Bulwer treaty is an international contract of unquestionable validity; a contract which, according to well-established international usage, ought not to be abrogated or modified save with the consent of both the parties to the contract. His Majesty's Government find themselves confronted with a proposal communicated to them by the United States Government, without any previous attempt to ascertain their views, for the abrogation of the Clayton-Bulwer treaty.'

"The meaning of this passage, taken as a whole, is not very clear, and in the last clause it contains at least one singular proposition. Admitting the international usage to be as Lord Lansdowne states it, the Hay-Pauncefote negotiation conformed to it strictly. The sole purpose of the Hay-Pauncefote treaty was to modify, by amicable agreement, the Clayton-Bulwer treaty. So far as the Hay-Pauncefote treaty went it modified the Clayton-Bulwer treaty, and to that extent superseded it. How far it superseded it was a disputed point. It was strongly argued here that the Hay-Pauncefote treaty ex necessitate superseded entirely the Clayton-Bulwer treaty, and those Senators who advocated the insertion of the words 'which is hereby superseded' were generally held to be overcautious. It was in fact this division of opinion as to the extent to which the Clayton-Bulwer treaty had been superseded which led to the adoption of the first Senate amendment. It would now appear from Lord Lansdowne's note that those who desired a specific statement of the supersession of the Clayton-Bulwer treaty were right in their construction, that the supersession was not complete as the Hay-Pauncefote treaty originally stood.

"The point, however, to which I wish to draw attention here is quite different from the question of the supersession of the Clayton-Bulwer treaty in whole or in part, and is contained in the last sentence of the passage I have quoted. Lord Lansdowne there complains that his Government is confronted by a proposal from the United States without any previous attempt to ascertain their views. Here is where his misapprehension of our Constitution appears. If Mr. Hay had proposed to Lord Pauncefote, at any stage of their discussion, to insert clauses like the Senate amendments the proposal might have been accepted or rejected, but no complaint would or could have been made that His Majesty's Government was confronted by a proposal upon which their views had not been previously ascertained. Such propositions, coming from Mr. Hay, would have been entirely germane to the purpose of the negotiations, even if they had extended to a simple abrogation of the Clayton-Bulwer treaty, and would have been so recognized. What actually happened was that these propositions were offered at a later stage of the negotiation by the other part of the American treaty-making power in the only manner in which they could then be offered, and are therefore no more a subject of just complaint on account of the manner of their presentation than if they had been put forward at an earlier stage by Mr. Hay. If we follow the negotiation through its different phases, what has just been stated becomes apparent. Mr. Hay and Lord Pauncefote open a negotiation for the modification of the Clayton-Bulwer treaty in such manner as to remove the obstacles which it may present to the construction of the Central American canal by the United States. After due discussion they agree upon and sign a treaty. That agreement, so far as Great Britain is concerned, requires only the approval of the King for its completion, but with the United States the case is very different, because no treaty can be ratified by the President of the United States without the consent of the Senate. The treaty, so called, is therefore still inchoate, a mere project for a treaty, until the consent of the Senate has been given to it. That all treaties must be submitted to the Senate and obtain the Senate's approval before they can be ratified and become binding upon the United States was, we may assume, well known to Lord Lansdowne. But he does not seem to have realized that the Senate could properly continue the negotiation begun by Mr. Hay and Lord Pauncefote by offering new or modified propositions to His Majesty's Government. Of this he was clearly not informed or he would not have made the complaint about being confronted with new propositions, as if something unusual and unfair had been done. No one expects the 'man in the street' or the London editor to remember that so long ago as 1795 the Senate made an entirely new amendment to the Jay treaty and that England accepted it, or that so recently as March, 1900, the Senate made amendments to the treaty regulating the tenure and disposition of the property of aliens and that England accepted them, or that it has been the uniform practice of the Senate to amend treaties whenever it seemed their duty to do so. But a British secretary of state for foreign affairs is, of course, familiar with all these things and ought, therefore, to realize that the Senate can only present its views to a foreign Government by formulating them in the shape of amendments, which the foreign Government may reject or accept or meet with counter propositions, but of which it has no more right to complain than it has to complain of the offer of any germane proposition at any other stage of the negotiation.

"With misapprehension like this existing not only in the British foreign office and the London press, but also in the minds of one or two exceptionally 'able' editors and correspondents in this country, who spoke of the Senate's action in amending the Hay-Pauncefote treaty as a modern usurpation, it seems not amiss to explain briefly the nature and history of the treaty-making power in the United States. The explanation is easy. It rests, indeed, on constitutional provisions so simple and on precedents so notorious that one feels inclined to begin with an apology for stating anything at once so familiar and so rudimentary. Yet it would appear that the circumstances just set forth fully justify both the explanation of the law and the statement of the facts of history.

"The power to make treaties is at once a badge and an inherent right of every sovereign and independent nation. The 13 American colonies of Great Britain, as part of the British Empire and as dependencies of the British Crown, were not sovereign nations and did not possess the treaty-making power. That power was vested in the British Crown, and when exercised the colonies were bound by the action and agreements of the British Government. When the 13 Colonies jointly and severally threw off their allegiance to the British Crown and became independent, all the usual rights of sovereignty which they had not before possessed vested without restriction in each one of the 13 States. The treaty-making power was exercised accordingly by the Continental Congress, which represented all the States and where the vote was taken by States. Under the subsequent Articles of Confederation the treaty-making power could not be exercised by any State alone or by two or more States without the consent of the United States in Congress, and was vested in the Congress of the Confederation, where, as in the Continental Congress, each State had one vote and where the assent of nine States was required to ratify a treaty. From this it will be observed that this sovereign right which had vested absolutely in each State, although it was confided to the Congress of the United States, was kept wholly within the control of the States as such, and was never permitted to become an executive function. This was the practice and this the precedent which the Convention found before them when they met in Philadelphia in 1787 to frame a new constitution, and they showed no disposition to depart from either. The States were very jealous of their sovereign rights, among which the power to make treaties was one of the most important, and having so recently emerged from a colonial condition they were also very suspicious and very much afraid of dangerous foreign influences, especially in the making of treaties. At the outset, therefore, it seems to have been the universal opinion that the relations of the United States with other nations should be exclusively managed and controlled by the representatives of the States, as such, in the Senate. The strength and prevalence of this feeling are best shown by the various plans for a constitution presented to the Convention. The Virginia plan, so called,

was embodied in resolutions offered by Mr. Randolph, which proposed to enlarge and amend the Articles of Confederation and passed over without mention the treaty-making power, accepting apparently the existing system, which vested it in the States, voting as such through their representatives. The plan offered by Mr. Pinckney provided that—

"'The Senate shall have the sole and exclusive power to declare war, and to make treaties, and to appoint ambassadors and other ministers to foreign nations, and judges of the Supreme Court.'

"The New Jersey plan offered by Mr. Patterson, which aimed only at a mild amendment of the Articles of Confederation, left the treaty-making power, as under the Confederation, wholly within the control of the States voting as such in Congress.

"Hamilton, who went to the other extreme from the New Jersey plan, gave the treaty-making power in his scheme to the President and the Senate, but conferred on the Senate alone the power to declare war.

"All these plans, as well as the general resolutions agreed upon after weeks of debate, went to a committee of detail, which on August 6 reported through Mr. Rutledge the first draft of the Constitution.

"Section 1 of article 9 of this first draft provided that 'the Senate of the United States shall have power to make treaties and to appoint ambassadors and judges of the Supreme Court.'

"The manner in which this clause as reported by the committee of detail was modified is best described by Mr. George Ticknor Curtis in his 'Constitutional History of the United States.' (Vol. I, pp. 579–581. Last edition.)

"'The power to make treaties, which had been given to the Senate by the committee of detail, and which was afterwards transferred to the President, to be exercised with the advice and consent of two-thirds of the Senators present, was thus modified on account of the changes which the plan of government had undergone, and which have been previously explained. The power to declare war having been vested in the whole legislature it was necessary to provide the mode in which a war was to be terminated. As the President was to be the organ of communication with other governments, and as he would be the general guardian of the national interests, the negotiation of a treaty of peace and of all other treaties was necessarily confided to him. But as treaties would not only involve the general interests of the Nation, but might touch the particular interests of individual States, and, whatever their effect, were to be part of the supreme law of the land, it was necessary to give to the Senators, as the direct representatives of the States, a concurrent authority with the President over the relations to be affected by them. The rule of ratification suggested by the committee to whom this subject was last confided was that a treaty might be sanctioned by two-thirds of the Senators present, but not by a smaller number. A question was made, however, and much considered, whether treaties of peace ought not to be subjected to a different rule. One suggestion was that the Senate ought to have power to make treaties of peace without the concurrence of the President, on account of his possible interest in the continuance of a war from which he might derive power and importance. But an objection, strenuously urged, was that if the power to make a treaty of peace were confided to the Senate alone, and a majority or two-thirds of the whole Senate were to be required to make such a treaty, the difficulty of obtaining peace would be so great that the legislature would be unwilling to make war on account of the fisheries, the navigation of the Mississippi, and other important objects of the Union. On the other hand, it was said that a majority of the States might be a minority of the people of the United States, and that the representatives of a minority of the Nation ought not to have power to decide the conditions of peace.

"'The result of these various objections was a determination on the part of a large majority of the States not to make treaties of peace an exception to the rule, but to provide a uniform rule for the ratification of all treaties. The rule of the Confederation, which had required the assent of nine States in Congress to every treaty or alliance, had been found to work great inconvenience, as any rule must do which should give to a minority of States power to control the foreign relations of the country. The rule established by the Constitution, while it gives to every State an opportunity to be present and to vote, requires no positive quorum of the Senate for the ratification of a treaty; it simply demands that the treaty shall receive the assent of two-thirds of all the Members who may be present. The theory of the Constitution undoubtedly is that the President represents the people of the United States generally and the Senators represent their respective States, so that by the concurrence which the rule thus requires the necessity for a fixed quorum of the States is avoided and the operations of this function of the Government are greatly facilitated and simplified. The adoption also of that part of the rule which provides that the Senate may either "advise or consent" enables that body so far to initiate a treaty as to propose one for the consideration of the President, although such is not the general practice.'

"The obvious fact that the President must be the representative of the country in all dealings with foreign nations, and that the Senate in its very nature could not, like the Chief Executive, initiate and conduct negotiations, compelled the convention to confer upon him an equal share in the power to make treaties. This was an immense concession by the States, and they had no idea of giving up their ultimate control to a President elected by the people generally. Here, therefore, is the reason for the provision of the Constitution which makes the consent of the Senate by a two-thirds majority necessary to the ratification of any treaty projected or prepared by the President. The required assent of the Senate is the reservation to the States of an equal share in the sovereign power of making treaties which before the adoption of the Constitution was theirs without limit or restriction. The treaty clause, as finally agreed to by the convention and ratified by the States, is as follows: 'He (the President) shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur, and he shall nominate and by and with the advice and consent of the Senate shall appoint ambassadors,' etc.

"I have quoted the provision in regard to appointments in order to define more fully the previous one relating to treaties. The use of words 'advice and consent' in both provisions has given rise to misapprehensions in some minds, and even in one instance at least to the astounding proposition that because the Senate can not amend a nomination by striking out the name sent in by the President and inserting another, it therefore, by analogy, can not amend a treaty. It is for this reason well to note that the carefully phrased section gives the President absolute and unrestricted right to nominate, and the Senate can only advise and consent to the appointment of a given person. All right to interfere in the remotest degree with the power of nomination and the consequent power of selection is wholly taken from the Senate. Very different is the wording in the treaty clause. There the words 'by and with the advice and consent of' come in after the words 'shall have power' and before the power referred to is defined. The 'advice and consent of the Senate' are therefore coextensive with the 'power' conferred on the President, which is 'to make treaties' and apply to the entire process of treaty making. The States in the convention of 1787 agreed to share the treaty power with the President created by the Constitution, but they never thought of resigning it or of retaining anything less than they gave.

"The Senate, being primarily a legislative body, can not in the nature of things initiate a negotiation with another nation, for they have no authority to appoint or to receive ambassadors or ministers. But in every other respect, under the language of the Constitution and in the intent of the framers, they stand on a perfect equality with the President in the making of treaties. They have an undoubted right to recommend either that a negotiation be entered upon or that it be not undertaken, and I shall show presently that this right has been exercised and recognized in both directions. As a matter of course, the President would not be bound by a resolution declaring against opening a negotiation, but such a resolution passed by a two-thirds vote would probably be effective and would serve to stop any proposed negotiation, as we shall see was the case under President Lincoln. In the same way the Senate has the right to advise the President to enter upon a negotiation, and has exercised this right more than once. Here, again, the President is not bound to comply with the resolution, for his power is equal and coordinate with that of the Senate, but such action on the part of the Senate, no doubt, would always have due weight. That this right to advise or disapprove the opening of negotiations has been very rarely exercised is unquestionably true in practice, and the practice is both sound and wise; but the right remains none the less, just as the Constitution gave it, not impaired in any way by the fact that it has been but little used.

"The right of the Senate to share in treaty making at any stage has always been fully recognized, both by the Senate and the Executive, not only at the beginning of the Government, when the President and many Senators were drawn from among the framers of the Constitution, and were, therefore, familiar with their intentions, but at all periods since. A brief review of some of the messages of the Presidents and of certain resolutions of the Senate will show better than any de-

scription the relations between the two branches of the treaty-making power in the United States, the uniform interpretation of the Constitution in this respect, and the precedents which have been established.

"On August 21, 1789, President Washington notified the Senate that he would meet with them on the following day to advise with them as to the terms of a treaty to be negotiated with the Southern Indians. On August 22, in accordance with this notice, the President came into the Senate Chamber, attended by Gen. Knox, and laid before the Senate a statement of facts, together with certain questions, in regard to our relations to the Indians of the southern district, upon which he asked the advice of the Senate. On August 24, 1789, he appeared again in the Senate Chamber with Gen. Knox, and the discussion of our relations with the Southern Indians was resumed. The Senate finally voted on the questions put to it by the President, and in that way gave him their advice. (During the first years of its existence the Senate sat with closed doors, and there is no record of any of its debates. The only official records we possess are the dry entries of the Journal, stating the questions put and the votes. For the first two years, however, we have an account of the doings of the Senate in the diary of William Maclay, a Senator from Pennsylvania during the period from 1789 to 1791. In that diary (pp. 129 to 133) there is a full description of what happened upon the only occasion when a President personally met with the Senate to consider a treaty, a mode of consideration which was undoubtedly contemplated as the most suitable at the time of the framing of the Constitution. In reading Mr. Maclay's narrative it is well to remember that he was one of those persons who are never satisfied in regard to their own integrity unless they impugn the conduct and suspect the motives of everyone else, and especially of those who differ with them in opinion. Mr. Maclay was exceedingly hostile to Washington and could not appreciate him. His opinions as to men are curious and untrustworthy, but his statements of facts and as to what actually occurred may as a rule be accepted, and are of peculiar interest because we possess no other account of Senate debates at that period. Washington's attempt to confer with the Senate in this direct way was so obviously inconvenient, and the discussion upon the propositions was so annoying to the President on the one side, while the restraint of the President's presence was so much felt by the Senate, that the plan of personal deliberation between the Chief Executive and his constitutional advisers was then and there abandoned. In the same connection there is an interesting story told in the diary of John Quincy Adams which is worth repeating, and which throws an interesting light upon the incident: 'Mr. Crawford told twice over the story of President Washington's having at an early period of his administration gone to the Senate with a project of a treaty to be negotiated and been present at their deliberations upon it. They debated it and proposed alterations, so that when Washington left the Senate Chamber he said he would be damned if he ever went there again. And ever since that time treaties have been negotiated by the Executive before submitting them to the consideration of the Senate. The President said he had come into the Senate about 18 months after the first organization of the present Government and then heard that something like this had occurred. Crawford then repeated the story, varying the words, so as to say that Washington swore he would never go to the Senate again.' (Memoirs of John Quincy Adams, Vol. VI, p. 427.)

"On August 11, 1790, President Washington, in a written message, asked whether it was the judgment of the Senate that overtures should be made to the Cherokees to arrange a new boundary; if so, what compensation should be made, and whether the United States should stipulate solemnly to guarantee the new boundary. The Senate by resolution replied to these inquiries in the affirmative.

"On January 19, 1791, President Washington laid before the Senate the representation of the chargé d'affaires of France in regard to certain acts of Congress imposing extra tonnage on foreign vessels, and asked the advice of the Senate as to the answer he should make. On February 26, 1791, the Senate, by resolution, replied to this message, stating their opinion as to the meaning of the fifth article of the treaty in relation to the acts of Congress which had been called in question, and advising that an answer be given to the chargé d'affaires of France defending the construction put upon the treaty by the Senate.

"On February 14, 1791, a message was sent in which illustrates in a very interesting way how close the relations were between the Senate and the President in all matters relating to treaties, and how completely Washington recognized the right of the Senate to advise with him in regard to every matter connected with our foreign relations. In this message he explained his sending Gov. Morris in an unofficial character to England in order to learn whether it were possible to open negotiations for a treaty, and with the message he sent various letters, so that the Senate might be fully informed as to all this business, which was in its nature entirely secret and unofficial.

"On November 10, 1791, the Senate ratified the treaty made by Gov. Blount with the Cherokee Indians, and the report of the committee begins in this way: 'That they have examined the said treaty and find it strictly conformable to the instructions given by the President; that these instructions were founded on the advice and consent of the Senate on the 11th of August, 1790,' etc.

"It is not necessary to multiply instances under our first President. These cases which have been quoted show how Washington interpreted the Constitution which he had so largely helped to frame. It is clear that in his opinion, and in that of the Senate, which does not appear to have been controverted by anybody, the powers of the Senate were exactly equal to those of the President in the making of treaties, and that they were entitled to share with him at all stages of a negotiation.

"On April 16, 1794, Washington consulted the Senate on a much more important matter than any of those to which I have referred. On that day he sent in the name of John Jay to be an envoy extraordinary to England in addition to the minister already there. He gives in the message his reasons for doing this, and in that way caused the Senate to pass not only upon the appointment of Mr. Jay but also upon the policy which that appointment involved.

"On May 31, 1797, President Adams, in nominating his special commission to France, followed the example of Washington when he nominated Jay, and explained his reasons for the appointment of this commission, in that way taking the advice of the Senate as to opening the negotiations at all.

"On December 6, 1797, President Adams, in submitting an Indian deed, which was the form taken by the treaty, suggested that it be conditionally ratified; that is, that the Senate should provide that the treaty should not become binding until the President was satisfied as to the investment of the money, and the resolution was put in that form. This is interesting, because it is the first case where the President himself suggests an amendment to be made by the Senate.

"On March 6, 1798, in ratifying the treaty with Tunis, where the Senate had made an amendment, they recommended that the President enter into friendly negotiations with the Government of Tunis in regard to the disputed article.

"February 6, 1797, President Adams nominated Rufus King minister to Russia, and stated that it was done for the purpose of making a treaty of amity and commerce with that country.

"When President Adams reopened negotiations with France, an action which signalized the fatal breach in the Federalist Party, he sent in the name of William Vans Murray to be minister to France, explained that it was to renew the negotiation, and stated further what instructions he should give if Murray was confirmed by the Senate. So much opposition was aroused by this step that in order to secure the assent of the Senate to his policy Mr. Adams sent in the names of Chief Justice Ellsworth and Patrick Henry to be joined with Murray in the commission, and stated more explicitly the conditions on which alone he would allow them to embark.

"President Jefferson, on January 11, 1803, sent in a message nominating Livingston and Monroe to negotiate with France, and Charles Pinckney and Monroe to negotiate with Spain, in regard to Louisiana, setting forth fully his reasons for opening negotiations on this subject, so that the Senate in advising and consenting to the appointments assented also to the policy which they involved.

"President Madison, on May 29, 1813, sent in a nomination for a minister to Sweden, to open diplomatic relations with that country. The Senate on June 14 appointed a committee to confer with the President upon the subject. Madison declined the conference on the ground that a committee could not confer directly with the Executive, but only through a department. His statement of the relations of the President and Senate in his message of July 6, 1813, is interesting as showing how he, one of the principal framers of the Constitution, construed it in this respect:

"'Without entering into a general review of the relations in which the Constitution has placed the several departments of the Government to each other, it will suffice to remark that the Executive and the Senate, in the cases of appointments to office and of treaties, are to be considered as independent of and coordinate with each other. If they agree, the appointments or treaties are made; if the Senate disagree, they fail. If the Senate wish information previous to their final deci-

sion, the practice, keeping in view the constitutional relations of the Senate and the Executive, has been either to request the Executive to furnish it or to refer the subject to a committee of their body to communicate, either formally or informally, with the head of the proper department. The appointment of a committee of the Senate to confer immediately with the Executive himself appears to lose sight of the coordinate relation between the Executive and the Senate which the Constitution has established, and which ought therefore to be maintained.'

"On April 6, 1818, President Monroe laid before the Senate correspondence with Great Britain making an arrangement as to naval armaments on the Great Lakes. He asked the Senate to decide whether this was a matter which the Executive was competent to settle alone, and if they thought not, then he asked for their advice and consent to making the agreement.

"President Jackson, on March 6, 1829, asked the consent of the Senate to make with the chargé d'affaires of Prussia an exchange of ratifications of the treaty with that country, the time for the exchange having passed before the Prussian ratification was received. The request was repeated on January 26, 1831, under similar circumstances in regard to the Austrian treaty. (This became the universal practice in cases where the time for exchanging ratifications had expired by accident, or otherwise, before the exchange had been effected. It is not necessary to cite other instances.)

"May 6, 1830, President Jackson, in a message relating to a treaty proposed by the Choctaw Indians, asked the Senate to share in the negotiations in the following words: 'Will the Senate advise the conclusion of a treaty with the Choctaw Nation according to the terms which they propose? Or will the Senate advise the conclusion of a treaty with that tribe as modified by the alterations suggested by me? If not, what further alteration or modification will the Senate propose?' President Jackson then goes on to give his reasons for thus consulting the Senate. The passage is of great interest because it not only states the change of practice which had taken place since Washington's time in regard to consulting the Senate before or during a negotiation, but recognizes fully that although reasons of convenience and expediency had led to the abandonment of consultation with the Senate prior to a negotiation, yet it was an undoubted constitutional right of the President to so consult the Senate, and of the Senate to take part, if it saw fit, at any stage of a negotiation. President Jackson says:

"'I am fully aware that in thus resorting to the early practice of the Government, by asking the previous advice of the Senate in the discharge of this portion of my duties, I am departing from a long and for many years unbroken usage in similar cases. But being satisfied that this resort is consistent with the provisions of the Constitution, that it is strongly recommended in this instance by considerations of expediency, and that the reasons which have led to the observance of a different practice, though very cogent in negotiation with foreign nations, do not apply with equal force to those made with Indian tribes, I flatter myself that it will not meet the disapprobation of the Senate.'

"Under President John Quincy Adams a convention had been made with Great Britain referring to the decision of the King of the Netherlands the points of difference between the two nations as to our northeastern boundary line. On January 10, 1831, the King of the Netherlands rendered his decision, against which our minister at The Hague protested. On December 7, 1831, President Jackson submitted the decision and protest to the Senate, asking whether they would advise submission to the opinion of the arbiter and consent to its execution. The President took occasion to say in this connection: 'I had always determined, whatever might have been the result of the examination by the sovereign arbiter, to have submitted the same to the Senate for their advice before I executed or rejected it.'

"On March 3, 1835, the Senate passed the following resolution:

"'*Resolved*, That the President of the United States be respectfully requested to consider the expediency of opening negotiations with the governments of other nations, and particularly of the governments of Central America and New Grenada, for the purpose of effectually protecting, by suitable treaty stipulations with them, such individuals or companies as may undertake to open a communication between the Atlantic and Pacific Oceans by the construction of a ship canal across the isthmus which connects North and South America, and of securing forever, by such stipulations, the free and equal right of navigating such canal to all such nations, on the payment of such reasonable tolls as may be established, to compensate the capitalists who may engage in such undertaking and complete the work.'

"On January 9, 1837, President Jackson replied to this resolution, stating that in accordance with its terms an agent had been sent to Central America, but that from his report it was apparent that the conditions were not such as to warrant entering upon negotiations for treaties relating to a ship canal.

"President Van Buren, on June 7, 1838, sent in a message announcing that he intended to authorize our chargé d'affaires to Peru to go to Ecuador and, as agent of the United States, negotiate a treaty with that Republic. Before doing so, however, he thought it proper, in strict observance of the rights of the Senate, to ask their opinion as to the exercise of such a power by the Executive in opening negotiations and diplomatic relations with a foreign state.

"President Polk, on June 10, 1846, sent to the Senate a proposal in the form of a convention in regard to the Oregon boundary submitted by the British minister, together with a protocol of the proceedings, and on this he asked the advice of the Senate as to what action should be taken. The message then continues as follows:

"'In the early periods of the Government the opinion and advice of the Senate were often taken in advance upon important questions of our foreign policy. Gen. Washington repeatedly consulted the Senate and asked their previous advice upon pending negotiations with foreign powers, and the Senate in every instance responded to his call by giving their advice, to which he always conformed his action. This practice, though rarely resorted to in later times, was, in my judgment, eminently wise and may on occasions of great importance be properly revived. The Senate are a branch of the treaty-making power, and by consulting them in advance of his own action upon important measures of foreign policy which may ultimately come before them for their consideration the President secures harmony of action between that body and himself. The Senate are, moreover, a branch of the war-making power, and it may be eminently proper for the Executive to take the opinion and advice of that body in advance upon any great question which may involve in its decision the issue of peace or war.'

"On August 4, 1846, President Polk, by message, consulted the Senate as to entering on peace negotiations with Mexico and advancing to that country a portion of the money to be paid as consideration for the cession of territory.

"On July 28, 1848, President Polk sent to the Senate a message explaining his refusal to ratify an extradition treaty with Prussia, to which the Senate had agreed. When the treaty was sent to the Senate, on December 16, 1845, the President stated his objections to the third article. The Senate ratified the treaty with the third article unamended, and thereupon, and because the Senate had not amended or stricken out the third article, the President refused to ratify the treaty himself.

"On April 22, 1850, President Taylor invited the Senate to amend either the Clayton-Bulwer treaty or that with Nicaragua, so that they might conform with each other.

"On February 13, 1852, President Fillmore pointed out certain objectionable clauses in the Swiss treaty and asked the Senate to amend them.

"On June 26, 1852, President Fillmore sent a letter from Mr. Webster calling attention to the nonaction of the Senate upon an extradition treaty with Mexico and asked that, if it was thought objectionable in any particular, amendments might be made to remove the objections, such amendments to be proposed by the Executive to the Mexican Government.

"On February 10, 1854, President Pierce sent to the Senate the Gadsden treaty, signed by the plenipotentiaries on December 30, 1853, and with it certain amendments which he recommended to the Senate for adoption before ratification. It would be difficult to find a better example than this, not merely of the right of the Senate to amend, but of the fact that Senate amendments are simply a continuance of the negotiation begun by the President.

"President Buchanan, on February 12, 1861, asked the advice of the Senate as to accepting the award made by commissioners under the convention with Paraguay, following therein the precedent set by President Jackson.

"On February 21, 1861, President Buchanan asked the advice of the Senate as to entering into negotiation with Great Britain for a treaty of arbitration in regard to a controverted point in the Ashburton-Webster treaty of 1846. His own words are: 'The precise questions I submit are three: Will the Senate approve a treaty,' etc.

"On March 16, 1861, President Lincoln, in his first message to the Senate, repeated the questions of his predecessor as to entering upon this negotiation for an arbitration with Great

Britain, and said, 'I find no reason to disapprove the course of my predecessor on this important matter, but, on the contrary, I not only shall receive the advice of the Senate therein, but I respectfully ask the Senate for their advice on the three questions before recited.'

"On December 17, 1861, President Lincoln sent to the Senate a draft of a convention proposed by the Mexican Government and asked not for ratification but merely for their advice upon it.

"On January 24, 1862, he asked again for advice as to entering upon the treaty for a loan to Mexico, so that he might instruct Mr. Corwin in accordance with the views of the Senate.

"On February 25, 1862, the Senate passed a resolution to the effect 'that it is not advisable to negotiate a treaty that will require the United States to assume any portion of the principal or interest of the debt of Mexico, or that will require the concurrence of European powers.' Meantime Mr. Corwin, not having received instructions, had made and signed two treaties for the loan, and President Lincoln, on sending them in, on June 23, 1862, said in his message: 'The action of the Senate is, of course, conclusive against acceptance of the treaties on my part.' but the importance of the subject was such that he asked for the further advice of the Senate upon it.

"March 5, 1862, President Lincoln sent a message repeating President Buchanan's request for the advice of the Senate as to accepting the Paraguayan award.

"February 5, 1863, President Lincoln sent in for ratification a convention with Peru, and suggested an amendment which he wished to have made by the Senate.

"January 15, 1869, President Johnson sent in a protocol agreed upon with Great Britain, and asked the advice of the Senate as to entering upon a negotiation for a convention based upon the protocol submitted.

"April 5, 1871, President Grant transmitted a dispatch from our minister to the Hawaiian Islands and asked for the views of the Senate as to the policy to be pursued.

"May 13, 1872, President Grant sent a message to the Senate relating to differences which had arisen under the treaty of Washington, and said: 'I respectfully invite the attention of the Senate to the proposed article submitted by the British Government with the object of removing the differences which seem to threaten the prosecution of the arbitration, and request an expression by the Senate of their disposition in regard to advising and consenting to the formal adoption of an article such as is proposed by the British Government.

"'The Senate is aware that the consultation with that body in advance of entering into agreements with foreign States has many precedents. In the early days of the Republic Gen. Washington repeatedly asked their advice upon pending questions with such powers. The most important recent precedent is that of the Oregon boundary treaty, in 1846.

"'The importance of the results hanging upon the present state of the treaty with Great Britain leads me to follow these former precedents and to desire the counsel of the Senate in advance of agreeing to the proposal of Breat Britain.'

"June 18, 1874, President Grant sent in a draft of a reciprocity treaty relating to Canada and asked the Senate if they would concur in such a treaty if negotiated.

"President Arthur, on June 9, 1884, asked the advice of the Senate as to directing negotiations to proceed with the King of Hawaii for the extension of the existing reciprocity treaty with the Hawaiian Islands.

"On March 3, 1888, the Senate passed a resolution asking President Cleveland to open negotiations with China for the regulation of immigration with that country. President Cleveland replied that such negotiations had been undertaken.

"From these various examples it will be seen that the Senate has been consulted at all stages of negotiations by Presidents of all parties, from Washington to Arthur. It will also be observed that the right to recommend a negotiation by resolution was exercised in 1835 and again in 1888, and was unquestioned by either Jackson or Cleveland, who were probably more unfriendly to the Senate and more unlikely to accede to any extension of Senate prerogatives than any Presidents we have ever had. It will be further noted that the Senate in 1862 advised against the Mexican negotiations, and that President Lincoln frankly accepted their decision, and did not even ask that the treaties which had been actually made meantime should be considered with a view to ratification.

"The power of the Senate to amend or to ratify conditionally is, of course, included in the larger powers expressly granted by the Constitution to reject or confirm. It would have never occurred to me that anyone who had read the Constitution and who possessed even the most superficial acquaintance with the history of the United States could doubt the right of the Senate to amend. But within the last year I have seen this question raised, not jocosely, so far as one could see, but quite seriously. It may be well, therefore, to point out very briefly the law and the facts as to the power of the Senate to amend or alter treaties.

"In 1795 the Senate amended the Jay treaty, ratifying it on condition that the twelfth article should be suspended. Washington accepted their action without a word of comment, as if it were a matter of course, and John Marshall, in his Life of Washington, has treated the Senate's action of that memorable occasion in the same way. From that day to this, from the Jay treaty in 1795 to the alien property treaty with Great Britain in 1900, the Senate has amended treaties, and foreign governments, recognizing our system and the propriety of the Senate's action, have accepted the amendments. A glance at the passages which have been cited from the Messages of the Presidents is enough to disclose the fact that no President has ever questioned the right of the Senate to amend, and that several Presidents have invited the Senate to make amendments as the best method of continuing the negotiations. In this, however, we are not left to deduce the obvious right of the Senate to amend, from an unbroken line of precedents and the unquestioned recognition of the right by the Chief Executive. On this point we have a direct and unanimous declaration by the Supreme Court of the United States. In Haver *v.* Yaker, Mr. Justice Davis, delivering the opinion of the court, said: 'In this country a treaty is something more than a contract, for the Federal Constitution declares it to be the law of the land. If so before it can become a law the Senate, in whom rests the authority to ratify it, must agree to it. But the Senate are not required to adopt or reject it as a whole, but may modify or amend it, as was done with the treaty under consideration.' (9 Wallace, pp. 34 and 35. Mr. Rawle, in his View of the Constitution of the United States, p. 64, says: 'The Senate may wholly reject it, or they may ratify it in part, or recommend additional or explanatory articles, which, if the President approves of them, again become the subject of negotiation between him and the foreign power; and, finally, when the whole receives the consent of the Senate, and the ratifications are exchanged between the respective Governments, the treaty becomes obligatory on both nations.' Mr. Rawle's entire chapter on the treaty-making power merits careful consideration in this connection.) This decision of the court is conclusive, if any doubt had ever existed as to the amendment powers of the Senate; but the following lists of treaties, amended by the Senate and afterwards ratified by the countries with which they were made, exhibits the uniform and unquestioned practice which has prevailed since the foundation of our Government:

"Algiers, 1795; Argentina, 1885 (amity and commerce), 1897 (extradition); Austria, 1856; Baden, 1857; Bavaria, 1845, 1853; Belgium, 1858, 1880 (consular); Bolivia, 1859, 1900 (extradition); Brunswick and Luneburg, 1854; Chile, 1900 (extradition); China, 1868, 1887 (exclusion); Colombia, 1857; New Granada, 1888 (extradition); Congo, 1891 (relations); Costa Rica, 1852, 1861; France, 1778, 1843, 1858, 1886 (claims), 1892 (extradition); Great Britain, 1794, 1815, 1889 (extradition), 1891 (Bering Sea), 1896 (Bering claims), 1899 (real property); Guatemala, 1870 (amity and commerce); Hawaii, 1875 (reciprocity), 1886 (reciprocity); Italy, 1868; Japan, 1886 (extradition), 1894 (extradition), 1894 (commerce and navigation); Mexico, 1843, 1848, 1853, 1861, 1868, 1883 (reciprocity), 1885 (reciprocity), 1886 (boundary), 1888 (frontier), 1890 (boundary); Netherlands, 1887 (extradition); Nicaragua, 1859, 1870 (amity and commerce); Orange Free State, 1896 (extradition); Peru, 1863, 1887 (commerce and navigation), 1899 (extradition); Russia, 1889 (extradition); Saxony, 1845; Siam, 1856; Sweden, 1816, 1869 (naturalization); Switzerland, 1847, 1850, 1900 (extradition); Tunis, 1797; Turkey, 1830, 1874 (extradition); Two Sicilies, 1855; Venezuela, 1886 (claims).

"From this list it appears that there have been 68 treaties amended by the Senate and afterwards ratified.

"The results of the preceding inquiry can be easily summarized. Practice and precedent, the action of the Senate and of the Presidents, and the decision of the Supreme Court show that the power of the Senate in the making of treaties has always been held, as the Constitution intended, to be equal to and coordinate with that of the President, except in the initiation of a negotiation, which can of necessity only be undertaken by the President alone. The Senate has the right to recommend entering upon a negotiation, or the reverse; but this right it has wisely refrained from exercising, except upon rare occasions. The Senate has the right to amend, and this right it has always exercised largely and freely. It is also clear that any action taken by the Senate is a part of the negotiation, just as much so as the action of the President through the Secretary of State.

In other words, the action of the Senate upon a treaty is not merely to give sanction to the treaty, but is an integral part of the treaty making, and may be taken at any stage of a negotiation.

"It has been frequently said of late that the Senate in the matter of treaties has been extending its powers and usurping rights which do not properly belong to it. That the power of the Senate has grown during the past century is beyond doubt, but it has not grown at all in the matter of treaties. On the contrary, the Senate now habitually leaves in abeyance rights as to treaty making which at the beginning of the Government it freely exercised, and it has shown in this great department of executive government both wisdom and moderation in the assertion of its constitutional powers.

"This is not the place to discuss the abstract merits of the constitutional provisions as to the making of treaties. Under a popular government like ours it would be neither possible nor safe to leave the vast powers of treaty making exclusively in the hands of a single person. Some control over the Executive in this regard must be placed in the Congress, and the framers of the Constitution intrusted it to the representatives of the States. That they acted wisely can not be questioned, even if the requirement of the two-thirds vote for ratification is held to be a too narrow restriction. These, however, are considerations of no practical importance, and after all only concern ourselves. Our system of treaty making is established by the Constitution and has been made clear by long practice and uniform precedents. The American people understand it, and those who conduct the government of other countries are bound to understand it, too, when they enter upon negotiations with us. There is no excuse for any misapprehension. It is well also that the representatives of other nations should remember, whether they like our system or not, that in the observance of treaties during the last 125 years there is not a nation in Europe which has been so exact as the United States, nor one which has a record so free from examples of the abrogation of treaties at the pleasure of one of the signers alone."

Mr. KELLOGG. Mr. President, I have been very much interested in the very able address of the Senator from Massachusetts. I should like to mention one subject dwelt upon by the Senator, and that is the question of secret treaties. It seems to me to be very pertinent at this place to call the attention of the Senate to the interview by Lord Northcliffe published in the morning papers and given out in Paris yesterday. It seems to bear upon this question of secret negotiations and secret treaties. Lord Northcliffe said:

Nothing can be worse for the prospects of the coming conference than an atmosphere of secrecy and half truths. Yet up to the present there has been no official statement that the momentous meetings about to take place will be held in accordance with President Wilson's expressed views on the question of open diplomacy.

I will call the attention of the Senate in a moment to what those views are.

DAYS OF SECRET CONCLAVES GONE.

The days of secret conclaves are dead and gone. Clandestine assemblies are the harbingers of intrigue, suspicion, and possible deception. It would be intolerable that the fate of whole nations—great and small—should be decided in secret. Shall the destinies of millions of peoples in all quarters of the globe be left to the tender mercies of a comparative handful of delegates, against whose enactments there is no public appeal? Such would be mockery of that principle of self-determination of free nations which has been fought for and won in this war.

Labor, upon which the great losses of life during the war have mainly fallen, is alarmed at the prospect of great world plans being carried out without its knowledge. It is reported from London that the Labor Party has sent a strong protest to our Government, which, so far, has done nothing to allay public anxiety on the subject.

WILL SUPPORT WILSON'S VIEW.

The British press and people may be relied upon to support fully the President's enlightened expression of opinion as to the need of publicity at the momentous meetings expected to begin in Paris on the 6th of January. Surely the world has suffered enough from secret diplomacy to realize that mediævalism of that kind is totally incompatible with the conception of a league of free nations. A great part of the President's popularity is due to the knowledge that he is the father of open diplomacy, which it was understood would be the course adopted at the forthcoming sessions.

We, having learned enough of the evil of secrecy during the last four and a half years, therefore are alarmed at rumors, which have not yet been officially contradicted, that the doings of the peace conference are to be wrapped in a black cloak of silence.

WILL BE RATIONED, HE SAYS.

So far as the United States is concerned, I have been assured that neither the French nor American Government will exercise any control over the cables conveying news of the proceedings of the conference, except such amount of control as is necessary in rationing to each newspaper and news-distributing agency, made obligatory by the fact that the Atlantic cables already are loaded beyond their capacity.

Mr. President, the particular view of the President which Lord Northcliffe had in mind is the one referred to by the distinguished Senator from Massachusetts; that covenants of peace shall be openly reached; that there shall be no private international understandings of any kind; and that diplomacy shall proceed always frankly and in public view.

Lord Northcliffe, in describing what he understands to be the program of President Wilson, has relied upon his speech of January 8, 1918, in which the President said:

1. Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind but diplomacy shall proceed always frankly and in the public view.

I wish his noble lordship to understand a fact which has probably escaped his attention, that the President took it all back in his letter of March 12, 1918. When the Senator from Idaho [Mr. BORAH] proposed that treaties of peace should be considered in open session in the United States Senate, interpreting the language of the President to mean covenants openly arrived at as well as openly considered in the Senate, the President wrote a letter to Secretary of State Lansing, which is as follows:

THE WHITE HOUSE,
Washington, March 12, 1918.

Hon. ROBERT LANSING,
Secretary of State.

MY DEAR MR. SECRETARY: I wish you would be kind enough to formulate a careful and conclusive memorandum for the use of the committee of the Senate with regard to the inclosed resolution. I take it for granted that you feel as I do, that this is no time to act as the resolution prescribes, and certainly when I pronounced for open diplomacy I meant not that there should be no private discussions of delicate matters but that no secret agreement of any sort should be entered into and that all international relations, when fixed, should be open, above board, and explicit.

Cordially and sincerely, yours, WOODROW WILSON.

Mr. President, as said by the distinguished Senator from Massachusetts, under our form of Government it is impossible to have a secret treaty, and no such treaty ever existed in the history of this Nation. If that is all the President meant by his declaration in the first of his 14 points, it meant nothing.

Now, let Lord Northcliffe understand that those are phrases, simply phrases. If they did not mean that the great issue pending before the peace commissioners sitting in Paris to settle the destinies of the world should be known to the people of the world, they meant nothing. Lord Northcliffe makes the plea for open diplomacy and says that the secrecy which to-day surrounds Paris is ominous.

Now, I have not criticized the President, nor is that my intention, but here comes the greatest journalist of England, who has been one of the mainstays of Great Britain through a trial greater than the British Empire ever went through before, and says that the secrecy which surrounds Paris to-day bodes no good to the nations of the world.

What do we know about it? Do we know what is meant by the league of nations or what the President has in mind? If the President has in mind a framework of supergovernment, which has been the dream of some intellectuals since history was written, he will find out immediately that the American people will not stand for it.

It has been reported that the President is in favor of a league of nations controlling the raw materials and resources of the various nations of the world because those are the things for which nations have often gone to war. I for one do not believe the President has in his mind any such absurd proposition for this country, which owns those resources; but if he has we ought to know it.

I do believe that the principal great points involved in this negotiation should be made known to the American people.

The Senator from Idaho made a very able speech on the subject of open diplomacy and the consideration of treaties in open session of the Senate. I submitted a few unimportant remarks on the same subject, and it was a hopeful sign that some twenty or twenty-five of our colleagues voted for that proposition. I am glad to see that the leading statesmen of the world as well as of this country are adapting the proposition, and I welcome the Senator from Massachusetts to that circle.

To be sure we are not going to disclose every whispered conversation unimportant which takes place, but the great fundamental issues which involve the happiness, the peace, and stability of the world must be known and must be discussed openly by the people to be affected or else the peace pact will be a failure.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

The PRESIDING OFFICER (Mr. FLETCHER in the chair). The question is on the amendment of the Senator from Wisconsin [Mr. LENROOT] to the amendment of the committee.

Mr. LENROOT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	McLean	Sheppard
Bankhead	Johnson, Cal.	McNary	Simmons
Beckham	Johnson, S. Dak.	Martin, Ky.	Smith, Ariz.
Borah	Jones, N. Mex	Martin, Va.	Smith, Ga.
Brandegee	Jones, Wash.	Moses	Smoot
Curtis	Kellogg	New	Spencer
Fletcher	Kendrick	Norris	Sutherland
France	Kenyon	Nugent	Swanson
Frelinghuysen	King	Page	Thomas
Gay	Knox	Penrose	Trammell
Gerry	La Follette	Phelan	Underwood
Gronna	Lenroot	Pittman	Vardaman
Hale	Lodge	Poindexter	Warren
Harding	McCumber	Pomerene	Weeks
Henderson	McKellar	Shafroth	

Mr. SHEPPARD. I desire to announce that the Senator from North Carolina [Mr. OVERMAN], the Senator from Delaware [Mr. WOLCOTT], and the Senator from Missouri [Mr. REED] are detained on official business.

Mr. McKELLAR. I desire to announce the absence of my colleague, the senior Senator from Tennessee [Mr. SHIELDS], on account of illness.

The PRESIDING OFFICER. Fifty-nine Senators have answered to the roll call. A quorum is present.

Mr. LENROOT. Mr. President, before the pending amendment is voted on I merely desire to present an illustration of the application of the two systems of consolidated returns and separate returns to a hypothetical case. The Senator from North Dakota [Mr. McCUMBER] undertook to say that a consolidation of returns of various corporations making money would be greatly to the benefit of the Government and would increase the tax. That, of course, Mr. President, is an impossibility if the Treasury Department performs its duty.

In the case of four corporations, each capitalized at a million dollars, I have computed this hypothetical case: Assuming one of them engaged in war activities makes a profit of 100 per cent and the other three make a profit of 10 per cent, what would be the result? In the case of the consolidated return there would be a consolidated capital of $4,000,000 and a consolidated income of $1,300,000. The excess-profits credit which will be allowed under the consolidated return is one credit of $3,000, 8 per cent on $4,000,000, the consolidated capital, or a total of $323,000, leaving taxable excess profits of $977,000. The tax imposed upon that will be 30 per cent on $800,000, or $240,000, and 60 per cent on $177,000, or $106,200, making a total tax paid to the Government in this case on a consolidated return of $346,200.

In the case of separate returns one corporation with a capital of $1,000,000 makes a profit of $1,000,000, or 100 per cent. In this case the excess-profits credit would be $3,000, 8 per cent on $1,000,000, or $80,000, making a total excess-profits credit of $83,000, leaving a taxable excess profit upon that corporation of $917,000. Applying the excess-profit tax brackets, they would pay 30 per cent on $200,000, or $60,000, 60 per cent on $717,000, or $430,200, making a total tax for that corporation of $490,200.

The other corporations would each pay an equal amount, having a net income of $100,000 each; they would each have an excess-profits credit of $3,000; each would have an 8 per cent exemption on their capital of $1,000,000, or $80,000, leaving an excess-profits credit of $83,000 to be deducted from their net income of $100,000, leaving the total of excess profits taxable $17,000. Applying the rate of 30 per cent on that, each of those corporations would pay $5,400 in excess profits, making a total for the three of $16,200. The one with 100 per cent profit would pay $490,200, making a total tax for these same corporations rendering separate returns of $506,400, as against the tax paid under the consolidated returns of $346,200, or a difference against the Government on the excess-profits tax of $160,200 on a capitalization of only $4,000,000.

The only saving of the Government would be upon the 12 per cent income, where it would save the three exemptions of $2,000 apiece, making $720. So the net loss to the Government in the illustration I have given, should the committee amendment be adopted, would be $159,480, growing, Mr. President, solely out of the fact that these four corporations happened to be owned by one little group of wealthy individuals, whereas if those same corporations had been owned by local capital, by different individuals, they would pay $160,000 more to the Government than they will pay under this amendment if the corporations are owned by a little aggregation of capital. In other words, Mr. President, with this amendment as reported by the committee, it offers a reward to trusts and monopolies owning corporations in this country of $150,000, as against the taxes that will have to be paid by like corporations who have like business and who are making a like income which are owned and operated by private individuals.

The Senate ought to know exactly the result this amendment will have. Then, if the Senate chooses to adopt it, the Senate will do it with its eyes open.

I ask the yeas and nays upon the amendment.

Mr. SIMMONS. Mr. President, of course the Senator from Wisconsin can pick out a supposititious case, make his calculations, and show a result one way or another upon a matter of this sort. The question is not, will this concern escape with a little less tax and that concern pay a little more tax as the result of consolidated returns, but the question is, will the Government get more money out of one system than it will out of the other system, and will the department be in a better position to adjust the equities between the different branches of these consolidated concerns so as to do justice to the Government and do justice to the taxpayers.

It is clear to my mind, Mr. President, that when we provide for these consolidated returns we put the operations of these various subsidiary concerns in the hands of the Internal Revenue Department. We put them in a position where they can adjust not only equities but where they can see that the incomes and the invested capital of these concerns are properly distributed and adjusted in the interest of taxation and also in the interest of the taxpayer. That is what this does.

Senators come here and say, "I can find an illustration." The truth is, Mr. President, that the department, after one year's experience in the administration of a $4,000,000,000-tax law, has taken the cases that arise under the consolidated returns, which they by regulation provided for; they have examined to see whether under that system of returns the Government has lost or the Government has gained; and, as a result of this acid test of actual experience, the department has found that the Government is the gainer. Now, that is all there is of it, Mr. President.

Mr. PENROSE. Mr. President, I should merely like to add to what the Senator from North Carolina has said, but which has perhaps not fully impressed the Senate, that this provision of the bill is identical with the method which has been adopted by the Commissioner of Internal Revenue and the tax advisory board in administering this part of the present law.

Mr. KELLOGG. Mr. President, I was in favor of the first amendment offered by the Senator from Wisconsin [Mr. LENROOT], which I think was intended to make clear that only integrated concerns having different branches of business in separate corporations should be allowed to make consolidated returns; but when it comes to a group of individuals who are associated together or an individual owning all of the stock of the corporations engaged in a certain business and making consolidated returns, I am inclined to follow the recommendation of the Treasury Department in that matter, for the Treasury Department must know what has been the best practice and what would be the best practice.

The individuals who own the stock of these various corporations which are engaged in business, of course, do not pay an excess-profits tax; so the question is entirely different from that of a holding company, and if it is the opinion of the Treasury Department that, taking all of these concerns together, it is fairer and better for the Government to have a consolidated return, I am inclined to believe that that ought to be provided for by the Senate.

I have no doubt that one might pick out a particular case and show that that would lose money to the Government; but, so far as I am concerned, I feel as though I must be controlled in that respect by the experience of the Treasury Department on this subject. I have no desire to allow any of these combinations which will enable any corporation to escape its share of taxes.

Mr. LENROOT. Mr. President, will the Senator from Minnesota yield to me?

Mr. KELLOGG. Yes.

Mr. LENROOT. I should be very glad if the Senator, or any member of the Finance Committee, will give any illustration of where, under a proper administration of the law, the Government could be the gainer by a consolidated return.

Mr. KELLOGG. Mr. President, I have not made the figures as to particular concerns. I concede, however, if any individual were incorporated and had to pay an excess-profits tax, that it might be impossible to make such an illustration; but where it is a combination of certain concerns in business I can see how they might so manipulate their earnings or expenses as to injure the Government, especially where they are more or less integrated concerns, being different branches of the same business. It is to such concerns that I understand this provi-

sion is intended to apply, and not to corporations having no relation whatever with each other. I am not able to give a case, and I do not in the least dispute the illustration given by the Senator from Wisconsin.

Mr. PENROSE. Mr. President, the chairman of the Committee on Finance would probably explain this matter, but I desire to say that one very notable case where the Treasury experts informed me the Government is the gainer by this system is the case of the United States Steel Corporation through its subsidiaries. The Government gets a considerably larger tax return from that enormous concern than it would if this paragraph were not in the bill.

Mr. LENROOT. Will the Senator from Pennsylvania explain how that can be if the capital and income are properly allocated to the different corporations?

Mr. PENROSE. Well, Mr. President, that would require my getting access to the figures to show how that does arrive, but I shall be very glad later in the day to show the Senator that and to have two or three examples of it inserted in the RECORD. I think it would be well to do so, and I shall endeavor in the course of half an hour to get the figures in tabulated form.

Mr. LENROOT. If the Senator is through, I desire to say that I think he will see that it is an absolute impossibility for the Government to be the gainer by consolidated returns if the corporation makes the proper return and if the Treasury compels the proper return.

Mr. PENROSE. Mr. President, I think I can persuade the Senator from Wisconsin that the contrary is the fact, and also that there is hardly a paragraph in this bill in which an inequality can not be shown, as compared, perhaps, to different corporations, and notably in the case of comparison between partnerships and corporations. It is impossible to provide for every contingency so as to make the provisions of this bill bear with absolute equality. It has been a gigantic task even to approximate equality. I hope the Senator will wait for a little while, in order that he may be furnished some tabulated figures on the point to which he has referred.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment reported by the committee.

Mr. LENROOT. On that I ask for the yeas and nays.

Mr. SIMMONS. Mr. President, I desire to say merely a word. The Senator from Wisconsin [Mr. LENROOT] calls for a statement of a particular case. The Senator from Pennsylvania [Mr. PENROSE] has referred to the great Steel Corporation. I am assured by the experts of the Government that that great corporation, taken in connection with its subsidiaries, will pay more tax under a consolidated return system than it would under a separate return system.

The Senator from Wisconsin says there is no case where a corporation would pay more under a consolidated return system; he challenges the proponents of this proposition to cite a case. All I can answer to that is that it is the positive statement of the department that there are numerous cases, and that the number of cases where the Government would receive more money would exceed the number of cases, so far as the aggregate results are concerned, where the Government would receive less money. Of course, if the department is misleading us, and if the Senator knows about this matter better than does the department which has dealt with the figures, that is a matter upon which I do not wish to pass any judgment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin to the amendment reported by the committee, on which the yeas and nays have been requested.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, my understanding is that those who want to sustain the committee will vote "nay."

The PRESIDING OFFICER. The question before the Senate is the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment reported by the committee. Those in favor of the amendment to the amendment will vote "yea," and those opposed will vote "nay." The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CURTIS (when his name was called). I have a general pair with the junior Senator from Georgia [Mr. HARDWICK]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. GERRY (when his name was called). I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. JONES of Washington (when his name was called). The senior Senator from Louisiana [Mr. RANSDELL] is necessarily away for a few days. I have agreed to pair with him during that time unless I could secure a transfer. Therefore, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. SAULSBURY (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. I have been told, however, that if present he would vote as I shall vote on this amendment. Therefore, I feel at liberty to vote, and vote "nay."

Mr. TOWNSEND (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON], and therefore withhold my vote.

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. In his absence I withhold my vote.

Mr. WOLCOTT (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATSON]. In his absence I withhold my vote.

The roll call was concluded.

Mr. PENROSE (after having voted in the negative). I observe that the senior Senator from Mississippi [Mr. WILLIAMS] has not voted. I have a general pair with that Senator, which I transfer to the junior Senator from New Jersey [Mr. BAIRD], who is absent, and will let my vote stand.

Mr. FRELINGHUYSEN. I inquire if the junior Senator from Montana [Mr. WALSH] has voted?

The PRESIDING OFFICER. He has not.

Mr. FRELINGHUYSEN. I have a general pair with the junior Senator from Montana, which I transfer to the senior Senator from Rhode Island [Mr. COLT], and vote "nay."

Mr. STERLING (after having voted in the affirmative). I am informed that the Senator from South Carolina [Mr. SMITH], with whom I have a general pair, has not voted. I therefore withdraw my vote.

Mr. JONES of Washington. I understand I can transfer my pair with the Senator from Louisiana [Mr. RANSDELL] to the senior Senator from Minnesota [Mr. NELSON]. So I will do that, and vote "yea."

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Ohio [Mr. POMERENE], and vote "yea."

Mr. HARDING (after having voted in the affirmative). I understand that the Senator from Alabama [Mr. UNDERWOOD], with whom I have a general pair, withheld his vote because of my absence from the Chamber. Therefore, I beg leave to withdraw my vote.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Tennessee [Mr. SHIELDS]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH].

The result was announced—yeas 21, nays 34, as follows:

YEAS—21.

Ashurst	Johnson, S. Dak.	Lenroot	Reed
Borah	Jones, Wash.	McKellar	Trammell
Fletcher	Kendrick	McNary	Vardaman
France	Kenyon	Norris	
Hale	King	Nugent	
Johnson, Cal.	La Follette	Poindexter	

NAYS—34.

Bankhead	Jones, N. Mex.	Myers	Smith, Ga.
Beckham	Kellogg	New	Spencer
Frelinghuysen	Knox	Page	Sutherland
Gay	Lodge	Penrose	Swanson
Gerry	McCumber	Pollock	Thomas
Gore	McLean	Saulsbury	Warren
Gronna	Martin, Ky.	Shafroth	Weeks
Henderson	Martin, Va.	Sheppard	
Hitchcock	Moses	Simmons	

NOT VOTING—41.

Baird	Goff	Pomerene	Thompson
Brandegee	Harding	Ransdell	Townsend
Calder	Hardwick	Robinson	Underwood
Chamberlain	Hollis	Sherman	Wadsworth
Colt	Kirby	Shields	Walsh
Culberson	Lewis	Smith, Ariz.	Watson
Cummins	Nelson	Smith, Md.	Williams
Curtis	Overman	Smith, Mich.	Wolcott
Dillingham	Owen	Smith, S. C.	
Fall	Phelan	Smoot	
Fernald	Pittman	Sterling	

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is on the amendment of the committee as amended.

The amendment as amended was agreed to.

Mr. SIMMONS. Mr. President, I think probably the most controverted matter in the bill is that which relates to the tax for the fiscal year 1920, and I think we might just as well take it up now. The 1920 proposition occurs at quite a number of places in the bill—that is to say, it has a number of separate parts that will have to be acted upon separately when we come to vote. There will be some general debate; and I suggest that we take up now the first amendment that proposes to make a change as between the fiscal year 1919 and the fiscal year 1920.

Mr. PENROSE. Mr. President, I suppose the vote of the Senate on the first paragraph relating to the 1920 proposition will, of course, determine the action of the Senate on all of the other numerous cases where the principle occurs; and if, perchance, the amendment should be stricken out, the clerks could fix the rest of the bill accordingly.

Mr. SIMMONS. I assume that probably after some additional general debate we will take a vote upon the first section in which the 1920 subject comes up, and that the vote upon that will probably determine the result on all other amendments.

Mr. President, the Senator from Pennsylvania tells me that on account of the confusion in the Chamber the statement I have just made was not distinctly heard on his side of the Chamber.

The PRESIDING OFFICER (Mr. KING in the chair). The Senate will be in order.

Mr. SIMMONS. I wish, therefore, to repeat briefly in a general way what I did say.

The 1920 tax imposed in the Senate amendment is separated so as to appear in different places in the bill—that is, it appears once when we are dealing with income-tax rates; it appears again when we are dealing with excess-profits tax rates, and so forth. I had supposed that the best way of dealing with this matter was to take up first the section in which the first amendment relating to 1920 taxation occurs, and if there is any general debate let it take place upon that amendment, because if that amendment is voted in then I take it that all the balance of them will likewise be voted in; and the test vote can come, therefore, upon the first amendment to the bill that deals with 1920 taxation.

Mr. WARREN. Mr. President, the Senator believes that they are so correlated that that vote will settle practically the entire matter of 1920 taxation?

Mr. SIMMONS. I think so.

Mr. WARREN. I think it would be very wise if we could do that upon one vote.

Mr. PENROSE. Mr. President, the proposition is simply whether the Congress at this time should fix the 1920 taxes.

I spoke at length upon this phase of the question when I made a formal presentation of my views to the Senate two or three days ago, and I do not know that I have anything in particular to add at this time. The minority, with practical unanimity, have filed a report on the pending bill. Only one member of the minority did not sign the report, the senior Senator from Wisconsin [Mr. LA FOLLETTE], who was not in disagreement at all with his minority colleagues in the committee on that point, but who has a series of amendments of his own to offer, practically constituting a new scheme of taxation. Therefore with entire consistency he filed his own report, in which he states his agreement with the rest of the minority in dissenting from this attempt to fix the 1920 taxes in the pending measure, and then proceeds to explain his own views with regard to a scheme of taxation.

I have no doubt, from what I can gather, that the views expressed in this minority report are the views of the minority on the floor of the Senate.

Mr. SIMMONS. Mr. President, do I understand the Senator to mean that he thinks the Senators on his side of the Chamber will vote solidly against these taxes?

Mr. PENROSE. Oh, no; but I do not believe they will support any effort to impose in this bill the taxes for 1920.

Mr. SIMMONS. That is what I am talking about. I am talking about the 1920 provisions of this bill.

Mr. PENROSE. While I have not made a canvass of the minority, I take it that they will very largely, if not unanimously, vote against this attempt to fix the taxes for 1920 in the bill.

Mr. SIMMONS. I think probably the Senator is right. In the committee we were divided upon party lines upon this question. I do not think there is any concealment about that.

Mr. PENROSE. While the chairman of the committee says he believes I am right regarding the minority, I think I can make a safe guess that the majority will all vote the other way. The committee was divided in this respect on strictly party lines. I think, perhaps, it was the only case in the nearly three months' deliberations of the Finance Committee, sitting all day and every day, in which party lines developed to any marked degree.

Mr. President, it surely seems like a violation of all ordinary legislative procedure to attempt to fix taxes for 1920 in this measure. We ought to pass the bill for 1918; and, after the 4th of March, when Congress must inevitably be called in extra session, a new revenue bill can be drafted to meet the requirements and conditions as they then exist. If this method of procedure was a violation of all precedents in normal times, it is, in my opinion, absolutely without excuse or reason at present when the immediate future is so stored with great events.

The pending bill, Mr. President, is the result of from five to six months of close, persistent study and consideration in the Ways and Means Committee of the House and in the Committee on Finance of the Senate. I do not believe the Senate nor, of course, the public realize the painstaking work which has been put upon this measure. We have had every assistance through frequent communications from taxpayers all over the United States. Leaders of industry from one end of the continent to the other have communicated their views to the committee. The committee had at its sessions the great benefit of the presence of several of the tax experts from the Treasury Department, notably representatives from the Tax Advisory Board. These gentlemen have, you may say, been living with this proposition for a year, and thinking of little or nothing else. They are thoroughly familiar with it from one end to the other. Their services could hardly have been replaced, nor could their value well be exaggerated; and yet, even with all this help and continuous labor, it taxed the energy and intelligence of the committee almost to the limit to frame the bill on its present lines.

Had the committee gone hastily to work and reported this measure to the Senate in a slipshod way gross inequities would have continued. It must be borne in mind that while these inequities can be endured when taxes are low, they become of infinite hardship when taxes reach the staggering figures imposed in this measure. I think one of the most extraordinary illustrations of the wisdom of deliberation, and of the influence of changing conditions, is that referred to in the report of the minority.

The Secretary of the Treasury urged the committee repeatedly, and finally in a communication to the chairman of the committee, that the measure must be passed before the 28th of September. As a matter of fact, it was not even reported to this body until several weeks after the 28th of September, much less passed by the Congress by that time. The Secretary predicted disaster to the fourth liberty loan, and apprehension was expressed time and again as to the inability of the Secretary of the Treasury to market short-time certificates should the bill not be on the statute books by September 28; yet, Mr. President, the Secretary experienced no difficulty whatever in placing his short-time certificates, and the fourth liberty loan was oversubscribed.

Mark you, Mr. President, the fact that the committee deliberated, and took its time, resulted in saving $2,000,000,000 to the taxpayers of the country. Had the committee, I may say, been intimidated—for the course of the Secretary almost reached the status of intimidation—into hastening the passage of the bill, it would have carried $8,000,000,000 instead of $6,000,000,000, and the taxpayers of the country would have groaned under this increased burden. But the armistice occurred, peace came in sight, and the committee was able to reduce the taxes carried in the measure by some $2,000,000,000.

It is true, Mr. President, that it is only an apparent reduction, because the loss on beverages, due to prohibition, ultimately will be considerably over $1,000,000,000; but it did enable the committee to reduce taxes several hundred million dollars and to put in provisions, some of which on two or three occasions have been the subject of discussion on the floor, and which, in my opinion, constitute the most admirable features of the measure. Provisions such as those relating to amortization, depletion, depreciation, the inventory paragraphs, and others which might be mentioned, do not relieve anyone of just taxation but do eliminate inequalities and inequities and do not tax a man whose outgo is greater than his income or who has sustained losses by reason of the wonderful transition from a war to a peace period. Had the committee not been familiar with the most recent conditions, many of these relief provisions would not be in the bill. Had we hurried, $8,000,000,000 of taxation would have been imposed upon the taxpayers instead of $6,000,000,000.

While it is true that the departments have sent in their estimates to Congress, they are after all very liberal estimates. The natural instinct of a department chief is to protect him-

self from a deficit and he goes on the basis of the outside figures. The Secretary of War was before the Committee on Finance, as was the Secretary of the Treasury. They did not impress me with having any certain estimates of the requirements of the Government in the months to come, and I do not know that I can criticize them for not being able to make such estimates, because the whole world is unsettled and we can hardly tell from week to week what our expenditures are going to be and what our responsibilities will require. So it would seem that every argument was in favor of postponing any provision for taxes for 1920 until these conditions can be ascertained.

The only argument advanced by any member of the committee advocating what I may call this most irregular fiscal legislative procedure was that the taxpayers are entitled to know what the taxes are going to be for 1920, so that they may be prepared for them. Now, Mr. President, as a matter of fact, every taxpayer in the United States knows that the taxes will be reduced. He knows that, whatever the form and scheme of taxation, we are not going to require $6,000,000,000 out of current taxes for another year; and as to the methods of taxation, we are in no position to inform him what kind of taxes he will be expected to pay.

One flagrant instance of great diversity of view is illustrated by the recommendation of the Secretary of the Treasury to drop the special-profits taxes and rely largely on the income taxes, personal and corporate; and yet that recommendation was entirely ignored by the majority members of the Finance Committee in providing taxes for 1920. There might have been some excuse for their not giving heed to his suggestion in the bill for 1918; but the Secretary's suggestion, in my opinion, is entitled to the most careful consideration. It indicates the form of taxation which we are bound to come to ultimately in this country, in which all these war-profits and excess-profits taxes will disappear and some kind of a straight income tax will be provided. Yet the majority of the committee entirely disregarded the recommendation of the Secretary of the Treasury, even with respect to the taxes for 1920. I do not think the taxpayers of the country are so anxious to know just what form of taxation is going to confront them, if they can get some reasonable prospect of a form of taxation which shall be fairer, and not work the hardships of these special-profits taxes. In my opinion, they would be much happier and business would be much better satisfied if they had the general feeling that taxes are going to be lower, rather than have these special-profits taxes retained in the 1920 provision.

Mr. President, it may be, and I hope it will be, that our war expenditures, outside of the funding provisions and the repayment of the national debt, will very largely have ceased by next summer when we come to frame a tax bill, should we be permitted to have that opportunity. To attempt now to tie up the Government and the business of the country with a continuance of these special-profits taxes, even if they are reduced, is, in my judgment, unwarranted and without justification. It is difficult for me to conceive of any logical argument which prompts the majority to insist on this amendment to the bill.

Mr. SMITH of Georgia. Mr. President, with much of what the Senator from Pennsylvania has said I am entirely in accord. It is undoubtedly true that the Finance Committee and all the members of the committee labored earnestly and faithfully in an effort to place this enormous tax bill upon the people with as little unfairness as possible and to lighten wherever possible the burdens, although raising by taxation so unprecedented a sum must necessarily bear heavily upon many, many of the people.

The House sent us the bill prepared with the purpose of levying eight billions of taxes, payable next year from the receipts of this year. The sum of eight billions was fixed upon the theory that the total expenditures for next year would be twenty-four billions. There was a difference of opinion as to what portion of the expenses should be carried as taxes. Some desired to raise half or even more of the entire expenditures immediately by taxes. Some wished to have 20 per cent, or even less, raised in that way. We arrived at a middle course and determined to raise one-third of the expenses of next year by a tax bill.

We first sought to lessen some of the burdens of the House bill, largely by opportunities for adjustment in the office of the commissioner. He had called to his assistance last year a board of five very able experts in tax matters, who had advised him on many questions at places where the original bill was somewhat in doubt, and who aided him in adjusting that bill, where discretion was left, to a fair and equitable administration of the law. As the Senator from Pennsylvania has said, we had the benefit of the assistance of that board—fair-minded, capable men, interested solely to help us adjust this enormous tax as fairly as it could be done.

When the public think of the parts of this bill which grate upon them, they must not forget that we were engaged in a war with the most powerful military country in the world. We were mobilizing our resources to strike down the enemy of the peace of the world. We were fighting for our own homes and firesides, as well as for the freedom of other peoples.

The sum we are compelled to take from the people is unprecedented in the history of the world; and it is simply impossible to levy an $8,000,000,000 tax and not have it felt, and felt severely in many, many quarters. We took the benefit of the views of the board to which I referred, and we enlarged the discretionary power of the Commissioner of Internal Revenue in a number of places where the unequal effect otherwise of the bill might have brought unjust burdens.

We took the normal income tax and put into it more brackets, so that from $100,000 incomes down it was not quite so severe as the bill as passed by the House.

A large part of our work was in adjusting points looking toward a more equitable distribution of the burden until suddenly the armistice came and the war ended. Then the question was how much of the burden could we take off in consequence of the fact that we would not be actively engaged in the war next year.

After studying the probable expenditures required for next year, it was determined $18,000,000,000 instead of $24,000,000,000 would be the probable sum that would be required, and we thereupon, following the rule of raising by taxation one-third of the expense, determined to reduce the tax bill to $6,000,000,000 instead of $8,000,000,000.

We reduced somewhat the excess-profits tax. The brackets before had for their lowest charge 35 per cent and they went to 75 per cent. We reduced it to 30 and to 60 as a maximum. We took up the various schedules—the excise tax, the special taxes. We went through with those taxes likely to especially burden, to especially annoy. We reduced a large portion of them one-half. We struck out a number of them that we thought were the more unreasonable. We struck out the tax on gasoline because it entered into so many different occupations not simply being used in automobiles. We struck out the tax on the users of automobiles because we found from satisfactory evidence that the majority of the cars, the large majority, were really used in industries and that a very small portion constituted the cars used simply for pleasure. We had left a tax on the manufacture of cars, and we felt that was the share the automobile ought to carry.

We struck out a number of the taxes based upon the idea that if a suit of clothes cost more than a certain sum we would tax the excess, or a bonnet so much we would tax the excess. We simply struck out that paragraph of the bill. We believed that it was annoying and unnecessary. We brought the bill down to $6,000,000,000.

There was not a vote cast up to that time in which party lines showed themselves at all. Then the question was this: We had fixed the $6,000,000,000 tax bill for the year 1918, payable in 1919, and continuously this would have been the tax until it was changed by legislation. It was, under the bill, the tax for 1919, payable in 1920, and it was the tax for 1920, payable in 1921. It was the tax which would rest upon the people of this country until some future Congress might reduce it. It was prepared under peculiar circumstances. It was prepared bill down to $6,000,000,000.
not for 1920. We knew that we would not need to levy a tax for so large a sum by $2,000,000,000 for 1920.

Now, should we leave the tax bill fixing the tax for 1919, payable in 1920, at $6,000,000,000, or should we reduce it in this bill, when we know we could do with $2,000,000,000 less for 1920?

Senators say by reducing these taxes to $4,000,000,000 payable in 1920 we have undertaken to anticipate future tax legislation and encroach upon the prerogative of the next Congress to make a tax bill. In other words, the Senate will, after the 4th of March, change as to party control, and so will the House. Therefore, they insisted that we should not fix the tax bill for 1919 payable in 1920. But the bill without change would do it. We fix it at $6,000,000,000 for 1919, payable in 1920, if we do not amend the bill. The responsibility is with us to-day, and as nearly as we can fix what the tax should be for 1919, payable in 1920, we have undertaken to do it.

Mr. SIMMONS. We are making appropriations right now for 1920.

Mr. SMITH of Georgia. Appropriations are being made now, as the Senator from North Carolina says, for 1920.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Georgia yield to the Senator from Pennsylvania?

Mr. SMITH of Georgia. I yield.

Mr. PENROSE. The Senator does not mean to maintain that the responsibility will be on his party after the 4th of March altogether?

Mr. SMITH of Georgia. I do not; but it is on us now to say what should be the tax for 1919, so far as this bill fixes it, and I decline to vote for $6,000,000,000 fixed by this bill for 1919, payable in 1920. We no more control the action of the majority after March 4 by reducing the tax $2,000,000,000 for 1919, payable in 1920, than we would control their action if we left it at $6,000,000,000. They are just as free to handle the problem of taxation next year when we reduce the tax $2,000,000,000 for next year as if we did not reduce it. It is our responsibility now.

Mr. SMITH of Arizona. It will be theirs then.

Mr. SMITH of Georgia. It will be theirs then, and we are unwilling to say it shall be $6,000,000,000. We are unwilling to report a general bill fixing it at that sum for years to come.

I hope the majority after the 4th of March will act together, but we know that the views of the majority diverge on the subject of taxation. We understand perfectly that they are farther apart than they are from us; that the extreme of one side of the majority after the 4th of March is farther from the extreme on the other side of the majority than they are from us. We can, at least, make a start toward reducing the taxes for next year.

And what have we done? We have provided that the normal income tax shall be reduced one-third next year. We have cut it from 12 to 8 per cent. We reduce the excess-profits tax one-third for the next year. We cut the 30 rate to 20, the 60 rate to 40. We restore after July 1 first-class postage to its normal 2 cents a letter.

I hope Senators on the other side of the Chamber will be able to make more reductions next year. I hope we will find less money required, and I hope we will find means even better than those we will leave in this bill and less burdensome by which to raise required revenue. Because we make these three reductions it does not mean that the majority on the other side will not receive the heartiest cooperation from this side to perfect the best bill possible. I believe we will follow the example they set us during the past few months. I believe every Member on the other side sought to help make the best bill possible up to the six billions. I have not really been able to understand why they objected to this reduction for next year. I do not see why they should object to it. It does not mean final action any more than the $6,000,000,000 would be final action if we left the tax for next year at $6,000,000,000; but we see we can make these reductions.

Where would be better places to make them than to take one-third off the normal tax that falls upon everybody, to take one-third off the excess-profits tax, and put our first-class postage back at the old rate? We had trimmed all along through the other items in getting rid of the $2,000,000,000, reducing the total amount from $8,000,000,000 to $6,000,000,000. I will repeat that we do not mean by this in any way that we are trying to preclude legislation by Congress. We could not do it.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. SMITH of Georgia. I yield to the Senator from Utah.

Mr. KING. I hope the Senator will pardon me for making a brief statement connected with one question referred to by him. While I shall vote with the majority of the committee upon the proposition to include in the pending measure the provisions imposing taxes for the fiscal year ending June, 1920, I confess that the views of the minority have much to commend them to the country. This great revenue bill will raise the largest revenue that has ever been imposed upon a people in any Government for an annual period. It proposes to raise six billions by way of taxes for the calendar year 1918 and four billions for the calendar year 1919. The position of the minority is that to lay taxes now to meet the expenses for the fiscal year ending June 30, 1920, is unwise because of the uncertain conditions and the confused situation in the economic and industrial life of our country. We are just emerging from the clouds of war and moving toward the plain of peace. It is difficult to determine what the conditions of the coming year will be. It is difficult, indeed almost impossible, to determine what the expenses of the Government or the industrial and economic conditions of our country will be.

We can not with any degree of certainty project ourselves into the coming year and visualize conditions and predetermine at this time what the requirements of the immediate future will be. Scarcely any two persons agree as to what the appropriations for the coming year will be. No one can forecast how long we will be required to keep troops in Europe or the expenditures which the War Department will be compelled to make during the coming year. Personally I think the President should call a special session of Congress early in the coming year to deal with the revenue question and other important matters. Indeed, I think it is necessary, in order to meet the great questions which will demand solution, that Congress be convened in extra session early in the year 1919. At that time we would have fuller information as to the financial requirements of the Government for the fiscal year 1919-20 and could therefore act more intelligently.

The Senator from Pennsylvania [Mr. PENROSE] stated a few moments ago that the Secretary of the Treasury recommended that in any taxing measure providing for revenue for the coming year the excess and war profits taxes upon corporations should not be imposed. Without expressing any opinion as to the wisdom of this recommendation, the pending measure shows that the views of the Secretary of the Treasury have not been followed by the committee.

However, I realize that there are some cogent reasons for laying the taxes now for the coming year; they have been strongly stated by the able chairman of the committee [Mr. SIMMONS], but, with the permission of the Senator from Georgia, who has the floor, I desired to make this statement in order that he might appreciate the point of view which the discussion of this measure suggests to some members of the majority but not members of the Finance Committee.

Mr. SMITH of Georgia. I regret to hear the views of the Senator from Utah, but I am pleased to hear that he will vote for the tax reduction for 1919.

Mr. President, we have no power to call Congress together in March. The Senator from Utah can not do so. If the Senator from Utah would consider the subject carefully he would realize that we will know very little more about the situation in March than we do now. He ignores entirely the fact that the $6,000,000,000 tax would be left applicable to the next year payable in 1920 unless we made the reduction, and he ignores entirely the further fact that making the reduction in no sense prevents Congress from considering a revenue bill later on during next year; that it is no more binding upon Congress than the six billion tax bill would be binding upon Congress; and that it is simply a declaration that these three taxes can be reduced.

Mr. PENROSE. Will the Senator permit me?

Mr. SMITH of Georgia. Certainly.

Mr. PENROSE. Does the Senator think that this action of the majority is calculated to inspire confidence in the great body of taxpayers, when the majority in the committee entirely disregard the recommendation of their own Secretary of the Treasury? The majority party is not even united on the tax scheme of 1920. The Secretary of the Treasury makes one recommendation and the committee makes another.

Mr. SMITH of Georgia. Yes; I think it will. I think our course was sound and the recommendation of the Secretary of the Treasury unsound. It is a question of judgment as to how we will raise the money. The Secretary of the Treasury suggested that all excise taxes on corporations be abolished, even though the normal income tax might be increased. We did not agree with that view. We thought that the normal income tax reaching all the people should be reduced and the excess-profits tax reduced equally, and we determined, I think more wisely than his suggestion, that it should be one-third off from each. I think the majority of the people will approve our view rather than his.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia. Certainly.

Mr. McCUMBER. I think the Senator will recall that in determining how we would raise the $4,000,000,000 for 1920 we simply took off practically one-third of the present rate. That is correct, is it not?

Mr. SMITH of Georgia. One-third off the normal and one-third off the excess profits, and we estimated that the balance lost from the war-profits tax would make up the $2,000,000,000. The war-profits tax ceases with war, as the war profits cease.

Mr. McCUMBER. But it is based upon the assumption that the profits on the basis of 1920 or 1919 will be substantially the same as in 1918, and therefore if you reduce the rate one-third you will thereby reduce the amount of taxes received. But what assurance has the Senator or anyone else at this time that in 1919 or in 1920 the same rate of taxation would produce the same amount of taxes?

Mr. SMITH of Georgia. Nobody has any absolute assurance as to just what the income will be of individuals next year, nor have we any absolute assurance as to what the incomes of companies or corporations will be. We have no accurate knowledge now of what the incomes for the past year have been.

Mr. McCUMBER. But as we near that period will we not have a better basis of judgment as to what that income will be than we will one or two years prior to that time?

Mr. SMITH of Georgia. Instead of the policy of fixing a tax bill at the end of a year to apply to the year gone by, I regard it as much wiser and fairer to prepare the tax bill before the year begins. The only excuse we have for not getting our tax bill out earlier last year applicable to this year is the peculiar circumstances that surrounded us. Instead of adopting the view that we should wait until late in next year to see what would happen to fix the tax bill for next year, I believe it is sound policy to fix it, if possible, before the year begins with the best information and the best judgment based upon obtainable facts, and let people move into the year and through the year knowing in advance what proportion of their incomes they are to turn over to the Government as a result of taxes.

The wisdom of these three reductions that we make can not be questioned. They were intelligent reductions; they were sane reductions. We had already made reductions in the excess-profits tax, and we went further and reduced them one-third. The entire reductions we make are two-fifths, but we finally reduced them one-third from the figure we adopted for a $6,000,000,000 tax; we reduced the normal taxes one-third and we reduced our first-class postage one-third after July 1, which amounted to something like $70,000,000. That is vastly better than to go into next year entirely in the dark. It is vastly better than to go into next year with $6,000,000,000 on us.

Suppose, Mr. President, when we got into next year the Senator from Pennsylvania [Mr. PENROSE] and the Senator from Wisconsin [Mr. LA FOLLETTE] undertook to agree on a tax bill, and we had to wait for a reduction of taxes until they agreed, we would get no bill, and we would leave the $6,000,000,000 on us. The Senator from Wisconsin will yet offer amendments to the bill we have agreed upon, seeking to change it substantially in a direction that the Senator from Pennsylvania [Mr. PENROSE], the Senator from Massachusetts [Mr. LODGE], the Senator from Utah [Mr. SMOOT], and the other Senators on that side will hardly agree to.

You will not have easy sailing making a tax bill in the new Congress unless we help you do it. You can not make one on your own side; you can not agree on a tax bill as you will be organized, if the differences of views that have been so far displayed by Members on your side continue to exist.

We feel sure, however, that when the time comes, if additional modifications in the line of reductions can be made that appeal to the intelligence of Senators, cooperation will exist once more between the large majority of this committee, without regard to party. But in the meantime we are unwilling to say that the tax for 1919 shall be $6,000,000,000 when we know that much will not be needed. We are unwilling to go to the country fixing a tax of $6,000,000,000 for 1919, when we are sure $4,000,000,000 will be enough. We in no way commit you finally by it; we in no way commit ourselves. We take the one step to help reduce the taxes, and later on, if we can find the amount needed or find revenue elsewhere, so that some of these taxes may be stopped or reduced, we will meet you, just as you met us, and seek to help accomplish the best results possible in behalf of the people of the entire country.

Mr. TOWNSEND. Mr. President, I do not intend to enter into a general discussion of the revenue bill at this time. I realize that the measure is already determined and Senators are desirous of voting at the earliest possible moment. Neither do I wish to be left out of that mutual admiration society, composed of the members of the Finance Committee, who have so generously congratulated themselves upon the excellent work that they have done. I am glad to be numbered among such efficient and patriotic Senators.

Mr. SMITH of Georgia. Does not the Senator think that we really tried to do the best we could, all of us, without regard to party?

Mr. TOWNSEND. I was going to say that I think——

Mr. SMITH of Georgia. I was meaning especially to compliment the minority.

Mr. TOWNSEND. Before I finished I was going to say something about those left-handed compliments which the Senator has paid the minority. But I do agree that up until the November election and the necessities of the Democratic Party seemed to require another course the committee worked in unison. I saw no indication of party lines in the Committee on Finance. The chairman was universally courteous and kind, and everything proceeded as it ought to proceed in legislation of this character. I think the chairman and the Senator from Georgia will agree that if ever there was a lack of a quorum at our committee meetings it was not because of the absence of the Republican members. They were in their seats at all sessions, almost without exception. They worked hard and conscientiously to frame the best possible bill to meet the emergencies of the times.

The Senator from Georgia fears that the Republican Party may not be able to make a suitable bill when it comes into power because of the lack of harmony among the members of the Republican Party. I hope he is sincere. I am going to assume and believe he is when he says that in preparing a revenue bill of this kind the minority should cooperate with the majority. It is more than possible that an opportunity will be offered.

Mr. President, I do not propose to enter into a discussion of the revenue bill for this year. It contains many provisions which I do not like, provisions which I could not change, and I am not sure that my suggestions, if they had been adopted, would all have been better, because an emergency revenue bill is a complicated matter and no general rule can be applied along the line of taxation that will deal justly and equitably with all concerns and individuals, even with those in the same class of business, depending, as the matter does depend, to a great extent upon the capital, the degree of intelligence and expertness, the amount of experience, and many other things that are involved.

I am very much opposed to this 1920 proposition of the majority of the committee. It is clearly a partisan movement and as unwarranted as it is unprecedented. The Senator from Georgia says it will make no difference in the future legislative situation and can not possibly embarrass the next Congress, whether the pending measure stands for the current fiscal year or includes the provision for 1920. The Sixty-fifth Congress can change the law if it wishes. That would seem so on the face of the statement, at least; but is it so as a matter of fact? The next Congress will be Republican—the House certainly and the Senate nominally so. No law can be enacted which does not receive the approval of the President. A two-thirds majority can not be obtained to override his veto. The law now enacted may continue till March 4, 1921. But no one believes that the most narrow, partisan President would allow a $6,000,000,000 tax law to remain a statute after the war, when it is no longer needed. He would call Congress in extra session, as would be his duty to do and as other Presidents have done, to meet legislative needs. No, Senators; do not believe that the next Congress would fail to enact a proper law. No administration could remain in power and leave the Federal tax levy at $6,000,000,000 in 1920. Therefore the President would necessarily call the Congress together for the purpose of legislating in reference to this matter.

I submit, further, Mr. President, if it had not been for the result of the election last November this 1920 provision would not have been inserted in this bill. Congress would have followed the usual course and would have legislated for the future as its necessities were disclosed.

If, however, you adopt this $4,000,000,000 tax amendment for 1920 there will be no special tax need for calling Congress together after March 4, 1919, and there will be no opportunity to embarrass the President by the Congress recently elected by the people and against his expressed wish. Indeed, it might be possible, as I have said, to have no legislation until after the election in 1920, whatever situation may confront the country.

It is a fact that neither the Secretary of the Treasury nor the experts of the Treasury Department nor the majority of the committee understand clearly what are the needs of this year due to the changed conditions which have come upon the country. If we had continued in war with the program outlined which we were to follow we could have told more accurately how much money would be required than we do now. The Secretary of the Treasury bases his statement that we need $6,000,000,000 this year upon the fact that we are going to materially reduce the expenses of the Government, and he gives as an illustration the expenditures of the first five months of the war as $8,600,000,000. He says those expenses are going to decrease, yet the fact of the matter is that the very last month of the five—November—which was mostly in time of peace, or since the armistice was signed, there was the largest expenditure of any month of the number. It is also true as a historical fact that these expenses will probably multiply for several months after the war closed. It would seem, therefore, that the actual expenses of the first five months of this year being $8,600,000,000, we can not rely upon the guess that only $9,400,000,000 will be required for the last seven months. Anyway, it is, to use the Secretary's words, "the wildest guess." Our great expenditures are going to continue in 1919, and they are going to reach into 1920. They are going to be very great.

Nobody knows what they will be. Nobody can make an intelligent estimate as to what they will total.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Michigan yield to the Senator from North Carolina?

Mr. TOWNSEND. I am glad to yield.

Mr. SIMMONS. Mr. President, at the time the Secretary of the Treasury was before us he gave us the actual expenditures of the Government, I think, up to some time in November. Since that time we have the actual expenditures for the first six months of this calendar year, and practically they are brought down to the last of December. With an estimate as to some part of December—the part that has not yet expired, with just a slight element of an estimate—the actual expenditures of the first six months of this calendar year can now be definitely stated, and they amount to $9,000,000,000, and I do not remember now how many odd millions.

Mr. SMOOT. And six hundred and odd million dollars.

Mr. SIMMONS. I think the Senator from Utah is right that it is somewhere near $9,600,000,000. On the $18,000,000,000 basis that would allow $8,400,000,000 for the next six months. That is only a difference of a billion dollars. Does the Senator from Michigan believe that the expenses of the next six months of this fiscal year are going to be anything like so great as were the expenses of the past six months, when we were in war most of the time and when our expenditures were at the peak?

Mr. TOWNSEND. I was stating, Mr. President, before I was interrupted by the Senator from North Carolina, that these are simply estimates; that I do not believe that even the Senator from North Carolina now has any adequate information as to what will be the expenditures of the Government during the balance of this fiscal year.

Mr. SIMMONS. The Senator from Michigan is right; I have no absolute information. All my absolute information is as to the expenditures of the first six months; that is practically absolute now.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. TOWNSEND. I will yield to the Senator from Utah when the Senator from North Carolina shall have concluded.

Mr. SIMMONS. I want to say to the Senator from Michigan, however, that from time immemorial all statements of our expenditures which have been made before the beginning of the fiscal year have been nothing but estimates.

Mr. TOWNSEND. Yes.

Mr. SIMMONS. We never can have anything but estimates.

Mr. TOWNSEND. And they are always based on normal conditions.

Mr. SIMMONS. They are based on appropriations for a fiscal year which is to begin in the future.

Mr. TOWNSEND. But they are all based on normal conditions.

Mr. SIMMONS. Yes; they are based on normal conditions.

Mr. TOWNSEND. And we are now making, according to what the Secretary of the Treasury called it, "the wildest guess"; we are guessing about an unknown future, untried by any experience that we have ever had.

Mr. SIMMONS. What I have said to the Senator is that during the last six months, when we had the most abnormal conditions that we have ever had, we only spent a little over $9,000,000,000. It is reasonable to suppose that during the next six months conditions will not be so abnormal, though they will still be abnormal, but not so much so as they were during the first six months. Of course, if we are going to assume that when the war is over our expenses are going to be just as great as they were during the last six months, when our expenditures were going up and up until they reached the peak, why, then, there will be something in the argument which the Senator from Michigan is now making.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. TOWNSEND. Just let me say a word, and then I will yield to the Senator from Utah.

The Senator from North Carolina [Mr. SIMMONS] states that the conditions have been most abnormal possible during the last six months. I do not think that is necessarily true. I think there are more uncertainties, more doubtful problems, entering into the next six months than have entered into the last six months as to what we are going to do. What is going to be done with the Government contracts; what is going to be done with the men who are employed; what is going to be done along the lines of the President's recommendation in his last message that we look after the restoration of northern France and Belgium; and what is going to be done with all of these great new problems, which will involve the expenditure of billions of dollars? No one can tell. No one can make better than a "wild guess" as to what is going to be done and what will be required.

I now yield to the Senator from Utah.

Mr. SMOOT. Mr. President, I was simply going to say to the Senator from Michigan that there is no doubt the $18,000,000,000 will be expended before the present fiscal year is ended. The appropriations for the fiscal year were over $24,000,000,000, and, in fact, the authorized appropriations—that is, the authorization for contracts for which there was no appropriation made—and the sums loaned to the allies amounted to $36,000,000,000; but the $18,000,000,000 that are spoken of here are based upon the actual expenditures of the Government for the first six months and not upon the appropriations at all. For the first six months the actual demands of the Treasury of the United States were nine billion six hundred and odd million dollars. So, if in the following six months, or the latter half of the present fiscal year, there should be paid out of the Treasury $8,400,000,000 that would cover the $18,000,000,000.

As I said the other day, there is no more chance of having the requirements of the Government for the fiscal year ending June 30, 1919, falling short of $18,000,000,000 than there is that we shall have to raise more than $6,000,000,000 for the year 1920.

Mr. TOWNSEND. Mr. President, I believe that the Senator from Utah is absolutely correct about that. I do not think any Senator, not even the Senator from North Carolina, seriously believes or will contend that we are going to have any of the $18,000,000,000 left at the end of this fiscal year. We, of course, are both guessing, and time alone can tell which is right.

Mr. SIMMONS. Mr. President, I did not mean to say that we should have anything left; but what I meant to say was that the $19,000,000,000 estimate for this year is as nearly accurate as are the ordinary estimates made by the department. But that is neither here nor there, according to my judgment. The question is, how much money we ought to raise by taxation this year without reference to how much is going to be our expenditure. I think $6,000,000,000 is enough; but, if the Senator will be so gracious as to yield to me and will let me take it out of his time, let me say to the Senator from Utah that however certain he may be about his position—and the Senator from Utah is generally very certain about his position; he makes statements which do not leave any doubt in my mind that he thinks he is absolutely infallible in his figures, and I am not saying that by way of criticism——

Mr. TOWNSEND. And he is generally pretty nearly right.

Mr. SIMMONS. Perhaps that is a good quality; but the chairman of the Committee on Appropriations of the other House is credited in the newspapers this morning with having made a statement to that body on yesterday, based upon his knowledge of the situation acquired by dealing with the estimates which have come to his committee, that from the substantially $9,000,000,000 of authorized contracts that are included in the $36,000,000,000 of which the Senator has just spoken, $8,000,000,000 of that amount will never be expended. He stated that from the balance of the appropriations—the appropriations proper, not the authorizations—there will be a saving, and I assume he means by cancellation of contracts and otherwise, and not only by such cancellation, but because it is not necessary to spend the money which we expected to spend—that there will be a saving of $8,000,000,000 more. Therefore, we have in those two items which were included in the estimate of $36,000,000,000, referred to by the Senator from Utah, $16,000,000,000 that under this statement would disappear.

Mr. SMOOT. Mr. President, certainly the Senator from North Carolina has not followed what I have said in the past. If the expenditures of the Government shall amount to $18,000,000,000, that sum, taken from the $36,000,000,000, will leave more than the amount to which the Senator has referred. I knew that it was impossible for the expenses of the Government to be $38,000,000,000, and stated so when the appropriations were made; and I do know that the requirements of the Government for the fiscal year ending June 30, 1919, will be as near $18,000,000,000 as it is possible for a person to estimate.

Mr. SIMMONS. Then, the Senator from Utah confirms the statement that $18,000,000,000 is a fair estimate for the year 1918.

Mr. SMOOT. There is no doubt of it, Mr. President.

Mr. SIMMONS. That is what I have been contending.

Mr. SMOOT. That is absolutely true. My opinion is that, if anything, it will be a little more, but not much more.

Mr. SIMMONS. But that is a fair estimate?

Mr. SMOOT. It is a fair estimate.

Mr. SIMMONS. That is just what I have contended for all the time.

Mr. SMOOT. That is what I said a week ago to-day in a speech which I then made.

Mr. SIMMONS. The idea I meant to convey when I referred to the statement of the chairman of the Appropriations Committee in the other House was that, according to his statement—and his statement was not all embracing—I do not think he showed that the $16,000,000,000 that were included in the appropriations and the authorizations had practically already been saved.

Mr. TOWNSEND. That is, $16,000,000,000 to be deducted from the $36,000,000,000.

Mr. SMOOT. Yes; and that will leave $20,000,000,000.

Mr. TOWNSEND. The Senator means the $20,000,000,000 that he thought might have to be provided for. That is $2,000,000,000 more than the estimate and more than the amount provided. I mention that only incidentally; and the argument which has occurred here shows that I was correct in saying that there is some dispute as to how much money the departments want this year; and yet Senators propose to go into the year following and determine now how much money should be raised by taxation and how. I repeat that only the exigencies of politics—poor politics, I admit—would induce such unwise legislation. This Congress can with greater wisdom devote its time to devising economies than to tying the hands of the next Congress.

There was no special consideration of this matter before the committee. I am not complaining, for I am inured to Democratic methods, but the chairman of the committee proposed to make this proposed amendment overnight. We afterwards called the Secretary of the Treasury, the Secretary of War, and the Secretary of the Navy before us for the purpose of trying to get some information as to what the actual needs for 1920 would be. They were brought in afterwards, after the majority by a strict party vote had agreed to put on this provision for 1920; and then after we had heard these Secretaries there were very many of us—and I think some of the majority—who were not clear that anybody knew how much money would be needed in 1920.

Mr. BORAH. Mr. President, will the Senator from Michigan permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. TOWNSEND. I yield.

Mr. BORAH. Mr. President, there is a great deal of mystery about the 1920 proposition from beginning to end. In the first place it seems to appear as a mystery, and in the second place the attitude of the Republican members of the Committee on Finance is a mystery to the rest of us. It was distinctly understood for a time, and it was published to the country, that the Republican members thought it was such an injudicious thing to do that it would be fought to the close of the session. It has been reported around here that the Republican members of the committee were called into conference and unanimously agreed that it was such an injudicious thing to do, that it was so unwise and so unfair to the taxpayers of the country that it would be fought to the close of the session. The next day or two the leader upon the Republican side of the Finance Committee appeared and stated that the Republicans had concluded to let it pass with what seemed a mere camouflage of opposition. Is this being done because it is in the interest of the taxpayers of this country or is it mere party finesse here in the Senate Chamber? Why is it that this appeared overnight first upon the Democratic side and disappeared overnight on the Republican side?

Mr. SMITH of Georgia. Mr. President, I should like to correct the Senator's statement. The exact measure appeared overnight, but it had been under discussion for days. From the day the armistice took place at once the question of reducing taxes for the following year was discussed.

Mr. BORAH. But, Mr. President, the 1920 proposition was brought to light and presented to the country and to the Senate as a whole, so far as public information was concerned, overnight.

Mr. SMITH of Georgia. That is a mistake.

Mr. BORAH. It is not a mistake, so far as the public is concerned.

Mr. SMITH of Georgia. The public may not have gathered it, but it had been openly discussed.

Mr. BORAH. That is another example of secret diplomacy.

Mr. SMITH of Georgia. It was not secret. It was talked of in the Marble Room, and it was discussed generally. I had been urging it for two weeks before it was brought forward by the chairman of the committee.

Mr. TOWNSEND. But not before the committee.

Mr. SMITH of Georgia. Yes; I mentioned it at least once before the committee; I brought it up twice before the committee, I am sure.

Mr. TOWNSEND. I never heard of it.

Mr. McCUMBER and Mr. PENROSE addressed the Chair.

Mr. BORAH. Mr. President, just a moment. So far as the Democratic portion of the strategy is concerned, I am not deeply moved about it, but I do not understand the maneuvering of the Republican members of the Finance Committee.

The country was advised that this was such an injurious, unfair, improvident, and unwise thing to do that the party coming into power felt constrained to defeat it even by the consumption of time, and yet within a few hours after that position was announced, as a result of a conference of all the members of that committee upon the Republican side, as I have understood, the whole program was changed overnight. I do not understand it, except as the bill itself unravels the mystery. I think if you shall find that this bill, which purports to levy an 80 per cent tax, in fact levies only a 48 per cent tax, you will have discovered the reason why this change took place.

Mr. TOWNSEND. Mr. President——

Mr. McCUMBER. Mr. President, may I ask a question of the Senator?

Mr. TOWNSEND. I was going to discuss the matter which the Senator from Idaho has brought up, but I will yield.

Mr. McCUMBER. It relates to the question when this matter was first brought before the Senate. I wish to ask the Senator from Georgia if it ever came before the Senate committee in any form before the 6th day of November?

Mr. SMITH of Georgia. It came before them immediately after the armistice. I do not locate it with reference to the election at all, because the election never entered into my mind in connection with it. I locate it in connection with the armistice. Immediately after it appeared that the war was going to end I began agitating it and published interviews concerning it in my own State. I expressed my views to other newspaper men, but they were not as much impressed as the papers of my home State. The suggestions of reducing taxes for 1919 were carried in the papers in my home State immediately after the German collapse. I do not connect their expression and publication with the election. So far as I am concerned the election had absolutely nothing to do with the proposed tax reduction.

Mr. McCUMBER. Mr. President, no one after the middle of October, when both Bulgaria and Austria-Hungary were out of the war and had surrendered and the Germans were all in full retreat, thought for a moment that the war would last another year. We knew then that the war was going to be over in less than a year, but it never occurred to us at that time that it was necessary to provide for the taxes for 1920, and it was never suggested in any form or shape until after the 6th day of November, 1918.

Mr. TOWNSEND. I think I will go on for a few moments now, because I wish to say something about that very subject before it is entirely exhausted.

Mr. SIMMONS. Mr. President, I think perhaps indirectly I have been wrongly criticized——

Mr. TOWNSEND. I assure the Senator that nobody wants to do that.

Mr. SIMMONS. And I should like to have an opportunity to make a statement.

Mr. TOWNSEND. Very well.

Mr. SIMMONS. I do not know what the Senator from Idaho [Mr. BORAH] means when he says there was a mystery about the provision for the 1920 taxes getting into the bill. I think the Senator from Michigan will bear me out in the statement that the Secretary of the Treasury wrote a letter, addressed to me as the chairman of the committee, which letter I submitted to the committee, in which he recommended that the committee make a reduction in the taxes for 1920, upon the ground that it would not be necessary to raise as much for that year by taxation as for the year 1919.

Mr. TOWNSEND. Does the Senator remember the date of that letter?

Mr. SIMMONS. I can not remember the date of it. I have it not here.

Mr. TOWNSEND. Well, it was after the election, and I understood that the chairman——

Mr. SIMMONS. It was after the armistice, and being after the armistice, of course it was after the election. We had not won the war when the election came on.

Mr. TOWNSEND. No; nor the election afterwards. Did not the Senator have conferences with the Secretary of the Treasury and with members of his own party as to this proposition before the Secretary wrote the letter to him?

Mr. SIMMONS. A few days before the Secretary wrote to me I had a talk with him in his office about this subject, and of course I talked with some of the members of the committee with reference to it. I do not now recall what members of the committee, but I do not think I made any distinction between the Democrats and Republicans of the committee.

Mr. TOWNSEND. Well, Mr. President, I attended the meetings with great regularity.

Mr. SIMMONS. Will the Senator let me say a word further?

Mr. TOWNSEND. Certainly.

Mr. SIMMONS. I think the Senator from Idaho, when he made the statement a little while ago that, instead of 80 per cent, we were only levying a tax of 48 per cent, made a statement which is probably not warranted by the figures.

Mr. BORAH. The Senator from Idaho did not say that. I said that, if it should be developed here, as we have been assured that it will be by one member of the Finance Committee, and it is revealed that we are only taxing war and excess profits 48 per cent when we are professing to tax them 80 per cent, that will be perhaps one of the explanations for the cessation of the fight on the 1920 tax provisions of the bill.

Mr. SIMMONS. I will not say that the total average profits tax would be 80 per cent. Nobody ever supposed it would be; nobody ever supposed that even the war-profits tax of 80 per cent would in practical operation levy more than 70 per cent upon war incomes. Many estimate it at less than 60; but the calculation to which the Senator refers groups the excess-profits tax and the personal-service corporation tax with the war-profits tax and strikes an average of all of them and then professes to be an average upon the 80 per cent tax, while, in fact, it is an average upon the 80 per cent tax, the 30 per cent, and 60 per cent tax, and the less than 20 per cent tax.

Mr. SMOOT. Mr. President, not only that, but it is an average of the taxes upon all corporations, some of which will not pay any taxes whatever.

Mr. SIMMONS. Exactly; and that will be developed when that position is taken before the Senate.

Mr. PENROSE. If the Senator from Michigan will permit me, I undertook particularly in the statement of my views before the Senate to say that the 80 per cent tax was not a full 80 per cent tax on the whole income of any corporation.

Mr. SIMMONS. Mr. President, if the Senator from Michigan will pardon me, it would only be an 80 per cent tax at the very maximum upon war profits.

Mr. PENROSE. Yes; upon war profits alone.

Mr. SIMMONS. But in arriving at this 48 per cent average I may say that it was computed on the 80 per cent war-profits tax, the 30 and the 60 per cent tax, and the very much lower tax upon personal-service corporations, and is practically, I think, a general average of taxes.

Mr. BORAH. Mr. President, what I had reference to is the statement—and I have some confidence in the gentleman who makes the statement, because he has been pretty accurate in the past on the subject and was infinitely more correct with reference to the amount of the tax in the last tax bill than those who were advocating its passage—after making these computations, that—

> The net result of all these deductions is that instead of this tax being an 80 per cent tax it will average no more than 48 per cent of the net income of corporations, and most likely even less than this.

Mr. KELLOGG. Mr. President, may I ask the Senator from Idaho a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. TOWNSEND. Yes.

Mr. KELLOGG. Does not the Senator mean 48 per cent of all income, without allowance for any exemptions at all?

Mr. BORAH. I am reading what the Senator from Wisconsin states in his views as one of the minority.

Mr. KELLOGG. I will ask the Senator if the 80 per cent tax was supposed to mean 80 per cent of all income, without any prewar exemption?

Mr. BORAH. No; I understand that it was——

Mr. KELLOGG. The 48 per cent referred to includes all income, without allowance for any exemption?

Mr. BORAH. Is that the Senator's understanding, that it only amounts to 48 per cent as an average?

Mr. KELLOGG. That is what I understand.

Mr. BORAH. Then, Mr. President, I can easily see why there should be great interest in the passage of this bill without much further discussion.

Mr. KELLOGG. I do not know that the figures are correct, but the statement does not purport to be 48 per cent of all war profits, but 48 per cent of the entire profits.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of California in the chair). Does the Senator from Michigan yield to the Senator from Utah?

Mr. TOWNSEND. I do.

Mr. SMOOT. Mr. President, I think if the Senator from Idaho would give this subject close study and take the amount of taxes actually imposed for the year 1918 on all business in the United States, he would come to the conclusion that an average tax of 48 per cent was a very high tax.

Now, I wish to say to the Senator that the amount, as estimated by the Senator from Wisconsin [Mr. LA FOLLETTE], includes all of the business of the country, some of which does not pay any excess war profits taxes.

Mr. BORAH. I do not know——

Mr. SMOOT. I know.

Mr. BORAH. Because the Senator from Wisconsin does not say so in his report.

Mr. SMOOT. But that is absolutely true, I will say to the Senator. Another thing I will say to the Senator here is, that under the bracket system which has been provided for here, wherever an institution has made war profits they pay 80 per cent upon all of the war profits; but if the Senator will notice I put in the RECORD, as a part of my remarks on last Monday, an example of just what an institution would pay under the bracket system. This is not a bracket step by step upon the different percentages, but it is so arranged that, if there are war profits, the tax is 80 per cent of the war profits made by the institution.

Mr. BORAH. Mr. President, may I ask the Senator from Utah if this sudden change of front with reference to the 1920 tax provision is not due to some things in the bill? Does the Senator know why this sudden change of front was made?

Mr. SMOOT. Mr. President, I can not answer that question, but I can say to the Senator that if a Republican Congress can act upon a revenue bill in time to change the law for 1920, I have no doubt they will do so, because the whole system now proposed, as I stated the other day, not only for this year but for 1920, is wrong, discriminatory, unjust, and can not be defended; and when the Republicans come into power I indulge the hope that we will pass a revenue bill that will be just to all business concerns in this country, irrespective of whether they are making large profits or small profits.

Mr. TOWNSEND. Now, Mr. President, I will proceed for a few moments. I desire to say to the Senator from Idaho that I was quite as much surprised as he was over the failure of the minority to stand up to the strong resolutions that were adopted when this provision was put in the bill by the solid Democratic majority in the Committee on Finance. I felt at that time that we were justified in going to any extent in defeating the bill if that provision was incorporated in it, and I understood that all of the minority members of the committee felt the same way. I can not see that this action can have anything to do with the tax provisions for 1919 contained in this bill, because they were agreed to practically before the provisions for 1920 taxes were brought forward.

There is something that attaches to the 1920 provision that is regarded as of political advantage, I think, on both sides. I think it was discovered, in the first place, or the Democrats thought they discovered, that there would be an advantage in now framing the tax law for 1920 and hold it on the statute books as against any action by the minority, because, as I have said, notwithstanding the statement of the Senator from Georgia [Mr. SMITH], the Republican Congress will be absolutely powerless to change this law unless he desires a change in it. He can then decide what action, if any, can be taken, and I protest against this. The Sixty-fifth Congress was elected upon the express issue of legislating without Executive coercion. The 1920 provision is unjust and inequitable. It will not be quietly tolerated in time of peace. Only normal and excess-profits taxes are reduced. All of the obnoxious war taxes of the 1919 law are retained. Transportation taxes and those on automobile truck manufacturers remain in the 1920 provision. As a war measure the people will submit even to apparently unjust taxation, but you must not impose upon them in peace.

It is not a safe political thing for any party to undertake a tax revision, but it must be undertaken from time to time. I am willing to assume the responsibility when the necessity arrives. I am unwilling to have a repudiated majority prevent action by the next Congress. I do not fully understand all the reasons which actuate the majority in forcing this amendment. They are not fully disclosed. I do not understand either why some of the minority hesitate to use every means to defeat this proposition; but, so far as I am concerned, I have been prepared, believing as I do believe, that this is an unjust matter, to fight it to the end, even if the revenue bill itself were de-

feated, because the existing law will remain on the statute books, and it is admitted that we have got to raise from $5,000,000,000 to $7,000,000,000 by bonds during the next six months.

We have got to borrow that amount of money, and there will not be a difference of $1,000,000,000—I think not a difference of $700,000,000—between the revenues derived under the present law and those which will be obtained by the 1919 provisions of the pending bill. We could get along and the Government would not be embarrassed. But the Senator from Georgia [Mr. SMITH] says that he felt that it was our duty to legislate for 1920; that we ought not to leave the provisions of the law for 1919 on the statute books, as we have left all other laws on the statute books until repealed or amended; but why, if he is so concerned about that feature, ought we not to legislate for 1921 and 1922, and, indeed, up to 1930? Why trust future Congresses? If we want to satisfy the business of the country that taxes are not going to exceed a certain amount, why not legislate for the next 10 years? We have not been in the habit of doing so, and, as the junior Senator from Utah [Mr. KING] said a little while ago, it appears to an honest mind that this is an unusual procedure. Congress can be called together on the day following the 4th of next March to legislate under existing conditions at that time, and that would have been the case, sir, if the Democratic Party had retained control of the Congress.

There would have been no 1920 provision in this bill; but it is here now, and it leaves an open field for speculation as to why it appears.

No one should be criticized for speculating on the motive which caused this thing to be done, because it is unusual and unnecessary. As far as I am concerned, I am perfectly willing to meet the responsibilities of an extra session and a new revenue bill. I feel that it is my duty to do that. I think we could legislate better under revealed facts than we can under speculative conditions, such as now confront us; and, I repeat, I am willing to assist in defeating this amendment and even to go to the extent of filibustering against this revenue bill, knowing that my country would not suffer and believing that a more just and equitable law would be enacted in the light of reconstruction and peace conditions; and no one believes—I do not think the senior Senator from North Carolina believes—that $4,000,000,000 will measure the necessary expenditures for 1920.

Mr. SIMMONS. Mr. President——

Mr. TOWNSEND. It may be too little; it may be too much; but if it is true, as has been stated by the senior Senator from Utah [Mr. SMOOT] and shown, it seems to me quite clearly, that our expenditures next year in time of peace will total about $10,000,000,000. It will be a novel experience for the Government under a Republican administration to issue bonds to meet current expenses in time of peace. And yet everyone knows now that Democratic financing during the last six years will make a large bond issue necessary in 1920.

I rose to-day more particularly to file my protest against the criticism, which will be charged up in the years to come to the party or to the administration then in power, that it was necessary to raise by bond issues two years after the war was over some six or seven billion dollars, it may be, to meet the expenses of the Government. When that time comes it may be necessary, it may be wise, to issue the bonds. No one can tell that now. No one is wise enough to know what it will be best to do when these new conditions arise. It may require a less tax than $4,000,000,000 for 1920. Certainly, a new system of taxation may be desirable. No one can tell. I believe we will have to raise more than $4,000,000,000 in 1920. I think our Democratic brethern believe it will be necessary, and it is possible they may see some political advantage in the probability.

Mr. SIMMONS. Mr. President, will the Senator permit me to interrupt him now?

Mr. TOWNSEND. I think it is but holding out a promise to the ear and breaking it to the heart of business to say that the taxes are going to be comparatively small when the necessities of the Government will be so large.

Mr. SIMMONS. Why, Mr President, if the Senator will pardon me, of course I know that the expenditures of the Government for 1920 are going to be more than $4,000,000,000, just as I know that the expenditures of the Government for 1918 are going to be more than $6,000,000,000; and nobody, from the Treasury down, has ever proposed to levy a tax sufficient to pay all the expenses of this Government in those years, including its war expenditures.

Mr. TOWNSEND. That is right.

Mr. SIMMONS. Now, I want to ask the Senator this question: If the Senator from Utah [Mr. SMOOT] is correct in his estimate—and I think I can show conclusively that he is not correct—that the expenditures for the year 1920 will be $10,000,000,000, does not the Senator know that at least one-half of that amount will be war expenses that have been incurred by the Government and the bills for which will not have been paid by that time? In case our expenditures reach $10,000,000,000—five billions of the ten billions being war expenditures—does the Senator want to raise all of that money by taxation? Does he want to impose upon the people of this country a burden of ten billions in taxes, one-half of which is to pay war bills that have been incurred but not paid?

Mr. TOWNSEND. The Senator from Michigan is advocating nothing of the kind. The Senator from Michigan is advocating the policy of knowing what we have to meet, or approximately so, in order to proportion the amount of taxes to the amount of bond sales. That is what the Senator from Michigan is advocating. Four billions of dollars may be too much; it may be too little. That fact can not be determined until the time comes, and we will be better able to legislate adequately when we have all of the facts before us.

Mr. SIMMONS. If the Senator will permit me, the Senator says four billions may be too much. If four billions may be too much, then six billions certainly will be too much. What we are proposing is to reduce the taxes to be levied for that year from six to four billions.

Mr. TOWNSEND. But the Senator from North Carolina, like other Senators on that side, begs the question when he uses the expression "six billions." Nobody in the country, nobody in the world, believes it will be six billions. Nobody believes that at all; but if you left the law as it is now we would have an extra session of Congress to change it, to bring it to what is necessary and what justice requires should be levied upon the people of the country.

Mr. SIMMONS. How does the Senator know that we would have an extra session of Congress?

Mr. TOWNSEND. Well, President Wilson may be back by that time, and I assume that even he would realize that it was his duty, just the same as though there had not been a Republican Congress, to call an extra session to look after the interests of the people of this country, to frame a tax bill to meet the conditions and the needs of the country during that year. I am assuming that.

Mr. SIMMONS. The Senator is speculating about the question of whether or not we are going to have an extra session. He does not know, and I do not know. I assume that under ordinary circumstances, unless we make these changes now, they will not be made until some time after the beginning of the next Congress, which will be in December, 1919. If that happens, if we leave the provision for six billions of tax in the law, does not the Senator believe that from now until that reduction is made next December, probably—perhaps later than next December—the business people of this country, when they go to fix the prices of their products that are to be sold in the calendar year 1919, will make allowances in the prices they will charge the people for the taxes they would have to pay under the law existing at the time of their sales?

I think we shall all be forced to agree that that would naturally be the course followed. These profits taxes are passed on. The business man is not going to take any risk. He is not going to say: "These taxes may be lowered at some time in the future." He is going to say: "I will fix my prices according to the rates as I find them in the law." Therefore, of course, he will go on in that way, fixing his prices according to the rates he finds in the law until next December, the end of the calendar year; and then suddenly you remit two billions of those taxes to the taxpayers of this country. Then you will have this situation, if the Senator will pardon me further: The people will have paid, in the increased prices of the products they buy, $2,000,000,000; it will be in the pockets of the men who sell them these necessaries of life; and then you will remit that $2,000,000,000, and it is nothing more than a pure subsidy.

Mr. TOWNSEND. Why does not the Senator's anxiety extend to the year 1921 as well? The next Congress may not pass any tax bill, and according to his theory we ought to fix it for all time to come.

Mr. SIMMONS. The Senator knows perfectly well that the bill provides that the tax for the next calendar year, based upon the income of the next taxable year, shall be six billions, and for every year thereafter four billions. Now, if the four billions is more than is needed in any subsequent year, you can reduce it; but until you do reduce it or increase it that will be the tax for 1921, 1922, 1923, and so on indefinitely, until it is changed.

Mr. TOWNSEND. I am very glad the Senator brought that out, because it shows conclusively what he had in mind—a peace tax of $4,000,000,000 to run for years to come.

Mr. SIMMONS. No; Mr. President.

Mr. TOWNSEND. Or that may run for years to come.

Mr. SIMMONS. The Senator misrepresents me.

Mr. TOWNSEND. No.

Mr. SIMMONS. I said to the Senator a little while ago that a considerable part of the expenditures for 1920 was going to be made up of left-over war bills.

Mr. TOWNSEND. But the Senator fixes that tax for all years to come.

Mr. SIMMONS. Yes; because after that year I have no basis of any kind whatsoever.

Mr. TOWNSEND. The Senator is wise enough to know that Congress is going to meet and pass revenue bills. He knows that. He knew they would have done that if there had not been any provisions for 1920 in this bill. The President would have called Congress together. I believe that he is going to do it anyway, whether he wants to or not, because I assume that he was sincere and the Secretary of the Treasury was sincere when they asked us to act immediately on the railroad question. I assume that he was; and if he was, we shall have to have an extra session of the National Legislature. I can not remember a time since I have been in Congress, during 14 or 15 years, when we have not had a special session at the end of the old Congress. We ought to have an extra session after March 4. I think we must have one. I think if the Republican Members had stood up and fought this provision to the finish there would have been one or else this iniquitous amendment would have been defeated.

Mr. SIMMONS. Let me say to the Senator that the Senator from Idaho thinks there is some mystery about the original position of the Republicans as illustrated in their caucus. I do not think there is any mystery about it at all. I think the only ground in precedent, in principle, or in policy for opposing fixing the tax for 1920 at less than that for 1919 grew out of the desire of the Republican Party to force an extra session. I believe that was the ground of the opposition.

Mr. TOWNSEND. Does the Senator think that adopting this provision for 1920 will force an extra session?

Mr. SIMMONS. I think the minority had an idea at one time, and I think that idea prevailed in the caucus——

Mr. TOWNSEND. The conference.

Mr. SIMMONS. That if they defeated this proposition to reduce the taxes for the year 1920 probably it would contribute to, if it did not force, the calling of an extra session.

Mr. TOWNSEND. Oh, well, I did not understand. I understood the Senator to say that the majority changed its position and favored the 1920 provision to force an extra session.

Mr. SIMMONS. If I said "majority," I meant "minority." I referred to the statement which the Senator from Idaho [Mr. BORAH] made here a little while ago, in which he said that there was a great mystery about the change—the sudden, overnight change—in the policy of the minority with respect to this 1920 tax, and he could not imagine what had brought about that sudden change. He stated to the Senate—and I was glad he did—and to the country that you had a caucus—I believe you call it a conference, but it was a caucus—in which you agreed, according to the Senator's statement, to oppose to the bitter end, to fight to the last ditch, so to speak, this 1920 tax.

Mr. PENROSE. Mr. President——

Mr. SIMMONS. And he said that suddenly the minority had changed on that question, and he said that there was a mystery about it.

Mr. PENROSE. Mr. President, before the Senator continues statements with no foundation in fact I should like to inform him——

Mr. SIMMONS. If there is no foundation in fact for any statement I have made, the Senator knows that I will take it back; but I was here, I listened to the Senator from Idaho, and I think I understood the Senator from Idaho as well as the Senator from Pennsylvania.

Mr. PENROSE. The Senator from North Carolina has stated that the Republicans held what he called a caucus.

Mr. SIMMONS. Oh, I did not say that. I know nothing about it. I said that the Senator from Idaho spoke of it in that way.

Mr. PENROSE. There was no such caucus or conference, whichever it may be termed, held at any time that I know of. The Senator from Georgia [Mr. SMITH] was the first member of the committee to breathe fire and flame when he declared that he would rather defeat the bill than not have the 1920 provision in it; and perhaps some of the minority might have been a little incensed at this effort, after election day, to tie up the Government. But, like a great deal of talk in this world, it passed by and patriotism prevailed and everyone felt that the Government had to have the money and the bill had to be passed.

Mr. SIMMONS. I have made no charge, and I am making no charge, against the minority.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. TOWNSEND. I am perfectly willing to yield, but I should like to have a little regularity about these interruptions, so that I can follow them myself. I now yield to the Senator from Massachusetts.

Mr. LODGE. I only wanted to say to the Senator from North Carolina that he must not suppose us quite so ignorant of the parliamentary situation as to think that the bill with which to force an extra session is a revenue bill. Nobody thought that for a moment. The existing law could go on. But there are other bills which will force an extra session; and I will simply say that perhaps the Senator has been so long in power that he does not quite remember what has happened. There may be an extra session. Do not count so confidently on there not being one.

Mr. SIMMONS. I have not said that there would not be one. I have not said that there would be one. I do not know. Frankly, I do not know. What I said was that I believed that one of the reasons or considerations for the original position to which the Senator from Idaho referred was that it was thought at one time refusal to cooperate with the majority in this matter might contribute toward forcing an extra session. Now, I will let that statement stand in the RECORD for what it is worth.

Mr. TOWNSEND. Mr. President, I think I have finished, and I think everybody else has had an opportunity to say what he wished to say in my time. I did not expect to intrude so long upon the Senate. I simply wanted to voice my opposition to this 1920 provision. It makes reductions in income taxes, war taxes, and so on; but it leaves for 1920 all of the most obnoxious war taxes of 1919.

For instance, we have here—and I am going to offer an amendment to eliminate it—a special tax provision of 5 per cent on the manufacturer of automobile trucks. We have many other similar taxes in the bill. Unless it is necessary for the support of the Government, there is no more reason why you should put a tax upon the manufacturer of automobile trucks than there is for placing a tax upon the manufacture of wagons or buggies or any other necessity; for automobiles and automobile trucks have come to be absolute necessities. I am going to offer an amendment to strike that out of the bill when we get to it. But what I say is that here, two years in advance, you proceed by a system of reduction in certain items of taxation in a war-revenue bill to make the law for 1920. You can not know now in advance whether these are the only things that should have a reduction or not. There may be others. We may feel like eliminating some of these obnoxious, disturbing taxes which are an annoyance, which bring in little revenue, but which create injustice and burden legitimate industry. I think we ought to consider these questions by themselves, and it can not be done unless we take up a new bill, as we would be obliged to do if we brought up one next spring.

Mr. McCUMBER. Mr. President, I wish most briefly to state why I can not concur in the majority view that we should legislate this year for the fiscal year 1920. I have taken up no time whatever in the discussion of this bill on the floor, having said what I wanted to say on each feature as it arose before the committee; but I wish I could eliminate from my mind not the mere suspicion but the very strong conviction that the 1920 provision is a political provision only and is instituted for the purpose of gaining political advantage.

I know that in the bill of 1917 there was not in the committee one word or expression that would indicate any character of partisanship in bringing that bill before the Senate; and I know also that from the time the present tax bill came before the committee, as suggested by the Senator from Georgia [Mr. SMITH] and the Senator from North Carolina [Mr. SIMMONS], there never had been, prior to November 6, an intimation on either side of any desire to take any political or partisan advantage in the form the bill should assume. We got along very nicely until after the 6th of November, 1918; and then there was suddenly brought before us this provision to tie the hands of the succeeding Congress for 1919.

I know of only one instance in the whole history of the country in which a tax bill passed by Congress has provided for a different rate for any succeeding year. That was in the revenue bill of 1828, as I remember, which was a tariff bill and which provided that in each succeeding year the tariff should be reduced 10 per cent. We know the result of that upon the coun-

try. By the year 1833 it had brought about a condition almost of bankruptcy throughout the United States. We have never attempted that since, to my knowledge, until we reached the bill that is before the Congress at the present time.

In considering this matter I have to sort of decide what I would do were I attempting in any way, as a good Democrat, to influence the election of 1920. I would reason along about this line:

I would first provide, by a bill in 1918, for a tax which I knew would not raise the necessary amount of funds for the year 1920, and I would leave that for the succeeding political party to get out of the best way they possibly could. I would reason, as we all reason, that the American public, like every other public, detests taxes of any kind. I never knew any character of tax that any people were particularly enamored with; and if I could say, "The Democratic Party has placed upon you for 1920 a tax that will bring in only $4,000,000,000, and now a Republican majority comes in and finds that it has to raise $8,000,000,000," the Republican Party would necessarily have to take the onus of issuing bonds in times of peace; and I would reason somewhat along the same line of reasoning that was indulged in after President Cleveland found it necessary to issue bonds to the extent of $262,000,000, which had a very strong influence against the party then in power and assisted the Republicans to come into power. I would naturally follow that course.

That is just exactly what was done in the Committee on Finance. Nothing was ever urged or said about providing for the 1920 taxes until all the votes had all been counted on the 6th of November, 1918; and immediately thereafter we found that we had to provide for a lower tax in 1920.

Mr. President, I do not think it was necessary to take into consideration the 1920 taxes; but I want to ask why, if it was thought necessary, the majority party never dreamed of it until after the 6th day of November, 1918? In the early part of October, 1918, Bulgaria had surrendered. Shortly thereafter Austria-Hungary had practically surrendered to the allies. The German eastern flank was threatened. Every single day from the 18th of July Haig had advanced, up until the 10th day of November. Foch, on the French line, had day after day advanced his armies. The Germans were retreating everywhere; and in the latter part of October, long before we had determined what the political policy of this country should be for the ensuing year, the whole German Empire had thrown up their hands and yelled "Kamerad!" We knew that they were defeated. We knew then that the war would not and could not last even until January. Even before the election they had pleaded with us to make terms of armistice, and had intimated that they were ready to surrender, whatever our terms might be. Still it never occurred to anyone up to that date that it was necessary to provide a lesser sum to be raised by taxation in 1920, although we knew positively at that time that the war could not last another three months.

Mr. President, the Senator from Pennsylvania has intimated that in all probability the Republican Congress would lower the taxes. I am going to differ with him there. I do not think it is going to be possible to have lower taxes for the year ending July 1, 1920, than for the year ending July 1, 1919, and I will tell you why. The reason is simply this: You have lowered your rate about one-third. Does anyone believe that in times of peace, when all of the business interests of the country will be that much nearer to a normal condition and when they will have to compete against not the necessities of a government which would buy everything they produced at three times its value but against the entire commercial world, there are going to be any such fabulous fortunes made in 1920 as were made in 1919? I think I am conservative in saying that at least the profits will be reduced 33 per cent, taking the whole country over; and if you reduce the profits 33 per cent, then upon the same rate of taxation you will not raise any more than four billions in 1920, even with the rate of taxation that you have in force to-day.

So it is not necessary to deceive the American public into the idea that their taxes will be less for 1920 than they are to-day. There is just one way, and that is to introduce and pass during the next session—an extra session—a tariff bill that will take a portion of the taxes from other portions of the world and relieve us to just that extent. If we can take $160,000,000, which is, I believe, about what we raise to-day from the tariff, and make it raise $200,000,000, of course we can gain $140,000,000, and if we can raise it to $500,000,000 we can raise just exactly that much more and reduce the taxation in this country to just that extent.

But, Mr. President, we will have to issue bonds, and the amount of bonds will be considerable. We have been conducting the war in a most criminally extravagant manner, in a manner, when all the facts are known, that will shock the sense of justice and the conscience of the American public. We made our contracts and we have to pay the bills. Many of those bills will run over into next year. Then we will have to raise the money to meet them, no matter what the extravagance might have been. We are going to need more than $4,000,000,000 in 1920, in my judgment, unless we reduce the amount by some character of tariff legislation.

So, Mr. President, I think it is unjust for the majority to say to the American people you are going to be taxed less than we believe you will have to be taxed to meet the requirements of the Government, and enforce upon a succeeding party the necessity of explaining why it is necessary to raise this amount.

Mr. President, I say candidly that I can not, for one, vote to fix the revenue for 1920 at an amount which I honestly believe will be far less than the amount required. Nor am I willing to base a tax upon what the Secretary of the Treasury says emphatically is the wildest kind of guess as to what we shall need in 1920. As has been suggested by the Senator from Michigan [Mr. TOWNSEND], if we are going to legislate for 1920 we might legislate for 1921 and 1922.

Mr. SIMMONS. Mr. President, I think the Senator does not mean to misrepresent the statement of the Secretary of the Treasury.

Mr. McCUMBER. Certainly I do not.

Mr. SIMMONS. I think the Secretary of the Treasury was referring specifically to the estimates for 1919 of $18,000,000,000.

Mr. McCUMBER. Oh, no; if I remember rightly he used the words, in answer to a question that was propounded to him, and said it was really the wildest kind of a guess as to what the requirements of the Government would be for 1920.

Mr. SIMMONS. That was stated here the other day, and I am very sure he did not say it. I examined the record.

Mr. McCUMBER. If there is a difference of opinion between the Senator and myself upon that point, I think there is no difference in our opinion that in fact it is the wildest kind of a guess to determine what our expenses will be two years from now.

Mr. SIMMONS. I wish to say to the Senator it is my candid opinion, after thorough investigation, that there is more uncertainty about the estimates for 1919 than about the estimates for 1920.

Mr. McCUMBER. We have dealt with 1919, and if we make a mistake and in our mistake vote for a sum that is far too little, it must necessarily carry itself into the next year and but exaggerate the error which we are now going to make in providing for less than we shall need during that year.

Mr. President, it seems to me that sufficient unto the day is the evil thereof, and that we must legislate for 1920 in 1919. I appreciate the fact that the majority party do not wish to have an extra session. I wish it were possible that we could escape an extra session next year. I can naturally understand that if we do not have an extra session and do not introduce a new tariff bill until December, 1919, we will run well, perhaps, into 1920 before we find out the operation of that new tariff bill, and in the meantime the opposing party will have all the political advantage it can possibly acquire from such an uncertain condition. I wish that we could settle what our tax legislation shall be in 1919, just as we have always done in the past, with only the taxation for the ensuing year, without attempting to tie the hands of Congress.

Mr. KELLOGG. Mr. President, I shall not take the time of the Senate for a general discussion of the revenue bill. I recognize that it is the desire of the Senate to pass it at once. But I do not wish the bill to become a law without at least registering a brief protest against carrying the iniquities of war profits and war excess taxes beyond the period of the war.

It has been stated by the Senator from North Dakota [Mr. MCCUMBER] that we have been carrying on the war extravagantly. That unfortunately is true. I shall not take the time of the Senate to go into the details, but I should like to remind the Senate that Great Britain carried on the war for four years, raised 5,000,000 men, built all her new cantonments and manufactories, added to her navy, policed the North Sea, transported armies to foreign shores, to the East, and purchased much of the material in our market at high prices, and paid the bills for $34,000,000,000.

Mr. BORAH. Great Britain did not have any Hog Island.

Mr. KELLOGG. That is quite true. We, on the other hand, according to estimates, in the two years of our participation in the war, including the estimates for the next six months, will

spend $31,000,000,000. Not including any loans we may make to the allies from now until next July, at least we will spend that, and probably those loans will increase it so that our two years of war will cost us as much as Great Britain spent in four years.

Of course, Mr. President, we have been extravagant. In the ordinary course of events a country not organized for war but for peace, which undertook to marshal a great army and all its resources in so short a time would be extravagant. But we have been more than extravagant. When we realize that the report of the Department of Justice shows that in the Hog Island shipyards, which the revised estimate showed would cost $27,000,000, they have spent $63,000,000, and the department confesses its inability to account for the difference; when we realize that a billion dollars has been spent in the airplane service, and that when the war closed we had a negligible number—only 312; and when we realize the enormous extravagances of the Ordnance Department and the waste in the housing department, of course we can see where these expenditures have gone.

But, Mr. President, we are willing to forget and wipe the slate, at least so far as paying the bills are concerned, because of the splendid results of the men we sent abroad. Their accomplishments, the wonderful strength of the Army, drawn from the best manhood of this country, furnishes a bright page in American history. And it is because of the success of the war and because of the results achieved by our armies upon foreign shores that the American people are willing that this bill, large as it is, should be passed and the expenses of the war be paid.

But with this tax bill, which I believe is unprecedented in any country engaged in the war, there will be at least $5,000,000,000 more bonds to be sold between now and July, 1919, and probably $5,000,000,000 more in 1920.

Mr. President, I am not willing to vote to carry the inequalities and injustice of this system of taxation into a period after the war. I believe the next Congress should be given an opportunity to frame a just and equitable tax bill, when we are not under this pressure of raising in a short time the largest sum of money possible with safety to the business interests of the country.

A personal, progressive income tax, with a heavy surtax on large incomes and a corporation income tax are just and equitable taxes. The wisdom of man can not discover a way of making an excess-profits tax a just and equitable tax between individuals, partnerships, and corporations. The very nature of an excess-profits tax—since an exemption basis of earnings by way of capital must first be established—makes it discriminatory, because the overcapitalized concern escapes taxation and the conservative undercapitalized business man is penalized. It can not be helped.

I do not believe that we should carry into 1920 this most vicious part of the bill. A war-profits tax is more equitable, but, of course, both the war-profits tax and the excess-profits tax of necessity must impose a great hardship on some business concerns and unjust discrimination between different corporations engaged in business.

Last year, as I said, when the excess-profits tax bill was before the Senate it discriminated against corporations, partnerships, and individuals engaged in business with a small capital, conservatively organized concerns, and was in favor of the large capitalized corporations of the country. This bill will inevitably do the same thing. We have a section of this bill carrying into next year the discriminations and inequalities of such a system. Of course, it is a large tax bill. The necessities of the Government make it inevitable. I shall not go into any general discussion of the features of this bill. I have prepared a synopsis of the income taxes and other war taxes of Great Britain, France, Italy, and Germany in order that they might be compared with the proposed taxes in this country. I shall not stop to discuss it, but I ask permission to print it in the RECORD at the end of my remarks as an appendix.

The PRESIDING OFFICER (Mr. MOSES in the chair). Without objection, it is so ordered.

Mr. KELLOGG. While it is true that it is difficult to compare this tax bill with the taxes imposed in foreign countries, I believe I am well within a conservative statement when I say that we are levying, all in all, the heaviest tax ever levied by any of the countries in this war—income, excess-profits, and war taxes altogether. It is true that the normal tax on incomes in Great Britain, as you will find, is 30 per cent; but it is also true that there are so many exceptions, reservations, and exemptions that it is hard to say whether the normal tax, as a whole, is greater than ours.

The surtax in Great Britain is higher for the smaller incomes, but for the larger incomes the proposed surtax in this bill is very much higher than the British. I am speaking from recollection when I say that no surtax in Great Britain goes above 22½ per cent. This is upon incomes of $50,000 or more. The exemptions of the war-profits tax in Great Britain are fully as liberal, if not more so, than ours. The rate levied is 80 per cent on the balance. I do not think it is fair to say that this bill does not levy 80 per cent upon the war profits. In order to arrive at a war-profits tax, of necessity the bill must first provide for an exemption of prewar net earnings, and our system of arriving at prewar earnings is in general the British system, and we levy 80 per cent upon the balance.

I have not heard of any serious objection by the American business men to the payment of taxes last year or the proposed taxes in this bill. The American people have made up their minds to win this war, and if it was necessary they were willing to pledge every dollar of their incomes and the vast resources of this country to that end, and they will pay these taxes without serious objection. But what I do object to is, at the present time, without the knowledge of what we shall need next year, carrying forward the worst part of this bill into 1919 and 1920.

As stated by the chairman of the Committee on Finance [Mr. SIMMONS] in his opening speech, we can not tell what the expenses of the Government will be next year. We do not know what we have to pay in liquidation of the contracts of millions and millions of dollars for the various war projects. We do not know what we may have to pay in liquidation of the wheat guaranty, which was a war measure. We can not say now what taxes should be levied for the next year. I hope that it will not be necessary to levy more than the $4,000,000,000. I think the American people are entitled to look forward to a decrease of these enormous war taxes. It is said that the tax bill should be passed and become a law before the beginning of the year in which the taxes are to accrue. Undoubtedly that is true, but that has not been our practice. The tax bill of 1917 was passed in October of that year, and this bill, which might have been passed last summer had the majority party desired to do so, is now still on the calendar of the Senate near the 1st of January.

As I have said before, while I do not wish to take the time to discuss the bill at length, I wish to enter my protest against the taxes for 1919 and 1920.

APPENDIX.

SYNOPSIS OF INCOME-TAX ACTS, VARIOUS COUNTRIES, 1918.

It is almost impossible to formulate a comprehensive comparative statement of the income-tax rates of the different countries now engaged at war. The best that can be done is to state as concisely as possible the general rates applicable under general varied circumstances in each particular country.

GREAT BRITAIN.

INCOME TAX—RATES OF TAX.

Normal tax, 30 per cent of net income. This, however, is not without qualifications. There are certain exemptions, abatements, and reliefs, hereinafter specified, which pertain to incomes below $12,500 per year, and which must be considered in connection hereto.

Incomes below $12,500 per annum.

EXEMPTIONS.

Incomes not exceeding $650 per annum are exempt from the operation of the income tax.

ABATEMENTS.

In the case of incomes over $650 per annum and not exceeding $3,500, deductions, known as abatements, are made before the income tax is applied. This abatement is graduated as follows:

Income—	Abatement.
Exceeding $650, not exceeding $2,000	$600
Exceeding $2,000, not exceeding $3,000	500
Exceeding $3,000, not exceeding $3,500	350

In the case of incomes exceeding $3,500 no abatement is made, and the tax is levied on the whole income at the rate applicable thereto.

RELIEFS.

In the respect of wife and dependent relatives, and in the respect of life insurance premiums, etc.: Relief from tax upon certain portions of his income is accorded each taxpayer to specified sums in the contingency that said taxpayer is supporting dependent or indigent relatives coming within the certain specified class. Relief from the normal tax is granted to the taxpayer on the amount of annual premiums for life insurance or deferred annuity on his own life or the life of his wife, but this allowance shall not reduce the income as estimated for purposes of exemption or abatement, neither shall it exceed one-sixth of the total income of 7 per cent of the capital sum insured, or $500 in all.

EARNED INCOME RELIEF.

Where the income does not exceed $12,500 and any part of that income is earned income, the following graduated rates instead of the normal tax are applicable to the earned income:

	Per cent.
When total earned income does not exceed $2,500	11¼
Income $2,500 to $5,000	15
Income $5,000 to $7,500	18¾
Income $7,500 to $10,000	22½
Income $10,000 to $12,500	26¼

UNEARNED INCOME RELIEF.

Where the income does not exceed $10,000, the following graduated rates instead of the normal tax are applicable to the unearned income:

	Per cent.
Does not exceed $2,500	15
From $2,500 to $5,000	18¾
From $5,000 to $7,500	22½
From $7,500 to $10,000	26¼

SPECIAL WAR PROVISION.

Reduced rates on pay of soldiers, sailors, etc.: The service pay of any person in the Army, Navy, Air Service, or Red Cross (if stationed abroad) is taxed as follows:

	Per cent.
Does not exceed $1,500	3¾
Exceeds $1,500 but does not exceed $2,500	6¼
Exceeds $2,500 but does not exceed $5,000	8¾
Exceeds $5,000 but does not exceed $7,500	11¼
Exceeds $7,500 but does not exceed $10,000	13¾
Exceeds $10,000 but does not exceed $12,500	16¼
Exceeds $12,500	17½

ABATEMENT IN CASE OF SOLDIERS, SAILORS, ETC.

If the total income does not exceed $1,500 the prewar abatement of $800 is granted.

SUPERTAX.

Incomes over $12,500 are subject to a supertax according to the following graduated scale:

	Per cent.
First $10,000	
Next $2,500 ($10,000 to $12,500)	5
Next $2,500 ($12,500 to $15,000)	7½
Next $5,000 ($15,000 to $20,000)	10
Next $5,000 ($20,000 to $25,000)	12½
Next $5,000 ($25,000 to $30,000)	15
Next $10,000 ($30,000 to $40,000)	17½
Next $10,000 ($40,000 to $50,000)	20
Next $10,000 (above $50,000)	22½

EXCESS-PROFITS TAX.

Basis of tax: Excess of profits during war-trade years over prewar standards, prewar standard being the average of any two of the last three prewar-trade years selected by the taxpayer, except that it is not to be counted at less than 6 per cent (in the case of business not carried on by a company or corporation, 8 per cent) on the capital invested at the end of the last prewar-trade year. Allowance is made for increase in capital during a war-trade year at the rate of 9 per cent (in which case of noncorporate business, 11 per cent); for decrease in capital during a war-trade year, at the rate of 6 per cent (for noncorporate business, 7 per cent). If the average profits of the last three prewar years were 25 per cent or more lower than during the three previous years, any four of the six years may be taken as a basis for the prewar standard. In the case of new business the prewar standard is counted as 9 per cent of the capital invested (or for noncorporate business, 11 per cent).

EXEMPTIONS.

(1) Amount: $1,000, increased by one-fifth of the amount by which the profits are less than $10,000 if the prewar standard does not exceed $2,500.

(2) Kinds of business: Agriculture, offices, profession, insolvent businesses in the hands of a liquidator.

Rate of tax, 80 per cent.

FRANCE.

Income tax imposed, 1918.

EXEMPTIONS.

Persons whose incomes do not exceed $600, ambassadors and other foreign diplomatic agents, including consuls and consular agents of foreign countries, are exempted from the operations of the war-income tax, providing, in the case of ambassadors and consuls and consular agents, this exemption is granted on the condition that the countries said ambassadors and agents represent extend similar privileges to French diplomatic agents and consuls.

GENERAL INCOME TAX.

The tax shall be levied on the total amount of the annual income of every taxable person. Such net income shall be determined with due regard to the personal and real property of the taxpayer, the professions exercised by him, the wages, salaries, pensions, and life annuities enjoyed by him, and the profits derived from any gainful occupation in which he may be engaged, after deducting therefrom the certain exemptions and annuities herein specified.

Married persons are entitled to an abatement of $400. In addition each taxable person shall be entitled to an abatement of $200 for each person dependent upon him, not exceeding five. For each such dependent person after the fifth, $300 shall be the abatement. Each taxable person shall be taxed only on such part of his income as exceeds, after making deductions and abatements, the sum of $600. The tax shall be computed by adding together:

One-tenth of the portion of the taxable income included between $600 and $1,600.

Two-tenths of the portion of the taxable income included between $1,600 and $2,400.

Three-tenths of the portion of the taxable income included between $2,400 and $3,200.

Four-tenths of the portion of the taxable income included between $3,200 and $4,000.

Five-tenths of the portion of the taxable income included between $4,000 and $8,000.

Six-tenths of the portion of the taxable income included between $8,000 and $12,000.

Seven-tenths of the portion of the taxable income included between $12,000 and $16,000.

Eight-tenths of the portion of the taxable income included between $16,000 and $20,000.

Nine-tenths of the portion of the taxable income included between $20,000 and $30,000.

And the whole of the excess of income beyond this and applying to the figure so obtained the rate of 12.5 per cent.

Further exemptions on the tax computed in accordance with the above provide that each taxpayer is entitled to a reduction of 5 per cent for one dependent, 10 per cent for two dependents, 20 per cent for three dependents, and so on each dependent after the third entitles him to an additional reduction of 10 per cent, providing the total deductions do not exceed one-half of the tax.

TAXATION OF COMMERCIAL AND INDUSTRIAL PROFITS.

An annual tax is imposed on the profits from commercial and industrial undertakings realized during the preceding year or during the period of 12 months as to which the last return was made, when such period does not coincide with the calender year.

For the purpose of computing such tax, that portion of the net profits of such business not exceeding $300 shall be reckoned as one-quarter. From $300 to $1,000 as one-half; the excess beyond as a whole.

The rate of tax is fixed at 4½ per cent. Various specified occupations and enterprises of a commercial character are exempted from the operation of this tax, except in so far that their net profits exceed the sum of $300.

SPECIAL TAX.

Independently of tax on profits derived from industrial and commercial undertakings as above imposed, a special tax is imposed on the amount of business transacted by undertakings having for their principal object the retail sale of provisions or goods, when the amount of such business exceeds $200,000, not including exports to foreign countries, to Algiers, or to French colonies and protectorates. The said special tax is fixed in accordance with the following scale:

One-tenth of that portion of the amount of business between $200,000 and $400,000.

Two-tenths of that portion of the amount of business between $400,000 and $2,000,000.

Three-tenths of that portion of the amount of business between $2,000,000 and $20,000,000.

Four-tenths of that portion of the amount of business between $20,000,000 and $40,000,000.

Five-tenths of that portion of the amount of business over $40,000,000.

Agricultural and cooperative organizations which limit themselves to the transaction of business for the profit of their immediate members are not within the operation of this special tax.

TAXES ON AGRICULTURAL PROFITS.

An annual tax is imposed upon the profits derived from agricultural undertakings. The profits derived from such agricultural undertakings are considered for the purpose of assessing the tax as equal to one-half the rental value of the land; when the actual rental value does not exceed $2,400, the farm owners shall pay the tax only on such portion of the income as exceeds $250. He shall be entitled to an abatement of two-thirds on the portion of the income between $250 and $400 and one-third on the portion between $400 and $600. The rate of tax is 3.75 per cent.

TAXATION OF SALARIES, WAGES, PENSIONS, ANNUITIES, ETC.

Pensions, life annuities, and so forth, are subject to tax levied on that portion of their yearly total which exceeds the following amounts:

Pensions and life annuities, $250.

Salaries, allowances, fees, and wages, if the taxable person lives in a community of less than 10,001 inhabitants, $300.

In a community of between 10,001 and 100,000 inhabitants, $400.

In a community of more than 100,000 inhabitants, $500.

In Paris and specified immediate vicinity, $600.

Provided that in computing the tax only one-half of the portion of the taxable income included between the exempted minimum and the sum of $1,000 shall be considered. The rate of the tax is fixed at 3.75 per cent.

TAXES ON PROFESSIONAL INCOMES.

The incomes from liberal professions and other nonmercantile offices and employments, as well as from all lucrative occupations and undertakings not liable to a special income tax, shall be subject to a tax levied annually upon the net income of the preceding year, consisting of the excess of total receipts over expenses incurred. The tax shall be levied only on that portion of the net profits in excess of the sum of $300 when the person lives in a community of less than 10,001 inhabitants; $400 if in a community of from 10,001 to 100,000, and $500 if in a community over 100,000 inhabitants; $600 if person lives in Paris and specified vicinity. Provided, however, that for the purpose of computing the tax, that portion of the net profits included between the exempted minimum and the sum of $1,000 shall be divided in half. The tax rate is fixed at 3.75 per cent.

TAXATION OF INCOMES FROM TRANSFERABLE SECURITIES.

The rate of tax is 5 per cent.

TAXATION OF INCOMES FROM IMPROVED AND UNIMPROVED REAL ESTATE.

Rate of tax on unimproved real estate is 5 per cent on net income. Rate of tax on improved real estate fixed at 4 per cent of net income.

EXCESS-PROFITS TAX.

Basis of tax: Excess of profits during war-trade years over prewar standard of profits, prewar standard being the average of the last three years prior to August 1, 1914, but not to be counted at less than $1,000 nor less than 8 per cent on the capital invested.

EXEMPTIONS.

(1) Amount: In the case of mine owners and persons subject to the business-license tax, $1,000; in the case of plants wrecked by the war or located in the invaded territory, 6 per cent of the capital invested; in the case of all who are subject to the tax, extra amounts necessary for depreciation.

(2) Kinds of business: All except those conducted by mine owners, persons subject to a business-license tax, and persons furnishing supplies to the Government.

Rate of tax—	Per cent.
On the portion of the taxable profits below $20,000	50
On the portion of the taxable profits between $20,000 and $50,000	60
On the portion of the taxable profits between $50,000 and $100,000	70
On the portion of taxable profits exceeding $100,000	80

ITALY.

EXCESS-PROFITS TAX.

Basis of tax: New profits or excess of profits during war-trade years over the average of the amounts ascertained for personal property tax for the years 1913 and 1914, but this average is not to be counted as less than 8 per cent of the capital invested.

EXEMPTIONS.

(1) Amount, $500 or less; in the case of commission agents, 10 per cent increase in income or less. (2) Kind of business: (a) The tax is imposed only on merchants and manufacturers and on commission agents; (b) those helping to advance the Italian mercantile marine enjoy a qualified exemption.

Rates of tax—	Per cent.
(1) For merchants and manufacturers:	
On fraction of profits from 8 to 10 per cent on capital invested	20
On fraction of profits from 10 to 15 per cent on capital invested	30
On fraction of profits from 15 to 20 per cent on capital invested	40
On fraction of profits from 20 per cent on capital invested	60
(2) For commission agents:	
On excess over 10 per cent up to 50 per cent of prewar profits	10
On excess over 50 per cent up to 100 per cent of prewar profits	15
On excess over 100 per cent up to 200 per cent of prewar profits	20
On excess over 200 per cent up to 300 per cent of prewar profits	25
On excess over 300 per cent of prewar profits	40

GERMANY.

PROPERTY INCREASE TAX.

Basis of tax: Any increase in the total value of the property of individuals between January 1, 1914, and December 31, 1916, excluding all increases due to transfer of property at death.

EXEMPTIONS.

(1) Any increase of not more than 3,000 marks ($750); (2) any increase where the total amount of the increased value of the property is not more than 10,000 marks ($2,500); (3) that portion of any increase equal to the difference between the original capital and 10,000 marks ($2,500) whenever the total amount of the increased capital is not more than 15,000 marks ($3,750).

	Tax.	Surtax.
Rate of tax:	*Per cent*	*Per cent*
On the first $2,500	5	1
On the next $2,500 or fraction thereof	10	2
On the next $2,500 or fraction thereof	15	3
On the next $5,000 or fraction thereof	20	4
On the next $12,500 or fraction thereof	25	5
On the next $25,000 or fraction thereof	30	6
On the next $50,000 or fraction thereof	35	7
On the next $75,000 or fraction thereof	40	8
On the next $75,000 or fraction thereof	45	9
On any further amount	50	10

If the increased capital of a taxable individual does not exceed $25,000 he receives an abatement.

If he has three children under 18, of one-fourth the amount of the surtax.

If he has four children under 18, of one-half the amount of the surtax.

If he has five children under 18, of three-fourths the amount of the surtax.

If he has more than five children under 18, the whole of the surtax.

EXCESS-PROFITS TAX (BUSINESS COMPANIES).

Basis of tax: Excess of profits of domestic and foreign companies during war trade years over prewar standards of profits; prewar standard being the average of those three of the last five prewar years arrived at by excluding the year with the largest and the year with the smallest profits, if company has existed for five years, except that it is not to be counted as less than 6 per cent on the paid-up original capital stock.

Exemptions, 5,000 marks.

Rate of tax—A. Domestic companies:

Rate of tax on excess profits.

If ratio of average annual excess profits to capital stock and reserve amounts to—	Per cent.
Not more than 2 per cent	10
More than 2 per cent, but not more than 5 per cent	15
More than 5 per cent, but not more than 10 per cent	20
More than 10 per cent, but not more than 15 per cent	25
More than 15 per cent	30

Rate of surtax percentage of principal tax.

If ratio of average annual total profits during war-trade years to capital stock and reserve amounts to—	Per cent.
More than 8 per cent, but not more than 10 per cent	10
More than 10 per cent, but not more than 15 per cent	20
More than 15 per cent, but not more than 20 per cent	30
More than 20 per cent, but not more than 25 per cent	40
More than 25 per cent	50

B. Foreign companies:

Rate of tax on profits.

If excess profits amount to—	Per cent.
Not more than $5,000	10
More than $5,000, but not more than $10,000	12
More than $10,000, but not more than $15,000	14
More than $15,000, but not more than $20,000	16
More than $20,000, but not more than $25,000	18
More than $25,000, but not more than $30,000	20
More than $30,000, but not more than $35,000	22
More than $35,000, but not more than $40,000	24
More than $40,000, but not more than $45,000	26
More than $45,000, but not more than $50,000	28
More than $50,000, but not more than $62,500	30
More than $62,500, but not more than $125,000	40
More than $125,000	45

Rate of tax on domestic and foreign companies proposed in place of above rates by the budget bill 1918–19 (Board of Trade Journal, May 23, 1918, p. 654):

If excess profits amount to—	Or (in the case of German companies whose excess profits do not exceed $25,000) if the ratio of total profits to capital stock and reserve amounts to—	Per cent.
Less than $12,500	Less than 8 per cent	30
Less than $25,000	Less than 10 per cent	36
Less than $50,000	Less than 15 per cent	42
Less than $75,000	Less than 20 per cent	48
Less than $125,000	Less than 25 per cent	54
$125,000 or more	25 per cent or more	60

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. PENROSE. Let us have the question stated, Mr. President.

The PRESIDING OFFICER. The Secretary will state the amendment.

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Henderson	Martin, Ky.	Simmons
Bankhead	Hitchcock	Martin, Va.	Smith, Ariz.
Beckham	Johnson, Cal.	Moses	Smith, Ga.
Borah	Johnson, S. Dak.	Myers	Smoot
Culberson	Jones, N. Mex.	Nelson	Spencer
Curtis	Jones, Wash.	New	Sterling
Dillingham	Kellogg	Norris	Sutherland
Fernald	Kendrick	Nugent	Swanson
Fletcher	Kenyon	Overman	Thomas
France	Kirby	Page	Townsend
Frelinghuysen	Knox	Penrose	Trammell
Gay	La Follette	Poindexter	Underwood
Gerry	Lenroot	Pollock	Vardaman
Gore	McCumber	Pomerene	Walsh
Gronna	McKellar	Saulsbury	Warren
Hale	McLean	Shafroth	Weeks
Harding	McNary	Sheppard	Wolcott

Mr. McKELLAR. I desire to announce the absence of my colleague, the senior Senator from Tennessee [Mr. SHIELDS], on account of illness.

The PRESIDENT pro tempore. Sixty-eight Senators have answered to their names. There is a quorum present. The question is on the amendment of the committee, which will be stated.

The SECRETARY. On page 11, after line 2, the committee proposes to strike out paragraphs (a) and (b), as follows:

(a) In the case of a citizen or resident of the United States 12 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That upon the first $4,000 of this amount the rate shall be 6 per cent.

(b) In the case of a nonresident alien, 12 per cent of the amount of the net income in excess of the credits provided in section 216.

And in lieu thereof to insert:

(a) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 215: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 6 per cent.

(b) For each calendar year thereafter, 8 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 4 per cent.

Mr. SMOOT. Mr. President, I should like very well if we could vote upon subdivision (a) first, and then vote on subdivision (b) thereafter. I will ask the Senator from North Carolina if it would not be better to vote upon the whole question of the 1920 taxes at once in order to save the time of the Senate?

Mr. SIMMONS. I do not see how we can do that.

Mr. SMITH of Georgia. We may vote on one of them.

The PRESIDENT pro tempore. Does the Senator from Utah ask for a division of the question?

Mr. SMOOT. Yes; I should like to divide the question by first voting on subdivision (a) and then voting on subdivision (b).

The PRESIDENT pro tempore. This being a motion to strike out and insert, the Chair does not think that can be done.

Mr. SMOOT. I was afraid it would not be in order, but simply asked the question as to whether or not it would be allowed.

The PRESIDENT pro tempore. The Chair thinks not.

Mr. McCUMBER. Mr. President, I wish to ask if it would not be perfectly proper to move to amend the Senate committee amendment by striking out subdivision (b)?

Mr. SIMMONS. That would be the best way to reach it.

The PRESIDENT pro tempore. The Chair thinks that would be a proper amendment.

Mr. McCUMBER. I move to amend the amendment of the committee by striking out paragraph (b) commencing on line 15.

The PRESIDENT pro tempore. The matter proposed to be stricken out by the Senator from North Dakota will be stated.

The SECRETARY. On page 11, it is proposed to strike out paragraph (b) of the committee amendment, as follows:

(b) For each calendar year thereafter, 8 per cent of the amount of the net income in excess of the credits provided in section 216: *Provided*, That in the case of a citizen or resident of the United States the rate upon the first $4,000 of such amount shall be 4 per cent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

Mr. SIMMONS. Mr. President, those who are in favor of the committee amendment will vote "nay," and those opposed to it will vote "yea."

The PRESIDENT pro tempore. The Senator from North Carolina has correctly stated the proposition.

Mr. SMOOT and Mr. TOWNSEND called for the yeas and nays, and they were ordered.

The Secretary proceeded to call the roll.

Mr. CURTIS (when his name was called). I transfer my pair with the junior Senator from Georgia [Mr. HARDWICK] to the junior Senator from New York [Mr. CALDER], and vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. SMITH], who is absent. Therefore I will withhold my vote. If permitted to vote, I should vote "yea."

Mr. FRELINGHUYSEN (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WALSH]. He has released me on this and all other votes on this bill. Therefore I vote "yea."

Mr. GERRY (when his name was called). I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the Senator from Georgia [Mr. HARDWICK], and vote "nay."

Mr. JONES of Washington (when his name was called). As I announced awhile ago, I have a pair with the senior Senator from Louisiana [Mr. RANSDELL]. If permitted to vote, I should vote "yea."

Mr. KENDRICK (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from Illinois [Mr. LEWIS], and vote "nay."

Mr. KNOX (when his name was called). I have a pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. I ask if he has voted?

The PRESIDENT pro tempore. He has not voted.

Mr. KNOX. Then I will withhold my vote.

Mr. PENROSE (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the junior Senator from New Jersey [Mr. BAIRD], and will vote. I vote "yea."

The PRESIDENT pro tempore (when Mr. SAULSBURY's name was called). On this particular question my general pair with the senior Senator from Rhode Island [Mr. COLT] is binding. If present he would vote "yea" and I should vote "nay."

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH], and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. TOWNSEND (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. If he were present he would vote "nay" and I should vote "yea."

Mr. WOLCOTT (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATSON]. In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Iowa [Mr. CUMMINS] and will vote. I vote "yea."

Mr. CURTIS. I desire to announce the absence of the Senator from Illinois [Mr. SHERMAN] on account of illness in his family. He is paired with the Senator from Kansas [Mr. THOMPSON]. If the Senator from Illinois were present, he would vote "yea."

Mr. FRELINGHUYSEN. I desire to announce the unavoidable absence of my colleague [Mr. BAIRD] on account of illness. If present, he would vote "yea."

Mr. KNOX. I transfer my pair with the Senator from Oregon [Mr. CHAMBERLAIN] to the senior Senator from Michigan [Mr. SMITH] and vote "yea."

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is detained from the Senate on account of illness. If he were present, he would vote "nay." He is paired with the senior Senator from Connecticut [Mr. BRANDEGEE].

Mr. REED. In view of the transfer arrangement just announced by the Senator from Pennsylvania [Mr. KNOX], I am at liberty to vote, and vote "nay."

Mr. GAY. The senior Senator from Louisiana [Mr. RANSDELL] is detained on official business. If present, he would vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Tennessee [Mr. SHIELDS].

The result was announced—yeas 31, nays 37, as follows:

YEAS—31.

Borah	Johnson, Cal.	McLean	Poindexter
Curtis	Kellogg	McNary	Smoot
Fernald	Kenyon	Moses	Spencer
France	Knox	Nelson	Sterling
Frelinghuysen	La Follette	New	Sutherland
Gronna	Lenroot	Norris	Warren
Hale	Lodge	Page	Weeks
Harding	McCumber	Penrose	

NAYS—37.

Ashurst	Johnson, S. Dak.	Overman	Smith, Ga.
Bankhead	Jones, N. Mex.	Phelan	Swanson
Beckham	Kendrick	Pittman	Thomas
Culberson	King	Pollock	Trammell
Fletcher	Kirby	Pomerene	Underwood
Gay	McKellar	Reed	Vardaman
Gerry	Martin, Ky.	Shafroth	Walsh
Gore	Martin, Va.	Sheppard	
Henderson	Myers	Simmons	
Hitchcock	Nugent	Smith, Ariz.	

NOT VOTING—28.

Baird	Fall	Ransdell	Smith, S. C.
Brandegee	Goff	Robinson	Thompson
Calder	Hardwick	Saulsbury	Townsend
Chamberlain	Hollis	Sherman	Wadsworth
Colt	Jones, Wash.	Shields	Watson
Cummins	Lewis	Smith, Md.	Williams
Dillingham	Owen	Smith, Mich	Wolcott

So Mr. McCUMBER's amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

Mr. SIMMONS. Mr. President, I ask that the Secretary may now read the next amendment involving the 1920 provision.

The PRESIDENT pro tempore. Will the Senator direct the Secretary's attention to the page and line?

Mr. SIMMONS. I shall have to go through the bill very carefully in order to do that.

Mr. SMOOT. The amendment is on page 49, Mr. President.

The SECRETARY. The amendment on page 49 begins on page 47, line 23, where the committee proposes to strike out paragraph (a), paragraph (b), and everything down to and including line 24 on page 48, and to insert:

(1) For the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 236; and

(2) For each calendar year thereafter, 8 per cent of such amount.

(b) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners and for other purposes," five-sixths of the tax imposed by paragraph (1) of subdivision (a) and three-fourths of the tax imposed by paragraph (2) of subdivision (a) shall be treated as levied by an act in amendment of Title I of the revenue act of 1917.

Mr. PENROSE. In order to bring the question before the Senate, I move to strike out paragraph 2.

Mr. SIMMONS. Mr. President, I will ask the Senator from Pennsylvania if he thinks it is necessary to have a yea-and-nay vote on all these amendments?

Mr. PENROSE. No; I do not.

The PRESIDENT pro tempore. The Senator from Pennsylvania proposes an amendment to the committee amendment, which will be stated.

The SECRETARY. It is proposed to strike out paragraph 2, or the following, on page 49, line 4:

(2) For each calendar year thereafter, 8 per cent of such amount.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment of the committee was agreed to.

Mr. SMOOT. The next amendment is on page 84.

The SECRETARY. On page 84, in the third bracket, the committee amendment is to strike out and insert; but all of the amendment has been agreed to except subdivision (b), on page 84, which reads as follows:

(b) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the net income of every corporation a tax equal to the sum of the following.

Mr. PENROSE. Mr. President, I move to strike out paragraph (b).

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment of the committee.

Mr. JONES of New Mexico. Mr. President, I should like to have the Secretary state the amendment which I offered on yesterday to paragraph (b), the paragraph which has just been read. I will state that quite a number of Senators are present to-day who were not here on yesterday when I discussed this proposed amendment.

Mr. SIMMONS. Mr. President, will the Senator permit an inquiry?

Mr. JONES of New Mexico. I yield to the Senator from North Carolina.

Mr. SIMMONS. I was simply going to suggest to the Senator that we have just rejected an amendment to the amendment of the committee. Now, the Senator is going to propose a substitute, as I understand.

Mr. JONES of New Mexico. Not at all. My amendment is an amendment to the committee amendment. It begins on line 21, page 84; and I will state just what the amendment is. On page 84, line 21, I move to strike out, after the word "to," through line 3 on page 85. By the way, the amendment as printed has the word "or" in it instead of "on." I ask leave to make that amendment in the amendment.

The PRESIDENT pro tempore. The Senator has that right.

Mr. JONES of New Mexico. On pages 84 and 85, I move to strike out the matter just indicated and to insert in lieu thereof the following:

Seventy per cent on the amount of the net income in excess of the war-profits credit as determined under section 313.

The Senators will observe that the provision, as reported by the committee, simply takes the exemption of the present bill as applied to the year 1918 and reduces the percentage of the tax upon that exemption. The war-profits tax for the year 1919 has been eliminated from the bill by the committee under its proposed amendment, so as to leave in the bill for the calendar year 1919 the excess-profits tax. That excess-profits provision simply provides for an exemption of 8 per cent upon the invested capital, as defined in the bill. It gives precisely the same exemption from the excess-profits tax to one concern in the country as it does to all. It makes no distinction between the safe and stable businesses of the country and the hazardous businesses of the country. It carries only this language, "an exemption of 8 per cent upon the invested capital." As I stated on yesterday, if this provision is adopted, it will be an absolute embargo upon any new enterprises of a hazardous nature. It will prevent the development and progress of the country; and at this time, when we are facing the reconstruction period, instead of deterring business we ought to encourage it.

The Secretary of the Treasury has recommended to the committee that we levy no excess-profits tax for next year. I am not willing to go quite to that extent; but I do believe that there is a happy compromise which can be very well substituted, and take a middle ground between the recommendations of the Secretary of the Treasury and the recommendations of the Finance Committee, and I believe it to be absolutely fair. It will raise precisely the same amount of revenue for the Treasury. It will not discourage any business in this country. It will give to all the businesses in this country for the next calendar year precisely the same exemption, equal to the same profits which all the enterprises of the country made prior to the war.

It exempts from any excess-profits tax the profits which the businesses of this country were making prior to the war, but not in excess of 20 per cent on the invested capital. If we do that, it means that we can raise as much revenue as is proposed to be raised by this committee amendment. If we can do it in a way which will not injure any business, why should it not be done?

Therefore I offer this provision as an amendment to the committee amendment. I sincerely trust that Senators will consider it seriously. This amendment of mine will not discourage any enterprise. The country was prosperous before the war. This amendment permits the same degree of prosperity after the war.

Mr. SHAFROTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Colorado?

Mr. JONES of New Mexico. I do.

Mr. SHAFROTH. I should like to ask the Senator what effect this is going to have upon the mining industries of the West, the development of new mines?

Mr. JONES of New Mexico. I will state to the Senator from Colorado that I do not believe there will be a dollar going into a new mining industry in this country during the year 1919 if this committee amendment is adopted; but if you adopt my amendment, it will allow to the mining industry and to the new mining industry the same percentage of exemption from an excess-profits tax which the representative concerns of the country earned prior to the war; and if they developed mining industries prior to the war, under this amendment of mine they will do it again. But if you adopt the amendment proposed by the Senate committee and allow to a mining industry an exemption of only 8 per cent upon its invested capital, and tax its earnings above that amount, you will not get another dollar into the mines of the country. You will not get another dollar into the stock interests of the country. You will not get a dollar into any new industry, any untried industry; but you will have plenty of dollars for the old, stable industries of the country. You will have dollars to go into the preferred stocks of the country, but you will destroy any incentive, any initiative, for capital to go into a new concern or develop a new enterprise. So I say to the Senators, you are assuming a great responsibility in supporting the amendment proposed by the committee.

The Secretary of the Treasury said to us that, in his opinion and in the opinion of the President, we ought to put no excess-profits tax on business after the war; but there is a sentiment in the country that there ought to be some sort of a tax on high profits, and in my amendment I put the tax on profits above 20 per cent, whether earned before the war or after. That, however, is the only limitation. As between 6 per cent and 20 per cent, all classes of business may earn and hold, exempt from this tax, precisely the same amount of earnings that they made before the war. The country was prosperous then. We have reason to believe that if they are permitted to go on in that way the country will be prosperous after the war; but, I beg of you, do not put this tax on the business of the country, which would be an absolute burden upon any business of a hazardous nature. It gives an absolute exemption to all of the old, steady, heavily capitalized industries of the country. They will not pay any tax under this committee provision, but the new industries, the hazardous industries, will bear the entire burden; and it is those industries that you want to encourage instead of destroying them.

Therefore I propose this amendment.

Mr. SIMMONS. Mr. President, if the Senator is right in the statement he makes that the excess-profits tax will allow a heavy profit to be made by the old industries of the country and will not tax them adequately as to the provisions of the 1920 section of the bill, then the excess-profits tax that we have imposed in the bill for 1918 will have the same effect.

Mr. President, if there was anything that was thoroughly worked out in a spirit of generosity toward the industry concerned, it was the sections of the bill that apply to mines and mining and timberlands and gas wells, and all that sort of thing. There were on the committee three or four members who represented States in which those industries constitute a large part of the business of the people. They asked and demanded various and sundry relief provisions. We granted to them substantially everything that they asked us to grant them. We provided, in the case of a mine, that if there was a sale it should pay a tax of not more than 20 per cent upon the sale price. We provided an amortization provision for mines that were operated, which allowed them to amortize to the full extent of the original cost of the mine and its development.

This question was thoroughly thrashed out in the committee. The Senator from New Mexico presented his views there as fully as he has presented them here to-day and on yesterday, and the committee decided against his contention. If the amendment of the Senator should be adopted, we would have to rewrite many of the most important sections of this bill.

Mr. JONES of New Mexico. Mr. President——

Mr. SIMMONS. It would have to go back to the committee in order that we might adjust the other sections of the bill to the changes made here.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from New Mexico?

Mr. SIMMONS. I do.

Mr. JONES of New Mexico. I ask the Senator to state any important provision of this bill which would have to be changed if this amendment were adopted.

Mr. SIMMONS. Rather than undertake to go into that argument, I would prefer to withdraw the statement. That is my judgment about it—that we would have to consider very seriously the effect of this change upon the other sections of the bill. Especially, Mr. President, we would have to consider very seriously its effect upon the revenues of the Government.

Mr. JONES of New Mexico. I will simply state, if the Senator will permit me, two facts: First, my amendment relates only to the excess-profits tax for the year 1919, and no other important provision of the bill will have to be amended at all. Secondly, the experts of the Treasury say that the amendment which I propose will produce precisely the same amount of revenue as the scheme proposed by the committee.

Mr. SIMMONS. Mr. President, the Senator's amendment is in effect a war excess-profits tax. It proposes to substitute for the excess-profits tax proposed by the committee for 1920, with the low rates of 20 and 40 per cent, a war-profits tax of 70 per cent, with an exemption as high as 20 per cent. So, when you go to analyze it, the proposition means nothing more than to substitute for a low excess-profits tax a war-profits tax with a high exemption and a high rate.

Mr. JONES of New Mexico. Mr. President, I want to say just a word in reply to what the Senator from North Carolina has said.

His scheme makes a low exemption, or reduces the exemption, and imposes a low tax. My scheme makes a high exemption and imposes a high rate of tax; but my scheme has the exemption balanced by the experience of the business prior to the war. He talks about this being called a war-profits tax. It is that, and the war is still here; and the purpose of this amendment is to catch the hang-over profits from the war and to help pay the war debt.

The Senator speaks about the remedial provisions of the bill with reference to amortization and the limtation of the tax upon sales in the case of mines. That is true. They are the most important provisions in the bill. Those provisions simply seek to put that particular class of business upon the same plane as other business, which is not done in the existing law. It is only intended to equalize the mining business with other busness in that respect.

It comes down to the question of an excess-profits tax. Are you going to put the same rate of tax upon the earnings of a mining company after allowing it 8 per cent exemption that you are going to put on the Chemical National Bank after allowing it 8 per cent? The Chemical National Bank never earned 8 per cent and never tried to do so on its invested capital and accumulated surplus. Take the other stabilized industries of this country, which have their preferred stocks outstanding at a low rate of dividends; take any of those old, safe investments, and they do not expect to earn much over 8 per cent. Therefore they pay none of this excess-profits tax; but with that 8 per cent exemption you are putting that excess-profits tax upon the brain and energy of this country where a new business is started in this country, depending upon brains to build up the business in order that the new business may compete with the old, stabilized concerns which are highly capitalized through the building up of surplus during past years, through watered stock, and that sort of thing. They are highly capitalized, and do not expect to make a high percentage of income upon their capital. Are you going to encourage the new and vigorous rising competitors, that they may grow and increase their business and develop the country?

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. JONES] to the amendment.

Mr. JONES of New Mexico. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GERRY (when his name was called). I have a general pair with the senior Senator from New York [Mr. CALDER]. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement of my pair with the senior Senator from Louisiana [Mr. RANSDELL], I withhold my vote.

Mr. KENDRICK (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. KNOX (when his name was called). I have a general pair with the Senator from Oregon [Mr. CHAMBERLAIN] and withhold my vote.

The PRESIDENT pro tempore (when Mr. SAULSBURY's name was called). My general pair with the senior Senator from Rhode Island [Mr. COLT] does not apply to this vote. I therefore vote. I vote "nay."

Mr. STERLING (when his name was called). Again announcing my pair with the Senator from South Carolina [Mr. SMITH], I withhold my vote.

Mr. TOWNSEND (when his name was called). Announcing my pair with the senior Senator from Arkansas [Mr. ROBINSON], I withhold my vote.

The roll call was concluded.

Mr. CURTIS. I am advised that the junior Senator from Georgia [Mr. HARDWICK], with whom I have a general pair, will vote the same way I intend to vote. I will therefore vote. I vote "nay."

Mr. WOLCOTT. I transfer my general pair with the Senator from Indiana [Mr. WATSON] to the Senator from Montana [Mr. WALSH] and vote "nay."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who has not voted. I transfer that pair to the Senator from Georgia [Mr. HARDWICK] and vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED].

The result was announced—yeas 15, nays 44, as follows:

YEAS—15.

Ashurst	Johnson, S. Dak.	McNary	Shafroth
Fletcher	Jones, N. Mex.	Myers	Sheppard
Henderson	Kendrick	Phelan	Thomas
Johnson, Cal.	King	Pittman	

NAYS—44.

Bankhead	Kellogg	Nelson	Smith, Ga.
Beckham	Kenyon	New	Smoot
Curtis	Kirby	Nugent	Spencer
France	La Follette	Overman	Sutherland
Frelinghuysen	Lenroot	Page	Swanson
Gay	Lodge	Penrose	Trammell
Gerry	McCumber	Poindexter	Underwood
Gronna	McKellar	Pollock	Vardaman
Hale	Martin, Ky.	Pomerene	Warren
Harding	Martin, Va.	Saulsbury	Weeks
Hitchcock	Moses	Simmons	Wolcott

NOT VOTING—37.

Baird	Fernald	Owen	Sterling
Borah	Goff	Ransdell	Thompson
Brandegee	Gore	Reed	Townsend
Calder	Hardwick	Robinson	Wadsworth
Chamberlain	Hollis	Sherman	Walsh
Colt	Jones, Wash.	Shields	Watson
Culberson	Knox	Smith, Ariz.	Williams
Cummins	Lewis	Smith, Md.	
Dillingham	McLean	Smith, Mich.	
Fall	Norris	Smith, S. C.	

So the amendment of Mr. JONES of New Mexico to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment passed over will be stated.

The SECRETARY. On page 85——

Mr. SMOOT. I ask the Secretary if, on page 67, subdivision (b), paragraph 2 was passed over? It is on the same subject, but it is not marked in my copy of the bill as having been passed over. I refer to lines 16 and 17, on that page.

The PRESIDENT pro tempore. The Chair is informed that it was agreed to.

Mr. SMOOT. It is on the same subject matter. The next amendment passed over is on page 85.

The PRESIDENT pro tempore. The Secretary will state the next amendment passed over.

The SECRETARY. On page 85 the committee proposes, in line 16, after the word "That," at the beginning of section 302, to strike out all down to and including the numerals "$50,000," in line 25, and to insert——

Mr. SMOOT. It has been read once.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. Page 105 is the next.

The SECRETARY. On page 105, section 335 was passed over. In line 7, after the words "sum of" and the colon, the committee proposes to strike out the remainder of the paragraph, all down to and including the word "income," in line 16, and to insert——

Mr. SMOOT. That has been read.

The PRESIDENT pro tempore. It has already been read. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The SECRETARY. On page 107, at the foot of the page, Title IV—Estate tax——

Mr. SIMMONS. I am advised, although I have not had time to verify it, that the sections relating to the deduction of taxes for 1919 and 1920 have now been acted on.

The PRESIDENT pro tempore. Everything has been disposed of down to "Estate tax," on page 107.

Mr. SIMMONS. Mr. President, I am exceedingly anxious, and I think everyone else is, to have the bill finally put upon its passage on Monday. In order to do that, it will be necessary for us to meet very early on Monday, and we may have to hold a night session.

I move that the Senate take a recess until 10 o'clock on Monday.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until Monday, December 23, 1918, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *December 21, 1918.*

The House met at 12 o'clock noon.

The Rev. Earle Wilfley, of the Vermont Avenue Christian Church, Washington, D. C., offered the following prayer:

Heavenly Father, we ask Thee to accept our thanksgiving for what of gladness may fill our hearts this morning. We thank Thee for the approach to the holiday season, and as we come to this time of the year when we are thinking of those dear to us may we also think in kindness and love of all the suffering and needy ones of earth. O Lord, temper our thinking, our speaking, and our doing with the spirit of this holiday season. God, grant Thy blessing, therefore, upon to-day's doings, upon those things that enter into our lives, and upon us as we strive to do Thy will. For Thy Name's sake. Amen.

The Journal of the proceedings of Thursday, December 19, 1918, was read and approved.

RIVER AND HARBOR APPROPRIATION BILL.

Mr. SMALL. Mr. Speaker, by direction of the Committee on Rivers and Harbors I report herewith the river and harbor appropriation bill, with the report (No. 878) of the committee. I understand that the gentleman from Wisconsin [Mr. FREAR] desires to file a minority report. Is he present?

Mr. FREAR. That is correct.

Mr. SMALL. The gentleman has that report now?

Mr. FREAR. Yes.

Mr. SMALL. And that the minority report of the gentleman from Wisconsin be also filed.

The SPEAKER. The gentleman from North Carolina [Mr. SMALL], by direction of the Committee on Rivers and Harbors, files the river and harbor appropriation bill, together with the report of the majority and the minority report filed by the gentleman from Wisconsin [Mr. FREAR].

Mr. ROBBINS. Mr. Speaker, I reserve all points of order on the bill.

Mr. FREAR. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Wisconsin and the gentleman from Pennsylvania reserve all points of order on the bill.

Mr. MANN. Has the bill been reported?

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 13462. A bill making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The SPEAKER. The bill, with the accompanying report, is ordered printed and referred to the Committee of the Whole House on the state of the Union.

ORDER OF BUSINESS.

Mr. LONGWORTH. Mr. Speaker, may I ask the gentleman what his intention is with regard to the consideration of the river and harbor appropriation bill?

Mr. SMALL. It is the present intention to call up the bill on Monday. There may be some short bills which by agreement may precede the consideration of the river and harbor appropriation bill.

Mr. LONGWORTH. But the gentleman does not intend to proceed any further than general debate until after the holiday recess?

Mr. SMALL. Can the gentleman tell whether we will be in session on Tuesday or not?

Mr. LONGWORTH. I think the gentleman from North Carolina [Mr. KITCHIN] may be able to give us some information about that.

Mr. KITCHIN. Mr. Speaker, I have stated to the House twice that our intention is to work on Monday and Tuesday, and when we adjourn on Tuesday to adjourn over until Friday, with the understanding that we will adjourn from Friday until the following Monday; that nothing will be done from Tuesday until Monday.

Mr. LONGWORTH. The purpose of my question is to ascertain whether it is expected there will be a vote on the river and harbor bill on Tuesday.

Mr. KITCHIN. Oh, no. I do not think it possible to conclude more than general debate for the recess.

Mr. FREAR. Mr. Speaker, I do not think there will be any objection to the general debate, but it seems to me we ought not to read the items and attempt to discuss them unless a reasonably full House is present.

The SPEAKER. The Chair understood the gentleman from North Carolina [Mr. SMALL] to include in his statement the request for printing the minority report of the gentleman from Wisconsin [Mr. FREAR].

Mr. SMALL. That is correct.

Mr. MANN. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. KITCHIN. Yes.

Mr. MANN. Does the gentleman think there is any probability of proceeding with business in the House before New Year's Day?

Mr. KITCHIN. I doubt very much whether we will have a sufficient number here to proceed very seriously, but that will take care of itself when we adjourn next week.

Mr. MANN. The question is really whether we shall punish some of the Members who may stay here for the reason that they want to be here if business is to be transacted, so that they will not go home, and then when the time comes not be able to transact any business because no one will be here.

Mr. KITCHIN. If it is satisfactory to the House, we shall have an understanding now, that when we adjourn from Tuesday, say, we will adjourn until Friday, and from Friday to Monday, and that on Monday we can then adjourn until Thursday.

Mr. MANN. I think that will be the wisest course, because my judgment, based on observation of the past, would be that the House would not be prepared to consider the river and harbor bill by items on Monday, preceding New Year's Day, or in the holiday week, unless we proceed all of next week; but having vacation for practically six days, a great many Members will go away. I doubt whether it is desirable to punish those who do come back by getting them to come back, when it is certain that we will not do anything.

Mr. KITCHIN. Of course, there is no desire to punish anyone, but in the arrangement some one might be punished. Whatever is done will have to be done by unanimous consent.

Mr. MANN. Oh, no; it could be done by announcement. When the gentleman from North Carolina makes an announcement, that would settle the matter.

Mr. KITCHIN. Then I will make this announcement.

Mr. GREEN of Iowa. Before the gentleman makes the announcement, will he yield for another suggestion?

Mr. KITCHIN. Yes.

Mr. GREEN of Iowa. Was there not some report from the Committee on Elections that was to come up?

Mr. KITCHIN. That is on January 3. I make this announcement, that I shall ask unanimous consent on Tuesday that when we adjourn we adjourn over until the following Friday, with the understanding that nothing will be done on Friday except to go over until the following Monday, and then on Monday I shall ask unanimous consent to go until the following Thursday.

Mr. SLAYDEN. That takes you until what date?

Mr. KITCHIN. Thursday, because there is already one matter set for January 3, an election contest.

Mr. MOORE of Pennsylvania. Is the gentleman from North Carolina satisfied that we will have a quorum here on Tuesday to take up the river and harbor bill?

Mr. KITCHIN. I just want to say with respect to the river and harbor bill, we will have general debate on Monday, and if the chairman of the committee would prefer that on Tuesday we do not take up the bill but adjourn from Monday after general debate, instead of on Tuesday, until Thursday, and then until Monday and until Thursday, we would be able to do that.

Mr. TOWNER. With the understanding that on Thursday as on Monday there will be no business transacted.

Mr. FOSTER. No; I do not agree to that.

Mr. TOWNER. The statement was made by the Speaker a short time ago.

Mr. FOSTER. The gentleman means the day after Christmas?

Mr. TOWNER. Yes.

Mr. FOSTER. That is all right.

Mr. KITCHIN. The only thing I can say is that I will ask unanimous consent on those days to adjourn over.

Mr. MANN. I think it is perfectly safe to say that probably there will be no quorum here and the House will be protected in the absence of a quorum if any person should object to adjourning over. I am not going home.

Mr. HAWLEY. If the gentleman will yield, the statement the gentleman has already made indicated that there will be a gentleman's agreement for an adjournment of three days at a time until Thursday, January 2?

Mr. KITCHIN. Yes. It is a question of adjourning Monday or Tuesday, and I would ask the gentleman from North Carolina [Mr. SMALL] as to his committee's desire to go on on Tuesday?

Mr. SMALL. Mr. Speaker, it is the desire of the committee, if possible, to conclude general debate before the Christmas recess. On this side there are requests for time which in the aggregate only amount to about an hour. I have not conferred with Mr. KENNEDY, the ranking minority member of the committee; he does not seem to be in the Hall, but it is the desire to conclude general debate.

Mr. MANN. I think there will be no trouble in concluding general debate on Monday or Tuesday with the understanding we are not to proceed with the reading of the bill under the five-minute rule before the holidays.

Mr. SMALL. Not until Thursday, January 2; that is satisfactory.

Mr. KITCHIN. We will adjourn over when we finish general debate——

Mr. MANN. Monday or Tuesday.

Mr. KITCHIN. When we finish general debate, whether it is Monday or Tuesday, I shall ask unanimous consent to adjourn over three days at a time until after January 2, with the understanding that nothing will be done except the reading of the Journal and a motion made to adjourn.

Mr. MANN. Why not, if it is possible to make an agreement, ask for it now?

Mr. KITCHIN. The only thing I could do under existing circumstances is to make this request, and I think the House will give unanimous consent.

Mr. McKENZIE. Will the gentleman from North Carolina yield for a question?

Mr. KITCHIN. I will.

Mr. McKENZIE. I simply wanted to inquire of the gentleman from North Carolina about a bill known as the contract bill, reported from the Committee on Military Affairs, which I understand is to come up on Monday——

Mr. KITCHIN. On Monday morning.

Mr. DUPRÉ. And will have precedence over the river and harbor bill.

Mr. McKENZIE. That is very important.

Mr. KITCHIN. The River and Harbor Committee will yield, I understand, to the gentleman from Alabama, chairman of the Committee on Military Affairs, to ask unanimous consent to consider that bill.

Mr. MANN. It can only come up by unanimous consent.

Mr. KITCHIN. Yes; and it will also yield to the gentleman from Virginia [Mr. MONTAGUE] to ask unanimous consent to consider his charter bill.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. MOORE of Pennsylvania. I would like to know whether the gentleman means we shall quit after general debate on the river and harbor bill, without commencing the reading of the bill?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. I am frank to say that there ought to be a quorum here if we are to begin the reading of the bill on Tuesday, but I understand from the gentleman there is to be nothing but general debate?

Mr. KITCHIN. That is all.

Mr. FESS. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. FESS. Could not we arrange this discontinuance on Monday, as there are some of us who would like to be home on Christmas eve?

Mr. KITCHIN. There will not be anything but general debate. We have agreed to that, on the river and harbor bill. After the general debate is concluded, I shall ask unanimous consent to adjourn over.

Mr. FESS. Those of us who desire to go home would like to be home on Tuesday evening.

Mr. KITCHIN. I think the gentleman would be perfectly safe in going home Monday night.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. GRAHAM of Illinois, indefinitely, on account of important business.

EULOGIES ON SENATOR GALLINGER.

Mr. BURROUGHS. Mr. Speaker, I ask unanimous consent that Sunday, January 19, 1919, be set aside for addresses on the life, character, and public services of Hon. JACOB H. GALLINGER, late United States Senator from the State of New Hampshire.

Mr. PARKER of New Jersey. Mr. Speaker, eulogies on Mr. STERLING of Illinois have been set for that day.

The SPEAKER. There are so many they will have to be doubled up if we are going to have them on Sunday.

Mr. KITCHIN. I did not understand the request of the gentleman from New Hampshire.

Mr. BURROUGHS. I asked unanimous consent for the making of addresses on Senator GALLINGER's life and public services for the 19th of January.

Mr. KITCHIN. There is no objection to that.

Mr. BURROUGHS. I understand now the gentleman from New Jersey says that that date has been set aside for another purpose. I will therefore modify the request and make it January 26.

The SPEAKER. There is one set aside for that date—Senator BROUSSARD.

Mr. MANN. It does not make any difference.

The SPEAKER. The Chair stated a moment ago there are so many eulogies we will have to double up and have two at a time.

Mr. BURROUGHS. Then, I will renew my request for the 19th, as originally stated.

The SPEAKER. The gentleman from New Hampshire asks unanimous consent that Sunday, January 19, be set apart for memorializing Senator GALLINGER at the same time the gentleman from Illinois [Mr. STERLING] is memorialized. Is there objection? [After a pause.] The Chair hears none.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

EXTENSION OF REMARKS.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the postal telegraph.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on the question of the postal telegraph. Is there objection?

Mr. KITCHIN. Reserving the right to object, I hope the gentleman will withdraw that and wait until Monday, because several gentlemen have asked for the same thing, and I have asked them to wait until that time.

Mr. STEENERSON. All right.

ADJOURNMENT.

The SPEAKER. The question is on the motion of the gentleman from North Carolina [Mr. KITCHIN] that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 21 minutes p. m.) the House adjourned until Monday, December 23, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting items to be included in the sundry civil bill for the fiscal year 1920 (H. Doc. No. 1610), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GRIFFIN, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 13026) to authorize the Secretary of the Treasury to provide hospital and sanitarium facilities for discharged sick and disabled soldiers and sailors, reported the same with amendment, accompanied by a report (No. 879), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMALL: A bill (H. R. 13462) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. CRAMTON: A bill (H. R. 13463) to amend section 3 of public act No. 106 of the Sixty-fifth Congress, entitled "An act to save daylight and to provide standard time for the United States," approved March 19, 1918; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT (by request): A bill (H. R. 13464) to amend the medals of honor, distinguished-service crosses, and distinguished-service medals provisions of the Army appropriation act, approved July 9, 1918; to the Committee on Military Affairs.

Also, a bill (H. R. 13465) to create in the Army of the United States a corps to be known as the Corps of Chaplains; to the Committee on Military Affairs.

By Mr. BANKHEAD: A bill (H. R. 13466) making certain items of appropriation contained in section 8 of the vocational rehabilitation act, approved June 27, 1918, available for additional purposes and construing the term "family allowance," as contained in section 2 thereof; to the Committee on Appropriations.

By Mr. DENT (by request): A bill (H. R. 13467) fixing the rank, pay, and allowances of chaplains in the Army; to the Committee on Military Affairs.

By Mr. WHITE of Ohio: A bill (H. R. 13468) to provide an extension to the post office at Zanesville, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. CRAMTON: A bill (H. R. 13469) to authorize the Secretary of the Interior to issue patent in fee simple to the county of Huron, in the State of Michigan, for a certain described tract of land for public park purposes; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURROUGHS: A bill (H. R. 13470) for the relief of John Chick; to the Committee on Military Affairs.

By Mr. CARAWAY: A bill (H. R. 13471) granting a pension to Thomas W. Breckenridge; to the Committee on Pensions.

By Mr. COX: A bill (H. R. 13472) granting a pension to Luther Sloan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13473) granting an increase of pension to Jacob Eberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13474) granting a pension to Ella May Sloan; to the Committee on Invalid Pensions.

By Mr. DENTON: A bill (H. R. 13475) granting a pension to Greenup T. Berlin; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 13476) granting a pension to George Pollett; to the Committee on Pensions.

By Mr. MONTAGUE: A bill (H. R. 13477) granting an increase of pension to Young W. Cordell; to the Committee on Pensions.

By Mr. ROUSE: A bill (H. R. 13478) granting an increase of pension to William Boone; to the Committee on Invalid Pensions.

By Mr. WHITE of Ohio: A bill (H. R. 13479) granting a pension to Rhoda E. Pryor; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CURRIE of Michigan: Petition of R. A. Elias, William E. Strong, Nelson Dow Griswold, Herbert S. Beckwith, Ronald P. Lowry, and W. A. Robinson, jr., amateur wireless operators, protesting against House bill 13159, which provides for the taking over of all radio stations; to the Committee on the Merchant Marine and Fisheries.

By Mr. KENNEDY of Rhode Island: Resolution of board of aldermen of the city of Newport, R. I., protesting abandonment of work on housing proposition at Newport, R. I.; to the Committee on Public Buildings and Grounds.

By Mr. LINTHICUM: Resolution of the Baptist Ministers' Conference of Baltimore and vicinity, urging a league of nations; to the Committee on Foreign Affairs.

By Mr. RAKER: Brief of Dr. Wilson Compton, relative to the definition of "Invested capital" as applying to the pending revenue bill; to the Committee on Ways and Means.

Also, petition of California White and Sugar Pine Manufacturers' Association, relative to capital, surplus, and undivided profits in the revenue bill; to the Committee on Ways and Means.

By Mr. SMITH of Michigan: Petition of H. A. Stafford, president of the Brotherhood Railway Clerks, Lodge No. 338, Kalamazoo, Mich., favoring the retention of William G. McAdoo for Railroad Director; to the Committee on Interstate and Foreign Commerce.

By Mr. VARE: Petition of residents of Philadelphia, protesting against the enactment of legislation restricting the use of wireless apparatus; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of Philadelphia Maritime Exchange, indorsing resolutions adopted by the Atlantic Deeper Waterways Association; to the Committee on Rivers and Harbors.

Also, resolutions of Pennsylvania Branch of Women's Peace Party of Philadelphia, discussing terms of peace; to the Committee on Foreign Affairs.

Also, petition of Logan Iron & Steel Co., Philadelphia, protesting against the enactment of legislation looking to the adoption of the metric system; to the Committee on Coinage, Weights, and Measures.

SENATE.

MONDAY, *December 23, 1918.*

(*Legislative day of Sunday, December 15, 1918.*)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT resumed the chair.

Mr. WARREN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, S. Dak.	Penrose	Spencer
Chamberlain	Jones, Wash.	Pollock	Sterling
Cummins	Kenyon	Saulsbury	Thomas
Dillingham	Knox	Shafroth	Vardaman
Gerry	Lenroot	Sheppard	Warren
Gronna	Martin, Va.	Simmons	Williams
Hale	Nugent	Smith, Ariz.	
Henderson	Overman	Smith, Ga.	
Johnson, Cal.	Page	Smoot	

Mr. SAULSBURY. I desire to announce that the senior Senator from Maryland [Mr. SMITH] is necessarily absent temporarily on very important business.

The VICE PRESIDENT. Thirty-three Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HITCHCOCK, Mr. MCCUMBER, Mr. MCNARY, Mr. NELSON, Mr. POINDEXTER, Mr. TRAMMELL, and Mr. WEEKS answered to their names when called.

Mr. KELLOGG, Mr. NEW, Mr. NORRIS, Mr. FRANCE, Mr. CURTIS, Mr. CULBERSON, Mr. KIRBY, Mr. UNDERWOOD, Mr. TOWNSEND, Mr. MCKELLAR, Mr. KING, Mr. WATSON, Mr. LA FOLLETTE, Mr. SUTHERLAND, Mr. HARDING, and Mr. POMERENE entered the Chamber and answered to their names.

Mr. MCKELLAR. I wish to announce that the senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF], is detained by illness.

Mr. GERRY. I desire to announce that the Senator from Kentucky [Mr. BECKHAM], the Senator from California [Mr. PHELAN], the Senator from Nevada [Mr. PITTMAN], and the Senator from Wyoming [Mr. KENDRICK] are detained on official business.

Mr. CURTIS. I wish to announce that the Senator from Illinois [Mr. SHERMAN] is detained at home by illness.

The VICE PRESIDENT. Fifty-seven Senators have answered to the roll roll. There is a quorum present.

CABLE SERVICE.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Postmaster General in response to a resolution of the 10th instant, which will be inserted in the RECORD and lie on the table.

The communication is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 23, 1918.

The SECRETARY UNITED STATES SENATE,
Washington, D. C.

DEAR SIR: I have to acknowledge the receipt of Senate resolution No. 376, adopted December 10, 1918, as follows:

"*Resolved*, That the Postmaster General be, and he is hereby, requested to inform the Senate, if not inconsistent with the public service, whether information can be promptly asked for and received by cable, at the request of the immediate relatives of any officer or soldier in the overseas service of the country, where no word has been received from such officers and soldiers for more than six weeks, as to whether such officer or soldier was, on November 11, 1918, dead or alive."

In reply I have to advise the Senate that all cablegrams have been dispatched as addressed by the cable companies, and while there has been considerable congestion in the cable service, at no time has the delay, so far as the cables are concerned, extended beyond a few days.

The operation of the cables is now under Government control and has been placed under a single managing head in order to coordinate them and relieve such congestion with the hope that the coordination of cables will materially remove the delay. The Navy Department through the radio service is cooperating with this department and relieving the cables of large numbers of Government messages. Steps have also been taken to remove the bar against private code messages which, when accomplished, will still further relieve the load on the cables.

The condition recited in the joint resolution does not seem to be in any way related to such congestion as has heretofore existed with relation to the cable service. I am informed by the cable companies that many inquiries of the nature covered by the resolution have been sent to France but that only a small percentage of them have been answered. The cable companies have no definite information as to the reason for this, but report that in their opinion it is due to the fact that the parents and friends who send such messages are not advised as to whom the inquiries should be addressed or the whereabouts of the person addressed. It is also manifest that with the rapid movement of troops, the many casualties, and the different locations of hospitals in various sections of France and England to which the wounded were sent, it would be impossible in many cases to obtain the information which is so earnestly desired by friends and relatives of the soldiers. The War Department, however, would probably be able to furnish more specific information as to the difficulties encountered in delivering cablegrams of this character. Neither the cable companies nor the Postal Service is in a position to speak with respect to matters growing out of military operations.

Respectfully, yours,

A. S. BURLESON,
Postmaster General.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed a joint resolution (H. J. Res. 372) to amend Senate joint resolution No. 78, approved October 5, 1917, entitled "Joint resolution to suspend requirements of the annual assessment work on mining claims during the years 1917 and 1918," in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 12916. An act to provide for the temporary promotion of commissioned officers of the Marine Corps serving with the Army; and

H. R. 12945. An act providing for the purchase of uniforms, accouterments, and equipment by officers of the Navy, Marine Corps, and Coast Guard, and midshipmen at the Naval Academy from the Government at cost.

PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented a petition of Local Lodge No. 650, Brotherhood of Railway Carmen, of Durand, Mich., and a petition of Mackinaw Lodge, No. 996, Brotherhood of Railway Carmen, of Marshall, Mich., praying for the enactment of legislation extending the time of Government control of railroads, which were referred to the Committee on Interstate Commerce.

He also presented petitions of sundry school-teachers of Northville, of sundry citizens of Allegan, of the Woman's Club of Saginaw, of the teachers of the high school of Grand Rapids, of sundry teachers of Republic, of the school board of Republic, and of the principals of the high schools of Lansing, praying for the establishment of a department of education, which were referred to the Committee on Education and Labor.

Mr. LODGE presented a petition of sundry citizens of Boston, Mass., praying for the immediate withdrawal of American troops from Russia, which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by the War Service Committee of the Fur Industry of the United States, favoring the elimination of the proposed tax on furs, which were ordered to lie on the table.

He also presented resolutions adopted by the Joseph Plunkett Branch, Friends of Irish Freedom, of Brighton, Mass., favoring the freedom of Ireland, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the congregation of the First Parish Church of Cambridge, Mass., and resolutions adopted at a mass meeting of sundry citizens of Cambridge, Mass., favoring the creation of a league of nations for the maintenance of peace, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the United Irish Societies of Lowell, Mass., and resolutions adopted by Local Division No. 18, Ancient Order of Hibernians, of North Brookfield, Mass., favoring the freedom of Ireland, which were referred to the Committee on Foreign Relations.

Mr. WARREN presented a petition of members of the Local Board of Albany County, Wyo., praying for Government recognition of the work of the local boards in raising the National Army, which was referred to the Committee on Military Affairs.

COST OF WAR WITH GERMANY AND AUSTRIA.

Mr. McKELLAR submitted the following resolution (S. Res. 395), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretaries and heads of the several executive departments, as well as the heads of all separate bureaus, commissions, boards, or similar bodies authorized to expend the public funds for war purposes be, and they are hereby, directed to furnish the Senate at an early practicable date full information and figures relative to the cost of the war with Germany and Austria, as shown (1) by the expenditures already made by their several departments; (2) by the sums already obligated by their several departments to be hereafter paid; (3) any other costs of the war, such as the cost of transportation of our soldiers back home and their demobilization, or any other extraordinary expenses traceable to the war.

Resolved further, That the Secretary of the Treasury be, and he is hereby, directed to furnish, in addition to the cost of the war in his department, an epitome of the cost of the war in the various other departments to the extent which it is shown by his books, together with the totals, thus giving the complete cost of the war, as far as his books show it.

SENATOR FROM WEST VIRGINIA.

Mr. POMERENE. I am directed by the Committee on Privileges and Elections to report a resolution to reimburse the Senator from the State of West Virginia [Mr. SUTHERLAND] for expenses incurred by him in defense of his title to his seat in the Senate, and I submit a report (No. 628) thereon. I ask that the resolution be read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 394) was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Hon. HOWARD SUTHERLAND, a Senator from the State of West Virginia, the sum of $2,435 in reimbursement of expenses necessarily incurred by him in defense of his title to his seat in the Senate, said sum to be considered as a full and final settlement of all expenses, including counsel fees, incurred by him in connection with the said contest.

Mr. POMERENE. I ask that this matter be disposed of at once. I think the Committee on Contingent Expenses is ready to report.

Mr. JONES of New Mexico subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the foregoing resolution, reported it favorably without amendment, and it was considered by unanimous consent and agreed to.

PROMOTIONS IN OVERSEAS SERVICE.

Mr. McKELLAR. From the Committee on Military Affairs I report back favorably, without amendment, Senate resolution 359, requesting the Secretary of War to furnish the Senate full information in reference to promotions in overseas service, and also of officers who have not seen overseas service, and so forth, and I submit a report (No. 629) thereon.

I ask for the immediate consideration of the resolution. It is very short, and is of the same general nature as the resolution submitted by me a few minutes ago and which was adopted.

The PRESIDING OFFICER (Mr. KING in the chair). The resolution will be read.

The Secretary read the resolution, as follows:

Resolved, That the Secretary of War be, and he is hereby, requested and directed to furnish to the Senate full information in reference to promotions in overseas service.

Also, full information as to promotions already made of officers who have not seen overseas service.

Also, any plans he may have of equalizing promotions, to the end that those who have become entitled to promotions by reason of service abroad or at home shall be accorded such promotion.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. WILLIAMS. I am not prepared to allow that resolution to be agreed to just now without question. At some later time I may not object.

The PRESIDING OFFICER. Objection is made. The resolution will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. SHEPPARD:

A bill (S. 5220) donating captured cannon and cannon balls to the city of Santa Anna, Tex.;

A bill (S. 5221) donating captured cannon and cannon balls to the city of Galveston, Tex.; and

A bill (S. 5222) granting honorably discharged members of the armed forces of the United States during war with Germany one month's furlough on full pay, transportation and subsistence expenses to their homes, and permission to keep and wear uniforms; to the Committee on Military Affairs.

A bill (S. 5223) for the relief of the Alabama and Coushatta Indians in Polk County, Tex.; to the Committee on Indian Affairs.

By Mr. CHAMBERLAIN:

A bill (S. 5224) to prohibit intoxicating liquors and prostitution within the Canal Zone, and for other purposes; to the Committee on the Philippines.

By Mr. FERNALD:

A bill (S. 5225) granting a pension to Sarah F. Robinson; to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 5226) for the relief of Daniel W. Booth, alias Daniel Frantz; and

A bill (S. 5227) for the relief of Edward H. Lockwood; to the Committee on Military Affairs.

A bill (S. 5228) for an addition to Rocky Mountain National Park, and for other purposes; to the Committee on Public Lands.

A bill (S. 5229) granting a pension to Elizabeth Crossley;

A bill (S. 5230) granting an increase of pension to Mary H. Doherty;

A bill (S. 5231) granting a pension to Alice B. Elliott; and

A bill (S. 5232) granting an increase of pension to George C. Hazeltine; to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 5233) granting a pension to Annie Tullis (with accompanying papers); to the Committee on Pensions.

By Mr. HENDERSON (by request):

A bill (S. 5234) to supplement an act of Congress approved October 5, 1918 (Public, 220), and to authorize the Secretary of the Interior, from the funds appropriated by said act, to determine, adjust, and pay losses sustained by investments preparatory to production of war minerals mentioned in said act; to the Committee on Mines and Mining.

By Mr. HALE (for Mr. FRELINGHUYSEN):

A joint resolution (S. J. Res. 201) relative to the payment of claims occasioned by or attributable to explosions at the plant of the T. A. Gillespie Loading Co. at Morgan, N. J., on or about October 4 and 5, 1918; to the Committee on Military Affairs.

AMENDMENT TO DISTRICT APPROPRIATION BILL.

Mr. POINDEXTER submitted an amendment proposing to appropriate $2,000 to aid the Columbia Polytechnic Institute for the Blind in the District of Columbia, intended to be proposed by him to the District of Columbia appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

COMMITTEE ON PUBLIC INFORMATION.

Mr. MOSES. I submit a resolution and ask that it be read and lie upon the table.

The resolution (S. Res. 396) was read and ordered to lie on the table, as follows:

Resolved, That the Committee on Public Information be requested to supply the United States Senate with copies of all matter filed in Europe by the committee or any of its agents since December 3, 1918, for cable or telegraphic transmission to the United States or to any neutral or allied country.

EXECUTIVE DEPARTMENT EMPLOYEES.

Mr. HITCHCOCK. I offer the resolution which I send to the desk, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The Secretary will read the resolution.

The resolution (S. Res. 397) was read, as follows:

Resolved, That until the military, naval, and civil forces of the United States have been reduced to the normal requirements of the Government the respective heads of the executive departments, including also the United States Shipping Board, the Food Administration, and the Fuel Administration, be, and are hereby, directed to report to the Senate, beginning January 1, 1919, and every two weeks thereafter during the present session of Congress, the number of civil employees in their respective departments and the number discharged during the previous two weeks.

In addition to the above the Secretary of War and the Secretary of the Navy are directed to report each two weeks, beginning January 1, 1919, the number of officers and enlisted men in active service in their respective departments and the number discharged or retired during the previous two weeks.

Mr. WILLIAMS. Mr. President, I do not see the immediate necessity of that resolution.

The PRESIDING OFFICER. Objection is made.

Mr. HITCHCOCK. Mr. President, will the Senator from Mississippi permit me to explain? The resolution is simply for the purpose of securing information so that the Senate may know how fast the civil employees are being discharged.

Mr. WILLIAMS. But the Senator wants the information every two weeks, and that would embarrass the department with an unnecessary amount of work.

Mr. HITCHCOCK. There is no work involved. We simply ask for the numbers; it is mere clerical information that is sought. I consulted the chairman of the committee before offering the resolution.

Mr. WILLIAMS. Is that all it asks for—the number?

Mr. HITCHCOCK. That is all.

Mr. WILLIAMS. Then I shall not object.

The resolution was considered by unanimous consent and agreed to.

RELIEF OF PORTO RICAN SUFFERERS.

Mr. SAULSBURY. Mr. President, I move that House joint resolution 345, Calendar No. 553, to provide relief for sufferers from earthquakes occurring in Porto Rico during the month of October, 1918, be recommitted to the Committee on Pacific Islands and Porto Rico. I will state the reason is that the committee desire to have hearings from some residents of Porto Rico who are in Washington, and we hope to hear them while the Senate is practically in recess.

The PRESIDING OFFICER. The question is on the motion of the Senator from Delaware.

The motion was agreed to.

AERIAL MAIL SERVICE.

Mr. TOWNSEND. Mr. President, at the request of the Senator from Illinois [Mr. SHERMAN], who is detained at home by illness, I ask that a letter addressed to that Senator from the Second Assistant Postmaster General in regard to equipment for the aerial mail service be received and referred to the Committee on Military Affairs in connection with some matter which was submitted by the Senator from Illinois a few days ago.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAGUE OF NATIONS FOR PEACE.

Mr. BORAH. Mr. President I ask permission to have printed in the RECORD a statement by the famous French writer, M. André Chéradame upon the subject of a league of nations.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection to the request of the Senator from Idaho? There being none, the statement will be printed in the RECORD.

The statement is as follows:

PREMATURE DISCUSSION OF LEAGUE OF NATIONS IMPERILS PEACE—QUESTIONS OF IMMEDIATE PRACTICAL IMPORTANCE MUST BE SETTLED BEFORE THE PROBLEM OF CONFEDERATION IS TAKEN UP.

[By André Chéradame.]

I propose to demonstrate:

1. The success of the peace conference—hence real and definitive victory—depends in a very large measure on the order in which the different problems to be considered are taken up.

2. The discussion of the league of nations and of the "freedom of the seas" can have most unfortunate consequences if it does not come in its logical order; that is, if it is premature.

The establishment of a specific program of discussion for the conference is necessary for two principal reasons:

In the first place, it is evident that all questions can not be treated at the same time. Second, there are certain problems that can be resolved only after others apparently unconnected with them have been dealt with.

At an epoch when time is so precious, in order to end sufferings so long endured, it is obviously dangerous to engage in the discussion of unsolvable problems because it has not been foreseen that their solution depends on other and more urgent problems. As that perilous road seems to have been already entered upon, it is time for public opinion to realize the danger in order that its influence may prevent a catastrophe.

THEORIES AND THEIR APPLICATION.

To understand the subtle but very real peril before which we stand it is necessary first to grasp a very simple truth, which has, nevertheless, not been made sufficiently plain to the public: A theory, however good, is not necessarily practical.

There are theories whose justice can not be contested, but the mere attempt to put them in practice leads to a veritable catastrophe. For example, the theories that ruled The Hague conference, put forward by the Czar Nicholas II, were just, but, in fact, those theories contributed powerfully to making the war possible; that is, they killed millions of men.

This was so because The Hague conference led the British, the French, and other people to think the peace of Europe assured just at the time when Germany was preparing intensively for a war of aggression. Thus, The Hague conference without question put into circulation ideas not in conformity with the times, that were premature, hence unrealizable and by consequence infinitely dangerous.

In fact, completely reassurred regarding the intentions of Germany, the powers that now compose the entente neglected the armaments that would have made the Germans renounce their ideas of aggression on account of the risks a fully armed enemy would have entailed.

One sees clearly that by its psychological consequences The Hague conference contributed largely to provoke the war and make possible the aggression that surprised the nations now allies.

This example, drawn from The Hague conference, makes it plain that an idea may be theoretically good, but that its application would not be practical until there has been a further considerable advance in social evolution.

Absolutely the same result can be looked for from certain questions in the allied peace program, notably the league of nations and the "freedom of the seas."

The league of nations can not be organized until after the solution of certain other problems. Incontestably the league of nations is based on an idea theoretically of the highest justice, but it will end in an immense catastrophe if it is attempted to put it in practice in advance of the solution of other problems infinitely more urgent, and the solution of which, moreover, is indispensable to the creation of a state of things in which a league of nations can be developed.

What is the state of things which, according to all evidence, will be most favorable for the development of a league of nations? It is without question the situation that will result from the liquidation, as completely as possible, of the essential problems arising from the European war, notably the complete destruction of German militarism, realized not by treaties on paper but by accomplished facts (the destruction in Germany of the machinery specially designed for the manufacture of munitions of war; the imposing on Germany of the payment of annuities, moderate, but spread over a sufficiently long period to assure reparation and amounting to enough so that Germany will not be able to rearm; the creation of anti-Pan-German States in central Europe).

Once these things have been done, a state of things will have been created favorable to beginning the organization of the society of nations. On the contrary, it is clear that an effort to organize a society of nations has no chance of success if an attempt is made to regulate the affairs of Europe on paper, and if, in consequence, the league of nations rests on written conventions, like those of The Hague, and not on realities.

It is therefore plain that it is indispensable to follow a well thought-out program in the discussion of the diverse problems to come before the peace conference, and not to follow this program will lead to certain failure.

UTOPIANS, BOLSHEVISTS, AND THE LEAGUE OF NATIONS.

Unfortunately, in each of the allied nations there are some Utopians who do not understand the situation and say, "Organize the league of nations first and we will negotiate the peace afterwards."

This is a party of which some of the most notable members are the French and British Socialists, who both before and during the war showed their inability to comprehend realities. It is the same lack of understanding that characterizes all the bolshevists of the entente—Germanophile, in truth, and knowing full well that such a program would be of the utmost benefit to the Germans during the armistice period.

We will now examine the reasons why to begin by studying the league of nations and the "freedom of the seas" would be at the same time absurd and playing into the hands of the Boches.

The situation created by the war that must be liquidated with the utmost speed is the most difficult ever known. To begin by discussing the league of nations and the "freedom of the seas," which one can talk to infinity, would result only in voluntarily complicating practical affairs and would be manifestly absurd.

Further, to discuss the league of nations as something still to be created is to forget that which already exists—the entente. Is not it, such as it is, a league of nations, since it brings into one group three-fourths of the people of the world, a proportion never before reached in history?

Does not common sense tell us to wait to see the results of this league of nations that already exists before creating another without knowing how the one we have will function? No engineer would think of building a new type of engine of 1,000 horsepower without knowing how an engine of the same type but of 500 horsepower worked.

Is it not evident that if—for the sake of argument—the league of nations we already have should not be able, with its infinite resources, to solve the problems arising from the war (reparations, reorganization of Europe territorially), a fortiori a league of nations still greater would be utterly incapable of doing better. Those who can do the most can do the least, but those who can do the least can not do the most. This is elementary common sense; but, alas! the partisans of the league of nations seem to care little for common sense.

Finally, and this is much more important, to discuss these immense and ill-defined problems, such as the league of nations and the "freedom of the seas," before the urgent, concrete problems are solved would be to do exactly what the Germans want.

The Germans count on the following sequence of events:

The discussion of great questions such as the league of nations and the "freedom of the seas" will divide the allies.

The time taken for those discussions will be lost for the settlement of concrete problems that Germany fears especially, such as reparation.

The allied armies, ceasing to believe in positive results from the negotiations, will demand demobilization.

The question of reparation will be decided only in principle and on paper.

No police force capable of compelling the Germans to pay their indemnities will be created.

The German people will pay only a very small part of the damage they have caused and will keep the greater part of the loot of all kinds they have stolen everywhere during the war.

Under these conditions the financial situation of the European allies, and especially of France, would carry self-evident consequences. The cost of living in France and England reaching intolerable proportions, industries could not be reorganized, and Bolshevism would be easily spread among the populations by Boche agents.

Finally, since the war expenses of Germany have been considerably less than those of the allies, and since, according to our hypothesis, Germany would retain her loot, there would be so great a difference of economic power in favor of Germany that within a short time she would have attained her victory, not on the field of battle, but none the less in reality, as a consequence of the economic situation without precedent created in Europe by four years of war.

The danger I have described is not chimerical. Already the discussion of the "freedom of the seas," because it is premature, has caused divergencies among the allies. As soon as it was intimated recently that England would be willing to give up her command of the seas Mr. Winston Churchill, as spokesman for England, declared that she would never think of such a thing. It was a very natural reply, if one remembers that the suggestion was made to England on the morrow of an experience that has demonstrated that her life was saved by her navy and that the military spirit is far from being destroyed in Germany.

On the other hand, Americans, seeing the turn of events, are saying, "Let us get back to the Monroe doctrine and keep out of European affairs, unless we want to see Europe, as soon as her hands are free, mix in our affairs."

But the continuation of American intervention in European affairs on a cordial basis is absolutely necessary. American intervention, by its noble, generous, and ideal character and its comprehension of the future dangers, is a tremendous page in the history of humanity. Anything that could weaken the extent of American intervention or change its character would be a veritable disaster. Hence, it is only necessary to know what is already being published in certain journals of the entente to be convinced that the discussion of the league of nations and the "freedom of the seas," because the discussion of these questions is premature, can only tend to weaken instead of strengthen the ties that now exist between America and Europe.

PROGRAM DICTATED BY COMMON SENSE.

For many reasons, following the French proverb, don't put the cart before the oxen. Solve first the most urgent practical problems arising from the war, problems that must be solved in order to bring an end to the sufferings of millions of human beings, sufferings that have already lasted only too long. It is easy to see in what order these essential problems before the conference should be put.

The first is the reparation and restitution the German people must make, both of objects stolen and material damages caused. It is not justice only that demands the immediate solution of this problem. Its solution is the single condition of victory, as has been said. The peace will be durable and assured only if in consequence of her enormous thefts and war expenses Germany will not be able to preserve an economic superiority over the allies.

The second problem, and which can be taken up at the same time, is that of the territorial reconstruction of Europe by the adjustment of frontiers and by forming new States to raise a barrier against the pan-Germanists, such States as Poland, Bohemia, Roumania, the Magyar State, and the Jugo-Slav State.

The problem of the league of nations comes in the third place, but it will then be in a position for more favorable consideration. It is clear that if the first two problems, reparation and territorial reorganization, are satisfactorily cleared up by the entente, it will be relatively easy to solve the third, as the world, convinced by what the entente will have done, will want to transform the entente into a league of nations of greater extent by taking in all the nations worthy of a place.

Last comes the question of the "freedom of the seas." And by coming last it has the best chance for success. It is easy to understand that a real and durable solution of that problem can follow only from the extension of the league of nations. Such an extension implies a real disarmament in Europe, but this disarmament can come about only after Prussian militarism has been absolutely destroyed. Land disarmament having been accomplished, it will be relatively easy to disarm on the seas and from that will result the "freedom of the seas."

In short, when England can be assured of not being menaced by any continental power she will have no longer any interest in carrying the huge burden of naval supremacy.

This program for the consideration of the problems before the peace conference is only an application of common sense. But it is indispensable to assure victory that this order shall be followed. Therefore public opinion must demand that the league of nations and the "freedom of the seas" shall be discussed only in their logical place; that is, after all the urgent problems growing directly out of the war have found a practical solution.

INDEPENDENCE OF ARMENIA (S. DOC. NO. 316).

Mr. LODGE. Mr. President, I have here a memorandum in regard to Armenia and her claims to freedom and national independence, which I should like to have printed and referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, that order will be made.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. There are Senators here who desire to take up next the section with regard to the luxury taxes.

Mr. KENYON. Page 199, section 905. Does the Senator desire to take that up at this time?

Mr. SIMMONS. I have just stated that at the request of Senators I will take it up now.

Mr. KENYON. I wish to make a few observations before a vote is taken. Does the Senator wish to address the Senate on the subject?

Mr. SIMMONS. I do not care to make any statement to the Senate further than I have already made. I will state to the Senator that I requested the Senator from Utah [Mr. SMOOT] to look after this section for me if I happened to be out of the Chamber.

Mr. KENYON. Mr. President, I wish to draw the attention of the Senate to section 905, page 199, of the printed bill. I realize how useless it is generally, especially amid the confusion in the Senate, to draw attention to these sections and try and have the action of the committee changed by a vote of the Senate. I think there have been at times as many as 12 or 13

Senators in the Chamber during the discussion of this bill—seldom any more—and when the time comes to vote on a section Senators rush in, the chairman of the committee announces in the midst of the roll call that a vote "yea" is to sustain the committee and a vote "nay" is against the committee, and Senators almost fall over themselves supporting the committee. I think if the people of the country could look down from the galleries on some of these proceedings they would wonder what is the use of having any Senate here outside of the committee.

So it is with great diffidence that I disagree with the committee in their action in striking out section 905. It is what is commonly accepted as a section providing for a tax on luxuries. I find in no report of the committee any reason for this action, neither in the majority report nor in the minority report. We have had no word on the floor from the chairman of the committee or any member of the committee as to why this was done.

The theory of the section as placed here by the House is that, while wearing apparel and articles that may be covered by the section are not in themselves luxuries but necessities, when more than a certain price is paid they become luxuries. In other words, it is a tax upon ostentation. As the House provided, as to suits of clothing of $50 this tax would not apply, but where more than $50 was paid there would be a tax of 20 per cent on the surplus above the $50.

Upon shirts under $3 in value, no tax; above that, a tax. That ought to be a sufficient price to pay for a necessary garment of that character, but if some people wanted to array themselves in a glory equal to Solomon's and pay more than that, the tax should be levied. That is the theory upon which the House concluded to make this section a tax upon luxuries. Now, the action of the committee, it seems to me, is amazing. At a time when we are raking every source of revenue and business in this country to secure taxes we are striking out of this bill the tax known as the tax on luxuries.

What the House committee in their report say I want to put in the RECORD, because I realize that the Senate will not pay much attention to this matter, but I realize that the people of the country some day are going to begin to inquire about this bill and begin to study it and observe the soft cushions for the lighting of those who have secured great war profits, and they are going to inquire why it is that the Congress of the United States, especially the Democratic Party, strikes out of the bill the tax on luxuries. The House committee say in their report:

> In recommending excise taxes in the proposed bill your committee has endeavored to select articles that fall within two classes: (1) Articles that are more or less a luxury because of their nature and (2) articles that become in the nature of a luxury when sold for more than a fixed price.

That is the basis of this provision.

> The purpose of the committee in recommending these taxes is twofold: (1) To provide revenue and (2) to reduce extravagance.

Of all the reports that come to the Senate from the committee, the only one at all referring to this, as I read it, is the report of the Senator from Wisconsin [Mr. LA FOLLETTE]. He says:

> I am also of the opinion that the proposed taxes on occupation, amusements—particularly of the cheaper kind—taxes upon freight, express, and passenger rates, upon telegraph and telephone messages, and consumption taxes generally, should be eliminated from the bill and that a heavy tax should be imposed on luxuries.

Mr. President, not only is there the necessity of securing revenue, which this would do to the extent of $185,000,000, as estimated in the House report, but if the amendment which I shall propose to the text shall be adopted, providing for a tax on meals at hotels, restaurants, dining cars, above a certain amount in value, it will add enough to this to make a $200,000,000 tax on luxuries. Can anybody tell me, in these times when we are taxing everything under the sun except the air we breathe, why this tax on luxuries should not be levied? There is something more than raising revenue. Senators, there is a psychology about this situation. It is a blind man indeed in this country who buries his head in the sand and will not look out and see the conflicting tides flowing in the ocean of our national life to-day; and that psychology is this: You do not want to send word to the people of the country or have them believe that a tax bill is so shaped as to favor big business, and so shaped as to favor those who have secured the great war profits, and so shaped as to take the taxes off of the inconsequential and useless luxuries.

What can be said to you Democrats in doing that? What leadership are you following? For 100 years, since the second inaugural of Thomas Jefferson down to April 8, 1913, when Woodrow Wilson addressed the American Congress, your party has stood for a tax on luxuries.

I remember as a boy Roger Q. Mills coming out to Iowa to instruct our farmers as to the beauties of free trade. I traveled as a boy 125 miles to hear that speech. It did not impress me any about free trade, but I did remember what he said as to a tax on luxuries, and your leaders all the way down to the present moment have been for it.

What is the matter with you Democrats, anyway? One of your leaders is in Paris and another is retiring from public life in order to recoup his private fortune. You had better get some leaders back to try to get you back to your platforms through all these years, and not have you seduced by those who are against the proposition of taxes on luxuries.

I remember when we had the debate here on the Underwood-Simmons bill. The distinguished Senator from New Hampshire [Mr. HOLLIS]—I wish he were here now—one of the best men who ever sat in any legislative body on earth, one with a heart that has some responsive beats to the great heartbeat of humanity—in a speech he made here, enunciated that Democratic doctrine of a tax on luxuries; and that strong Democrat from Indiana—Senator Shively, who has gone to his reward—enunciated the same doctrine here; and that great Democrat from Kentucky—great of heart, great of brain, and great of body, who has likewise passed to his reward, dear old Ollie James, and I wish he were here now—on that night, with crowded galleries, made this Chamber ring with the old Democratic doctrine of taking the taxes off of the sugar bowl of the poor and putting them on those who could best stand it.

You have gone out on the stump from one end of this country to the other preaching that doctrine—and I am talking in a heartfelt way to you Democrats, because I like you—but you have just been thrashed completely, and when you do this you will be "wiped off the map." I do not want to see you come to such an untimely death so suddenly. You have gone to every part of this country and talked to the people about the tax on luxuries. I do not believe that there is a man on the other side of this Chamber who has not made that kind of a speech. I have heard some of you do it in days gone by.

What is the matter? What has gotten into you? Is there such a fetish for committee action that you do not dare vote against the committee? Have you any independence when a great question like this is involved—one that is fundamental?

Mr. HITCHCOCK. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. KENYON. I yield.

Mr. HITCHCOCK. Can the Senator from Iowa give us any assurance of what support there will be on his side of the Chamber?

Mr. KENYON. There will be a very strong support; I will give the Senator from Nebraska that assurance.

Mr. HITCHCOCK. I am very glad to hear it. I have had some doubts.

Mr. KENYON. I think, while it has been one of the cardinal doctrines of the Democratic Party to tax luxuries, it has likewise been a cardinal doctrine of progressive republicanism as well. Not only that, Mr. President, but you could glean a good deal of wisdom from once in a while consulting the writings and messages of Grover Cleveland, that honest old Democrat, who was always willing to have the truth told.

Mr. THOMAS. Mr. President, I respectfully protest against the classification of the late Grover Cleveland as a Democrat.

Mr. KENYON. That may be the reason, Mr. President, why luxury taxes have been stricken out of this bill. Grover Cleveland stood for taxes on luxuries.

Mr. THOMAS. No, Mr. President; but because Cleveland, in his administration, was a great deal more of a Republican than he was a Democrat.

Mr. KENYON. I am afraid that if the old former President in the world beyond can hear that he certainly will be shocked. Anyway, notwithstanding this admonition, I will venture the suggestion that in his third annual message Grover Cleveland said:

> The taxation of luxuries presents no feature of hardship.

You Democrats have sent out to the country every year, bound in nice binding, these Democratic campaign textbooks [exhibiting], wonderful works of the veriest fiction, tales that rival those of Baron Munchausen, clothed in a modesty that is quite wonderful, that all the relations of the universe and everything that is good have come from the action of the Democratic Party.

I notice in one of these publications that credit is taken entirely for the Smith-Lever bill for the Democratic Party, when everybody knows that the old patriot from Vermont, Senator PAGE, had more to do with the passage of that bill than any other living man, a fact which has been so generously conceded many times by the Senator from Georgia [Mr. SMITH].

But I wish you would take up and read your own promulgations to the American people. Of course, there are some parts of these promulgations that you would not want to read. The arraignment of ex-President Taft, I imagine, in one of these books for junketing around the country at public expense when he ought to have been in Washington is something perhaps you would not want to read; but the general doctrine therein enunciated is that taxes should be imposed on luxuries. I am not going to fill the RECORD with them. You held out the Underwood-Simmons bill as something for the people to support, because it levied such duties on luxuries.

Why the change? There seems to be so much mystery about this bill. We had the newspaper announcement of the terrific fight that the Republicans were going to make against the bill, and then overnight it all seems to have been changed. I hope that some reason can be given us for this change.

I wish we could go further in the tax on luxuries. I never see an automobile coming down the street with distinguishably gowned ladies sitting in the rear seat, and a Pekinese pup sitting by their sides, or some stalwart man, as you can see every night, out exercising some of these chow-chow dogs, that I do not wish that we could put a tax on some of these things, and either blot out this nauseating ostentation or else raise some revenue.

I shall introduce an amendment to the text of the committee amendment, should it be voted down, providing, in addition to the taxes therein contained, that there shall be included in the prohibition against exemption the amount of every meal at any hotel, café, dining car, or eating house in excess of $2 per person.

If Senators would only understand this bill as it has come to us from the House, it provides that on carpets and rugs of over $5 per square yard there shall be a 20 per cent tax. Rugs may be necessities, but of course the usual necessities would be comprehended under the term of $5 per yard. If people want to surround themselves with oriental rugs and luxuries costing more than that, let them pay for it; that is reasonable.

The Senator from Washington, in his speech on the Simmons-Underwood bill, uttered something that I thought a good deal about under this problem of taxation, and it applies to that exact situation. He said at that time that we should tax superfluities. So with this bill.

As to the second item, picture frames in excess of $10 each; is that not enough to spend on an ordinary picture frame? If you want a picture frame that is gilded or bronzed to cost more than $10, it is in the nature of a superfluity; but if that should appeal to you, then pay for it. Those who can have these great luxuries are willing to pay for them. Taxes upon such articles can be collected without irritation and without injuring anybody.

Valises, in excess of $25 each. If anyone wants to pay more than $25 for a valise or a traveling bag, why not let him pay a tax on it?

Hand bags, in excess of $7.50 each. What harm will come to anyone who wants to buy a hand bag for $35 or $40 by being compelled to pay a tax upon the amount in excess of the $7.50? So it runs—umbrellas, suits of clothes, women's suits of clothes, and so forth.

But I leave this, Mr. President, without further remark, merely calling it to the attention of the Senate in the hope that there will be some discussion and some consideration——

Mr. CURTIS, Mr. ASHURST, Mr. JOHNSON of South Dakota, and Mr. JOHNSON of California addressed the Chair.

The VICE PRESIDENT. Does the Senator from Iowa yield; and if so, to whom?

Mr. CURTIS. I desire to address the Senate if the Senator from Iowa has concluded, and I thought he had concluded.

Mr. KENYON. I will conclude in a moment.

I repeat, Mr. President, I merely call this question to the attention of the Senate in the hope that on this item, at least, we may have a vote which will reflect the individual judgment of Senators without any question of their being in any way afraid to oppose the Finance Committee.

Mr. ASHURST. Mr. President, I should like to ask the Senator a question, but if the Senator has concluded, of course I will not do so.

Mr. KENYON. I have concluded, but I will be very glad to answer any question that I can.

Mr. ASHURST. Mr. President, I simply wish to ask the Senator if he does not believe this was a clerical error?

Mr. KENYON. I hope that may be true, but, as there has been no minority report, I assume that no error was made.

Mr. ASHURST. I am inclined to believe that it is only a clerical error, because the Democrats are bound, so far as faith and conscience can bind men, to tax the very articles of luxury which the committee, through some inadvertence, has stricken out, and I have no doubt that when the roll is called the vote on this side will be unanimous to correct this egregious blunder.

That provision—paragraph 905—of the House bill which the committee proposes to strike out imposes a tax—a small tax—on what we call the luxuries of life; in other words, it provides for a tax on those things which are beyond the reach of the man who is denominated in his life as a poor man. It lays a very small tax on luxuries, and I repeat that I feel bound to vote against the committee in this matter, because since I have been making political speeches it has been my particular text that we should tax luxuries.

I have gone about this country like a peripatetic volcano in constant eruption, urging a tax on luxuries. I think the Senator from Iowa [Mr. KENYON] has performed a very useful service to the country in calling attention to it.

Now, just one other word. The distinguished Senator from Colorado [Mr. THOMAS] objected to Grover Cleveland being called a Democrat. Grover Cleveland has passed from this earthly scene to, I believe, a better world. Whatever he was, whether he was a Democrat, a stand-pat Republican, a Progressive, or what not, he had two qualities that commended themselves to me: He had the chilled-steel nerve to do just exactly what he thought was right in spite of ten thousand furies that barked at his heels; and Grover Cleveland was honest. In his lifetime I did not agree with him on many questions; but Grover Cleveland never failed to sustain the honor and integrity of this country. It was the statesmanship of Grover Cleveland that built the Navy that showed our prowess during the Spanish War, and in the perilous times through which we have passed, I am very certain had Grover Cleveland been alive his voice would have rung out in support of President Wilson on the great questions that have confronted our people. We have Cleveland Democrats, Bryan Democrats, high protective tariff Democrats, and all other kinds of Democrats. We do not want any hyphenated Democrats; we simply want Democrats. A Democrat is a man who votes for a tax on luxuries; a stand-pat Republican is a man who votes against a tax on luxuries.

Mr. JOHNSON of South Dakota. Mr. President, I wish to ask the Senator from Iowa the amount of revenue, if he knows, which will be derived from this section?

Mr. KENYON. I did not understand the Senator.

Mr. JOHNSON of South Dakota. I inquire the amount of revenue that will be derived under this section?

Mr. KENYON. Approximately $185,000,000, according to the House figures, and I think conceded by the committee.

Mr. JOHNSON of South Dakota. I expect to vote against the committee on this matter, and I wanted to know the amount of revenue that would be derived.

Mr. JOHNSON of California. Mr. President, I wish to occupy just a very few moments this morning in the interest of historical preservation, and so I want to recall what has transpired in the past very, very briefly in one aspect concerning the revenue bill, and then I want to call to the attention of my colleagues what this particular revenue bill provides for.

A little over a year ago this Chamber was the scene of the greatest contest I have witnessed since I have been a Member of it, a contest rendered memorable by the fact that we were dealing then with a revenue bill such as the country had never before seen, and dealing then with modes of taxation concerning which there was a wide divergence of opinion. I recall during the consideration of that revenue bill in August, 1917, that a very small minority of this body—9 upon this side and 8 upon the other side, 17 in all—stood their ground as well as they were able in presenting to the Senate and to the people of the country the mode of taxation which that small minority believed to be just. I recall also during the consideration of the war-revenue bill then that that small minority—17 Senators—stood here upon this floor and demanded that war profits should be taxed 80 per cent, demanded it day in and day out, until overwhelmed by the vast number of their fellows and defeated in the amendments they then presented. I recall, Mr. President, during that time how the verbal shot and shell and shrapnel beat us to the ground, and how the poison gas on the part of the press that responds to the big business of this country spread broadcast the infamy of the 17 men who dared to stand upon this floor and ask that war profits be taxed 80 per cent. I recall a part of the great metropolitan dailies of the land telling of the anarchists and of the pro-Germans who were here in the Senate of the United States asking that we take with the strong arm of the law war profits, the money coined out of our blood, in the same fashion that we had clutched the bodies of the boys whom we love. I remember during that period how from the eastern border of our land to the uttermost corner upon the western shore there was abuse and denunciation and vilification and constantly applied epithets of all sorts to the

men who dared ask 80 per cent of war profits. I recall how during those days the 17 who favored this sort of thing talked of England, and how England was taking 80 per cent of war profits, and how, in the year just previous, England had taken 60 per cent, and in the time immediately prior 50 per cent, and how it was related that for three years the great war profits of this country had gone untouched into the coffers of those who had coined war into dollars. I remember that as we talked about that 80 per cent it was asserted again and again to us that you could not take 80 per cent of war profits; that it was confiscatory; that it would not enable business to continue in its ordinary and normal flux and flow; that productivity would cease; and that you would destroy utterly the great industries of the Nation.

All of these things happened a year and a couple of months ago in this Chamber. The 17 went down to defeat with their proposition asking 80 per cent. They went down to defeat; and possibly that part of the great press of the country that responds always to profit, no matter how that profit may be coined, sent us down not only to defeat but possibly to infamy for all time.

I wish to recall the passing events since transpiring. In May of this year the President of the United States, in an address, said to Congress:

> Only fair, equitably distributed taxation, of the widest incidence and drawing chiefly from the sources which would be likely to demoralize credit by their very abundance, can prevent inflation and keep our industrial system free of speculation and waste. We shall naturally turn, therefore, I suppose, to war profits and incomes and luxuries for the additional taxes.

The President, in May of this year, recognized after the debate of last year and after the months that were spent in the endeavor to demonstrate the appropriate mode of taxation that we would turn to war profits and incomes and luxuries for additional taxes. Then he added in another part of his address:

> An intense and pitiless light beats upon every man and every action in this tragic plot of war that is now upon the stage. If lobbyists hurry to Washington to attempt to turn what you do in the matter of taxation to their protection or advantage, the light will beat also upon them. There is abundant fuel for the light in the records of the Treasury with regard to profits of every sort. The profiteering that can not be got at by the restraints of conscience and love of country can be got at by taxation. There is such profiteering now and the information with regard to it is available and indisputable.

And I may say that there was profiteering at the time we passed the revenue bill in 1917, and the evidence was indisputable and was put into the RECORD during the debates upon that bill.

But subsequently to the address of the President there was a discovery made by the Secretary of the Treasury, a discovery that sheds a great, white, effulgent light upon this subject; a discovery that finally brought home to all of us the taxation in which England was indulging, and the possibilities that might come to us in taxation which we should levy. The Secretary of the Treasury on June 5, 1918, in a letter to the Ways and Means Committee of the House, says:

> The existing excess-profits tax does not always reach war profits. The rates of excess-profits taxation are graduated, and the maximum is 60 per cent. In Great Britain there is a flat rate of 80 per cent on all war profits.

If the Secretary of the Treasury had not made this startling discovery in June, 1918, a waiting and an expectant Congress would have been in ignorance until now of the rate of taxation that was levied by Britain and the possibilities which might have come from a tax of 80 per cent on war profits. Last year when we were crying from the housetops for three months what Britain charged upon her war profits, when we were demanding that the very largest percentage of war profits should be taken from those who made these profits from our war, when we proved indisputably profiteering and that billions made from profiteering were escaping, where was the knowledge of the Secretary of the Treasury and where was the recommendation then in relation to 80 per cent?

You may answer me, and the answer, I presume, may be made upon this floor to-day, that we did not levy a tax of 80 per cent upon war profits last year in order that we might have a reservoir for this year of war profits. The very statement of the proposition is its own refutation. You could have taken 80 per cent of war profits last year and you could have relieved normal business, real, legitimate business, ordinary business, of a couple of billion dollars that ordinary normal business will have to pay in the days to come. Every dollar that was left of war profits in the last revenue bill, every penny that was coined out of the war that was permitted to go into the coffers of those who coined those war profits will have to be paid in the future, Mr. President, by normal business, peace business, in peace times, and by normal industry and normal productivity.

I resume reading what is said by the Secretary of the Treasury in his letter to the Ways and Means Committee:

> In Great Britain there is a flat rate of 80 per cent on all war profits.

How naively the Secretary of the Treasury says in June, 1918, that in Great Britain there is a tax of 80 per cent! How feeble were our voices in August, 1917, when for three months we were shouting that fact not only on the floor of the Senate but wherever and whenever we could obtain an audience to listen!

The Secretary of the Treasury proceeds, in his letter to the Ways and Means Committee:

> The Government departments, under great pressure as they are to get necessary war materials and supplies with the utmost expedition, can not in the nature of things fix their prices nor guard their contracts in such a way as to avoid the possibility of profiteering. The one sure way is to tax away the excessive profits when they have been realized. I do not say this in a spirit of criticism of the corporations or business men of the country, who have for the most part loyally supported the Government. In entering into war contracts they take grave risks. They are called upon to make vast expenditures of capital for purposes which may prove unproductive after the war. They are not to be blamed in these circumstances for asking for prices and terms which cover these risks. On the other hand, when the risk has been liquidated by proper allowances and the contract had proved profitable, the Government should take back in taxes all profits above a reasonable reward. Under existing law that does not happen, because the tax rates are not high enough and can not safely be made high enough, since the test now is not how much of the profits are due to the war but what relation the profits bear to the capital invested. A company with a swollen capital and huge war profits escapes.

So much for the justification of the position which we took a year ago—tardy justification and vindication—by the President and the Secretary of the Treasury, and now, Mr. President, what do we observe in the present revenue bill?

I have read the report of the Senator from Wisconsin [Mr. LA FOLLETTE], in which he takes issue with the percentage of war-profits tax that is stated by the Finance Committee to be in the revenue bill, but I accept for the moment, but only for the moment, the view of the chairman of the Finance Committee and the others of the Finance Committee who have spoken upon the subject, that the bill provides for a tax of 80 per cent upon war profits. Now, assuming that it does what the chairman of the Finance Committee and the members of the Finance Committee say, we have then presented to us a revenue bill which, adopting the language of the members of the Finance Committee flung at us a year ago in this Chamber, is anarchical, is designed to destroy business, is pro-German, is, indeed, a bill which is aimed at preventing the successful prosecution of the war, and is a bill which no man with an atom of financial sense, as they said to us a year ago, could for a moment advocate. What a marvelous change now! What a miracle, that the Finance Committee boasts it now taxes war profits 80 per cent!

I accept the conversion of the Finance Committee. I welcome the members of the Finance Committee finally, after two billions of war profits have escaped taxation, to an 80 per cent rate upon war profits this year, and I am delighted to-day, finally, in the latter part of 1918, after two billions of war profits have escaped taxation in 1917, to welcome the Finance Committee of the Senate to membership with the 17 who stood upon this floor a year ago and asked that 80 per cent of war profits then be taken while we had the opportunity.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. LENROOT. The Senator does not mean that the bill as reported by the Finance Committee takes 80 per cent of the war profits?

Mr. JOHNSON of California. I accept, as I said, their statement in that regard; and accepting their statement as they have made it upon the floor here, while not admitting the fact, I welcome them to membership in the very small minority that a year ago advocated a tax of 80 per cent upon war profits.

Mr. LENROOT. Will the Senator yield further?

Mr. JOHNSON of California. Yes.

Mr. LENROOT. The Senator is aware that the bill upon its face first exempts 10 per cent of the capital?

Mr. JOHNSON of California. Yes.

Mr. CHAMBERLAIN. Mr. President, there is a little bill that passed the House some days ago that affects the Army uniforms. I wish to ask unanimous consent that it may be taken up and considered now.

Mr. SIMMONS. Will the Senator wait until we dispose of this item? Then I shall not interpose any objection.

Mr. CHAMBERLAIN. I do not think the bill will require any further than the reading.

Mr. SIMMONS. If the Senator will wait until we finish this item, then he can take it up.

Mr. CURTIS. Mr. President, I hope the Republicans will support the amendment offered by the Senator from Iowa.

Mr. KENYON. Mr. President, may I make a suggestion to the Senator? I have not offered the amendment I had in mind. The question now is on adopting the committee amendment, which is to strike out that section.

Mr. CURTIS. Then I hope the committee amendment will be defeated.

I was glad to have the Senator refer to the Simmons-Underwood bill, because if that is an evidence of Democratic taxation on luxuries the people should know it. Last year we imported into this country $3,000,000,000 of merchandise. We collected on that merchandise a revenue of $180,000,000 only. Of that $3,000,000,000, $500,000,000 were luxuries. Why, there should have been collected upon the luxuries alone more than $200,000,000 in revenue. This provision, if retained in the bill, will carry only $185,000,000. We ought to have more than that from imported luxuries, to say nothing of a tax upon luxuries produced in this country. There should be a proper tax upon luxuries, a tax that would not be a burden upon anyone, for a tax should be fixed in accordance with ability to bear it. A proper tax on imports, a large tax on imported luxuries, and a reasonable tax on domestic luxuries would produce at least $1,000,000,000 a year, while the provision of the committee on luxuries will raise only $185,000,000.

A year ago, when the revenue measure was up, I took the position in this body that the expenses of the war, as far as possible, should be paid by those who are making large profits out of war contracts, those who have large incomes, and those who use luxuries. Nothing was done in that measure to tax luxuries to any great extent; and now, when the bill comes here from the House with a provision placing a very small tax on luxuries, it is stricken out by the committee!

I do hope that those on this side of the Chamber will vote against the committee amendment.

Mr. SIMMONS. Mr. President, I wish first to refer only very briefly to the statements made by the Senator from California [Mr. JOHNSON]. The Senator rather felicitates himself and some of his colleagues who joined with him when the revenue bill of 1917 was under consideration in advocating an 80 per cent war-profits tax, and he congratulates himself that the Finance Committee and the Ways and Means Committee have, as he claims, come to his way of thinking upon that subject.

Mr. President, the Senator forgets that the present law, the one to which he refers, contains a war excess-profits tax rising as high as 60 per cent, and that a 60 per cent excess-profits tax is higher than this 80 per cent war-profits tax. That 60 per cent rate applies to income in excess of a deduction of only 8 per cent of the invested capital. This 80 per cent rate applies only to income in excess of a deduction of the entire net earnings of the corporation during the prewar period. So the maximum rate, if you take into consideration the deduction, is greater in the present law than in the proposed law, although, of course, the average rate is reduced by the lower brackets contained in the existing war excess-profits tax.

But it was not to that that I desired to call attention. The Senator from California knows, and every Senator here knows, that in 1917 we were levying a tax to raise about $4,000,000,000. To-day, even after the reductions that we have been able to make as a result of the armistice, we are levying a tax to raise $6,000,000,000. As a result of the fact that we are levying for the purpose of raising a larger amount of money than in the act of 1917, all the taxes in this bill, the excess-profits tax as well as many other miscellaneous taxes, are raised to a level considerably higher than that reached in the present law.

Mr. President, it would have been a crime against the people of this country if when we needed only $6,000,000,000 we should have levied as high taxes upon the people as when we need $8,000,000,000. If we have come to these higher taxes it is only because we have been forced to come to them by the necessities of the Government and by the increased expenditures of the Government.

Then I call the Senator's attention to a further fact. He says we permitted war profits to escape. While we imposed in the last bill a war excess-profits tax of 60 per cent at the maximum, there was also in existence a flat tax of 12½ per cent upon the profits arising from the manufacture of munitions of war. The term "munitions of war" includes practically everything that is manufactured for the purpose of equipping men to fight, outside of the clothes they wear and the food they eat. Under the last bill we imposed a maximum tax upon war profits of 60 per cent above a deduction which is small as compared with the present deduction, and in addition we had a munitions tax originally imposed at the rate of 12½ per cent and subsequently reduced to 10 per cent.

But, Mr. President, I do not wish to pursue that any further. I rose for the purpose of addressing myself to the very remarkable argument of the Senator from Iowa [Mr. KENYON] and to the statement that has been made by different Senators upon the floor with regard to this proposition.

Mr. President, I must believe that the remarks of the Senator from Iowa and of other Senators with respect to that matter are based upon an entire misconception of what has been done. I do not think there is anyone in this body who believes more heartily than I do in a properly adjusted luxury tax. I believe the members of the Finance Committee will bear me out when I say that when this bill was under consideration, when the Senator from Utah made a proposition to strike out all the luxury taxes in the bill, all these special taxes, all these excise taxes, and substitute for them a gross-sales tax, I said then that I never would consent to the elimination of what I regarded as luxury taxes for the purpose of substituting consumption taxes. That is the way I feel about it. I am as heartily in favor of luxury taxes as the Senator from Arizona [Mr. ASHURST] or any other Senator upon this floor. I believe it is a just principle of taxation that the things which are unnecessary should be heavily taxed as compared with the things which are necessary. I think that is the principle which the committee followed in this matter. I do not remember with absolute certainty as to the vote in the committee upon this subject, but my impression is that there was no division in the committee upon the proposition to strike out these taxes; but if I am not correct, the Senator from Michigan [Mr. TOWNSEND], who is an honored member of the committee, will correct me.

Mr. TOWNSEND. I will remind the Senator that there was.

Mr. SIMMONS. I am told the Senator voted against it.

Mr. TOWNSEND. I voted against it.

Mr. SIMMONS. Did any other Senator in the committee vote against it?

Mr. TOWNSEND. I admit there was very little discussion upon the proposition. Many of us believed that these had better be retained and many of the taxes that were also retained eliminated so that we could get at more just taxes.

Mr. SIMMONS. I think it was practically a unanimous vote.

Mr. President, when I say I believe in taxing luxuries, I refer to those things which in their nature and their essence are luxuries, which are not necessary, which can be dispensed with, and which if bought are bought only by those who can afford more than the comforts of life.

Let me call the attention of the Senate to what has been actually done by the committee. There are two classes of these taxes that have been designated by the press loosely, I think, as luxury taxes and semiluxury taxes. In my opinion they do not deserve to be so characterized, but there are in the bill distinctive luxury taxes, and these have been kept in the bill. There have been reductions, and those reductions were in keeping with the amount of money which by reason of the practical termination of the war we were able to remit to the people.

Let me ask Senators to take the bill and turn to page 193. That section begins with a tax upon automobiles. I am not going to discuss the question whether an automobile is a luxury or not. There are some people who think it is; there are some people who think it is not. In any event Congress has heretofore decided the question that automobiles are legitimate subjects of taxation under the circumstances which exist.

But passing that by, Mr. President, the next provision with regard to these taxes that we come to is the tax upon pianos and organs, piano players, graphophones, talking machines, music boxes, records, and so on. Those taxes were retained. Tennis rackets, nets, racket covers, toboggans, polo mallets, baseball bats, and a whole category of sporting articles are enumerated. The tax upon these is retained.

Then we come to chewing gum, supposed to be a luxury. The tax upon that is retained. On cameras the tax is retained. On candy the tax is retained but reduced. Upon firearms, shells, cartridges, and so on, the tax is retained. On hunting and bowie knives, dirks, daggers, stilettos, brass knuckles, and so on, the tax is retained. On portable electric fans the tax is retained. On thermos bottles the tax is retained. On cigar and cigarette holders the tax is retained. On automatic slot-device weighing or vending machines the tax is retained. On liveries and livery boots and hats the tax is retained. On hunting and shooting garments and riding habits the tax is retained. On articles made out of any fur, or articles of which fur is the component material of chief value, there is a tax of 10 per cent. On yachts and motor boats the tax is retained. On toilet soaps and toilet soap powders a 3 per cent tax is retained. Then there is a tax upon moving-picture films, which is retained. Upon paintings, sculptures, statuary, porcelain, and so on, the tax is retained.

Finally, Mr. President, without enumerating them all, we get to the tax imposed upon jewelry, pearls, precious and semiprecious stones, articles made of or ornamented, mounted, or

fitted with precious metals or imitations thereof, opera glasses, marine glasses, field glasses, binoculars, and so on, the tax is retained.

That is what I have regarded as the luxury title of the bill. Those taxes are upon things that are unnecessary, as a rule. In the public mind they are regarded as luxuries, and they were properly and legitimately the subject of taxation under the circumstances.

But, Mr. President, when we come to these other taxes which the Senator from Iowa thinks are distinctively luxury taxes, I contend that they are in no true sense luxury taxes. They are taxes upon necessaries of life when those necessaries are sold beyond a certain price. That is all there is in that schedule.

Mr. KENYON. May I ask the Senator just one question to illustrate my position? Does the Senator think that a woman's hat costing over $15 is a necessity?

Mr. SIMMONS. I think a woman's hat is a necessity.

Mr. KENYON. So do I; but one costing over $15? The Senator is a married man and he must know that it is a good deal of a luxury.

Mr. SIMMONS. I do not know whether it is a luxury or not, but the Senator will permit me to develop my idea.

Mr. President, here are things that are taxed. I will not read them all. First, is a tax on carpets and rugs in excess of $5 per square yard; then follows a tax on picture frames in excess of $10 each; then we come to trunks in excess of $50, valises above $25, fans above $1, smoking coats or jackets above $7.50, men's and boys' suits or overcoats, not including uniforms, on the amount in excess of $50; women's and misses' suits, cloaks, and coats in excess of $50; women's and misses' dresses in excess of $40; women's and misses' hats, bonnets, and hoods in an amount in excess of $15; men's and boys' hats in an amount in excess of $5; men's and boys' caps in an amount in excess of $2. The rate in each case is 20 per cent.

Mr. President, I want to say that not only the rich but during these times of high prices—and these taxes are imposed in times of high prices—not only the rich buy hats costing in excess of $5 but the laboring men of this country, and the men of moderate means have very generally purchased hats costing in excess of $5, because——

Mr. McCUMBER. Mr. President——

Mr. SIMMONS. Because we must recognize the fact that a hat which can be bought in normal times at $3.50 can not now, as a rule, be bought for less than $5. So we are practically imposing a tax upon hats which in normal times would sell for not more than $3.50.

Mr. McCUMBER. I wished to ask the Senator if he thought it was possible to buy a woman's coat made out of wool for $40 to-day?

Mr. SIMMONS. I do not.

Mr. McCUMBER. I will tell the Senator that one was shown me only a couple of days ago, a very light woolen coat, that cost $74, and if it is a good woolen coat you can not touch it for less than $90, and even more than that. While to-day we are voting to take our war-working girls home because they have not money enough to return, you are wanting to put a tax upon a coat that they must buy in order to get home. On nearly every one of these articles the price is put over the demarkation between what might be called luxuries and what might be called a necessity, and they are below the lowest possible price at which you can buy them to-day, I do not care what the class may be.

Mr. KENYON. Will the Senator allow me?

Mr. SIMMONS. Let me go on and finish the list here.

Mr. KENYON. I wish simply to call attention to an advertisement here in the city of girls' cloaks——

Mr. McCUMBER. And when you come to look at the advertisement you will have a piece of shoddy that will not last until you get home with it if you put it on.

Mr. KENYON. How many of the girls earning $1,200 a year are buying $70 and $60 cloaks?

Mr. McCUMBER. It is because they can not get it for anything less if it is fit to wear. If they would buy it for $20 or $25 or $35, I say it would not last them for a week. Anyone who knows anything about clothing will justify me in that statement.

Mr. SIMMONS. Let me go on. I want the Senate to understand what these things are.

The next are men's, women's, misses', and boys' boots, shoes, pumps, and slippers in excess of $10, 20 per cent.

Mr. President, there are many war workers—these young girls who have come here to assist the Government in the great emergency from which we have very happily emerged—who came here from motives of patriotism, yet they would have been unable to come except for a salary. Thousands of these very girls have to buy shoes, and I will venture to say that while their everyday working shoes might not have cost $10, each one of them has a pair of shoes which cost over $10, for you can not buy a woman's good shoe for less than $10, and you can not buy a man's good shoe for less than $10 in these times. It is true you may buy shoes made of leather substitutes or you may buy shopworn shoes for less than that sum, but the shoe that you now buy for less than $10 is subject to the defects that I have described or it is made out of inferior material.

Mr. KENYON. Mr. President, there is no tax on shoes which do not cost $10 a pair.

Mr. SIMMONS. There is a tax on all shoes costing in excess of $10.

Mr. KENYON. Yes.

Mr. SIMMONS. The committee further reported to strike out:

(18) Men's and boys' neckties and neckwear, on the amount in excess of $2 each;
(19) Men's and boys' silk stockings or hose, on the amount in excess of $1 per pair;
(20) Women's and misses' silk stockings or hose, on the amount in excess of $2 per pair;
(21) Men's shirts, on the amount in excess of $3 each;
(22) Men's, women's, misses', and boys' pajamas, nightgowns, and underwear, on the amount in excess of $5 each; and
(23) Kimonos, petticoats, and waists, on the amount in excess of $15 each.

Mr. President, take these 23 classes as a group, and, except the first 9, they cover the clothing which the people of this country wear. It is now proposed, if a workingman is making good wages during these war times and is able to pay these higher prices, that he shall be taxed if his clothing shall cost him in excess of a modest sum. That is one reason why we did not feel that these were proper taxes to impose upon the people. We did not regard those as the luxury taxes which the political parties of this country are committed to impose. The taxation of luxuries is no more a principle of the Democratic Party than it is of the Republican Party; both parties of this country have committed themselves to the principle of taxing luxuries, but both parties, as represented upon the committee, agreed that these were not the kind of luxury taxes to which the principle in question has reference.

However, Mr. President, there is another objection to this which can readily be appreciated by Senators who will consider and reflect about the matter. All the stores of any considerable size in this country, if these taxes are imposed, will have to keep a separate account of each article, showing the amount for which it is sold in excess of a certain price.

As a result the business of the country would be put to great expense in keeping such accounts by reason of the time that would be lost by the salesmen and the number of bookkeepers that would be required in order to properly keep the necessary accounts, for the Government will not take the mere statement of a person that he has collected a certain gross amount under the luxury taxes imposed in this bill, but the Government has a right to require, and necessarily will require, that each merchant engaged in business selling any of these articles shall keep a set of books separate and apart from his other books showing each one of these sales and the correct amount of the tax received.

Mr. President, it was represented to your committee, and it is a fact, I think, that the actual expense to the business people of this country of keeping the necessary accounts and books will in many instances be even greater than the tax itself. Of course, this might not be so, as a rule; but, even as a rule, it can be seen by every Senator who will think about it that this is a tax which is imposed, not upon the merchant, but which is imposed upon the people though the merchant himself must bear an additional expense, for he has, of course, necessarily to pay the expense of keeping the books required by the Government. In many instances, I say, it will be found that this expense will average as much as the tax to be derived from this source by the Government.

Mr. President, I do not wish to elaborate this matter. So far as I am concerned, whatever the Senate decides to do I shall accept. I think it is an obnoxious tax; I think it is a burdensome tax; and I think it is not a luxury tax in any true sense of that word.

Mr. SMOOT obtained the floor.

Mr. GRONNA. If the Senator from Utah will permit me, I desire to ask a question of the chairman of the committee, merely for information.

Mr. SMOOT. I will yield for that purpose.

Mr. GRONNA. On page 193, in subdivision (1), under the title of "Excise taxes," section 900, I find this language:

(1) Automobiles, motorcycles, automobile trucks, automobile wagons, automobile trailers or tractors.

It is the latter part of the sentence as to which I should like to have either the chairman of the committee or the Senator

from Utah explain. Is it understood that all purchasers of farm tractors must pay a tax of 5 per cent?

Mr. SMOOT. Yes; if it is an automobile trailer or a tractor.

Mr. GRONNA. What I had special reference to was farm tractors.

Mr. SMOOT. I will answer the Senator from North Dakota that the tax is imposed upon the manufacturer or the importer, but, of course, in reality it will reach the farmer who purchases the tractor.

Mr. GRONNA. Yes; I wished to plainly understand it. We know that the smaller kind of tractors now cost about $1,500 or $1,600; that means that on every such tractor there will be at least an $80 tax. Many of these tractors cost $3,000. They are largely tractors that will pull about 6 plow bottoms; but a great many farmers buy the large tractors which will pull 10 plow bottoms, and which cost about $6,000. So that class of tractors will pay from $150 up to $300 tax on a common tractor. Is that the way that the committee understands it?

Mr. SMOOT. That is the way the committee understands it.

Mr. JOHNSON of South Dakota. Mr. President——

Mr. SMOOT. Mr. President, I desire to proceed. I merely want to explain to the Senate my position on section 905 and to also give some of the reasons for the action of the committee in striking out that section.

In the first place, I wish to say that I am opposed to all nagging and irritating taxes, and at some time in the future they are going to be wiped out of our revenue legislation, in my opinion, as all of the taxes imposed under the title in which section 905 is found ought to be eliminated from the bill, with few exceptions.

I wish to say to the Senator from Iowa [Mr. KENYON] that the House inserted section 905 primarily for the purpose of discouraging consumption. If the Senator will read the House hearings and the recommendations of the department, he will see that the action of the House was based upon the idea that the labor of this country should not be employed in the manufacture of luxuries which the people could do without. Based upon the recommendations of the department, the House of Representatives put the tax in the bill primarily for the purpose of limiting, as far as possible, the production of so-called luxuries. I do not think, however, it acted wisely in the selection of items called luxuries as found in section 905.

I wish to emphasize the fact that, after the bill came to the Finance Committee of the Senate, it was stated to the committee by the officials of the department that the administration of the proposed tax was going to be not only expensive, but in many cases next to impossible. For instance, take the item of silk hose, to which reference was made a little while ago. A man goes to a store and buys a pair of silk hose for a dollar and a quarter. There is an exemption from tax of a dollar, leaving 25 cents to be taxed upon that sale. Twenty per cent of 25 cents would be the tax on that sale and it would amount to 5 cents. An account of this 5 cents must be made upon the books of the company making the sale and report of it made to the Commissioner of Internal Revenue. It would cost the merchant many times 5 cents and the item would encumber the records of the department so long as the records are kept. Better would it be for the merchant, rather than to undertake to do this, to forego making the sale.

In referring, Mr. President, to the imposition of taxes upon so-called luxuries, an inference has been made that the committee had refused to impose luxury taxes but had proposed to secure the same amount of revenue from some other source, and inference was made that the business of the country was escaping just taxation under this bill. I am perfectly willing, Mr. President, to criticize this bill where it needs criticism, as all Senators are aware, and I know there are discriminations in the bill which can not be defended. Section 905, under consideration, does not impose taxes in a just way.

If Senators will note, they will find that out of the taxes to be raised under this bill, amounting to $5,974,466,000, as estimated, there will be raised $5,467,000,000 from the income tax, the war excess-profits tax, the inheritance tax, beverage taxes, cigar and tobacco taxes, and the floor tax on cigars, tobacco, and liquors. In other words, from the income tax there will be realized $2,207,000,000—and we must remember that there is an exemption upon the income of every citizen of the United States before any income taxes are imposed—from the war excess-profits tax, $2,400,000,000; from the inheritance tax, $100,000,000; from beverages, $450,000; from cigars and tobacco, $240,000,000; and from the floor tax on cigars, tobacco, and liquors, $70,000,000, or, as I have said, a total of $5,467,000,000. From those sources alone there is to be collected of the amount of taxes imposed under this bill 91½ per cent, or, in other words, all of the taxes imposed by this bill outside of the six sources which I have named only amount to 8½ per cent of the aggregate.

I voted to strike out this provision because I wanted to strike out every item under Title IX with the exception of about half a dozen. They would be expensive and difficult of administration on the part of the Government. They are nagging, irritating taxes, falling upon all of the people, and they ought to be eliminated. That is the reason I voted to strike out this section, and if I had the chance I would vote to have the others go out, as I said in my speech upon this bill.

Mr. WEEKS and Mr. GRONNA addressed the Chair.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Utah yield; and if so, to whom?

Mr. WEEKS. I merely wish to ask a question.

Mr. SMOOT. The Senator from Massachusetts rose first. I will yield to him, and then I will yield to the Senator from North Dakota.

Mr. WEEKS. I wish to ask the Senator from Utah if any estimate has been made of the cost of collecting the taxes provided for under this section?

Mr. SMOOT. None was given to the committee, but I will say that it was stated that hundreds, if not thousands, of employees of the Government would have to go from one end of the country to the other to check up the tax returns under this section, and nobody could tell what the cost of collecting it would be.

This is my position: If we want to impose a luxury tax, let us say what luxuries are, and impose a tax upon every cent of the sale price of such luxuries, and not over and above a certain price.

Mr. KENYON. Mr. President——

Mr. SMOOT. Under the House provision, if a suit of clothes sells for less than $50 it will pay no tax, but if it sells for $60 there will be a tax on the $10 over and above $50; and, if the Senator from Iowa will allow me just a moment, I wish to say to the Senator that a tax of that kind would simply mean this: If a suit of clothes made of wool sells for $60 to-day, and there were imposed a tax upon the $10 excess over $50, the first thing the merchant would do would be to buy a suit of clothes which, through the addition of shoddy, if in no other way, could be sold for $50, and thus escape the tax entirely.

Mr. McCUMBER. Will the Senator yield to me right there?

The PRESIDING OFFICER. To whom does the Senator from Utah yield?

Mr. McCUMBER. The suggestion I wish to make is in reference to the very point just brought out by the Senator from Utah. Would not that so reduce the quality of those goods that the actual wearing capacity of the article manufactured would not be half of what it would be if it were all wool, and would we not thereby compel the person who bought the cheaper suit in reality to buy two suits to equal the wearing value of the one all-wool suit?

Mr. SMOOT. Mr. President, the bad effects of the use of shoddy has never been demonstrated so thoroughly as during this war. You can take ladies' clothing manufactured to-day, costing more money than the same kind of article cost before the war, sometimes twice as much, and it is loaded with shoddy, and it does not wear half as long.

I called attention some time ago to the overcoating that was furnished our Government for our soldiers. I have seen soldiers' overcoats that could not possibly wear very long, 80 per cent of it being shoddy and only 20 per cent of it wool.

I now yield to the Senator from Iowa.

Mr. KENYON. Mr. President, I rose to ask a question of the Senator, not to make a speech. Would it be any more difficult, in the Senator's judgment, to collect these taxes than taxes on telephone messages and telegrams and transportation?

Mr. SMOOT. Yes, Mr. President.

Mr. KENYON. I do not see why.

Mr. SMOOT. I will tell the Senator why. On telephone messages all that is necessary is to keep track of the number of telephone messages sent. Under the pending section say there are a dozen sales made in the same day at a price over the limit provided in the section, a record must be kept and return made on each sale showing amount of sale and tax collected. If it is a $60 suit of clothes sold, a deduction is made of $50; then a tax of 20 per cent is imposed on the balance, and a separate record must be made of the sale and report made. The only proper way to impose a tax is to impose it upon all of the sales, not a part of them. That is why it is hard of administration; and it is going to be very costly to administer.

If the Senate will take the position that every item enumerated in the section is an article of luxury and wants to impose a tax of 20 per cent upon them, then there would be some sense

to a tax of that kind. Such a tax would be easy of administration. The House imposed this tax, as I said, not because these articles were luxuries per se, but because the House wanted to restrict the consumption of the articles enumerated, if possible. We all know that it takes the labor of the country to make these goods, and labor was wanted upon the farms, in the factories and machine shops. It was wanted in making munitions for the country and for our allies; and the provision was put in the bill more for the purpose of discouraging the production of such articles than it was for the imposition of the tax.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. SMOOT. I yield to the Senator from Tennessee.

Mr. McKELLAR. Would not the same difficulties of collection apply to hunting and shooting garments and riding habits, which, on page 196, are taxed at the rate of 10 per cent, that would apply to the articles here?

Mr. SMOOT. Oh, no. That is a straight 10 per cent tax upon the sale of the article.

Mr. McKELLAR. Well, this would be a 20 per cent tax upon sales above a certain price.

Mr. SMOOT. Yes; and that is just where the difficulty comes in, not only of keeping account of it by the merchant but of reporting it to the department, and showing just what the tax was on a certain percentage of the sale. In other words, the whole transaction must be reported and kept track of in detail, whereas the other sales can be made in bulk.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMOOT. I yield to the Senator from Wisconsin.

Mr. LENROOT. I call the Senator's attention to two or three paragraphs following that cited by the Senator from Tennessee, where pleasure boats and canoes, if sold for more than $15, are required to pay a tax.

Mr. SMOOT. Yes, Mr. President. I will say to the Senator the reason for that is that there are little boats that are used for personal use in going to and from their homes; and we did not want to tax the individual or the family that only used a boat for such a purpose as that, and had to use it every day.

Mr. LENROOT. But it does present the same difficulty?

Mr. SMOOT. It does, as far as that goes; but, as I understand, there are only a few of these boats in the United States, and we did not want to impose a tax upon them.

Mr. THOMAS obtained the floor.

Mr. JOHNSON of South Dakota. Mr. President, will the Senator yield?

Mr. THOMAS. I yield to the Senator.

Mr. JOHNSON of South Dakota. Touching the matter taken up by the Senator from North Dakota [Mr. GRONNA] with regard to the excise tax on automobile wagons, automobile trailers and tractors, I just want to say that a few days ago I introduced an amendment to strike that from the bill; and I shall take it up as soon as I can get the floor after the Senator from Colorado concludes.

Mr. THOMAS. The Senator will not be able to take it up until the committee amendments are all disposed of.

Mr. JOHNSON of South Dakota. It is a committee amendment.

Mr. THOMAS. An amendment to a committee amendment?

Mr. JOHNSON of South Dakota. Yes.

Mr. THOMAS. Mr. President, I voted in the committee for the excision of this line of taxes, first, because I thought they were too high in view of the sudden and happy close of hostilities, and for the additional reason that the application of the term "luxury" to the great bulk of these articles was a misnomer; I also believed, and I still believe, that if the House provision is retained in the bill it will serve to place a premium upon the manufacture and sale of shoddy and imitation goods.

For instance, take the subject of clothing. A suit of clothes costing in excess of $50 under the provision of the bill requires the payment of a tax of 20 per cent upon the excess over that sum. I wonder if there is a Senator in the Chamber wearing a suit of woolen clothes which cost less than $50 if purchased within the last 12 months? Such a thing may be possible, but I do not think it is at all probable.

I am wearing a suit of clothes which cost me nearly $100. It is the first new suit of clothes that I have indulged in since the war began, and for some time previous to that period. It was made to order, and perhaps for that reason it cost more than would have been the case if I had bought it ready made, but owing to the symmetry of my figure and the perfection of my form it is impossible for me to obtain any custom-made clothing that will pass muster in the eyes of my wife, and I am therefore compelled to resort to the other method. I do not consider that I indulged in a luxury when I secured this suit of clothes.

We must remember, Mr. President, that the price of raw material has advanced enormously since the war began. Wool has increased several hundred per cent since the war began, and unless I am mistaken the price of wool to-day in the market is in excess of 65 cents a pound. That is raw wool. When scoured it shrinks fully 70 per cent. Consequently the actual wool in the raw material that is fit for manufacture will cost three times 65 cents, or $1.95 a pound. With wool at that market price, to say nothing of the increased cost to manufacture the cloth and make the suit, who will contend that a $50 suit of clothes is a luxury?

In this excluded list is an item of 20 per cent upon all rugs and carpets costing in excess of $5 per square yard, except those which are imported. To-day the sum of $5 will not secure the wool that goes into a square yard of carpet, and a carpet is not a luxury in this latitude. This is one item.

Take that of shoes. The price of shoes has increased some 200 or 300 per cent—200 per cent, at least—and as a consequence the price of good shoes ranges all the way from $10 up, and particularly shoes which are made for women, which are much more expensive than those which are made for men. Is it possible that we are to impose a tax of 20 per cent upon the excess of the cost of shoes to the consumer over the sum of $10 per pair?

Silk, Mr. President, has ceased to be a luxury. There are luxurious silken goods, but silk has become as common and as necessary a fabric as cotton and wool in the ordinary consumption of the day. All silken garments and articles of wearing apparel—neckties, even—have increased in price enormously; yet we are levying a tax upon silken goods as luxuries, when they form a part and parcel of the necessities of everyday life.

Much opposition was made to the consumption tax proposed by the Senator from Utah [Mr. SMOOT] of 1 per cent upon retail sales, because it was a tax upon consumption; yet, under the pretense that we are placing a tax upon luxuries, we propose to penalize the consumers of the country to the extent of a 20 per cent tax upon articles which they must have, which are necessities, and which I think they will surely resent if, under the guise of luxuries, this enormous tax is placed upon them.

There may be here and there a number of items in this excluded list which are not absolute necessities. It may be that ladies' fans are luxuries. It will be pretty hard to convince a woman that they are, especially in the summer time; and I know of few women who would be satisfied with a dollar fan in these times, for fans also have increased in price. But if more than that amount is paid a direct tax of 20 per cent is immediately placed upon the excess. Now, as a matter of fact, the excess will be largely, I think, above the minimum price fixed for this line of goods. It may be, now that hostilities have ceased, that prices will show a tendency toward reduction. I have not yet observed it, and I do not believe that appreciable reductions will appear for some time to come, because of the enormous demand for the necessaries of life which will at once exhibit itself when normal conditions shall have returned and the interchange of commerce between the nations really begins. So, Mr. President, I cast my vote in the committee, as I shall cast it here, for the excision of these items.

Now, Mr. President, a word upon another subject.

I was much impressed with the brief but graphic address of the Senator from California [Mr. JOHNSON] a few moments ago with regard to the war-profits and excess-profits schedule or title of this bill. My position upon that subject is known, though perhaps not as well known as it would have been if I had been honored with a greater attendance in the Senate a few days ago when I discussed my proposed substitute for the entire title. I fully agree with the Senator in his attitude regarding a tax upon war profits. I think they should be made the basis of an immense amount of the revenue that we propose to raise by this bill. The difficulty with the bill, however, is that it not only confounds so-called excess profits, condemned by the Secretary of the Treasury and by the President, with war profits, but it extends both to profits which are not the result of profiteering, not the result of the war, thereby combining and confounding the just with the unjust, the good with the bad, by treating them all alike.

I believe, too, that the war-profits tax should be extended to partnerships and to individuals, for there be profiteers and profiteers; and the corporation is not the only sinner, neither is the capitalist. The man who sells raw material, the man laboring in that raw material, who takes advantage of war conditions and demands undue profit or compensation, is a profiteer. His unjust gain may be comparatively small, but it is a profiteering gain just the same. This bill does not reach these people. This bill, on the contrary, exempts and excludes

a very large class of individuals, and a comparatively large class of individuals associated together as partners, whose undue war profits we can reach only by a system of income-tax levies.

The Senator, of course, knows that Great Britain reaches this line of profiteers by a very heavy increase in its percentages of tax upon comparatively small incomes, but if we attempted to do that here we would at once awaken the same outcry against taxing the man of modest income, the poor man, that we have confronted under the provisions reported in the bill upon those subjects.

In the report of the House committee upon this bill, on page 8, is a table which illustrates what I am saying by a comparison of the income tax under the United Kingdom laws and under the laws of Canada and of France. It will be observed that where we get $30 on a given income of $2,500 Great Britain takes $210.94. If we go up to $5,000 the rate of levy under this bill is $180. The rate in the United Kingdom bill is $750. I will ask leave to print in my remarks page 8 of the House report upon the revenue bill of 1918, under which the enormous excess of percentages of income-tax rate upon small incomes in Great Britain as compared with ours is very graphically shown:

Income taxes upon specified incomes of married persons or heads of families with no dependents levied in the United States, United Kingdom, Canada, and France.

Income of married persons or heads of families.	United States tax under—				United Kingdom tax.				Canada.		France.	
	Existing law.		Proposed bill.		Amount.		Rate (per cent).		Amount.	Rate (per cent).	Amount.	Rate (per cent).
	Amount.	Rate (per cent).	Amount.	Rate (per cent).	Unearned.	Earned.	Unearned.	Earned.				
$2,500	$10	0.40	$30	1.20	$281.25	$210.94	11.25	8.44	$10.00	0.40	$31.25	1.25
$3,000	20	.67	60	2.00	445.31	356.25	14.84	11.87	20.00	.67	50.00	1.67
$3,500	30	.86	90	2.57	568.44	453.75	16.24	12.96	40.00	1.14	72.50	2.07
$4,000	46	1.00	120	3.00	726.56	581.25	18.16	14.53	60.00	1.50	97.50	2.44
$4,500	60	1.33	150	3.33	843.75	675.00	18.75	15.00	80.00	1.78	128.75	2.86
$5,000	80	1.60	180	3.60	937.50	750.00	18.75	15.00	100.00	2.00	160.00	3.20
$5,500	105	1.91	220	4.00	1,237.50	1,031.25	22.50	18.75	120.00	2.18	191.25	3.48
$6,000	130	2.16	260	4.33	1,350.00	1,125.00	22.50	18.75	140.00	2.33	222.50	3.71
$6,500	155	2.38	330	5.08	1,462.50	1,218.75	22.50	18.75	171.50	2.64	253.75	3.90
$7,000	180	2.57	400	5.71	1,575.00	1,312.50	22.50	18.75	203.00	2.90	285.00	4.07
$7,500	205	2.73	470	6.27	1,687.50	1,406.25	22.50	18.75	234.50	3.13	316.25	4.21
$8,000	235	2.93	545	6.81	2,100.00	1,800.00	26.25	22.50	266.00	3.33	347.50	4.34
$8,500	265	3.12	620	7.29	2,231.25	1,912.50	26.25	22.50	297.50	3.50	385.00	4.53
$9,000	295	3.28	695	7.72	2,362.50	2,025.00	26.25	22.50	329.00	3.66	422.50	4.69
$9,500	325	3.42	770	8.11	2,493.75	2,137.50	26.25	22.50	360.50	3.79	460.00	4.84
$10,000	355	3.55	845	8.45	2,625.00	2,250.00	26.25	22.50	392.00	3.92	497.50	4.98
$12,500	530	4.24	1,320	10.56	3,750.00	3,281.25	30.00	26.25	639.50	5.12	691.25	5.53
$15,000	730	4.87	1,795	11.97	4,812.50	4,812.50	32.08	32.08	887.00	5.91	910.00	6.07
$20,000	1,180	5.90	2,895	14.48	6,812.50	6,812.50	34.06	34.06	1,382.00	6.91	1,397.50	6.99
$25,000	1,780	7.12	4,245	16.98	8,937.50	8,937.50	35.75	35.75	2,042.00	8.17	1,960.00	7.84
$30,000	2,380	7.93	5,595	18.65	11,187.50	11,187.50	37.29	37.29	2,702.00	9.01	2,522.50	8.41
$35,000	2,980	8.51	7,195	20.56	13,562.50	13,562.50	38.75	38.75	3,472.00	9.92	3,147.50	8.99
$40,000	3,580	8.95	8,795	21.99	15,937.50	15,937.50	39.84	39.84	4,242.60	10.60	3,772.50	9.43
$45,000	4,380	9.73	10,645	23.66	18,437.50	18,437.50	40.97	40.97	5,012.00	11.14	4,397.50	9.77
$50,000	5,180	10.36	12,495	24.99	20,937.50	20,937.50	41.88	41.88	5,782.00	11.56	5,022.50	10.05
$55,000	5,980	10.87	14,095	25.72	23,562.50	23,562.50	42.84	42.84	6,827.00	12.41	5,647.50	10.27
$60,000	6,780	11.30	16,895	28.16	26,187.50	26,187.50	43.65	43.65	7,872.00	13.12	6,272.50	10.45
$70,000	8,380	12.69	21,895	31.26	31,437.50	31,437.50	44.91	44.91	9,962.00	14.23	7,772.50	10.75
$80,000	10,980	13.72	27,295	34.12	36,687.50	36,687.50	45.86	45.86	12,327.00	15.41	8,772.50	10.96
$100,000	16,180	16.18	39,095	39.10	47,187.50	47,187.50	47.19	47.19	17,607.00	17.61	11,272.50	11.27
$150,000	31,680	21.12	70,095	46.73	73,437.50	73,437.50	48.96	48.96	34,282.00	22.85	17,522.50	11.68
$200,000	46,180	24.59	101,095	50.55	99,687.50	99,687.50	49.84	49.84	50,957.00	25.48	23,772.50	11.89
$300,000	92,680	30.89	165,095	55.03	152,187.50	152,187.50	50.73	50.73	96,857.00	32.28	36,272.50	12.09
$500,000	192,680	38.54	297,095	59.42	257,187.50	257,187.50	51.44	51.44	195,407.00	39.08	61,272.50	12.25
$1,000,000	475,180	47.52	647,095	64.71	519,687.50	519,687.50	51.97	51.97	400,157.00	40.02	123,772.50	12.38
$5,000,000	3,140,180	62.80	3,527,095	70.54	2,619,687.50	2,619,687.50	52.39	52.39	3,415,157.00	68.30	623,772.50	12.48

It is a method and perhaps the only method for reaching the small profiteers, yet I do not believe there is a man within the sound of my voice who would vote for such a raise on incomes to-day, simply because it reaches too many people, it takes in too many profiteers; it gets the small profiteer as well as the large one.

I confess I should not advocate it myself for the very good reason that I do not believe in placing such a heavy hand upon the man with a legitimate income for the purpose of reaching the profiteering income of the man whose returns are practically at the same rate. I mention that——

Mr. SMITH of Michigan. Mr. President——

Mr. THOMAS. Just a moment. I mention that for the purpose of emphasizing the difficulty which the committee studying this very important and complex question would be confronted with, all along the line from the man with a $2,500 income to the man with an income of $100,000. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I was somewhat struck with the statement of the Senator that the application of the British rule was so widespread it would find no sanction here.

Mr. THOMAS. Only as to small incomes.

Mr. SMITH of Michigan. As to small incomes. But does not the Senator think that the virtue of an income tax lies or should lie in the universality of it?

Mr. THOMAS. Certainly.

Mr. SMITH of Michigan. That ought to apply to all incomes.

Mr. THOMAS. Certainly, to all income in excess of six or seven hundred dollars.

Mr. SMITH of Michigan. Any attempt to relieve classes of citizens is fraught with danger and ought to be avoided. I am sorry the Senator believes that a rule so universal would have no special favor here.

Mr. THOMAS. The Senator misunderstands me. I believe that there is a very strong sentiment against placing high taxes upon small incomes. I do not believe there is a Senator here in favor of placing a large tax upon small incomes. The British tax upon small incomes is much more than twice as heavy as the American tax upon small incomes. I agree with the Senator that the exemptions from income tax should be very low, the lower the better.

Mr. SMITH of Michigan. Under the British system I believe the exemption is $640, but if this system is to be permanently successful it must be fair and just and apply to all people alike in proportion to their income. In that way invidious distinctions are avoided. I think there is no person so poor as that he would not be happy to contribute his mite toward the expenses of the Government if he had an opportunity to do so.

Mr. THOMAS. I do not think the Senator and I disagree. But to illustrate my contention let me call attention again to this table. Under the proposed law the amount collected from a $5,000 income would be $750 in Great Britain. The same income would pay $180 here. Take $7,500. Here the tax is $470. In Great Britain it is $1,687, or nearly four times as much. It would be impossible for us, if we would reach the small profiteer, to impose such enormous percentages of tax upon small incomes. The difficulty is one which can not be overcome by that means, and the small profiteer will escape that contribution which even under a 40 or 50 or 60 per cent war-profits tax the big profiteer must respond to.

Mr. President, before I take my seat I wish to refer to a little incident of this morning, and for which my genial and

very dear friend the Senator from Arizona [Mr. ASHURST] has taken me to task. During the remarks of the Senator from Iowa in support of this amendment I challenged his statement that Grover Cleveland was a Democrat. Let me assure my friend from Arizona, and the Senate as well, that I intended and I made no reflection whatever upon the character of the former President. Such was not my purpose. Of his honesty, of his integrity of purpose, I make no possible question. Of his courage no man can make any question. Indeed, his courage was, in my judgment, a defect rather than a merit in his official career, warped as it was in a wrong direction. An honest and courageous man in high position who goes wrong is more dangerous than one of weaker fiber. My remark was based upon the fact that Mr. Cleveland was elected by an overwhelming majority of the American people both in the popular vote and in the Electoral College upon a platform unmistakable in its meaning and voicing the sentiments of his supporters. He set his face against one of its principal features regardless of consequences. He found his party strong, supreme, and effective. He left his party ruined, broken into a thousand fragments, and doomed to an exile of many, many years. For this he was responsible more than any other man.

There can be no question, Mr. President, that the utter lack of harmony between the administration and the mass of the Democratic Party during the last two years of his last administration, due to his stubborn disregard of his party associates, doomed it to the calamity of political defeat. And everyone knows that Mr. Cleveland opposed his party in the campaign of 1896. It was for these reasons that I made protest to his democracy. I have made it frequently. I made it everywhere in 1896 and again in 1904, and so did many other Democrats far more prominent in its councils than I ever have been.

Mr. MARTIN of Virginia. Mr. President, I shall occupy a very few moments. I desire to say to the Senate, and I trust I will not be misunderstood in saying it, that there is a very general desire that the Senate shall be at recess the balance of the week after to-day. It has transpired that that conviction has permeated the Senate to such an extent that it is now practically certain that there will not be a quorum of the Senate in the city after to-day. As it is very important that this bill shall pass the Senate and go to the House before the recess commences, I feel that I am taking no unreasonable liberty when I bring it to the attention of Senators that the bill will have to be passed to-day or we will be without a quorum and the bill be unpassed.

My object is to appeal to Senators on both sides of the Chamber to unite in the purpose to conclude the bill to-day and let it go to conference, in order that we may not break up here, as we certainly will have to do to-day, when there will be no quorum of the Senate in the city after to-day. I am assured that reservations have been made sufficient to demonstrate the fact that the bill must pass to-day or it will not pass this week and will not go to conference until after the 2d day of January.

I appeal to Senators to cooperate to that end. In doing that I know, of course, Senators will understand that I have no wish to interfere with any Senator who desires to express his views about the bill, but I want him to do it with a full knowledge of the situation, so that he may, as far as he is inclined to give his views, do so, but that he may limit his remarks, so that we may be enabled to reach a final disposition of the bill to-day, for if it goes to conference before the recess it must be passed to-day.

I am sure Senators will appreciate the need as fully as I do. I simply desired to bring to their attention the conditions which confront us and appeal to Senators on both sides of the Chamber to unite and cooperate in completing the bill to-day.

Mr. THOMAS. Mr. President, I think the warning given by the Senator from Virginia is very timely and necessary. I think he has stated the absolute fact, but I want to say that it is a humiliation to me as a Senator to be required to stay here and attend to public business in face of the fact that so many seem to prefer a good holiday season at this critical period of American affairs to staying here and attending to the public business.

Mr. ASHURST. Mr. President, I had intended to speak for seven or eight minutes on this particular subject, but I appreciate the force of the suggestion and statement of the Senator from Virginia, and hence I will consume but three or four minutes.

There has been much doubt as to whether or not this was a mistake on the part of the committee. That doubt has been dispelled, and I am bound to say in seriousness that the speeches made by the chairman of the committee [Mr. SIMMONS], by the Senator from Utah [Mr. SMOOT], and the Senator from Colorado [Mr. THOMAS] have cleared up a good deal of misunderstanding as to what was the intent and purpose in striking from the bill this tax, which a great many Senators believe to be a tax on luxuries. I have no doubt the misapprehension arose from a statement that was given to the press by the distinguished Senator from Pennsylvania [Mr. PENROSE], who announced that all taxes on luxuries would be removed as soon as the committee could reach a report. I will read from the Toledo News-Bee, a newspaper printed in Toledo, Ohio, under date of November 23, 1918. The headline is:

War taxes to be lower soon, says Senator BOIES PENROSE.

The headlines continue as follows:

In the meantime be an optimist on America. Share prosperity. This is the view of Senate's tory leader.

That is the headline. Here is the editor's note:

One of the most powerful men in the Republican Party is Senator BOIES PENROSE, of Pennsylvania. He is also a silent man. Both in Republican national conventions and in the Senate he does his most effective work in committee rooms. He seldom makes speeches in the Senate, confining himself to keen-edged questions which are hard to answer on the spur of the moment. He is also very seldom interviewed. His views, as here set forth on the Nation's future and its finances, may be taken as the views of the dominant faction in the Republican Party, which expects to control the next Congress.

Then there is an article by Mr. Milton Bronner, a very celebrated writer, who says:

WASHINGTON, *November 23.*

On the immediate future of this country be a bull. In other words, be an American optimist. The country is in for prosperity which will be shared alike by the capitalist and the wage earner.

This is the view of Senator BOIES PENROSE, from the industrial State of Pennsylvania. PENROSE, as everybody knows, is the leader of the conservative, or tory, or reactionary forces in the Senate. He is the big boss of the Republican organization in Pennsylvania.

MAY BE A SENATE LEADER.

If the old leadership of the G. O. P. succeeds, he will be the chairman of the Finance Committee in the next Congress, and, therefore, will have a very large part in shaping the fiscal policy of the Nation.

Then follows the interview, and I am bound to say it is largely a very sane, statesmanlike paper; but the Senator from Pennsylvania, like Cyrano de Bergerac in the play, in his last line hit. I will read that paragraph. The Senator concludes his interview as follows:

It may be some consolation to know that those huge burdens of taxes will only be paid once. The annoying taxes of a smaller variety, taxes on transportation, sales, luxuries, and similar articles and transactions will be among the earliest to go.

To a wayfaring man, a Senator who is not on the Committee on Finance when a great bill is brought in of nearly 300 pages, the ranking member of the Republican minority announcing in advance that all taxes on luxuries would be removed, such Senators must be pardoned, when they see an appearance of taxes on luxuries having been removed, for believing that those appearances are justified, especially in view of the interview of the Senator from Pennsylvania, which announced that luxury taxes are to go.

Mr. SIMMONS. I think the Senator misunderstands the last declaration the Senator from Pennsylvania made, that transportation, sales, and luxury taxes must go. When he said that he was referring to some future time when we get rid of the war taxes. The transportation taxes are still in the bill. He could not have referred to their going out, because there never was any suggestion that they should go out. They have not been raised, however. They are the same as the present law. They have not been increased.

Mr. ASHURST. That is all I care to say, Mr. President.

Mr. McCUMBER. Mr. President, I realize the great difficulty in bringing any number of Senators to a consideration of a review of their own conclusions, conclusions that are very often formed upon a mere surface glance at a provision without study, without considering any of the reasons, and immediately expressing themselves and finding themselves in a position where they must either plead guilty of inconsistency or else stay by their first conclusions. The Senator from Arizona has stated that for years he had been making speeches to his constituents in which he had proclaimed that it was the duty of Congress to lay good and strong and heavy taxes upon luxuries, and he sees something in the bill which he deems does not conform to that view, and immediately announces that he is against it and hopes that his party will be against it. The Senator from Kansas [Mr. CURTIS] immediately declares that he hopes that every Republican will vote against the amendment that was adopted by the committee, because as he views it is not conforming to his idea.

Now, let me put that question straight to the Senator from Arizona, and I think I will be able to get his own views, and I believe when I get them upon a true statement of the facts we will not very materially differ.

Mr. CURTIS. May I interrupt the Senator before he goes into that?

Mr. McCUMBER. Certainly.

Mr. CURTIS. What I said to-day did not relate to domestic luxuries. I asked for a very high duty on imported luxuries.

Mr. McCUMBER. Yes; and I will agree with that part, not only that we should have a duty but a high duty. The Senator from Arizona has said to one of his confiding constituents that it is his purpose as a Senator to see that in a tariff bill luxury shall be taxed, and the Senator hopes for the retention of the provision of the House to carry his own statement into effect. Now, let us see what the result will be.

If the Senator says to this constituent, "I know that you can not buy a good woman's coat, all wool, for less than $60 or $70, but you can buy cheaper goods—that is, an article 15 or 20 per cent shoddy for $40—and thereby I have taxed the luxury, but I have not taxed you," and if that constituent is a lady who knows anything about the worth and value of an article which she is buying she will say to the Senator, "Wool is not a luxury. I am entitled to a woolen coat; it is not a luxury and has never been considered as a luxury. It is true that I can buy a shoddy coat for $40, but my $70 suit will last me two years, while the shoddy suit I could wear only six months. If I am going to wear coats, I shall have to buy two of those shoddy suits or three to get the same value that I would get out of one of the $70 suits, which is all wool." Will not the good lady, the constituent of the Senator, immediately call his attention to the fact that instead of relieving her from paying this excessive tax he has compelled her to buy two suits where she ought to have bought but one? The Senator knows as well as I do any anyone else who has bought a shoddy article to wear that one good woolen suit of clothes for man or woman will outlast three suits that have even 10 or 15 per cent of shoddy in the mixture.

As a matter of fact, I do not care what your advertisements are in your papers, you can not go into the city of Washington to-day and buy a good woolen coat of wool, a winter coat, for $40 or even $50. I have some reasons for knowing.

I want to say that there are some articles in this list that probably could stand that tax, and it would apply only to those who are able to buy what you call luxuries, but remember that the suit of clothes which cost you $40 before the war, and which was not a luxury then, costs you $70 or $80 to-day. Now, you are getting the same thing. It is no more a luxury to-day because you have got to pay twice as much for it than it was a luxury before, and yet you are going to put a heavy tax on everyone who is already taxed to death in order to be able to buy that woolen suit.

Now, I come to shoes. The Senator from North Carolina [Mr. SIMMONS] says you can not get a good pair of shoes short of $10. I believe that is true. He is correct when he buys women's shoes, and probably he could get men's shoes that would be first class short of $10. You can buy a $6 shoe to-day, but is it economy on the part of those who can afford even to buy a $10 shoe to pay $10 for a pair of shoes that will last them 18 months rather than to pay $6 for a pair of shoes that will last them 6 months? Are you doing a kindness to that purchaser when you say to him or her we will compel you to buy a cheaper grade?

You can draw your own conclusion without a great deal of study, that if on a man's suit of clothes or a woman's suit of clothes that costs $50 you put a tax of 20 per cent on all the excess everyone knows that you are taxing a thing that 99 per cent of the people of the United States buy every day in the year, and you are putting a very unjust tax upon it; and you know further, if you know anything about manufacturers, that they will attempt the moment you pass this bill to manufacture one class of suits that can keep them just below the taxing amount, and to do that they have got to shoddy it enormously. They will manufacture the other of good wool, which every American citizen is entitled to have, and you will have a tax of $10, $20, $30, and $40 to pay. I ask the Senator if he considers that that is just to his constituents who want to buy woolen goods. I know that a pair of shoes that costs $10 is worth more than the difference between a pair of shoes that costs $6 or $5 in its wearing quality.

Mr. ASHURST. The Senator has asked me a question, and I think I ought to answer it.

Mr. McCUMBER. Certainly; I would just as soon have the Senator answer it now.

Mr. ASHURST. What the Senator has said about clothing and shoes is in the domain of true controversy, and I am bound to say it is quite true when he limits it possibly to clothing and shoes. I am not going to dispute his suggestion that when you go to get a good suit of clothes you have to pay $50. There is no doubt about that fact.

Mr. McCUMBER. You can not get a woolen suit of clothes to-day that is made up rightly and good to last for $50.

Mr. ASHURST. I will grant that, and in inveighing against this particular section, which I have said is also a tax on luxuries, I am going to ask the distinguished Senator from North Dakota this question: The House bill laid a tax on picture frames where each picture frame cost over $10. Does the Senator think a picture frame that costs $10 is a luxury or not?

Mr. McCUMBER. I say you would not want one for $10 that you would have in your house.

Mr. ASHURST. I say a picture frame that costs over $10 when you are constantly appealed to to be economical is a luxury. I know that boys of the age of 15 and 25 frequently want to have their neckties and socks match in color and I respectfully assert that a necktie that costs over $2 is a luxury.

Mr. McCUMBER. Very well. The person who buys a $2 necktie has parted with $2; he has paid somebody a profit, and somebody who made that profit is going to be taxed. That is all.

Mr. ASHURST. So I could go on down the bill. I repeat, I am bound in fairness to say that the Senator from North Dakota makes a very strong point with reference to shoes and with reference to clothing, but there are in the bill items other than those relating to shoes and clothing.

Mr. THOMAS. Mr. President——

Mr. McCUMBER. I yield to the Senator from Colorado.

Mr. THOMAS. I desire to suggest that the purpose of the other House, as I understand, in fixing the tax upon picture frames costing in excess of $10 was not to tax a luxury, but to prohibit a certain line of commerce during the war.

Mr. McCUMBER. That was the purpose of all of these provisions.

Mr. THOMAS. It was the purpose of all of them.

Mr. McCUMBER. The purpose was not to collect anything out of them; but the operation of the tax and the natural effect of it, as a whole, would be enormously to tax people who are now paying extravagant prices for everything which they purchase.

I further yield to the Senator from Arizona now, if he has not finished.

Mr. ASHURST. The House bill, among other things, laid a tax on boys' pajamas where they cost over $5. I think that in these times, when we are urging contributions for the Red Cross and when we are all trying to buy liberty loan bonds, the ordinary American boy would be satisfied with a pair of $4.50 pajamas. I think a pair of pajamas costing over $5 may, in fairness, be considered a luxury. Indeed, there are very few of the sons of toil, those who produce the wealth, who, in my judgment, wear pajamas at all.

Mr. McCUMBER. I will say that I do not, and I do not know anything about pajamas. [Laughter.]

Mr. ASHURST. Neither do I; and that is the reason I think they are a luxury.

Mr. McCUMBER. I do not know what they cost; I have an idea, however, that if they are woolen they may not be purchased for $5.

Mr. ASHURST. That may be true.

Mr. McCUMBER. And I rather think that your mountaineers or your men out on the plains in the cold season in Arizona are entitled to woolen pajamas.

Mr. SIMMONS. This is also a tax on men's and women's pajamas as well as on boys' pajamas.

Mr. ASHURST. I do not care to say anything further. I am going to be fair enough to admit that a vast deal which has been said by the Senator from North Dakota is true, but I maintain my original ground that a vast number of these articles from which the tax has been excluded, in the domain of honest intellectual expression and by the standard of ordinary Americans, are luxuries.

Mr. McCUMBER. Well, it may be that we could pick out a few of those that one does not very often buy, where you might call the price above the price that is fixed as being somewhat luxurious; but there are very few of them to-day which I think would come under the category of luxuries.

However, let me ask the Senator from Arizona another question, and it is based upon an entirely different view of this whole subject. We purpose in this bill to tax incomes, and we propose to tax incomes all they will stand. If we have not done it, then we have not gone far enough on some of the incomes; that is all. Is it not a far better way to do to tax the income and then let a man spend his money, paying such prices as he sees fit for the clothing he buys or for the carpet he buys to put down on his floor? We may tax the dog woman of whom the Senator from Iowa [Mr. KENYON] was speaking, by taxing her income so greatly that she can not afford to keep the fluffy dog and the fluffy man to lead him around. Would that not be a far better way to meet that situation than it would be by placing a tax on collars, for instance, to put on dogs?

Mr. ASHURST. Mr. President, when the Senator from North Dakota begins to talk in favor of the income tax, his feet are on

rib rock; his position is impregnable; and with merely one amendment the income tax would be almost a perfect tax; that is, if we required the returns to be made a public record we should have, in my opinion, almost an ideal tax.

Mr. McCUMBER. That may be a subject as to which there might be considerable disagreement; but I am trying to speak to this provision and to see whether or not we really ought to impose a tax.

I desire to carry my thought a little further along that line; and that is as to the right of individuals when they have earned their money and when they have paid their proportion of tax out of that money to do as they have a mind to do with what they have left. One man may make a sum of money and think he wants to travel, and he uses his money in travel. He goes over to Europe, and he views the battle fields. That is what he does with what remnant of his salary or of his income that he has left. Another man would prefer to buy a little better carpet for his home. Why not let men spend their money in that way so long as the Government has taken its share out of that money?

I know people even in this city who, I do not think, have enough to eat; they skimp and economize in every way in order that they may go to the theater two or three times a week. They enjoy the theater more than they do a good meal. I might enjoy a good meal with my family better than I would enjoy going to the theater. Then why, in heaven's name, can you not let the other man and his family go to the theater and spend his money in that way and let me buy a little better carpet for my home and enjoy my fireside? Why should you make the distinction where it is not necessary to do so?

I do not object to a tax on luxuries; tax them all you have a mind to if they are real luxuries, but do not measure the price of an article in war times in order to determine whether or not it is a luxury. If we were to determine the standards of what is and what is not a luxury by the standard of the price to-day, I do not know a thing you can buy that would not be classed as a luxury. All articles cost from two to three times as much in price as they did before the beginning of this war, and they are still going up. I do not want to send the $60 coat up to $70, for I know the American people have got to buy. I do not want to send the $10 pair of shoes or the $12 pair of shoes, if they are the only pair of shoes one can get which are good, up to a price which will be three or four dollars more and which is still added to by making the tax a little higher.

An ordinary pair of boots for an officer now costs him $35, where before the war he could have bought as good a pair of boots for $8 or $9. Taking your standard of shoes at $10, at $20, or $25, he must pay 20 per cent tax on them.

The Senator says that some of these things could stand a luxury tax, and that is true; they could stand a luxury tax. In other words, people could buy something, maybe, a little cheaper which, in some instances, might last practically as long, but there is no need for the provisions under this title. That is one good reason against the whole of it. There is no occasion for it; we raise enough taxes without it. If we raise enough taxes without taxing everybody for practically everything that he buys, let us do it, for, God knows, what one buys now is heavy enough in its price.

Mr. LODGE. Mr. President, there are no luxury taxes imposed in this bill. This is a part of the title which is called "Excise taxes," and in section 900 there are a number of articles which are purely luxuries; that is, they are articles which are not in the least essential to life, but as to these particular ones which it is now proposed to strike out I think almost every article is a necessity. What the other House has done was to arbitrarily say that above a certain price these articles ought to be taxed.

In the first part of the bill, for instance, it is proposed to tax pianos and all mechanical musical talking devices. It is proposed to tax sporting goods, firearms, hunting knives, cigarette holders, liveries, livery boots and hats, hunting and shooting garments, articles made of fur, yachts and motor boats, toilet soaps, and toilet powders. Those are luxuries that are included there. These are additional taxes based solely on price. Hardly any of them may properly be described as luxuries in themselves. On trunks and valises, purses, portable lighting fixtures, umbrellas, men's and women's clothing, boots, shoes, and everything of that sort which make up the mass of these taxes, 20 per cent additional taxes are imposed.

We say arbitrarily that if a man pays more than $50 for a suit of clothes he ought to be taxed. It is not because it is a luxury, for he has got to have the suit of clothes. Though it is a necessity that he should have a $40 suit, it is assumed that it becomes a luxury if he buys a $51 suit. It is not a luxury in either case; it is an arbitrary determination that above a certain price we shall tax these suits, because the theory is that the people who are ready to pay more than that amount for a given article are able to pay the tax. From the practical side, the effect will undoubtedly be to make people buy the cheaper article, just under the line, and thus avoid the tax.

These taxes went out on the recommendation of the Treasury. They were put in the bill originally to meet the exigencies of war; they had been put in to furnish taxes very late in the war, when it was sought in every corner to obtain revenue. When it was found that we could reduce the amount of the bill, this was one of the taxes that the Treasury recommended should be eliminated, because it was said the cost and difficulty of its administration would be very great, and it would throw the retail business of the country on all these articles, which in themselves are necessities, into great confusion.

These taxes will not fall with any great weight upon that abominable class who are known as rich people; they will fall quite as much upon people of ordinary means who may like to have a good suit of clothes and save their money for that purpose. They will either have to buy an inferior article or pay the tax. The rich who will pay it will not feel it materially at all; but business will feel it, and people who have to look at the dollars they spend will feel it, and they will be the only people who will feel this tax.

I voted very cheerfully to strike it out in the committee, because it seems to me an annoying and troublesome tax, injurious to business, extremely difficult of collection, serving no good purpose, and only defensible at a time when we needed to exhaust every source of taxation.

The general policy, which I am not going to enter into now, has been adopted of avoiding, so far as possible, consumption taxes. Every one of these is a consumption tax, and therefore, when it came to striking out the provision, if I am not mistaken, the vote in the committee was unanimous to strike it out.

Mr. KENYON. Mr. President, is the Senator quite sure that the vote in the committee was unanimous? I have been told it was not unanimous.

Mr. LODGE. Possibly not. The majority, however, in favor of striking out the provision was certainly very large; but that is wholly immaterial as to the merits of the question. I thought that it was so nearly unanimous that the opposition was not noticeable.

Mr. President, I do not wish to take the time of the Senate, but I want to call attention to one or two articles to illustrate what I mean. I think we may say that a carpet is a necessity. There are people, of course, who live without carpets; life can be supported without carpets; but I think in our climate—or, as Mark Twain said: "We have no climate; we only have weather"—in our weather, I think, an umbrella may be described as a necessity. I have observed periods in Washington when I thought a fan might have been described as a necessity. I should say men's waistcoats; men's and boys' suits and overcoats; women's and misses' suits, cloaks, and coats; women's and misses' hats and bonnets; men's and boys' hats; men's and boys' caps; men's, women's, misses,' and boys' boots and shoes; men's and boys' neckties and neckwear—all are necessities. Silk stockings, I may say, are purely luxuries. Men's shirts—a man can go without a shirt; one is not absolutely necessary. Men's pajamas; kimonos, petticoats, and waists.

Now, I have read nearly all of the items, and they are of themselves necessities; yet it is proposed to say that above a certain price they shall be taxed. That does not make them luxuries; that is simply an arbitrary determination that when they cost above a certain amount we shall tax them.

Mr. ASHURST. Mr. President, the Senator is a very fair debater and is a very scholarly and able man. He has selected certain articles which I am bound to concede are necessities, but he can not in debate merely select one thing from the text and wrench it from its context and make it stand apart.

Mr. LODGE. I think I omitted all the things that can possibly be described as luxuries.

Mr. ASHURST. To attempt to sustain my position, I want the Senator to be frank, as I know he will be, as to the items that I am about to mention, as he has been as to the others. Take the top of page 200, where the House puts a tax on purses, pocketbooks, and hand bags that cost in excess of $7.50. Does not the Senator think in these times that a hand bag or a purse that costs in excess of $7.50 is a luxury?

Mr. LODGE. I did not mention those articles as necessities.

Mr. ASHURST. I know the Senator did not, but the Senator selected a number of articles which he said were necessities.

Mr. LODGE. I read them and stated that I read nearly all, and I did read nearly all. Purses may be called a luxury.

One can carry bills in an envelope and his change loose in his pocket; I know that.

Mr. ASHURST. That is not the point exactly.

Mr. LODGE. I am perfectly willing to assume that a portable lighting fixture is not a necessity.

Mr. ASHURST. Very true.

Mr. LODGE. One may use a candle.

Mr. ASHURST. Now, take the item on line 8—smoking jackets.

Mr. LODGE. I did not read that item; that is a luxury, I admit.

Mr. ASHURST. The distinguished Senator has been just as fair as I thought he would be. The only point I sought to make was that there were some articles in the list that were luxuries.

Mr. LODGE. There are a few.

Mr. ASHURST. That is all there is to the controversy.

Mr. LODGE. I omitted silk stockings, but I think most of the articles in the paragraph in themselves are necessities. All we do here is to say that above a certain price we will tax them. We do not say they are luxuries; it is a misnomer to call them luxuries; they have not been so mentioned in the bill at all; but we fix an arbitrary price and say we will tax them. Mr. President, when we come to argue what people need, I think there are some lines in Shakespeare that show the difficulty of defining such a thing, as, for instance, where King Lear is made to say:

> Oh, reason not the need; our basest beggars
> Are in the poorest things superfluous.
> Allow not nature more than nature needs;
> Man's life's as cheap as beast's.

I think we can not lay down any hard-and-fast line of that kind. As I have said, these taxes are defensible only on a war basis. We have reduced the taxes in this bill $2,000,000,000, and we propose to eliminate a few millions dollars by striking out a tax which the administration urges us to take out, a tax that would be difficult to collect and difficult of administration, extremely annoying, and the kind of tax which I think is much better out of the bill than in it.

Mr. SMITH of Michigan. Mr. President, if the Senator from Massachusetts will allow me, it was put in before the war closed, was it not?

Mr. LODGE. Certainly; it was put in by the House.

Mr. SMITH of Michigan. And it was put in for the purpose of discouraging investment in that kind of articles?

Mr. LODGE. Absolutely; that was its purpose.

Mr. SMITH of Michigan. And now the reason for it has passed.

Mr. SIMMONS. Mr. President, I simply wish to say that I know, as a matter of fact, that the Committee on Ways and Means put this provision in the bill because at the time it seemed to be necessary in order to get the amount of revenue required, and also for the reason the Senator from Michigan [Mr. SMITH] has just given. I know that many of the members of that committee would like to see these taxes go out of the bill.

Mr. President, I think that the Senate clearly understands this matter, and I hope we may have a vote upon it. If we are going to discuss every item that is likely to come up to-day as long as we have discussed this item, of course there will be no possibility of passing this bill by midnight to-night. I had hoped that it would not be necessary to keep the Senate here until midnight, but we can not pass it even by that time; we can not pass it in a week if we devote as much time to other provisions as we have devoted to this provision.

SEVERAL SENATORS. Vote!

Mr. KENYON. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, I do not think the Senate understands what they are voting on.

The VICE PRESIDENT. The Chair thinks it should be understood by the Senate by this time.

Mr. SIMMONS. The question is on agreeing to the committee amendment.

The VICE PRESIDENT. Yes; and that strikes out the House text. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BRANDEGEE (when his name was called). I am paired with the senior Senator from Tennessee [Mr. SHIELDS]. I transfer that pair to the junior Senator from New Jersey [Mr. BAIRD] and vote. I vote "yea."

Mr. JONES of Washington (when his name was called). I am paired for the time being with the senior Senator from Louisiana [Mr. RANSDELL]. I do not know how he would vote on this amendment, and therefore I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL], which I transfer to the junior Senator from Montana [Mr. WALSH] and vote "nay."

Mr. NEW (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. GAY]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. SAULSBURY (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT], which does not apply to votes hereafter to be taken on this bill nor to this one. If present, he would vote as I shall vote. Therefore I vote "yea."

Mr. SMITH of Michigan (when his name was called). I have a pair with the senior Senator from Missouri [Mr. REED]. As he is absent, I will transfer that pair to the senior Senator from New Jersey [Mr. FRELINGHUYSEN] and vote "yea."

Mr. STERLING (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH] and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. GERRY (after having voted in the affirmative). I inquire if the junior Senator from New York [Mr. CALDER] has voted?

The VICE PRESIDENT. He has not.

Mr. GERRY. I have a general pair with the junior Senator from New York, which I transfer to the Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is absent. As I am unable to obtain a transfer, I withhold my vote.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

The result was announced—yeas 32, nays 38, as follows:

YEAS—32.

Bankhead	Knox	Saulsbury	Sutherland
Brandegee	Lewis	Simmons	Swanson
Culberson	Lodge	Smith, Ariz.	Thomas
Dillingham	McCumber	Smith, Ga.	Underwood
Gerry	Martin, Va.	Smith, Md.	Warren
Gore	Moses	Smith, Mich.	Watson
Henderson	Page	Smoot	Williams
Jones, N. Mex.	Penrose	Spencer	Wolcott

NAYS—38.

Ashurst	Hale	La Follette	Poindexter
Beckham	Harding	Lenroot	Pollock
Borah	Hitchcock	McKellar	Pomerene
Chamberlain	Johnson, Cal.	McNary	Shafroth
Cummins	Johnson, S. Dak.	Martin, Ky.	Sheppard
Curtis	Kellogg	Nelson	Trammell
Fernald	Kendrick	Norris	Vardaman
Fletcher	Kenyon	Nugent	Weeks
France	King	Overman	
Gronna	Kirby	Phelan	

NOT VOTING—26.

Baird	Hardwick	Pittman	Sterling
Calder	Hollis	Ransdell	Thompson
Colt	Jones, Wash.	Reed	Townsend
Fall	McLean	Robinson	Wadsworth
Frelinghuysen	Myers	Sherman	Walsh
Gay	New	Shields	
Goff	Owen	Smith, S. C.	

So the amendment of the committee was rejected.

Mr. HITCHCOCK. Mr. President, I ask the Senator in charge of the bill to permit me to report from the Committee on Military Affairs an emergency bill.

Mr. SIMMONS. I shall yield for that purpose, because the Senator from Nebraska tells me that it will take only a few minutes to read the bill and that it will lead to no debate.

The VICE PRESIDENT. Without objection, the unfinished business will be temporarily laid aside.

INDEMNITY FOR DAMAGES IN FRANCE.

Mr. HITCHCOCK. From the Committee on Military Affairs, I report back favorably, without amendment, the bill (S. 5213) to amend the act approved April 18, 1918, to give indemnity for damages caused by American forces abroad, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the act approved April 18, 1918, entitled "An act to give indemnity for damages caused by American forces abroad," be amended by adding the following section:

"SEC. 5. That this act shall be held to include claims for damages or remuneration arising out of contracts, informal purchase orders, or other obligations for supplies for the American military forces in Europe given by authorized representatives of such forces prior to November 12, 1918, and later canceled, reduced, or discontinued."

Mr. HITCHCOCK. Mr. President, by way of explanation of this measure I will say that the Secretary of War forwards me a cablegram received from Gen. Pershing, in which he states that the armistice found some 2,000 contracts or informal orders that have been made for supplies that are not now needed, and he desires immediate authority to cancel them and settle them. He says that it can be done at once at a very much less cost than if it is allowed to delay, and damages accumulate; and this bill simply adds to the power of settlement of claims granted in a bill which was passed last summer.

Mr. BORAH. Mr. President, does this bill confer upon Gen. Pershing the unlimited power to settle them according to his discretion? I am very much opposed to this way of settling these matters.

Mr. HITCHCOCK. It permits the officers in charge of our purchases over there to cancel and settle claims for supplies ordered in good faith, in order that the contracts, instead of being carried out and resulting in the accumulation of large supplies, may be cut off now.

Mr. BORAH. I am perfectly willing to have the contracts canceled; but what I want to know more about is, who is to pass upon the amount of damage which is to be done by reason of the stoppage?

Mr. HITCHCOCK. The same officials who were allowed to pass upon the damages incurred by our troops over there in the bill that we passed last summer. Those damages are constantly arising, and we gave to the authorities under Gen. Pershing the power to cancel and settle them. The bill gives large powers, but the amount involved in this case is not very large. I will say to the Senator that the question is now pending as to how we can settle the contracts in this country. It has been proposed to give the War Department officials the power to settle them, but we think the amount involved is so huge that a commission should be appointed, and we shall probably report a bill for that purpose. We think, however, that in the case of these 2,000 contracts and informal orders in France, a great deal of money will be saved by giving Gen. Pershing the power to settle them at once. He states in this cablegram that the total amount of the settlement will not exceed $3,000,000, and he says:

Delay in payment would naturally very much increase the amount. The contractors will be embarrassed, and many of them perhaps ruined if relief can not be given at once. They are willing to accept reasonable terms now, but if compelled to wait, their claims will be greatly augmented and heavy damages may have to be paid.

Mr. BORAH. It will be understood, I suppose, that this is no precedent for this kind of a settlement in this country?

Mr. HITCHCOCK. No; I am very much opposed to doing anything of that sort in this country. I believe there ought to be a commission for that purpose.

Mr. BORAH. Of course, one is at a great disadvantage in knowing whether or not it is a good precedent for any place, and is not in a position to object, perhaps, by reason of that fact; but it should not be considered for a moment the proper method of settling damages here.

Mr. HITCHCOCK. I agree with the Senator fully in that matter, and I will say that the committee agrees with him fully, but regards this as an absolute necessity.

Mr. SMITH of Michigan. Mr. President, let me ask the Senator if this bill does not carry with it the validation of very informal and not strictly legal contracts?

Mr. HITCHCOCK. It probably does.

Mr. SMITH of Michigan. And it is to give dignity to that kind of contracts and then allow them to be settled?

Mr. HITCHCOCK. On matters that have been ordered informally over there under the stress of war and which would have been paid in the normal course of events, which we want to settle promptly now.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. SIMMONS. Mr. President, I understand that the Senator from Utah [Mr. SMOOT] has an amendment which he desires to offer.

Mr. SMOOT. Mr. President, the Senator from Connecticut [Mr. MCLEAN] submitted an amendment to the committee some days ago and asked me to present it to the committee and then report it to the Senate. I now offer that amendment. It is as follows:

On page 132, line 14, insert:

Provided, however, That the amount of the tax shall be finally determined by the commissioner within five years after the decedent's death, unless the due date is extended by the commissioner, in which case such tax shall be finally determined by the commissioner within one year after the termination of the extended period.

Mr. SIMMONS. Mr. President, I accept that amendment. It has been presented to the committee.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 132, in the amendment of the committee, in section 410, at the end of line 14, after the word "paid," it is proposed to insert a colon and the following:

Provided, however, That the amount of the tax shall be finally determined by the commissioner within five years after the decedent's death, unless the due date is extended by the commissioner, in which case such tax shall be finally determined by the commissioner within one year after the termination of the extended period.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. MCCUMBER. Mr. President, I call the chairman's attention to page 226 of the bill.

Mr. SIMMONS. We are not through with the committee amendments yet.

Mr. MCCUMBER. This is on a committee amendment.

Mr. SIMMONS. Is it an amendment to a committee amendment?

Mr. MCCUMBER. Yes; on page 226.

Mr. SIMMONS. If the Senator will allow me to offer some committee amendments first——

Mr. MCCUMBER. This is an amendment which was really agreed to by the committee, as I understand, and which we failed to insert in the bill.

On page 226 the Senate struck out lines 15 to 20, relating to the Harrison Drug Act. Before the committee there was a proposition made compelling druggists who compounded any of these habit-forming drugs also to keep a list of the persons to whom they furnished them, a list of the goods, and so forth. I notice that it is not in the bill.

Mr. SIMMONS. The Senator is correct. I shall accept the amendment.

Mr. MCCUMBER. The experts have drawn it, and I ask that it be inserted. It is on page 226, line 15, section 1009.

That section 6 of such act of December 17, 1914, is amended by striking out the period after the word "act" at the end of the proviso, and adding a colon and the following:

"*Provided further,* That a record is kept by the manufacturer, producer, or compounder of such preparations, remedies, and specifics containing such drugs, or by the dealer who knowingly sells the same, giving the date, quantity, name, and address of persons to whom such remedies, preparations, or specifics are sold, distributed, given away, or dispensed."

I offer that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I have some amendments which I wish to present.

On page 5, line 25, after the word "title," I move to insert in parentheses the words "excepting section 246."

The amendment was agreed to.

Mr. SIMMONS. On page 51, lines 18 and 19, I move to strike out the words "paragraphs (1) to (10), inclusive, of subdivision (a) of."

The VICE PRESIDENT. Without objection, the vote whereby the amendment at that point was agreed to will be reconsidered. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. SIMMONS. Mr. President, I send to the desk several committee amendments which I ask to have stated.

The VICE PRESIDENT. The amendments will be stated.

The SECRETARY. On page 23, line 19, it is proposed to amend section 213 by striking out the words "and including."

The amendment was agreed to.

The SECRETARY. Also, at the end of line 21, insert——

Mr. BRANDEGEE. Mr. President, before that is reached, in relation to the amendment just prior to that on line 19, does the Senator mean to strike out the words "and including"?

Mr. SIMMONS. Yes.

Mr. BRANDEGEE. Would that make sense, Mr. President? It does not seem to me that it would.

The VICE PRESIDENT. No; it would not, but that does not make any difference.

Mr. BRANDEGEE. I think one of the words should be left in. If the amendment as proposed by the Senator is adopted, it would read:

Or other interest-bearing obligations of residents, corporate or otherwise, dividends from resident corporations.

It does not seem to me to be intelligible.

Mr. SIMMONS. I was going to offer another amendment. It is not intelligible without the other amendment which I am going to offer right now.

Mr. BRANDEGEE. If there is something else that will make it intelligible, I have no objection, but with the amendments being offered one at a time in this way it is impossible to see what it is desired to accomplish.

Mr. SIMMONS. I am going to offer another amendment in that same connection.

Mr. BRANDEGEE. Very well; I have no objection.

Mr. SIMMONS. I ask to have the next amendment stated.

The SECRETARY. On line 19 strike out the words "and including," and at the end of line 19 add the words "and including all amounts received (although paid under a contract for the sale of goods or otherwise) representing profits on the manufacture and disposition of goods within the United States."

Mr. BRANDEGEE. Mr. President, before these amendments are agreed to I should like to have the amendment read as it will be if agreed to.

Mr. SIMMONS. Very well. I will send it up. It was due to inadvertence that I did not send it up.

The SECRETARY. It is proposed on page 23, line 19, to strike out the words "and including," which has been agreed to, and at the end of line 19, after the word "corporations," to insert "and including all amounts received (although paid under a contract for the sale of goods or otherwise) representing profits on the manufacture and disposition of goods within the United States," so that if amended the paragraph will read:

(c) In the case of nonresident alien individuals, gross income includes only the gross income from sources within the United States, including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, dividends from resident corporations, and including all amounts received (although paid under a contract for the sale of goods or otherwise) representing profits on the manufacture and disposition of goods within the United States.

Mr. BRANDEGEE. That is intelligible now.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, the same amendment has to appear at another place in the bill, on page 53. I send it to the desk and ask to have it stated.

The SECRETARY. On page 53, line 21, strike out the words "and including," the first two words in the line, and after "corporations," at the end of the line, insert the same words as before.

The amendment was agreed to.

Mr. SIMMONS. I send to the desk another amendment, which I ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 60, line 5, in the committee amendment, it is proposed to strike out the numerals "13" within brackets and insert "10."

The VICE PRESIDENT. Without objection, the vote whereby the committee amendment at that point was agreed to will be reconsidered.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. I send another amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 64, lines 7 and 8, it is proposed to strike out the words "not exempt under subdivisions (1) to (13) of section 231" and in lieu thereof to insert the words "subject to taxation under this title, and every personal-service corporation."

The amendment was agreed to.

Mr. SIMMONS. I send to the desk another amendment.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 225, lines 11 and 12, it is proposed to strike out the words "in personal attendance upon such patient."

The amendment was agreed to.

Mr. SIMMONS. I send to the desk a series of amendments, which simply provide for filling in dates where we struck out the dates as the bill passed the House, and left blanks, because the bill will not be passed as early as the House thought it would.

The VICE PRESIDENT. The amendments will be stated.

The SECRETARY. On page 137, line 3, after the matter stricken out, it is proposed to insert, in the blank, "April 1, 1919."

The amendment was agreed to.

The SECRETARY. On page 177, line 22, before the comma insert "May 1, 1919."

The amendment was agreed to.

The SECRETARY. On page 188, line 12, after the matter stricken out insert "April 1, 1919."

The amendment was agreed to.

The SECRETARY. On page 191, line 24, insert "April 1, 1919."

The amendment was agreed to.

The SECRETARY. On page 202, line 8, after the matter stricken out, insert "April 1, 1919."

The amendment was agreed to.

The SECRETARY. On page 204, line 4, insert in lieu of the blank the word "May."

The amendment was agreed to.

The SECRETARY. On page 205, line 3, after the matter stricken out, insert "May 1, 1919."

The amendment was agreed to.

The SECRETARY. On page 228, line 13, after the matter stricken out, insert "April 1, 1919."

The amendment was agreed to.

Mr. KENYON. Mr. President, I wish to ask the Senator from North Carolina a question. Was the amendment on page 202, line 20, providing for a reduction from 10 per cent to 5 per cent on jewelry, precious stones, and so forth, adopted?

Mr. SIMMONS. Yes; that has been adopted.

Mr. KENYON. I was anxious to have a vote on that amendment, but I suppose it will not do any good to have it reconsidered. I therefore think perhaps I will not ask for a vote, as it will do no good.

Mr. SIMMONS. We reduced one-half nearly all of those taxes that have been imposed by the House. Some of them we did not reduce, however.

Mr. KENYON. It occurs to me, in view of the fact that section 905 remains in the bill, providing for a 20 per cent tax above certain amounts, that these other reductions are not now in harmony with that section. I will content myself with expressing opposition to that reduction, however, and will not take up time in asking for another vote.

Mr. SIMMONS. Mr. President, I do not think the amendment on page 47, beginning at line 23, has been agreed to. I will ask the Chair if that is correct.

The VICE PRESIDENT. It has been agreed to.

The SECRETARY. The next amendment passed over is on page 137, in subdivision (a), where the committee proposes to strike out all of lines 12, 13, 14, and 15.

Mr. SIMMONS. Mr. President, just a moment. The Senator from Washington [Mr. JONES] desired to make some observations with reference to that amendment, but he is not in the Chamber. The Senator from Colorado [Mr. THOMAS] is present, and I should like to take up the title of "Inheritance tax."

Mr. THOMAS. Mr. President, on page 123, line 23, I have moved to strike out——

The VICE PRESIDENT. Is the vote to be reconsidered whereby that amendment was agreed to?

Mr. THOMAS. Why, Mr. President, it has not been agreed to. I reserved the right when the title was reached to make this motion. It is to strike out all after the word "decedent" on line 23 of page 123.

It will be observed, Mr. President, that the paragraph to which the motion relates requires an inheritance tax to be paid upon the receipt by a beneficiary of an amount of insurance in excess of $25,000 under policies taken out by the decedent upon his own life.

In effect, that means that if a man has a policy of insurance upon his life for anything in excess of $25,000 an inheritance tax is levied upon the excess.

Mr. SIMMONS. I think we will agree to the amendment.

Mr. THOMAS. I do not care to take up the time of the Senate if the chairman of the committee and the Senate are willing to accept the amendment. I may say, however, it will require the striking out of certain other portions of the title in order to make it harmonize.

Mr. SIMMONS. Yes; that can be done.

The VICE PRESIDENT. The vote whereby the amendment was agreed to is, without objection, reconsidered.

Mr. THOMAS. There has been no vote taken upon it at all; at least, I am so informed.

The VICE PRESIDENT. The Chair knows a few things, and the Chair knows that this amendment was agreed to.

Mr. THOMAS. I do not pretend to know anything; but I know, however, that when this page was reached I reserved the right to make this motion, and I was informed that the entire title would have to be suspended until that motion was disposed of.

The VICE PRESIDENT. The fact about the matter is that I suppose nobody knows.

Mr. THOMAS. I do not want to be put in a position of differing with the Chair.

Mr. SIMMONS. Let a motion be made to reconsider.

The VICE PRESIDENT. It is reconsidered, without objection.

Mr. THOMAS. Then the amendment is presented; and I understand the chairman of the committee will accept it.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 123, beginning at line 23, after "decedent," strike out: "and (3) the receipt by a beneficiary of an amount of insurance in excess of $25,000 under policies taken out by the decedent upon his own life."

The VICE PRESIDENT. The motion is to strike out that paragraph.

Mr. THOMAS. Yes; to strike out the paragraph.

The VICE PRESIDENT. Is there objection to striking it out? The Chair hears none, and the amendment is agreed to. Are there other amendments to the inheritance title?

Mr. LODGE. Some other amendments will be necessary now that that amendment has been made.

Mr. GERRY. I will offer the amendments. On page 131, line 9, there was an insertion and an amendment was agreed to.

The SECRETARY. An amendment offered by the Senator from Utah [Mr. SMOOT].

Mr. GERRY. That should be stricken out.

Mr. BRANDEGEE. What was the amendment agreed to?

The SECRETARY. To insert after the word "taxes," in line 9, page 131:

INHERITANCE TAXES.

Each beneficiary of an amount of insurance in excess of $25,000 under policies taken out by the decedent upon his own life shall within 20 days after coming into possession of such insurance give written notice thereof to the collector, and shall also at such time and in such manner as may be required by regulations made pursuant to law file with the collector a return under oath setting forth (a) the total insurance received, (b) such additional data as may be necessary to establish the correct tax, and (c) the tax paid or payable thereon. At the same time or upon his later appointment a duplicate of such return shall also be furnished the executor. The beneficiary shall pay the tax upon such insurance to the executor within 30 days after receipt of the amount, or, if the executor has not then been appointed, within 30 days after such appointment.

The VICE PRESIDENT. The question is on agreeing to the vote whereby the amendment was adopted. It is reconsidered, without objection. The question is on the amendment.

The amendment was rejected.

Mr. GERRY. On page 133, line 1, another amendment should be made. I ask the Secretary to state it.

The SECRETARY. After the word "decedent" in line 1 of the amendment offered by the Senator from Utah [Mr. SMOOT] was agreed to, which inserted a comma and the words "except payment of insurance upon the life of the decedent."

The VICE PRESIDENT. The vote whereby it was adopted will be reconsidered, without objection, and the amendment rejected.

Mr. GERRY. On page 133, line 19, after the word "transferee," there was inserted "except payment of insurance upon the life of the decedent."

The VICE PRESIDENT. The vote whereby the amendment was agreed to will be reconsidered, without objection, and the amendment will be rejected.

Mr. GERRY. On page 134, line 12, after the word "period," there were inserted the words "except where such annuities or limited estates are created in the proceeds of insurance taxable under this title."

The VICE PRESIDENT. Without objection, the vote whereby the amendment was agreed to will be reconsidered and, without objection, the amendment will be rejected.

Mr. GERRY. That covers all the amendments.

The VICE PRESIDENT. Is there further amendment to the so-called inheritance-tax title?

Mr. SIMMONS. There are two amendments on page 137, lines 12 to 15.

The VICE PRESIDENT. But this is another section. Are there further amendments to the inheritance-tax amendment?

Mr. SIMMONS. There are no other amendments.

The VICE PRESIDENT. Then it is agreed to as amended, without objection.

Mr. JONES of Washington. There are two committee amendments on page 137 that went over at my request. I understand that the chairman of the committee is willing to have those two amendments rejected.

Mr. SIMMONS. Yes.

Mr. JONES of Washington. Therefore I will not take the time of the Senate to refer to them.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 137, beginning at line 12, strike out the words "and a like tax on the amount paid for such transportation within the United States of property transported from a point without the United States to a point within the United States," so as to read:

TITLE V.—TAX ON TRANSPORTATION AND OTHER FACILITIES, AND ON INSURANCE.

SEC. 500. That from and after ——— there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 500 of the revenue act of 1917—

(a) A tax equivalent to 3 per cent of the amount paid for the transportation on or after such date, by rail or water or by any form of mechanical motor power when in competition with carriers by rail or water, of property by freight transported from one point in the United States to another.

The amendment was rejected.

The next amendment was, on page 137, after "another," to strike out the following words: "and a like tax on the amount paid for such transportation within the United States of property transported from a point without the United States to a point within the United States," so as to read:

(b) A tax of 1 cent for each 20 cents or fraction thereof of the amount paid to any person for the transportation on or after such date, by rail or water or by any form of mechanical motor power when in competition with express by rail or water, of any package, parcel, or shipment, by express, transported from one point in the United States to another.

The amendment was rejected.

Mr. TOWNSEND. Are the committee amendments disposed of?

Mr. SIMMONS. No.

The SECRETARY. An amendment passed over is on page 176, line 17, after the word "half," to insert "of one"; in line 19, after the word "to," to strike out "30" and insert "15"; in line 20, after the word "all," to strike out "unfermented grape juice"; in line 23, after the word "drinks," to insert "(except fruit or berry juice)"; at the beginning of line 26, to strike out "20" and insert "10"; on page 177, line 3, after the word "containers," to strike out "at over 10 cents per gallon"; and, at the beginning of line 4, to strike out "of 2 cents per gallon" and insert "equivalent to 5 per cent of the price for which so sold," so as to make the section read:

SEC. 628. That there shall be levied, assessed, collected, and paid in lieu of the taxes imposed by sections 313 and 315 of the revenue act of 1917—

(a) Upon all beverages derived wholly or in part from cereals or substitutes therefor, and containing less than one-half of 1 per cent of alcohol, sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 15 per cent of the price for which so sold; and upon all ginger ale, root beer, sarsaparilla, pop, artificial mineral waters (carbonated or not carbonated), other carbonated waters or beverages, and other soft drinks (except fruit or berry juice), sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 10 per cent of the price for which so sold; and

(b) Upon all natural mineral waters or table waters sold by the producer, bottler, or importer thereof, in bottles or other closed containers, a tax equivalent to 5 per cent of the price for which sold.

This was passed over at the request of the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. SIMMONS. I think we can act on the amendment now. The senior Senator from Wisconsin has presented a substitute for the bill.

The amendment was agreed to.

The SECRETARY. The next amendment passed over is on page 197, to insert lines 1 and 2, in the following words:

(18) Articles made out of any fur, or articles of which fur is the component material of chief value, 10 per cent.

The VICE PRESIDENT. That was passed over at the request of the Senator from Missouri [Mr. SPENCER].

Mr. LODGE. I suggest that that be passed over for a minute until the Senator from Missouri returns.

Mr. SIMMONS. It can be passed over.

The SECRETARY. The next amendment passed over was on page 251, at the request of the senior Senator from Utah [Mr. SMOOT], following line 3, to strike out "from lists of eligibles to be supplied by the Civil Service Commission, and in accordance with the civil-service law," and to insert "as provided by law."

Mr. SMOOT. I have been assured by the Civil Service Commission or the officials of the commission that the wording as

adopted would cover all that I intended to cover by the amendment that I proposed to submit. Therefore I shall not ask for a vote upon it but will let it be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary informs the Chair that this completes all the committee amendments except the one passed over at the request of the Senator from Missouri [Mr. SPENCER].

Mr. SMOOT. The Senator from Missouri is not in, and I should like to call attention to section 905. I want to ask the Senator from Iowa if he desires that section to remain as it is. There were certain amendments that were offered in the committee.

Mr. SIMMONS. On what page?

Mr. SMOOT. Page 199. There were certain amendments to this section adopted by the committee. As to the first one, I want to ask the Senator from Iowa if he desires the bill to remain just as it passed the House? Before he answers I wish to tell him what effect it will have, and I think he will agree that the amendment that was agreed to by the Finance Committee ought to be adopted. The provision in the bill as it passed the House reads:

SEC. 905. (a) That on and after November 1, 1918, there shall be levied, assessed, collected, and paid a tax equivalent to 20 per cent of so much of the amount paid for any of the following articles as in excess of the price hereinafter specified as to each such article, when such article is sold on or after such date for consumption or use.

That means that if the manufacturer sells it 20 per cent is imposed upon him; then on the jobber who buys it there will be 20 per cent imposed, and then on the wholesaler 20 per cent, and then the retailer 20 per cent. The amendment that was agreed to in the committee was, after the word "sold," to insert "by a dealer." Then it confines itself to the dealer who sells the article to the consumer. If that amendment is not made, we shall have at least four 20 per cent taxes imposed upon the articles enumerated.

Mr. THOMAS. I should like to ask right in that connection whether the tax is not excessive, in view of the changed conditions, and whether 10 per cent would not be more fair than the very large tax of 20 per cent?

Mr. SMOOT. I understand there is a proposition to strike out "20" and insert "10," but I want to get this fairly before the Senator from Iowa.

Mr. KENYON. I had no such intention as that.

Mr. LODGE. Is this a proposal that it shall not be collected from the purchaser?

Mr. SMOOT. No; the way it stands now is this: Twenty per cent upon all sales no matter who it is sold by, the manufacturer or jobber, and then 20 per cent from the wholesaler to the retailer.

Mr. LODGE. Collected four times?

Mr. SMOOT. Yes.

Mr. LODGE. That is now expressed at the end of the section—that we collect 20 per cent from the purchaser at the time of the sale.

Mr. SMOOT. The Committee on Finance inserted, after the word "sold," the words "by a dealer," so that it shall only apply to a dealer who sells to the consumer. I suggest an amendment after the word "sold" in the House provision.

Mr. KENYON. The Senator from Wisconsin suggests, in line 18, the words "for consumption" be used. Would not that obviate the difficulty the Senator raises?

Mr. SMOOT. It may be sold for consumption. If it is a piece of cloth and made into a garment, it is consumption as far as the manufacturer is concerned.

Mr. KENYON. I have no objection to it.

Mr. SMOOT. I think there would not be any doubt if that is put in.

Mr. KENYON. I think those words should be inserted to make it clear.

Mr. SMOOT. Then I move, on page 199, after the word "sold," in line 18, to insert "or by a dealer."

Mr. SIMMONS. I accept that amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. JONES of New Mexico. Mr. President, I am misinformed or my recollection is at fault if the committee amendment on page 20 has been agreed to. If it has been agreed to, the action of the Senate in agreeing to it was inadvertently overlooked by me, because I certainly intended to ask for some modification in that paragraph. It is on page 20, paragraph 4, the paragraph which relates to State and municipal bonds, the interest on those not being subject to tax.

If I am permitted to do so, I should like to modify the paragraph as amended by the committee, or, in other words, as the committee reports it.

The VICE PRESIDENT. Without objection, the vote whereby the amendment was agreed to is reconsidered and the paragraph is now subject to amendment.

Mr. JONES of New Mexico. On page 20, beginning in line 20, after the figure 4 in parentheses, I move to strike out all of the paragraphs down to the word "That" on page 21, line 6. The purpose of the amendment which I now propose is to exclude from gross income only the interest derived from the holding of $5,000 in the aggregate in State and municipal bonds. It is a question which I discussed at some length the other day, and it has been the subject of discussion in the Senate.

The senior Senator from Pennsylvania [Mr. PENROSE] expressed his views with regard to it when I was making my general presentation, and I understand that the junior Senator from Pennsylvania [Mr. KNOX] made rather an extended argument upholding the constitutionality of the tax upon interest derived from State and municipal bonds. I know there is a difference of opinion among Senators as to the constitutionality of such a tax; but for one I believe that it is constitutional, and if it is the tax ought to be levied.

There are now in this country about $6,000,000,000 or $7,000,000,000 of State and municipal securities, and the bill as amended would exempt from taxation any interest on all those bonds. It would likewise exempt from taxation the interest derived from future issues of such bonds. It would simply enable people to invest their holdings in such bonds and escape high surtaxes.

As I stated the other day, the market for these bonds is on the boom simply because of the attitude of the Senate committee in putting in this provision. I also called attention to the fact that in the issue of our own bonds we restricted the exemption of the interest on those bonds from taxation, because we did not want to withdraw that much of the wealth of the country from taxes which was needed to support the Government.

The first issue of bonds provided for a rate of interest of 3½ per cent. The interest derived from those bonds is exempt from all tax. The result is that those bonds are selling for about par to-day. We placed the interest on the next issue of bonds at 4 per cent, and then later at 4¼ per cent for the reason that we declined to exempt the interest upon any of those bonds from taxation. So we are paying 4¼ per cent upon bonds of the Government which are selling to-day at about 5 per cent discount for the reason that we were not willing to exempt the interest of those bonds from taxation. The result is that the Government to-day on its own financing is willing to pay about 22 per cent additional in interest for the present in order to preserve the right to tax the interest which may arise from such bonds. Now, shall we make a present to the States of that amount—of that advantage—and have no returns to the Government? The Senate has considered this as of vital importance and we are paying for it at the rate of 22 per cent to-day. We are paying for that privilege. We do not want to permit the capital of this country to bury itself in these bonds and escape any support of the Government.

So I say if we permit individuals to own as much as $5,000 of the bonds and hold the interest upon that amount free from tax it is quite sufficient; we are making a sufficient present to the States and to the municipalities. If anyone wants to make a small investment in bonds of his own State or municipality, the provision which I propose would exempt it to the extent of $5,000. Even of the 4¼ per cent bonds we have issued we exempt only $30,000 from surtaxes and that only for a period of two years after the war. We are paying for that privilege by levying surtaxes upon income from our own bonds. Shall we give the States and municipalities an advantage which we are willing to pay for ourselves? If we do this, it simply will result in making a donation to the holders of these bonds which will amount to at least 20 per cent of their holding.

There is opposition to this tax on the part of some Senators, because they think it is unconstitutional. That question has been argued. Those who believe that it is unconstitutional, of course, will not vote for taxation upon such bonds, but it is my judgment, as the junior Senator from Pennsylvania [Mr. KNOX] some time ago argued, that it is constitutional to levy the tax. Therefore, Mr. President, I propose that amendment.

Mr. THOMAS. Mr. President, I trust the amendment offered by the Senator from New Mexico will be rejected. I have the very highest opinion of the Senator's judgment as a lawyer and a legislator, but I am so profoundly convinced that this is a question beyond the power of the Congress of the United States

that I believe the only effect of it will be that the Supreme Court will set aside, as it always has set aside, legislation like this.

It is true that the junior Senator from Pennsylvania delivered a most profound argument some two or three months ago upon this subject, and that his argument was favorable to the imposition of such a tax, but it is significant that the Senator based his argument entirely upon the proposition that in the exercise of its war powers the tax could be imposed as a war tax. The Senator did not challenge or criticize the many decisions of the Supreme Court of the United States to the contrary, but the position which he took was one whose legal consequences necessarily involve the proposition that during the period of war the Government could impose any tax upon anything or anybody at any time, because of the supposed necessities and exigencies of a war condition.

The war is over for all practical purposes, and consequently the Senator's argument can not or should not prevail at present, even if it was sound in principle, which I do not think is the case.

At first blush, it may be said that income derived from interest upon certain municipal securities should not be exempt from Federal taxes, but at first blush it is equally true that income derived from Federal securities should not be exempt from the State taxation. Every argument which may be urged in support of the one necessarily requires the sustaining of the other. The fundamental difference is the same in each instance. The securities are issued upon, and they are payable by, sovereignties which are entirely distinct from each other as to that exercise of power. If therefore we concede the capacity of the Federal Government to levy this tax, we admit the capacity of the States to levy a similar tax upon Federal securities.

The Senator emphasizes the proposition that there are some $5,000,000,000 invested in State and municipal securities, the interest upon which will be exempt from taxation unless this amendment carries.

Mr. President, some thirty-five to forty billion dollars are invested in Federal securities, which the State can not tax because the State did not issue the bonds or the securities in which this capital is invested. If the Government can withdraw $40,000,000,000 from the taxing power of the State, then a fortiori can the State withdraw $5,000,000,000 from the taxing powers of the Federal Government?

Mr. President, this proposition to my mind is so plain, in view of the many decisions of the Supreme Court upon the subject, that I can not for the life of me understand what the possible basis can be for the argument that we can impose this tax, except as the exercise of the war power, which as I said no longer exists, because the war has virtually ended. We have voted to reduce the tax for 1920 by $2,000,000,000, because, although a treaty of peace has not been formally made and ratified and we are still theoretically in a state of war, the emergencies and the necessities arising from the state of war disappeared with the armistice, except in so far as the maintenance of the Army and Navy is concerned.

Mr. President, I occupied the greater part of the day sometime last September in presenting reasons and authorities in support of the proposition that these securities were not taxable by Congress. The junior Senator from Minnesota [Mr. KELLOGG], in one of the most able addresses ever delivered on this floor, in reply to the junior Senator from Pennsylvania, emphasized and more than emphasized the soundness of that great constitutional proposition.

I had intended, Mr. President, if occasion required, to address myself to the argument of the Senator from Pennsylvania [Mr. KNOX], but in view of changed conditions and of what I regard as a complete reply by the Senator from Minnesota [Mr. KELLOGG], it is not necessary for me to do so. In looking into the subject, however, some time ago I encountered an expression, regarding the lack of this constitutional power, by Mr. Webster upon the floor of the Senate on May 28, 1832. I quote from the Congressional Globe of that date:

> The question being on the amendment offered by Mr. MOON of Alabama, promising, first, that the bank shall not establish or continue any office of discount or deposit or branch bank, in any State, without the consent and approbation of the State; second, that all such offices and branches shall be subject to taxation according to the amount of their loans and issues in like manner as other banks or other property shall be liable to taxation.
>
> Mr. Webster spoke as follows: "Now, sir, I doubt exceedingly our power to adopt this amendment, and I pray the deliberate consideration of the Senate in regard to this point."
>
> "In the first place let me ask what is the constitutional ground on which Congress created this corporation and on which we now propose to continue it? There is no express authority to create a bank or any other corporation given to us by the Constitution. The power is denied by implication. It has been exercised, and can be exercised only on the ground of a just necessity.
>
> It is to be maintained, if at all, on the allegation that the establishment of a national bank is a just and necessary means for carrying on the Government and executing the powers conferred on Congress by the Constitution. On this ground Congress has established this bank, and on this it is now proposed to be continued. It has already been judicially decided that Congress, having established a bank for these purposes, the Constitution prohibits the States from taxing it. Observe, sir, it is the Constitution, not the law, which lays this prohibition on the States. The charter of the bank does not declare that the States shall not tax it. It says not one word on that subject. The restraint is imposed not by Congress, but by a higher authority—the Constitution.
>
> Now, sir, I ask how we can relieve the States from this constitutional prohibition? It is true that this prohibition is not imposed in express terms, but it results from the general provisions of the Constitution and has been judicially decided to exist in full force. This is a protection, then, which the Constitution of the United States by its own force holds over this institution, which Congress has deemed necessary to be created in order to carry on the Government. So soon as Congress, exercising its own judgment, has chosen to create it can we throw off from this Government this constitutional protection? I think it clear we can not. We can not repeal the Constitution. We can not say that every power, every branch, every institution, and every law of this Government shall not have all the force, all the sanction, and all the protection which the Constitution gives it.

Mr. President, ever since this has been a subject of litigation the courts have recognized the reciprocal relations of the Federal Government and the States to each other with regard to the absence of power to levy taxes upon their respective securities. The very moment Congress has the power and is declared to have the power to tax the interest upon a municipal bond, that moment it is declared ex necessitate that the State may tax the securities of the Government of the United States. There is no escape from it. The two relations are inseparable; they are based upon the same reasons precisely; and no man can assail the exemption of State securities from the Federal power of taxation without assailing the exemption of Federal securities from the State power of taxation.

Mr. KING. The power of each to destroy the other.

Mr. THOMAS. The power of each to destroy the other is necessarily involved in the power of each to tax the agencies of the other. But for the purposes of my statement it is immaterial whether the thing to be taxed represents $5,000, $5,000,000,000, or $50,000,000,000; it is a principle which inheres in the very nature of our dual system of Government, in the very nature of the respective sovereignties of each, the Federal Government upon the one hand and the State governments upon the other. So believing, Mr. President, I trust that the action of the committee will be sustained by the Senate.

Mr. KELLOGG. Mr. President, I am not going to take the time at this late hour to again discuss the question of constitutional power, but I should like to call the attention of the Senate to what the amendment of the Senator from New Mexico [Mr. JONES] proposes to do. It proposes to tax the income on all State bonds heretofore issued, not only by the normal tax, but by the surtax.

The House provision simply taxed the income from State bonds hereafter to be issued, and it was no secret that the only object was to prevent the States from issuing bonds during the remainder of the war. No one pretended that with this tax any State would be able to issue and sell any bonds at a price for which the State would be willing to market its securities. Now, it is proposed to tax the incomes from all bonds which have been issued with the pledge of exemption from taxation.

What would the Senate think if it were proposed to tax the income from United States bonds that had been issued with that guarantee of exemption in them? We only apply the surtax to the income from liberty bonds which were issued with that condition placed in the bonds. It would be like the United States going back on its pledge in a bond issued 20 years ago that it should be exempt from taxation and that the income should be exempt, and repealing it and placing a tax upon the income of such bonds.

Mr. JONES of New Mexico. Mr. President, will the Senator from Minnesota yield to me?

Mr. KELLOGG. Yes; I yield.

Mr. JONES of New Mexico. I should like to inquire by what authority the bonds to which the Senator from Minnesota refers were exempted from taxation.

Mr. KELLOGG. The bonds were issued by the States under the conditions of the law placed in the bonds that they were exempt from taxation, and under a line of decisions of the Supreme Court of the United States from the earliest day to the present time, without any dissent, that State bonds could not be taxed by the Federal Government. That is the condition under which they were issued.

Mr. JONES of New Mexico. Does the Senator from Minnesota mean to leave the impression that the State, through its agreement that the bonds should not be subject to tax, would guarantee an exemption from Federal taxation?

Mr. KELLOGG. No, sir; I did not say anything of the kind. I said that when the bonds were issued it was the law of this country, as laid down by the Supreme Court of the United States, and it is so yet, that the Federal Government has no power to tax the securities. I said that those bonds, therefore, were issued under a pledge just as sacred as though it had been the pledge of the Federal Government.

Mr. JONES of New Mexico. May I ask the Senator if the Supreme Court has made any such decision since the adoption of the sixteenth amendment to the Constitution?

Mr. KELLOGG. It has; and it has construed the sixteenth amendment and decided what it meant, and has repeated and restated the proposition that State bonds could not be taxed. I wish to say further, that for a hundred years that has been the law of this country, and there is no decision of the Supreme Court to the contrary.

Mr. JONES of New Mexico. I should like to inquire——

Mr. THOMAS. If the Senator from New Mexico will pardon me for a moment, I desire to suggest that the Senator from Minnesota might have added that Mr. Justice Hughes, then a member of the Supreme Court, concurred in that opinion.

Mr. KELLOGG. He did.

Mr. THOMAS. Mr. Justice Hughes having been the man who, as governor of the State of New York, expressed some doubt as to whether or not this sixteenth amendment as drawn would not subject these identical securities to taxation.

Mr. KELLOGG. Mr. Justice Hughes had done so. He merely suggested to the Legislature of New York that the sixteenth amendment might authorize the taxation of State securities, but when the Legislature of the State of New York came to consider the speech of Senator BORAH, the opinion of Senator Root, and of many others, the Legislature of New York came to the conclusion that the sixteenth amendment was not adopted to authorize the Federal Government to tax State securities, and Justice Hughes became convinced that he was wrong in his suggestion, and he joined in the decision stating for what the sixteenth amendment was adopted and that State securities were so exempt.

Now, I hope that the war being over the Senate will not undertake to tax the States in the exercise of their borrowing power.

Mr. KNOX. Mr. President, this question is only an academic question to me now that the war is at an end. I take it that the war is at an end; I accept the statement of the President of the United States to that effect. The war is certainly at an end so far as any necessity exists for hunting up unusual sources of taxation for the prosecution of the war.

I have heard it stated on this floor frequently before to-day, I have read it from the pen of so distinguished a statesman as ex-President Taft, that this question had been settled practically in this country for the last 50 or 75 years. Mr. President, I venture to repeat the assertion that I made in the remarks which I submitted to the Senate some time ago upon this subject, that the question that I raised, namely, the right of the Federal Government to tax the income on State bonds in the hands of the holders during a defensive war, has never been decided by the Supreme Court of the United States, and has never been raised in that court. One writer has gone so far as to say of the House of Representatives and those of us in this body who thought that during the war we might tax incomes from State bonds in the hands of the holders that we were playing politics with a grave constitutional question. Abraham Lincoln signed a bill imposing such a tax during the Civil War; William McKinley signed a bill imposing such a tax, which was passed by both branches of Congress, during the Spanish-American War.

Mr. President, the nearest they can come to producing a case which they say rules that the Federal Government has no such power in time of war is the case of Collector against Day, and their argument there is predicated solely upon the fact that the law under which that tax was imposed was passed during the Civil War. Ergo, the Supreme Court having declared the law unconstitutional there was no right to impose the tax.

Now, let me call your attention to the facts in the case of Collector against Day. Day was a judge of probate in a county in Massachusetts. The tax was imposed by the act of 1864, and there is every probability, in fact, I think it is almost a certainty, as there was no litigation over the matter, that Day paid his tax in 1864 and in 1865 while the war was going on. The levy made in the Day case was for the tax of 1866–67, after the war had ceased to exist; and the Supreme Court of the United States held that that tax levied in 1866–67, during time of peace, was unconstitutional. I say again——

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. KNOX. I do.

Mr. KING. I dislike to interrupt the Senator in his splendid address, but the thought suggested itself, as the Senator was submitting his observations, what difference there would be in levying a tax during war times upon State securities for the purpose of meeting the current expenses of the war and levying a tax after the war was over for the purpose of meeting expenses that were contracted during the period of the war?

Mr. KNOX. Mr. President, if the Senator will do me the honor of reading the remarks I made, and which were carefully thought out at the time—I remember the Senator was not present, and I do not believe he has read them—he will find that I put my argument upon this ground—and it does seem a shame to take the time of the Senate to discuss this matter, because I think it is entirely academic; it is certainly so from my point of view, the war now having ceased—I put it upon the ground that the Constitution of the United States imposed upon the Federal Government all of the obligations to carry on war to defend the States and to preserve to them a republican form of government. It not only does that, but it denies those powers to the States themselves; so that during war there is imposed upon the Federal Government the duty to take care of the States, and the States themselves are excluded from the field. I say, while that situation lasts no wealth of the country is exempt from the power of Congress to reach out and tax it for the purpose of the common defense.

I have only just one word more to say, and that is in reply to the very positive statement made by the Senator from Colorado [Mr. THOMAS], that if the right of the Federal Government to tax the bonds of the States exists, the corresponding or reciprocal right of the States to tax the bonds of the Federal Government exists. There is no foundation for that claim. Under my contention the power only exists during time of war, because the Federal Government owes the obligation to the States during war to defend them; hence the power to tax; but the States owe no obligation to the Federal Government in respect to war, and therefore have no power to tax Federal securities, if the power to tax rests, as I contend, upon the existence of war and the necessities of defense.

Mr. THOMAS. Mr. President, it is true, as the Senator from Pennsylvania [Mr. KNOX] has stated, that the Supreme Court has not in terms ever decided that a tax such as is here under discussion, laid during times of war, could not be sustained as an exercise of a war power; but it is equally true that in every instance of which I am aware, where the question has been squarely presented to that court, it has denied to the Congress the constitutional power of such taxation. The case of Collector against Day arose under a provision of the law subjecting the salaries of State officers to Federal taxation, enacted during the period of the Civil War. The decision succeeded the war, but it was based upon the exercise of the taxing power in time of war. If it be true that in times of war constitutional restrictions upon our power of taxation are removed, it is surprising that the tax was not there defended upon that ground.

I have been unable to find a single authority, either in the reported cases or in the opinions of lawyers of eminence, in which the exercise of this power or the right to exercise it was recognized or approved, excepting, of course, where the doubt as to the probable effect of the sixteenth amendment, expressed by Gov. Hughes and the speech of the distinguished Senator from Pennsylvania a month or so ago, in which he contended that a tax of this sort was justified by war conditions, and which now, he says, is academic. I thought then, Mr. President—and I have not changed my opinion—that the Senator proved entirely too much, because if it be true that the Federal Government in times of war may levy an income tax upon sources of income which but for the war would be exempt from such tax, then it is equally true that in times of war Congress may levy taxes notwithstanding express limitations and restrictions of the Constitution.

No direct tax except an income tax can be levied unless upon the basis of population. There are many taxes other than income taxes, of course, which the Government can not lay because of constitutional prohibitions, but which it may lay, if the Senator be correct, in time of war, without any reference to these limitations. For example, it may levy a tax upon real estate, which would be a direct tax, not because the Constitution or the decisions permit it, but because the urgent needs of war conditions demand it.

Mr. President, I am willing to go as far as any man in recognizing the vast extent of the war powers of this Republic when the exigencies of war require it, but I am not willing to concede that the power of taxation extends so far as that during the war every limitation can be swept aside and taxes imposed as Congress may see fit. I fear that if this restric-

tion is ever broken down the flood of taxation imposed by the States upon Federal securities may overwhelm them and may reach so far as to affect the integrity of the Nation itself.

Mr. BORAH. Mr. President, whatever there may be in the contention of the able Senator from Pennsylvania [Mr. KNOX] as to the power of the Government to levy this tax in time of war, a defensive war, as he says, as I understand, according to the contention of the Senator himself, that does not apply at this time; that principle would have no application under the conditions in which we are now seeking to legislate. As he has said, that proposition is academic. I do not desire to discuss it or express any opinion upon it in view of the fact that it has no application at this time. If I were compelled to pass upon it, I would be, as now advised, unable to accept his view. That being out of the discussion, I do not suppose that there is any question more thoroughly settled by the decisions of our Supreme Court than the proposition that the National Government can not levy a tax upon the agents or instrumentalities of the State governments. Unless the exception which the Senator from Pennsylvania mentions be well taken, there is no exception to the rule of which I know.

It was decided early in the history of the court; it has been repeated a number of times, and since the adoption of the sixteenth amendment it has been reiterated; it is a thoroughly well settled principle of the court as the decisions now stand, and I entertain no doubt at all that this tax if levied would be held unconstitutional by the Supreme Court.

There is a question involved, Mr. President, aside from that merely of raising taxes, a principle which goes deeper and reaches further than the mere question of raising a certain amount of revenue. It involves the structure of the Government, because, as Marshall said, the power to tax is the power to destroy, and if we may tax some instrumentalities and agencies of the State, we may tax them all, and the State becomes no longer a sovereign power, which it is necessary for it to remain if we are to be a Federal Union, but merely a geographical expression of the Government to be taxed at our will and our wish. I am opposed, therefore, to the proposition to tax State securities.

Mr. UNDERWOOD. Mr. President, I concur in what has been said in opposition to the levying of a tax on the instrumentalities of the States. I believe that the decisions of the court have clearly defined the line where the Congress of the United States must stop in the power to levy taxation, unless we intend to destroy the integrity of the State governments. But those questions have already been discussed, and I did not rise for the purpose of repeating what has already been said. I wish to say, however, that there is another reason, in my judgment, outside of the constitutional argument why this tax should not be levied.

When it was first proposed that a tax should be levied upon the bonds and securities of the States and municipalities, it came with the argument that it was necessary to levy a tax on these instrumentalities in order to secure a reservoir in which the liberty bonds could be sold, because if State securities were untaxed and the Federal Government's securities were taxed, to a certain extent it gave preference in the financial market to the State securities. Under those circumstances Congress still upheld the constitutional privilege of the States and refused to levy the tax.

Now the war is over. The Government securities are sold, except possibly one issue, which no one doubts the capacity of the country to absorb, and the result of a tax on State securities would not be to affect the Government of the United States; but if we levy such a tax now, the result of that tax would be to make a better market for industrial and railroad securities, which must bear the tax now. Idle money hunting investment at somewhere near the same rate of interest will naturally flow into the channels of State and municipal securities rather than into industrial and railroad securities.

It is not that we need the money, because the Senate has already agreed to reduce this bill $2,000,000,000 for 1920. It is not proposed to put a tax on State securities for the purpose of getting more money, because we have already found a verdict on that question, and said we do not need any more money. If we should conclude to tax these State securities, our action would have a tendency to bring the State securities down to the plane of the industrial and railroad securities and let them have equal competition in the money markets of the world.

So far as I am concerned, I believe that it is necessary, in order to maintain the integrity of the State government, that its securities should not be taxed by the National Government; but I also believe that it is the wise part of governmental action that we should continue to leave the State and county and municipal securities on the basis they are on to-day and give them a preference in the money markets of the world. The great industrial and railroad plants have their agents and their business connections to sell their securities throughout the money markets of the world. It is often difficult for a State or a municipality to accomplish that result at a reasonable price; and I think it is clearly in the interest of the people who live within the States and the counties and the municipalities of this country that their bonds should have the right of this preference in the market.

Outside of any constitutional question at all, I think it is a good public policy that the present status should be maintained, and for that reason I think the amendment should be defeated.

The PRESIDING OFFICER. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the amendment of the committee.

The amendment of the committee was agreed to.

Mr. BRANDEGEE. Mr. President, I send to the desk an amendment which I ask the Secretary to state.

The PRESIDING OFFICER. The amendment will be stated.

Mr. BRANDEGEE. I understand that all of the committee amendments have been acted upon.

Mr. SIMMONS. No; the committee amendments have not all been agreed to yet. The action of the Senate a few minutes ago makes certain formal amendments necessary.

Mr. BRANDEGEE. The Senator stated awhile ago that the amendments had all been acted upon. This one will take but a minute, and I may as well proceed with it, if the Senator will allow me.

The PRESIDING OFFICER. The Secretary will state the amendment of the Senator from Connecticut.

The SECRETARY. On page 197, line 3, it is proposed to strike out the semicolon after the words "motor boats" and insert the words "not used exclusively for trade, fishing, or national defense."

Mr. BRANDEGEE. Mr. President, I want to explain that amendment.

Mr. SIMMONS. I accept the amendment.

Mr. BRANDEGEE. If the Senator will accept it, very well.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I will ask the Secretary if there are any other amendments.

The SECRETARY. The last amendment passed over was passed over at the request of the junior Senator from Missouri [Mr. SPENCER], on page 197, lines 1 and 2. The committee amendment reads as follows:

(18) Articles made out of any fur, or articles of which fur is the component material of chief value, 10 per cent.

The Senator from Missouri proposes to strike out the figures "10" and to substitute therefor the figure "5."

Mr. SPENCER. Mr. President, the purpose of this amendment is to correct what seems to be an inequality between the tax on jewelry, including pearls and precious stones, and the tax on furs. The Senate has agreed, in regard to jewelry, to a reduction of the tax from 10 to 5 per cent. The tax on furs remains 10 per cent. Jewelry has no wearing utility. It can not be used for apparel. It is difficult to understand why furs, which have a utility as clothing, should be taxed at a higher rate than jewelry, which has no such utility. The purpose of this change is to reduce the tax on furs from 10 per cent to 5 per cent, making it the same as the tax upon jewelry.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri to the amendment of the committee. [Putting the question.] By the sound the ayes appear to have it.

Mr. THOMAS. I call for a division, Mr. President.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment of the committee was agreed to.

Mr. SIMMONS. Mr. President, it is necessary, since the action of the Senate with respect to these 20 per cent taxes, to make a number of pro forma amendments in various sections of the bill. I send the amendments to the desk and ask to have them stated.

The PRESIDING OFFICER. The amendments will be stated.

The SECRETARY. On page 198, line 24, after the word "or," strike out "905" and insert "906."

The amendment was agreed to.

The SECRETARY. On page 199, line 13, strike out "905" and insert "904."

The amendment was agreed to.

The SECRETARY. On page 199, line 13, strike out "November 1, 1918," and insert "May 1, 1919."

The amendment was agreed to.

The SECRETARY. On page 201, line 19, after the word "apply," insert "(1)."

The amendment was agreed to.

The SECRETARY. On page 201, line 23, after the comma, insert "or (2) to any article made out of fur or of which fur is the component material of chief value," and a comma.

The amendment was agreed to.

The SECRETARY. On line 23, after the word "or," insert "(3)."

The amendment was agreed to.

The SECRETARY. On line 24, strike out "(20)" or "(21)" and insert "(16)" or "(17)."

The amendment was agreed to.

The SECRETARY. On page 202, line 8, strike out "904" and insert "905."

The amendment was agreed to.

The SECRETARY. On page 204, line 7, strike out "905" and insert "906."

The amendment was agreed to.

The SECRETARY. On page 205, line 3, strike out "906" and insert "907."

The amendment was agreed to.

Mr. LENROOT. Mr. President, when section 905 was under consideration, the question was upon the motion to strike out. I had intended then to offer an amendment reducing the rate from 20 to 10 per cent; but in order to expedite the passage of the bill I did not offer it at that time, because if the committee had been sustained the section would have gone out. Inasmuch as the committee has not been sustained, I now move to reconsider that vote, in order that this amendment may be proposed.

Mr. SIMMONS. I have no objection to that being done.

The PRESIDING OFFICER. Without objection, the motion to reconsider will be deemed carried.

Mr. LODGE. Mr. President, one moment. I will suggest to the Senator from Wisconsin that there is no use in reconsidering it, because now the tax provided in the House bill stands in the Senate bill.

Mr. LENROOT. But not in the committee amendment.

Mr. LODGE. No; not in the committee amendment. That is all right, then.

Mr. LENROOT. I ask to have the amendment stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 199, line 15, it is proposed to strike out the numeral "20" and insert "10," so that it will read:

A tax equivalent to 10 per cent of so much of the amount,

And so forth.

Mr. LENROOT. Mr. President, I have just a word to say in support of that. Upon these other luxuries——

Mr. SIMMONS. Mr. President, I will accept that amendment.

Mr. LENROOT. Very well.

Mr. McCUMBER. Mr. President, I do not accept it. I want to say one word upon the amendment, and not allow it to go through by mere acceptance.

I have no objection to the tax being reduced from 20 to 10 per cent, or from 10 per cent to nothing; but I think there are three of these items that ought to be stricken out entirely, and I want an opportunity at least to offer to amend the amendment of the Senator from Wisconsin so as to strike out that which relates simply to clothing. I do not care for hats, or for any of these articles such as fans, umbrellas, purses, and so forth; but I do think that provisions 11, 12, and 13, which relate to men's and boys' suits or overcoats, and women's and misses' suits, cloaks, and coats, and women's and misses' dresses, ought to be stricken out entirely, leaving the others to stand.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. McCUMBER. Yes.

Mr. LENROOT. The adoption of this amendment will not in any way interfere with the Senator's proposed amendment.

Mr. McCUMBER. Mr. President, I am not certain whether or not it would be subject to further amendment in the Committee of the Whole if that amendment should be adopted. If the Chair rules that after the adoption of this amendment, reducing the tax from 20 to 10 per cent, we can still move to strike out those three sections, I will leave it in that way.

The PRESIDING OFFICER. The Senator from North Dakota would still have the right to offer any amendment he saw fit after this was adopted or rejected.

Mr. McCUMBER. Very well.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin.

Mr. KIRBY. I call for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin. [Putting the question.] By the sound, the noes appear to have it.

Mr. LENROOT. I call for a division.

Mr. SMOOT. Mr. President, I ask to have the amendment stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 199, line 15, it is proposed to strike out "20" and insert "10," so that it will read:

SEC. 905. (a) That on and after November 1, 1918, there shall be levied, assessed, collected, and paid a tax equivalent to 10 per cent—

And so forth.

Mr. SMOOT. Mr. President, I ask for a division upon that.

On a division the amendment was agreed to.

Mr. LA FOLLETTE. Now, let us have the yeas and nays. Let us try for it once more.

The PRESIDING OFFICER. The Senator from Wisconsin asks for the yeas and nays. Is the call sustained?

The yeas and nays were not ordered.

Mr. GRONNA. Mr. President, may I ask, for information, how many were voting? I believe the call was sustained. May I have the tally?

The PRESIDING OFFICER. The call for the yeas and nays was seconded by eight Senators.

Mr. GRONNA. The rule provides for one-fifth of those present, Mr. President; and——

The PRESIDING OFFICER. The Chair has ruled, and there can not be anything further to it.

CAMPAIGN CONTRIBUTIONS.

Mr. THOMAS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Colorado offers an amendment, which will be stated.

The SECRETARY. At the end of Title II it is proposed to add a new section, as follows:

SEC. 261. That there shall be levied, assessed, collected, and paid in respect of the excess over the sum of $500 which any person, firm, or corporation shall give, advance, pay, expend, subscribe, or contribute in the aggregate during any taxable year for the purpose, directly or indirectly, of influencing the nomination or defeat of any candidate or candidates for nomination, or the election or defeat of any candidate or candidates for office, or the success or defeat of any proposition to be voted upon at any primary election or general or special election at which candidates for Members of the House of Representatives or for United States Senator or presidential electors are to be nominated or elected, a tax equal to 100 per cent of such excess; such expenditures or contributions to include all sums in any form contributed, subscribed, advanced, expended, paid, or given to or for such candidate or candidates or to or for party or other political committees or campaign funds, but not to include expenditures made by such candidates or regular political committees or out of such campaign funds of moneys lawfully contributed to them.

Every person required by this title to make a return shall state therein specifically each item and the date thereof of all gifts, advances, expenditures, subscriptions, payments, and contributions made, and to whom, for the purpose of influencing the result of such primary and general elections, and of all taxes due thereon under the provisions of this section. And the treasurer or chairman of all State or congressional committees and of all political committees as defined in the act of Congress approved June 25, 1910, entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," and of all associations or committees organized to promote or prevent the nomination or election of any candidate for Member of the House of Representatives or of the Senate of the Congress of the United States or for presidential elector or electors, shall within 30 days after the passage of this act, and thereafter within 30 days after any election to be held therefore file with the collector for the district where the headquarters or other office where such committee or association is located a return stating specifically all sums of money received, from whom received, and the date thereof. Such return shall be verified by the chairman or treasurer of such committee or association.

Mr. THOMAS. Mr. President, I offered this amendment in the committee, and reserved the right to present it to the Senate at the time of its rejection, while the committee was in session.

The amendment proposes a tax of 100 per cent upon all contributions in excess of the sum of $500 to elections at which any Federal officer is to be elected or nominated, excepting, however, candidates who are permitted by Federal or State law to make greater contributions, and provides methods for ascertaining and assessing the amount of the tax.

Mr. President, my purpose in offering this amendment is not to raise revenue so much as it is an attempt to make our present corrupt-practices act effective. The States and the Nation have sought, by restrictive acts, to limit the expenditure of money at elections and primary elections to a decent and rea-

sonable amount. These statutes, if my experience is any guide, have been honored far more in the breach than in the observance. There is no statute of the sort of which I am aware, through which coaches and fours have not been driven and about which there is any sort of regard or observance. The last election in some States of the Union was scandalized by the expenditure of enormous sums of money, my own State amoung the number, where the report filed under the State law by the Republican chairman shows an expenditure of $127,000, and the report of the Democratic committee an expenditure of $38,000, which means that perhaps two and a half to three or four times that amount of money was actually used for the purpose of influencing the election.

In the State of Michigan it is a matter of record that nearly $200,000 was expended in the interest of one candidate at the primary election in the interest of his nomination. The amounts of money which are said to have been expended in West Virginia in behalf of both the candidates are far in excess of the statutory limitation, and the probabilities are that these things will have been done with impunity.

Now, I have a belief, which may or may not be well founded, that a man who will violate the law for the purpose of securing his nomination and election to a public position will violate the law after he fills that position. This may be an extravagant view, but I can perceive no difference in principle between the violation of a restrictive statute before and the violation of some other statute after an election. Perhaps by requiring gentlemen who are so liberal with their money in campaigns to contribute to the Treasury of the United States an equivalent in the way of taxation over and above this allowance of $500, which is ample, we may or may not produce the desired result. It certainly will have the effect of obtaining sworn statements both from committees and from contributors, official in character, upon which we will be able to ascertain something about this very important subject.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Colorado. [Putting the question.] By the sound the "ayes" seem to have it.

Mr. PENROSE. I call for a division, Mr. President.

On a division, the amendment was agreed to.

Mr. LODGE. I ask for a roll call, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts calls for the yeas and nays. Is the call sustained?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. In his absence, I withhold my vote.

Mr. JONES of Washington (when his name was called). As announced before, I am paired with the senior Senator from Louisiana [Mr. RANSDELL]. If I were at liberty to vote, I should vote "yea."

Mr. NEW (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. GAY]. I transfer that pair to the senior Senator from New Jersey [Mr. FRELINGHUYSEN] and vote "nay."

Mr. STERLING (when his name was called). Repeating the announcement of my pair with the senior Senator from South Carolina [Mr. SMITH], I withhold my vote.

Mr. TOWNSEND (when his name was called). I again announce my general pair with the senior Senator from Arkansas [Mr. ROBINSON] and withhold my vote.

Mr. WOLCOTT (when his name was called). I have a pair with the senior Senator from Indiana [Mr. WATSON]. In his absence, I am not at liberty to vote. I have tried to secure a transfer of my pair, and have been unable to do so. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. GERRY. I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. KENDRICK. I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from Montana [Mr. WALSH] and vote "yea."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is not present. In his absence, not knowing how he would vote if present, and being unable to obtain a transfer, I withhold my vote.

Mr. SAULSBURY. I transfer my general pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. SMOOT. I desire to announce the unavoidable absence, on account of illness, of the junior Senator from Kansas [Mr. CURTIS]. He is paired with the junior Senator from Georgia [Mr. HARDWICK].

Mr. BRANDEGEE. I am paired with the senior Senator from Tennessee [Mr. SHIELDS]. I transfer that pair to the junior Senator from New Jersey [Mr. BAIRD] and vote "nay."

Mr. MYERS. I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. LODGE. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

The result was announced—yeas 34, nays 28, as follows:

YEAS—34.

Ashurst	Johnson, S. Dak.	McNary	Saulsbury
Beckham	Jones, N. Mex.	Myers	Shafroth
Borah	Kendrick	Nelson	Sheppard
Chamberlain	Kenyon	Norris	Thomas
Cummins	Kirby	Nugent	Trammell
Gronna	La Follette	Overman	Vardaman
Henderson	Lenroot	Phelan	Williams
Hitchcock	Lewis	Pollock	
Johnson, Cal.	McKellar	Pomerene	

NAYS—28.

Bankhead	Hale	Martin, Ky.	Smith, Ga.
Brandegee	Harding	Martin, Va.	Smith, Md.
Dillingham	Kellogg	Moses	Smoot
Fernald	King	New	Spencer
France	Knox	Penrose	Sutherland
Gerry	Lodge	Poindexter	Swanson
Gore	McCumber	Simmons	Warren

NOT VOTING—34.

Baird	Goff	Reed	Townsend
Calder	Hardwick	Robinson	Underwood
Colt	Hollis	Sherman	Wadsworth
Culberson	Jones, Wash.	Shields	Walsh
Curtis	McLean	Smith, Ariz.	Watson
Fall	Owen	Smith, Mich.	Weeks
Fletcher	Page	Smith, S. C.	Wolcott
Frelinghuysen	Pittman	Sterling	
Gay	Ransdell	Thompson	

So Mr. THOMAS's amendment was agreed to.

Mr. JOHNSON of South Dakota. Mr. President, I understand that the committee amendment on page 193 was passed during my absence from the Chamber. I now desire to offer an amendment to it. On page 193, line 18, I move to strike out "automobile wagons, automobile trailers, or tractors" and the comma.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from South Dakota.

Mr. JOHNSON of South Dakota. Mr. President, I had expected to discuss this at some length, but owing to our condition here and at the request of the Senator from Virginia [Mr. MARTIN], I shall take only a very few minutes.

I wish to call attention first to the importance of this machinery to agricultural communities. As no doubt all Senators know, the automobile tractor is a great plow. It prepares the ground for the crops. Without its use the farmer would not be able to prepare over one-half of the ground for crops that he can with the tractor. The automobile wagon is a wagon that the dairymen and farmers and all who produce carry the productions of the farm and the dairy to the towns. The automobile trailer is a small trailer that is hooked on behind the automobile, which enables the farmer to take a small load to or from town with his automobile.

Mr. President, I appreciate the great work that the committee has done. I know they have done their best, and they should have our commendation, but if there is one mistake that has been made in this whole bill it is this direct tax at production by taxing that which is necessary for production. A tractor will put in just about as much crop or prepare the ground for the crop as 12 horses can. The trailer and automobile wagon are equally potent for the purpose of moving these productions of the land to market.

I just want to say this, and then I will leave it for your consideration. There is only one thing in all this country that is actually a necessity of life, and that is bread. You might just as well tax the farmer's horses and his wagons, his harness, and his machinery and seed as to tax the instruments of procuring and furnishing his crop for market. This tax of all the taxes in the bill is the worst. It is an excise tax. It is nothing more nor less than a license. It says to the manufacturer of these products, you may sell the products, the necessities of which are apparent to the farmer, providing you will charge a certain price, and every farmer in the United States who has to buy a tractor will have to pay in the neighborhood

of $200 tax, in addition to all the other taxes, if this 5 per cent excess tax remains in the bill, and the automobiles, wagons, and trucks in the same proportion to cost.

This bill contains some peculiar legislation. There is one provision in the bill, as I see it, which does nothing but grant a subsidy to the Curtis Publishing Co. and concerns of like character of many millions of dollars. Then you turn right around and tax the real necessities of the country with this excise tax on things that help produce the bread of the country.

Mr. President, I do not intend to take up the time of this body. I only want to call the attention of Senators to the importance of eliminating these items from the bill in order that they may not stop a certain per cent of the production of the country all over the land.

Mr. TOWNSEND. Mr. President, I had intended to propose an amendment to this part of the bill, and I had hoped when the Senator from South Dakota rose that he would include all that ought to be included in his amendment. He can make no special plea for farmers on account of tractors under this section which does not apply to men engaged in other occupations. This class of taxes under the excise taxes is levied because they are supposed to be luxuries. You will notice in looking over the list that in it are included all sporting goods, bowie knives, cameras, firearms, shells, dirk knives—all things which are supposed to be luxuries—but I submit, Mr. President, that, in my judgment, no one will contend that automobiles and automobile trucks are luxuries. I submit no one will contend, it seems to me, that automobiles and automobile trucks are any more luxuries than automobile wagons or tractors. The automobile truck certainly has come to be an absolute necessity in this country.

The producers of them are taxed under the income-tax law in the excess-profits clause. Why, then, there should be a special tax levied because they are luxuries is more than I can understand.

I made this point before the committee, and said then inasmuch as we were striking out certain other taxes on automobiles if it were necessary for the Government to have the money, if we must have money as a war necessity, I would urge no further objection to it. But that time has passed. We have already written into the bill the amendment of the Senator from Iowa, a provision taxing alleged luxuries further on which will more than compensate any loss of revenue which might occur from leaving out this tax on actual necessities. I trust the Senator from South Dakota will agree with me that the subdivisions 1 and 3, on page 194, should go out of the bill. They are quite as much necessities as the item to which the Senator from South Dakota has called special attention. There would be no embarrassment to the Government revenue if they were stricken out. I believe all will agree that at this time when many of these concerns have been hard hit by the war, and they are now just readjusting themselves to the peace basis, those particular items should be eliminated from the special tax—the luxury tax, as some have seen fit to call it—because they are not luxuries. I ask the Senator if he will not be willing to modify his amendment so as to strike out, first, paragraph 1—the whole of it—and, second, paragraph No. 3, on page 194.

Mr. JOHNSON of South Dakota. Answering the Senator from Michigan in regard to luxuries, I do not see how he can get the idea that an automobile tractor or automobile wagon is a luxury. They can possibly be used for but one general purpose. However, if my amendment to the committee amendment which is printed there is included the automobile trucks would go out, too.

Mr. TOWNSEND. I was not contending that the tractor was a luxury. I say it is no more of a luxury, however, and no less so than the automobile truck, and most of the automobiles that are used in this country are quite as essential to the western farmer as possibly the tractor itself in many respects. I am asking simply that all these articles be eliminated from the bill.

Mr. JOHNSON of South Dakota. I will accept the amendment to the amendment as to automobile trucks, but I would not accept the amendment as to automobiles and motorcycles, because I figure that they are to some degree a luxury.

Mr. TOWNSEND. If the Senator will include automobile trucks we can vote on that, and I will offer the other amendment later.

Mr. SMITH of Georgia. Mr. President, as the bill came from the House there was a tax on gasoline. There was a tax per horsepower upon each user of an automobile. There was a tax provided by the two paragraphs on automobiles, automobile trucks, tractors, and so forth.

The provision on the next page covers the tax on inner tubes, parts, accessories, and so forth. We struck out the gasoline tax. We struck from the bill the tax on users of automobiles, so much per horsepower. We cut out two-thirds of the tax which the House provided with reference to automobiles and the gasoline required to operate automobiles, and we have reduced one-half the tax on accessories.

From the tax on automobiles, motorcycles, automobile trucks, and automobile wagons we expected to raise about $70,000,000. From the tax as levied on the next page referred to by the Senator from Michigan [Mr. TOWNSEND] we expected to raise about $15,000,000. So you have $85,000,000 in these two items which the Senator from Michigan desires to have stricken out. The tax on automobile trucks, automobile wagons, automobile trailers, and so forth, is expected to raise about $30,000,000.

Mr. JOHNSON of South Dakota. The information that I have—and I think it is authoritative—states that we would raise about $18,500,000 on those four items.

Mr. SMITH of Georgia. I give my figures from the tax experts who have cooperated with us in working upon the bill. They have just given me again their estimate as to this part of the bill, and I repeat it as they furnished it to me.

I am not anxious to levy a tax on anything. We went as far as we felt justified in going in reducing this branch of taxation, as provided in the bill as passed by the House, and it is for the Senate to say what it will do. The committee reached the conclusion that they had removed the burden incident to this tax at the place where it was best to remove it, and left it in connection with manufacturing production, reducing one-half even, as to manufacturing production, the accessories.

Mr. MYERS. Mr. President, I should like to call the attention of the Senator from Georgia, who has just been speaking, to lines 20 and 21, on page 193 of the bill, which read, "including tires, inner tubes, parts" of automobiles, and so forth. That was all stricken out by the committee, was it not?

Mr. SMITH of Georgia. Clause 2 was stricken out; the words "automobiles, motorcycles, automobile" were included in paragraph 2, and the tax was reduced from 10 to 5 per cent on automobiles, motorcycles, and so forth. We reduced one-half of the tax on that portion of those vehicles.

Mr. TOWNSEND. May I ask the Senator from South Dakota [Mr. JOHNSON] if he included in his amendment automobile trucks?

Mr. JOHNSON of South Dakota. No; I merely included automobile tractors, automobile trailers, and automobile wagons. That was my original amendment.

Mr. TOWNSEND. I understood the Senator from South Dakota to say that he would include automobile trucks in his amendment.

Mr. JOHNSON of South Dakota. I stated, or intended to state, that the Senator from Michigan could move to amend the amendment by inserting those words. I do not, however, know that I would have any objection to accepting that modification of my amendment.

Mr. SMITH of Georgia. I understood the Senator from South Dakota to say that he did include those, but would not include the balance. I understood him as did the Senator from Michigan [Mr. TOWNSEND].

Mr. TOWNSEND. I so understood the Senator.

Mr. SMITH of Georgia. Therefore I presented the figures as to the reduction of the tax on the class of vehicles which I understood the Senator from South Dakota desired to cover by his amendment.

Mr. JOHNSON of South Dakota. I will accept the amendment to include automobile trucks, but not the balance of the section. That is left in.

Mr. TOWNSEND. That is what I understood the Senator to say.

Mr. JOHNSON of South Dakota. I will agree to insert "automobile trucks, automobile wagons, trailers, and tractors."

Mr. SMOOT. Mr. President, I can not see why there should not be a tax upon automobile trucks. There is nothing destroys the roads of the country as do automobile trucks. There has got to be some change either in the building of roads or in the weight of trucks, or else the cost of the maintenance of the roads in this country will be so great that communities can not stand the expense. The committee decided that automobile trucks should at least pay a 5 per cent tax on the sale price of the truck, and I thought the committee had gone very far, indeed, if we are going to impose any tax upon the manufacture of any articles in the United States when they reduced the tax imposed upon automobiles and motorcycles from 10 per cent to 5 per cent.

We eliminated the tax upon gasoline for the motorcycle, the automobile, the automobile truck, and all tractors that must of necessity use gasoline. The House proposed to impose a tax of 2 cents per gallon upon gasoline; and that would have amounted to more than any tax which the Senate committee has proposed to impose under this provision. Not only that, but there was

imposed a tax for the use of automobiles, and the committee thought they would eliminate that tax entirely; so that all the tax that is proposed to be imposed by the Senate Committee on Finance is the tax of 5 per cent upon automobiles, motorcycles, automobile trucks, automobile wagons, automobile trailers, and tractors. If we are going to have any tax at all, it seems to me that we ought to adhere to the 5 per cent tax, and especially so when we take into consideration the elimination of the taxes which the House imposed upon this industry. I sincerely hope that the Senate will at least sustain the committee in the imposition of this tax.

Mr. TOWNSEND. Mr. President, I see now a new reason for taxing automobile trucks. The Senator from Utah [Mr. SMOOT] says that they destroy the roads, and therefore we should turn this money over to the Federal Government which will never reach the roads and which will not in any manner affect the roads nor maintain them. I did not suppose that this tax was proposed to be put on as a penalty. I supposed that the only reason that we put the tax on was because we regarded these vehicles as luxuries. There is no other reason that can be urged for putting a tax on this class of articles, except that they are luxuries.

Mr. POINDEXTER. A truck a luxury?

Mr. TOWNSEND. An automobile truck. That is clearly not true. Automobile trucks are not luxuries; they are just as much necessities as is the ordinary wagon, the ordinary buggy, or any other vehicle which the farmer, the business man, or the truckman on the streets of any city uses. So, although we may have proposed to reduce the tax on gasoline, that does not in the least affect the tax.

As I said to the committee, if the Government needs the money and you are proposing to tax things of this kind, I will vote for it. I am perfectly willing to put the tax on; but the Government does not need the money. You have already voted into this bill to-day items variously estimated at over $187,000,000 more than the bill provided for when it came here. That being true, it seems to me clear that we should eliminate from the bill the tax on these necessities. The senior Senator from Massachusetts [Mr. LODGE] says that in cutting the taxes we have reduced the luxury taxes, so called, to a loss of $90,000,000 of revenue; but that more than compensates for the loss that comes from these few items of actual necessity to the people of the United States.

The VICE PRESIDENT. Now, there is an involved parliamentary situation existing here. The Senate, as in Committee of the Whole, has already adopted an amendment to strike out the word "automobile" and to insert "automobiles, motorcycles, automobile." That amendment having been agreed to, it will have to be reconsidered and the amendment rejected. Then an amendment agreed to striking out the word "automobile" and inserting the words "automobile and motorcycles," and then striking out line 19. The Chair suggests that the vote be taken, and if the amendment carries the Secretary will make up the record accordingly.

Mr. JOHNSON of South Dakota. I ask for the yeas and nays on the amendment to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JONES of Washington (when his name was called). As heretofore announced, I am paired with the senior Senator from Louisiana [Mr. RANSDELL]. Therefore I withhold my vote.

Mr. KENDRICK (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "yea."

Mr. NEW (when his name was called). Again announcing my pair with the junior Senator from Louisiana [Mr. GAY], in his absence I withhold my vote.

Mr. STERLING (when his name was called). Again announcing my pair with the Senator from South Carolina [Mr. SMITH], I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. TOWNSEND (when his name was called). Again announcing my pair, unless I am able to secure a transfer I shall withhold my vote.

The roll call was concluded.

Mr. GERRY. I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. SMOOT. I desire to announce the unavoidable absence, on account of illness, of the Senator from Kansas [Mr. CURTIS]. He is paired with the junior Senator from Georgia [Mr. HARDWICK]. I will let this announcement stand for the remainder of the day.

Mr. TOWNSEND. I find I can transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from New Jersey [Mr. FRELINGHUYSEN]. I therefore vote "yea."

Mr. BRANDEGEE. Making the same announcement as to my pair and its transfer as on the previous vote, I vote "nay."

Mr. MYERS. I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Arizona [Mr. ASHURST], and vote "yea."

Mr. LODGE. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

The result was announced—yeas 33, nays 28, as follows:

YEAS—33.

Fernald	Kendrick	Myers	Sheppard
France	Kenyon	Nelson	Spencer
Gore	Knox	Norris	Thomas
Gronna	La Follette	Nugent	Townsend
Hale	Lenroot	Overman	Trammell
Henderson	McCumber	Phelan	Vardaman
Johnson, S. Dak.	McKellar	Poindexter	
Jones, N. Mex.	McNary	Pollock	
Kellogg	Martin, Ky.	Shafroth	

NAYS—28.

Bankhead	Harding	Page	Smoot
Borah	King	Penrose	Sutherland
Brandegee	Kirby	Pomerene	Underwood
Chamberlain	Lewis	Simmons	Warren
Dillingham	Lodge	Smith, Ariz.	Watson
Fletcher	Martin, Va.	Smith, Ga.	Weeks
Gerry	Moses	Smith, Md.	Wolcott

NOT VOTING—35.

Ashurst	Frelinghuysen	New	Smith, Mich.
Baird	Gay	Owen	Smith, S. C.
Beckham	Goff	Pittman	Sterling
Calder	Hardwick	Ransdell	Swanson
Colt	Hitchcock	Reed	Thompson
Culberson	Hollis	Robinson	Wadsworth
Cummins	Johnson, Cal.	Saulsbury	Walsh
Curtis	Jones, Wash.	Sherman	Williams
Fall	McLean	Shields	

So the amendment of Mr. JOHNSON of South Dakota to the amendment of the committee was agreed to.

The VICE PRESIDENT. It is the understanding that the Secretary will correct the bill as has been indicated.

Mr. TRAMMELL and Mr. TOWNSEND addressed the Chair.

The VICE PRESIDENT. The Senator from Florida.

Mr. TRAMMELL. I desire to offer an amendment to the pending bill.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add a new section to the bill, as follows:

SEC. 1407. That all officers and enlisted personnel of the Army, Navy, and Marine Corps serving the United States in the war against Germany who have been honorably discharged from the service since November 11, 1918, or who may hereafter be honorably discharged, shall be paid one month's salary in addition to the regular pay heretofore authorized.

Mr. TOWNSEND. I ask the Senator if he will not withhold his amendment until we finish the consideration of the section with which we have just been dealing? I had proposed an amendment. Then the Senator from South Dakota [Mr. JOHNSON] included part of it in his amendment; and now, if we could dispose of the remainder of it, we could have made all at once the correction the Chair has suggested.

Mr. TRAMMELL. Mr. President, I dislike very much not to accede to the request, but we are working on rush time to-day, and I do not think it will take very much time to dispose of the amendment I have offered.

Mr. TOWNSEND. I think we are going to have time enough to consider all amendments which may be offered.

Mr. TRAMMELL. I dislike very much not to accede to the request of the Senator.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Florida.

Mr. SIMMONS. Mr. President, I do not think that this amendment has any proper place in a revenue bill. I am so much in sympathy with the purpose of it that I do not feel disposed to make any resistance, but I can not see its pertinency to the pending measure. It ought to have been offered as a separate proposition.

Mr. TRAMMELL. Mr. President, I will take but a moment. I will say that some four weeks ago I introduced a bill embracing the subject covered by this amendment and granting

one month's additional pay to all officers and enlisted men in the Army, the Navy, and the Marine Corps. This policy was at least approved by Gen. March, in a public interview a short time after the introduction of my bill, and I believe that it will meet with the general approbation of the tax-bearing public of this country. I believe the American people feel that we should make this allowance as a contribution to our soldiers, who have met so faithfully, so bravely, and so heroically the duties devolving upon them. It will be a little pittance to assist them in going home and getting once more reestablished in civil life; and, in order that it may not be delayed longer, I very much hope that it will be adopted as an amendment to the pending bill.

Mr. SIMMONS. Mr. President, the Senator says that he introduced a bill upon this subject some time ago. I should like to ask him what reference was made of it?

Mr. TRAMMELL. It was referred to the Military Affairs Committee.

Mr. SIMMONS. Does the Senator know why that committee has not acted upon it?

Mr. NEW. Mr. President——

Mr. TRAMMELL. I can not say why the committee has not acted upon it. I see the chairman of the committee present, and if he has a statement to make I should be very glad to hear from him upon the subject.

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Indiana?

Mr. TRAMMELL. I do.

Mr. NEW. I did not see the chairman of the Military Affairs Committee present, and I was going to say something about the disposition that was made of that bill; but I observe now that he is here.

Mr. CHAMBERLAIN. Mr. President, in the multitude of bills that the Military Affairs Committee have had to consider, we have not been able to consider this particular measure. We have been constantly at work when we could get a quorum. Some of our members, as the Senator knows, are on the Finance Committee, and the Finance Committee have been in constant session, and they have kept the members of the Military Affairs Committee away and kept it from maintaining a quorum; but the bill will be considered in due course by the Military Affairs Committee, and action upon it by the committee will not be delayed.

Mr. SIMMONS. I simply want to say that if the Senator from Florida insists upon it, I can not myself resist the amendment.

Mr. SMITH of Georgia. Mr. President, we all agree that this is not the proper place for the amendment; but I think every Senator is in favor of the amendment, and the quick way to get it through is to let it be added to this bill now. So far as I am concerned, therefore, I shall be glad to have the chairman of the committee accept it.

Mr. SIMMONS. I would accept it if I had the power.

Mr. KNOX. Mr. President, I should like to inquire of the Senator from Florida why the date is limited to the 11th of November. What about a man who is discharged on the 10th or on the 1st for ill health, and who has gone back?

Mr. TRAMMELL. Mr. President, the object of specifying that date was that it should apply to those who had served until the conclusion of actual hostilities, and therefore it was made to apply from the date of the armistice on November 11.

Mr. KNOX. Does not the Senator from Florida think that the claims of a man who was discharged, say, on the 9th or the 10th, by reason of wounds or illness, are just as meritorious as those of one who was discharged on the 11th?

Mr. TRAMMELL. Mr. President, you have to draw a line somewhere, and I thought it was best to fix the date at the conclusion of actual hostilities. Those who were discharged prior to that time were discharged at their own request, unless they were discharged for disability; and this will apply to what took place after the demobilization began.

Mr. KING. Mr. President, may I ask the Senator a question? Will this cover cases where men were called quite recently and inducted into the service, some of whom served only, perhaps, 10, 15, or 20 days, some of them less than a month or two months? Do they get the same compensation as the men who have been in France?

Mr. TRAMMELL. It will apply to them just the same. Of course, there will be some few cases of that character.

Mr. KING. There will be thousands of them.

Mr. TRAMMELL. There has been no induction that I know anything of, however, since the armistice was signed.

Mr. CHAMBERLAIN. Mr. President, I want to make an additional suggestion to the Senate with regard to delay in acting by the Military Affairs Committee, and that is that there are various bills pending before the committee covering this subject, and covering uniforms and other gratuities to the soldiers. This particular bill was acted upon favorably by the committee, and not reported to the Senate because we took all of the bills covering these various subjects and sent them to the War Department, with the request that they reconcile them and report to us as to the propriety of reporting back the bills as they were, or making such changes as would unify the law and harmonize the different statutes.

Mr. WOLCOTT. Mr. President, will the Senator yield for a question?

Mr. CHAMBERLAIN. I yield.

Mr. WOLCOTT. Do I understand, then, that the Military Affairs Committee has reached the determination that the principle of this bill is worthy of acceptance?

Mr. CHAMBERLAIN. Yes.

Mr. WOLCOTT. And it is only a matter of how it should be framed in formal legislation?

Mr. CHAMBERLAIN. That is all.

Mr. LEWIS. Mr. President, having a bill similar to that referred to, as I have no doubt many other Senators have presented similar bills, may there not be an understanding that in voting for this amendment of the Senator from Florida we do not yield the other measures, nor is it regarded as a substitute for them? They will remain before the Military Affairs Committee for such action as it may give them.

Mr. ASHURST. Mr. President, I have received a very large number of letters in respect to the bill which I introduced some weeks ago to grant three months' pay to each discharged soldier and give him his uniform and overcoat and other articles of apparel as his own property. I appreciate the necessity for early action on the revenue bill, and therefore I will take but a moment.

The chairman of the Committee on Military Affairs has assured me that the bill (H. R. 13366) will undoubtedly pass the Senate at an early date, giving to each soldier, marine, and sailor, when honorably discharged, his uniform, his overcoat, and other articles of personal apparel as his own property. I ask leave at this time to include in the RECORD a few letters I have received on this subject. I have received over a thousand; but I have here only about half a dozen in favor of the passage of this bill, urging that the uniform be given to the soldiers, and three months' pay additional.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

SEATTLE, WASH., *December 13, 1918.*

Whereas a bill has been introduced in Congress to allow 90 days' pay and the uniform to all soldiers being discharged from the United States Army, and we, being in sympathy with this movement and knowing that it will be of great benefit to our brave defenders, heartily indorse said bill: Therefore be it

Resolved by Geo. H. Fortson Camp No. 2, of the Department of Washington and Alaska, United Spanish War Veterans, in regular session assembled on this 12th day of December, 1918, that we indorse the granting of said 90 days' pay and the presentation of the uniform to each of the men being discharged from our Army; and be it further

Resolved, That Senator ASHURST be notified and that copies of this resolution be forwarded to our Senators in Congress.

This resolution was proposed and adopted by the unanimous vote of all members present.

GEO. H. FORTSON CAMP NO. 2, U. S. W. V.,
E. A. VORIS, *Adjutant.*

FREEPORT, ILL., *December 12, 1918.*

Senator HENRY F. ASHURST,
Washington, D. C.

DEAR SIR: Permit me to congratulate you on the bill you presented to Congress with reference to soldiers' and sailors' uniforms and pay. If the bill does not go through, let me suggest that you offer a bill prohibiting eulogy, as 80 per cent of these men can not live on eulogy, and if they are not entitled to their old clothes and the ordinary pay that private individuals would give to a suddenly discharged chauffeur, I believe such a bill would be in order.

The American public assisted in furnishing amusement and extra comforts which the Government did not furnish, and as such an American citizen I am willing to pay for a uniform for any discharged soldier. I have had no near relatives in the service and am beyond the age myself, but God knows I owe to a discharged soldier a suit of clothes and a pair of shoes, in addition to such amusements as I have assisted in furnishing him. As I say, I will pay for one suit, and I hope Congress will see its way clear to pay for the balance. Let the boys know we mean what we say.

I will send a copy of this to our Senators—SHERMAN and LEWIS; also to our Congressman Mr. JOHN C. MCKENZIE.

Wishing you success and assuring you that I believe the American people, if their attention is called to it, approve of your bill, I remain,

Yours, very truly,

BREWTON, ALA., *December 11, 1918.*

Senator HENRY F. ASHURST,
Washington.

DEAR SIR: I have just read the newspaper report of your bill to give our discharged Army and Navy men their old uniforms and 90 days' extra pay. I heartily indorse the proposition and I think every loyal, soulful American citizen will do the same. Your statements in support of the plan are just and thoughtful and do you great honor.

We are going to have a great big debt to pay in the coming years and these boys will help us pay it. Some of them will return to well-to-do homes and good bank accounts, but 9 out of 10 of them will feel good with the hundred extra dollars in their pockets.

How glorious, that their courage and sacrifices have left us able to make this small demonstration of our appreciation of their honoring services to the Nation. Greeting cheers we will give them heartily, but these are cheap and evanescent. Your bill will furnish a tangible token of the Nation's gratitude.

This writer is 74 years old—reached his home June 27, 1865; buried his old gray jacket with the honors of war, and framed his Confederate $50 bill payable by the Confederate States of America—after treaty of peace with the United States—bless its old soul. I took its promise and will for the deed, but our boys are luckier than their fathers.

They tell us that our Nation is the richest in the world and sending billions to feed the hungry of Europe and Asia. If we order our boys to haul off their khaki for other soldiers and another war, might we not as well furl "Old Glory" that we may quickly forget the story of Chateau-Thierry, St. Mihiel, and Argonne Forest?

Yours, very truly,

SAGINAW, MICH.,
December 13, 1918.

Hon. JOSEPH W. FORDNEY,
Washington, D. C.

DEAR FRIEND: I see that a bill has been introduced in the Senate by Senator ASHURST, of Arizona, to permit the soldiers, sailors, and marines to keep and wear their uniforms and also to give them three months' pay.

I believe this is one of the very best bills that has ever been introduced in Congress to relieve and assist the young men who have been in the Army or Navy. I believe that the uniforms should belong to the young men who have bought them and that they be at liberty to wear them any time when they see fit. Surely no one but a soldier would want to wear these uniforms, and they would not have to sell to a person who is not a soldier.

Every person that I have talked with approves of this measure, and I hope that you will do all you possibly can to see that this bill becomes a law.

With kind regards, I remain,

Sincerely, yours,

E. L. BEACH.

MOUNT VERNON, N. Y.,
December 16, 1918.

Senator ASHURST.

SIR: I am pleased to note in Army and Navy Journal your bill S. 5050.

I trust you will make it apply to discharged officers as well as enlisted men.

The officers have made just as large sacrifices in proportion, many giving up established businesses, which it will take many months to reestablish. I speak from experience, as I am back to my business and find it is not easy under present uncertain conditions of business.

Officers have each paid $400 to $500 or more for uniforms, and it would be only fair to permit them to wear their uniforms three months and get some wearing value out of them. It would also seem only fair to allow the officers 50 per cent of the cost of their uniforms on discharge.

Appreciating your efforts in our behalf, I am,

Sincerely, yours,

Eighteen months' service in United States and in France.

BIRMINGHAM, ALA., *December 18, 1918.*

Senator HENRY F. ASHURST,
Washington, D. C.

DEAR SIR: I notice in the press that you have introduced a bill to pay soldiers and sailors three months' salary after the date of actually mustering out. As a citizen, I feel that this is so eminently just and proper that I take the liberty of writing you.

It is very important to the country that each soldier and sailor keep his uniform for use in after years, and not only for use but as one of the physical evidences of his devotion to his country and his association in this great world crisis, that is to mean so much to this country in years to come.

In addition to the numerous grounds assigned in the press that you have advanced in support of your bill, all of which are most excellent, I beg to suggest an additional reason why this is proper, to wit: I know from personal observation in not less than a half dozen of the large cantonments of the South that a large percentage of the men when they went to camp were compelled to wear their own clothing for quite a while, until they could be properly equipped with Government uniforms. They, therefore, furnished the Government their own equipment for a considerable time.

I am sure that it will require from two to three months' pay for the average soldier or sailor under present conditions to buy sufficient clothing, shoes, etc., to enable him to return to private life decently; and since, in most instances, he wore out one full suit in the service of the Government before he was fully equipped it does seem to me to be simple justice for the country to provide him the funds with which to reimburse himself. This seems to me a sufficient reason, and when coupled with the many reasons you have assigned, as brought out in the press, to impel the passage of some bill to give the relief along the lines as suggested.

Respectfully, yours,

PORTLAND, OREG., *December 2, 1918.*

SENATOR: Note your bill to give soldiers and sailors their uniforms and 90 days' pay.

God knows this is little enough, when they were willing to give their lives. They are not ashamed of the uniform, either, and why make them lay it aside after 60 or 90 days? Why not allow them to wear it as long as it lasts? Our fathers did so in 1812 and 1865. Why not the sons?

E. T. MORRIS.

CAMP LEWIS, VA., *November 30, 1918.*

Senator ASHURST, of Arizona.

GREETING: As a constituent of yours and a former newspaper publisher of Tucson, Ariz., I take this liberty to recognize your effort in behalf of the United States soldiers. Your idea of advancing 90 days' pay to the soldier upon his discharge from the Army has the unanimous approval of all the soldiers of Camp Lewis for the following reasons:

1. The average soldier has an allotment, war-risk insurance, and liberty bonds as an obligation.

2. His capacity for attaining the same amount of money as a civilian has been curtailed by his sacrifice in the present emergency.

3. The winter is at hand, and as it will be several months before conditions industrially will be normal again it would be a splendid idea to give him a nucleus for his new start in life, as they term it, and also to prevent any opportunity of social or industrial dissensions.

4. It is true that if the soldier is so remembered that the favor, plus the experience he has gained in economy with the Army, will make a basis for a brighter and better citizenship than before the war.

5. May it come about so as the soldier will receive it upon the day he is discharged and not 90 days after.

Hoping you will be able to interest all of the Senators in this essential idea, I remain,

Respectfully,

CAMP FUNSTON, KANS.,
December 18, 1918.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

DEAR SIR: It was noted with a great deal of satisfaction by all the men in the Army that you had introduced a bill into the Senate to pay the men for three months at the rate of pay of their grade upon their discharge from the Army.

A great deal of interest has been manifested in the ultimate outcome of this bill since the time it was introduced, but up to the present time there has been nothing shown in the papers as to what disposition was made of it. As you know, immediately upon the discharge being granted from the Army it will be necessary for a vast majority of the men discharged to purchase complete outfits of civilian clothing. This as you know can not be done for less than the amount you have proposed to have paid the men.

The French Republic has agreed to the introduction of a similar bill into the Chamber of Deputies which proposes to indemnify discharged soldiers in the amount of 250 francs. Is France more able or more willing to give her men returning to civil life at least a chance for an even break than is our own, the richest and most prosperous nation on the earth?

I am writing this letter in my own behalf as well as that of the many other men who were taken away from their civil pursuits of happiness and profit to serve in the Army, and who without complaint have served to the best of their several abilities in such places as they were sent, and now that they are about to be discharged find that a hardship in being properly equipped to reenter civil life is about to be encountered; hence this appeal to you to urge this bill and show the men who have served just the attitude of the men whom they have helped to send to the Halls of Congress to represent them.

KANSAS CITY, MO., *December 9, 1918.*

DEAR SIR: Hope you get your bill through, as I have three nephews over in France and I know they would like to keep their uniforms as a relic. I herewith mail you two statements of Kansas City Star. There has been several like this and you may not see them. This to show what interest is being taken.

Respectfully,

JOHN MEREDITH.

GIVE DISCHARGED SOLDIERS AND SAILORS UNIFORMS AND 90 DAYS' PAY.

To the Star:

I read in to-day's paper Senator ASHURST, of Arizona, had proposed a bill giving soldiers and sailors the uniforms they wear at the time of their discharge and 90 days' pay.

I think that the best proposition made for our returning soldiers and sailors. With what pride they will look on those uniforms in days to come—just as we look at the relics used by our ancestors! It keeps in the heart real patriotism and love of country. It will not be a memory only, but something tangible.

What with the drilling, the embarkation, the arrival in foreign countries, the terrible battles they have been in, and the home-coming, it seems to me they will be dazed and hardly fit for work. What will they do? They must live. Some have no homes to come to. I am sure Uncle Sam is willing to let them rest without worry.

I hope the bill will be passed.

DAUGHTER OF AMERICAN REVOLUTION.

LYNCHBURG, VA., *December 10, 1918.*

Hon. HENRY F. ASHURST,
Washington, D. C.

DEAR SIR: I am writing you to say that I heartily agree with your bill to allow the retiring soldiers to retain their uniforms and to be given 90 days' extra pay, too.

The uniforms will be worth nothing to the Government, but will mean a great deal to the soldiers now, as well as in after years.

They will all be broke when they return, and certainly 90 days' extra pay is little enough compensation for the magnificent work they have done. I believe the people are with you practically unanimously on this proposition.

Yours, truly,

G. M. BRASFIELD.

BALTIMORE, MD., *December 11, 1918.*

United States Senator ASHURST.

SIR: In to-night's paper I read of the bill you have introduced to give each discharged soldier his uniform and three months' pay, and from experience I can say it is the most humane bill I have ever read. When I state "from experience," I was discharged in 1898—November 7—and being a newly married man with $28 finals, my uniform was a godsend. Some will spend it in a few days, but the majority will see it as I do. I also wish to state that I hope to be a resident of Arizona soon—where at, I do not know. My reason is that, being a sufferer

from tuberculosis, malarial poisoning, and pyorrhea, I am compelled to keep moving to keep able to support my family, and my wife's help. Now, I will tell you of a little incident. Being an ex-soldier, I have always endeavored to make my home pleasant for as many of the boys as I could financially entertain. So last June I saw, while working at my trade at Fort McHenry Base Hospital No. 2, an artilleryman from France. He looked as if he had gone through some hard times, and I accosted him and invited him to my home, as I had done to other boys. He told me he had not been paid for nine months. His record, or papers, could not catch him. And he had been operated on for appendicitis in mid-ocean, and since then in New York, and was due for one in Fort McHenry. Anyhow, I fixed him up financially, also with tobacco, and took him home. He picked up wonderfully since then. His last operation has been successful and I introduced him to a perfect young lady, and they get married Christmas, and when he gets his discharge we are all going to Arizona. We had decided to go before, and now since I have read your bill it confirms my idea of Arizona. I am no novice to the West, as I spent seven years in California. We intend to go as soon as we are able. He is a farmer and I am a practical bungalow builder (as they are built in California).

Hoping your bill will pass with no opposition, and when we become voters in Arizona you can rely on two, no matter which political party.

I am, most respectfully,

W. S. HARRIS,
1316 James Street, Baltimore, Md.

P. S.—My penmanship comes from nervousness, which came from my own physical troubles. W. S. H.

—

ANNISTON, ALA., *November 30, 1918.*

Senator ASHURST,
United States Senate, Washington, D. C.

MY DEAR SIR: Notice of preparation of your bill was published in a local newspaper, the Anniston Star, Anniston, Ala. The same newspaper published statements of Quartermaster Department, and it said that millions of articles of clothing were on hand unissued.

It occurred to me that inasmuch as such equipment was on hand, and, too, inasmuch as all present issued clothing was "second hand" when issued, that some or all of the surplus new uniforms be given the boys, who would like to go home looking decent, but who are ashamed to wear the oversizes and patched trousers, etc., home. It is perfectly proper that we soldiers should sacrifice our pride and even substance and life if necessary, but as we go home after such as we have been through, "much or little," it is no more than right that we should have the $90, or three months' pay, and the clothes which are on hand now unissued.

Most men would be able to find employment, and maybe the $90 would be the means of them getting started over in some new or old occupation.

We boys admire you and appreciate such a man in the Senate.

Yours, respectfully,

Pvt. B. E. PROCTOR, JR.,
First Company, Ninety-eighth Division, Camp McClellan, Ala.

Mr. FLETCHER. Mr. President, I think I can say for the members of the Committee on Military Affairs that there is really no opposition in that committee to the bill offered by my colleague [Mr. TRAMMELL].

Mr. SMITH of Georgia. Mr. President, is it not true that that bill has been approved now by a majority of the members of the committee; that they have signed their approval to it, and it is ready to be reported and passed?

Mr. FLETCHER. I think so.

Mr. SMITH of Georgia. We could call it up this afternoon.

Mr. BORAH. Mr. President, do I understand that this amendment, in substance and effect, is approved by the Military Affairs Committee?

Mr. McKELLAR. That is true. It has been approved by the Military Affairs Committee and directed to be reported, subject only to the Secretary of War changing its verbiage.

The VICE PRESIDENT. The question is on the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. TOWNSEND. Mr. President, I desire now to complete the amendments in relation to section 900, in completion of the work which was done by the Senator from South Dakota [Mr. JOHNSON] in his amendment.

By that amendment we have stricken from paragraph (1) everything except automobiles and motorcycles. Now, it has occurred to me that all of these items should be treated in exactly the same way; that there is no reason which may be urged in behalf of one which is not good in relation to the others. They are not luxuries. That has been determined, I think, by everyone who has given the matter consideration.

Then in section 3, on page 194, is the tax on tires, inner tubes, parts, or accessories for any of the articles enumerated in this other paragraph. In other words, I ask now to amend the bill further by striking from it the tax on automobiles, motorcycles, and the new parts which apply to those particular items.

This is all one subject. It is all treated, or should be treated, in exactly the same manner. These were luxury taxes. They are not such; and we having decided that in some cases, it seems to me that we ought to include the other matters.

I do not care to occupy the attention of the Senate on the subject, and I am perfectly willing to take the judgment of this body upon it. Therefore I move to have it treated the same as the other amendment, which was carried, and to strike from the bill subdivision "(1)" on page 193, and subdivision "(3)" at the top of page 194.

The VICE PRESIDENT. The Senator from Michigan proposes an amendment, which will be stated.

The SECRETARY. It is proposed to strike out all of lines 18 to 22 on page 193 and lines 1 to 5 on page 194.

Mr. SMITH of Georgia. Mr. President, we make no point at all upon the time when the motion is made, and agree with the statement of the Chair that it can be considered; but I think we ought to state again, from the committee to the Senate, just what you are doing.

The committee took the bulk of the burden off of the automobile business and the automobile operation. The House put a tax on gasoline. We struck that out. The House put a tax upon each owner and user of an automobile. We struck that out. The House put a tax of 10 per cent on automobiles and motorcycles. We reduced it to 5. The House put a tax of 10 per cent on accessories, tires, and things of that kind connected with automobiles. We reduced it one-half. Now, you are about to strike out the last $55,000,000 that we have left in this bill. It is estimated that the automobiles and motorcycles will pay $40,000,000, and that the accessories will pay $15,000,000. That is $55,000,000 more. You are about to strike that out, also, or the motion is to strike it out.

Speaking for the committee—I think I can speak for a large majority of them—we do not think this ought to be done. We do believe that this tax is reasonable on the manufacturers of automobiles and motorcycles and on these additional supplies for automobiles. It is reduced one-half from what the House had it, and the industry has been freed from the balance of the tax by taking it off of gasoline and taking it off of the operators of automobiles.

I do not believe it is possible to get this bill through without some of this tax being left. I believe it will either go back on gasoline, or it will go back on the operators of automobiles, or it will go back somewhere; and this is the best place to leave it—on the manufacturers of the automobiles and motorcycles. I think the action of the committee was at least wise in leaving this tax in the bill.

Mr. McCUMBER. Mr. President, the argument that was made in favor of striking the tax off of the tractors, and so forth, was an argument made seemingly for the benefit of the agricultural class, and for the benefit of no one else. I know enough about the agricultural class to know that there are $10 or perhaps $50 invested in automobiles by that class where there is $1 invested in these other articles which you wish to protect from the tax. A little Ford is no more of a luxury to the farmer than a horse and buggy were a few years ago. Nearly every farmer has one of that kind, or one similar to it. It is just as necessary for him to run to town in his automobile, especially in the Western country, where quite often he is 30 or 40 or 50 miles from a town of importance, as it was in the olden days to drive his horse and buggy that distance.

It does seem to me that none of these are really luxury taxes, and if they are not luxury taxes they ought to go out, all of them. I voted to take them all out, and I would vote again to take them out to-day, because I think it applies just as much to one class as to another; and, although I represent a purely agricultural State, I do not want to say to the man in that State: "You can have your article free, but the merchant in the little town must pay taxes on an article that is produced by the same manufacturer." I think they ought to be all treated alike.

Mr. BORAH. Mr. President, we are just adding about seventy-five or eighty millions——

Mr. NELSON. Oh, Mr. President, two hundred and fifty millions.

Mr. LODGE. The Senator is speaking of taxes, and not expenses.

Mr. NELSON. I mean the expenses. We have just added an amendment here increasing the expenses of the Government $250,000,000.

Mr. BORAH. Very well. The Senator knows more than I do about it, and I will accept his figures. It only accentuates the position that I am going to take.

I voted against the amendment that was offered a few moments ago, although it was supposed to be offered in behalf of the agricultural interests, and a large part of my State is dedicated to that vocation; but I have not heard any considerable protest on the part of the agriculturists or farmers in regard to this matter. The only protests, the only letters I have had, have come from the manufacturers of automobiles and the manufacturers of these articles with which we are now dealing; and I suspect that they are the ones who are most concerned about this matter. In view of the fact that

we are adding expenses here to the extent that we are, we ought not to undertake to reduce upon those matters which, whether they are necessaries or luxuries, can afford in this emergency to pay this tax.

Mr. SMOOT. Mr. President, just one word. A couple of hours ago the Senate voted to place a tax of 10 per cent upon clothing. Now we are going to vote whether we are going to impose a tax upon automobiles or not, after cutting it from 10 per cent to 5. I can not see the consistency in any such course of action.

Mr. MYERS. Mr. President, I ask for a division of the question. I ask that the motion to strike out subdivision "(1)" on page 193 be voted on as one question, and that the motion to strike out subdivision "(3)" on page 194 be voted on as another question.

The VICE PRESIDENT. The question is on the motion to strike out subdivision "(1)" on page 193, as amended.

The motion was rejected.

The VICE PRESIDENT. The question now is on the motion to strike out paragraph "(3)," on page 194.

The motion was rejected.

Mr. JONES of New Mexico. I desire to call up an amendment I offered some days ago on page 8, line 4, to insert a paragraph as follows:

(c) When parcels are sold from a tract of land as part of a plan of development and disposition, no gain shall be deemed to accrue to the owner from the sale of any parcel until enough shall have been sold to return to him the cost of the tract or its value on March 1, 1913, if it was acquired by him on or before that date.

The other day in discussing the bill I called attention to this very important situation which affects the irrigation industry. Under the present ruling of the department if a man has an irrigation enterprise, and sells any of it, the difference between the cost of the few acres which he sells and the rest is considered as income, although the cost of construction of the work has not yet been paid for. In cases of that kind where the project is being developed, the amendment provides that the person shall not be charged until after the cost has been determined. I certainly hope that the amendment will be accepted. I trust it will not be opposed by the committee.

Mr. SMOOT. Mr. President, just a word. I can not see why this amendment should be adopted after the provisions of relief have been given in the bill. It seems to me it is simply an amendment to relieve real estate agents in the sale of land.

Mr. JONES of New Mexico. Oh, not at all.

Mr. SMOOT. I can not construe it in any other way than that. Of course, I do not care to discuss it any further. I am perfectly willing to have a vote on the amendment.

Mr. SMITH of Georgia. Mr. President, I agree with the view taken by the Senator from Utah representing the chairman of the committee. We are told it is necessary, but I do not think there is any more reason to apply it to real estate than to a stock of goods or anything else.

Mr. JONES of New Mexico. Mr. President, I discussed the matter the other day, and among all those who understand enterprises of this sort it was thought that, without some amendment of this kind, you will not have any more irrigation projects developed through private capital. I sincerely trust that the amendment may be adopted. It would tend to relieve the situation where the man has made no gain and when he has to pay out every dollar which he received in discharging the mortgage he put on the land in order to construct irrigation work. I sincerely hope that there will be no objection to this amendment.

Mr. SHAFROTH. May I ask the Senator whether, when the amount which has been placed in the enterprise is paid, it is subject to assessment?

Mr. JONES of New Mexico. Every dollar that comes in is to be considered as gain, and is income taxable at that.

Mr. SHAFROTH. I heartily agree with the Senator that unless it is done we are not going to have the large irrigation enterprises where sales are made in the western country. It seems to me we ought to encourage that kind of development in the West.

Mr. SMOOT. Mr. President, I wish simply to say that the practice of the department to-day is not to impose a tax upon any proposition until there is real gain made.

Mr. JONES of New Mexico. I think I can give the Senator some information, at least, which I received directly from the department. In such a case as I have mentioned, when the first 80 acres is sold the difference between the actual cost of 80 acres and the sale price is figured as income, and if you sell enough so that the income will meet the running expenses for the year, it is considered gain, although there may be a mortgage on the property of $1,000,000.

Mr. SMOOT. Whatever interest is paid on the mortgage is allowed to be deducted.

Mr. JONES of New Mexico. No; it is only the interest on the mortgage which is permitted to be deducted.

Mr. SMOOT. That is exactly what I said—the interest on the mortgage is allowed to be deducted before any gain can possibly be shown. Not only that, these payments are made in perhaps 10 different yearly payments, and history shows that many of the payments made in the first year are turned back into the company by the purchaser of the project and represented by the payment of the purchase price. I can not see but that the ruling of the department and the practice of the department covers everything that ought to be covered in a case such as is referred to in the Senator's amendment.

I am deeply interested in the development of the western country as the Senator, and deeply interested in seeing the reclamation projects established, maintained, and made a success of, but really I think this is going entirely too far even in that case, hard as it was.

Therefore, Mr. President, I can not understand why the Senator asks for this particular legislation. I do not believe it is going to assist anything in any irrigation projects.

Mr. JONES of New Mexico. I ask for it for the reason that in any irrigation enterprise there is not a dollar of actual profit until you have sold enough land to pay the cost of building the work and the cost of the land. There is not and can not be a dollar of net profit in it, but after that is paid then the receipt becomes profit. It is simply a question of doing justice and not taxing a gain or profit until a thing becomes a gain or profit.

Mr. SMOOT. That same thing applies to a merchant who has a stock of goods. There is no profit made until the goods are sold. It applies to every farmer in the country. It applies to every person who pays a tax. I can not see why this particular case should be differentiated.

Mr. WOLCOTT. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. WOLCOTT. Is the tax which the Senator speaks of to relieve this irrigation project a tax imposed upon net profits?

Mr. JONES of New Mexico. The provision which I offer is not to consider that as a gain until enough land has been sold to pay the cost of the project.

Mr. WOLCOTT. I wish to ask the Senator a question further. A moment ago he said that there is no gain until enough land is sold to repay for the land, and until that time has been reached it can not be considered as a taxable proposition. There is no profit until the cost has been fully repaid.

Mr. JONES of Washington. Unfortunately it is because of the ruling of the department that I have offered this amendment. I think the Senator's ideas should be carried out, but it is because of an adverse ruling of the department that I have offered the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment presented by the Senator from New Mexico.

The amendment was rejected.

Mr. SHEPPARD. I offer the following amendment:

The VICE PRESIDENT. It will be read.

The SECRETARY. Add a new section, to read as follows:

That the provisions of section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, relating to intoxicating liquors in interstate commerce, as amended by section 1110 of an act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, be, and the same are hereby, made applicable to the District of Columbia.

Mr. PHELAN. Mr. President, I understand that this is the same amendment which was proposed recently as a rider on a bridge bill, and to which the presiding officer called the attention of the Senate. I think it is equally obnoxious to the present proceedings when we are considering a bill providing for revenue. If it were in order, I would object on the ground that it is not germane, but I understand that objection would only lie in case of a general appropriation bill, so the only recourse I have is to appeal to the Senate by informing this body exactly what the amendment calls for.

It is to deny to the citizens and temporary sojourners in the Capital of the Nation the privilege of importing wine into the District, against which there is now no prohibition. There is a prohibition against the manufacture, sale, or the giving away of wine. There are no barrooms nor hotels nor clubs now enjoying the privilege of sale or of giving away wine. So there is the practical complete prohibition of the liquor traffic in the District, with the exception of the privilege which has this many months been accorded to residents to import wine for their own table use, and which is now proposed to be denied.

If this amendment is adopted there will be no means by which the citizens of this District can regale themselves except by seeking sanctuaries in the legations and the embassies. We are giving to the foreigners a privilege which we deny to our fellow citizens. I would urge that we move slowly, in view of the fact that there will be national prohibition not later than February, 1920. The New York Sun yesterday enumerated 38 States which would ratify by January next the Federal amendment, which by its own provision goes into effect one year later; so in February, 1920, there will be no liquor of any kind sold or manufactured in the United States, including the District of Columbia.

If this amendment prevails it cuts the privilege off in the District of Columbia prematurely, now enjoyed by States that are not now dry.

We are made an exception, and as the law-making body reside in the District of Columbia it is asking much of them to deny themselves this privilege which is enjoyed in so many States where prohibition laws do not now obtain.

Why anticipate February, 1920? It is but a year. It enables the Government to gradually cut down libations. Citizens will not be exposed to the danger of suffering from the shock, and I believe it is a good medical practice to wean a man away from the bottle slowly.

Mr. SMITH of Georgia. May I ask the Senator a question?

Mr. PHELAN. Certainly.

Mr. SMITH of Georgia. If this amendment should pass the Senate there would be a few days of delay before the conference agrees upon it and its approval. Why could not the gentlemen so situated lay in what they needed in the meantime?

Mr. PHELAN. Owing to congestion of traffic between Baltimore and Washington or New York and Washington, it would be practically impossible within that period to supply the demand.

It seems to me it is dealing in a very small way with the District of Columbia by denying it a privilege enjoyed elsewhere and rather taking advantage of a position which gentlemen enjoy by holding a majority to punish, even to torture, those citizens who are less favored than ourselves in strength and ability to resist this gentle temptation.

I will not discuss now the practice of wine drinking at meals, something demonstrated as wholesome by the countries of the Old World and approved by the Bible itself. "Drink no longer water, but take a little wine for the stomach's sake," is an injunction, I believe, coming from a pious and serious authority many years ago and still advised by the medical profession.

So it is not the drinking of wine at table that produces disease or vice or crime. It is a healthful and salubrious practice in moderation, and I believe the citizens of Washington are given to moderation.

I would call the Senator's attention to this thought: Notwithstanding the position which the citizens of this District now enjoy, the police have, without warrant of law, been arresting all manner of men coming into the District of Columbia carrying containers with liquor. There is no law at present where such importation is forbidden, and yet the municipal authorities are humiliating men by bringing them into the police court to there determine whether the wines are for their own personal use. They are prosecuting that practice so diligently that there is much indignation and editorial expression in this community in enforcing a so-called law which has, in fact, no place upon the statute books. I do not know that it has been abused here; whether it is abused or not, it is a privilege which the citizens of this community should enjoy until forbidden, and they should not be discriminated against by an act of Congress. This community has no means of expressing itself except through Congress. It is denied the privilege enjoyed by other communities of vote and representation, and being thus made helpless, it is the refinement of cruelty for Congress to pass a law of this kind. I will propose an amendment in good season.

Mr. SHEPPARD. Mr. President, the Senator from California has restated in his eloquent way some of the old but long-ago exploded antiprohibition arguments. I merely want to remind him that the bridge that presents itself now is a safer and securer one than the Tennessee River bridge, the bill which I attempted to amend a week or two ago by offering this bone-dry measure as a rider thereon.

I have here letters from the Commissioners of the District of Columbia and from the chief of police which show the immediate necessity of action of this kind. After receiving these letters I have deemed it my duty to present this measure as an amendment to this bill. I ask that the letters be read.

The VICE PRESIDENT. The Secretary will read.

The Secretary read as follows:

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
Washington, D. C., December 12, 1918.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am exceedingly glad to learn from you that the bill to apply the Reed bone-dry law to the District of Columbia has been placed on the Senate calendar.

It has been most unfortunate, of course, that during the year the District has been dry under the Sheppard bill the National Capital is the only place in the whole United States where prohibition is enforced that has not enjoyed the benefits of the Reed bone-dry law. If it were not for the fact that the military-zone law has been extended to apply in the District of Columbia, conditions in Washington during the period of demobilization and thereafter would surely become very bad. As long as persons are permitted by law to bring large quantities of liquor into the National Capital and are free from prosecution if they make a fairly good statement that it is for personal use, just so long will a certain class of men and women stop honest labor and attempt to get quick profits in the bootlegging business. For more than a year the courts have become congested with cases growing out of arrest of persons who have entered the bootlegging business rather than work. The application of the Reed amendment to the District of Columbia, the same as it applies to all other dry territory in the United States, would make such a situation in the courts impossible.

Very truly, yours,

R. W. PULLMAN,
Major and Superintendent.

WASHINGTON, *December 12, 1918.*

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR SHEPPARD: The Commissioners of the District of Columbia are informed that it is your purpose to urge the immediate passage of the bill applying the Reed bone-dry act to the District of Columbia. The commissioners have already reported favorably on this bill, but they take this opportunity to urge you to use every possible effort to bring about its immediate enactment into law.

The District of Columbia is the only prohibition territory in the country to which the Reed amendment does not apply. This fact is largely responsible for the large importations of liquor that are now being made. The police department has been diligent, the dockets of the courts have been congested with liquor cases, but the conditions have become almost intolerable.

If the proposed bill becomes law, then the authorities here will have the same opportunity to enforce the prohibition laws as is enjoyed by the authorities in other prohibition territories. Without this opportunity, there will undoubtedly be a continuance of the highly profitable bootlegging business to the detriment of all conditions affecting law and order in this jurisdiction.

The commissioners trust that the Senate will pass the bill, and believe that its enactment into law will be followed immediately by a marked improvement in conditions in the District of Columbia.

Very respectfully,

THE BOARD OF COMMISSIONERS OF THE
DISTRICT OF COLUMBIA,
By LOUIS BROWNLOW, *President.*

Mr. JONES of Washington. Mr. President, I simply want to say that the chief of police called on me yesterday and urged that Congress should take some action in this matter immediately. He said the Department of Justice and the War Department were cooperating with his force very diligently, but under the law as it now is they can do very little. He stated that four carloads of liquor came into this town yesterday by express and he expected a similar amount to-day. He called my attention to the particular class of people who seemed to be making it a business to bring liquor here from Baltimore. He also called my attention to particular instances that have happened in connection with attempting to enforce the law. One in particular illustrated, he said, the methods that are used. He stated that they use a particular term that is applicable to liquor and change that term from time to time; that he sent a part of his force down into the southwestern part of the city a few days ago; that a colored man got on the running board of the automobile and asked them if they wanted a certain thing, using a term which applies to liquor. The police force were in citizens' clothes and they said "yes," and he pulled out of his pocket a bottle, and they arrested him.

He began to cry, "Murder!" and the chief said that from 50 to 100 colored men came from different parts, that they were rushing up, and he had no doubt that they meant to attack the officer. The other men stepped out of the machine with Krag rifles in their hands, and the chief said that they had found that the colored men in the southwestern part of the city cared but very little for revolvers; that they seemed to estimate that only about one shot out of ten took effect; but that they did have very great respect for rifles. He therefore had his men armed with Krag rifles, and when the men carrying them got out of the machine the darkies faded away.

Mr. President, he states that it is taking nearly his entire force; that they must go in squads really to endeavor to enforce the law; that they have urged that Congress apply to this District the same law, at any rate, that we have applied to other territory where the legislative authority has prohibited the sale and manufacture of liquor; and he states that if we

will do that, it will assist them wonderfully in the enforcement of the law.

Mr. President, as the letter states, the Government has established a war zone in the District of Columbia, and yet these people on whose account an appeal is made here to continue this traffic, are doing everything in their power to debauch the men who have saved our country. It seems to me that Congress ought not to hesitate one minute to put the force of its authority behind the men who are trying to protect not only the soldiers but this community from the evil effect of this traffic.

SEVERAL SENATORS. Vote!

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Texas [Mr. SHEPPARD].

Mr. HITCHCOCK. Mr. President, a few days ago I made the statement here that the Post Office Department, and also the War Department, had largely broken down in the service of mail to the soldiers in France and in the service of mail from the soldiers in France to their families in America. I am now in receipt of a letter from the Postmaster General——

Mr. SHEPPARD. Will the Senator allow us to vote on this amendment?

Mr. HITCHCOCK. Not until I get through. I see no possible reason why, if the Senator can bring in his favorite hobby of prohibition here, I can not bring in anything I please.

Mr. SHEPPARD. I was under the impression that the Senator from Nebraska was bringing up another subject, thinking that this one had been disposed of.

Mr. HITCHCOCK. Not at all. I had not expected to interrupt the revenue bill, but if the Senator from Texas can interrupt the revenue bill with his particular hobby, I do not see any reason why the matter which I now present can not be discussed.

I am now in receipt of a letter from the Postmaster General, calling attention to the fact that since the 30th day of June, of this year, the Post Office Department has had nothing to do with the delivery or distribution of letters to the soldiers in France, but has simply delivered those letters to the War Department at a certain terminal in New York City; also, that it has had nothing to do with gathering the mail from the soldiers in France, but has simply received that mail at Bordeaux for transportation to the United States.

I shall ask to have the Postmaster General's letter published in the RECORD for the purpose of exonerating the Post Office Department for any failure since the 30th of June to see to the proper delivery of the mail. I will say, however, that prior to the 30th of June the Post Office Department was largely responsible for the failure to deliver mail promptly to the soldiers in France, and the breakdown was so complete that the War Department insisted on taking over the work. Since that time the War Department has made about as complete a failure as had the Post Office Department prior to that time. But in justice to the Postmaster General I send to the desk, and ask to have printed in the RECORD, a letter from Postmaster General Burleson.

The VICE PRESIDENT. In the absence of objection, permission to do so will be granted.

The letter referred to is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 21, 1918.

Hon. G. M. HITCHCOCK,
United State Senate.

MY DEAR SENATOR HITCHCOCK: I note on page 659 of the CONGRESSIONAL RECORD of December 19 that you stated in the course of debate:

"The only explanation for the failure to deliver the mail to the soldiers in France and for the failure to receive the letters of soldiers in France written to their families in this country is, in my opinion, rank incompetency; and I take this occasion to say that it is one of the most disgraceful breakdowns of the Post Office Department in the first place and of the War Department management in the second place, that the soldiers in France have been deprived of their home letters and the folks at home have been deprived of the letters from their soldiers."

By reference to Senate Document No. 269, hereto attached, it will be seen that the Senate was advised by me in July last that, since June 30 preceding, the Army has been conducting the transportation and delivery of the mail to the soldiers addressed for delivery in the United States. Under this arrangement the mails for the troops in France are distributed by this service at the Chelsea Terminal railway post office at New York, in accordance with schemes furnished by the military authorities, and handed over in sealed sacks appropriately labeled to said authorities at the port of embarkation, whereupon the responsibility of this department ceases and the military authorities undertake the transportation and delivery of said mails to the individual soldiers addressed. In order to keep a proper check on the course of the mails and to locate responsibility for delays a daily report is rendered jointly by an official of the Army and an official of the Railway Mail Service in charge of the distribution of these mails, said statement showing the amount of mail distributed and sealed ready for dispatch and the amount of mail undistributed in the Chelsea Terminal at 12 o'clock noon each day. A perusal of these daily reports shows that on no occasion has there been as much as 24 hours' accumulation of undistributed mail, and that most of the reports show that the letter mails were distributed as fast as received. It is noted that you state that "there is comparatively little second-class mail that goes to France," and in connection therewith I desire to point out that for the three months ending November 30 there was distributed in the Chelsea Terminal railway post office a total of 226,408 sacks, or 13,233,935 pieces of printed matter and parcel post, a weekly average of 17,416 sacks, or 1,017,995 pieces.

Under the above-mentioned transfer of jurisdiction the mails from the soldiers in France are collected by the military authorities and handed over to this service at a distributing terminal in Bordeaux, from which time the postal service assumes responsibility for the handling of the same. In connection with the responsibility of the Post Office Department in the handling of these mails, I beg to quote from a letter of the United States postal agent on the subject, as follows:

"The boys in the Bordeaux Terminal take a great deal of pride in the manner in which they are preparing the mail for the States and the promptness with which they get it out of the terminal on the day of shipment. With the last truck load which left the terminal (dispatch of September 14) for the docks, not a letter, paper, or parcel was left in the terminal."

Since the dispatch of September 14, just mentioned, there have been 18 dispatches of mail from the troops in France, and from the reports received there were only two occasions on which the Bordeaux Terminal was not entirely cleared of all mail on hand, such a circumstance being due to conditions over which the post office has no control, such as insufficient space on board the steamer scheduled to receive the mails.

The mails from France are thoroughly distributed between sailings, in the Bordeaux Terminal railway post office, to States, railway post-office lines in this country, and even to cities, thereby expediting their handling and delivery upon receipt in the United States.

This is the situation since June 30, when the Army assumed responsibility for the mails going to France, at the port of New York, and delivered the mails from the soldiers in France to the post-office authorities at the port of Bordeaux. Every report that reaches me from my own officials, as well as from the Army, indicates that there is no delay in the handling of the mails under the jurisdiction of the Post Office Department. If you have any information indicating the breakdown of the Post Office Department's work in connection with the mails to or from the soldiers in France, I shall be pleased to be advised of the particulars in order that prompt remedy may be applied.

I must make this statement in justice to the Post Office Department, and feel certain that after reading this letter, also the accompanying document, you will see that this department is in no wise responsible for the delays to mail to and from the soldiers, complained of by you, and I feel certain that in fairness to this branch of the Government you will take action to correct your statements charging a breakdown on the part of the Post Office Department.

Sincerely, yours,

A. S. BURLESON,
Postmaster General.

Mr. BORAH. Mr. President——

Mr. HITCHCOCK. I yield to the Senator from Idaho.

Mr. BORAH. By what authority does the Post Office Department avoid the responsibility, which rests upon it, of transmitting the mail and taking care of it?

Mr. HITCHCOCK. The Senator from Idaho has asked a question which I am not able exactly to answer, except that we are in war times, and I suppose that the jurisdiction of the Post Office Department in France would only be such a jurisdiction as the military authorities yielded to it.

Mr. NELSON. Mr. President, will the Senator from Nebraska yield to me a moment?

Mr. HITCHCOCK. I yield.

Mr. NELSON. I think the answer to the question of the Senator from Idaho (Mr. BORAH) is that up to a certain time the Post Office Department had charge of the distribution of mail over in France, and that after that time—I do not recall the exact date—the War Department took charge of its distribution. I know that of my own knowledge, for one of my former clerks is engaged in the work over there. The War Department has had charge of the distribution of mail since last June, I think, and perhaps earlier.

Mr. HITCHCOCK. The War Department has had charge of its distribution since the 30th of June. I had just stated that to the Senator from Idaho; but he now desires to know by what authority the Post Office Department abdicated its duty and turned it over to the War Department; and I say I do not know. I suppose the War Department had no right to distribute mail in France, and that the military authorities only got such authority by reason of the laws and customs of war.

Mr. BORAH. Well, Mr. President, it occurred to me that if I should write a letter to a friend in France I should not be exactly satisfied with my Government if the department which had charge of the matter should deliver the letter down here to the Treasury Department, for instance, or should deliver it at the suggestion of the Treasury Department somewhere. I was simply curious to know why and how it is done.

Mr. NELSON. Mr. President, if the Senator from Nebraska will allow me, I beg leave to say that during the Civil War our experience was this: The Post Office Department would send the mail to the different camps or to different organizations. After it reached there the mail would be distributed by the officers of the different corps or regiments. After the mail has reached France, manifestly, it seems to me, that the men connected with the Army were the proper ones to distribute it. Our Army was in motion; it was not like distributing mail here in the city of Washington, where every man's house is numbered. The Army was moving rapidly from place to place, from camp to camp. They were here one day and at another place another

day. Hence, from the necessities of the case it was proper for the War Department to distribute the mail after it got to France. That is exactly the method which was pursued during the Civil War.

Mr. BORAH. Mr. President, the Senator from Minnesota is discussing one state of facts, but unfortunately there is another state of facts which exists.

Mr. NELSON. No; the mail was shipped over under the authority of the Post Office Department. It was only after the mail reached France that the Army took charge of its distribution.

Mr. HITCHCOCK. Mr. President, at the beginning there was an arrangement made under the toleration of the War Department, by which the Post Office Department undertook to distribute the mail to the various division headquarters, as I understand, in France, or possibly even to the headquarters of smaller units. That continued from the time we entered the war until the 30th of June. Thereupon, complaints having grown very great that the mail was irregular and very much delayed in delivery, the War Department insisted on taking over its distribution after it reached Bordeaux. It was finally given control of the mail at New York, and actually carried it over in Army transports and distributed it throughout France. Mail coming from France, from the soldiers there, was delivered to the Post Office Department at a terminal in Bordeaux, and is so delivered at the present time. So from the 30th of June on the Post Office Department is not actually responsible for the failure to deliver mail, but prior to that time it was responsible. There were, however, disagreements between the departments as to which department was chiefly responsible even before that time. There can be no question now that the failure is due to the failure of the War Department.

Mr. SMITH of Michigan. Mr. President, I desire to ask the Senator from Nebraska who is responsible for the delivery of telegrams? I sent a telegram a few days ago from Harrisburg to my house in this city. I wrote it in the Harrisburg office at 2 o'clock in the afternoon—a straight message—and it was delivered to my house in this city on Sixteenth Street next morning after breakfast. That is a fair sample of the management of the telegraph service by the Post Office Department.

So far as I am concerned, there is not a branch of this Government that I would not willingly trust the mails to in preference to that branch which has had charge of it for the last four or five years.

Mr. HITCHCOCK. Mr. President, I think so far as this country is concerned, the Post Office Department during the war has done as well as has any other department. Depending largely on human effort, the Post Office Department, like other departments, has had to suffer from the fact that many of its old or active employees, able men, have been taken for war service.

Mr. SMITH of Michigan. Mr. President, let me ask the Senator a question. He is a sensible, level-headed business man. How can he account for the delay of which I spoke? The telegram was sent at Harrisburg at 2 o'clock in the afternoon and delivered at my house here the next morning after breakfast. Is there any theory upon which that kind of service can be reconciled with efficiency? And that is only a fair sample. I have known it to occur over and over again, not only in my own case, but in the case of others.

I tell you the Post Office Department has voluntarily overburdened itself with responsibilities, political and otherwise, and is utterly lacking in efficiency which should go with the management of that great department of public service. From the top down it is incompetent; and yet we are talking about giving that officer new and added responsibility. I wish there were some way to have a vote in connection with this bill on the proposal of the Postmaster General to buy the telegraph and the telephone systems and attach them to his bureau. I think Congress would turn that unwise experiment down without a moment's hesitation. The present administration of the Post Office Department has not been successful and is already overburdened. The country has little confidence in Mr. Burleson's plans or purposes. His retirement from office is fondly anticipated, and will be hailed with real satisfaction by his countrymen.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. HITCHCOCK. I yield.

Mr. SIMMONS. I understood the Senator desired to put something in the RECORD, but I hope the Senator will let us go on with this bill just as soon as he can possibly do so. Of course I do not wish to ask the Senator to desist from any argument he proposes to make, but the Senator sees that the result of the injection of this matter is to get away from the bill.

Mr. HITCHCOCK. It is a very interesting subject.

Mr. SIMMONS. I understand it is an interesting subject, and I do not object to the Senator putting what he desires to put into the RECORD, but I hope we may conclude this discussion and get back to the bill as soon as possible; that is all I wish.

Mr. HITCHCOCK. Mr. President, I wish to say that I agree fully with the contention made by the Senator from Michigan [Mr. SMITH] that it is a serious mistake which the Postmaster General has made in reaching out at this time to control business activities that Congress did not intend to put into his hands. I think the seizure of the cables was an utterly unjustified proceeding. I go so far as to say that it smacks of bad faith. Congress consented to give certain war powers to the President. Among those war powers were, if there was a war necessity, that he could take the telegraphs and the telephones, and when he took, in the name of the Postmaster General, the telegraphs and telephones there was no general complaint, because we were in the midst of war, and there may have been a justification for the seizure; but when after the war had closed in fact, if not in law, the Postmaster General took possession of the cables, not only those crossing the Atlantic Ocean to countries with which we were associated in the war, but also across the Pacific Ocean, which had no possible relation to the case, I think it was a high-handed outrage, and am frank to say so.

Mr. SMITH of Michigan. The Senator is always frank.

Mr. HITCHCOCK. I think furthermore that it smacked of bad faith. Congress deliberately put the power into the hands of the administration for war purposes; but after the war is over it has been used to gratify the personal convictions, personal opinions, and personal wishes of the Postmaster General.

If he had desired to secure from Congress the right to take over the cables, he should have asked for it. I think there is no justification at all in any reason that has been stated or which can be stated for that seizure.

But I come back to the proposition that, so far as the administration of the post office in this country is concerned during the war, the Post Office Department has acquitted itself reasonably well. The delay in the delivery of the mail of the soldiers in France has, in my opinion, been a very serious breakdown. I have received a great many letters since I called attention to the failure the other day. My attention was called to one case which is only illustrative of many. A family here with a son in France received on the 20th day of December a letter which he had written on the 29th day of October. It was almost two months in getting to them. The times were critical, the war was raging at the time the letter was written; but from the 29th day of October to the 20th day of December the family did not even know whether the boy was alive or dead. That instance is only characteristic of hundreds of thousands of others. There is no excuse for such a business breakdown, because the letter mailed by that boy in France could have reached Bordeaux in two days, and when it reached Bordeaux it could have been transferred to this country in one of the regular dispatches, 18 of which have occurred since the 24th of September. The transportation of mail across the Atlantic has been regular and the boats have been leaving Bordeaux regularly for this country, but the gathering up of the mail in France among the Army there has been utterly neglected.

There may be some excuse for saying that it is difficult to deliver letters to the soldiers in the Army because they have been moved from place to place, but there can not be any excuse when an officer or a private soldier mails a letter in France for this country for that letter taking two months to reach the United States. The delay has been just about as bad and as aggravating in mail coming to this country as it has in that going to France.

Mr. TOWNSEND. Mr. President, before the Senator takes his seat, I should like to read a letter which has reference to what the Senator has said and is saying now, and describes a situation which I think we ought to condemn. If the Senator will permit me, I should like to read the letter.

Mr. HITCHCOCK. I yield to the Senator.

Mr. TOWNSEND. The letter is directed to me, and is as follows:

DETROIT, MICH., *December 20, 1918.*

Senator CHARLES E. TOWNSEND,
Senate Chamber, Washington, D. C.

DEAR SENATOR TOWNSEND: In a recent issue of the Christian Science Monitor, on the editorial page, appears an excerpt from a letter of Secretary of War Baker to Mr. Fosdick. In this letter the Secretary dwells upon the need of keeping up the varied activities for entertaining and amusing our boys abroad in order to preserve their morale. Especially does he urge frequent and cheerful letters from home.

This sounds well, and we all agree with the idea, but as an illustration of the manner in which the Government does its part in the work, I am taking the liberty of writing you of my own experience.

On September 23 my boy, with the Ninety-first Division in France, on the eve before going into action wrote us that he had that day received letters from his mother and sisters. These letters were dated in July and on August 1.

In the battle that followed the boy was wounded, and on October 1 he reached an evacuation hospital, the location of which he was not permitted to give us. While there, in addition to his wound, he had a slight attack of scarlet fever and was isolated for a time. We have had letters from him at intervals of about four weeks, but up to November 20, the date of his last letter, he had not received a single letter from home or this country since September 23; that is, the latest news he had had from us was August 1.

Naturally we have written frequently, especially since we learned that he was in the hospital—an average probably of three letters a week. Further we have sent him drafts on Paris at times, which up to November 20 had not reached him, and, worst of all, he had received no pay from the Government for more than four months. We ourselves have never had official word that he had been wounded.

I am aware that this is not an unusual case. There are hundreds of similar ones, and while the war was actually on we all loyally kept silence and suffered in secret. But now it seems to me that this deplorable situation should be remedied. I am pleased to see in this morning's Washington news that Senator HITCHCOCK is denouncing this incompetence in the Post Office Department. The facts surrounding my son's case are therefore given you as a matter of duty to his mother and myself and to other mothers and fathers who have endured like anxieties.

The mail is the closest connection between the men across seas and their loved ones at home. Feeling confident that your best efforts will be directed toward making this connection much closer than it now is, I am, with kind regards,

Yours, very truly, F. A. PLATT.

I repeat that this is similar to hundreds of letters which are coming in daily to the Members of Congress. It does seem to me now that the people whose sons and loved ones are in beds in hospitals at least should be able to communicate with them through the mail, and that their mail should come back home.

I am very glad for myself that the Senator from Nebraska has taken up this matter, because it is a serious one. It was serious during the war; it is still serious; and something ought to be done to correct the situation.

Mr. PHELAN. Mr. President, I sympathize with the Senator from Washington, who described the conditions in the District of Columbia whereby negroes had resisted the execution of the law, as he contended, and brought spirits into the District. Of course, that is due to the fact that the negroes have been advised by their counsel, and indeed by the courts, that there is no law against importing liquor into the District, and therefore they were fighting, doubtless, for their immemorial right to live under "the reign of law." The police department is trying to enforce something which does not stand upon the statute books, and probably that is the cause of much of the trouble. If it were the law, I am quite sure these negroes would abide by it, or they could be very easily made to abide by it without the show of force.

It is distilled spirits which causes intoxication and leads to lawlessness and crime; and I am sure that there has been imported into this District a quantity of poor liquor that is highly detrimental to those who use it. I have always taken the position that there was no objection on the part of the wine-growing States to the prohibition of spirituous liquor. In view of the fact that wine itself if innocuous, and does not lead to intoxication, and is a table beverage, I move as an amendment to the amendment the insertion of these words:

Provided, That the prohibition contained in said act shall not apply to wine, beer, and ale.

Mr. JONES of Washington. Mr. President, I am glad to have the assurance of the Senator from California that if we do provide by law for preventing these matters, these good people will abide by the law. That is what we are trying to do. That is what we hope to do by the amendment of the Senator from Texas.

The PRESIDING OFFICER. The question is upon the amendment of the Senator from California [Mr. PHELAN] to the amendment offered by the Senator from Texas.

The amendment to the amendment was rejected.

Mr. PHELAN. Mr. President, I do not desire to delay the proceedings, but I have another amendment to suggest.

It may not be known to the Senate that by the provisions of the law as it now stands, as interpreted by the Senator from Texas, there is no power in the citizen of the District of Columbia to export wine which he may have on hand to another community, though it be "wet." I can not understand why such an interpretation should be given to the law, because it should be in the interest of prohibition to permit free exportation. Therefore I move—this certainly is a harmless amendment—to amend the amendment of the Senator from Texas by inserting the following:

Provided, That nothing in said act shall prohibit the exportation of liquors from the District of Columbia.

The object is to give those who have a supply of wines and liquor on hand the opportunity at least of sending it away.

Mr. JONES of Washington. Mr. President, the Senator from California takes a very peculiar position. At the opening of this matter he was very much afraid we would not have an ample supply in the District, and now he wants to get rid of all that may be in existence here.

The PRESIDING OFFICER. The question is on the amendment of the Senator from California to the amendment of the Senator from Texas.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from Texas [Mr. SHEPPARD].

Mr. HITCHCOCK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	Moses	Smoot
Bankhead	Kellogg	Myers	Sutherland
Borah	Kendrick	Nelson	Swanson
Brandegee	Kenyon	New	Thomas
Fernald	Kirby	Norris	Townsend
Fletcher	Knox	Nugent	Trammell
Gerry	La Follette	Overman	Vardaman
Gronna	Lenroot	Penrose	Warren
Hale	Lewis	Phelan	Watson
Harding	Lodge	Pollock	Weeks
Henderson	McKellar	Pomerene	Williams
Hitchcock	McNary	Shafroth	Wolcott
Johnson, Cal.	Martin, Ky.	Sheppard	
Jonson, S. Dak.	Martin, Va.	Simmons	

During the roll call,

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). I announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness. I will let this announcement stand for the day.

After the conclusion of the roll call,

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Texas [Mr. SHEPPARD]. [Putting the question.] By the sound the ayes seem to have it.

Mr. THOMAS. I call for a division.

Mr. JONES of Washington and Mr. KIRBY called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BRANDEGEE (when his name was called). Making the same transfer as before, I vote "nay."

Mr. JONES of Washington (when his name was called). I have a pair with the Senator from Louisiana [Mr. RANSDELL]. I am satisfied from his votes in the past that he would vote on this question as I shall vote. Therefore I am going to take the liberty of voting. I vote "yea."

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is not present. I transfer that pair to the Senator from Louisiana [Mr. RANSDELL] and vote "yea."

Mr. NEW (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. GAY]. I transfer that pair to the senior Senator from New Jersey [Mr. FRELINGHUYSEN] and vote "nay."

Mr. SMITH of Michigan (when his name was called). I am paired with the senior Senator from Missouri [Mr. REED]. Being unable to secure a transfer, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. STERLING (when his name was called). Again announcing my pair with the senior Senator from South Carolina [Mr. SMITH], I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. TOWNSEND (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON], but I believe if he were present he would vote as I shall vote, and I therefore take the liberty of voting. I vote "yea."

The roll call was concluded.

Mr. GERRY (after having voted in the negative). I have a general pair with the junior Senator from New York [Mr. CALDER]. I understand that on this question he would vote as I would vote, and therefore I shall allow my vote to stand.

Mr. KENDRICK. I have a general pair with the Senator from New Mexico [Mr. FALL]. I transfer that pair to the Senator from Montana [Mr. WALSH] and vote "yea."

Mr. DILLINGHAM. I inquire if the senior Senator from Maryland [Mr. SMITH] has voted?

The PRESIDING OFFICER. He has not.

Mr. DILLINGHAM. I withhold my vote, having a general pair with that Senator.

Mr. SAULSBURY. I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. Not knowing how he would vote on this question, I withhold my vote.

Mr. LODGE. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Kansas [Mr. CURTIS] with the Senator from Georgia [Mr. HARDWICK].

The result was announced—yeas 42, nays 18, as follows:

YEAS—42.

Ashurst	Jones, N. Mex.	Myers	Smith, Ga.
Beckham	Jones, Wash.	Nelson	Smoot
Borah	Kendrick	Norris	Sutherland
Chamberlain	Kenyon	Nugent	Swanson
Fernald	Kirby	Overman	Townsend
Fletcher	Lenroot	Poindexter	Trammell
France	McKellar	Pollock	Vardaman
Gronna	McNary	Pomerene	Warren
Hale	Martin, Ky.	Shafroth	Wolcott
Henderson	Martin, Va.	Sheppard	
Johnson, S. Dak.	Moses	Simmons	

NAYS—18.

Brandegee	Kellogg	New	Watson
Gerry	Knox	Penrose	Weeks
Harding	La Follette	Phelan	Williams
Hitchcock	Lewis	Thomas	
Johnson, Cal.	Lodge	Underwood	

NOT VOTING—36.

Baird	Frelinghuysen	Owen	Smith, Ariz.
Bankhead	Gay	Page	Smith, Md.
Calder	Goff	Pittman	Smith, Mich.
Colt	Gore	Ransdell	Smith, S. C.
Culberson	Hardwick	Reed	Spencer
Cummins	Hollis	Robinson	Sterling
Curtis	King	Saulsbury	Thompson
Dillingham	McCumber	Sherman	Wadsworth
Fall	McLean	Shields	Walsh

So Mr. SHEPPARD's amendment was agreed to.

Mr. WOLCOTT. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 26, line 12, it is proposed to strike out "on or after April 6, 1917."

Mr. WOLCOTT. Mr. President, I have offered this amendment, and I have given notice that I propose to offer another amendment which strikes out the same language, on page 56, in line 7. What I shall have to say is applicable to both of these amendments. I shall address my remarks, however, to the pending amendment.

The amendment in question has to do with the provision of the bill which undertakes to provide for a case in which there may be an amortization of plant in those industries which were constructed for, or which have to do with, the production of articles contributing to the prosecution of the present war. The language in the section is as follows:

(8) In the case of buildings, machinery, equipment, or other facilities, constructed, erected, installed, or acquired, on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities or vessels as has been borne by the taxpayer.

Mr. President, it is my complaint against the language of the bill as drawn by the committee that a distinction is drawn between plants which may be amortized—that is, between plants on the one hand constructed after that date of April 6, 1917, and those on the other constructed before. Those which were erected after that date can amortize the cost under rules prescribed by the Treasury. Those constructed before that date may not amortize.

What is meant by amortization is pretty well understood. Just what sort of plants are intended to be covered by this section I am not prepared to say. The language is very general. You will note that the plants are plants for the protection of articles contributing to the prosecution of the war.

The thought occurs to me that that will include about every sort of plant that has been doing business in this country since the war started. To that I make no complaint, for I rather think that the committee must have intended by that language to embrace a strictly called war plant, plants manufacturing articles directly contributing to the prosecution of the war, and that the Treasury will construe it accordingly. With respect to those plants this provision provides that they may amortize the cost if they were erected since the date of our entrance into the war. The bill, however, ought in the interest of accuracy to narrow the description of plants covered by the provision.

The fact, Mr. President, that a plant which is constructed for war purposes ought to be allowed to amortize it seems to me is a well-settled principle, and it certainly is accepted by the business man who undertakes to transact his business with any view at all to safety. Business practice recognizes it as a sound principle. The Congress itself has recognized it. It recognized the principle in the passage of the munitions tax law of 1916. That law provided substantially that the plant might amortize the cost of construction. The principle is recognized by the Secretary of the Treasury in his letter to the Finance Committee in connection with this bill. The principle is recognized by this bill itself in the section which I undertake to amend. The thing to be said, however, is this, that the committee recognized the principle only in part. It confines its application to plants constructed since this date.

I shall not pause to discuss the merits of the principle. If the principle is good in part it is good in whole. My complaint is, as I said, that an insidious distinction is drawn between plants constructed since we entered the war and those constructed before. If those constructed since are to be allowed to amortize those constructed before should, and if those constructed before are not to be allowed to amortize then none should.

Mr. President, I wish to submit a few views as to why the distinction made by the bill should not be made. Why is there drawn this distinction? A plant constructed since we entered the war, why should it be allowed to repay its extraordinary plant expenditures and a plant constructed before should not?

It seems to me, Mr. President, that if any distinction at all is to be drawn it ought to be drawn in favor of those constructed before this date, for the very plain reason that if it be said that those that were constructed before this date were engaged in a war business, this same further is to be said, namely, that they proposed to make their money out of foreign governments, whereas these plants constructed since that date attempted to make their money out of the United States Government after it became involved in the war. So if there is any disinction between them, if either is to be favored, I submit that the people who got busy before we entered into the war and who were making their profit, whatever it was, out of foreigners ought to be favored as against those who got into their business after we entered the war in order to make their money out of our Government.

It is said, I know, Mr. President, that concerns which expanded before we entered the war got high profits for their products. I refer to the ammunition plants. That is true with respect to some. It is a mistake, however, to assume that all concerns that entered into the war business before this date made money.

There are certain conspicuous exceptions to that of American concerns that made contracts with foreign governments in the expectation of making great profit, but their expectations were grievously disappointed.

In some of these instances they failed to make the expected profits, for the reason that the designs of the articles which they were trying to make or intended to make were changed from time to time by what I might call experimentation, and they suffered great losses and in the end made no money. But when we got into the war, those plants that had thus suffered a loss were in position to supply to our Government effective and efficient articles which had been perfected and on which they had lost their money in perfecting. Therefore, those plants and those concerns are entitled to equitable consideration at the hands of Congress.

But let me take the case of a concern that did make money out of the European war. I call your attention to the fact that it cost them a great deal of money to do it. I am mindful of this fact that if a concern which indulged in vast expenditure by way of expansion in order to meet the demands of European nations prior to our entering this war, it was laying out honest money upon ventures that would not and could not yield profits when the war ceased. Such concerns spent vast sums of money for purely temporary purposes. Before those concerns can be said to have made any money they must, before the war business ended, repay what they had thus spent on temporary plants. Therefore, out of these big profits which they charged they ought, as a matter of justice, be allowed to repay the capital expenditures they made in building the plants. Otherwise their capital at the end of the war would be depleted.

In order to make my point clear in this connection, I am going to take a concrete illustration. I can express it in concrete terms better than in abstract ones. Let me suppose the case of a concern which laid out $10,000,000 for war-plant construction, I will say, in 1916. That outlay had to be made from the capital on hand or from funds borrowed. I shall suppose further that the contract with the allies was such as gave them ample gross profits to pay back this $10,000,000, or that part of it as could properly be considered as its postwar depreciation.

Let me suppose that after the war this $10,000,000 plant would be worthless. This supposition simplifies my point. Of course the plant would not be entirely worthless; it will always be good for scrap or junk. But to illustrate my point, I am supposing the plant would be worthless. Of course it is not worthless, but worth something. Suppose, however, that the plant would be worthless. What I say on that supposition is applicable to a less degree, of course, in case the plant is not entirely useless, but of some value, at least as scrap.

Mr. SMOOT. Mr. President——

Mr. WOLCOTT. I yield.

Mr. SMOOT. I wish to call the Senator's attention to the fact that the bill provides for just such a case as that.

Mr. WOLCOTT. Where, I ask?

Mr. SMOOT. I will call the attention of the Senator and of the Senate to it at the same time. On page 101, in paragraph 4, this provision is found:

4. Proper recognition or allowance can not be made for amortization, obsolescence, or exceptional depletion due to the present war, or to the necessity in connection with the present war of providing plant which will not be wanted for the purpose of the trade or business after the termination of the war.

That provision will take care of the case which is cited by the Senator.

Mr. WOLCOTT. Of course the Senator recognizes the fact that a plant is never absolutely worthless. I am supposing the case of a worthless plant to emphasize my point of view.

Mr. SMOOT. I recognize that; but the same provision will take care of cases that occurred before the declaration of war by America on April 6, 1917. The amendment the Senator offers only applies under the deductions allowed in the first place.

Mr. WOLCOTT. The deductions from gross profits.

Mr. SMOOT. The deductions allowed from gross profits. Of course, the same thing applies to partnerships and individuals and corporations, as the Senator has already stated, but the relief provisions take care of such cases. I want to say to Senators now, in studying this bill they must go through it and find whether there are any relief provisions relating to the particular item or not. The bill is full of them, as I have already said.

Mr. WOLCOTT. The language of paragraph 4, to which the Senator refers, is as follows:

4. Proper recognition or allowance can not be made for amortization, obsolescence, or exceptional depletion due to the present war, or to the necessity in connection with the present war of providing plant which will not be wanted for the purpose of the trade or business after the termination of the war.

Mr. SMITH of Georgia. It goes back, however, to the previous paragraph, which authorizes a certain amount annually. The Senator has in mind cases where amortization can not be handled. We must go back to the first of the four paragraphs.

Mr. WOLCOTT. I should like to ask the two Senators who are on the Finance Committee if this provision will allow a plant constructed prior to April 6, 1917, to amortize why is it necessary on page 26 and page 56 to forbid the right to amortize. What is the objection to striking that out?

Mr. SMOOT. I will tell the Senator right now, if he desires me to do so. During the years 1914, 1915, and 1916, the contracts that were made between the manufacturers in foreign countries provided a price at which goods were furnished to foreign countries that would cover the cost of the plant, providing it furnished the goods at the price named, at least in some cases, but not in other cases. In other words, if the manufacturer made the contract and had built his plant entirely for the purpose of manufacturing the goods at the end of two years, in many cases the price paid by foreign countries for the goods he manufactured would entirely wipe out the cost of his plant, and whatever profit he made over and above that was his. That happened during those years before America entered the war. In our examination we did find that there were some manufacturers in the United States, and I could mention them, and I may say they could be counted upon the fingers of one hand almost, who did not charge the foreign countries prices that would give them sufficient profit to cover the extra cost of putting up the new plant for the manufacture of goods for the foreign country. This provision that I have cited is the one the committee adopted to meet those few cases.

Mr. WOLCOTT. That is the few who had not made enough to repay the plant constructed.

Mr. SMOOT. Yes; and that is left entirely with the department. The evidence from those concerned must be presented to the Commissioner of Internal Revenue, and it must convince the department that the contracts and prices at which the goods were sold would not produce sufficient profit to cover the expenditures of the amortization of the buildings. I am quite sure the bill as it is drawn and presented will cover all just cases.

Mr. WOLCOTT. The Senator from Utah from his explanation makes clear to me that I was right in my original understanding. The Senator states that a plant that lost money and never could reimburse itself from its contract with a foreign Government is taken care of by paragraph 4, page 101, whereas the concern that constructed the plant prior to this date, but did not lose money, on the other hand made money and made enough to repay the plant construction, can not be allowed now to amortize in full down to the point of very much of its construction, and that was my understanding of the provision.

Mr. LENROOT. Will the Senator yield?

Mr. WOLCOTT. I yield.

Mr. LENROOT. I wish to ask the Senator if his amendment is adopted will not amortization of every steel plant in the United States be valid, every powder plant, and practically every plant engaged in a manufacturing industry in the United States?

Mr. WOLCOTT. I do not know whether it will or not. I do think that the amortization of a portion of those plants will take place, and it ought to take place as a matter of justice. But that is entirely aside from this issue. My contention is that if one should be amortized all should. If any are not to be, none should.

Mr. President, coming to the case of a plant that was constructed, as I assume, in 1916, and made such prices as enabled it to repay itself, which case is covered by the bill, I want to give it some further thought.

It is true that many plants made such a contract with foreign governments as would yield them a profit that would enable them to pay back the cost of the plant. I think it is further true that in administering the law heretofore, the Treasury Department has allowed those plants to amortize a certain percentage of that cost, upon the theory that the war would last perhaps a certain length of time, and the loss would be distributed throughout a period of years. They have provided in their contracts for amortizing the debt. They got the money from foreign governments for that purpose. The Government has heretofore allowed them by way of amortization to repay a portion of their capital laid out in temporary plants, and I think they ought to be allowed to continue that repayment out of their profits.

This bill, however, interrupts the process of repayment. It says from now on they shall not be allowed to repay themselves that capital expenditure to the amount that remains yet to be amortized. That, I say, is not fair; it is not just.

I was supposing that the plant would be worthless after the war.

Now, on that supposition, the $10,000,000 expenditure would be a total loss of capital, unless during the war business the concern made gross profits of an amount sufficient to cover the same. My suppositious concern did make enough money to repay that expenditure and made it out of foreign countries. In that sense the foreigners built the plant. But in a real sense it is accurate to say that the foreigner merely repaid the $10,000,000 which American capital had laid out, and thus saved the American concern from suffering, to that extent, a loss due to the postwar uselessness of the plant it had spent its money on.

This amounts to saying that the American spent $10,000,000 for a plant; that the plant, now that peace is here, is worth less because its earning power ceases with the war; but that the American is no worse off in his capital assets than before because, while he finds a plant worth nothing on his hands, yet he has in his assets $10,000,000 of foreign-paid money to take the place of his original $10,000,000 of expended capital.

Now, Mr. President, that American business man is in a sound situation; he has made sure of the return of his money. His capital is not depleted. He recognized from the start that the expenditure for a war plant was a temporary business and that after the war that business would end and his plant junked. He therefore charged that plant expenditure to operating cost and set the price for his commodity to the foreigner at a figure to cover such cost. Thus he has recovered his $10,000,000 of capital.

Thus far he displayed sound sense and well-approved business judgment and practice.

But, sir, if this bill remains as written his prudence in thus safeguarding his capital will be frustrated by the United States Congress. For his plant having been constructed prior to April 6, 1917, he is told that he may not consider that $10,000,000 as a repayment of operating expense and expenditure. He is not allowed to deduct it from gross income. It therefore is to be treated as net income, and as such it is taxable. If he is in the last bracket class of this bill, the rate on him is nearly 70 per cent. That rate levied on this $10,000,000 makes him pay $7,000,000 to the United States.

Wherefore, we see that now his situation is that he has the valueless plant on his hands—a zero asset—but instead of also having the $10,000,000 of capital that the foreigners paid him for the purpose of replacing his own capital expenditures of that amount he has only $3,000,000, his country taking from him the other $7,000,000. His loss is therefore $7,000,000.

Suppose it be said that this concern made profits on top of the $10,000,000 to cover plant and that that circumstance must be regarded. Very well, sir; let us regard it. What of it? What does it amount to? Why, it amounts to no more than this, that he has made a profit over and above all operating costs; that is to say, he has made some net profit. That being the case, we then find him to be a manufacturer who belongs to the class that would pay taxes. And whatever the Congress determines he should pay on such net income of course he ought cheerfully to pay.

Now, Mr. President, in view of the consideration that I have attempted to thus advance I am forced to the conclusion that the concern which embarked upon war business before April 6, 1917, is not to be distinguished, in applying the amortization principle, from one that embarked on such business since that date, simply for the reason that in the one case the allies were made to cover the plant cost, and in the other the allies were not made to cover such cost.

Indeed, as I suggested a while ago, if there is any distinction to be drawn, the equities are against the concern that started up after April 6, 1917, which planned to look, and must of necessity look, to our own country to repay the plant expense.

Yet this bill as drawn allows the fellow who built his plant since we entered the war to deduct its cost before paying any tax, but disallows the same thing to the one who built before that date and who reimbursed himself from foreigners.

Is there any other reason why this date of April 6, 1917, should be allowed to remain in the bill, drawing a line of demarcation as it does between concerns that expanded to a war footing before that date and those that so expanded after that date? I know of none that can appeal to me, though I am aware of another reason that has been suggested, which seems to find favor in some quarters.

This reason is that plants which started since our entry into the war—that is, since April 6, 1917—did so to help this country in its great extremity, that they were therefore impelled by praiseworthy motives of patriotism, whereas those which got under way before that date were looking for profit, and profit alone.

Now, Mr. President, with respect to this argument I wish to first say that a revenue bill which is designed to raise moneys by way of taxation, and which in so doing undertakes to regard and apply the principles of sound business accounting, must not be regarded as a fitting and appropriate place in which to distribute bouquets and souvenirs for pretended patriotism. Yet if this argument is sound that is what the bill would do.

I employed the term "pretended patriotism." I did so advisedly, for I decline to accept the view that business which sought to work for us upon our entrance into the war sought to perform simply and solely the labors of devoted patriotism. Sir, making money was the motive of those who are taken care of by this date.

I do not say that the thought that they were rendering a service to their country supplied to them no satisfaction. I doubt not it did. But the fact remains that profit was the aim in view, and accumulated fortunes the goal.

No. Mr. President, those coming in after April 6, 1917, were no more patriotic than those who got under way before that date. Why, then, should there be so tender a regard for the late concerns? Why should this insidious distinction be drawn?

Why, sir, the late comers were the business laggards of the country. What were they doing throughout the 32 months of crowded events that preceded this date of April 6, 1917. Keen business men of this country who grasped the situation and sensed the future, who had vision, courage, capital, and the capacity to do things, lost no opportunity to mobolize that part of the forces of American industrial power and resources within their control. They embarked upon programs of unprecedented expansion. They laid out millions upon millions on temporary enterprises. Sir, when the shock of war came, in 1914, its paralyzing stroke was felt the world over. American commerce ceased and American business for the moment was palsied. Prices fell. Labor was out of work and calamity was impending. But this condition did not long prevail. These leaders of American enterprise soon revitalized American industry. They created demands in the commodity markets and gave to labor compensations far beyond the dreams of the most optimistic.

They set the house in order and made it possible for America to assume her present commanding financial place among the nations of the world. In a very true sense they not only brought the world's wealth here, but they saved European civilization from defeat. I say, sir, that in the field of their activities they brought as much glory to American industry as our magnificent armies brought honor to our flag.

And when we came into the war these plants were ready to supply our country. They did not have to be built. They were not in futuro; they were in esse. There was no necessity to wait upon them for 3, 6, or 12 months for munitions and equipment. They were mobilized and ready. These plants that were constructed before this date of April 6, 1917, were prepared to commence production for our country on April 7, 1917. Those that were built since that date were not ready and some not ready yet after the lapse of over one and a half years.

Yet, sir, the slothful ones, under this section, may amortize, while the alert ones may not. Verily the Scripture is being fulfilled, for the last are first and the first are last.

Why should punishment be inflicted on those who were ready to render instant service to the country in its time of need? Why so favorable a regard for those who had to commence to get ready?

I make no complaint against allowing the amortization principle to operate for the new plants. I do make complaint that it is not allowed to operate likewise in favor of the more meritorious ones. Let it apply to all alike or let it apply to none.

Mr. President, on Saturday the chairman of the Finance Committee called attention to the fact that mines, oil wells, gas wells, and lumber mills were allowed amortization to the full extent requested by them, and that plants constructed since April 6, 1917, were allowed to amortize. Every industry, it seems, is allowed to reimburse its temporary capital expenditures except those plants that were constructed by that portion of American business which was the only live part of business in this country prior to our entrance into the war; and it was the only part of business in the whole country that, upon our declaration of war, was able to render immediate present service to the country. I submit the distinction should not be made against them.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

Mr. SMITH of Georgia. Mr. President, I wish to say to the Senator that these provisions of the bill and the suggested amendment of the Senator from Delaware received the most careful consideration from the Finance Committee, and, as I recall, every member of the committee approved what we finally determined to do and what the bill as finally presented to you contains.

We start from our entrance into the war and allow amortization to plants constructed to produce war supplies. There is a provision in the bill that allows in extraordinary cases therein described amortization in the case of plants created before we entered the war. As the Senator from Utah [Mr. SMOOT] says, you can count the extraordinary cases on the fingers of one hand.

Why the distinction? The plants built prior to our entrance into the war were built under contracts with England, France, Italy, and other countries to make certain supplies, and the prices under those contracts covered the cost of constructing the plant and a profit. That was shown as the result of our investigation as to a large number of these plants. Why extend to them an amortization when they had covered the cost of their plants in the profits on contracts?

Mr. WOLCOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Delaware?

Mr. SMITH of Georgia. Yes; but only for a moment, because I wish to finish what I have to say.

Mr. WOLCOTT. I merely wish to make a suggestion to the Senator. Let us suppose that they did get from the allies a sufficient sum of money to enable them to amortize on their books

the cost of their plants. The point is now whether the United States Government will allow them to keep that sum which they have been allowed by way of amortization?

Mr. SMITH of Georgia. I answer that the time has passed and that money is no longer subject to taxation; they have already made it; they made it before this year.

Mr. WOLCOTT. Let me suggest further to the Senator——

Mr. SMITH of Georgia. I wish to get through, so that we may go on with the bill, but I yield to the Senator.

Mr. WOLCOTT. So do I; I do not want to protract the discussion. But I wish to suggest this to the Senator: It is true that they have been allowed an amortization, but not to the full extent that they are entitled to. They have only had two years. They ought to be allowed to continue to the extent allowed under the rules of the Treasury; but this provision intercepts that process.

Mr. SMITH of Georgia. The contracts which they made enabled them to provide for their amortization and to make a profit besides. There was no reason at all to grant amortization privilege to companies existing prior to our entry into the war who had their plants working for foreign countries and who made their contracts at prices which paid them for the entire construction of their plants and a fair profit. We allowed the exemption in a few cases where this was not done, but we guarded carefully the provision.

Now, as to the plants erected since we entered the war, they do not occupy that position. As a rule, their contracts, even with the Government, have contemplated work reaching beyond this year; but the work has been stopped, the Government has canceled the contracts in the case of a great many of them, and they occupy an entirely different position from plants that have completed contracts with foreign countries. If the amendment of the Senator from Delaware were accepted there would be an enormous loss of revenue; if it were accepted there would be more difficulties in administration. All these facts, all these circumstances, studied out in individual cases to reach what was right, were considered by the committee, and I believe the committee unanimously concluded that what we have presented to you was right.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. McCUMBER. Mr. President, I do not feel that I would be justified in allowing this bill to pass until I had made an attempt, at least, to cut down the tax upon those things which are necessary, such as clothing. I therefore wish to offer an amendment, on page 200, by striking out lines 12 to 21, inclusive, covering these subjects:

(11) Men's and boys' suits or overcoats, not including uniforms of officers in the military or naval forces of the United States, on the amount in excess of $50 each;

(12) Women's and misses' suits, cloaks, and coats, on the amount in excess of $50 each, or, when made up by a tailor or seamstress, on the amount in excess of $50 in value each;

(13) Women's and misses' dresses, on the amount in excess of $40 each, or, when made up by a tailor or seamstress, on the amount in excess of $40 in value each;

Mr. President, those were the particular items that were taken into consideration by the committee in striking out all of the provision for the taxation of clothing. Those were the particular items a tax on which was thought to be a tax upon necessaries, and not a tax upon luxuries. For instance, Mr. President, there was no objection particularly to a tax on trunks on the amount of cost in excess of $50. You can get a fairly respectable trunk for perhaps much less than that, and when one pays $50 for a trunk he possibly can afford to pay a little tax on the amount over $50.

So also in the case of the next article, traveling bags, on which a tax is laid upon the amount paid in excess of $25. You can get a traveling bag for very much less than $25, even with the excessive prices of to-day, but while you can get a traveling bag for less than $25 you can not get a suit of woolen clothes for less than $50, I do not care where you go to get it and whether it is custom-made or otherwise.

Again, purses, pocketbooks, shopping bags, and handbags costing in excess of $7.50 each. You can buy some of them perhaps for $5, and they will answer the purpose, but you can not buy a woman's coat for $50 if it is a woolen coat. There is quite a difference between an article that is necessary and one which you can get along without.

Again, it is proposed to put a tax on fans on the amount in excess of $1. Well, I have an idea you can buy a palm leaf fan for less than $1, but I do not think you can buy any other kind for less than $1. You can get along with a palm-leaf fan, so far as fanning one's self is concerned, but you can not get along without woolen clothing during the winter months. So, Mr. President, with women's and misses' hats and bonnets. A woman can buy a bonnet or a hat that will answer the purpose of a hat to cover her head for less than $15, even though it may not be a very good one, but it will answer the purpose.

So, too, Mr. President, women can get along without silk stockings; they can probably wear lisle-thread stockings that are just exactly as good, and will be just as comfortable, but boys can not get along without suits and overcoats in the wintertime. Young ladies can not get along without misses' suits, and women can not get along very well without dresses of some kind, and woolen dresses in the winter months of the year.

Mr. President, I simply want to suggest that if we were to levy a tax of 20 per cent on wool everyone would object to it, and yet you are levying this 20 per cent tax on practically every article of woolen goods, because the amounts which you have fixed as the basis of your taxation are such that you will purchase nothing for less than those particular amounts, and therefore you subject everything that you purchase in the line of woolen clothing to a tax.

Again, Mr. President, if I believed that you could buy a good woolen suit for a man for less than $50, I would say, "Tax that which is above $50 at the rate of 10 per cent." If you could buy a woman's coat for less than $50, I would say, "All right; tax that above $50." But when you can not buy either of them for less than $50, why should we levy that heavy tax here?

Mr. SMITH of Georgia. Mr. President, will the Senator allow me to interrupt him?

Mr. McCUMBER. I yield to the Senator.

Mr. SMITH of Georgia. I am going to step out for a moment; and I want to say to the Senator that he understands, of course, that the committee was opposed to all of section 905 and struck it all out?

Mr. McCUMBER. Certainly.

Mr. SMITH of Georgia. So that so far as those of us who were with the Senator are concerned, we have not anything to do with it.

Mr. McCUMBER. Of course.

Mr. SMITH of Georgia. I suggest that the Senator direct his remarks to the Senator from Iowa [Mr. KENYON]. He led the fight to restore this entire section, and it is his fight now with the Senator from North Dakota.

Mr. McCUMBER. I know, but, Mr. President, I felt at least that Senators were influenced in voting against the committee amendment on account of many other things besides the mere item of woolen clothing. What I am trying to do in this amendment is to prevent an extra charge of 20 per cent on woolen clothing for which you have to pay $40 or $50, and you can not get it any cheaper.

The Senator from Wisconsin [Mr. LENROOT] moved to strike out "20 per cent" and make it "10 per cent." Why? If it is a luxury in any sense, of course we should tax it at the rate of 20 per cent, but I do not think the Senator thought it was a luxury, and therefore he moved, and very properly moved, to reduce the tax to 10 per cent instead of 20 per cent. I think we can go a step further upon the particular articles I have mentioned, which are absolute necessaries, and which now cost the American people twice as much as they ought to cost them, without putting a still heavier burden upon them.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. McCUMBER. I yield to the Senator from Wisconsin.

Mr. LENROOT. The Senator from Wisconsin offered that amendment primarily because even though these were luxuries in the preceding section, the Senate had already adopted an amendment taxing statuary, paintings, and so forth, which clearly are all luxuries, at only 5 per cent; and so long as that was true, the Senator from Wisconsin did not believe it was fair to tax these things 20 per cent.

Mr. McCUMBER. If you tax statuary and those things which are absolute luxuries only 5 per cent, then why, in Heaven's name, should you not let the American people buy the necessaries of life in their clothing without having to pay even 10 per cent in the way of a tax? If you can even purchase automobiles with a tax of only 5 per cent upon them, then give me some good reason why we should compel the American people to pay $10 or $15 extra for a suit of clothes when they can not get them any cheaper than the amount fixed here for the beginning of the tax.

The result of this, as I have stated before, will finally be to increase enormously the consumption of shoddy and shoddy goods, and just to that extent to decrease the use of wool in clothing. I want to encourage the farmer at this time, when he is getting a splendid price for his wool—I might almost say an exorbitant price—to increase the production of wool. I want to see wool used in goods and not shoddy used in them. I know that the result of this extra tax will be that more shoddy will be put in goods to bring them below the price named in the

provision, and you will make the ultimate consumer pay enormously more in the course of the year for the goods that he will buy than you would without this tax, because the cheaper goods will not wear like the good woolen goods; and I, at least, felt it my duty to do what I could to protect the overburdened American people from paying too much for woolen goods. Therefore, I limit my amendment to those three subdivisions.

Mr. KENYON. Mr. President, I only want to say a word, because I am disinclined to detain the Senate at this hour, and we have had this question argued pretty thoroughly here this afternoon.

The impression left by the Senator's speech would be that we are taxing the whole value of these articles. We must always keep in mind that it is only the excess above $50 that is taxed for women's suits or men's suits. Then comes the tax.

The Senator says that no proper clothing can be bought for those prices. I have here the Washington Star of to-night, and also of a few nights ago. Among the advertisements in the Star that I looked over a few minutes ago, here are $50 broadcloth and plush coats, now marked down to $25. Here are wool Shetland sweaters, $7.95, specially priced; sweaters in cardigan stitch, whatever that is, and fancy weaves, shown in all the new color combinations, such as "Wilson," with collar and cuffs of "Rome Green"; "Rome," with pastel stripe on collar and cuffs; "Wilson," combined with "Democracy"; "Rome," combined with "Glory." Also combinations of admiral blue, Pershing tan, Foch blue and freedom—only $7.95 for all that. Things surely are coming down.

It is just a question whether we are willing to tax these things that are sold at extravagant prices. I know, and everybody knows, that clothing is high, but it probably will not stay there.

Here are other advertisements—women's and misses' coats, $29.50; and in the Star to-night, women's pajamas, $7.50—I do not know what those are—and kimonas, and men's pajamas. All those things seem to be marked down now and appear to be getting down to somewhere near reasonable prices.

I am not going to argue this question. We have had the argument before.

Mr. McCUMBER. Mr. President, I want to ask the Senator, if he will allow me, will he guarantee that these are woolen goods?

Mr. KENYON. No; I do not know anything about any guaranty. I will not make any guaranty. That is an utterly foolish question.

Mr. McCUMBER. Of course you can buy almost any kind of shoddy thing for almost any kind of a price; but I am speaking of the woolen goods that the people of the United States are entitled to have.

Mr. KENYON. The ground of my opposition to the Senator's amendment is this: Take dresses that cost two and three hundred dollars, that can be bought only by the rich people of the country, and suits of clothes costing up in the eighties and around a hundred dollars. If people buy those things they are able to pay the tax without any special irritation, and I think they are perfectly willing to do it. The "poor working girl" argument has been paraded before us, but I do not think you will find many of them buying $10 silk hose and fancy dresses at large prices. There is a good deal of nonsense about that argument. All I am going to ask for is a yea-and-nay vote on this proposition. My desire is to see snobbery and ostentation taxed.

The PRESIDING OFFICER. The Senator from Iowa demands the yeas and nays. Is the request seconded?

The yeas and nays were not ordered.

Mr. KENYON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Jones, Wash.	Nelson	Smith, Md.
Brandegee	Kellogg	New	Smith, Mich.
Chamberlain	Kendrick	Norris	Smoot
Dillingham	Kenyon	Nugent	Spencer
Fletcher	Kirby	Overman	Sterling
France	Knox	Penrose	Sutherland
Gerry	La Follette	Phelan	Swanson
Gore	Lenroot	Poindexter	Thomas
Gronna	Lodge	Pollock	Townsend
Hale	McCumber	Saulsbury	Trammell
Harding	McKellar	Shafroth	Warren
Henderson	Martin, Ky.	Sheppard	Watson
Hitchcock	Martin, Va.	Simmons	Weeks
Johnson, S. Dak.	Moses	Smith, Ariz.	Williams
Jones, N. Mex.	Myers	Smith, Ga.	Wolcott

The PRESIDING OFFICER. Sixty Senators have answered to the roll call. There is a quorum present.

Mr. KENYON. I ask the Presiding Officer if he will not submit the request again to the Senate for a yea-and-nay vote.

The PRESIDING OFFICER. A yea-and-nay vote is requested. Is the demand seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JONES of Washington (when his name was called). Again announcing my pair with the senior Senator from Louisiana [Mr. RANSDELL], I withhold my vote.

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. McLEAN], who is absent. In his absence I transfer that pair to the Senator from Arizona [Mr. ASHURST] and vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Louisiana [Mr. GAY] to the senior Senator from New Jersey [Mr. FRELINGHUYSEN], I vote "yea."

Mr. STERLING (when his name was called). Again announcing my pair with the Senator from South Carolina [Mr. SMITH], I withhold my vote.

The roll call was concluded.

Mr. GERRY (after having voted in the affirmative). I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and let my vote stand.

I wish also to announce that the Senator from Delaware [Mr. SAULSBURY] is necessarily absent on important public business and that he is paired with the Senator from Rhode Island [Mr. COLT].

Mr. KNOX (after having voted in the affirmative). I voted not noticing the absence of my pair, the Senator from Oregon [Mr. CHAMBERLAIN]. I transfer my pair to the Senator from Vermont [Mr. PAGE] and let my vote stand.

Mr. BRANDEGEE. Making the same transfer previously announced, I vote "yea."

Mr. HARDING. I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Oregon [Mr. McNARY] and vote. I vote "nay."

Mr. KENDRICK (after having voted in the affirmative). I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from Montana [Mr. WALSH] and let my vote stand.

Mr. LODGE. I have been requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY];

The Senator from Kansas [Mr. CURTIS] with the Senator from Georgia [Mr. HARDWICK];

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

The result was announced—years 35, nays 17, as follows:

YEAS—35.

Bankhead	Knox	New	Sutherland
Brandegee	Lenroot	Overman	Swanson
Dillingham	Lodge	Penrose	Thomas
France	McCumber	Phelan	Warren
Gerry	Martin, Ky.	Simmons	Watson
Gore	Martin, Va.	Smith, Ariz.	Weeks
Henderson	Moses	Smith, Ga.	Williams
Jones, N. Mex.	Myers	Smoot	Wolcott
Kendrick	Nelson	Spencer	

NAYS—17.

Fletcher	Kenyon	Nugent	Sheppard
Hale	Kirby	Poindexter	Trammell
Harding	La Follette	Pollock	
Johnson, S. Dak.	McKellar	Pomerene	
Kellogg	Norris	Shafroth	

NOT VOTING—44.

Ashurst	Fernald	Lewis	Shields
Baird	Frelinghuysen	McLean	Smith, Md.
Beckham	Gay	McNary	Smith, Mich.
Borah	Goff	Owen	Smith, S. C.
Calder	Gronna	Page	Sterling
Chamberlain	Hardwick	Pittman	Thompson
Colt	Hitchcock	Ransdell	Townsend
Culberson	Hollis	Reed	Underwood
Cummins	Johnson, Cal.	Robinson	Vardaman
Curtis	Jones, Wash.	Saulsbury	Wadsworth
Fall	King	Sherman	Walsh

So Mr. McCUMBER's amendment was agreed to.

Mr. HALE obtained the floor.

Mr. SMOOT. Will the Senator allow me just a moment?

Mr. HALE. Certainly.

Mr. SMOOT. I want to perfect this amendment. I call attention to the fact that there must be another amendment in

the House provision now that the amendment has been adopted. On page 202, beginning in line 4 with the last word "As," I move to strike out all down to and including the word "dresses," in line 7. It reads:

As used in this subdivision the term "vendor" includes a tailor or dressmaker making up women's or misses' suits, cloaks, coats, or dresses.

Now that those paragraphs have been eliminated, I move to strike out these words.

Mr. SIMMONS. I was going to say that necessarily those words should go out.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. HENDERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nevada?

Mr. HALE. I yield.

ASSESSMENT WORK ON MINING CLAIMS.

Mr. HENDERSON. There is a very important joint resolution which has just passed the House of Representatives this afternoon and is now on the Presiding Officer's desk. I ask unanimous consent to have it laid before the Senate at this time and put on its passage.

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 372) to amend Senate joint resolution No. 78, approved October 5, 1917, entitled "Joint resolution to suspend requirements of the annual assessment work on mining claims during the years 1917 and 1918, which was read the first time by its title and the second time at length as follows:

Resolved, etc., That the provisions of Senate joint resolution, approved October 5, 1917, be amended so as to provide that the time for filing notices to hold said mining claims in the Territory of Alaska, under the said resolution, be, and the same is hereby, extended to the 1st day of April, 1919

Mr. HENDERSON. I ask that the unfinished business be temporarily laid aside and I ask unanimous consent to consider this joint resolution. It will take only a moment. There will not be any debate on it and it is a very important matter.

Mr. SIMMONS. I shall not object, providing there is no debate.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. LENROOT. Before consent is given I would like to know what the measure is.

Mr. HENDERSON. It simply provides that under the joint resolution passed two years ago suspending assessment work on mining claims during the years 1917 and 1918 the time for filing a notice which expires January 1 shall be extended for the period of three months for Alaska on account of the influenza and the difficulty of getting the notices sent there.

Mr. SIMMONS. It has passed the House?

Mr. HENDERSON. It has passed the House, and came over this afternoon.

Mr. JONES of Washington. Mr. President, I hope the joint resolution will be passed, but I just want to express my regret that while we can get action promptly upon a matter of this kind concerning property rights we are unable to get action on a bill to extend aid to the people there who are dying.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12863) to provide revenue, and for other purposes.

Mr. HALE. I offer an amendment to the bill to come in on page 197, line 4: Before the word "canoes," I move to insert the word "pleasure." The bill now provides——

Mr. SIMMONS. I will state to the Senator that we have considered that matter; I have conferred with other members of the committee, and we will accept the amendment.

The amendment was agreed to.

Mr. KIRBY. I desire to offer an amendment.

The PRESIDING OFFICER. It will be read.

The SECRETARY. After section 1407 insert:

SEC. 1408. That it shall hereafter be unlawful for the United States of America to make any loan of money, bonds, or credit to any other nation, government, power, or people, or the representative thereof or to purchase the securities, bonds, or credits of such nation, government, power, or people except as it may become necessary to do so in order to adjust, collect, and realize upon the loans already made to and bonds and securities acquired of such nation, power, or government unless and until the Secretary of the Treasury is first thereunto duly authorized by act of Congress.

Mr. KIRBY. Mr. President, this is an amendment of some moment, and it seems to me might well be put upon this bill raising revenue. The people of our country are heavily taxed. They have responded liberally to the loan of money to our Government, both in war stamps and in bonds. They are now taxed heavily and are going to continue to be taxed heavily, and it seems to me the time has come when we should quit lending the money of the United States of America to other Governments, powers, or peoples. We have loaned all the moneys that are necessary to carry all the Governments with whom we were associated in the war to a successful completion of it. The war is ended, and this is a time, in my opinion, when we should end lending the money of the people raised by taxation to other Governments of the earth.

This does not prevent lending money as may be necessary to realize upon the loans that have heretofore been made to these Governments, but it would prevent the lending of any money to any other Government for any purpose whatever until the purpose was first disclosed to Congress and the consent of Congress obtained to the particular loan desired. It seems to me the time has come when we ought to do something of this kind, and on that account I propose this amendment here to-day.

Mr. WEEKS. Mr. President——

Mr. KIRBY. I yield to the Senator.

Mr. WEEKS. I suggest to the Senator from Arkansas that the Government owns several million dollars worth of property in France. It is the purpose, I understand, to try to sell that property to European Governments. Would the Senator's amendment prohibit taking bonds for that property if it were sold?

Mr. KIRBY. Not at all, as I understand it. It is to lend the money in the Treasury here and take bonds or purchase securities out of the Treasury. I do not think that ought to be done, and I believe the time has come to stop it. If there exists any great necessity for any further lending of credit or of money by the Government, it ought to be brought to Congress and the consent of Congress first obtained to do it.

Mr. WEEKS. I think I am in agreement with the Senator about that, but I believe it would be unfortunate if we were prevented from receiving any payment for our property over there in the bonds of other countries.

Mr. KIRBY. This will not do that. It has no purpose of that kind, and its effect can not be such.

Mr. SIMMONS. Mr. President, I earnestly hope this amendment will not prevail. I think it would be a most embarrassing thing to do at this time. I am advised by the Secretary of the Treasury to-day that it would be most embarrassing and would prevent the Government from doing things absolutely necessary under present circumstances. The war has not closed yet, but when it has closed all authority of the Secretary of the Treasury to advance money to the allies will have passed. Congress is at this time considering legislation with reference to loans to certain of our allies after the war has closed.

The Secretary of the Treasury who has just relinquished his office—Secretary McAdoo—recommended to the House of Representatives legislation of that character. That body is considering that legislation in committee, I understand, right now. When the Secretary of the Treasury appeared before the Finance Committee he said that when the war closes it would be necessary, in his opinion, if we were unable ourselves to sell to some of our allies, especially to Belgium and France, materials which they would absolutely need and which they could not get elsewhere, in order to carry on the work of reconstruction, authority ought to be given to do that, because if it were not given it would be impossible for us to sell them the material and the supplies which they would need for these purposes. He presented to the committee a very strong statement. He showed the committee, and he showed them nothing more than what we would have known if we had thought about it, that the countries now needing or presently to need great quantities of supplies are not in a financial position to buy and pay for these things in cash, and when we loan them money for the purpose of buying those goods in this country we would simply enable the business people of this country to furnish them the supplies, and for the money that we advance them to pay our business people we would be advancing Government securities that were as good as could be found probably in the markets of the world.

Mr. President, if we do not permit the Government to loan at all after the war closes, our business people will not be able to supply these goods, and our allies will not be able to get them anywhere else.

No money is lost; no money is jeopardized. We simply enable our people, the producers of this country, to sell these goods, and we get abundant security for the money that we advance.

I do not think that anything could be more unwise than to suddenly cut off the splendid trade which the business people of this country have a right to expect and which they can get without losing or even jeopardizing a dollar of American money; and, as the Senator from Maryland [Mr. SMITH] suggests to me, it does not increase the tax, because the bonds which we get from them for the money which we advance go immediately into the hands of our own people. It will not be a burden to us so far as interest charges are concerned, because those will be met in due time by the governments from whom we get the bonds, and in the end our principal will be returned.

Mr. President, I do not wish to prolong the discussion, but I do sincerely trust that this amendment will not prevail.

Mr. LODGE. Mr. President, I do not mean to prolong the debate a moment. The Senator from North Carolina [Mr. SIMMONS] has covered the case. It seems to me it would be most unfortunate in every way at this time to pass a general law that we would not extend any further credit to the nations with whom we have been associated in the war against Germany. It is extending a credit, it is not giving them money. I think now, with peace negotiations just coming on, to adopt such an amendment as this would be most unfortunate.

Mr. GORE obtained the floor.

Mr. KIRBY. Mr. President——

Mr. GORE. I yield to the Senator from Arkansas.

Mr. KIRBY. Mr. President, we agreed to extend credit and to loan money to our allies during the emergency and because of the necessity for so doing. The necessity was great; it was urgent. We have loaned them money until the war has been brought to a successful conclusion. Now it is proposed to establish nations on the other side of the world. It is proposed to rehabilitate great Russia, that once mighty empire yonder, which is destroyed, dismembered, impotent, and is now being harassed and overrun by bandit hordes of Czecho-Slovaks swinging down through that country.

Is it our business and our policy here to lend the nations that are going to be cut out of other territory money with which to stand upon their feet, in the hope that they may pay it back hereafter? To tax our people to the last limit to get the money to lend to them?

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from New Mexico?

Mr. KIRBY. Yes.

Mr. JONES of New Mexico. I merely want to call the attention of the Senator from Arkansas to a little business arrangement which was reported to have been made recently. It is now well known that our disbursements in Europe are very large, and so there has been an exchange of credits. We have made an advance of a quarter of a billion dollars just in the last few days to our European allies, and, in turn, they have made advances to us over there for a similar amount. But the right to make advances must exist in order to carry out a transaction of that kind. I assume that there will be a number of just such transactions as that while our expenditures in Europe are so very large.

Mr. KIRBY. The purpose of my amendment is not to prevent that nor our collection of any loans or realizing upon any credits which we have found it necessary to make to our allies heretofore; it will have no effect to do that; but it is to prevent the loaning to these other Governments after the war has ended of money that must be collected by taxation from our people unless the necessity is so great that the Secretary of the Treasury can come here and say, "I desire to extend this much credit and I desire the permission of the Government to do it," and convince the Congress of the necessity therefor, it should stop. The time has come, in my judgment, when we should quit levying high taxes upon our people to lend the money to the other nations.

Mr. GORE. Mr. President, I wish to say that I am unable to agree with the Senator from Arkansas [Mr. KIRBY]. I rather agree with the Senator from Massachusetts [Mr. LODGE] and with the chairman of the Committee on Finance [Mr. SIMMONS]. In my judgment it is neither to our own advantage nor is it to the advantage of the peoples of Europe that they should live in a world of wreck and ruin and devastation. It is to their advantage, as it is to our advantage, that Europe should be rebuilded as rapidly as possible. We can facilitate the reconstruction of Europe by advances of credit. This will inure to their advantage, as it will to ours. If those countries and those peoples are obliged to rely upon the slow processes of accumulating capital in order to rebuild and to reconstruct their countries, it will postpone their prosperity, and it will inevitably lead to a long period of industrial depression both in Europe and in the United States.

The purchasing power of Europe has been seriously reduced; it has been almost destroyed during the course of this war. It is estimated, I believe, by Mr. Schwab, that Europe will require $6,000,000,000 worth of iron and steel for purposes of reconstruction. There is a vast market. To supply that market will be to our own interest; it will be even more to the interest of those countries which have been so seriously crippled. Half the world is to-day naked and hungry; half of Europe is but half clad and half fed. These elemental needs ought to be supplied. They ought to be largely supplied by the farmers of the United States. If they have purchasing power, and if we can sustain their purchasing power, it will constitute an effective demand for the farm products of the United States. That will insure prosperity to our farmers, which is a large guaranty of prosperity to every productive class and to every industry in the United States.

I should regard it as a serious mistake to withhold credit or purchasing power from those depressed people. It is not only to our advantage—waiving the question of duty, or rather of humanity—but it is a matter of the highest industrial and commercial concern to the people of the United States and to all of the peoples in Europe.

Mr. BRANDEGEE. Mr. President, before the question is taken on the amendment I desire to see if I understand the situation correctly. I understand that about $8,000,000,000 has been authorized by Congress to be loaned. Is that correct?

Mr. SIMMONS. The loan of about $10,000,000,000 has been authorized, about $8,000,000,000 of which have already been loaned.

Mr. BRANDEGEE. Then, there is something like a billion and three-quarters in money which could be loaned in the future without further legislative authority.

Mr. SIMMONS. Yes; but there will have to be further legislation to make any loans after the war.

Mr. BRANDEGEE. But the end of the war will be indicated, I assume, by the proclamation of the President that the war has ceased. The effect of the amendment of the Senator from Arkansas [Mr. KIRBY], then, would be to withdraw the authority already granted as to the loaning of the remainder of that money.

Mr. SIMMONS. Undoubtedly, that would be the effect of the amendment.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Arkansas [Mr. KIRBY].

The amendment was rejected.

Mr. JONES of New Mexico and Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. JONES of New Mexico. I call up an amendment which has heretofore been offered by me, and ask that it be stated by the Secretary.

The PRESIDING OFFICER. The amendment offered by the Senator from New Mexico will be stated.

The SECRETARY. On page 30, line 23, at the end of the line, it is proposed to strike out the semicolon and insert a colon and the following proviso:

Provided, however, That any taxpayer who is the head of a family shall be entitled to deduct from his gross income such sum or sums of money as he may have actually expended during the taxable year as rent for residence purposes for himself or family, but not in excess of a sum of $1,000.

Mr. JONES of New Mexico. Mr. President, the proposition presented by this amendment is very simple. If an individual, partnership, or corporation owns its place of business it is not charged up with the rental value of that property as income. If a partnership, individual, or corporation does not own its place of business it is entitled to deduct from its income the rent of the premises in which it does business, so as to put it on a parity with the business where the buildings and plant are owned by the operating interest. What this amendment does is this: Under the bill as it is now framed, if a man owns his home he occupies it without being charged anything for its rental value. If he does not own his home he is not permitted to deduct from the income the rent which he has got to pay to house his family. The amendment is for the purpose of putting individuals on an equality as to residence precisely in the same way as we put business on an equality as to place of business.

I shall not discuss the matter at length. In a good many jurisdictions where they have income taxes they do just the other thing; they charge the owner with the reasonable rental value of the property, the farmer with the reasonable rental value of the house on the farm, and so on. I do not think that ought to be done. I think the system which the committee has adopted with reference to business is the proper one, and I am simply seeking to extend that to the individuals who labor,

who live upon salaries, and who do not own their homes. I ask for a vote on the amendment.

Mr. SIMMONS. Mr. President, the present law and also the pending bill do not allow deductions for personal living or family expenses. If this deduction is allowed, then I do not see any reason why personal living and family expenses generally should not be also allowed.

Mr. JONES of New Mexico. Mr. President, I should merely like to state that I am simply proposing to allow as a deduction the item of rent alone, because as to other family expenses the man who owns a house has to pay them just the same as the man who does not own a house.

Mr. SIMMONS. The man who owns a house is not allowed to deduct interest upon the investment in the house.

Mr. SMOOT. Mr. President, this amendment, if adopted, means simply this, that it would be far better for a man never to own a home than to own one; or, in other words, the man who must rent a house has no investment whatever in it, pays no taxes on it, has no upkeep to provide for it, and pays no insurance upon it; but the man who owns a home is compelled to pay the expenses of all those items; and, besides that, he has got his money tied up and receives no income whatever from it. It seems to me the amendment is so foreign to what would be just and right that the Senate can not possibly agree to it.

Mr. JONES of New Mexico. Mr. President, I do not think that this question can be settled by a mere wave of the hand.

Mr. SMOOT. It can be by a vote.

Mr. JONES of New Mexico. According to the Senator from Utah, a man who owns a building in which he conducts his business has no advantage over the man who does not own the building in which he conducts his business, because he has to pay the upkeep of it, and he is also out of the use of the money invested in it; but in the case of business the man who does not own his building deducts the rent from his income. If there is no advantage in the one case, why have the provision exempting rent in the other? I submit, Mr. President, that this is but a matter of simple justice. If a man did not have his money in his residence he would have it invested in something else, and would get an income from that something else, and he would be paying a tax upon that income.

Mr. SMOOT. The Senator has asked a question and I shall simply undertake to answer it. The man who owns his own building and does business in that building has paid for it; it is a part of his capital, and he is allowed an exemption upon it, and, of course, if a man does not own the building whatever he pays as rent he is allowed upon it; but the man who owns the building is allowed an exemption upon it before any tax ever applies. That is the difference between the two cases.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. JONES].

The amendment was rejected.

Mr. POLLOCK. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. At the end of the bill it is proposed to add a new section as follows:

SEC. 1408. That the members of the various district and local boards who acted under the selective-service-draft act throughout the United States be, and are hereby, extended the thanks of Congress for their patriotic services to the country; and the Secretary of War is hereby directed to cause to be prepared and filed with the records of the War Department a complete and permanent record of the names of all those who so served, and that the Secretary of War is hereby directed to cause suitable bronze medals to be prepared and presented to all who so served.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina. [Putting the question.] By the sound, the "noes" seem to have it.

Mr. POLLOCK. I ask for a division.

On a division, the amendment was rejected.

Mr. JONES of New Mexico. Mr. President, I have two other amendments here. I can explain the purpose of them very readily. I have previously pointed out some advantages in making returns as corporations. I also pointed out wherein individuals, under certain circumstances, have advantages over corporations in making their tax returns. I am sure that we ought to make all business of the same kind as nearly equal and competitive as we can, and if there is any advantage in an individual or a partnership making a return as a corporation he ought to have the privilege of doing it, because by so doing he only puts himself on an equality with his competitor. Likewise, if a corporation finds that it is more advantageous for the stockholders to make a return as a partnership, I do not see why that should not be done. I pointed out the other day very gross inequalities simply because one concern happened to be a partnership and the other happened to be a corporation. There is no administrative difficulty in the way, because this bill only affects the mere matter of returns, and in the bill now we provide that certain corporations may make returns as partnerships. I will ask merely to have one of the amendments read, and will abide by the result upon that amendment so far as the other is concerned.

Mr. SIMMONS. Mr. President, I do not desire to discuss this amendment, but simply to say that the purpose of the amendment is to allow any individual or corporation to select the most favorable way of being taxed.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from New Mexico.

The SECRETARY. It is proposed to add to the bill a new section, as follows:

SEC. 229. That any individual or partnership carrying on a trade, business, or profession may in respect to the income derived from such trade, business, or profession, elect to be taxed as a corporation, and file return accordingly. In such case such individual or the members of the partnership shall not be subject, in respect to such income, to the taxes imposed by this title and Title III upon individuals and partnerships, but shall be subject to the taxes imposed by such titles upon corporations.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was rejected.

Mr. JONES of New Mexico. Mr. President, I have another amendment to offer, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 95, at the end of line 12, it is proposed to strike out the period and to insert "and not including for the taxable years 1918 and 1919 any surplus or undivided profits earned since December 31, 1916."

Mr. JONES of New Mexico. Mr. President, I can explain this amendment in a very few words. Although it is a very important amendment, and will raise something over $100,000,000 of revenue, to my mind it is nothing but in a small way bringing about justice for a grave discrimination which exists under the present law.

For the taxable year 1917, individuals, partnerships, and corporations all paid the same excess-profits tax. Individuals and partners paid surtaxes on all of their profits, whether they were taken out of the business or not. Corporations paid no surtax; and only the profits of the corporation which were distributed in dividends have as yet become subject to any surtax. As a matter of dollars, the corporations in 1917 earned about $10,000,000,000. After paying their taxes and after distributing their dividends they retained as undistributed profits, taxed only by the tax of 6 per cent which was provided, $4,000,000,000, and that money has been left in their treasuries. That $4,000,000,000 has not only escaped any surtax but under this bill they add the $4,000,000,000 to their capital, and under this bill exempt the 8 or 10 per cent—whichever form of tax it comes under—on the $4,000,000,000. They have kept it from paying any surtax to begin with; they now add it to capital, and get it exempted under this bill, before they pay any excess or war profits taxes on it now; and this is only in a very small way making those dollars pay what the dollars of the individual or partnership have already paid. It will bring in about $100,000,000 of revenue for this year, and it will bring in about $100,000,000 of revenue for next year.

Mr. SIMMONS. Mr. President, I do not wish to discuss this amendment. I will simply say that under the definition of "invested capital" in the bill paid-in or earned surplus and undivided profits constitute a part of invested capital; and what this amendment provides is that while the invested, paid-in, and earned surplus of every other year shall constitute part of invested capital the surplus and undivided profits of 1917 shall not constitute a part of it.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico.

The amendment was rejected.

Mr. GORE. Mr. President, I wish to say that I was absent when certain sections were considered and adopted by the Senate to which I desire to offer an amendment. I have conferred with the chairman of the committee and have decided to ask unanimous consent that I may offer the amendments now. It will obviate the necessity of offering them in the Senate.

The PRESIDING OFFICER. The Senator from Oklahoma asks unanimous consent to offer an amendment which will be stated by the Secretary. Is there objection? The Chair hears none, and the amendment will be stated.

The SECRETARY. The Senator from Oklahoma offers the following amendment to section 311, on page 89:

Strike out:

"(2) An amount equal to the average net income of the corporation for the prewar period, plus or minus, as the case may be, 10 per cent of the difference between the average invested capital for the prewar period and the invested capital for the taxable year."

And insert in lieu thereof:

"An amount equal to the average net income of the corporation for the prewar period, plus or minus, as the case may be, the same percentage of the difference between the average invested capital of the prewar period and the invested capital for the taxable year as the average net income of corporations engaged in a trade or business of the same general class as that conducted by the taxpayer for the prewar period was of average invested capital for the prewar period: *Provided*, That in no case shall such percentage exceed the percentage of the net income of the taxpayer for the prewar period of the average invested capital for the prewar period."

Mr. GORE. Mr. President, I appreciate and I fully sympathize with the desire of the Senate to pass this bill to-night. I also appreciate the difficulty, the impossibility, of the Senate understanding an intricate amendment of this character when read from the desk. I shall, however, abbreviate my explanation of it, because I wish to facilitate the passing of the bill.

Of course no taxation bill can realize ideal or poetic justice. All that we can do is approximate a crude sort of justice, avoiding intended or avoidable injustice or inequalities. It sometimes happens, however, that even low taxes, if they are unequal, are more oppressive than high taxes if equal. Low taxes that discriminate in favor of one competitor and against another may ruin the one and enrich the other, whereas high taxes that are equal will not inflict any such imposition or burden upon either. One of the paramount considerations in passing a measure of this sort is to avoid inequality of burdens as between competitors in the same industry.

If the Senate will indulge me for one moment, in imposing the tax upon war profits we have adopted as the prewar period the years 1911, 1912, and 1913. Corporations have been given as an exemption the average net profits during the prewar period. That is, of course, a matter of obvious justice; but for corporations organized since the prewar period an artificial basis must be adopted. The committee has recommended as exemption for corporations organized since the prewar period the average net profits of corporations engaged in a like or similar business. I think that is the fairest standard which could have been agreed upon.

The inequality arises, Mr. President, with respect to corporations that did business during the prewar period and which have added to their investment since the close of that period. The exemption allowed upon this capital newly invested is only 10 per cent.

Now, take a case. Take a corporation that was doing business during the prewar period, making an average profit of 20 per cent, and let us assume that the average profit for like industries is also 20 per cent. Now, a new corporation organized since the prewar period would be entitled to an exemption of 20 per cent, based on the average profits of like industries; but a concern, we will say, that was capitalized at $50,000, operating during the prewar period, and realizing a profit of 20 per cent, has added $450,000 of new capital to its business. Upon this $450,000 of capital newly invested it is entitled to an exemption of only 10 per cent, or $45,000. Take an entirely new concern which has been organized since the prewar period, capitalized at $500,000. It will be allowed an exemption of $100,000, because the average net earnings of like industries are 20 per cent. Now, there is a serious discrepancy between like industries.

They may be competitors; their plants may be just across the street from each other; and yet the one, simply because it existed during the prewar period, is penalized to the extent of $55,000, and the new concern is rewarded to the extent of $55,000.

Now, that is a disparity, a disproportion of burden, that ought not to be imposed upon competing concerns. It would have been much better for the old concern, instead of adding to its invested capital, to have organized a new corporation and capitalized it, using the new capital in that way, because upon this new concern it would have been entitled to a much more generous exemption.

I can see how this would work serious injury to an old concern simply for being old. The amendment which I have offered proposes to give the old concern which has added to its capital the same exemption upon its new capital that we give to a corporation which has been organized since the prewar period. In other words, it is to give to the old corporation an exemption upon its new capital equivalent to the average net profits of like businesses. That will place them on an equal footing.

I had introduced an amendment which gave old corporations, upon the newly invested capital, an exemption equivalent to their average earnings during the prewar period. There is an element of justice in that proposal; but there is also weight to the objection that a corporation having a small capital and high earnings which expands its capital can not or should not be expected to realize as high a percentage of return upon its expanded capital as upon its old limited capital. But it seems to me, Mr. President, that there can be no argument against this proposal to give an old corporation upon its newly invested capital an exemption exactly the same as is accorded to new corporations; in other words, that will allow the new corporation the average net profits of like concerns engaged in like business, and allow an old corporation upon its newly invested capital an exemption equivalent to the average profits of like concerns.

That places competitors on an equal footing, and does not discriminate between them. It does not subject the one to an unnecessary and to an unjust burden. It does not make a difference in the treatment of concerns where there is no real difference in fact to justify the different treatment. The amendment which I have offered accords like treatment to those who are substantially in like situations. This is the nearest approach to justice we can arrive at in the adoption of a complicated revenue measure of this sort.

Mr. SIMMONS. Mr. President, while the Senator from Oklahoma always illuminates every subject upon which he speaks, I do not think he expects this amendment to be adopted. I think the Senator knows perfectly well that if this amendment were adopted it would be necessary to re-form this bill in many of its essential features. I do not know how that could be done now without sending it back to the committee. The Senator also knows that this proposal was pretty thoroughly thrashed out in the committee, and after great deliberation there it was decided that it was impracticable.

I hope, therefore, the amendment will not be adopted.

Mr. SMOOT. Mr. President, just a moment. There may be such a case as that cited by the Senator from Oklahoma; but if so, I call his attention to the relief provision found in this bill. On page 99, under paragraph (d), line 20, there is this provision:

(d) Where, as compared with representative corporations engaged in a like or similar trade or business, the taxpayer would (under section 326)—

That is, the invested-capital section—

be placed in a position of substantial inequality, because of the time or manner of organization, or because the actual value of the assets—

And so forth.

So the Senator can see that if there were such a case as cited by him it would fall under this relief provision.

Mr. GORE. Mr. President, I think there is a great deal of virtue in this relief provision; but, of course, it is intended to meet exceptional cases—cases where the circumstances can not be standardized.

Mr. SMOOT. That is what that would be.

Mr. GORE. The amendments which I have offered apply uniformly and generally to all concerns which come within the same category, and I think it is better, as a rule, where you can classify, to have a uniform rule applicable to a class, rather than to rely upon making special exceptions to meet particular cases. I fully approve of the relief section, but to meet the case of those enterprises which can not be reduced to rule or to standard, I think this amendment ought to have been adopted. I hardly expect it to be adopted at this late hour, though, because, of course, the Senate has not had an opportunity to analyze it. I would not be surprised, however, to see this amendment come back in the conference report, if this section stays in the bill.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the Senator from Oklahoma.

The amendment was rejected.

Mr. GORE. Mr. President, there is one other amendment which I wish to offer.

The PRESIDING OFFICER. The Senator from Oklahoma offers a further amendment, which will be stated by the Secretary.

The SECRETARY. On page 83, it is proposed to strike out sections 300 and 301, as amended, and in lieu thereof to insert the following:

SEC. 300. That when used in this title the terms "taxable year," "fiscal year," "personal service corporation," "paid or accrued," and "dividends" shall have the same meaning as provided for the purposes of income tax in sections 200 and 201, and when used in section 301 of this title the term "taxable income" shall mean the net income in excess of the excess-profits credit determined under section 312,

or the war-profits credit determined under section 311, as the case may be. The first taxable year for the purposes of this title shall be the same as the first taxable year for the purposes of the income tax under Title II.

PART II—IMPOSITION OF TAX.

SEC. 301. (a) That in lieu of the tax imposed by Title II of the revenue act of 1917, but in addition to the other taxes imposed by this act, there shall be levied, collected, and paid for the taxable year 1918 upon the taxable income of every corporation a tax equal to the sum of the following:

FIRST BRACKET.

Thirty per cent of the amount of the taxable income not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

Sixty per cent of the amount of the taxable income in excess of 20 per cent of the invested capital.

THIRD BRACKET.

The sum, if any, by which 80 per cent of the amount of the taxable income exceeds the amount of the tax computed under the first and second brackets.

(b) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the taxable income of every corporation a tax equal to the sum of the following:

FIRST BRACKET.

Twenty per cent of the amount of the taxable income not in excess of 20 per cent of the invested capital.

SECOND BRACKET.

Forty per cent of the amount of the taxable income in excess of 20 per cent of the invested capital.

(c) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," the tax imposed by this title shall be treated as levied by an act in amendment of Title II of the revenue act of 1917.

Mr. GORE. Mr. President, just a moment. There are two points in this amendment. One is to define what shall constitute taxable income. Under the existing law and under the pending bill the brackets are applied to the entire net profits of corporations. The ordinary taxpayer expects his net profits to be ascertained and expects his exemption recited in the bill, of $3,000 plus 8 per cent on the capital invested, to be subtracted from his net profits and then expects the bracket of 30 and 60 per cent to be applied to what is left.

That is not the case. The exemption of $3,000 plus 8 per cent on the capital invested is taken from the lowest bracket, and if the exemption is more than the net profit under the low bracket then the remainder of the exemption is taken out of the next bracket above that.

So it might happen but for another provision. The small concerns would pay their entire tax under the 60 per cent bracket. Take a concern—but for the provision—which I shall submit in a moment, capitalized at $25,000, with a net profit of $12,500. That concern would be entitled to an exemption of $5,000, $3,000 plus the 8 per cent on the capital stock, making an aggregate of $5,000.

The average taxpayer expects that $5,000 exemption to be taken from $12,500, the profit being $7,500, to which the bracket should be applied. Five thousands dollars of the $7,500 coming within the first, or 30 per cent, bracket, amounting to $1,500; under the second bracket, $2,500, bearing 60 per cent, amounting to $1,500, or aggregating under both brackets $3,000.

That is not the way it is computed. Twenty per cent of the capital stock, or $5,000, which is the first bracket, is offset against the exemption of $5,000, leaving $7,500 to bear the 60 per cent tax. I use this merely by way of illustration.

This is the way the computation would run, but for the provision that a corporation whose net profits do not exceed $20,000 shall pay at the rate of 30 per cent on its entire profits. The method, however, of deducting the exemption from the low bracket operates against small corporations. It is less burdensome to large corporations, but my proposal to deduct the exemption from the net profits and then apply the brackets to the remainder would be just alike to the small and to the large corporation and would avoid a burdensome discrimination.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma.

The amendment was rejected.

Mr. JONES of Washington. I have an amendment that I want to propose to paragraph C, on page 138 of the bill. I think when I state just briefly the situation and what it is designed to meet, its merits will be perfectly clear.

Mr. SIMMONS. Clearly, the amendment should be adopted.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On line 10, page 138, add the following proviso:

Provided, That where such transportation lines are in competition with foreign lines the tax imposed under this paragraph shall not exceed the amount of transportation tax to which such foreign transportation company is subjected by its government corresponding to this tax.

Mr. JONES of Washington. Mr. President, I think I can state just in a moment, so that it will appear in the RECORD, what this amendment is designed to meet.

We have a transportation line from Seattle, for instance, to points in southeastern Alaska. The Canadian ships also go from Seattle to Vancouver and Victoria on the way to points in southeastern Alaska. They are in competition with our ships. I am reliably informed that their Government taxes them 1 per cent. If we put this tax of 8 per cent on our ships, it will give the Canadian line an advantage of 7 per cent. This amendment is designed to meet a situation just like that.

Mr. SMOOT. Let me call the attention of the Senator to the provision of the bill on page 138. I did not really understand it when the Senator presented the case to me a little while ago. It seems to me that if the Canadian ship started from a point in the United States it would be taxed under the provision of the bill as it stands.

Mr. JONES of Washington. But this is what they do: They sell a local ticket between Seattle and Vancouver, then a ticket from Vancouver on to a point in Alaska.

Mr. FLETCHER. May I ask the Senator if the Canadian Government does not tax more than 1 per cent?

Mr. JONES of Washington. All I know is what information I have, which is as reliable as I can get, and they claim that a tax corresponding to this is just 1 per cent. I thought if it went into conference the conferees could look into the situation a little more carefully than I have had an opportunity to do and take care of it.

Mr. FLETCHER. It may be possible that there is only one tax on that particular subject, but I do know that they place a pretty severe tax on the income.

Mr. JONES of Washington. That is probably true; but I referred to the corresponding tax.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Washington.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is in Committee of the Whole and open to amendment. If there be no further amendment——

Mr. LA FOLLETTE. Mr. President, I desire to offer an amendment in the nature of a substitute. I send to the Secretary's desk the amendment and ask to have it read.

The PRESIDING OFFICER. The Senator from Wisconsin submits an amendment by way of a substitute and requests that it be read.

Mr. LA FOLLETTE. To save the time of the Senate, as the amendment has been upon the desks of Senators and they have had an opportunity to examine it, I will not ask to have it read if it is printed in the RECORD. It would save some two hours or more of the time of the Senate and advance the consideration and conclusion of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LA FOLLETTE's amendment was to strike out all after the enacting clause of the bill and to insert:

TITLE I.—GENERAL DEFINITIONS.

SECTION 1. That when used in this act—

The term "person" includes partnerships, corporations, and associations, as well as individuals;

The term "corporation" includes associations, joint-stock companies, and insurance companies, as well as private corporations;

The term "domestic" when applied to a corporation or partnership means created or organized in the United States;

The term "foreign" when applied to a corporation or partnership means created or organized outside the United States;

The term "United States" when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia;

The term "Secretary" means the Secretary of the Treasury;

The term "commissioner" means the Commissioner of Internal Revenue;

The term "collector" means collector of internal revenue;

The term "revenue act of 1916" means the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916;

The term "revenue act of 1917" means the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917;

The term "taxpayer" includes any person, trust, or estate subject to a tax imposed by this act;

The term "Government contract" means (a) a contract made with the United States or with any department, bureau, officer, commission, board, or agency under the United States and acting in its behalf, or with any agency controlled by any of the above if the contract is for the benefit of the United States, or (b) a subcontract made with a contractor performing such a contract if the products or services to be furnished under the subcontract are for the benefit of the United States.

TITLE II.—INCOME TAX.

Part I.—General provisions.

DEFINITIONS.

SEC. 200. That when used in this title—

The term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed under section 212 or section 232. The term "fiscal year" means an accounting period of 12 months ending on the last day of any month other than December. The first taxable year, to be called the taxable year 1918, shall be the calendar year 1918 or any fiscal year ending during the calendar year 1918;

The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person, trust, or estate;

The term "withholding agent" means any person required to deduct and withhold any tax under the provisions of section 221 or section 237;

The term "dividend" means any distribution made by a corporation out of its earnings or profits, accrued since February 28, 1913, and payable to its shareholders or members, whether in cash or in other property or in stock of the corporation. Any distribution shall be deemed to have been made from earnings or profits unless all earnings and profits have first been distributed. Any distribution made in the year 1918 or subsequent years shall be deemed to have been made from earnings or profits accrued since February 28, 1913; but any earnings or profits accrued prior to March 1, 1913, may be distributed in stock dividends or otherwise, exempt from the tax, after the earnings and profits accrued since February 28, 1913, have been distributed. If paid in stock of the corporation, a dividend shall be considered income to the amount of the earnings or profits distributed. Amounts distributed in the liquidation of a corporation shall be treated as payments in exchange for stock, and any gain or profit realized thereby shall be taxed to the distributee as other gains or profits.

BASIS FOR DETERMINING GAIN OR LOSS.

SEC. 201. That for the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition of property, real, personal, or mixed, the basis shall be—

(a) In the case of property acquired before March 1, 1913, the fair market price or value of such property as of that date; and

(b) In the case of property acquired on or after that date, (1) the cost thereof; or (2) the inventory value, if the inventory is made in accordance with section 202.

INVENTORIES.

SEC. 202. That whenever in the opinion of the commissioner the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by such taxpayer upon such basis as the commissioner, with the approval of the Secretary, may approve or prescribe as most clearly reflecting the income of the taxpayer.

Part II.—Individuals.

NORMAL TAX.

SEC. 210. That in lieu of the taxes imposed by subdivision (a) of section 1 of the revenue act of 1916 and by section 1 of the revenue act of 1917 there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax of 2 per cent of the amount of the net income in excess of the credits provided in section 216.

SURTAX.

SEC. 211. That in lieu of the taxes imposed by subdivision (b) of section 1 of the revenue act of 1916 and by section 2 of the revenue act of 1917, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax equal to the sum of the following:

5 per cent of the amount by which the net income exceeds $5,000 and does not exceed $7,500.

8 per cent of the amount by which the net income exceeds $7,500 and does not exceed $10,000.

13 per cent of the amount by which the net income exceeds $10,000 and does not exceed $15,000.

20 per cent of the amount by which the net income exceeds $15,000 and does not exceed $20,000.

30 per cent of the amount by which the net income exceeds $20,000 and does not exceed $25,000.

45 per cent of the amount by which the net income exceeds $25,000 and does not exceed $50,000.

57 per cent of the amount by which the net income exceeds $50,000 and does not exceed $75,000.

70 per cent of the amount by which the net income exceeds $75,000 and does not exceed $100,000.

75 per cent of the amount by which the net income exceeds $100,000 and does not exceed $200,000.

76 per cent of the amount by which the net income exceeds $200,000 and does not exceed $300,000.

77 per cent of the amount by which the net income exceeds $300,000 and does not exceed $500,000.

78 per cent of the amount by which the net income exceeds $500,000.

NET INCOME DEFINED.

SEC. 212. (a) That in the case of an individual the term "net income" means the gross income as defined in section 213, less the deductions allowed by section 214.

(b) The net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if it does not clearly reflect the income, the computation shall be made upon such basis and in such manner as in the opinion of the commissioner does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year as defined in section 200, or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year.

If a taxpayer changes his accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another, the net income shall, with the approval of the commissioner, be computed on the basis of such new accounting period, subject to the provisions of section 226.

GROSS INCOME DEFINED.

SEC. 213. That for the purposes of this title (except as otherwise provided in section 233) the term "gross income"—

(a) Includes gains, profits, and income derived from salaries, wages, or compensation for personal service (including in the case of the President of the United States, the judges of the Supreme and inferior courts of the United States, and all other officers and employees, whether elected or appointed, of the United States, or of any State, Alaska, Hawaii, or any political subdivision thereof, or the District of Columbia, the compensation received as such), of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits derived from any source whatever. The amount of all such items shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under methods of accounting permitted under subdivision (b) of section 212, any such amounts are to be properly accounted for as of a different period; but

(b) Does not include the following items, which shall be exempt from taxation under this title:

(1) The proceeds of life insurance policies paid upon the death of the insured;

(2) The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract;

(3) The value of property acquired by gift, bequest, devise, or descent (but the income from such property shall be included in gross income);

(4) Interest upon (a) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia, issued on or prior to the date of the passage of this act, or (if authorized by law on or prior to the date of the passage of this act) issued within six months after the passage of this act and containing a statement of such authorization and its date, or (if issued after the passage of this act) containing a statement that they are issued for the purpose of funding or refunding any interest-bearing indebtedness outstanding on the date of the passage of this act or for the purpose of carrying out a contract entered into on or prior to the date of the passage of this act: *Provided*, That there shall be excluded from gross income in the case of any person owning obligations of States, Territories, political subdivisions thereof, or the District of Columbia (the interest upon which is included in gross income), the interest upon an amount of such obligations the principal of which does not exceed in the aggregate $5,000; or (b) securities issued under the provisions of the Federal farm-loan act of July 17, 1916; or (c) the obligations of the United States or its possessions. In the case of obligations of the United States issued after September 1, 1917, the interest shall be exempt only if and to the extent provided in the act authorizing the issue thereof as amended and supplemented, and shall be excluded from gross income only if and to the extent it is wholly exempt from taxation both under this title and under Title III;

(5) The income of foreign governments received from investments in the United States in stocks, bonds, or other domestic securities, owned by such foreign government, or from interest on deposits in banks in the United States of moneys belonging to such foreign governments, or from any other source within the United States;

(6) Amounts received, through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received whether by suit or agreement on account of such injuries or sickness;

(7) Income derived from any public utility or the exercise of any essential governmental function and accruing to any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, or income accruing to the government of any possession of the United States, or any political subdivision thereof.

Whenever any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, prior to September 8, 1916, entered in good faith into a contract with any person, the object and purpose of which is to acquire, construct, operate, or maintain a public utility, no tax shall be levied under the provisions of this title upon the income derived from the operation of such public utility, so far as the payment thereof will impose a loss or burden upon such State, Territory, District of Columbia, or political subdivision; but this provision is not intended to confer upon such person any financial gain or exemption or to relieve such person from the payment of a tax as provided for in this title upon the part or portion of such income to which such person is entitled under such contract;

(8) The amount received by a person in the military or naval forces of the United States as salary or compensation in any form from the United States for active services in such forces.

(c) In the case of nonresident alien individuals, gross income includes only the gross income from sources within the United States, including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including dividends from resident corporations.

DEDUCTIONS ALLOWED.

SEC. 214. (a) That in computing net income there shall be allowed as deductions—

(1) All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and including rentals or other payments required to be made as a condition to the continued use or possession of property, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity;

(2) All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917), the interest upon which is wholly exempt from taxation under this title as income to the taxpayer, or, in the case of a nonresident alien individual, the proportion of such interest which the amount of his gross income from sources within the United States bears to the amount of his gross income from all sources within and without the United States;

(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war profits, and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war profits, and excess-profits taxes allowed as a credit under section 222; or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a citizen or resident of the United States, by the authority of any foreign country, except the amount of income, war-profits, and excess-profits taxes allowed as a credit under section 222; or (e) in the case of a nonresident alien individual, by the authority of any foreign country (except income, war-profits, and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon property or business, to the extent that the income from such property or business is subject to taxation under this title;

(4) Losses sustained and charged off during the taxable year and not compensated for by insurance or otherwise, if incurred in trade or business;

(5) Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in any transaction entered into for profit, though not connected with the trade or business; but in the case of a nonresident alien individual only as to such transactions within the United States;

(6) Losses sustained during the taxable year of property not connected with the trade or business (but in the case of a nonresident alien individual only property within the United States) if arising from fires, storms, shipwreck, or other casualty, or from theft, and if not compensated for by insurance or otherwise;

(7) Debts ascertained to be worthless and charged off within the taxable year;

(8) A reasonable allowance for the exhaustion, wear and tear of property used in the trade or business, but in the case of a nonresident alien individual only as to property within the United States;

(9) In the case of buildings, machinery, equipment, or other facilities, constructed, erected, installed, or acquired, on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, there may be allowed a reasonable deduction for the amortization of such part of the cost of such facilities as has been borne by the taxpayer, but not again including amounts otherwise allowed under this title for depreciation, exhaustion, or wear and tear. At any time within three years after the termination of the present war with the Imperial German Government as declared by proclamation of the President, the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the necessary adjustment of the taxes for the year or years affected shall be made and the amount of tax due upon such readjustment, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. In the case of a nonresident alien individual this deduction shall be allowed only as to facilities within the United States. In no case shall the deduction allowed under this paragraph exceed 25 per cent of the taxpayer's net income as computed without the benefit of this paragraph or paragraph (11);

(10) (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion; (c) in the case of mines, oil and gas wells, other natural deposits and timber, a reasonable allowance for depreciation of improvements; such reasonable allowance in all the above cases to be made according to the peculiar conditions in each case and under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee. In the case of a nonresident alien individual deductions under this paragraph shall be allowed only as to property within the United States;

(11) Contributions or gifts made within the taxable year to corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act, to an amount not in excess of 15 per cent of the taxpayer's net income as computed without the benefit of this paragraph. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the commissioner, with the approval of the Secretary. In the case of a nonresident alien individual this deduction shall be allowed only as to contributions or gifts made to domestic corporations, or to such vocational rehabilitation fund.

(b) In the case of a nonresident alien individual the deductions allowed in paragraphs (1), (4), (7), (8), (9), and (10) of subdivision (a) shall be allowed only if and to the extent that they are connected with a trade or business carried on within the United States; and the proper apportionment and allocation of the deductions with respect to trade or business within and without the United States shall be determined under rules and regulations prescribed by the commissioner with the approval of the Secretary.

ITEMS NOT DEDUCTIBLE.

SEC. 215. That in computing net income no deduction shall in any case be allowed in respect of—

(a) Personal, living, or family expenses;

(b) Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate;

(c) Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made; or

(d) Premiums paid on any life insurance policy covering the life of any officer or employee, or of any person financially interested in any trade or business carried on by the taxpayer, when the taxpayer or anyone financially interested in such trade or business is a beneficialy under such policy.

CREDITS ALLOWED.

SEC. 216. That for the purpose of the normal tax only there shall be allowed the following credits:

(a) The amount received as dividends from a corporation which is taxable under this title upon its net income;

(b) The amount received as interest upon obligations of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, which is included in gross income under section 213;

(c) In the case of a single person, a personal exemption of $1,000, or in the case of the head of a family or a married person living with husband or wife, a personal exemption of $2,000. A husband and wife living together shall receive but one personal exemption of $2,000 against their aggregate net income; and in case they make separate returns, the personal exemption of $2,000 may be taken by either or divided between them;

(d) Two hundred dollars for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer, if such dependent person is under 18 years of age or is incapable of self-support because mentally or physically defective.

(e) In the case of a nonresident alien individual who is a citizen or subject of a country which imposes an income tax, the credits allowed in subdivisions (c) and (d) shall be allowed only if such country allows a similar credit to citizens of the United States not residing in such country.

NONRESIDENT ALIENS—ALLOWANCE OF DEDUCTIONS AND CREDITS.

SEC. 217. That a nonresident alien individual shall receive the benefit of the deductions and credits allowed in this title only by filing or causing to be filed with the collector a true and accurate return of his total income received from all sources corporate or otherwise in the United States, in the manner prescribed by this title, including therein all the information which the commissioner may deem necessary for the calculation of such deductions and credits: *Provided*, That the benefit of the credits allowed in subdivisions (c) and (d) of section 216 may, in the discretion of the commissioner, and except as otherwise provided in subdivision (e) of that section, be received by filing a claim therefor with the withholding agent. In case of failure to file a return, the collector shall collect the tax on such income, and all property belonging to such nonresident alien individual shall be liable to distraint for the tax.

PARTNERS.

SEC. 218. (a) That individuals carrying on business in partnership shall be liable for income tax only in their individual capacity. There shall be included in computing the net income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the taxable year, or, if his net income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the partnership is computed, then his distributive share of the net income of the partnership for the last annual accounting period of the partnership prior to the close of the fiscal or calendar year upon the basis of which the partner's net income is computed.

The partner shall, for the purpose of the normal tax, be allowed as credits, in addition to the credits allowed to him under section 216, his proportionate share of such amounts specified in subdivisions (a) and (b) of section 216 as are received by the partnership.

(b) If a fiscal year of a partnership ends during a calendar year for which the rates of tax differ from those for the preceding calendar year, then (1) the rates for such preceding calendar year shall apply to an amount of each partner's share of such partnership net income equal to the proportion which the part of such fiscal year falling within such calendar year bears to the full fiscal year, and (2) the rates for the calendar year during which such fiscal year ends shall apply to the remainder.

(c) In the case of an individual member of a partnership which makes return for a fiscal year beginning in 1917 and ending in 1918, his proportionate share of any excess-profits tax imposed upon the partnership under the revenue act of 1917 with respect to that part of such fiscal year falling in 1917 shall, for the purpose of determining the tax imposed by this title, be credited against that portion of the net income embraced in his personal return for the taxable year 1918 to which the rates for 1917 apply.

(d) The net income of the partnership shall be computed in the same manner and on the same basis as provided in section 212, except that the deduction provided in paragraph (11) of subdivision (a) of section 214 shall not be allowed.

ESTATES AND TRUSTS.

SEC. 219. (a) That the tax imposed by sections 210 and 211 shall apply to the income of estates or of any kind of property held in trust, including—

(1) Income received by estates of deceased persons during the period of administration or settlement of the estate;

(2) Income accumulated in trust for the benefit of unborn or unascertained persons or persons with contingent interests;

(3) Income held for future distribution under the terms of the will or trust; and

(4) Income which is to be distributed to the beneficiaries periodically, whether or not at regular intervals.

(b) The fiduciary shall be responsible for making the return of income for the estate or trust for which he acts. The net income of the estate or trust shall be computed in the same manner and on the same basis as provided in section 212; and in cases under paragraph (4) of subdivision (a) of this section the fiduciary shall include in the return a statement of each beneficiary's distributive share of such net income, whether or not distributed before the close of the taxable year for which the return is made.

(c) In cases under paragraph (1), (2), or (3) of subdivision (a) the tax shall be imposed upon the net income of the estate or trust and shall be paid by the fiduciary. In such cases the estate or trust shall, for the purpose of the normal tax, be allowed the same credits as are allowed to single persons under section 216.

(d) In cases under paragraph (4) of subdivision (a) the tax shall not be paid by the fiduciary, but there shall be included in computing the net income of each beneficiary his distributive share, whether distributed or not, of the net income of the estate or trust for the taxable year, or, if his net income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the estate or trust is computed, then his distributive share of the net income of the estate or trust for the last annual accounting period of such estate or trust prior to the close of the fiscal or calendar year upon the basis of which such beneficiary's net income is computed. In such cases the beneficiary shall, for the purpose of the normal tax, be allowed as credits in addition to the credits allowed to him under section 216, his proportionate share of such amounts specified in subdivisions (a) and (b) of section 216 as are received by the estate or trust.

UNDISTRIBUTED PROFITS SUBJECT TO SURTAX.

SEC. 220. That for the purpose of the surtax, the net income of any individual includes the share to which he would be entitled of the gains and profits, if divided or distributed, whether divided or distributed or not, of all corporations, however created or organized, formed or fraudulently availed of for the purpose of preventing the imposition of such tax through the medium of permitting such gains and profits to accumulate instead of being divided or distributed; and the fact that any such corporation is a mere holding company, or that the gains and profits are permitted to accumulate beyond the reasonable needs of the business, shall be prima facie evidence of a fraudulent purpose to escape such tax; but the fact that the gains and profits are in any case permitted to accumulate and become surplus shall not be construed as evidence of a purpose to escape the tax in such case unless the Secretary certifies that in his opinion such accumulation is unreasonable for the purposes of the business. When requested by the commissioner, or any collector, every corporation shall forward to him a correct statement of such gains and profits and the names and addresses of the individuals or shareholders who would be entitled to the same if divided or distributed, and of the amounts that would be payable to each.

PAYMENT OF TAX AT SOURCE.

SEC. 221. (a) That all individuals, corporations, and partnerships, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of the United States, having the control, receipt, custody, disposal, or payment, of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income, of any nonresident alien individual (other than income received as dividends from a corporation which is taxable under this title upon its net income) shall (except in the cases provided for in subdivision (b) and except as otherwise provided in regulations prescribed by the commissioner under section 217) deduct and withhold from such annual or periodical gains, profits, and income a tax equal to 12 per cent thereof.

(b) In any case where bonds, mortgages, or deeds of trust, or other similar obligations of a corporation contain a contract or provision by which the obligor agrees to pay any portion of the tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon or to retain therefrom under any law of the United States, the obligor shall deduct and withhold a tax equal to 2 per cent of the interest upon such bonds, mortgages, deeds of trust, or other obligations, whether such interest is payable annually or at shorter or longer periods and whether payable to a nonresident alien individual or to an individual citizen or resident of the United States. Such deduction and withholding shall not be required in the case of a citizen or resident entitled to receive such interest, if he files with the withholding agent on or before February 1 a signed notice in writing claiming the benefit of the credits provided in subdivisions (c) and (d) of section 216; nor in the case of a nonresident alien individual if so provided for in regulations prescribed by the commissioner under section 217.

(c) Every individual, corporation, or partnership required to deduct and withhold any tax under this section shall make return thereof on or before March 1 of each year and shall on or before June 15 pay the tax to the official of the United States Government authorized to receive it. Every such individual, corporation, or partnership is hereby made liable for such tax and is hereby indemnified against the claims and demands of any individual, corporation, or partnership for the amount of any payments made in accordance with the provisions of this section.

(d) Income upon which any tax is required to be withheld at the source under this section shall be included in the return of the recipient of such income, but any amount of tax so withheld shall be credited against the amount of income tax as computed in such return.

(e) If any tax required under this section to be deducted and withheld is paid by the recipient of the income, it shall not be re-collected from the withholding agent; nor in cases in which the tax is so paid shall any penalty be imposed or collected from the recipient of the income or the withholding agent for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment.

CREDIT FOR FOREIGN TAXES.

SEC. 222. (a) That in the case of a citizen of the United States, the tax computed under this title shall be credited with the amount of any income, war-profits and excess-profits taxes paid during the taxable year to any foreign country, Porto Rico, or the Philippine Islands, upon income derived from sources therein, including in the case of a member of a partnership or a beneficiary of an estate or trust his proportionate share of such taxes so paid during the taxable year by the partnership or by the estate or trust.

(b) In the case of an alien resident of the United States who is a citizen or subject of a country which imposes income, war-profits or excess-profits taxes, a like credit shall be allowed if such country allows a similar credit to citizens of the United States residing in such country.

(c) The credits allowed in subdivisions (a) and (b) shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income received from sources within such foreign country, Porto Rico, or the Philippine Islands, as the case may be, and all other information necessary for the computation of such credits.

INDIVIDUAL RETURNS.

SEC. 223. That every person having a net income for the taxable year of $1,000 or over if single or if married and not living with husband or wife, or of $2,000 or over if married and living with husband or wife, shall make under oath a return stating specifically the items of his gross income and the deductions and credits allowed by this title. If a husband and wife living together have an aggregate net income of $2,000 or over, each shall make such a return unless the income of each is included in a single joint return.

If the taxpayer is unable to make his own return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

PARTNERSHIP RETURNS.

SEC. 224. That every partnership shall make a return for each taxable year, stating specifically the items of its gross income and the deductions allowed by this title, and shall include in the return the names and addresses of the individuals who would be entitled to share in the net income if distributed and the amount of the distributive share of each individual. The return shall be sworn to by any one of the partners.

FIDUCIARY RETURNS.

SEC. 225. That every fiduciary (except receivers appointed by authority of law in possession of part only of the property of an individual) shall make under oath a return for the individual, estate, or trust for which he acts (1) if the net income of such individual is $1,000 or over if single or if married and not living with husband or wife, or $2,000 or over if married and living with husband or wife, or (2) if the net income of such estate or trust is $1,000 or over or if any beneficiary of such estate or trust is a nonresident alien, stating specifically the items of the gross income and the deductions and credits allowed by this title. Under such regulations as the commissioner with the approval of the Secretary may prescribe, a return made by one of two or more joint fiduciaries and filed in the district where such fiduciary resides shall be a sufficient compliance with the above requirement. The fiduciary shall make oath that he has sufficient knowledge of the affairs of such individual, estate, or trust to enable him to make the return, and that the same is, to the best of his knowledge and belief, true and correct.

Fiduciaries required to make returns under this act shall be subject to all the provisions of this act which apply to individuals.

RETURNS WHEN ACCOUNTING PERIOD CHANGED.

SEC. 226. That if a taxpayer, with the approval of the commissioner, changes the basis of computing net income from fiscal year to calendar year a separate return shall be made for the period between the close of the last fiscal year for which return was made and the following December 31. If the change is from calendar year to fiscal year, a separate return shall be made for the period between the close of the last calendar year for which return was made and the date designated as the close of the fiscal year. If the change is from one fiscal year to another fiscal year, a separate return shall be made for the period between the close of the former fiscal year and the date designated as the close of the new fiscal year. If a taxpayer making his first return for income tax keeps his accounts on the basis of a fiscal year, he shall make a separate return for the period between the beginning of the calendar year in which such fiscal year ends and the end of such fiscal year.

In all of the above cases the net income shall be computed on the basis of such period for which separate return is made, and the tax shall be paid thereon at the rate for the calendar year in which such period is included; and the credits provided in subdivisions (c) and (d) of section 216 shall be reduced, respectively, to amounts which bear the same ratio to the full credits provided in such subdivisions as the number of months in such period bears to 12 months.

TIME AND PLACE FOR FILING RETURNS.

SEC. 227. (a) That returns shall be made on or before the 15th day of the third month following the close of the fiscal year; or, if the return is made on the basis of the calendar year, then the return shall be made on or before the 15th day of March. The commissioner may grant a reasonable extension of time for filing returns whenever, in his judgment, good cause exists, and shall keep a record of every such extension and the reason therefor. Except in the case of taxpayers who are abroad, no such extension shall be for more than two months.

(b) Returns shall be made to the collector for the district in which is located the legal residence or principal place of business of the person making the return; or, if he has no legal residence or principal place of business in the United States, then to the collector at Baltimore, Md.

UNDERSTATEMENT IN RETURNS.

SEC. 228. That if the collector or deputy collector has reason to believe that the amount of any income returned is understated, he shall give due notice to the taxpayer making the return to show cause why the amount of the return should not be increased, and upon proof of the amount understated, may increase the same accordingly. Such taxpayer may furnish sworn testimony to prove any relevant facts and if dissatisfied with the decision of the collector may appeal to the commissioner for his decision, under such rules of procedure as may be prescribed by the commissioner, with the approval of the Secretary.

Part III.—Corporations.

TAX ON CORPORATIONS.

SEC. 230. That, in lieu of the taxes imposed by section 10 of the revenue act of 1916, as amended by the revenue act of 1917, and by section 4 of the revenue act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every corporation a tax, as follows:

(a) In the case of a domestic corporation 18 per cent of the amount of the net income in excess of the credits provided in section 236: *Provided*, That the rate shall be 12 per cent upon so much of this amount as does not exceed the sum of (1) the amount of dividends paid during the taxable year, plus (2) the amount paid during the taxable year out of earnings or profits in discharge of bonds and other interest-bearing obligations outstanding prior to the beginning of the taxable year, plus (3) the amount paid during the taxable year in the purchase of obligations of the United States issued after September 1, 1918; and

(b) In the case of a foreign corporation 18 per cent of the amount of the net income in excess of the credits provided in section 236: *Provided*, That the rate shall be 12 per cent upon so much of this amount as does not exceed the sum of (1) the amount of dividends paid during the taxable year to citizens or residents of the United States or to domestic corporations or partnerships, plus (2) the same proportion of the amount paid during the taxable year out of earnings or profits in discharge of bonds or other interest-bearing obligations outstanding at the beginning of the taxable year which the amount of gross income of the corporation from sources within the United States bears to the amount of its gross income from all sources within and without the United States, plus (3) the amount paid during the taxable year in the purchase of obligations of the United States issued after September 1, 1918.

CONDITIONAL AND OTHER EXEMPTIONS.

SEC. 231. That the following organizations shall be exempt from taxation under this title—

(1) Labor, agricultural, or horticultural organizations;

(2) Mutual savings banks not having a capital stock represented by shares;

(3) Fraternal beneficiary societies, orders, or associations, (a) operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and (b) providing for the payment of life, sick, accident, or other benefits to the members of such society, order, or association or their dependents;

(4) Domestic building and loan associations and cooperative banks without capital stock organized and operated for mutual purposes and without profit;

(5) Cemetery companies owned and operated exclusively for the benefit of their members;

(6) Corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual;

(7) Business leagues, chambers of commerce, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private stockholder or individual;

(8) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare;

(9) Clubs organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private stockholder or member;

(10) Farmers' or other mutual hail, cyclone, or fire insurance companies, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations of a purely local character, the income of which consists solely of assessments, dues, and fees collected from members for the sole purpose of meeting expenses;

(11) Farmers', fruit growers', or like associations, organized and operated as sales agents for the purpose of marketing the products of members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity of produce furnished by them;

(12) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this title;

(13) Federal land banks and national farm-loan associations as provided in section 26 of the act approved July 17, 1916, entitled "An act to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes";

(14) Joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank.

NET INCOME DEFINED.

SEC. 232. That in the case of a corporation the term "net income" means the gross income as defined in section 233 less the deductions allowed by section 234, and the net income shall be computed on the same basis as is provided in subdivision (b) of section 212 or in section 226.

GROSS INCOME DEFINED.

SEC. 233. (a) That in the case of a corporation the term "gross income" means the gross income as defined in section 213, except that—

(1) In the case of life insurance companies there shall not be included in gross income such portion of any actual premium received from any individual policyholder within the taxable year as is paid back or credited to or treated as an abatement of premium of such policyholder within the taxable year.

(2) Mutual marine insurance companies shall include in gross income the gross premiums collected and received by them less amounts paid for reinsurance.

(b) In the case of a foreign corporation gross income includes only the gross income from sources within the United States, including the interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, and including dividends from resident corporations.

DEDUCTIONS ALLOWED.

SEC. 234. (a) That in computing the net income of a corporation subject to the tax imposed by section 230, there shall be allowed as deductions:

(1) All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and including rentals or other payments required to be made as a condition to the continued use or possession of property to which the corporation has not taken or is not taking title, or in which it has no equity;

(2) All interest paid or accrued within the taxable year on its indebtedness, or, in the case of a foreign corporation, the proportion of such interest paid which the amount of its gross income from sources within the United States bears to the amount of its gross income from all sources within and without the United States;

(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war-profits and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 238; or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits; or (d) in the case of a domestic corporation, by the authority of any foreign country, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 238: *Provided*, That in the case of obligors specified in subdivision (b) of section 221 no deduction for the payment of the tax imposed by this title or any other tax paid pursuant to the contract or provision referred to in that subdivision shall be allowed;

(4) Losses sustained and charged off during the taxable year and not compensated for by insurance or otherwise;

(5) Debts ascertained to be worthless and charged off within the taxable year;

(6) Amounts received as dividends from a corporation which is taxable under this title upon its net income;

(7) A reasonable allowance for the exhaustion or wear and tear of property used in the trade or business, but in the case of a foreign corporation only as to property within the United States;

(8) In the case of buildings, machinery, equipment, or other facilities, constructed, erected, installed, or acquired, on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, there may be allowed a reasonable deduction for the amortization of such part of the cost of such facilities as has been borne by the taxpayer, but not again including amounts otherwise allowed under this title for depreciation, exhaustion, or wear and tear. At any time within three years after the termination of the present war with the Imperial German Government as declared by proclamation of the President, the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the necessary adjustment of the taxes for the year or years affected shall be made and the amount of tax due upon such readjustment, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. In the case of a nonresident alien individual this deduction shall be allowed only as to facilities within the United States. In no case shall the deduction allowed under this paragraph exceed 25 per cent of the taxpayer's net income as computed without the benefit of this paragraph;

(9) (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion; (c) in the case of mines, oil and gas wells, other natural deposits and timber, a reasonable allowance for depreciation of improvements; such reasonable allowance in all the above cases to be made according to the peculiar conditions in each case and under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee. In the case of a foreign corporation the deductions under this paragraph shall be allowed only as to property within the United States;

(10) In the case of insurance companies, in addition to the above: (a) The net addition required by law to be made within the taxable year to reserve funds (including in the case of assessment insurance companies the actual deposit of sums with State or Territorial officers pursuant to law as additions to guarantee or reserve funds); and (b) the sums other than dividends paid within the taxable year on policy and annuity contracts;

(11) In the case of corporations issuing policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan continuing for life and not subject to cancellation, in addition to the above, such portion of the net addition (not required by law) made within the taxable year to reserve funds as the commissioner finds to be required for the protection of the holders of such policies only;

(12) In the case of mutual marine insurance companies, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive, amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment and the payment thereof;

(13) In the case of mutual insurance companies (other than mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive, the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves.

(b) In the case of a foreign corporation the deductions allowed in subdivision (d), except those allowed in paragraphs (2) and (3), shall be allowed only if and to the extent that they are connected with a trade or business carried on within the United States; and the proper apportionment and allocation of the deductions with respect to trade or business within and without the United States shall be determined under rules and regulations prescribed by the commissioner with the approval of the Secretary.

ITEMS NOT DEDUCTIBLE.

SEC. 235. That in computing net income no deduction shall in any case be allowed in respect of any of the items specified in section 215.

CREDITS ALLOWED.

SEC. 236. That there shall be allowed the following credits:

(a) The amount received as interest upon obligations of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, which is included in gross income under section 233;

(b) The amount of any war-profits or excess-profits taxes imposed by act of Congress for the same taxable year: *Provided*, That in the case of a corporation which makes return for a fiscal year beginning in 1917 and ending in 1918, the portion of the excess-profits tax specified in clause (1) of section 335 shall be credited against that portion of the net income specified in clause (1) of section 239, and the portion of the war-profits or excess-profits tax specified in clause (2) of section 335 shall be credited against that portion of the net income specified in clause (2) of section 239.

PAYMENT OF TAX AT SOURCE.

SEC. 237. That in the case of foreign corporations not engaged in trade or business within the United States and not having any office or place of business therein, there shall be deducted and withheld at the source in the same manner and upon the same items of income as is provided in section 221 a tax equal to 18 per cent thereof, and such tax shall be returned and paid in the same manner and subject to the same conditions as provided in that section: *Provided*, That in the case of interest described in subdivision (b) of that section the deduction and withholding shall be at the rate of 2 per cent.

CREDIT FOR FOREIGN TAXES.

SEC. 238. That in the case of a domestic corporation the total income, war-profits, and excess-profits taxes imposed for the taxable year by act of Congress shall be credited with the amount of any income, war-profits, and excess-profits taxes paid during the taxable year to any foreign country, Porto Rico, or the Philippine Islands, upon income derived from sources therein.

This credit shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income received from sources within such foreign country, Porto Rico, or the Philippine Islands, as the case may be, and all other information necessary for the computation of such credit.

RATES FOR FISCAL YEAR 1917–18.

SEC. 239. That if a corporation makes return for a fiscal year beginning in 1917 and ending in 1918 the net income shall be divided into two parts, namely: (1) The portion which bears the same ratio to the total net income as the period between the beginning of such fiscal year and December 31, 1917, bears to the full fiscal year; and (2) the remaining portion of the net income.

The portion specified in clause (1) shall be subject to the rates prescribed by Title I of the revenue act of 1917 and by Title I of the revenue act of 1916 as amended by the revenue act of 1917; and the portion specified in clause (2) shall be subject to the rates prescribed by this title.

CORPORATION RETURNS.

SEC. 240. That every corporation not exempt under section 231 shall make a return, stating specifically the items of its gross income and the deductions and credits allowed by this title. The return shall be sworn to by the president, vice president, or other principal officer and by the treasurer or assistant treasurer. If any foreign corporation has no office or place of business in the United States, but has an agent in the United States, the return shall be made by the agent. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns made by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control.

Returns made under this section shall be subject to the provisions of sections 226 and 228.

TIME AND PLACE FOR FILING RETURNS.

SEC. 241. (a) That returns of corporations shall be made at the same time as is provided in subdivision (a) of section 227.

(b) Returns shall be made to the collector of the district in which is located the principal place of business or principal office or agency of the corporation, or, if it has no principal place of business or principal office or agency in the United States, then to the collector at Baltimore, Md.

Part IV.—Administrative provisions.

PAYMENT OF TAXES.

SEC. 250. That except as provided in sections 221 and 237 the tax shall be paid in installments, one-third of the amount of the tax shown in the return to be paid at the time fixed by law for filing the return, one-third on the 15th day of the second month thereafter, and the remaining one-third on the 15th day of the fourth month after the time fixed by law for filing the return; but where an extension of time for filing the return is granted, the first installment shall be due upon the expiration of the period of such extension, and the second and third installments shall be due as above stated, except that in the case of any taxpayer who is abroad the commissioner may extend the time for payment of the second and third installments not more than four months after the expiration of the period of any extension of time for filing his return. If any installment is not paid when due, the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.

The tax may at the option of the taxpayer be paid in a single payment instead of in installments, in which case the total amount shall be paid on or before the time fixed by law for filing the return, or, where an extension of time for filing the return has been granted, on or before the expiration of the period of such extension.

As soon as practicable after the return is filed, the commissioner shall examine it. If it then appears that the correct amount of the tax is greater or less than that shown in the return, the installments shall be recomputed. If the amount already paid exceeds that which should have been paid on the basis of the installments as recomputed, the excess so paid shall be credited against the next installments falling due; and if the amount already paid exceeds the correct amount of the tax, the excess shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

If the amount already paid is less than that which should have been paid, the difference shall, to the extent not covered by any credits then due to the taxpayer under section 252, be paid upon notice and demand by the collector. In such case if the return is made in good faith and the understatement of the amount in the return is not due to any fault of the taxpayer, there shall be no penalty because of such understatement. If the understatement is due to negligence on the part of the taxpayer, but without intent to defraud, there shall be added as part of the tax 5 per cent of the total amount of the deficiency, plus interest at the rate of 1 per cent per month on the amount of the deficiency of each installment from the time the installment was due.

If the understatement is false or fraudulent with intent to evade the tax, then, in addition to other penalties provided by law for false or fraudulent returns, there shall be added as part of the tax 100 per cent of the amount of the deficiency.

If the return is made pursuant to section 3176 of the Revised Statutes as amended, the amount of tax determined to be due under such return shall be paid upon notice and demand by the collector.

Except in the case of false or fraudulent returns, the amount of tax due under any return shall be determined and assessed by the commissioner within five years after the return was due or was made, and no suit or proceeding for the collection of any tax shall be begun after the expiration of five years after the date when the return was due or was made. In the case of false or fraudulent returns, the amount of tax due may be determined at any time after the return is filed, and the tax may be collected at any time after it becomes due.

If any tax remains unpaid after the date when it is due, and for 10 days after notice and demand by the collector, then, except in the case of estates of insane, deceased, or insolvent persons, there shall be added as part of the tax the sum of 5 per cent of the amount due but unpaid, plus interest at the rate of 1 per cent per month upon such amount from the time it became due.

RECEIPTS FOR TAXES.

SEC. 251. That every collector to whom any payment of any tax is made under the provisions of this title shall give to the person making such payment a full written or printed receipt, stating the amount paid and the particular account for which such payment was made; and whenever any debtor pays taxes on account of payments made or to be made by him to separate creditors the collector shall, if requested by such debtor, give a separate receipt for the tax paid on account of each creditor in such form that the debtor can conveniently produce such receipts separately to his several creditors in satisfaction of their respective demands up to the amounts stated in the receipts; and such receipt shall be sufficient evidence in favor of such debtor to justify him in withholding from his next payment to his creditor the amount therein stated; but the creditor may, upon giving to his debtor a full written receipt acknowledging the payment to him of any sum actually paid and accepting the amount of tax paid as aforesaid (specifying the same) as a further satisfaction of the debt to that amount, require the surrender to him of such collector's receipt.

REFUNDS.

SEC. 252. That if, upon examination of any return of income made pursuant to this act, the act of August 5, 1909, entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," the act of October 3, 1913, entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," the revenue act of 1916, as amended, or the revenue act of 1917, it appears that an amount of income, war-profits or excess-profits tax has been paid in excess of that properly due, then, subject to the provisions of section 3228 of the Revised Statutes, the amount of the excess shall be credited against any income, war-profits or excess-profits taxes, or installment thereof, then due from the taxpayer under any other return, and any balance of such excess shall be immediately refunded to the taxpayer.

PENALTIES.

SEC. 253. That any individual, corporation, or partnership required under this title to pay or collect any tax, to make a return, or to supply information, who fails to pay or collect such tax, to make such return, or to supply such information at the time or times required under this title, shall be liable to a penalty of not more than $1,000. Any individual, corporation, or partnership, or any officer or employee of any corporation or member or employee of a partnership, who willfully refuses to pay or collect such tax, to make such return, or to supply such information at the time or times required under this title, or who willfully attempts in any manner to defeat or evade the tax imposed by this title, shall be guilty of a misdemeanor and shall be fined not more than $10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

RETURNS OF PAYMENTS OF DIVIDENDS.

SEC. 254. That every corporation subject to the tax imposed by this title shall, when required by the commissioner, render a correct return duly verified under oath, of its payments of dividends, stating the name and address of each stockholder, the number of shares owned by him, and the amount of dividends paid to him.

RETURNS OF BROKERS.

SEC. 255. That every individual, corporation, or partnership doing business as a broker on any exchange or board of trade or other similar place of business shall, when required by the commissioner, render a correct return duly verified under oath, under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe, showing the names of customers for whom such individual, corporation, or partnership has transacted any business, with such details as to the profits, losses, or other information which the commissioner may require, as to each of such customers, as will enable the commissioner to determine whether all income tax due on profits or gains of such customers has been paid.

INFORMATION AT SOURCE.

SEC. 256. That all individuals, corporations, and partnerships, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, and employers, making payment to another individual, corporation, or partnership, of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than payments described in sections 254 and 255), of $1,000 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the commissioner, under such regulations and in such form and manner as may be prescribed by him with the approval of the Secretary, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment.

Such returns may be required, regardless of amounts, (1) in the case of payments of interest upon bonds, mortgages, deeds of trust, or other similar obligations of corporations, and (2) in the case of collections of items (not payable in the United States) of interest upon the bonds of foreign countries and interest upon the bonds of and dividends from foreign corporations by individuals, corporations, or partnerships, undertaking as a matter of business or for profit the collection of foreign payments of such interest or dividends by means of coupons, checks, or bills of exchange.

When necessary to make effective the provisions of this section the name and address of the recipient of income shall be furnished upon demand of the individual, corporation, or partnership paying the income.

The provisions of this section shall apply to the calendar year 1918 and each calendar year thereafter, but shall not apply to the payment of interest on obligations of the United States.

RETURNS TO BE PUBLIC RECORDS.

SEC. 257. That returns upon which the tax has been determined by the commissioner shall be filed in the office of the commissioner and shall constitute public records; but they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President: *Provided*, That the proper officers of any State imposing an income tax to which corporations are subject may, upon the request of the governor thereof, have access to the returns of any corporation, or to an abstract thereof showing the name and income of the corporation, at such times and in such manner as the Secretary may prescribe.

The commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in the office of each collector a list containing the names in alphabetical order and the post-office addresses of all individuals making income-tax returns in such district.

PUBLICATION OF STATISTICS.

SEC. 258. That the commissioner, with the approval of the Secretary, shall prepare and publish annually statistics reasonably available with respect to the operation of the income, war-profits, and excess-profits tax laws, including classifications of taxpayers and of income, the amounts allowed as deductions, exemptions, and credits, and any other facts deemed pertinent and valuable.

COLLECTION OF FOREIGN ITEMS.

SEC. 259. That all individuals, corporations, or partnerships undertaking as a matter of business or for profit the collection of foreign payments of interest or dividends by means of coupons, checks, or bills of exchange shall obtain a license from the commissioner and shall be subject to such regulations enabling the Government to obtain the information required under this title as the commissioner, with the approval of the Secretary, shall prescribe; and whoever knowingly undertakes to collect such payments without having obtained a license therefor, or without complying with such regulations, shall be guilty of a misdemeanor and shall be fined not more than $5,000, or imprisoned for not more than one year, or both.

PORTO RICO AND PHILIPPINE ISLANDS.

SEC. 260. That in Porto Rico and the Philippine Islands the income tax shall be levied, assessed, collected, and paid in accordance with the provisions of the revenue act of 1916, as amended by the revenue act of 1917: *Provided*, That the Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income-tax laws in force in Porto Rico or the Philippine Islands, respectively.

TITLE III.—WAR EXCESS-PROFITS TAX.

Part I.—General definitions.

SEC. 300. That when used in this title the terms "taxable year," "fiscal year," and "dividends" shall have the same meaning as provided for the purposes of income tax in sections 200 and 201. The first taxable year for the purposes of this title shall be the same as the first taxable year for the purposes of the income tax under Title II.

Part II.—Imposition of tax.

SEC. 301. That in lieu of the tax imposed by Title II of the revenue act of 1917, but in addition to the other taxes imposed by this act, there shall be levied, collected, and paid for each taxable year upon

the net income of every corporation, a tax equal to 80 per cent of the amount of the net income in excess of the war-profits credit (determined under section 311).

SEC. 302. That the corporations enumerated in section 231 shall, to the extent that they are exempt from income tax under Title II, be exempt from taxation under this title.

Part III.—War excess-profits method.

SEC. 310. That as used in this title the term "prewar period" means the calendar years 1911, 1912, and 1913, or, if a corporation was not in existence during the whole of such period, then as many of such years during the whole of which the corporation was in existence.

SEC. 311. (a) That the war-profits credit shall be an amount equal to the average net income of the corporation for the prewar period, plus or minus as the case may be 10 per cent of the invested capital added or withdrawn since January 1, 1913; but if the tax is computed for a period of less than 12 months, such amount shall be reduced to the same proportion thereof as the number of months in the period is of 12 months.

(b) If the corporation was not in existence during the whole of any one calendar year in the prewar period or had no net income, the war-profits credit shall be an amount that shall be the same proportion of the net income of the corporation during the taxable year as the proportion which the war excess profits for the same calendar year of representative corporations engaged in a like or similar trade or business bears to the total net income of the trade or business received by such corporation. In the case of a foreign corporation, the net income received from sources within the United States during the taxable year shall be used as the basis of computation.

(c) In the case of a foreign corporation by deducting from the net income of the trade or business received from sources within the United States during the taxable year the average amount of the annual net income of the trade or business from sources within the United States during the prewar period.

Part V.—Net income.

SEC. 320. (a) That for the purpose of this title the net income of a corporation shall be ascertained and returned—

(1) For the calendar years 1911 and 1912 upon the same basis and in the same manner as provided in section 38 of the act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, except that taxes imposed by such section and paid by the corporation within the year shall be included;

(2) For the calendar year 1913 upon the same basis and in the same manner as provided in Section II of the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, except that taxes imposed by section 38 of such act of August 5, 1909, and paid by the corporation within the year shall be included, and except that the amounts received by it as dividends upon the stock or from the net earnings of other corporations subject to the tax imposed by Section II of such act of October 3, 1913, shall be deducted; and

(3) For the taxable year upon the same basis and in the same manner as provided for income-tax purposes in Title II of this act, except that in the case of oil and gas wells there shall be deducted (in lieu of the deduction provided in clause (a) of paragraph (9) of subdivision (a) of section 234) a reasonable allowance for depletion (including in the case of producers or prospectors a reasonable allowance for hazard not to exceed 10 per cent of the value in the ground of the oil withdrawn during the taxable year), such deduction to be made under rules and regulations to be prescribed by the commissioner with the approval of the Secretary.

(b) The average net income for the prewar period shall be determined by dividing the number of years within that period during the whole of which the corporation was in existence into the sum of the net income for such years, even though there may have been no net income for one or more of such years.

Part VI.—Invested capital.

SEC. 325. (a) That as used in this title—

The term "intangible property" means patents, copyrights, secret processes and formulæ, good will, trade-marks, trade-brands, franchises, and other like property;

The term "tangible property" means stocks, bonds, notes, and other evidences of indebtedness, bills and accounts receivable, leaseholds, and other property other than intangible property;

The term "borrowed capital" means money or other property borrowed, whether represented by bonds, notes, open accounts, or otherwise;

The term "inadmissible assets" means stocks, bonds, and other obligations (other than obligations of the United States), the dividends or interest from which is not included in computing net income, but where the income derived from such assets consists in part of gain or profit derived from the sale or other disposition thereof, a corresponding part of the capital invested in such assets shall not be deemed to be inadmissible assets.

(b) For the purposes of this title the par value of stock or shares shall, in the case of stock or shares having no par value, be deemed to be the fair market value as of the date or dates of issue of such stock or shares.

SEC. 326. (a) That as used in this title the term "invested capital" means (except as provided in subdivisions (b) and (c) of this section):

(1) Actual cash bona fide paid in for stock or shares;

(2) Actual cash value of tangible property, other than cash, bona fide paid in for stock or shares, at the time of such payment, but in no case to exceed the par value of the original stock or shares specifically issued therefor;

(3) Paid-in or earned surplus and undivided profits; not including surplus and undivided profits earned during the taxable year, and not including the increase in the value of any asset above the original cost until such increase is actually realized by sale;

(4) Intangible property bona fide paid in for stock or shares prior to March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 20 per cent of the par value of the total stock or shares of the corporation outstanding on March 3, 1917, whichever is lowest;

(5) Patents and copyrights bona fide paid in for stock or shares on or after March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 20 per cent of the par value of the total stock or shares of the corporation outstanding at the beginning of the taxable year, whichever is lowest; but

(b) As used in this title the term "invested capital" does not include:

(1) Borrowed capital; or

(2) Intangible property (other than patents and copyrights) paid in for stock or shares on or after March 3, 1917.

(c) There shall be deducted from invested capital as above defined an amount equal to the average amount of capital invested in inadmissible assets held by the corporation during the year: *Provided*, That at the option of the corporation the amount to be so deducted shall be reduced to the amount by which such average amount invested in inadmissible assets exceeds the average amount of borrowed capital of the corporation (other than indebtedness maturing within one year of its creation), all accounts payable and current liabilities, for such year, but in such case in computing the tax under this title there shall be included in the net income for such year the same proportion of the total amount of interest and dividends received during such year from such inadmissible assets as the amount of such capital invested in inadmissible assets not deducted from invested capital bears to the total amount of such inadmissible assets.

(d) In the case of a foreign corporation the term "invested capital" includes only its invested capital used or employed within the United States.

(e) The invested capital for any year shall be the average invested capital for such year, as above defined, but in the case of a corporation making a return for a fractional part of the year a corresponding reduction shall be made in the invested capital.

SEC. 327. (a) That in the following cases the invested capital shall be determined as provided in subdivision (b) of this section: (1) Where the commissioner is unable satisfactorily to determine the invested capital as provided in section 326; or (2) where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and bonds and the commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively; or (3) where capital is a material income-producing factor, but where, because of the fact that the capital employed is in large part borrowed, there is no invested capital. This section shall not apply in the case of a corporation 50 per cent or more of whose gross income (as defined in section 213 for income tax purposes) consists of gain, profits, or commissions derived from Government contracts, unless the commissioner is satisfied that such corporation is overcapitalized.

(b) In the cases specified in subdivision (a) the invested capital shall be the amount which bears the same ratio to the net income of the corporation for the taxable year as the average invested capital for the taxable year of representative corporations engaged in a like or similar trade or business bears to their average net income for such year.

SEC. 328. (a) That in cases where invested capital is to be determined in the manner provided in section 327, the commissioner shall compare the taxpayer only with representative corporations whose invested capital can be satisfactorily determined under section 326 and which are, as nearly as may be, similarly circumstanced with respect to gross income, net income, profits per unit of business transacted and capital employed, the amount and rate of war or excess profits, and all other relevant facts and circumstances.

(b) For the purposes of section 327 the ratios between the average invested capital and the average net income of representative corporations shall be determined for each calendar year by the commissioner in accordance with regulations prescribed by him with the approval of the Secretary.

In the case of a corporation making a return on the basis of a fiscal year the ratios determined for the calendar year ending during such fiscal year shall be used, except that in the case of a fiscal year ending during the calendar year 1918 the ratios based upon returns made under Title II of the revenue act of 1917 shall be used.

(c) The commissioner shall keep a record of all cases in which invested capital is determined in the manner prescribed in section 327, containing the name and address of each taxpayer, the business in which engaged, the amount of invested capital and net income shown by the return, and the amount of invested capital as determined under such section. The commissioner shall furnish a copy of such record and other detailed information with respect to such cases when required by resolution of either House of Congress, without regard to the restrictions contained in section 257.

Part VII.—Reorganizations.

SEC. 330. That in the case of the reorganization, consolidation, or change of ownership after January 1, 1911, of a trade or business now carried on by a corporation, the corporation shall for the purposes of this title be deemed to have been in existence prior to that date, and the net income and invested capital of such predecessor trade or business for all or any part of the prewar period prior to the organization of the corporation now carrying on such trade or business shall be deemed to have been the net income and invested capital of such corporation.

If such predecessor trade or business was carried on by a partnership or individual the net income for the prewar period shall be ascertained and returned upon the same basis and in the same manner as provided for income tax purposes in Title II, except that the credits provided in subdivisions (a) and (b) of section 216 shall be deducted.

SEC. 331. In the case of the reorganization, consolidation, or change of ownership of a trade or business after March 3, 1917, if an interest or control in such trade or business of 50 per cent or more remains in the same persons, or any of them, then no asset transferred or received from the predecessor trade or business shall, for the purpose of determining invested capital, be allowed a greater value than would have been allowed under this title in computing the invested capital of such prior trade or business if such asset had not been so transferred or received.

Part VIII.—Miscellaneous.

SEC. 335. That if a corporation makes return for a fiscal year beginning in 1917 and ending in 1918, the tax for the first taxable year under this title shall be the sum of: (1) a tax computed under Title II of the revenue act of 1917 for the portion of such fiscal year falling in 1917; and (2) a tax computed under this title for the portion of such fiscal year falling in 1918.

The tax under clause (1) shall be computed upon the same proportion of the net income (as determined under Title II of this act for income tax purposes) for such fiscal year as the portion of such fiscal year falling in 1917 is of the full fiscal year; and the tax under clause (2) shall be computed upon the remainder of such net income.

SEC. 336. That every corporation, not exempt under section 304, having a net income of $3,000 or over for the taxable year shall make a return for the purposes of this title. Such returns shall be made,

and the taxes imposed by this title shall be paid, at the same times and places, in the same manner, and subject to the same conditions as is provided in the case of returns and payment of income tax by corporations for the purposes of Title II, and all the provisions of that title not inapplicable, including penalties, are hereby made applicable to the taxes imposed by this title.

In no case shall the tax under this title or Title II be determined on the basis of a so-called consolidated return but shall in each case be determined upon the basis of the net income and invested capital of the corporation liable to the tax.

TITLE IV.—ESTATE TAX.

SEC. 400. That when used in this title—

The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator, any person who takes possession of any property of the decedent; and

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

SEC. 401. That (in lieu of the tax imposed by Title II of the revenue act of 1916, as amended, and in lieu of the tax imposed by Title IX of the revenue act of 1917) a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 403) is hereby imposed upon the transfer of the net estate of every decedent dying after the passage of this act, whether a resident or nonresident of the United States:

Three per cent of the amount of the net estate not in excess of $50,000;

6 per cent of the amount by which the net estate exceeds $50,000 and does not exceed $150,000;

9 per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

12 per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

15 per cent of the amount by which the net estate exceeds $450,000 and does not exceed $1,000,000;

18 per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $2,000,000;

21 per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

24 per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

27 per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

30 per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

35 per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000; and

40 per cent of the amount by which the net estate exceeds $10,000,000.

SEC. 402. That the value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated—

(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate;

(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, courtesy, or by virtue of a statute creating an estate in lieu of dower or courtesy;

(c) To the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he has at any time created a trust, in contemplation of or intended to take effect in possession or enjoyment at or after his death (whether such transfer or trust is made or created before or after the passage of this act), except in case of a bona fide sale for a fair consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within three years prior to his death without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title;

(d) To the extent of the interest therein held jointly or as tenants in the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent;

(e) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

(f) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

SEC. 403. That for the purpose of the tax the value of the net estate shall be determined—

(a) In the case of a resident, by deducting from the value of the gross estate—

(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or inheritance taxes;

(2) An amount equal to the value at the time of the decedent's death of any property, real, personal, or mixed, which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in the decedent's gross estate; and

(3) An exemption of $50,000;

(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

(1) That proportion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States; and

(2) An amount equal to the value at the time of the decedent's death of any property, real, personal, or mixed, which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States.

No deductions shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 404 of the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States.

For the purpose of this title stock in a domestic corporation owned and held by a nonresident decedent, and the amount receivable as insurance upon the life of a nonresident decedent where the insurer is a domestic corporation, shall be deemed property within the United States, and any property of which the decedent has made a transfer or with respect to which he has created a trust, within the meaning of subdivision (c) of section 402, shall be deemed to be situated in the United States, if so situated either at the time of the transfer or the creation of the trust, or at the time of the decedent's death.

SEC. 404. That the executor, within 60 days after qualifying as such, or after coming into possession of any property of the decedent, whichever event first occurs, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (a) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (b) the deductions allowed under section 403; (c) the value of the net estate of the decedent as defined in section 403; and (d) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The commissioner shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes.

SEC. 405. That if no administration is granted upon the estate of a decedent, or if no return is filed as provided in section 404, or if a return contains a false or incorrect statement of a material fact, the collector or deputy collector shall make a return and the commissioner shall assess the tax thereon.

SEC. 406. That the tax shall be due one year after the decedent's death; but in any case where the commissioner finds that payment of the tax within one year after the decedent's death would impose undue hardship upon the estate, he may grant an extension of time for the payment of the tax for a period not to exceed two years from the due date. If the tax is not paid within 1 year and 180 days after the decedent's death, interest at the rate of 6 per cent per annum from the expiration of one year after the decedent's death shall be added as part of the tax.

SEC. 407. That the executor shall pay the tax to the collector or deputy collector. If the amount of the tax can not be determined, the payment of a sum of money sufficient, in the opinion of the collector, to discharge the tax shall be deemed payment in full of the tax, except as in this section otherwise provided. If the amount so paid exceeds the amount of the tax as finally determined, the commissioner shall refund such excess to the executor. If the amount of the tax as finally determined exceeds the amount so paid, the collector shall notify the executor of the amount of such excess and demand payment thereof. If such excess part of the tax is not paid within 10 days after such notification, interest shall be added thereto at the rate of 10 per cent per annum from the expiration of such 10 days' period until paid, and the amount of such excess shall be a lien upon the entire gross estate, except such part thereof as may have been sold to a bona fide purchaser for a fair consideration in money or money's worth.

The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

SEC. 408. That if the tax herein imposed is not paid within 180 days after it is due, the collector shall, unless there is reasonable cause for further delay, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto.

If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undistributed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that, so far as is practicable and unless otherwise directed by the will of the decedent, the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insur-

ance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from each beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary, the executor shall be entitled to recover from such beneficiaries in the same ratio.

SEC. 409. That unless the tax is sooner paid in full, it shall be a lien for 10 years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. If the commissioner is satisfied that the tax liability of an estate has been fully discharged, he may, under regulations prescribed by him, with the approval of the Secretary, issue his certificate releasing any or all property of such estate from the lien herein imposed.

If (a) the decedent makes a transfer of, or creates a trust with respect to, any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for a fair consideration in money or money's worth) or (b) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax; and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for a fair consideration in money or money's worth shall be divested of the lien, and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for a fair consideration in money or money's worth.

SEC. 410. That whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000, or imprisonment not exceeding one year, or both.

Whoever fails to comply with any duty imposed upon him by section 404, or, having in his possession or control any record, file, or paper containing or supposed to contain any information concerning the estate of the decedent, or having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request to the commissioner or any collector or law officer of the United States, or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $500, to be recovered, with costs of suit, in a civil action in the name of the United States.

INSURANCE.

SEC. 503. That from and after November 1, 1918, there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 504 of the revenue act of 1917, the following taxes on the issuance of insurance policies, including, in the case of policies issued outside the United States, their delivery within the United States by any agent or broker, whether acting for the insurer or the insured; such taxes to be paid by the insurer or by such agent or broker:

(a) Life insurance: A tax equivalent to 8 cents on each $100 or fractional part thereof of the amount for which any life is insured under any policy of insurance or other instrument, by whatever name the same is called: *Provided*, That on all policies for life insurance only by which a life is insured not in excess of $500, issued on the industrial or weekly or monthly payment plan of insurance, the tax shall be 40 per cent of the amount of the first weekly premium or 20 per cent of the amount of the first monthly premium, as the case may be: *Provided further*, That on policies of group life insurance, covering groups of not less than 25 lives in the employ of the same person, for the benefit of persons other than the employer, the tax shall be equivalent to 4 cents on each $100 of the aggregate amount for which the group policy is issued and of any net increase in the amount of the insurance under such policy;

(b) Marine, inland, and fire insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or other instrument, by whatever name the same is called, whereby insurance is made or renewed upon property of any description (including rents or profits), whether against peril by sea or inland waters, or by fire or lightning, or other peril;

(c) Casualty insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or obligation of the nature of indemnity for loss, damage, or liability (except bonds and policies taxable under subdivision 2 of schedule A of title XI) issued or executed or renewed by any person transacting the business of employer's liability, workmen's compensation, accident, health, tornado, plate glass, steam boiler, elevator, burglary, automatic sprinkler, automobile, or other branch of insurance (except life insurance and insurance described and taxed in the preceding subdivision): *Provided*, That in case of policies of insurance issued on the industrial or weekly or monthly payment plan the tax shall be 40 per cent of the amount of the first weekly premium or 20 per cent of the amount of the first monthly premium, as the case may be;

(d) Policies issued by any corporation enumerated in section 231 and policies of reinsurance shall be exempt from the taxes imposed by this section.

SEC. 504. That every person issuing policies of insurance upon the issuance of which a tax is imposed by section 503 shall make monthly returns under oath, in duplicate, and pay such tax to the collector of the district in which the principal office or place of business of such person is located. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulation prescribe.

TITLE VI.—TAX ON BEVERAGES.

SEC. 600. (a) That there shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, except such distilled spirits as are subject to the tax provided in section 604, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of $2.20 (or, if withdrawn for beverage purposes or for use in the manufacture or production of any article used or intended for use as a beverage, a tax of $6.40) on each proof gallon, or wine gallon when below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.

(b) That the tax imposed by subdivision (a) on distilled spirits intended for beverage purposes shall not be due or payable on such spirits while stored in any distillery, bonded warehouse, or special or general bonded warehouse, and which, pursuant to any act of Congress or proclamation of the President of the United States, can not be lawfully sold or removed from any such warehouse during the period of prohibition fixed by such act or proclamation; and all warehousing bonds or transportation and warehousing bonds conditioned for the payment of tax on any such spirits so stored on the date such prohibition takes effect shall as to all such spirits actually so stored be canceled and discharged, provided the distiller of such spirits shall in lieu of such bonds and prior to their cancellation execute a bond in a penal sum of not less than $10,000, with sureties satisfactory to the collector of the district, conditioned that the principal shall, during the period of such prohibition, safely keep or cause to be kept in good condition all such spirits and the warehouse in which the same are stored, and shall not remove or suffer to be removed from warehouse, contrary to law, any such spirits during the period of such prohibition; and the bond herein prescribed shall be in such further sum and shall contain such further conditions as the commissioner, with the approval of the Secretary, may by regulations require. The distiller may, subject to the provisions of this section, be permitted to retain in any such bonded warehouse distilled spirits on which, under the terms of any existing bond, the tax imposed thereon becomes due and payable thereto prior to the date such prohibition takes effect: *Provided*, That on the removal of such prohibition the distiller shall, as to all spirits as to which the bonded period fixed by law has not expired and which remain stored in warehouse, execute new and satisfactory bond in the form required by existing law, conditioned for the payment of the tax on all such spirits; and all provisions of existing law relating to such bonded warehouses, or the storage of spirits therein, or to the execution of new or additional bonds, so far as applicable, shall continue in force as to all distilled spirits rebonded under the provisions of this section.

Upon the withdrawal of distilled spirits from bonded warehouse, after the period of prohibition has ended, and under the conditions imposed by section 50 of an act entitled "An act to reduce taxation, to provide revenue for the support of the Government, and for other purposes," approved August 28, 1894, an allowance for loss by leakage or other unavoidable cause, not exceeding 1 proof gallon as to packages of a capacity of not less than 40 wine gallons, may be made in addition to that provided in said section 50, as amended; and a like additional allowance of 1 proof gallon as to each package withdrawn may be made for each period of four months, or fraction thereof, for such spirits as shall have remained in warehouse during the period of prohibition and after the expiration of the maximum leakage period fixed by that section.

Under regulations prescribed by the Secretary, any imported distilled spirits, wines, or other liquors which may be in any customs bonded warehouse under the customs laws on the date such prohibition takes effect shall be permitted to remain therein without payment of any taxes or duties thereon, beyond the three-year period provided in section 2971 of the Revised Statutes, during such period of prohibition; and may be exported at any time during such extended period. Any imported spirits, wines, or other liquors as to which the three-year bonded period may expire after the passage of this act and prior to the date such prohibition takes effect may at the option of the owner remain in bond during such period of prohibition.

(c) In lieu of the internal-revenue tax now imposed thereon by law there shall be levied and collected upon all perfumes hereafter imported into the United States containing distilled spirits a tax of $1.10 per wine gallon, and a proportionate tax at a like rate on all fractional parts of such wine gallon. Such tax shall be collected by the collector of customs and deposited as internal-revenue collections, under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe.

SEC. 601. That no distilled spirits produced after October 3, 1917, shall be imported into the United States from any foreign country, or from the Virgin Islands (unless produced from products the growth of such islands, and not then into any State or Territory or District of the United States in which the manufacture or sale of intoxicating liquor is prohibited), or from Porto Rico, or the Philippine Islands. Under such rules, regulations, and bonds as the Secretary may prescribe, the provisions of this section shall not apply to distilled spirits imported for other than (1) beverage purposes or (2) use in the manufacture or production of any article used or intended for use as a beverage.

SEC. 602. That at registered distilleries producing alcohol, or other high-proof spirits, packages may be filled with such spirits reduced to not less than one hundred proof from the receiving cisterns and tax paid without being entered into bonded warehouse. Such spirits may be also transferred from the receiving cisterns at such distilleries, by means of pipe lines, direct to storage tanks in the bonded warehouse and may be warehoused in such storage tanks. Such spirits may be also transferred in tanks or tank cars to general bonded warehouses for storage therein, either in storage tanks in such warehouses or in the tanks in which they were transferred. Such spirits may also be transferred from receiving cisterns or warehouse storage tanks to barrels, drums, tanks, tank cars, or other approved containers, and may be transported in such containers for exportation or other lawful purposes. The Commissioner, with the approval of the Secretary, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gauging, storing, and transporting of such spirits; the records to be kept and returns to be made; the size and kind of packages and tanks to be used; the marking, branding, numbering, and stamping of such packages and tanks; the kinds of stamps, if any, to be used; and the time and manner of paying the tax; the kind of bond and the penal sum of same. The tax prescribed by law must be paid before such spirits are removed from the distillery premises or from general bonded warehouse in the case of spirits transferred thereto, except as otherwise provided by law.

Under such regulations as the Commissioner, with the approval of the Secretary, may prescribe, distilled spirits may hereafter be drawn from receiving cisterns and deposited in distillery warehouses without having affixed to the packages containing the same, distillery warehouse stamps, and such packages, when so deposited in warehouse, may be withdrawn therefrom on the original gauge where the same have remained in such warehouse for a period of not exceeding 30 days from the date of deposit.

Under such regulations as the Commissioner, with the approval of the Secretary, may prescribe, the manufacture, warehousing, withdrawal, and shipment, under the provisions of existing law, of ethyl alcohol for other than (1) beverage purposes or (2) use in the manufacture or production of any article used or intended for use as a beverage, and denatured alcohol may be exempted from the provisions of section 3283 of the Revised Statutes.

The Commissioner, with the approval of the Secretary, may by regulations exempt distillers of ethyl alcohol for use in the production of munitions of war or for other nonbeverage purposes from so much of the provisions of sections 3264, 3285, or 3309 of the Revised Statutes, and acts amendatory thereof, respecting the survey of distilleries, the period of the filling and emptying of fermenting tubs, and assessments, as, in his judgment, may be expedient: *Provided*, That the bond prescribed in section 3260 of the Revised Statutes shall, in the cases herein provided, be in such sum and contain such further conditions as the Commissioner may require.

SEC. 603. That under such regulations as the Commissioner, with the approval of the Secretary, may prescribe, ethyl alcohol of not less than 180 degrees proof, produced at any central distilling and denaturing plant established under the provisions of subsection 2, paragraph N, of Section IV of the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, may be removed from such plant to any central denaturing bonded warehouse for denaturation, or may, before or after denaturation, be removed from such plant or from such denaturing bonded warehouse, free of tax for use of the United States or for shipment to any nation while engaged against the German Government in the present war, and the removal herein authorized may be made in such tank vessels, tank cars, drums, casks, or other containers as may be approved by the Commissioner. It shall be lawful under the regulations prescribed by the Commissioner with the approval of the Secretary, for an allowance to be made for leakage or loss by unavoidable accident and without fault or negligence of the distiller, owner, carrier, or his agents or employees, which may occur during the transportation of such spirits or while the same are lawfully stored on either of the premises herein prescribed.

SEC. 604. That upon all distilled spirits produced in or imported into the United States upon which the internal-revenue tax now imposed by law has been paid, and which, on the day after the passage of this act, are held by any person and intended for sale or for use in the manufacture or production of any article intended for sale, there shall be levied, assessed, collected, and paid a floor tax equal to the difference between the tax imposed by this act and the tax so paid.

SEC. 605. That in addition to the tax imposed by this act on distilled spirits and wines there shall be levied, assessed, collected, and paid, in lieu of the tax imposed by section 304 of the revenue act of 1917, a tax of 30 cents on each proof gallon and a proportionate tax at a like rate on all fractional parts of such proof gallon on all distilled spirits or wines hereafter rectified, purified, or refined in such manner, and on all mixtures hereafter produced in such manner, that the person so rectifying, purifying, refining, or mixing the same is a rectifier within the meaning of section 3244 of the Revised Statutes, as amended: *Provided*, That this tax shall not apply to gin produced by the redistillation of a pure spirit over juniper berries and other aromatics.

Upon all such articles heretofore produced, and which on the day after the passage of this act are held by any person and intended for sale, there shall be levied, assessed, collected, and paid a floor tax of 15 cents on each proof gallon, and a proportionate tax at a like rate on all fractional parts of each proof gallon; and all such distilled spirits so held and not contained in the distillers' original stamped packages, or in bottles or other containers bearing the distillers' original labels, shall for the purpose of this section be regarded as rectified spirits.

When the process of rectification is completed and the taxes prescribed by this section have been paid, it shall be unlawful for the rectifier or other dealer to reduce in proof or increase in volume such spirits or wine by the addition of water or other substance; nothing herein contained shall, however, prevent a rectifier from using again in the process of rectification spirits already rectified and upon which the taxes have theretofore been paid.

The taxes imposed by this section shall not attach to cordials or liqueurs on which a tax is imposed and paid under section 611 or 613, nor to the mixing and blending of wines, where such blending is for the sole purpose of perfecting such wines according to commercial standards, nor to blends made exclusively of two or more pure straight whiskies aged in wood for a period not less than four years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below 90 proof: *Provided*, That such blended whiskies shall be exempt from tax under this section only when compounded under the immediate supervision of a revenue officer, in such tanks and under such conditions and supervision as the commissioner, with the approval of the Secretary, may prescribe.

All distilled spirits or wines taxable under this section shall be subject to uniform regulations concerning the use thereof in the manufacture, blending, compounding, mixing, marking, branding, and sale of whisky and rectified spirits, and no discrimination whatsoever shall be made by reason of a difference in the character of the material from which same may have been produced.

The business of a rectifier of spirits shall be carried on and the tax on rectified spirits shall be paid, under such rules, regulations, and bonds as may be prescribed by the commissioner, with the approval of the Secretary.

Whoever violates any of the provisions of this section shall be deemed to be guilty of a misdemeanor and, upon conviction, shall be fined not more than $1,000 or imprisoned not more than two years, and shall, in addition, be liable to double the tax evaded, together with the tax, to be collected by assessment or on any bond given.

SEC. 606. That hereafter collectors shall not furnish wholesale liquor dealer's stamps in lieu of and in exchange for stamps for rectified spirits unless the package covered by stamp for rectified spirits is to be broken into smaller packages.

The commissioner, with the approval of the Secretary, is authorized to discontinue the use of the following stamps whenever in his judgment the interests of the Government will be subserved thereby:

Distillery warehouse, special bonded warehouse, special bonded rewarehouse, general bonded warehouse, general bonded retransfer, transfer brandy, export tobacco, export cigars, export oleomargarine, and export fermented-liquor stamps.

SEC. 607. That the commissioner, with the approval of the Secretary, is hereby authorized to require at distilleries, breweries, rectifying houses, and wherever else in his judgment such action may be deemed advisable, the installation of meters, tanks, pipes, or any other apparatus for the purpose of protecting the revenue, and such meters, tanks, and pipes and all necessary labor incident thereto shall be at the expense of the person on whose premises the installation is required. Any such person refusing or neglecting to install such apparatus when so required by the commissioner shall not be permitted to conduct business on such premises.

SEC. 608. That there shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half of 1 per cent, or more, of alcohol, brewed or manufactured and hereafter sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of $6 for every barrel containing not more than 31 gallons, and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law, to be collected under the provisions of existing law.

SEC. 609. That from and after the passage of this act taxable fermented liquors may be conveyed without payment of tax from the brewery premises where produced to a contiguous industrial distillery of either class established under the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, to be used as distilling material, and the residue from such distillation, containing less than one-half of 1 per cent of alcohol by volume, which is to be used in making beverages, may be manipulated by cooling, flavoring, carbonating, settling, and filtering on the distillery premises or elsewhere.

The removal of the taxable fermented liquor from the brewery to the distillery and the operation of the distillery and removal of the residue therefrom shall be under the supervision of such officer or officers as the Commissioner shall deem proper, and the Commissioner, with the approval of the Secretary, is hereby authorized to make such regulations from time to time as may be necessary to give force and effect to this section and to safeguard the revenue.

SEC. 610. That natural wine within the meaning of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however*, That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume of the resultant product more than 35 per cent, and the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as "wine," qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety: *And provided further*, That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act.

SEC. 611. That upon all still wines, including vermuth and all artificial or imitation wines or compounds sold as still wine, which are hereafter produced in or imported into the United States, or which on the day after the passage of this act are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, taxes at rates as follows, when sold, or removed for consumption or sale:

On wines containing not more than 14 per cent of absolute alcohol, 16 cents per wine gallon, the per cent of alcohol taxable under this section to be reckoned by volume and not by weight.

On wines containing more than 14 per cent and not exceeding 21 per cent of absolute alcohol, 40 cents per wine gallon.

On wines containing more than 21 per cent and not exceeding 24 per cent of absolute alcohol, $1 per wine gallon.

All such wines containing more than 24 per cent of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly.

SEC. 612. That under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title may withdraw from any fruit distillery or special bonded warehouse grape brandy or wine spirits for the fortification of such wines on the premises where actually made: *Provided*, That there shall be levied and assessed against the producer of such wines a tax (in lieu of the internal-revenue tax now imposed thereon by law) of 60 cents per proof gallon of grape brandy or wine spirits whenever withdrawn and hereafter so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within 10 months from the date of notice thereof: *Provided further*, That nothing contained in this section shall be construed as exempting any wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this title.

SEC. 613. That upon the following articles which are hereafter produced in or imported into the United States, or which on the day after the passage of this act are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid taxes at rates as follows, when sold, or removed for consumption or sale:

On each bottle or other container of champagne or sparkling wine, 12 cents on each one-half pint or fraction thereof.

On each bottle or other container of artificially carbonated wine, 6 cents on each one-half pint or fraction thereof.

On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy, 6 cents on each one-half pint or fraction thereof.

The tax imposed by this section shall, in the case of any article upon which a corresponding internal-revenue tax is now imposed by law, be in lieu of such tax.

SEC. 614. That upon all articles specified in section 611 or 613 upon which the internal-revenue tax now imposed by law has been paid and which are on the day after the passage of this act held by any person and intended for sale, there shall be levied, collected, and paid a floor tax equal to the difference between the tax imposed by this act and the tax so paid.

SEC. 615. That upon all sweet wines held for sale by the producer thereof upon the day after the passage of this act there shall be levied, assessed, collected, and paid a floor tax equivalent to 30 cents per proof gallon upon the grape brandy or wine spirits used in the fortification of such wine.

SEC. 616. That the taxes imposed by section 611 or 613 shall be paid by stamp on removal of the wines from the customhouse, winery, or other bonded place of storage for consumption or sale, and every person hereafter producing, or having in his possession or under his control when this title takes effect, any wines subject to the tax imposed in

section 611 or 613 shall file such notice, describing the premises on which such wines are produced or stored; shall execute a bond in such form; shall make such inventories under oath; and shall, prior to sale or removal for consumption, affix to each cask or vessel containing such wine such marks, labels, or stamps as the Commissioner, with the approval of the Secretary, may from time to time prescribe; and the premises described in such notice shall, for the purpose of this act, be regarded as bonded premises. But the provisions of this section, except as to payment of tax and the affixing of the required stamps or labels, shall not apply to wines held by retail dealers, as defined in section 3244 of the Revised Statutes, nor, subject to regulations prescribed by the Commissioner, with the approval of the Secretary, shall the tax imposed by section 611 apply to wines produced for the family use of the duly registered producer thereof and not sold or otherwise removed from the place of manufacture and not exceeding in any case 200 gallons per year.

SEC. 617. That sections 42, 43, and 45 of the act entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," approved October 1, 1890, as amended by section 68 of the act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August 27, 1894, are further amended to read as follows:

"SEC. 42. That any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue, in determining the liability of any distiller of wine spirits to assessment under section 3309 of the Revised Statutes, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this act.

"SEC. 43. That the wine spirits mentioned in section 42 is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may be fortified with wine spirits under the provisions of this act is fermented or partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: *Provided*, That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis, or water, or any or all of them, to the pure grape juice before fermentation, or to the fermented product of such grape juice, or to both, prior to the fortification herein provided for, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: *Provided, however*, That the cane or beet sugar, or pure dextrose sugar, added for sweetening purposes shall not be in excess of 11 per cent of the weight of the wine to be fortified: *And provided further*, That the addition of water herein authorized shall be under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe: *Provided, however*, That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this act, where the same, after fermentation and before fortification, have an alcoholic strength of less than 5 per cent of their volume.

"SEC. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this act may withdraw wine spirits from any special bonded warehouse in original packages or from any registered distillery in any quantity not less than 80 wine gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the foregoing limitations and provisions; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced. The use of wine spirits for the fortification of sweet wines under this act shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines."

SEC. 618. (a) That under such regulations and upon the execution of such notices, entries, bonds, and other security as the commissioner, with the approval of the Secretary, may prescribe, domestic wines subject to the tax imposed by section 611 may be removed from the winery where produced, free of tax, for storage on other bonded premises or from such premises to other bonded premises (but not more than one such additional removal shall be allowed), or for exportation from the United States or for use as distilling material at any regularly registered distillery: *Provided, however*, That the distiller using any such wine as material shall, subject to the provisions of section 3309 of the Revised Statutes as amended, be held to pay the tax on the product of such wines as will include both the alcoholic strength therein produced by fermentation and that obtained from the brandy or wine spirits added to such wines at the time of fortification.

(b) Under regulations prescribed by the commissioner, with the approval of the Secretary, it shall be lawful to produce grape wines on bonded winery premises by the usual method of fermentation, and to transport and use the same, and like wines heretofore produced and now stored on bonded winery premises, as distilling material for the production of nonbeverage spirits in the production of nonalcoholic wines containing less than one-half of 1 per cent of alcohol by volume in any fruit brandy or industrial distillery: *Provided*, That all alcoholic spirits so obtained at any industrial distillery shall be denatured, and all spirits so obtained at any fruit distillery shall be removed and used only for nonbeverage purposes or for denaturation.

SEC. 619. That the collection of the tax on imported still wines, including vermuth, and sparkling wines, including champagne, and on imported liqueurs, cordials, and similar compounds, may be made within the discretion of the commissioner, with the approval of the Secretary, by assessment instead of by stamps.

SEC. 620. That whoever evades or attempts to evade any tax imposed by sections 611 to 615, both inclusive, or any requirement of sections 610 to 621, both inclusive, or regulation issued pursuant thereto, or whoever, otherwise than as provided in such sections, recovers or attempts to recover any spirits from domestic or imported wine, or whoever rectifies, mixes, or compounds with distilled spirits any domestic wines other than in the manufacture of liqueurs, cordials, or similar compounds, shall, on conviction, be punished for each such offense by a fine of not exceeding $5,000, or imprisonment for not more than five years, or both, and in addition thereto by a penalty of double the tax evaded, or attempted to be evaded, to be assessed and collected in the same manner as taxes are assessed and collected, and all wines, spirits, liqueurs, cordials, or similar compounds as to which such violation occurs shall be forfeited to the United States. But the provisions of this section and the provisions of section 3244 of the Revised Statutes as amended relating to rectification, or other internal-revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of wines subject to tax under the provisions of sections 611 to 615, both inclusive, with each other or with other wines for the sole purpose of perfecting such wines according to commercial standards: *Provided*, That nothing herein contained shall be construed as prohibiting the use of tax-paid grain or other ethyl alcohol in the fortification of sweet wines as defined in section 610 of this act and section 43 of the act entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes," approved October 1, 1890, as amended by this act.

SEC. 621. That the commissioner, by regulations to be approved by the Secretary, may require the use of each fruit distillery of such spirit meters, and such locks and seals to be affixed to fermenters, tanks, or other vessels and to such pipe connections as may in his judgment be necessary or expedient, and is hereby authorized to assign to any such distillery and to each winery where wines are to be fortified such number of gaugers or storekeeper-gaugers in the capacity of gaugers as may be necessary for the proper supervision of the manufacture of brandy or the making or fortifying of wines subject to tax imposed by this section; and the compensation of such officers shall not exceed $5 per diem while so assigned, together with their actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the commissioner, with the approval of the Secretary, but not to exceed $2.50 per diem for such board bills.

SEC. 622. That the commissioner, with the approval of the Secretary, is hereby authorized to make such allowances for unavoidable loss of wines while on storage or during cellar treatment as in his judgment may be just and proper.

SEC. 623. That the second paragraph of section 3264 of the Revised Statutes, as amended by section 5 of the act of March 1, 1879, and as further amended by the act of June 22, 1910, be amended so as to read as follows:

"In all surveys 45 gallons of mash or beer brewed or fermented from grain shall represent not less than 1 bushel of grain, and 7 gallons of mash or beer brewed or fermented from molasses shall represent not less than 1 gallon of molasses, except in distilleries operated on the sour-mash principle, in which distilleries 60 gallons of beer brewed or fermented from grain shall represent not less than 1 bushel of grain, and except that in distilleries where the filtration-aeration process is used, with the approval of the Commissioner of Internal Revenue; that is, where the mash after it leaves the mash tub is passed through a filtering machine before it is run into the fermenting tub, and only the filtered liquor passes into the fermenting tub, there shall hereafter be no limitattion upon the number of gallons of water which may be used in the process of mashing or filtration for fermentation; but the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in order to protect the revenue, shall be authorized to prescribe by regulation, to be made by him, such character of survey as he may find suitable for distilleries using such filtration-aeration process. The provisions hereof relating to filtration-aeration process shall apply only to sweet-mash distilleries."

SEC. 624. That under such regulations as the commissioner, with the approval of the Secretary, may prescribe, alcohol or other distilled spirits of a proof strength of not less than 180 degrees intended for export free of tax may be drawn from receiving cisterns at any distillery, or from storage tanks in any distillery warehouse, for transfer to tanks or tank cars for export from the United States, and all provisions of existing law relating to the exportation of distilled spirits not inconsistent herewith shall apply to spirits removed for export under the provisions of this act.

SEC. 625. That section 3255 of the Revised Statutes as amended by the act of June 3, 1896, and as further amended by the act of March 2, 1911, be further amended so as to read as follows:

"SEC. 3255. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, pears, pineapples, oranges, apricots, berries, plums, pawpaws, persimmons, prunes, figs, or cherries from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *Provided*, That where, in the manufacture of wine, artificial sweetening has been used the wine or the fruit pomace residium may be used in the distillation of brandy, and such use shall not prevent the Commissioner of Internal Revenue, with the approval

of the Secretary of the Treasury, from exempting such distiller from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *And provided further*, That the distillers mentioned in this section may add to not less than 500 gallons (or 10 barrels) of grape cheese not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 per cent pure, such solution to have a saccharine strength of not to exceed 10 per cent, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material."

SEC. 626. That distilled spirits known commercially as gin of not less than 80 per cent proof may at any time within eight years after entry in bond at any distillery be bottled in bond at such distillery for export without the payment of tax, under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe.

SEC. 627. That section 3354 of the Revised Statutes as amended by the act approved June 18, 1890, be, and is hereby, amended to read as follows:

"SEC. 3354. Every person who withdraws any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp has not been affixed for the purpose of bottling the same, or who carries on or attempts to carry on the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made or upon any premises having communication with such brewery, or any warehouse, shall be liable to a fine of $500, and the property used in such bottling or business shall be liable to forfeiture: *Provided, however*, That this section shall not be construed to prevent the withdrawal and transfer of unfermented, partially fermented, or fermented liquors from any of the vats in any brewery by way of a pipe line or other conduit to another building or place for the sole purpose of bottling the same, such pipe line or conduit to be constructed and operated in such manner and with such cisterns, vats, tanks, valves, cocks, faucets, and gauges, or other utensils or apparatus, either on the premises of the brewery or the bottling house, and with such changes of or additions thereto, and such locks, seals, or other fastenings, and under such rules and regulations as shall be from time to time prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, and all locks and seals prescribed shall be provided by the Commissioner of Internal Revenue at the expense of the United States: *Provided further*, That the tax imposed in section 3339 of the Revised Statutes shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit, at the time of such removal, by the cancellation and defacement, by the collector of the district or his deputy, in the presence of the brewer, of the number of stamps denoting the tax on the fermented liquor thus removed. The stamps thus canceled and defaced shall be disposed of and accounted for in the manner directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. And any violation of the rules and regulations hereafter prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in pursuance of these provisions shall be subject to the penalties above provided by this section. Every owner, agent, or superintendent of any brewery or bottling house who removes, or connives at the removal of, any fermented liquor through a pipe line or conduit without payment of the tax thereon, or who attempts in any manner to defraud the revenue as above, shall forfeit all the liquors made by and for him, and all the vessels, utensils, and apparatus used in making the same."

SEC. 628. That there shall be levied, assessed, collected, and paid in lieu of the taxes imposed by sections 313 and 315 of the revenue act of 1917—

(a) Upon all beverages derived wholly or in part from cereals or substitutes therefor and containing less than one-half of 1 per cent of alcohol, sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 15 per cent of the price for which so sold; and upon all ginger ale, root beer, sarsaparilla, pop, artificial mineral waters (carbonated or not carbonated), other carbonated waters or beverages, and other soft drinks (except fruit or berry juice), sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 10 per cent of the price for which so sold; and

(b) Upon all natural mineral waters or table waters sold by the producer, bottler, or importer thereof, in bottles or other closed containers, a tax equivalent to 5 per cent of the price for which so sold.

SEC. 629. That each manufacturer, producer, bottler, or importer of any of the articles enumerated in section 628 shall make monthly returns under oath in duplicate and pay the taxes imposed in respect to such articles by such section to the collector for the district in which is located the principal place of business, containing such information necessary for the assessment of the tax, and at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulation prescribe.

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

SEC. 630. That on and after ————, ——, there shall be levied, assessed, collected, and paid a tax of 1 cent for each 10 cents or fraction thereof of the amount paid to any person conducting a soda fountain, ice-cream parlor, or other similar place of business, for drinks commonly known as soft drinks, compounded or mixed at such place of business, or for ice cream, ice-cream sodas, sundaes, or other similar articles of food or drink, when any of the above are sold on or after such date for consumption in or in proximity to such place of business. Such tax shall be paid by the purchaser to the vendor at the time of the sale and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 502.

TITLE VII.—TAX ON CIGARS, TOBACCO, AND MANUFACTURES THEREOF.

SEC. 700. (a) That upon cigars and cigarettes manufactured in or imported into the United States, and hereafter sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid under the provisions of existing law, in lieu of the internal-revenue taxes now imposed thereon by law, the following taxes, to be paid by the manufacturer or importer thereof:

On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $1.50 per thousand;

On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, $4 per thousand;

If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, $5.40 per thousand;

If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, $9 per thousand;

If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $12 per thousand;

If manufactured or imported to retail at more than 20 cents each, $15 per thousand;

On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $2.90 per thousand;

Weighing more than 3 pounds per thousand, $7.20 per thousand.

(b) Whenever in this section reference is made to cigars manufactured or imported to retail at not over a certain price each, then in determining the tax to be paid regard shall be had to the ordinary retail price of a single cigar.

(c) The commissioner may, by regulation, require the manufacturer or importer to affix to each box, package, or container a conspicuous label indicating the clause of this section under which the cigars therein contained have been tax-paid, which must correspond with the tax-paid stamp on such box or container.

(d) Every manufacturer of cigarettes (including small cigars weighing not more than 3 pounds per thousand) shall put up all the cigarettes and such small cigars that he manufactures or has manufactured for him, and sells or removes for consumption or sale, in packages or parcels containing 5, 8, 10, 12, 15, 16, 20, 24, 40, 50, 80, or 100 cigarettes each, and shall securely affix to each of such packages or parcels a suitable stamp denoting the tax thereon and shall properly cancel the same prior to such sale or removal for consumption or sale under such regulations as the commissioner, with the approval of the Secretary, shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps canceled in a like manner, in addition to the import stamp indicating inspection of the customhouse before they are withdrawn therefrom.

SEC. 701. (a) That upon all tobacco and snuff manufactured in or imported into the United States, and hereafter sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of 18 cents per pound, to be paid by the manufacturer or importer thereof.

(b) Section 3362 of the Revised Statutes, as amended, is hereby amended to read as follows:

"SEC. 3362. All manufactured tobacco shall be put up and prepared by the manufacturer for sale, or removal for sale or consumption, in packages of the following description and in no other manner:

"All smoking tobacco, snuff, fine-cut chewing tobacco, all cut and granulated tobacco, all shorts, the refuse of fine-cut chewing, which has passed through a riddle of 36 meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco, and all other kinds of tobacco not otherwise provided for, in packages containing one-eighth of an ounce, three-eighths of an ounce, and further packages with a difference between each package and the one next smaller of one-eighth of an ounce up to and including 2 ounces, and further packages with a difference between each package and the one next smaller of one-fourth of an ounce up to and including 4 ounces, and packages of 5 ounces, 6 ounces, 7 ounces, 8 ounces, 10 ounces, 12 ounces, 14 ounces, and 16 ounces: *Provided*, That snuff may, at the option of the manufacturer, be put up in bladders and in jars containing not exceeding 20 pounds.

"All cavendish, plug, and twist tobacco, in wooden packages not exceeding 200 pounds net weight.

"And every such wooden package shall have printed or marked thereon the manufacturer's name and place of manufacture, the registered number of the manufactory, and the gross weight, the tare, and the net weight of the tobacco in each package: *Provided*, That these limitations and descriptions of packages shall not apply to tobacco and snuff transported in bond for exportation and actually exported: *And provided further*, That perique tobacco, snuff flour, fine-cut shorts, the refuse of fine-cut chewing tobacco, refuse scraps, clippings, cuttings, and sweepings of tobacco, may be sold in bulk as material, and without the payment of tax, by one manufacturer directly to another manufacturer, or for export, under such restrictions, rules, and regulations as the Commissioner of Internal Revenue may prescribe: *And provided further*, That wood, metal, paper, or other materials may be used separately or in combination for packing tobacco, snuff, and cigars, under such regulations as the Commissioner of Internal Revenue may establish."

SEC. 702. That upon all the articles enumerated in section 700 or 701, which were manufactured or imported, and removed from factory or customhouse on or prior to the date of the passage of this act, and upon which the tax imposed by existing law has been paid, and which are, on the day after the passage of this act, held by any person and intended for sale, there shall be levied, assessed, collected, and paid a floor tax equal to the difference between (a) the tax imposed by this act upon such articles according to the class in which they are placed by this title, and (b) the tax imposed upon such articles by existing law other than section 403 of the revenue act of 1917.

In the case of any person making due return as required by the commissioner of the stock of all such articles on such date so held by him, the tax imposed by this section shall apply only to the excess of manufactured tobacco and snuff over 50 pounds, to the excess of cigars over 1,000, and to the excess of cigarettes over 3,000.

SEC. 703. That there shall be levied, collected, and paid, in lieu of the taxes imposed by section 404 of the revenue act of 1917, upon cigarette paper made up into packages, books, sets, or tubes, made up in or imported into the United States and hereafter sold by the manufacturer or importer to any person (other than to a manufacturer of cigarettes for use by him in the manufacture of cigarettes) the following taxes, to be paid by the manufacturer or importer: On each package, book, or set, containing more than 25 but not more than 50 papers, one-half cent; containing more than 50 but not more than 100 papers, 1 cent; containing more than 100 papers, one-half cent for each 50 papers or fractional part thereof; and upon tubes, 1 cent for each 50 tubes or fractional part thereof.

Every manufacturer of cigarettes purchasing any cigarette paper made up into tubes (a) shall give bond in an amount and with sureties satisfactory to the commissioner that he will use such tubes in the manufacture of cigarettes or pay thereon a tax equivalent to the tax imposed by this section, and (b) shall keep such records and render under oath such returns as the commissioner finds necessary to show

the disposition of all tubes purchased or imported by such manufacturer of cigarettes.

SEC. 704. That section 35 of the act of August 5, 1909, be, and is hereby, repealed, to take effect April 1, 1919.

That section 3360 of the Revised Statutes be, and is hereby, amended to read as follows:

"SEC. 3360. (a) Every dealer in leaf tobacco shall file with the collector of the district in which his business is carried on, a statement in duplicate, subscribed under oath, setting forth the place, and if in a city, the street and number of the street, where his business is to be carried on, and the exact location of each place where leaf tobacco is held by him on storage, and, whenever he adds to or discontinues any of his leaf tobacco storage places, he shall give immediate notice to the collector of the district in which he is registered.

"Every such dealer shall give a bond with surety, satisfactory to, and to be approved by, the collector of the district, in such penal sum as the collector may require, not less than $500; and a new bond may be required in the discretion of the collector or under instructions of the commissioner.

"Every such dealer shall be assigned a number by the collector of the district, which number shall appear in every inventory, invoice, and report rendered by the dealer, who shall also obtain certificates from the collector of the district setting forth the place where his business is carried on and the places designated by the dealer as the places of storage of his tobacco, which certificates shall be posted conspicuously within the dealer's registered place of business, and within each designated place of storage.

"(b) Every dealer in leaf tobacco shall make and deliver to the collector of the district a true inventory of the quantity of the different kinds of tobacco held or owned, and where stored by him, on the 1st day of January of each year, or at the time of commencing and at the time of concluding business, if before or after the 1st day of January, such inventory to be made under oath and rendered in such form as may be prescribed by the commissioner.

"Every dealer in leaf tobacco shall render such invoices and keep such records as shall be prescribed by the commissioner, and shall enter therein, day by day, and upon the same day on which the circumstance, thing, or act to be recorded is done or occurs, an accurate account of the number of hogsheads, tierces, cases, and bales, and quantity of leaf tobacco contained therein, purchased or received by him, on assignment, consignment, for storage, by transfer, or otherwise, and of whom purchased or received, and the number of hogsheads, tierces, cases, and bales, and the quantity of leaf tobacco contained therein, sold by him, with the name and residence in each instance of the person to whom sold, and if shipped, to whom shipped, and to what district; such records shall be kept at his place of business at all times and preserved for a period of two years, and the same shall be open at all hours for the inspection of any internal-revenue officer or agent.

"Every dealer in leaf tobacco on or before the 10th day of each month, shall furnish to the collector of the district a true and complete report of all purchases, receipts, sales, and shipments of leaf tobacco made by him during the month next preceding, which report shall be verified and rendered in such form as the commissioner, with the approval of the Secretary, shall prescribe.

"(c) Sales or shipments of leaf tobacco by a dealer in leaf tobacco shall be in quantities of not less than a hogshead, tierce, case, or bale, except loose leaf tobacco comprising the breaks on warehouse floors, and except to a duly registered manufacturer of cigars for use in his own manufactory exclusively.

"Dealers in leaf tobacco shall make shipments of leaf tobacco only to other dealers in leaf tobacco, to registered manufacturers of tobacco, snuff, cigars or cigarettes, or for export.

"(d) Upon all leaf tobacco sold, removed, or shipped by any dealer in leaf tobacco in violation of the provisions of subdivision (c), or in respect to which no report has been made by such dealer in accordance with the provisions of subdivision (b), there shall be levied, assessed, collected, and paid a tax equal to the tax then in force upon manufactured tobacco, such tax to be assessed and collected in the same manner as the tax on manufactured tobacco.

"(e) Every dealer in leaf tobacco

"(1) who neglects or refuses to furnish the statement, to give bond, to keep books, to file inventory, or to render the invoices, returns, or reports required by the commissioner, or to notify the collector of the district of additions to his places of storage; or

"(2) who ships or delivers leaf tobacco, except as herein provided; or

"(3) who fraudulently omits to account for tobacco purchased, received, sold, or shipped;

shall be fined not less than $100 or more than $500, or imprisoned not more than one year, or both.

"(f) For the purposes of this section a farmer or grower of tobacco shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him."

TITLE VIII.—TAX ON ADMISSIONS AND DUES.

SEC. 800. (a) That from and after ————, ——, there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 700 of the revenue act of 1917—

(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, including admission by season ticket or subscription, to be paid by the person paying for such admission;

(2) In the case of persons (except bona fide employees, municipal officers on official business, persons in the military or naval forces of the United States when in uniform, and children under 12 years of age) admitted free or at reduced rates to any place at a time when and under circumstances under which an admission charge is made to other persons, a tax of 1 cent for each 10 cents or fraction thereof of the price so charged to such other persons for the same or similar accommodations, to be paid by the person so admitted;

(3) Upon tickets or cards of admission to theaters, operas, and other places of amusement, sold at news stands, hotels, and places other than the ticket offices of such theaters, operas, or other places of amusement, at not to exceed 50 cents in excess of the sum of the established price therefor at such ticket offices plus the amount of any tax imposed under paragraph (1), a tax equivalent to 10 per cent of the amount of such excess; and if sold for more than 50 cents in excess of the sum of such established price plus the amount of any tax imposed under paragraph (1), a tax equivalent to 50 per cent of the whole amount of such excess, such taxes to be returned and paid, in the manner provided in section 903, by the person selling such tickets;

(4) A tax equivalent to 50 per cent of the amount for which the proprietors, managers, or employees of any opera house, theater, or other place of amusement sell or dispose of tickets or cards of admission in excess of the regular or established price or charge therefor, such tax to be returned and paid, in the manner provided in section 903, by the person selling such tickets;

(5) In the case of persons having the permanent use of boxes or seats in an opera house or any place of amusement or a lease for the use of such box or seat in such opera house or place of amusement (in lieu of the tax imposed by paragraph (1)), a tax equivalent to 10 per cent of the amount for which a similar box or seat is sold for each performance or exhibition at which the box or seat is used or reserved by or for the lessee or holder, such tax to be paid by the lessee or holder; and

(6) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any public performance for profit at any roof garden, cabaret, or other similar entertainment, to which the charge for admission is wholly or in part included in the price paid for refreshment, service, or merchandise; the amount paid for such admission to be deemed to be 20 per cent of the amount paid for refreshment, service, and merchandise; such tax to be paid by the person paying for such refreshment, service, or merchandise.

(b) No tax shall be levied under this title in respect to any admissions all the proceeds of which inure exclusively to the benefit of religious, educational, or charitable institutions, societies, or organizations, or organizations conducted for the sole purpose of maintaining symphony orchestras and receiving substantial support from voluntary contributions, or exclusively to the benefit of persons in the military or naval forces of the United States, or admissions to agricultural fairs none of the profits of which are distributed to stockholders or members of the association conducting the same.

(c) The term "admission" as used in this title includes seats and tables, reserved or otherwise, and other similar accommodations, and the charges made therefor.

(d) The price (exclusive of the tax to be paid by the person paying for admission) at which every admission ticket or card is sold shall be conspicuously and indelibly printed, stamped, or written on the face or back thereof, together with the name of the vendor if sold other than at the ticket office of the theater, opera, or other place of amusement. Whoever sells an admission ticket or card on which the name of the vendor and price is not so printed, stamped, or written, or at a price in excess of the price so printed, stamped, or written thereon, is guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $100.

SEC. 801. That from and after ——— there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 701 of the revenue act of 1917, a tax equivalent to 10 per cent of any amount paid on or after such date, for any period after such date, (a) as dues or membership fees (where the dues or fees of an active resident annual member are in excess of $10 per year) to any social, athletic, or sporting club or organization, or (b) as initiation fees to such a club or organization, if such fees amount to more than $10, or if the dues or membership fees (not including initiation fees) of an active resident annual member are in excess of $10 per year; such taxes to be paid by the person paying such dues or fees: *Provided*, That there shall be exempted from the provisions of this section all amounts paid as dues or fees to a fraternal society, order, or association, operating under the lodge system. In the case of life memberships a life member shall pay annually, at the time for the payment of dues by active resident annual members, a tax equivalent to the tax upon the amount paid by such a member, but shall pay no tax upon the amount paid for life membership.

SEC. 802. That every person (a) receiving any payments for such admission, dues, or fees shall collect the amount of the tax imposed by section 800 or 801 from the person making such payments, or (b) admitting any person free to any place for admission to which a charge is made, shall collect the amount of the tax imposed by section 800 from the person so admitted. Every club or organization having life members shall collect from such members the amount of the tax imposed by section 801. In all the above cases returns and payments of the amount so collected shall be made at the same time and in the same manner as provided in section 502.

TITLE IX.—EXCISE TAXES.

SEC. 900. That there shall be levied, assessed, collected, and paid, upon the following articles sold or leased by the manufacturer, producer, or importer, a tax equivalent to the following percentages of the price for which so sold or leased—

(1) Automobiles, motorcycles, automobile trucks, automobile wagons, automobile trailers or tractors, 5 per cent;

(2) Tires, inner tubes, parts, or accessories, for any of the articles enumerated in subdivision (1), sold to any person other than a manufacturer or producer of any of the articles enumerated in subdivision (1), 5 per cent;

(3) Pianos, organs (other than pipe organs), piano players, graphophones, phonographs, talking machines, music boxes, and records used in connection with any musical instrument, piano player, graphophone, phonograph, or talking machine, 5 per cent;

(4) Tennis rackets, nets, racket covers and presses, skates, snowshoes, skis, toboggans, canoes, paddles and cushions, polo mallets, baseball bats, gloves, masks, protectors, shoes and uniforms, football helmets, harness, and goals, basket-ball goals and uniforms, golf bags and clubs, lacrosse sticks, balls of all kinds, including baseballs, footballs, tennis, golf, lacrosse, billiard and pool balls, fishing rods and reels, billiard and pool tables, chess and checker boards and pieces, dice, games and parts of games (except playing cards and children's toys and games), and all similar articles commonly or commercially known as sporting goods, 10 per cent;

(5) Chewing gum or substitutes therefor, 3 per cent;

(6) Cameras, 10 per cent;

(7) Photographic films and plates, other than moving-picture films, 5 per cent;

(8) Candy, 5 per cent;

(9) Firearms, shells, and cartridges, except those sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, the District of Columbia, or any foreign country while engaged against the German Government in the present war, 10 per cent;

(10) Hunting and bowie knives, 10 per cent;

(11) Dirk knives, daggers, sword canes, stilettos, and brass or metallic knuckles, 100 per cent;

(12) Portable electric fans, 5 per cent;

(13) Thermos and thermostatic bottles, carafes, jugs, or other thermostatic containers, 5 per cent;

(14) Cigar or cigarette holders and pipes, composed wholly or in part of meerschaum or amber, humidors, and smoking stands, 10 per cent;

(15) Automatic slot-device weighing or vending machines, 5 per cent; if the manufacturer, producer, or importer of any such machine operates it for profit he shall pay a tax in respect to each such machine put into operation equivalent to 5 per cent of its fair market value;

(16) Liveries and livery boots and hats, 10 per cent;

(17) Hunting and shooting garments and riding habits, 10 per cent;

(18) Articles made out of any fur, or articles of which fur is the component material of chief value, 10 per cent;

(19) Yachts and motor boats; and pleasure boats and canoes if sold for more than $15, 10 per cent; and

(20) Toilet soaps and toilet-soap powders, 3 per cent.

If any manufacturer, producer, or importer of any of the articles enumerated in this section customarily sells such articles both at wholesale and at retail, the tax in the case of any article sold by him at retail shall be computed on the price for which like articles are sold by him at wholesale.

The taxes imposed by this section shall, in the case of any article in respect to which a corresponding tax is imposed by section 600 of the revenue act of 1916, be in lieu of such tax.

SEC. 901. That if any person manufactures, produces, or imports any article enumerated in section 900, or leases or licenses for exhibition any positive motion-picture film containing a picture ready for projection, and, whether through any agreement, arrangement, understanding, or otherwise, sells, leases, or licenses at less than the fair market price obtainable therefor, either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or (b) with intent to cause such benefit, the amount for which such article is sold, leased, or licensed shall be taken to be the amount which would have been received from the sale, lease, or license of such article if sold, leased, or licensed at the fair market price.

SEC. 902. That there shall be levied, assessed, collected, and paid upon sculpture, paintings, statuary, art porcelains, and bronzes, sold by any person other than the artist, and upon antique furniture sold by any person, a tax equivalent to 5 per cent of the price for which so sold. This section shall not apply to the sale of any such article to an educational institution or art museum.

SEC. 903. That every person liable for any tax imposed by section 900, 902, or 905 shall make monthly returns under oath in duplicate and pay the taxes imposed by such sections to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulations prescribe.

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.

SEC. 905. (a) That on and after November 1, 1918, there shall be levied, assessed, collected, and paid a tax equivalent to 20 per cent of so much of the amount paid for any of the following articles as is in excess of the price hereinafter specified as to each such article, when such article is sold on or after such date for consumption or use—

(1) Carpets and rugs, including fiber, except imported and American rugs made principally of wool, on the amount in excess of $5 per square yard;

(2) Picture frames, on the amount in excess of $10 each;

(3) Trunks, on the amount in excess of $50 each;

(4) Valises, traveling bags, suit cases, hat boxes used by travelers, and fitted toilet cases, on the amount in excess of $25 each;

(5) Purses, pocketbooks, shopping and hand bags, on the amount in excess of $7.50 each;

(6) Portable lighting fixtures, including lamps of all kinds and lamp shades, on the amount in excess of $25 each;

(7) Umbrellas, parasols, and sun shades, on the amount in excess of $4 each;

(8) Fans, on the amount in excess of $1 each;

(9) House or smoking coats or jackets, and bath or lounging robes, on the amount in excess of $7.50 each;

(10) Men's waistcoats, sold separately from suits, on the amount in excess of $5 each;

(11) Men's and boys' suits or overcoats, not including uniforms of officers in the military or naval forces of the United States, on the amount in excess of $50 each;

(12) Women's and misses' suits, cloaks, and coats, on the amount in excess of $50 each, or, when made up by a tailor or seamstress, on the amount in excess of $50 in value each;

(13) Women's and misses' dresses, on the amount in excess of $40 each, or, when made up by a tailor or seamstress, on the amount in excess of $40 in value each;

(14) Women's and misses' hats, bonnets, and hoods, on the amount in excess of $15 each;

(15) Men's and boys' hats, on the amount in excess of $5 each;

(16) Men's and boys' caps, on the amount in excess of $2 each;

(17) Men's, women's, misses', and boys' boots, shoes, pumps, and slippers, not including shoes or appliances made to order for any person having a crippled or deformed foot or ankle, on the amount in excess of $10 per pair.

(18) Men's and boys' neckties and neckwear, on the amount in excess of $2 each;

(19) Men's and boys' silk stockings or hose, on the amount in excess of $1 per pair;

(20) Women's and misses' silk stockings or hose, on the amount in excess of $2 per pair;

(21) Men's shirts, on the amount in excess of $3 each;

(22) Men's, women's, misses', and boys' pajamas, nightgowns, and underwear, on the amount in excess of $5 each; and

(23) Kimonos, petticoats, and waists, on the amount in excess of $15 each.

(b) The tax imposed by this section shall not apply to any article enumerated in paragraphs (2) to (8), both inclusive, of subdivision (a), if such article is made of, or ornamented, mounted, or fitted with, precious metals or imitations thereof or ivory, or to any article enumerated in subdivision (20) or (21) of section 900.

(c) The taxes imposed by this section shall be paid by the purchaser to the vendor at the time of the sale and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 502. As used in this subdivision the term "vendor" includes a tailor or dressmaker making up women's or misses' suits, cloaks, coats, or dresses.

SEC. 906. That on and after ————, ——, there shall be levied, assessed, collected, and paid (in lieu of the tax imposed by subdivision (e) of section 600 of the revenue act of 1917) upon all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semiprecious stones, and imitations thereof; articles made of, or ornamented, mounted, or fitted with, precious metals or imitations thereof or ivory (not including surgical instruments); watches; clocks; opera glasses; lorgnettes; marine glasses; field glasses; and binoculars; upon any of the above when sold by a dealer for consumption or use, a tax equivalent to 5 per cent of the price for which so sold.

Every person selling any of the articles enumerated in this section shall make returns under oath in duplicate (monthly or quarterly, as the commissioner, with the approval of the Secretary, may prescribe) and pay the taxes imposed in respect to such articles by this section to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulations prescribe.

The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month from the time when the tax became due.

SEC. 907. That on and after the 1st day of ————, 1919, any person engaged in the business of leasing or licensing for exhibition positive motion-picture films containing pictures ready for projection shall pay monthly an excise tax in respect to carrying on such business equal to 5 per cent of the total rentals earned from each such lease or license during the preceding month. If a person owning such a film exhibits it for profit he shall pay a tax equivalent to 5 per cent of the fair rental or license value of such film at the time and place where and for the period during which exhibited. If any such person has, prior to December 6, 1918, made a bona fide contract with any person for the lease or licensing, after the tax imposed by this section takes effect, of such a film for exhibition for profit, and if such contract does not permit the adding of the whole of the tax imposed by this section to the amount to be paid under such contract, then the lessee or licensee shall, in lieu of the lessor or licensor, pay so much of such tax as is not so permitted to be added to the contract price. The tax imposed by this section shall be in lieu of the tax imposed by subdivisions (c) and (d) of section 600 of the revenue act of 1917.

SEC. 908. (a) That on and after ————, ——, there shall be levied, assessed, collected, and paid (in lieu of the taxes imposed by subdivisions (g) and (h) of section 600 of the revenue act of 1917) a tax of 1 cent for each 25 cents or fraction thereof of the amount paid for any of the following articles when sold by a dealer on or after such date for consumption or use:

(1) Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, tooth and mouth washes, dentifrices, tooth pastes, aromatic cachous, toilet powders (other than soap powders), or any similar substance, article, or preparation by whatsoever name known or distinguished, any of the above which are used or applied or intended to be used or applied for toilet purposes;

(2) Pills, tablets, powders, tinctures, troches or lozenges, sirups, medicinal cordials or bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters (except those taxed under section 628 of this act), essences, spirits, oils, and other medicinal preparations, compounds, or compositions (not including serums and antitoxins), upon the amount paid for any of the above as to which the manufacturer or producer claims to have any private formula, secret, or occult art for making or preparing the same, or has or claims to have any exclusive right or title to the making or preparing the same, or which are prepared, uttered, vended, or exposed for sale under any letters patent, or trade-mark, or which (if prepared by any formula, published or unpublished) are held out or recommended to the public by the makers, vendors, or proprietors thereof as proprietary medicines or medicinal proprietary articles or preparations, or as remedies or specifics for any disease, diseases, or affection whatever affecting the human or animal body: *Provided*, That the provisions of this section shall not apply to the sale of medicinal preparations which are not advertised to the general lay public.

(b) The taxes imposed by this section shall be collected by whichever of the following methods the commissioner may deem expedient: (1) by stamp affixed to such article by the vendor, the cost of which shall be reimbursed to the vendor by the purchaser; or (2) by payment to the vendor by the purchaser at the time of the sale, the taxes so collected being returned and paid to the United States by such vendor in the same manner as provided in section 502.

SEC. 909. That under such rules and regulations as the commissioner, with the approval of the Secretary, may prescribe, the tax imposed under the provisions of this title shall ont apply in respect to articles sold or released for export and in due course so exported. Under such rules and regulations the amount of any internal-revenue tax erroneously or illegally collected in respect to exported articles may be refunded to the exporter of the article, instead of to the manufacturer, if the manufacturer waives any claim for the amount so to be refunded.

TITLE X.—SPECIAL TAXES.

SEC. 1000. (a) That on and after July 1, 1918, in lieu of the tax imposed by the first subdivision of section 407 of the revenue act of 1916—

(1) Every domestic corporation shall pay annually a special excise tax with respect to carrying on or doing business, equivalent to $1 for each $1,000 of the excess over $5,000 of the amount of its net assets shown by its books as of the close of the preceding annual period used by the corporation for purposes of making its income-tax return; but if the corporation made no such return then of the excess over $5,000 of the amount of its net assets shown by its books as of the 30th day of June preceding;

(2) Every foreign corporation shall pay annually a special excise tax with respect to carrying on or doing business in the United States, equivalent to $1 for each $1,000 of the average amount of capital employed in the transaction of its business in the United States during the preceding year ending June 30.

(b) The taxes imposed by this section shall not apply in any year to any corporation which was not engaged in business (or, in the case of a foreign corporation, not engaged in business in the United States) during the preceding year ending June 30, nor to any corporation enumerated in section 231.

(c) Section 257 shall apply to all returns filed with the commissioner for purposes of the tax imposed by this section.

SEC. 1001. That on and after January 1, 1919, there shall be levied, collected, and paid annually the following special taxes—

(1) Brokers shall pay $40. Every person whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissoy notes, other securities, produce or merchandise, for others, shall be regarded as a broker. If a broker is a member of a stock exchange, or if he is a member of any produce exchange, board of trade, or similar organization, where produce or merchandise is sold, he shall pay an additional amount as follows: If the average value, during the preceding year ending June 30, of a seat or membership in such exchange or organization was $2,000 or more but not more than $5,000, $100; if such value was more than $5,000, $150.

(2) Pawnbrokers shall pay $100. Every person whose business or occupation it is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be regarded as a pawnbroker. If the gross receipts of such pawnbroker for the preceding year ending June 30 were $2,000 or more but not more than $5,000, he shall pay $100 additional; if such gross receipts were more than $5,000 he shall pay $150 additional.

(3) Ship brokers shall pay $40. Every person whose business it is as a broker to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a ship broker.

(4) Customhouse brokers shall pay $40. Every person whose occupation it is, as the agent of others, to arrange entrise and other customhouse papers, or transact business at any port of entry relating to the importation of exportation of goods, wares, or merchandise, shall be regarded as a customhouse broker.

(5) Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250, shall pay $50; having a seating capacity of more than 250 and not exceeding 500, shall pay $100; having a seating capacity exceeding 500 and not exceeding 800, shall pay $150; having a seating capacity of more than 800, shall pay $200. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, and not including edifices owned by religious, educational or charitable institutions, societies or organizations where all the proceeds from admissions inure exclusively to the benefit of such institutions, societies, or organizations or exclusively to the benefit of persons in the military or naval forces of the United States, shall be regarded as a theater: *Provided*, That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated: *Provided further*, That whenever any such edifice is under lease at the time the tax is due the tax shall be paid by the lessee, unless otherwise stipulated between the parties to the lease.

(6) The proprietor or proprietors of circuses shall pay $100. Every building, space, tent, or area where feats of horsemanship or acrobatic sports or theatrical performances not otherwise provided for in this section are exhibited shall be regarded as a circus: *Provided*, That no special tax paid in one State, Territory, or the District of Columbia shall exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be imposed for exhibitions within any one State, Territory, or District.

(7) Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay $15: *Provided*, That a special tax paid in one State, Territory, or the District of Columbia shall not exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be required for exhibitions within any one State, Territory, or the District of Columbia: *Provided further*, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations: *Provided further*, That an aggregation of entertainments, known as a street fair, shall not pay a larger tax than $100 in any State, Territory, or in the District of Columbia.

(8) Proprietors of bowling alleys and billiard rooms shall pay $10 for each alley or table. Every building or place where bowls are thrown or where games of billiards or pool are played, except in private homes, shall be regarded as a bowling alley or a billiard room, respectively.

(9) Proprietors of shooting galleries shall pay $20. Every building, space, tent, or area where a charge is made for the discharge of firearms at any form of target shall be regarded as a shooting gallery.

(10) Proprietors of riding academies shall pay $100. Every building, space, tent, or area where a charge is made for instruction in horsemanship or for facilities for the practice of horsemanship shall be regarded as a riding academy.

(11) Persons carrying on the business of operating or renting passenger automobiles for hire shall pay $10 for each such automobile having a seating capacity of more than two and not more than seven and $20 for each such automobile having a seating capacity of more than seven.

The taxes imposed by this section shall, in the case of persons upon whom a corresponding tax is imposed by section 407 of the revenue act of 1916, be in lieu of such tax.

SEC. 1002. That on and after January 1, 1919, there shall be levied, collected, and paid annually, in lieu of the taxes imposed by section 408 of the revenue act of 1916, the following special taxes, the amount of such taxes to be computed on the basis of the sales for the preceding year ending June 30—

Manufacturers of tobacco whose annual sales do not exceed 50,000 pounds shall each pay $6;

Manufacturers of tobacco whose annual sales exceed 50,000 and do not exceed 100,000 pounds shall each pay $12;

Manufacturers of tobacco whose annual sales exceed 100,000 and do not exceed 200,000 pounds shall each pay $24;

Manufacturers of tobacco whose annual sales exceed 200,000 pounds shall each pay $24, and at the rate of 16 cents per thousand pounds, or fraction thereof, in respect to the excess over 200,000 pounds;

Manufacturers of cigars whose annual sales do not exceed 50,000 cigars shall each pay $4;

Manufacturers of cigars whose annual sales exceed 50,000 and do not exceed 100,000 cigars shall each pay $6;

Manufacturers of cigars whose annual sales exceed 100,000 and do not exceed 200,000 cigars shall each pay $12;

Manufacturers of cigars whose annual sales exceed 200,000 and do not exceed 400,000 cigars shall each pay $24;

Manufacturers of cigars whose annual sales exceed 400,000 cigars shall each pay $24, and at the rate of 10 cents per 1,000 cigars, or fraction thereof, in respect to the excess over 400,000 cigars.

Manufacturers of cigarettes, including small cigars weighing not more than 3 pounds per 1,000, shall each pay at the rate of 6 cents for every 10,000 cigarettes, or fraction thereof.

In arriving at the amount of special tax to be paid under this section, and in the levy and collection of such tax, each person engaged in the manufacture of more than one of the classes of articles specified in this section shall be considered and deemed a manufacturer of each class separately.

SEC. 1003. That 60 days after the passage of this act, and thereafter on July 1 in each year, and also at the time of the original purchase of a new boat by a user, if on any other day than July 1, there shall be levied, assessed, collected, and paid in lieu of the tax imposed by section 603 of the revenue act of 1917 upon the use of yachts, pleasure boats, power boats, and sailing boats, of over 5 gross tons, and motor boats with fixed engines, not used exclusively for trade, fishing, or national defense, or not built according to plans and specifications approved by the Navy Department, a special excise tax to be based on each yacht or boat, at rates as follows: Yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats, of over 5 gross tons, length not over 50 feet, $1 for each foot, length over 50 feet and not over 400 feet, $2 for each foot; length over 100 feet, $4 for each foot; motor boats of not over 5 gross tons with fixed engines, $10.

In determining the length of such yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats, the measurement of over-all length shall govern.

In the case of a tax imposed at the time of the original purchase of a new boat on any other date than July 1, and in the case of the tax taking effect 60 days after the passage of this act, the amount to be paid shall be the same number of twelfths of the amount of the tax as the number of calendar months (including the month of sale, or the month in which is included the 61st day after the passage of this act, as the case may be) remaining prior to the following July 1.

If the tax imposed by section 603 of the revenue act of 1917, for the fiscal year ending June 30, 1919, has been paid in respect to the use of any boat, the amount so paid shall under such regulations as the commissioner, with the approval of the Secretary, may prescribe, be credited upon the first tax due under this section in respect to the use of such boat, or be refunded to the person paying the first tax imposed by this section in respect to the use of such boat.

SEC. 1004. That if the tax imposed by section 407 or 408 of the revenue act of 1916, for the fiscal year ending June 30, 1919, has been paid by any person subject to the corresponding tax imposed by this title, collectors may issue a receipt in lieu of special tax stamp for the amount by which the tax under this title is in excess of that paid or payable and evidenced by stamp under the revenue act of 1916. Such receipt shall be posted as in the case of the special tax stamp, as provided by law, and with it, within the place of business of the taxpayer.

If the corresponding tax imposed by section 407 of the revenue act of 1916 was not payable by stamp, the amount paid under such section for any period for which a tax is also imposed by this title may be credited against the tax imposed by this title.

SEC. 1005. That any person who carries on any business or occupation for which a special tax is imposed by sections 1000, 1001, or 1002, without having paid the special tax therein provided, shall, besides being liable for the payment of such special tax, be subject to a penalty of not more than $1,000 or to imprisonment for not more than one year, or both.

SEC. 1006. That section 1 of the act of Congress approved December 17, 1914, is hereby amended to read as follows:

"SECTION 1. That on or before July 1 of each year every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, or gives away opium or coca leaves, or any compound, manufacture, salt, derivative, or preparation thereof, shall register with the collector of internal revenue of the district his name or style, place of business and place or places where such business is to be carried on, and pay the special taxes hereinafter provided;

"Every person who on January 1, 1919, is engaged in any of the activities above enumerated, or who between such date and the passage of this act first engages in any of such activities, shall within 30 days after the passage of this act make like registration, and shall pay the proportionate part of the tax for the period ending June 30, 1919;

"Every person who first engages in any of such activities after the passage of this act shall immediately make like registration and pay the proportionate part of the tax for the period ending on the following June 30;

"Importers, manufacturers, producers, or compounders, $24 per annum; wholesale dealers, $12 per annum; retail dealers, $6 per annum; physicians, dentists, veterinary surgeons, and other practitioners lawfully entitled to distribute, dispense, give away, or administer any of the aforesaid drugs to patients upon whom they in the course of their professional practice are in attendance, shall pay $3 per annum.

"Every person who imports, manufactures, compounds, or otherwise produces for sale or distribution any of the aforesaid drugs shall be deemed to be an importer, manufacturer, or producer.

"Every person who sells or offers for sale any of said drugs in the original stamped packages, as hereinafter provided, shall be deemed a wholesale dealer.

"Every person who sells or dispenses from original stamped packages, as hereinafter provided, shall be deemed a retail dealer: *Provided*, That the office, or if none, the residence, of any person shall be considered for the purpose of this act his place of business; but no employee or any person who has registered and paid special tax as herein required, acting within the scope of his employment, shall be required to register and pay special tax provided by this section: *Provided further*, That officials of the United States, Territorial, District of Columbia, or insular possessions, State or municipal governments, who in the exercise of their official duties engage in any of the business herein described, shall not be required to register, nor pay special tax, nor stamp the aforesaid drugs as hereinafter prescribed, but their right to this exemption shall be evidenced in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

"It shall be unlawful for any person required to register under the provisions of this act to import, manufacture, produce, compound, sell, deal in, dispense, distribute, administer, or give away any of the aforesaid drugs without having registered and paid the special tax as imposed by this section.

"That the word 'person' as used in this act shall be construed to mean and include a partnership, association, company, or corporation, as well as a natural person; and all provisions of existing law relating to special taxes, as far as necessary, are hereby extended and made applicable to this section.

"That there shall be levied, assessed, collected, and paid upon opium, coca leaves, any compound, salt, derivative, or preparation thereof, produced in or imported into the United States, and sold, or removed for consumption or sale, an internal-revenue tax at the rate of 1 cent per ounce, and any fraction of an ounce in a package shall be taxed as an ounce, such tax to be paid by the importer, manufacturer, producer, or compounder thereof, and to be represented by appropriate stamps, to be provided by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the stamps herein provided shall be so affixed to the bottle or other container as to securely seal the stopper, covering, or wrapper thereof.

"The tax imposed by this section shall be in addition to any import duty imposed on the aforesaid drugs.

"It shall be unlawful for any person to purchase, sell, dispense, or distribute any of the aforesaid drugs except in the original stamped package or from the original stamped package; and the absence of appropriate tax-paid stamps from any of the aforesaid drugs shall be prima facie evidence of a violation of this section by the person in whose possession same may be found; and the possession of any original stamped package containing any of the aforesaid drugs by any person who has not registered and paid special taxes as required by this section shall be prima facie evidence of liability to such special tax: *Provided*, That the provisions of this paragraph shall not apply to any person having in his or her possession any of the aforesaid drugs which have been obtained from a registered dealer in pursuance of a prescription, written for legitimate medical uses, issued by a physician, dentist, veterinary surgeon, or other practitioner registered under this act; and where the bottle or other container in which such drug may be put up by the dealer upon said prescription bears the name and registry number of the druggist, serial number of prescription, name and address of the patient, and name, address, and registry number of the person writing said prescription; or to the dispensing, or administration, or giving away of any of the aforesaid drugs to a patient by a registered physician, dentist, veterinary surgeon, or other practitioner in the course of his professional practice in personal attendance upon such patient, and where said drugs are dispensed or administered to the patient for legitimate medical purposes, and the record kept as required by this act of the drugs so dispensed, administered, distributed, or given away.

"And all the provisions of existing laws relating to the engraving, issuance, sale, accountability, cancellation, and destruction of tax-paid stamps provided for in the internal-revenue laws are, in so far as necessary, hereby extended and made to apply to stamps provided by this section.

"That all unstamped packages of the aforesaid drugs found in the possession of any person, except as herein provided, shall be subject to seizure and forfeiture, and all the provisions of existing internal-revenue laws relating to searches, seizures, and forfeitures of unstamped articles are hereby extended to and made to apply to the articles taxed under this act and the persons upon whom these taxes are imposed.

"Importers, manufacturers, and wholesale dealers shall keep such books and records and render such monthly returns in relation to the transactions in the aforesaid drugs as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations require.

"The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all needful rules and regulations for carrying the provisions of this act into effect."

SEC. 1007. That all opium, its salts, derivatives, and compounds, and coca leaves, salts, derivatives, and compounds thereof, which may now be under seizure or which may hereafter be seized by the United States Government from any person or persons charged with any violation of the act of October 1, 1890, as amended by the acts of March 3, 1897, February 9, 1909, and January 17, 1914, or the act of December 17, 1914, shall upon conviction of the person or persons from whom seized be confiscated by and forfeited to the United States; and the Secretary is hereby authorized to deliver for medical or scientific purposes to any department, bureau, or other agency of the United States Government, upon proper application therefor under such regulation as may be prescribed by the commissioner with the approval of the Secretary, any of the drugs so seized, confiscated, and forfeited to the United States.

The provisions of this section shall also apply to any of the aforesaid drugs seized or coming into the possession of the United States in the enforcement of any of the above-mentioned acts where the owner or owners thereof are unknown. None of the aforesaid drugs coming into possession of the United States under the operation of said acts, or the provisions of this section, shall be destroyed without certification by a committee appointed by the commissioner, with the approval of the Secretary, that they are of no value for medical or scientific purposes.

SEC. 1008. That the act approved October 22, 1914, entitled "An act to increase the internal revenue, and for other purposes," and the joint resolution approved December 17, 1915, entitled "Joint resolution extending the provisions of the act entitled 'An act to increase the internal revenue, and for other purposes,' approved October 22, 1914, to December 31, 1916," are hereby repealed, except that the provisions of such act shall remain in force for the assessment and collection of all special taxes imposed by sections 3 and 4 thereof, or by such sections as extended by such joint resolution, for any year or part thereof ending prior to January 1, 1917, and of all other taxes imposed by such act, or by such act as so extended, accrued prior to September 8, 1916, and for the imposition and collection of all penalties or forfeitures which have accrued or may accrue in relation to any of such taxes.

TITLE XI.—STAMP TAXES.

SEC. 1100. That on and after ——— there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in Schedule A of title, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, are written or printed, by any person who makes, signs, issues, sells, removes, consigns, or ships the same, or for whose use or benefit the same are made, signed, issued, sold, removed, consigned, or shipped, the several taxes specified in such schedule. The taxes imposed by this section shall, in the case of any article upon which a corresponding stamp tax is now imposed by law, be in lieu of such tax.

SEC. 1101. That there shall not be taxed under this title any bond, note, or other instrument issued by the United States or by any foreign government, or by any State, Territory, or the District of Columbia, or local subdivision thereof, or municipal or other corporation exercising the taxing power; or any bond of indemnity required to be filed by any person to secure payment of any pension, allowance, allotment, relief, or insurance by the United States; or stocks and bonds issued by cooperative building and loan associations which are organized and operated exclusively for the benefit of their members and make loans only to their shareholders, or by mutual ditch or irrigating companies.

SEC. 1102. That whoever—

(a) Makes, signs, issues, or accepts, or causes to be made, signed, issued, or accepted, any instrument, document, or paper of any kind or description whatsoever without the full amount of tax thereon being duly paid;

(b) Consigns or ships, or causes to be consigned or shipped, by parcel post any parcel, package, or article without the full amount of tax being duly paid;

(c) Manufactures or imports and sells, or offers for sale, or causes to be manufactured or imported and sold, or offered for sale, any playing cards, package, or other article without the full amount of tax being duly paid;

(d) Makes use of any adhesive stamp to denote any tax imposed by this title without canceling or obliterating such stamp as prescribed in section 1104;

Is guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than $100 for each offense.

SEC. 1103. That whoever—

(a) Fraudulently cuts, tears, or removes from any vellum, parchment, paper, instrument, writing, package, or article, upon which any tax is imposed by this title, any adhesive stamp or the impression of any stamp, die, plate, or other article provided, made, or used in pursuance of this title;

(b) Fraudulently uses, joins, fixes, or places to, with, or upon any vellum, parchment, paper, instrument, writing, package, or article, upon which any tax is imposed by this title, (1) any adhesive stamp, or the impression of any stamp, die, plate, or other article, which has been cut, torn, or removed from any other vellum, parchment, paper, instrument, writing, package, or article, upon which any tax is imposed by this title; or (2) any adhesive stamp or the impression of any stamp, die, plate, or other article of insufficient value; or (3) any forged or counterfeit stamp, or the impression of any forged or counterfeited stamp, die, plate, or other article;

(c) Willfully removes, or alters the cancellation, or defacing marks of, or otherwise prepares, any adhesive stamp, with intent to use, or cause the same to be used, after it has been already used, or knowingly or willfully buys, sells, offers for sale, or gives away, any such washed or restored stamp to any person for use, or knowingly uses the same;

(d) Knowingly and without lawful excuse (the burden of proof of such excuse being on the accused) has in possession any washed, restored, or altered stamp, which has been removed from any vellum, parchment, paper, instrument, writing, package, or article;

Is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than $1,000, or by imprisonment for not more than five years, or both, and any such reused, canceled, or counterfeit stamp and the vellum, parchment, document, paper, package, or article upon which it is placed or impressed shall be forfeited to the United States.

SEC. 1104. That whenever an adhesive stamp is used for denoting any tax imposed by this title, except as hereinafter provided, the person using or affixing the same shall write or stamp or cause to be written or stamped thereupon the initials of his or its name and the date upon which the same is attached or used, so that the same may not again be used: *Provided*, That the commissioner may prescribe such other method for the cancellation of such stamps as he may deem expedient.

SEC. 1105. (a) That the commissioner shall cause to be prepared and distributed for the payment of the taxes prescribed in this title suitable stamps denoting the tax on the document, articles, or thing to which the same may be affixed, and shall prescribe such method for the affixing of said stamps in substitution for or in addition to the method provided in this title, as he may deem expedient.

(b) The commissioner, with the approval of the Secretary, is authorized to procure any of the stamps provided for in this title by contract whenever such stamps can not be speedily prepared by the Bureau of Engraving and Printing; but this authority shall expire on January 1, 1920, except as to imprinted stamps furnished under contract, authorized by the commissioner.

(c) All internal-revenue laws relating to the assessment and collection of taxes are hereby extended to and made a part of this title, so far as applicable, for the purpose of collecting stamp taxes omitted through mistake or fraud from any instrument, document, paper, writing, parcel, package, or article named herein.

SEC. 1106. That the commissioner shall furnish to the Postmaster General without prepayment a suitable quantity of adhesive stamps to be distributed to and kept on sale by the various postmasters in the United States. The Postmaster General may require each such postmaster to give additional or increased bond as postmaster for the value of the stamps so furnished, and each such postmaster shall deposit the receipts from the sale of such stamps to the credit of and render accounts to the Postmaster General at such times and in such form as he may by regulations prescribe. The Postmaster General shall at least once monthly transfer all collections from this source to the Treasury as internal-revenue collections.

SEC. 1107. That the collectors of the several districts shall furnish without prepayment to any assistant treasurer or designated depositary of the United States located in their respective collection districts a suitable quantity of adhesive stamps for sale. In such cases the collector may require a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps so furnished, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. The Secretary may from time to time make such regulations as he may find necessary to insure the safe-keeping or prevent the illegal use of all such adhesive stamps.

SCHEDULE A.—STAMP TAXES.

1. Bonds of indebtedness: On all bonds, debentures, or certificates of indebtedness issued by any person, and all instruments, however termed, issued by any corporation with interest coupons or in registered form, known generally as corporate securities, on each $100 of face value or fraction thereof, 5 cents: *Provided*, That every renewal of the foregoing shall be taxed as a new issue: *Provided further*, That when a bond conditioned for the repayment or payment of money is given in a penal sum greater than the debt secured, the tax shall be based upon the amount secured.

2. Bonds, indemnity and surety: On all bonds executed for indemnifying any person who shall have become bound or engaged as surety, and on all bonds executed for the due execution or performance of any contract, obligation, or requirement, or the duties of any office or position, and to account for money received by virtue thereof, and on all other bonds of any description, made, issued, or executed, not otherwise provided for in this schedule, except fidelity and surety bonds taxable under subdivision (b) of section 503, and bonds required in legal proceedings, 50 cents.

3. Capital stock, issue: On each original issue, whether on organization or reorganization, of certificates of stock, or of profits, or of interest in property or accumulations, by any corporation, on each $100 of face value or fraction thereof, 5 cents: *Provided*, That where a certificate is issued without face value, the tax shall be 5 cents per share, unless the actual value is in excess of $100 per share, in which case the tax shall be 5 cents on each $100 of actual value or fraction thereof.

The stamps representing the tax imposed by this subdivision shall be attached to the stock book and not to the certificates issued.

4. Capital stock, sales or transfers: On all sales, or agreements to sell, or memoranda of sales or deliveries of, or transfers of legal title to shares or certificates of stock or of profits or of interest in property or accumulations in any corporation, or to rights to subscribe for or to receive such shares or certificates, whether made upon or shown by the books of the corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, interest, or rights, or not, on each $100 of face value or fraction thereof, 2 cents, and where such shares are without par or face value, the tax shall be 2 cents on the transfer or sale or agreement to sell on each share, unless the actual value thereof is in excess of $100 per share, in which case the tax shall be 2 cents on each $100 of actual value or fraction thereof: *Provided*, That it is not intended by this title to impose a tax upon an agreement evidencing a deposit of certificates as collateral security for money loaned thereon, which certificates are not actually sold, nor upon the delivery or transfer for such purpose of certificates so deposited: *Provided further*, That the tax shall not be imposed upon deliveries or transfers to a broker for sale, nor upon deliveries or transfers by a broker to a customer for whom and upon whose order he has purchased same, but such deliveries or transfers shall be accompanied by a certificate setting forth the facts: *Provided further*, That in case of sale where the evidence of transfer is shown only by the books of the corporation the stamp shall be placed upon such books; and where the change of ownership is by transfer of the certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. Any person liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person, who makes any such sale, or who in pursuance of any such sale delivers any certificate or evidence of the sale of any stock, interest or right, or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000, or be imprisoned not more than six months, or both.

5. Produce, sales of, on exchange: Upon each sale, agreement of sale, or agreement to sell (not including so-called transferred or scratch sales), any products or merchandise at, or under the rules or usages of, any exchange, or board of trade, or other similar place, for future delivery, for each $100 in value of the merchandise covered by said sale or agreement of sale or agreement to sell, 2 cents, and for each additional $100 or fractional part thereof in excess of $100, 2 cents: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell, to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale: *Provided further*, That sellers of commodities described herein, having paid the tax provided by this subdivision, may transfer such contracts to a clearing-house corporation or association, and such transfer shall not be deemed to be a sale, or agreement of sale, or an agreement to sell within the provisions of this act, provided that such transfer shall not vest any beneficial interest in such clearing-house association but shall be made for the sole purpose of enabling such clearing-house association to adjust and balance the accounts of the members of such clearing-house association on their several contracts. Every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers; and any person liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person, who makes any such sale or agreement of sale, or agreement to sell, or who, in pursuance of any such sale, agreement of sale, or agreement to sell, delivers any such products or merchandise without a bill, memorandum, or other evidence thereof as herein required, or who delivers such bill, memorandum, or other evidence of sale, or agreement to sell, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000 or be imprisoned not more than six months, or both.

No bill, memorandum, agreement, or other evidence of such sale, of agreement of sale, or agreement to sell, in case of cash sales or products or merchandise for immediate or prompt delivery which in good faith are actually intended to be delivered shall be subject to this tax.

6. Drafts or checks (payable otherwise than at sight or on demand) upon their acceptance or delivery within the United States, whichever is prior, promissory notes, except bank notes issued for circulation, and for each renewal of the same, for a sum not exceeding $100, 2 cents; and for each additional $100 or fractional part thereof, 2 cents.

This subdivision shall not apply to a promissory note secured by the pledge of bonds or obligations of the United States issued after April 24, 1917, or secured by the pledge of a promissory note which itself is secured by the pledge of such bonds or obligations: *Provided*, That in either case the par value of such bonds or obligations shall be not less than the amount of such note.

7. Conveyances: Deed, instrument, or writing whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds $100 and does not exceed $500, 50 cents; and for each additional $500 or fractional part thereof, 50 cents. This subdivision shall not apply to any instrument or writing given to secure a debt.

8. Entry of any goods, wares, or merchandise at any customhouse, either for consumption or warehousing, not exceeding $100 in value, 25 cents; exceeding $100 and not exceeding $500 in value, 50 cents; exceeding $500 in value, $1.

9. Entry for the withdrawal of any goods or merchandise from customs bonded warehouse, 50 cents.

10. Passage ticket, one way or round trip, for each passenger, sold or issued in the United States for passage by any vessel to a port or place not in the United States, Canada, or Mexico, if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3; costing more than $60, $5. This subdivision shall not apply to passage tickets costing $10 or less.

11. Proxy for voting at any election for officers, or meeting for the transaction of business, of any corporation, except religious, educational, charitable, fraternal, or literary societies, or public cemeteries, 10 cents.

12. Power of attorney granting authority to do or perform some act for or in behalf of the grantor, which authority is not otherwise vested in the grantee, 25 cents. This subdivision shall not apply to any papers necessary to be used for the collection of claims from the United States or from any State for pensions, back pay, bounty, or for property lost in the military or naval service, or to powers of attorney required in bankruptcy cases.

13. Playing cards: Upon every pack of playing cards containing not more than 54 cards, manufactured or imported, and sold, or removed for consumption or sale, a tax of 8 cents per pack.

14. Parcel-post packages: Upon every parcel or package transported from one point in the United States to another by parcel post on which the postage amounts to 25 cents or more, a tax of 1 cent for each 25 cents or fractional part thereof charged for such transportation, to be paid by the consignor.

No such parcel or package shall be transported until a stamp or stamps representing the tax due shall have been affixed thereto.

15. On each policy of insurance, or certificate, binder, cover note, memorandum, cablegram, letter, or other instrument by whatever name called whereby insurance is made or renewed upon property within the United States (including rents and profits) against peril by sea or on inland waters or in transit on land (including transshipments and storage at termini or way points) or by fire, lightning, tornado, windstorm, bombardment, invasion, insurrection, or riot, issued to or for or in the name of a domestic corporation or partnership or an individual resident of the United States by any foreign corporation or partnership or any individual not a resident of the United States, when such policy or other instrument is not signed or countersigned by an officer or agent of the insurer in a State, Territory, or district of the United States within which such insurer is authorized to do business, a tax of 5 cents on each dollar, or fractional part thereof of the premium charged: *Provided*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision.

Any person to or for whom or in whose name any such policy or other instrument is issued, or any solicitor or broker acting for or on behalf of such person in the procurement of any such policy or other instrument, shall affix the proper stamps to such policy or other instrument, and for failure to affix such stamps with intent to evade the tax shall, in addition to other penalties provided therefor, pay a fine of double the amount of the tax.

TITLE XII.—TAX ON EMPLOYMENT OF CHILD LABOR.

SEC. 1200. That every person (other than a bona fide boys' or girls' canning club recognized by the Agricultural Department of a State and of the United States) operating (a) any mine or quarry situated in the United States in which children under the age of 16 years have been employed or permitted to work during any portion of the taxable year; or (b) any mill, cannery, workshop, factory, or manufacturing establishment situated in the United States in which children under the age of 14 years have been employed or permitted to work, or children between the ages of 14 and 16 have been employed or permitted to work more than eight hours in any day or more than six days in any week, or after the hour of 7 o'clock p. m. or before the hour of 6 o'clock a. m., during any portion of the taxable year, shall pay for each taxable year, in addition to all other taxes imposed by law, an excise tax equivalent to 10 per cent of the entire net profits received or accrued for such year from the sale or disposition of the product of such mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment.

SEC. 1201. That in computing net profits under the provisions of this title, for the purpose of the tax there shall be allowed as deductions from the gross amount received or accrued for the taxable year from the sale or disposition of such products manufactured within the United States the following items:

(a) The cost of raw materials entering into the production;

(b) Running expenses, including rentals, cost of repairs, and maintenance, heat, power, insurance, management, and a reasonable allowance for salaries or other compensations for personal services actually rendered, and for depreciation;

(c) Interest paid within the taxable year on debts or loans contracted to meet the needs of the business, and the proceeds of which have been actually used to meet such needs;

(d) Taxes of all kinds paid during the taxable year with respect to the business or property relating to the production; and

(e) Losses actually sustained within the taxable year in connection with the business of producing such products, including losses from fire, flood, storm, or other casualties, and not compensated for by insurance or otherwise.

SEC. 1202. That if any such person during any taxable year or part thereof, whether under any agreement, arrangement, or understanding, or otherwise, sells or disposes of any product of such mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment at less than the fair market price obtainable therefor either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or (b) with intent to cause such benefit, the gross amount received or accrued for such year or part thereof from the sale or disposition of such product shall be taken to be the amount which would have been received or accrued from the sale or disposition of such product if sold at the fair market price.

SEC. 1203. (a) That no person subject to the provisions of this title shall be liable for the tax herein imposed if the only employment or permission to work, which but for this section would subject him to the tax, has been of a child as to whom such person has in good faith procured at the time of employing such child or permitting him to work, and has since in good faith relied upon and kept on file a cer-

tificate, issued in such form, under such conditions and by such persons as may be prescribed by a board consisting of the Secretary, the commissioner, and the Secretary of Labor, showing the child to be of such age as not to subject such person to the tax imposed by this title. Any person who knowingly makes a false statement or presents false evidence in or in relation to any such certificate or application therefor shall be punished by a fine of not less than $100 nor more than $1,000, or by imprisonment for not more than three months, or by both such fine and imprisonment, in the discretion of the court.

In any State designated by such board an employment certificate or other similar paper as to the age of the child issued under the laws of that State and not inconsistent with the provisions of this title shall have the same force and effect as a certificate herein provided for.

(b) The tax imposed by this title shall not be imposed in the case of any person who proves to the satisfaction of the Secretary that the only employment or permission to work which but for this section would subject him to the tax has been of a child employed or permitted to work under a mistake of fact as to the age of such child, and without intention to evade the tax.

SEC. 1204. That on or before the 1st day of the third month following the close of each taxable year a true and accurate return under oath shall be made by each person subject to the provisions of this title to the collector for the district in which such person has his principal office or place of business in such form as the commissioner, with the approval of the Secretary, shall prescribe, setting forth specifically the gross amount of income received or accrued during such year from the sale or disposition of the product of any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment in which children have been employed subjecting him to the tax imposed by this title and from the total thereof deducting the aggregate items of allowance authorized by this title, and such other particulars as to the gross receipts and items of allowance as the commissioner, with the approval of the Secretary, may require.

SEC. 1205. That all such returns shall be transmitted forthwith by the collector to the commissioner, who shall, as soon as practicable, assess the tax found due and notify the person making such return of the amount of tax for which such person is liable, and such person shall pay the tax to the collector on or before 30 days from the date of such notice.

SEC. 1206. That for the purposes of this act the commissioner, or any other person duly authorized by him, shall have authority to enter and inspect at any time any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment. The Secretary of Labor, or any person duly authorized by him, shall, for the purpose of complying with a request of the commissioner to make such an inspection, have like authority, and shall make report to the commissioner of inspections made under such authority in such form as may be prescribed by the commissioner, with the approval of the Secretary of the Treasury.

Any person who refuses or obstructs entry or inspection authorized by this section shall be punished by a fine of not more than $1,000, or by imprisonment for not more than one year, or both such fine and imprisonment.

SEC. 1207. That as used in this title the term "taxable year" shall have the same meaning as provided for the purposes of income tax in section 200. The first taxable year for the purposes of this title shall be the period between 60 days after the passage of this act and December 31, 1919, both inclusive, or such portion of such period as is included within the fiscal year (as defined in section 200) of the taxpayer.

TITLE XIII.—GENERAL ADMINISTRATIVE PROVISIONS.

SEC. 1300. That hereafter the salary of the commissioner shall be $10,000 a year. The difference between the amount appropriated under existing law and the salary herein established shall, for the period between the passage of this act and July 1, 1919, be paid out of the appropriations for collecting internal revenue.

SEC. 1301. (a) That hereafter there may be employed in the Bureau of Internal Revenue, in lieu of the deputy commissioners whose salaries are now fixed by law, five deputy commissioners and an assistant to the commissioner, who shall each receive a salary of $5,000 a year, payable monthly. The assistant to the commissioner may be authorized by the commissioner to perform any duties which the deputy commissioners may perform under existing law.

(b) The salaries of collectors may be readjusted and increased under such regulations as may be prescribed by the commissioner, subject to the approval of the Secretary, but no collector shall receive a salary in excess of $6,000 a year.

(c) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1919, the sum of $7,500,000 for the expenses of assessing and collecting the internal-revenue taxes as provided in this act, including the employment of necessary officers, attorneys, experts, agents, inspectors, deputy collectors, clerks, janitors, and messengers, in the District of Columbia and the several collection districts, to be appointed as provided by law, telegraph and telephone service, rental and repair of quarters, postage, and the purchase of such supplies, equipment, furniture, mechanical devices, printing, stationery, law books and books of reference, not to exceed $500 for street car fares in the District of Columbia, and such other articles as may be necessary for use in the District of Columbia and the several collection districts: *Provided*, That not more than $2,750,000 of the total amount appropriated by this section may be expended in the Bureau of Internal Revenue, in the District of Columbia: *Provided further*, That not more than $60,000 of the total amount appropriated by this section may be expended for salaries and traveling expenses of members of an "advisory-tax board" to be appointed by the commissioner, with the approval of the Secretary. Under rules and regulations prescribed by the commissioner, with the approval of the Secretary, the secretary of the commissioner may, and on the request of any taxpayer directly interested shall, submit to the board any question relating to the interpretation or administration of the internal-revenue laws. Such board shall have the power to summon witnesses, to take testimony, administer oaths, and require any person to produce books, papers, documents, or other papers relating to any matter under investigation by the board. Such board may be continued for two years.

SEC. 1302. That all internal-revenue agents and inspectors shall be granted leave of absence with pay, which shall not be cumulative, not to exceed 30 days in any calendar year, under such regulations as the commissioner, with the approval of the Secretary, may prescribe.

SEC. 1303. (a) That there is hereby created a legislative drafting service under the direction of two draftsmen, one of whom shall be appointed by the President of the Senate, and one by the Speaker of the House of Representatives, without reference to political affiliations and solely on the ground of fitness to perform the duties of the office. Each draftsman shall receive a salary of $5,000 a year, payable monthly. The draftsmen shall, subject to the approval of the President of the Senate and the Speaker of the House of Representatives, employ and fix the compensation of such assistant draftsmen, clerks, and other employees, and purchase such furniture, office equipment, books, stationery, and other supplies, as may be necessary for the proper performance of the duties of the service and as may be appropriated for by Congress.

(b) The drafting service shall aid in drafting public bills and resolutions or amendments thereto on the request of any committee of either House of Congress, but the Library Committee of the Senate and the Library Committee of the House of Representatives, respectively, may determine the preference, if any, to be given to such requests of the committees of either House, respectively. The draftsmen shall, from time to time, prescribe rules and regulations for the conduct of the work of the service for the committees of each House, subject to the approval of the Library Committee of each House, respectively.

(c) For the remainder of the current fiscal year there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000, or so much thereof as may be necessary, for the purpose of defraying the expenses of the establishment and maintenance of the service, including the payment of salaries herein authorized. One-half of all appropriations for the service shall be disbursed by the Secretary of the Senate and one-half by the Clerk of the House of Representatives.

SEC. 1304. That there shall be levied, collected, and paid in the United States, upon articles coming into the United States from the Virgin Islands, a tax equal to the internal-revenue tax imposed in the United States upon like articles of domestic manufacture; such articles shipped from such islands to the United States shall be exempt from the payment of any tax imposed by the internal-revenue laws of such islands: *Provided*, That there shall be levied, collected, and paid in such islands, upon articles imported from the United States, a tax equal to the internal-revenue tax imposed in such islands upon like articles there manufactured; and such articles going into such islands from the United States shall be exempt from payment of any tax imposed by the internal-revenue laws of the United States.

SEC. 1305. That all administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this act, and every person liable to any tax imposed by this act, or for the collection thereof, shall keep such records and render, under oath, such statements and returns, and shall comply with such regulations as the commissioner, with the approval of the Secretary, may from time to time prescribe.

The commissioner, with the approval of the Secretary, may require any person, whether liable to tax or not, to file returns of income or such statements as may be deemed by him to be sufficient to show whether or not such person is so liable.

The commissioner, for the purpose of ascertaining the correctness of any return or for the purpose of making a return where none has been made, is hereby authorized, by any revenue agent or inspector designated by him for that purpose, to examine any books, papers, records, or memoranda bearing upon the matters required to be included in the return, and may require the attendance of the person rendering the return or of any officer or employee of such person, or the attendance of any other person having knowledge in the premises, and may take his testimony with reference to the matter required by law to be included in such return, with power to administer oaths to such person or persons.

SEC. 1306. That where floor taxes are imposed by this act in respect to articles or commodities, in respect to which the tax imposed by existing law has been paid, the person required by this act to pay the tax shall, within 30 days after its passage, make return under oath in such form and under such regulations as the commissioner, with the approval of the Secretary, shall prescribe. Payment of the tax shown to be due may be extended to a date not exceeding seven months from the passage of this act, upon the filing of a bond for payment in such form and amount and with such sureties as the commissioner, with the approval of the Secretary, may prescribe.

SEC. 1307. That in all cases where the method of collecting the tax imposed by this act is not specifically provided in this act, the tax shall be collected in such manner as the commissioner, with the approval of the Secretary, may prescribe. All administrative and penalty provisions of Title XI of this act, in so far as applicable, shall apply to the collection of any tax which the commissioner determines or prescribes shall be paid by stamp.

SEC. 1308. (a) That any person required under Titles V, VI, VII, VIII, IX, X, or XII, to pay, or to collect, account for, and pay over any tax, or required by law or regulations made under authority thereof to make a return or supply any information for the purposes of the computation, assessment, or collection of any such tax, who fails to pay, collect, or truly account for and pay over any such tax, make any such return or supply any such information at the time or times required by law or regulation shall in addition to other penalties provided by law be subject to a penalty of not more than $1,000.

(b) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax, make such return or supply such information at the time or times required by law or regulation, or who willfully attempts in any manner to evade such tax shall be guilty of a misdemeanor and in addition to other penalties provided by law shall be fined not more than $10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

(c) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax shall in addition to other penalties provided by law be liable to a penalty of the amount of the tax evaded, or not paid, collected, or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected: *Provided, however*, That no penalty shall be assessed under this subdivision for any offense for which a penalty may be assessed under authority of section 3176 of the Revised Statutes, as amended, or of section 605 or 620 of this act, or for any offense for which a penalty has been recovered under section 3256 of the Revised Statutes.

(d) The term "person" as used in this section includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

SEC. 1309. That the commissioner, with the approval of the secretary, is hereby authorized to make all needful rules and regulations for the enforcement of the provisions of this act.

The commissioner with such approval may by regulation provide that any return required by Titles V, VI, VII, VIII, IX, or X to be under oath may, if the amount of the tax covered thereby is not in excess of $10, be signed or acknowledged before two witnesses instead of under oath.

SEC. 1310. (a) That in the case of any overpayment or overcollection of any tax imposed by section 628 or 630 or by Title V, Title VIII, or Title IX, the person making such overpayment or overcollection may take credit therefor against taxes due upon any monthly return, and shall make refund of any excessive amount collected by him upon proper application by the person entitled thereto.

(b) Wherever in this act a tax is required to be paid by the purchaser to the vendor at the time of a sale, and such sale is made on credit, then, under regulations prescribed by the commissioner, with the approval of the secretary, the tax may, at the option of the vendor, be returned and paid by him to the United States as if paid to him by the purchaser at the time of the sale, and in such case the vendor shall have a right of action in any court of competent jurisdiction against the purchaser for the amount of the tax so returned and paid to the United States.

SEC. 1311. That where the rate of tax imposed by this act, payable by stamps, is an increase over previously existing rates, stamps on hand in the collectors' offices and in the Bureau of Internal Revenue may continue to be used until the supply on hand is exhausted, but shall be sold and accounted for at the rates provided by this act, and assessment shall be made against manufacturers and other taxpayers having such stamps on hand on the day this act takes effect for the difference between the amount paid for such stamps and the tax due at the rates provided by this act.

SEC. 1312. (1) That (a) if any person has prior to May 9, 1917, made a bona fide contract with a dealer for the sale or lease, after the tax takes effect, of any article in respect to which a tax is imposed under Titles VI, VII, or IX, or under subdivision 13 of Schedule A of Title XI, or under this subdivision, and (b) if such contract does not permit the adding of the whole of such tax to the amount to be paid under such contract, then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of such tax as is not so permitted to be added to the contract price. If a contract of the character above described was made with any person other than a dealer, the tax collected under this act shall be the tax in force on May 9, 1917.

(2) If (a) any person has prior to September 3, 1918, made a bona fide contract with a dealer for the sale or lease, after the tax takes effect, of any article in respect to which a tax is imposed under Titles VI, VII, or IX, or under subdivision 13 of Schedule A of Title XI, or under this subdivision, and in respect to which no corresponding tax was imposed by the revenue act of 1917, and (b) such contract does not permit the adding, to the amount to be paid under such contract, of the whole of the tax imposed by this act, then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of the tax imposed by this act, as is not so permitted to be added to the contract price. If a contract of the character above described was made with any person other than a dealer, no tax shall be collected under this act.

(3) If (a) any person has prior to September 3, 1918, made a bona fide contract with a dealer for the sale or lease, after the tax takes effect, of any article in respect to which a tax is imposed under Titles VI, VII, or IX, or under subdivision 13 of Schedule A of Title XI, or under this subdivision, and in respect to which a corresponding tax was imposed by the revenue act of 1917, and (b) such contract does not permit the adding, to the amount to be paid under such contract, of the whole of the difference between such tax and corresponding tax imposed by the revenue act of 1917, then the vendee or lessee shall, in lieu of the vendor or lessor, pay so much of such difference as is not so permitted to be added to the contract price. If a contract of the character above described was made with any person other than a dealer, the tax collected under this act shall be the tax in force on September 3, 1918.

(4) The taxes payable by the vendee or lessee under this section shall be paid to the vendor or lessor at the time the sale or lease is consummated, and collected, returned, and paid to the United States by such vendor or lessor in the same manner as provided in section 502.

(5) The term "dealer" as used in this section includes a vendee who purchases any article with intent to use it in the manufacture or production of another article intended for sale.

SEC. 1313. That in the payment of any tax under this act not payable by stamp a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

SEC. 1314. That collectors may receive, at par with an adjustment for accrued interest, certificates of indebtedness issued by the United States and uncertified checks in payment of income, war-profits, and excess-profits taxes, and any other taxes payable other than by stamp, during such time and under such regulations as the commissioner, with the approval of the Secretary, shall prescribe; but if a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions the same as if such check had not been tendered.

SEC. 1315. That section 3315 of the Revised Statutes, as amended, is hereby amended to read as follows:

"SEC. 3315. The Commissioner of Internal Revenue may, under regulations prescribed by him with the approval of the Secretary of the Treasury, issue stamps for restamping packages of distilled spirits, tobacco, cigars, snuff, cigarettes, fermented liquors, and wines which have been duly stamped but from which the stamps have been lost or destroyed by unavoidable accident."

SEC. 1316. (a) That section 3220 of the Revised Statutes is hereby amended to read as follows:

"SEC. 3220. The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized to remit, refund, and pay back all taxes erroneously or illegally assessed or collected, all penalties collected without authority, and all taxes that appear to be unjustly assessed or excessive in amount, or in any manner wrongfully collected; also to repay to any collector or deputy collector the full amount of such sums of money as may be recovered against him in any court, for any internal revenue taxes collected by him, with the cost and expenses of suit; also all damages and costs recovered against any assessor, assistant assessor, collector, deputy collector, agent, or inspector, in any suit brought against him by reason of anything done in the due performance of his official duty, and shall make report to Congress at the beginning of each regular session of Congress of all transactions under this section."

(b) Section 3225 of the Revised Statutes of the United States is hereby amended to read as follows:

"SEC. 3225. When a second assessment is made in case of any list, statement, or return, which in the opinion of the collector or deputy collector was false or fraudulent, or contained any understatement or undervaluation, such assessment shall not be remitted, nor shall taxes collected under such assessment be refunded, or paid back, or recovered by any suit, unless it is proved that such list, statement, or return was not willfully false or fraudulent and did not contain any willful understatement or undervaluation."

(c) That the paragraph of section 3689 of the Revised Statutes, as amended, reading as follows:

"Refunding taxes illegally collected (internal revenue): To refund and pay back duties erroneously or illegally assessed or collected under the internal-revenue laws," is hereby amended to read as follows:

"To refund and pay back duties or taxes erroneously or illegally assessed or collected under the internal-revenue laws, and to pay judgments, including interest and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal-revenue laws, notwithstanding any limitations imposed by the act of June 20, 1874."

SEC. 1317. That sections 3164, 3165, 3167, 3172, 3173, and 3176 of the Revised Statutes as amended are hereby amended to read as follows:

"SEC. 3164. It shall be the duty of every collector of internal revenue having knowledge of any willful violation of any law of the United States relating to the revenue, within 30 days after coming into possession of such knowledge, to file with the district attorney of the district in which any fine, penalty, or forfeiture may be incurred, a statement of all the facts and circumstances of the case within his knowledge, together with the names of the witnesses, setting forth the provisions of law believed to be so violated on which reliance may be had for condemnation or conviction.

"SEC. 3165. Every collector, deputy collector, internal-revenue agent, and internal-revenue officer assigned to duty under an internal-revenue agent, is authorized to administer oaths and to take evidence touching any part of the administration of the internal-revenue laws with which he is charged, or where such oaths and evidence are authorized by law or regulation authorized by law to be taken.

"SEC. 3167. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or to make known in any manner whatever not provided by law to any person the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law any income return, or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court; and if the offender be an officer or employee of the United States he shall be dismissed from office or discharged from employment.

"SEC. 3172. Every collector shall, from time to time, cause his deputies to proceed through every part of his district and inquire after and concerning all persons therein who are liable to pay any internal-revenue tax, and all persons owning or having the care and management of any objects liable to pay any tax, and to make a list of such persons and enumerate said objects.

"SEC. 3173. It shall be the duty of any person, partnership, firm, association, or corporation, made liable to any duty, special tax, or other tax imposed by law, when not otherwise provided for, (1) in case of a special tax, on or before the 31st day of July in each year, and (2) in other cases before the day on which the taxes accrue, to make a list or return, verified by oath, to the collector or a deputy collector of the district where located, of the articles or objects, including the quantity of goods, wares, and merchandise, made or sold and charged with a tax, the several rates and aggregate amount, according to the forms and regulations to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, for which such person, partnership, firm, association, or corporation is liable: *Provided*, That if any person liable to pay any duty or tax, or owning, possessing, or having the care or management of property, goods, wares, and merchandise, article or objects liable to pay any duty, tax, or license, shall fail to make and exhibit a list or return required by law, but shall consent to disclose the particulars of any and all the property, goods, wares, and merchandise, articles, and objects liable to pay any duty or tax, or any business or occupation liable to pay any tax as aforesaid, then, and in that case, it shall be the duty of the collector or deputy collector to make such list or return, which, being distinctly read, consented to, and signed and verified by oath by the person so owning, possessing, or having the care and management as aforesaid, may be received as the list of such person: *Provided further*, That in case no annual list or return has been rendered by such person to the collector or deputy collector as required by law, and the person shall be absent from his or her residence or place of business at the time the collector or a deputy collector shall call for the annual list or return, it shall be the duty of such collector or deputy collector to leave at such place of residence or business, with some one of suitable age and discretion, if such be present, otherwise to deposit in the nearest post office, a note or memorandum addressed to such person, requiring him or her to render to such collector or deputy collector the list or return required by law within 10 days from the date of such note or memorandum, verified by oath. And if any person, on being notified or required as aforesaid, shall refuse or neglect to render such list or return within the time required as aforesaid, or whenever any person who is required to deliver a monthly or other return of objects subject to tax fails to do so at the time required, or delivers any return which, in the opinion of the collector, is erroneous, false, or fraudulent, or contains any undervaluation or understatement, or refuses to allow any regularly authorized Government officer to examine the books of such person, firm, or corporation, it shall be lawful for the collector to summon such person, or any other person having possession, custody, or care of books of account containing entries relating to the business of such person or any other person he may deem proper, to appear before him and produce such books at a time and place named in the summons, and to give testimony or answer interrogatories, under oath, respecting any objects or income liable to tax or the returns thereof. The collector may summon any person residing or found within the State or Territory in which his district lies; and when the person intended to be summoned does not reside and can not be found within such State or Territory, he may enter any collection district where such person may be found and there make the examination herein authorized. And to this end he may there exercise all the authority which he might law-

fully exercise in the district for which he was commissioned: *Provided*, That 'person,' as used in this section, shall be construed to include any corporation, joint-stock company or association, or insurance company when such construction is necessary to carry out its provisions.

"SEC. 3176. If any person, corporation, company, or association fails to make and file a return or list at the time prescribed by law or by regulation made under authority of law, or makes, willfully or otherwise, a false or fraudulent return or list, the collector or deputy collector shall make the return or list from his own knowledge and from such information as he can obtain through testimony or otherwise. In any such case the commissioner may, from his own knowledge and from such information as he can obtain through testimony or otherwise, make a return or amend any return made by a collector or deputy collector. Any return or list so made and subscribed by the commissioner, or by a collector or deputy collector and approved by the commissioner, shall be prima facie good and sufficient for all legal purposes.

"If the failure to file a return or list is due to sickness or absence, the collector may allow such further time, not exceeding 30 days, for making and filing the return or list as he deems proper.

"The Commissioner of Internal Revenue shall determine and assess all taxes, other than stamp taxes, as to which returns or lists are so made under the provisions of this section. In case of any failure to make and file a return or list within the time prescribed by law, or prescribed by the Commissioner of Internal Revenue or the collector in pursuance of law, the Commissioner of Internal Revenue shall add to the tax 25 per cent of its amount, except that when a return is filed after such time and it is shown that the failure to file it was due to a reasonable cause and not to willful neglect, no such addition shall be made to the tax. In case a false or fraudulent return or list is willfully made, the Commissioner of Internal Revenue shall add to the tax 50 per cent of its amount.

"The amount so added to any tax shall be collected at the same time and in the same manner and as part of the tax unless the tax has been paid before the discovery of the neglect, falsity, or fraud, in which case the amount so added shall be collected in the same manner as the tax."

SEC. 1318. That if any person is summoned under this act to appear, to testify, or to produce books, papers, or other data, the district court of the United States for the district in which such person resides shall have jurisdiction by appropriate process to compel such attendance, testimony, or production of books, papers, or other data.

The district courts of the United States are hereby invested with such jurisdiction to make and issue, both in actions at law and suits in equity, writs and orders of injunction, and of ne exeat republica, orders appointing receivers, and such other orders and process, and to render such judgments and decrees, granting in proper cases both legal and equitable relief together, as may be necessary or appropriate for the enforcement of the provisions of this act. The remedies hereby provided are in addition to and not exclusive of any and all other remedies of the United States in such courts or otherwise to enforce such provisions.

SEC. 1319. That whoever in connection with the sale or lease, or offer for sale or lease, of any article, or for the purpose of making such sale or lease, makes any statement, written or oral, (1) intended or calculated to lead any person to believe that any part of the price at which such article is sold or leased, or offered for sale or lease, consists of a tax imposed under the authority of the United States, or (2) ascribing a particular part of such price to a tax imposed under the authority of the United States, knowing that such statement is false or that the tax is not so great as the portion of such price ascribed to such tax, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or by imprisonment not exceeding one year, or both.

SEC. 1320. That wherever by the laws of the United States or regulations made pursuant thereto any person is required to furnish surety or sureties on any bond, such person may, in lieu of surety or sureties, and under regulations prescribed by the Secretary, deposit with the United States an amount of bonds of the United States issued after April 24, 1917, equal to the amount of such bond, together with an agreement authorizing the United States to sell such bonds in case of any default in payment of the bond. In the discretion of the official having authority to approve the bond, such bonds may be deposited with a Subtreasury, Government depository, Federal reserve bank or member bank, which shall issue its receipt therefor, describing the bonds deposited. As soon as the bond becomes void and of no effect such bonds shall be returned to the depositor.

TITLE XIV.—GENERAL PROVISIONS.

SEC. 1400. (a) That the following parts of acts are hereby repealed, subject to the limitations provided in subdivision (b):

(1) The following titles of the revenue act of 1916:

Title I (called "Income tax").
Title II (called "Estate tax").
Title III (called "Munitions manufacturers' tax"), as amended.
Title IV (called "Miscellaneous taxes").

(2) The following parts of the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917:

Title III (called "Estate tax").
Section 402 (called "Returns of dividends").

(3) The following titles of the revenue act of 1917:

Title I (called "War income tax").
Title II (called "War excess-profits tax").
Title III (called "War Tax on Beverages");
Title IV (called "War Tax on Cigars, Tobacco, and Manufactures Thereof");
Title V (called "War Tax on Facilities Furnished by Public Utilities, and Insurance");
Title VI (called "War Excise Taxes");
Title VII (called "War Tax on Admissions and Dues");
Title VIII (called "War Stamp Taxes");
Title IX (called "War Estate Tax");
Title X (called "Administrative Provisions");
Title XII (called "Income-Tax Amendments").

(*b*) Such parts of acts shall remain in force for the assessment and collection of all taxes which have accrued thereunder, and for the imposition and collection of all penalties or forfeitures which have accrued and may accrue in relation to any such taxes, and except that the unexpended balance of any appropriation heretofore made and now available for the administration of any such part of an Act shall be available for the administration of this act or the corresponding provision thereof: *Provided*, That, except as otherwise provided in this Act, no taxes shall be collected under Title I of the revenue act of 1916 as amended by the revenue act of 1917, or Title I or II of the revenue act of 1917, in respect to any period after December 31, 1917: *Provided further*, That the assessment and the collection of all estate taxes by the United States or by the collector from the executor of the decedent or out of the property of the decedent, and the imposition and collection of all penalties or forfeitures, which have accrued under Title II of the revenue act of 1916 as amended by the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917, or Title IX of the revenue act of 1917, shall be according to the provisions of Title IV of this act.

In the case of any tax imposed by any part of an act herein repealed, if there is a tax imposed by this act in lieu thereof, the provision imposing such tax shall remain in force until the corresponding tax under this act takes effect under the provisions of this act.

Title I of the revenue act of 1916 as amended by the revenue act of 1917 shall remain in force for the assessment and collection of the income tax in Porto Rico and the Philippine Islands, except as may be otherwise provided by their respective legislatures.

SEC. 1401. That section 1100 of the revenue act of 1917 is hereby repealed, to take effect on July 1, 1919, and thereafter the rate of postage on all mail matter of the first class shall be the same as the rate in force on October 2, 1917: *Provided*, That letters written and mailed by soldiers, sailors, and marines assigned to duty in a foreign country engaged in the present war may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.

Section 1107 of such act is hereby repealed, to take effect July 11, 1919. Except as modified by this act, all of the provisions of Title XI of the revenue act of 1917 shall remain in force.

(*c*) This section shall take effect July 1, 1919.

SEC. 1403. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment has been rendered.

SEC. 1404. That the revenue act of 1916 is hereby amended by adding at the end thereof a section to read as follows:

"SEC. 903. That this act may be cited as the 'Revenue act of 1916.'"

SEC. 1405. That the revenue act of 1917 is hereby amended by adding at the end thereof a section to read as follows:

"SEC. 1303. That this act may be cited as the 'Revenue act of 1917.'"

SEC. 1406. That this act may be cited as the "Revenue act of 1918."

SEC. 1407. That unless otherwise herein specially provided this act shall take effect on the day following its passage.

Mr. LA FOLLETTE. Mr. President, there are two objections to the pending bill:

First. It does not raise enough revenue.

Second. It does not distribute the tax burden fairly.

I do not intend in the present discussion to repeat the argument which I submitted to the Senate in support of a wise and just policy of war finance when the last revenue bill was before this body in 1917. It is enough to say that substantially all economists agree that war should be financed solely by taxation, never by loans.

It is no answer to the soundness of their reasoning to assert that wars generally have been financed more largely by borrowing than by taxation. It is true, Mr. President, that wealth, which has had much to do with bringing on all wars, is potential enough to control the legislation that shall finance wars.

It has been well said, sir, by the great body of economists of the United States—representing practically every great university and college under our flag, in a petition signed by more than 300 of those leading economists, submitted to the Congress that—

> The policy of borrowing within the country itself does not shift any part of the Nation's burden of war expenditures from the present to the future. All it does is to make possible a different distribution of the burden among individuals and social classes, to permit repayment to certain persons who have contributed income during the war by other persons after the war.
>
> The policy of taxation for war expenditures is demanded by justice. Apart from the injustice arising from price inflation (resulting from large Government loans), the policy of paying for the war by bond issues gives property a preference over life; it deals unjustly as between citizen and citizens.
>
> The question of taxation versus bonds is not merely one of economics; it is one of morals, of right against wrong.

Wealth, which profits on of war, has had no time, sir, for the consideration of scientific government finance, which from Adam Smith down through all the great students of that great science to the leading men of our own time lays down as a sound, as a just, proposition to begin with, that all wars should be paid for as you go by taxing wealth, rather than by selling bonds and levying upon the labor of the future to pay the interest and the principal of the bonds; and, second, that the expenditures of war should be paid for as you go as a sound, business, financial proposition for the Government itself. And that, sir, is confirmed by all history.

Returning to the point from which I digressed, from this petition:

> The citizen who contributes even his entire income, beyond what is necessary to subsistence itself, does less than the citizen who contributes himself to the nation.

But, Mr. President, while I do not purpose to reargue that issue at this time I must here and now, and shall at all times, maintain that the cost of this war and the cost of all wars

should be paid wholly or in the larger part by taxation and that bond issues should be held down to the lowest possible minimum. This is required by the principles which should govern the just distribution of the burdens of war and is demanded as a wise and sound policy of Government finance in time of war.

EXCESSIVE BOND ISSUES BEAR HEAVILY ON PEOPLE.

I am not going to follow, Mr. President, now as I did when the tax bill of 1917 was pending before this body, step by step, the history of the financing of various wars in which the United States has been engaged. It was futile then so far as votes in the Senate were concerned, and I understand perfectly well that it would be futile now. I demonstrated then the peril of raising the money to finance the war by bond issues. You may get along with that policy all right at the time. But if you do succeed in conducting the war on the credit plan the trouble is sure to come later. As a result of pursuing the same policy that we are pursuing now in financing this war we narrowly escaped financial collapse in previous wars of this country, the War of 1812, the war of 1846, and the war of 1861, the expenditures of which were but a pittance compared with those with which we are dealing now.

I am not going to reargue that question. The Senate considered it at that time. I plead with you then to inaugurate the right kind of a plan of taxation at the beginning of this war, knowing full well, if we started out on a policy of taxing too little and borrowing too much, that it would be carried on throughout the war.

Anything that I said at that time did not prevail; anything that I say now I have no expectation will prevail with the Senate. But, sir, it has been the political and the public-service policy of my life to pursue principle, regardless of results; and when I put my hand to the plow I go straight through to the end of the furrow.

We tiptoe around this question of taxing incomes. I do not know as to the mail of other Senators at the present time, but I know that my own mail daily, many times a day, comes to the office loaded with appeals from the families of soldiers who are suffering because the allowances and the insurance have not been paid. Sir, when imposing these taxes upon incomes and war profits we ought to remember that the family that gives up the father and the sons at the call of the Government gives up absolutely all it has, gives up not only its income-producing power, but in giving up the father and the sons it gives up its capital as well as its income-producing power. And yet you balk at taking less in income taxes than is imposed upon incomes in Great Britain, except in the case of the incomes of the few very rich. These are not taxed as high in England, for the very rich made the income tax of Great Britain.

Commenting on the narrow escape from financial disaster which we experienced as a result of the mistaken policy pursued in financing the Civil War, Prof. Henry C. Adams, in his excellent work on Public Debt, says:

> An adequate policy for the management of war finances is a tax policy, assisted by credits, rather than a credit policy assisted by taxation.

When the revenue bill of 1917 was before the Senate I pointed out that the revenue act of that year was wholly insufficient to meet the requirements of the Government for the taxable year and that the only result of adopting the measure would be one bond sale after another by the Government, with all of the hardships resulting to the people from the vastly increased cost of living, as well as the danger in which it would ultimately involve our entire financial system. It is in no captious spirit that I refer to this matter. I make reference to it at all only to show that had the arguments been heeded which were then urged by the minority we would have laid the foundation for a just plan of taxation and one which would prove a protection and a safeguard to us in the great financial stress we are sure to encounter when the period of readjustment and depression incident to the waste and destruction of this war comes upon us finally.

LARGE EXPENDITURES SHOULD HAVE BEEN FORESEEN.

The inadequacy of the present revenue act is attempted to be excused at this time on the ground that unforeseen contingencies caused greater expenditures than were anticipated, and that, while the rates of taxation in the law of 1917 were justified by the then known facts, experience has shown that money enough was not raised.

I know of nothing which has occurred since the revenue act of last year was framed and passed which should not have been foreseen, and nothing whereby the expenses of the Government were increased over the amount which it should have been reasonably expected we would have to meet. We then stood pledged "to our last dollar and our last man" to win the war. We then expected a war longer by at least a year than it has proved to be. Our list of casualties and wounded is truly appalling, but that must have been expected when we entered upon the war. There was never any limit placed upon the number of men or the quantity of munitions we would send to Europe, and the amount of money we would loan to the allies was measured by necessity only. We were to loan the money necessary and send the men and munitions necessary to win the war. That was what every Senator looked forward to, and every Senator knows that by the unexpected breaking of the German war machine we have come out of the war at least a year earlier than we at that time had reason to expect, with the consequent saving of billions of dollars.

No, Mr. President; we can not excuse the now admitted inadequacies of the last revenue act on the ground that we have had to meet unexpected expenses. The fact is that the act of 1917 failed to properly tax war profits and excessive incomes, and subsequent events have only proven what we then knew or should have known.

At the time we framed the revenue bill of 1917 the facts were before us, or could have been obtained, by which the expenditures of the Government for the then taxable year could have at least been approximated with reasonable certainty and something at least approaching a proper rate of taxation could have been adopted.

It will be recalled, without my going into the figures in detail, that when in August of last year the revenue bill was reported to the Senate it was accompanied by a report from the Committee on Finance estimating the expenditures for the fiscal year 1918 at $5,693,000,000, and estimating receipts from various sources at amounts which left additional revenue necessary to be raised by taxation or a further bond issue at $1,943,458,000, and it was further estimated that the bill would produce something over $2,000,000,000.

In the minority report presented at that time these figures and estimates were controverted, and in that report it was said:

> At the very least our people must raise in excess of $13,000,000,000 to be expended in the present fiscal year, even if the war should stop then.

That statement is verified by the report of the Secretary of the Treasury for 1918. That report states that the expenditures on account of war for the fiscal year ending June 30, 1918, were $13,196,071,287.40. As I understand it, between four and five billion of this amount is represented in loans to the allies. But in the meantime another half year has passed, with expenses mounting at the rate of a billion or more a month, and we are now face to face with the difficulty involved in raising the money to finance the Government for another year.

How are we to meet this situation?

The Secretary of the Treasury informed us when before the Finance Committee that our people have already subscribed for bonds aggregating $17,968,340,000, as follows:

First loan	$2,000,000,000
Second loan	3,808,776,150
Third loan	4,176,516,850
Fourth loan	6,989,047,000

In addition, war savings stamps have been sold and issued amounting to $800,000,000, or a total of $18,768,340,000.

A vast amount of money, sir, has been drawn from the people by the Government loans already made. Many people under the pressure of the times borrowed to buy Government bonds. They must earn the money to pay their debts. A period of reaction is at hand. Hundreds of thousands of men in the change from war to peace will be out of employment. Tens of thousands of them are out of employment now. The streets of our great cities are thronged with men looking for employment. The conditions under which we have financed the war are on the threshold of a mighty change. It occurs to me that Senators would do well to take that into account.

PENDING BILL WILL NOT RAISE SUFFICIENT REVENUE.

Now, what does the present bill propose? It proposes to raise less than $6,000,000,000 by taxation to meet the expenses of the Government for the taxable year. The total disbursements for the fiscal year 1918 are given in the report of the Secretary of the Treasury for the year 1918 at $21,813,356,508.39. The former Secretary of the Treasury stated before the Finance Committee but a few days ago that we will expend for the year ending June 30, 1919, at least $18,000,000,000. Not a fact has ever been given by anyone which attempts to show that the expenditures of the Government for the fiscal year 1919 will be less than those of 1918. For at least a portion of the fiscal year 1919 we know they will be proportionately larger, and I here venture the opinion that they will be nearer $22,000,000,000 than $18,000,000,000. How is the Government going to float loans covering the next 12 months of from ten to twelve billion dollars of bonds, probably more, in addition to those already taken?

How is it going to do it, especially if it has not properly taxed wealth and war profits? We can, of course, pass this bill, wash our hands of the matter, and hope that in the next few months something will turn up, or that the people will continue to buy the bonds of the Government; but we must consider more than next year.

Beyond that is the next and the next and the next year, during which time all experience shows there will be comparatively little decrease in the disbursements of the Government. Gentlemen seem to be proceeding upon the theory that with the passing of the present or, at most, the next year our disbursements will shrink to something approaching normal conditions and that we may then enter upon the liquidation of our giant indebtedness without too great hardship.

But, sir, nothing is further from the truth than that assumption, as shown by the experience of this country in each one of its wars. For the purpose of illustrating our experience in other wars I have prepared a table showing the total disbursements of the Government for the year preceding the War of 1812, the Mexican War, and the Civil War, and also the total disbursements of the Government of each of the years of those wars and for a period of five years or more after peace was concluded.

ADMINISTRATION'S POLICY IS CONTRARY TO EXPERIENCE.

The War of 1812 began June 19, 1812, and ended with the treaty of Ghent on December 24, 1814. The treaty of peace was dated almost at the conclusion of the calendar year 1814.

Now, Senators, note the expenses year by year. In 1811 the normal or peace time expenses of this Government amounted to $14,110,525.59. In 1812 the expenses rose to $22,831,595.68. In 1813 the expenses were $37,825,932.08. In 1814 they were one million less. Now, mark you, in 1815, the first year of peace, they rose from $37,000,000 to $40,326,248.96.

Senators upon the other side of the Chamber who voted for a reduction of taxation in 1919 on the assumption that the cost of this war was to begin to diminish rapidly by that time did not take into account our experience in other wars.

The first year of peace following the War of 1812 the disbursements of the Government were $3,000,000 more than they were the last year of the war.

Let us go a step further. Let us look at the history of this country in the years succeeding other wars. I have just given you the amount of Government expenditures the first year of peace following the War of 1812. It jumped $3,000,000 above the last year of the war instead of falling below it. The policy of Mr. McAdoo and the other members of the administration in fixing the tax at $4,000,000,000 for the next year, instead of $6,000,000,000, is contrary to the history of the Mexican War. It can not be possible that you did not know that history, and that you were playing politics. It is unbelievable that you thought it would be clear political management to reduce the taxes for next year, just as you are about to lose control of Congress, and throw upon a Republican Congress the onus of increasing taxes or selling bonds to raise money in a time of peace.

In 1815, the first year of peace after the War with Great Britain, the disbursements were $3,000,000 more than they were the last year of the war. Now, let us see about the next year. In 1816, the second year after the war, they were $49,052,370.66, or $12,000,000 more than they were the last year of the war. You were planning in this bill for a tremendous shrinkage of expenditures and disbursements, and you are proposing in this bill and carrying it through the Senate by a party vote that there shall be levied next year only $4,000,000,000 of taxation. Is it possible that you are willing to go on record as being in favor of excessive bond issues, creating inflation, imposing on the people the increased costs in the living sure to result from the inflation attending large bond sales?

Mr. SMITH of Georgia. Will the Senator allow me?

Mr. LA FOLLETTE. Certainly.

Mr. SMITH of Georgia. I have been listening with a great deal of pleasure to the Senator. Whatever the figures may have been with reference to the other wars, I have not any doubt myself that the expenses will be less in 1920. I know the Army will be disbanded; and that expenditure will be gone. I know this enormous construction will decrease; I do not see how it is possible that the expenses in 1920 can be anything like what they will be this year if we manage our affairs well.

Mr. LA FOLLETTE. Yes, Mr. President; of course, I am sure that the Senator does not. I know he must have followed that line of reasoning or else he could not have voted as he did.

He probably did not have in mind the history of the expenditures following these other wars. There is not a single war to which our Government has been a party in which for the first year following the close of the war it did not cost nearly as much or more for the settlement of the debts of the war than the last year of the active military operation.

Mr. SMITH of Georgia. Will the Senator allow me further?

Mr. LA FOLLETTE. Certainly.

Mr. SMITH of Georgia. Without any regard to what took place after those other wars, from my own knowledge of what we have to pay next year and what we will not have to pay in 1920, I still believe the expenses in 1920 ought to be vastly less than those of 1919.

Mr. LA FOLLETTE. I thought the Senator believed it. If he did not so believe he would not have voted as he did.

Mr. SMITH of Georgia. I would not.

Mr. LA FOLLETTE. I am sure he would not.

Mr. SMITH of Georgia. So far as I know I was the first person to advocate the reduction of taxes for 1919 payable in 1920. I did it because I thought as a member of the Military Committee I knew what the expenses would be next year, and I knew that they ought not to be any more in 1920.

Mr. LA FOLLETTE. Let me say to the Senator that in every other war the armies were demobilized immediately after the war closed. You know that in this war we are not to demobilize a large part of our Army at all. We are told it is the plan to keep from one million to a million and a half men in Europe for an unknown period. There is a wide difference between the conclusion of this war and other wars. So I refer to these statistics and every one of those facts as being against the Senator's contention of a relatively large reduction of expenses.

Mr. SMITH of Georgia. The Senator does not mean that we are to keep them after 1919 in Europe?

Mr. LA FOLLETTE. We do not know. When the Secretary of War was before the Committee on Finance he said he did not know how long they were to be kept over there; that it depended upon the conditions abroad; that he was going to keep 32 divisions over there until the conditions changed.

Mr. SMITH of Georgia. Will it not require legislation by Congress to keep them more than four months after the war ends?

Mr. LA FOLLETTE. Oh, Mr. President, what has that to do with it? Does the Senator doubt that Congress will bend its knee whenever the administration calls upon it for a change in legislation and for appropriations to meet the change? Has Congress shown any independence in the matter of yielding to the administration when it asked it to appropriate for expenditures for the War Department or for any other department? If the administration without any action on the part of Congress should attempt to use the Army of the United States abroad in countries with which we have not declared war, I have not any doubt but that Congress would vote money to provide for those armies. It has been, Mr. President, of all the Congresses in the history of this Government the most subservient to the will of the administration.

So it is no answer to say that they must come back to Congress for what they wish to have appropriated. If Congress should have an awakening, if Congress should get a grip on itself, if Congress should really become an independent coordinate branch of this Government, as was intended under the Constitution, then the record it has been making since we declared war would have to be radically changed. Since that time Congress has been doing the behest of this administration without any independent judgment or mind upon anything.

Mr. KING. Will the Senator yield for just a moment?

Mr. LA FOLLETTE. Certainly.

Mr. KING. The Senator was administering rather a rebuke to this side of the Chamber because the tax for the current year was fixed at $4,000,000,000. The Senator thought that that was too low. I am inclined to think the Senator is right in that observation, but may I not suggest to my friend that his side of the Chamber has not proposed an amendment to the bill increasing it above the $4,000,000,000 mark. So, if we are to be criticized for not levying a tax in excess of $4,000,000,000, I think my friend, in justice, ought to criticize the other side of the Chamber because they have not proposed an amendment augmenting the amount.

Mr. LA FOLLETTE. I wish to be perfectly fair, as the Senator from Utah, I think, will believe. If the amendment to which he refers, against the adoption of which this side of the Chamber contended, had been stricken from the bill, the bill would have stood at $6,000,000,000 and no other amendment would have been necessary.

Mr. KING. As I understood the contention of the minority——

Mr. LA FOLLETTE. I think I am right about that.

Mr. KING. I may be wrong; but my understanding of the contention of the minority was that we ought not to levy a

tax at all for the fiscal year ending June 30, 1920, but that we ought to be convened in special session in March or April of the coming year and lay the taxes for the fiscal year ending in 1920.

Mr. LA FOLLETTE. That may have been the effect of the argument made before the Senate; but if the committee amendment had been rejected the tax levy for next year would have stood at $6,000,000,000.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. NUGENT in the chair). Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I do.

Mr. NORRIS. I heard what the Senator from Wisconsin said, but I could not hear what the Senator from Utah said. I do not want to permit to go unchallenged the statement that the minority were not in favor of levying any taxes at all for the next year. The bill was in such a shape that if that amendment—that I presume the Senator was speaking about as I came into the Chamber—had not been put on the bill there would have been the same tax for the next year that we are levying for this year.

Mr. LA FOLLETTE. I submit that is the parliamentary situation.

Mr. NORRIS. That is the parliamentary situation in the Senate.

Mr. SMITH of Georgia. I do not think there is any doubt about that.

Mr. LA FOLLETTE. Of course, that would be the fact.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I do.

Mr. NORRIS. The tax carried by the bill would have remained on the statute books until changed.

Mr. SMITH of Georgia. If the Senator will yield to me, undoubtedly that is true, and that is what he insisted upon, that we were fixing a tax for 1919 and 1920 and indefinitely unless we modified it.

Mr. LA FOLLETTE. Exactly.

Mr. SMITH of Georgia. And as we did not need by $2,000,000,000 that sum for 1920, we ought in this bill to say so.

Mr. LA FOLLETTE. I understand that was the argument of Senators upon the other side.

Mr. SMITH of Georgia. The only objection from the other side that I have heard was that we did not continue $6,000,000,000 as a tax; and in the discussion heretofore on the floor of the Senate it was not suggested that you desired to maintain a $6,000,000,000 tax, but that the majority desired to say later on next year——

Mr. LA FOLLETTE. What the tax should be.

Mr. SMITH of Georgia. How the $2,000,000,000 should be taken care of, the objection being, and it was not merely the objection of the Senator from Wisconsin, that we left the excess-profits tax, and it ought to come off altogether. I do not mean that they were influenced by the Senator from Nebraska or the Senator from Wisconsin. I have no doubt there are several Senators on the other side who were not in any way influenced by that view, but that was the line of discussion that we met in opposition.

Mr. NORRIS. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I yield to the Senator from Nebraska.

Mr. NORRIS. The situation is this: A bill came into the Senate, and then the Senate Committee on Finance proposed an amendment that would lower the tax after the bill should have been in operation for one year. To that I was opposed, and to that, I think, there was a solid vote in opposition on this side. It may be that some were moved by one theory and some by another, but the fact remains that, if that amendment had not been put on, and if nothing had been said about any succeeding year, the bill would have remained in force at the $6,000,000,000 amount indefinitely——

Mr. SMITH of Georgia. Undoubtedly.

Mr. NORRIS. Unless it had been changed by some subsequent act of legislation. So far as I am concerned, I should rather have increased the $6,000,000,000. We know that we shall not have money enough in either one of these years to pay the obligations of the Government, and it seems to me personally, although I did not take any part in the argument, that it is poor policy for the Government to lower the tax now for a year that is to come, when we know that during that year and during this year we are not going to raise money enough by taxes, but shall have to issue bonds.

Mr. LA FOLLETTE. Yes, Mr. President; if I might supplement what the Senator from Nebraska is now saying, and when we know that the sources from which we might take large revenues——

Mr. NORRIS. Are going to disappear.

Mr. LA FOLLETTE. That have made enormous profits out of the war are going to disappear in the next year or two.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Georgia?

Mr. LA FOLLETTE. I yield.

Mr. SMITH of Georgia. I wish again to express my full agreement with the Senator from Nebraska [Mr. NORRIS] as to what would have been the effect of this bill if this modification had not been made. I only wish to repeat that that objection to the modification has been presented, so far as I have heard, to-night for the first time, and it was not the objection which I understood influenced the majority of those opposed to it. I am not surprised to know that that objection influenced the Senator from Nebraska, and I knew that it influenced the Senator from Wisconsin, for I understood their views on the subject of meeting the expenses of the Government more rapidly by heavier taxation.

Mr. LA FOLLETTE. Than by heavy bond issues.

Mr. STERLING. Mr. President, will the Senator from Wisconsin yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. LA FOLLETTE. I yield to the Senator.

Mr. STERLING. As I understood the Senator from Georgia [Mr. SMITH], he said that the suggestion had not come from this side of the Chamber that the expenses of the Government for the year 1920 would exceed the amount provided for by the pending bill.

Mr. SMITH of Georgia. No; that is not exactly what I said. I said that I had not heard from that side of the Chamber that they were unwilling for the tax of $6,000,000,000 to be continued for 1919–20. They agreed that it should be reduced, but they desired it reduced when the new Congress came in.

Mr. STERLING. Mr. President, I should like to read a part of what the Senator from Utah [Mr. SMOOT] said as to the amount that would probably be needed in the fiscal year 1920. His statement was as follows. I read from page 492 of the RECORD:

> Mr. SMOOT. Under the pending bill the estimated receipts for the fiscal year ending June 30, 1919, are $5,987,406,000. That is to be collected on business for the year 1918 during the calendar year 1919. I am discussing the question as to the amount of taxes we shall raise on the business of 1919 to pay the expenditures of the Government beginning July 1, 1919, and ending June 30, 1920. They are two separate and distinct propositions, and I want Senators to know that they are distinct propositions. I want the people of the country to know the amount of money we shall have to raise in some way to meet the expenditures for the fiscal year ending June 30, 1920, will be at least $10,000,000,000.

I have read this, because while the Senator from Georgia says that he did not say exactly what I had thought, yet the impression was left, I think, that there had been no contention on this side that more than $4,000,000,000 would be needed.

Mr. LA FOLLETTE. Mr. President, I proceed to derive from the history of our previous wars such light as experience can furnish to guide the Senate at this time. The Senate will shut its eyes to the light. I know that perfectly well, but I am going to set it before Senators. I am going to put the lamp at their feet, and then let them go blindly on in the other direction if they choose to do so. However, here is what the history of all other wars tells us. Just how we are going to reduce expenditures more rapidly in this than we have in other wars I should be glad to be enlightened.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. LA FOLLETTE. I do.

Mr. STERLING. For information more than anything else, I should like to ask the Senator from Wisconsin a question or two along this line. How many enlisted men and officers does the Senator from Wisconsin believe will be demobilized and discharged from service within the next few months?

Mr. LA FOLLETTE. Well, Mr. President, I think perhaps I am not betraying any confidential communication, for I do not remember that the Secretary of War imposed any restrictions upon us when he was before the Committee on Finance, when he said that at the extreme limit we had over there 42 divisions of troops, and that it was the purpose of the Government to keep 32 divisions there; that just how long they would be kept there would depend entirely upon conditions; that was indefinite; and he could say nothing further about it; but that for the present it was the plan of the Government to bring back the difference between 42—I am stating my recollection

of the figures—and 32 divisions; that after the troops in the cantonments had been demobilized upon this side that it was the purpose to use these camps for the reception of troops brought back from overseas and for their demobilization as the business of the department would permit.

Mr. STERLING. I mention this, Mr. President, because I am somewhat startled at the statement of the Senator from Wisconsin to the effect that the expenses for the year after the war—and I take it that that means after demobilization also; I think it is fair to construe it in that light—will be greater than the expenses during the war.

I have figured on this basis, somewhat hurriedly, that there will be at least 1,500,000 men demobilized and discharged and out of the pay of the Government within that time, or very soon. Now, that number of men at $30 a month—and that is the minimum for the enlisted men, and does not include the officers—will be $45,000,000 for one month; for the year it will be $540,000,000. That is for pay alone.

Now, I take it that subsistence itself will cost as much as the monthly wages will amount to; and that would be $540,000,000, or a total of $1,080,000,000 in the year after the demobilization of 1,500,000 men. It is a little hard for me to understand where the rest of the extraordinary expenses come in after the demobilization.

Mr. LA FOLLETTE. Mr. President, I can understand the Senator's point of view. He is merely considering the saving from partial demobilization and nothing else connected with the cost of war; but if he knew that in the last year of the War of 1812 we had demobilized the troops and yet it was the most expensive year of that war, it might suggest to him that there were other things to take into account aside from the discharge of the men from the service.

Then if he knew, furthermore, our experience following our other wars proved the same thing as to the difficulties encountered in reducing the higher levels of war expenditure, perhaps he would conclude that there were quite a number of things outside of the demobilization of the troops to be taken into account.

Furthermore, with regard to the Civil War, if the Senator knew that the troops were almost entirely demobilized within two or three months after the war was over and that it appears that we are to keep at least a million and a half of our men in Europe for an unknown period, he might possibly think that his figures would stand revision.

Mr. STERLING. I am counting on that, I will say to the Senator from Wisconsin; but I still find what I have stated to be the result of the demobilization of that many men.

Mr. LA FOLLETTE. Mr. President, I now resume where I was interrupted.

I said a moment ago that I did not expect to be able to impress the Senate with the result of the history of previous wars; I do not; but I am going to put it into the RECORD. I think it may serve as a warning to the country of what is to follow after this war.

In 1815, the first year of peace following the War of 1812, the expenditures rose to $40,326,248.96, or $3,000,000 more than the last year of the war, the war having closed and peace having been declared in December, 1814, so that the year 1815 was the first full year of peace.

Mr. THOMAS. Mr. President, would it interrupt the Senator if I should interject a remark there?

Mr. LA FOLLETTE. Not at all.

Mr. THOMAS. I merely wish to say that I am satisfied with the correctness of the Senator's figures, because I investigated the subject somewhat myself and stated in the committee that the peak of expenditures occurred during the year after the war instead of during the war. I indulge the hope, however, that the second year after the war will not be quite so bad, especially if Congress will practice some of the economies which, as individuals, we are advocating.

Mr. LA FOLLETTE. Mr. President, I remember the position of the Senator from Colorado upon the subject when it was before the Committee on Finance. But we will do better than our predecessors have following other wars if we even approach the neighborhood of normal expenditures for several years to come, as I proceed to demonstrate:

In 1816, the second year after the war of 1812 was ended, the expenditures rose to $49,052,370.66 as against $37,825,932.08 in the last year of the war. In 1817, three years after the war, they were $41,794,774.90, or $4,000,000 more than they were the last year of the war; in 1818, after five entire years of peace, the expenses still stood at $36,136,674.58, or only $3,000,000 less than they were in any year of the war; and it was not until nine years after the war, or in 1823, that the expenses approached the peace-time status.

Now, Mr. President, I have here in my notes a table taken from the report of the Secretary of the Treasury giving the expenses for the year 1811 to 1823, which I ask to have incorporated in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

WAR OF 1812.

Began June 19, 1812.
Ended December 24, 1814, by treaty of Ghent.
The following table shows the total disbursements, including public-debt transactions, of the Government for the year prior to the war and for the years during and subsequent to the war designated in the table:

Year:	Total of all disbursements.
1811	$34,110,525.59
1812	22,831,593.68
1813	39,825,932.08
1814	38,754,005.18
1815	40,326,248.96
1816	49,052,370.66
1817	41,794,774.90
1818	36,136,674.58
1819	25,118,232.82
1820	22,926,216.18
1821	20,268,098.97
1822	18,843,951.59
1823	16,472,948.49

Mr. LA FOLLETTE. Mr. President, you will observe the same thing with respect to the Mexican War. Starting with a peace-time expenditure of $34,000,000 prior to the war, it leaped to $64,500,393.84 during 1847, the second year of the war, while in 1848 the expenditures were $64,981,993.46, and the treaty of peace was signed in February, 1848, so that could hardly be reckoned as a war year. In 1849 the expenses still stood at over $60,000,000, and in 1853, five years after the war, they were over $59,000,000, or $20,000,000 more, substantially, than they were prior to the beginning of the war.

Mr. President, I ask to incorporate in my remarks at this point a table showing the expenditures of the years during and following the Mexican War.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

MEXICAN WAR.

Began April 24, 1846.
Ended February 2, 1848, by the treaty of Guadalupe.
The following table shows the total disbursements, including public-debt transactions, of the Government for the year prior to the war and for the years subsequent to the war designated in the table:

Year:	Total of all disbursements.
1845	$34,811,140.70
1846	31,708,319.81
1847	64,500,393.84
1848	64,981,993.46
1849	60,865,471.87
1850	40,817,671.69
1851	54,754,505.99
1852	53,821,058.87
1853	59,817,786.44

STATEMENT OF EXPENDITURES FOLLOWING THE CIVIL WAR.

Mr. LA FOLLETTE. Mr. President, the Civil War even more graphically illustrates the same principle. I will assume that the war started at the time Jefferson Davis was elected president of the Confederacy in February, 1861, and that it ended when Lee surrendered in April, 1865. Having these dates in mind, the table I present is peculiarly instructive. In 1860 the normal or peace-time expenditures were $85,373,193.05. Keep those figures in mind. In 1860 $85,000,000; in 1861, $93,000,000; in 1862, $573,000,000; in 1863, $908,000,000; in 1864, $1,265,000,000; in 1865 they were $1,916,829,660.

Now, mark you, Lee surrendered April 9, 1865, and the great demobilization of the Union troops took place in the city of Washington when the grand review was had along Pennsylvania Avenue here in May of that year. That wonderful army disappeared, went back to the vocations of peace, melted away, became no longer a subject of expense to the Government or the country, in the first three or four months of that year; and yet the year 1865 was the big year of expense of that war. It was not the year of greatest military activity. There were few operations of the great armies upon either side after January, 1865. They were at grips, it is true; there was a bulldog tenacity upon both sides. But so far as military expense due to activity in the field was concerned, there was probably the smallest expenditure during January, February, March, and April, 1865, than for any like period during the entire war. Nevertheless, disbursements for the year 1865 were the highest of any year of the war, and the war ended within the first 90 days of that year. In other words, 1865 was a year of peace for 9 out of the 12 months, but it was the costliest year of the whole war.

What justification have you, Senators, for assuming that there will be the enormous reduction in disbursements which

you propose in this bill for the first year of peace? All history and experience is against you. Your plan simply means lighter taxes on big incomes, and monster war profits, and more loans, and larger bond sales.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. McKELLAR in the chair). Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I do.

Mr. SMOOT. I want to call the Senator's attention to one statement that was made by the Secretary of War that gives us some idea as to how the expenses of the War Department for the coming year were arrived at.

The Book of Estimates, as first prepared by the War Department—and, by the way, it is printed and any Senator can get a copy of it—showed that the estimates for the fiscal year ending June 30, 1920, or the coming fiscal year, would amount to $19,169,055,721.60. I asked the Secretary of War: "Well, how did you arrive, then, at the second estimate of the expenses of the War Department for that year?" and that amounted to $1,916,905,572.16. The answer was that his first estimates were based upon an army of 5,000,000 men, and that this estimate was based upon an army of 500,000 men, or one-tenth of the number of men, and therefore one-tenth of the amount of the first estimate. I called the attention of the Senate the other day to the fact that if there are more than 500,000 men in our Regular Army at any time during the year beginning June 30, 1919, and ending June 30, 1920, we shall have to pay more than these estimates call for.

Mr. LA FOLLETTE. But there was not a suggestion, as I remember the Secretary's statement, of returning to this country, within any definite period of time, more than a fourth of the great army we have abroad. We are going to keep over there for an indefinite period a million to a million and a half of men, unless there is a change in plans.

Mr. VARDAMAN. Mr. President, I suggest to the Senator that if we are to hold the hands of those toddling little principalities until they learn to walk alone, probably we will have to furnish the necessary money.

Mr. LA FOLLETTE. Yes. That is a still bigger question.

Mr. JONES of New Mexico. Mr. President——

Mr. LA FOLLETTE. Mr. President, let me go on, if the Senator will permit me, with the figures that I started to give. If I can not, I do not know that I will be able to finish to-night.

Mr. JONES of New Mexico. I think it will be well, however, to have this observation in mind: The Secretary of the Treasury had in mind the fact that, even though the expenditures might prove to be greater than the amount of his estimate, yet the sum of $4,000,000,000 would be as much as we ought to raise in the fiscal year by taxation, because the additional expenditure would be on account of the war, and through all this legislation we have been endeavoring to pay from a third to a half of the actual war expenses by taxation. That was the theory, as I understand, upon which the amount was arrived at.

Mr. LA FOLLETTE. That is true; and, of course, the Senator from New Mexico, not being in the Chamber when I made the earlier portions of my argument this evening, missed what I then said. I do not concede that to be sound war finance.

Mr. JONES of New Mexico. I knew, of course, Mr. President, that there was a difference of opinion on that point; but this estimate and the fixing of the amount to be raised by taxation is in keeping with the plan which we have generally kept in mind.

Mr. LA FOLLETTE. Yes; I think it is, Mr. President, and I think it is a bad plan. I think it is a plan that is, in a way, a crucifixion of the great mass of the people of this country. It is a rank injustice. It is a discrimination that can find no justification anywhere; and I believe that when the people come to understand that they will take it into account.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. LA FOLLETTE. I yield.

Mr. JONES of Washington. As I understand the suggestion of the Senator from New Mexico, it is that the Secretary of the Treasury practically admitted or assumed that we would issue bonds to take care of a part of the money that we would have to raise for the fiscal year 1920.

Mr. LA FOLLETTE. Oh, yes, Mr. President. I think that is true not only of the position of the Secretary of War but of the position of the Secretary of the Treasury. The Secretary of the Treasury starts off for this year with the assumption that we will need $18,000,000,000, and he assumes that all we ought to raise by taxation is $6,000,000,000; and he said again and again to the committee, "If you will provide for $6,000,000,000 by taxation, I will take care of the rest of it as Secretary of the Treasury," which meant that he would take care of two-thirds of that amount by loans. It could not mean anything else.

Now, Mr. President, I believe that to be an abominable doctrine. I believe it to be a doctrine that the people of this country ought to resent and that any administration which stands for fastening upon the people 66⅔ per cent of the expenses of the war by loans, interest-bearing obligations, ought to be forever turned out of power. That is my notion about it.

I do not know how much better the Republicans would do. I know it is the view of some Republicans that bond issues should be large and taxes should be small; but I do not care who advocates that view. I stand here to say for myself, as one Senator of the United States, that I am against it. I would be in favor of raising two-thirds or three-fourths of the money by taxation—as much as it is possible to raise without blocking the wheels of production. I do not think any other system is just or right.

I remember that the other day, when the distinguished Senator from New Mexico [Mr. JONES] was speaking—and he made a brilliant speech, and I was very much interested in it—he said that the amount of money that we had raised in this country by taxation was greater, he thought, than that raised heretofore by any country in the history of the world. That is not my recollection of history. In the Crimean War Great Britain paid 52 per cent of the expenses of the war by taxation; that in the Napoleonic wars she paid by taxation in excess of 47 per cent. I do not think, however, that 52 per cent is as much as should be raised by taxation for financing this war.

I say, Mr. President, it is difficult to tax wealth. You can provide for bond issues which, together with interest, the people out of their sweat and toil must pay through consumption taxes. That is the only way in which it can be paid in the end; but it is exceedingly difficult to make wealth step up to the captain's office and pay its proportion. I say "its proportion," for I assert that if you took all the income of wealth, every bit—aye, I will go further than that and say if you took the capital itself—you would not be taking more than we have taken from tens of thousands of families in this war.

Why do you not stand up to your duty here and take as much out of wealth as you take out of the blood and flesh of the people of this country?

The poor do not make anything out of war. Wealth does. Wherever money is invested in enterprises that have contributed in any way to war production there have been enormous profits; but tell me where the families of the poor who have given their fathers and their sons have profited by this war.

Senators, just stop a little and think about this business. Who ought to carry the burden of this war? Surely not the millions who were put into the ranks, who have been taken away from production, leaving their families destitute. The corporations of this country earned $10,000,000,000 in the last year. That is the report. Ten billion dollars in net profits, not gross but net, over all their expenses. For over three years before the war they earned an average of over $4,000,000,000 of net profits, and when it comes to taxing them roundly Congress hesitates. But you did not hesitate to take not only the income of the poor family but the capital that is producing the income—the father and the sons—and putting them into the service of the Government. All right, but by the God that is over us, if you want to do justice do the same thing by capital. Take the income, take every dollar of the income except enough to keep the family in comfort. I would leave that much, but I would take every dollar of profit that has been made out of war.

I come back now to the Civil War. I present a table which graphically shows the expenditures for the decade 1860 to 1870.

THE CIVIL WAR.

Jefferson Davis elected President February, 1861.
Lee surrendered April 9, 1865.

The following table shows the total disbursements, including public-debt transactions, of the Government for the year prior to the war and for the years during and subsequent to the war designated in the table:

Year:	Total of all disbursements.
1860	$85,373,193.05
1861	93,736,609.45
1862	573,067,384.64
1863	908,880,700.84
1864	1,265,418,320.10
1865	1,916,829,660.07
1866	1,063,746,933.16
1867	948,960,202.14
1868	997,081,972.34
1869	479,921,036.83
1870	470,236,423.53

It was not until 1881 that the total disbursements of the Government fell below $400,000,000.

You can not count on the expenditures of this war dropping, as Senators upon the other side have declared. They believe

that the expenses will fall. They are mistaken about it; that is all.

In 1867, nearly three years after the real fighting was over, the expenses were $1,948,000 more than they were in 1863, the hard-fought year of the war. In 1868, three years after the war, the expenses were $1,197,000,000, in round numbers, more by nearly $100,000,000 than they were in 1863.

EXPENDITURES WILL CONTINUE TO BE HIGH.

It is folly for us to figure upon the diminution of the expenses contemplated by this bill and by the plan of the Treasury Department. It simply means, Mr. President, that wealth is to escape its share of taxes and that bond issues are to make it up, and the people are to sweat and toil in the years to come to pay the interest on bonds, the principal of the bonds, and the higher cost of living. That is all it means. It is all blocked out here in the figures. I have given you the figures of all the wars we have ever been in, and they all read the same way.

It was not until 1869, five years after the real fighting of the Civil War was over, that the appropriations dropped back to what they were even the first year of the war. In 1869 they were $479,000,000; in 1862 it was $573,000,000; in 1870, $470,000,000, six times as much as before the war began.

You have not figured on anything of that kind in this bill nor anything like it. It is not the plan of the Secretary of the Treasury. It is not contemplated by any of those who are managing the finances of this war.

Mr. President, if I wanted to be mean, if I wanted to try to deduce something from the facts that imputes motives, if I wanted to be partisan, I could say that you wanted to stand in with wealth, that you wanted to curry favor with the big business institutions of the country, that you wanted to let up the taxes on the millionaires in order to finance the future campaign; that you wanted to take it out of the great mass of the people who are not organized, and who have not any wealth nor any power to strike back with. I do not believe anything of the kind. I just think you are going blindly at this business. I will not ascribe any such motive as that to you.

The Secretary of the Treasury came before the Committee on Finance and said: "Cut down this tax." That is a pretty effective proposition; he goes to the country and says that the taxes are to be low; it makes everybody feel pleasant and good, and the committee follows the advice of the Secretary. I do not know whether my Republican brethren on the committee really resented that feature of it. Just how much they wanted to make the reduction I do not know. I know they do not agree with me about the method by which these taxes should be levied. I know they do not support my proposition here to raise more out of wealth by taxation. They did not when the last revenue bill was passed, and I suppose they will not now. That is, certain of them do not. But that is what happened.

All the foregoing figures are taken from the annual report of the Secretary of the Treasury for the year 1918, and they are reliable. The different disbursements for the European war, actual and estimated, are shown by the following table. We began the war April 6, we will say, and the following table shows the disbursements prior to our entering the war and during the war. I take every one of these figures from the recent report of the Secretary of the Treasury, brought in person to the Committee on Finance on the 4th day of December, two days after his letter submitting it to Congress.

In the fiscal year ending July 1, 1916, before we entered the war, the total disbursements were $1,040,261,082.73. In the fiscal year ending July 1, 1917, that would include some of the war expenses incurred from April 6, 1917, our total disbursements were $3,046,183,746.19; for the fiscal year ending July 1, 1918, the disbursements were $21,813,356,508.39; for the fiscal year ending July 1, 1919, it was suggested by the Secretary of the Treasury that our disbursements would be $18,000,000,000.

Now, I want to remind members of the Finance Committee that the Secretary of the Treasury did not submit a single figure in support of that statement. He was vague and indefinite about it.

Mr. JONES of New Mexico. Will the Senator yield?

Mr. LA FOLLETTE. Of course.

Mr. JONES of New Mexico. I am not acquainted with the figures that the Senator has just given for the fiscal years ending June 30, 1918, and June 30, 1917. Will the Senator please give them again?

Mr. LA FOLLETTE. Yes, I will; and I will refer the Senator to the report of the Secretary of the Treasury, where he will find them. I know they are different from the figures given by the Senator the other day when he made his speech on the floor. I noticed them at the time, and have looked them up since.

Mr. JONES of New Mexico. I will state to the Senator that they are different from the figures I gave.

Mr. LA FOLLETTE. I know that, and you can get both figures from the same report. I can refer you to the index where you will find the discrepancy.

Mr. JONES of New Mexico. I am inclined to think that the discrepancy arises between certain estimates and the actual expenditures. The Secretary of the Treasury certainly gave the actual expenditures for the fiscal year ending June 30, 1917, as a little over $2,000,000,000 and for June 30, 1918, at over $13,000,000,000.

Mr. LA FOLLETTE. I will refer the Senator to the report and the page where he can find the table which I have here reproduced. On page 490 of the report of the Secretary of the Treasury is a table recapitulating the disbursements by fiscal years, and the figures I quoted are taken from the table headed "Table of all disbursements," and I quoted the figures for the years 1916, 1917, and 1918 appearing there.

The Secretary of the Treasury merely suggests that the total disbursements of the Government for the fiscal year 1918 will be $18,000,000,000. The total disbursements may be much larger than that. However, if our expenditures of other wars mean anything it will be at least five years after the present war terminates before we can hope at least to even approximate a return to normal expenditures, and if the plans of the administration are carried to keep a standing Army of one million and a half men in Europe for perhaps years, which certainly would involve an expenditure of a billion at least, we can look for no substantial decrease in expenditures.

Now, sir, if previous experience means anything it must enable us to see that when the figures for the disbursements of this year of the present war and succeeding years are written out they will show that for at least five years yet to come our disbursements will average from twelve to fifteen billion dollars each year. That is what they will amount to if we rely upon our combined experience in these other wars.

DISBURSEMENTS TO BE PROPORTIONATELY HIGHER.

And the disbursements of the years succeeding the present war will be proportionately much greater because of the changed conditions following this war. The War of 1812, the Mexican War, and the Civil War were domestic wars. Our soldiers either did not leave their own country or progressed but a short way into adjoining enemy territory. They returned home and demobilization was a simple matter, accomplished with comparatively little expense and within a short space of time. There were no foreign lands for us to police after those wars were over. But to-day all this is changed. A vast army of two million or more men are thousands of miles away, scattered all over the continent of Europe, some of them I fear at this very moment in desperate straits in the midst of a Russian winter in Siberia and possibly elsewhere in that country. We have no information when it is the plan of the administration that these men should return to their homes, but we are advised by the War Department that about one million and a quarter men will be kept abroad for some time. We have reason to believe that a large army will be kept in Europe for months—or possibly years. But under the best and most fortunate conditions we know there is no likelihood of the soldiers all being returned to this country and demobilized for a year or more.

It is a very rash man, sir, in the light of these facts and in view of our experience in other wars, who expects our Government expenditures to drop below ten or twelve billion dollars annually at any time within at least the next five years. That means if we raise by taxation during each one of those years no more than this bill proposes to raise there will still be left twenty-five or thirty or more billions for us to borrow. This, Mr. President, is the truly appalling situation that we must face, and it is in the light of this knowledge we should work in framing this bill.

Instead of seeking where we can pare down a little here and there for the benefit of this corporation or that interest, or insert a cushion to take off the jar that comes to a special interest because its taxes are raised a little, we should be trying to see how we can raise the last dollar possible out of the wealth of this country and out of the profits of war in order to meet the expenses of the war.

Whatever may have been the forces which caused the present world war, one result of it must be apparent to every man of intelligence, and that is that the plain citizen has come to realize his power as never before, and consequently will assert his rights as never before. In order to raise the money to pay the expenses we have incurred, and are bound to incur, the Government must reach out and put a heavy hand, through its power of taxation, upon every citizen in the land, and if it be presently discovered that the hand of the Government bears heavily and

unjustly upon the masses and touches only lightly the rich—in proportion to their ability to pay—it will produce conditions of discontent and resentment not pleasant to contemplate. Any injustice that is done by us may be long endured, and in framing the legislation to raise these vast and almost inconceivable amounts of money we are directly affecting the lives and fortunes of every one of our people and we can not afford to enact this legislation unless it can be defended upon the ground that it is just as fair to the poor man as it is to the rich in proportion to the ability of each to carry the burden and sacrifice of war. I undertake to say that the Senate bill can not be, and has not been, defended upon that ground.

INDIVIDUAL INCOMES.

The first change of importance which the substitute bill makes in the Senate bill occurs in the tax on individual incomes. The net result of the change I propose is to increase the total amount of the tax collected from that source by $352,510,000.

To accomplish this I propose to amend section 210 by reducing the normal tax in the Senate bill from 12 per cent to 2 per cent and change the rates of taxation upon incomes as shown in the substitute bill. For purposes of clearness I have prepared and ask to have inserted in the RECORD the rate and per cent of the tax upon the incomes of heads of families as shown under the existing law, the committee bill, and the substitute bill.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

Comparison of income taxes upon specified incomes of married persons under the existing law, the Senate bill, and the proposed substitute bill.

Income.	Existing law.		Senate bill.		Substitute bill.	
	Amount.	Rate per cent of entire income.	Amount.	Rate per cent of entire income.	Amount.	Rate per cent of entire income.
$2,500	$10	0.40	$30	1.20	$10	0.40
$3,000	20	.67	60	2.00	20	.67
$3,500	30	.86	90	2.57	30	.86
$4,000	40	1.00	120	3.00	40	1.00
$4,500	60	1.33	120	3.33	50	1.11
$5,000	80	1.60	150	3.60	60	1.20
$5,500	105	1.91	215	3.19	95	1.73
$6,000	130	2.16	250	4.16	130	2.17
$6,500	155	2.38	320	4.92	165	2.54
$7,000	180	2.57	390	5.57	200	2.86
$7,500	205	2.73	460	6.13	235	3.13
$8,000	235	2.93	530	6.63	285	3.56
$8,500	265	3.12	605	7.12	335	3.94
$9,000	295	3.28	680	7.71	385	4.28
$9,500	325	3.42	755	7.95	435	4.58
$10,000	355	3.55	830	8.30	485	4.85
$12,500	530	4.24	1,235	9.88	860	6.88
$15,000	730	4.87	1,670	11.13	1,235	8.23
$20,000	1,180	5.90	2,630	12.15	2,335	11.67
$25,000	1,780	7.12	3,720	14.80	3,935	15.74
$30,000	2,390	7.93	4,930	16.43	6,285	20.95
$35,000	2,980	8.51	6,270	17.91	8,635	24.67
$40,000	3,580	8.95	7,730	19.33	10,985	27.46
$45,000	4,380	9.73	9,320	20.71	13,335	29.63
$50,000	5,180	10.36	11,030	22.06	15,685	31.37
$60,000	6,780	11.30	14,830	24.71	21,585	35.97
$70,000	8,880	12.69	19,130	27.33	27,485	39.26
$80,000	10,980	13.72	23,930	29.81	34,035	42.54
$100,000	16,180	16.18	35,030	35.03	48,435	48.44
$150,000	31,680	21.12	37,030	44.69	86,935	57.96
$200,000	49,180	24.59	101,030	50.52	125,435	62.72
$300,000	92,680	30.89	173,030	57.68	203,435	67.81
$500,000	192,680	38.54	323,030	64.60	361,435	72.29
$1,000,000	475,180	47.52	703,030	70.30	761,435	76.14
$5,000,000	3,140,180	62.80	3,783,030	75.66	3,961,435	79.23

Mr. LA FOLLETTE. Mr. President, the normal tax of the committee bill will raise $114,000,000, while under the substitute it is estimated to produce only $70,000,000. I have reduced the normal income tax in order to relieve the tax upon incomes of people of modest means. I have reduced the income tax proposed by the committee bill, but I make it up on the surtax on the rich. A large portion of this loss in revenue is made by the big decrease in the normal taxes upon the smaller incomes.

While it is true the man of large income under the terms of the substitute bill would pay the normal income tax at the same rate as the man of small incomes the substitute bill does not permit him to escape.

I also present and ask to have inserted in the RECORD a further table showing the surtax rates, and the revenues which will be produced from individual incomes at each step under the substitute bill.

It will be observed that the total revenues produced under the substitute bill from individual incomes is $1,714,510,000 as against $1,432,000,000 under the Senate bill.

I ask, Mr. President, to have incorporated in my remarks the table which I have here, without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Net income.	Taxable income.	Rate.	Revenue.
		Per ct.	
$5,000 to $7,500	$675,000,000	5	$33,750,000
$7,500 to $10,000	340,000,000	8	27,200,000
$10,000 to $15,000	474,000,000	13	61,620,000
$15,000 to $20,000	315,000,000	20	63,000,000
$20,000 to $25,000	225,000,000	30	67,000,000
$25,000 to $50,000	615,000,000	45	276,750,000
$50,000 to $75,000	240,000,000	57	136,800,000
$75,000 to $100,000	220,000,000	70	154,000,000
$100,000 to $200,000	394,000,000	75	295,500,000
$200,000 to $300,000	185,000,000	76	140,600,000
$300,000 to $500,000	163,000,000	77	125,000,000
Over $500,000	426,000,000	78	332,280,000
Total	7,400,000,000		1,714,510,000
Normal Tax		2	70,000,000
			1,784,510,000
Return (estimated) under bill			1,432,000,000
Increase			352,510,000

Mr. LA FOLLETTE. The surtax of the Senate committee bill, according to the estimate of revenue, will yield in the one-year period $1,018,000,000.

The surtax of the substitute bill, it is estimated, will yield revenue in the same period to the amount of $1,644,510,000.

This is an increase in revenue under the surtax rates of $626,000,000.

Every dollar of this increase comes from incomes in excess of $5,000, and the great bulk of the increase is from incomes in excess of $25,000,000 per year. The rate of the tax on the incomes increases as the incomes increase.

While relieving the small taxpayer, the tax to be collected under both the normal and the surtax sections by the rates of the substitute will exceed the amount of the committee bill by $352,510,000.

Now I will briefly explain in detail the increases which my substitute makes in the tax on individual incomes. Senators will more readily follow what I shall now present if they refer to the first table printed on page 696 of the CONGRESSIONAL RECORD.

From a study of that table it will be observed that starting with incomes of $2,500 the tax under the Senate bill is $30; under the substitute $10; and that the substitute carries the same tax for this income as does the existing law. On incomes of $4,000 the tax in the substitute bill and the existing law are the same—$40—while the tax under the Senate bill is $120—three times the amount.

Incomes of $4,500 are taxed under existing law at $60, under the Senate bill at $120, and under the substitute bill at $50.

Incomes of $5,000 are taxed under existing law at $80, under the Senate bill at $150, and under the substitute at $60.

Incomes of $5,500 are taxed under existing law at $105, under the Senate bill at $215, and under the substitute at $95.

Incomes of $6,000 are taxed under existing law at $130, under the Senate bill at $250, and under the substitute at $130, the same as the existing law.

From this point on, however, the tax proposed in the substitute bill at every bracket is substantially greater than that under existing law.

At the bracket on incomes of $25,000 the tax under the substitute bill overtakes and passes the tax under the Senate bill. The tax under the Senate bill on incomes of $25,000 is $3,720, and under the substitute bill $3,935. From this point on the tax under the substitute bill rapidly draws away from that imposed by the Senate bill. At $100,000 the substitute bill imposes a tax of $48,435, and the Senate bill only imposes a tax of $35,030.

The justification for this change seems too plain for argument. Upon no class has this war borne more heavy than the man with a small income, with a family to support out of it. Before the war his income and living expenses were about even. His ambition and hope was to save a little by economy and frugal living, and put by something for his family as a protection against sickness, old age, or death. It is from this class that the war has taken a large toll in the way of actual military service, but even more serious than that is the hardship which it has brought to them in the greatly increased cost of living with no

corresponding increase in income. To a man in this position the difference between fifty and a hundred dollars in his income tax is a serious matter. It may well make the difference between actual privation and suffering and a reasonable degree of comfort.

On the other hand, a man with an income of $25,000 or more may be a little inconvenienced by an increase in his income tax, but neither he nor his family are going to suffer any real privation on account of it. Even if the tax should make it necessary for a man with a hundred thousand dollars of income to dispense with a few luxuries, it will not do him or the country any harm, and, as a matter of fact, a large portion of those fortunate individuals who are in the enjoyment of incomes of that character at the present time have in one way or another made a profit out of this war.

There is no war-profit tax for individuals, except as it may reach them under this greatly increased rate of taxation on the larger incomes such as I have provided for in the substitute bill. Under the Senate bill there can be no doubt that hundreds of millions of dollars made by individuals out of this war—middlemen, agents, contractors, and the like—escape all taxation upon profits made out of the war, except as taken as an income tax, and justifies its being levied at a high rate.

CORPORATION TAX—STRIKING OUT $2,000 SPECIFIC EXEMPTION.

I have explained, Mr. President, quite in detail the operation of the rates which are proposed in the income-tax section of the bill. I come now to the corporation tax.

In the tax upon corporations the substitute bill recurs to the rates and form of the bill as it passed the House. Upon the net income of corporations from which dividends are paid or to discharge bonded indebtedness or to buy obligations of the United States the rate is 12 per cent. This is the same rate which all the net income, including the portion used for these purposes, pays under the rates of the pending bill. Upon all the balance of the net income the substitute rate is 18 per cent. This is higher than the rate of the pending bill and would reach net income not distributed for the foregoing purposes.

The substitute strikes out that portion of section 236 that aims to specifically exempt from taxation $2,000 of the income of corporations.

I call the attention of the Senate to that, for I think that is a material consideration which you ought to have in mind in voting for or against the substitute which I propose.

This is the first appearance of such an exemption in a bill proposing to levy a tax upon the incomes of corporations. The first corporation income-tax statute was enacted to apply to corporations with a net income in excess of $5,000 per annum. But the act of 1913 and the acts of 1917 levied a tax upon all corporations and made no distinction or granted no exemption such as is carried in line 10, page 62, of the Senate bill, allowing this exemption of $2,000.

That line means a saving to the corporations and a loss in revenue to the Government of nearly $100,000,000.

In 1916, 341,253 corporations made returns of income to the Treasury. It is estimated that at the present time there are upward of 400,000 corporations in the United States. This provision means that each corporation shall not be required to pay tax upon $2,000 of its income. That means to each corporation a saving of $240. It is not a great amount in the case of any one company, but this "relief" to 400,000 corporations means a loss of $96,000,000 in revenue to the Government.

So far I have heard no sound reason advanced to justify this exemption. Because an exemption of $2,000 is granted to married persons under the individual income-tax provisions is not a reason to justify the granting of such an exemption to a corporation.

Individual exemptions are based upon a very different principle than are the exemptions of corporations. Recent years have emphasized the need of the State to encourage the family relation. The $2,000 individual income free from income tax is made free so there may be assured to the family enough to aid in meeting living expenses.

But when this exemption is granted the law at the same time provides as does this bill at line 24, page 30:

> That in computing the net income no deduction shall in any case be allowed in respect of—
> (a) Personal, living, or family expenses.

But the corporation is permitted to make deduction for its living expenses. In the ascertainment of its net income a corporation is permitted to deduct—

> All the ordinary and necessary expenses paid or incurred during the taxable year * * * including a reasonable allowance for salaries * * * for personal service * * * and including rentals, etc. (Sec. 234, p. 54.)

Rent and payments made for personal service form a large part of the expense of every family. If the individual in addition to his specific exemption were permitted to deduct from his gross income the amounts expended for these items or the expenses incurred to carry the family over the year as the corporation is permitted to deduct the expenses incurred in carrying on its trade or business, there would be little left of any ordinary family income of $3,000 to fall into the class of taxable income.

As the corporation in computing its net income is given these allowances denied to the individual in computing his taxable income, the corporation should not in addition be permitted to escape tax upon $2,000 of its net income.

This is a discrimination that should be wiped out of the bill. It is a trifling matter to even the very small corporations; it is of no consequence to the large companies, and it means a good slice of income to the Government, amounting, as I have said, to $96,000,000 in the aggregate.

WAR-PROFITS TAX.

The next fundamental change my substitute proposes to make in the pending bill relates to the war and excess profits tax. The provisions of the pending bill, commencing at page 83 and dealing with war excess-profits taxes of corporations, are, to say the least, very remarkable. On their face these provisions of the Senate bill seem to bear some relation to an 80 per cent tax on war profits made by corporations. As a matter of fact, however, they impose no such tax.

The chairman of the Finance Committee stated in the course of the debate on Saturday:

> Nobody ever supposed that even the war-profits tax of 80 per cent would in practical operation be more than 70 per cent upon war incomes.

Mr. President, that statement is true, and it is true because of the unreasonable deductions from the net income of corporations permitted before the war-profits tax is levied. Each corporation is permitted to deduct from its net income for the taxable year its war profits; that is, the average profit for the prewar period. If these average profits fall short of 10 per cent of the capital for the prewar period, then the actual prewar profits are increased to 10 per cent of the capital. To this sum is added $3,000 specific exemption.

So, then, the war-profits tax would be levied under the following formula:

Net income minus the average prewar income, but not less than 10 per cent of the invested capital minus $3,000, shall pay a war-profits tax of 80 per cent.

The theoretic maximum under the pending bill is a tax of 80 per cent on 90 per cent of the war profits, less $3,000, or about 70 per cent.

But the general public do not understand this, and when they read that there is a tax rate of 80 per cent on war profits they accept that to mean that after taking out of the net income an amount equal to the prewar profits the remainder is taxed at 80 per cent.

As a matter of fact, while the pending bill contains this rate, there is no 80 per cent tax on war profits.

It is true that under the pending bill the war excess-profits tax is the sum of the amounts levied under the rates of the three brackets. But if the exemption of $3,000 and the 10 per cent of invested capital were eliminated from the credits allowed under the third bracket, and the credit confined to the average of the actual prewar-period income, and the cushion provisions were eliminated, then as to all the corporations reached by this bracket it would be an 80 per cent war-profits tax.

Now, as to the estimate of $5,000,000,000 of war profits and that the tax under the war excess-profits bracket of the pending bill is only 48 per cent of that amount, the Senator from Utah said that the estimate which I made "includes all of the business of the country, some of which does not pay any excess war-profits taxes."

In arriving at that estimate I have taken all the taxes levied under the war excess-profits section of the pending bill—that is, all the taxes paid as excess-profits taxes and all taxes paid as war-profits taxes and credit all these taxes as war-profits taxes. Taking all these taxes together, the result is a tax equal to about 48 per cent of the amount of the war profits. I do not mean that the pending bill levies a war-profits tax of 48 per cent. Far from that. The total of the taxes under the two excess-profits brackets plus the amount of the war-profits bracket will equal 48 per cent of the war profits.

The first year that corporations made income-tax returns to the Federal Government was 1909. The following table shows the corporate net income from 1909 to date:

Corporate net income, 1909 to 1918.

Year:	Net income.
1909	$3,600,000,000
1910	3,761,000,000
1911	3,503,000,000
1912	4,151,000,000
1913	4,714,000,000
1914	3,940,000,000
1915	5,310,000,000
1916	8,765,900,000
1917 (estimated)	10,500,000,000
1918 (estimated)	10,000,000,000

The estimate of $10,500,000,000 corporate net income for 1917 and $10,000,000,000 for 1918 are made by the Treasury Department and can be safely relied on as not being too high. That the estimate of $5,000,000,000 war profits made by corporations during the taxable year is a reasonable estimate is asserted by the Treasury expert, and also appears from a comparison of the net income of corporations during the war with their prewar net income.

The total net income for the three years 1911, 1912, and 1913 adopted as the prewar years of all corporations was $12,368,000,000. The average annual net income for the three years was, therefore, $4,122,666,000. This, deducted from the $10,000,000,000 net income of corporations for 1918, leaves $5,877,334,000 in excess of the average of all the corporation profits for the three prewar years. Making allowance for the normal net income of new corporations—corporations that were not in existence during any of the prewar period—and for growth of existing corporations it is plain that the war profits must still account for at least $5,000,000,000 of the net income of $10,000,000,000 for 1918.

The suggestion is made that in making the estimate of $5,000,000,000 of war profits for 1918 allowance was not made for earnings of new corporations or new capital invested by old corporations. All adequate allowance was made for this purpose. The Treasury estimated the net income of corporations for the year 1918, and this is the basis of my estimate.

Corporation net income, 1918, Treasury estimate	$10,000,000,000
Average of corporate net income for years 1911, 1912, and 1913	4,122,666,000
Excess of 1918 over prewar income	5,877,334,000
Allowance for earnings upon new capital (estimated)	877,334,000
War profits	5,000,000,000

This allowance of $877,334,000 to cover the earnings of new capital exempted from war-profits taxation is, in my view, reasonable. Capitalized at 8 per cent, the rate allowed by the pending bill to corporations before levying the excess-profits tax under brackets Nos. 1 and 2, it would allow for a return on $10,966,675,000 of new capital.

Capitalized at 10 per cent, it allows for a return on $8,777,334,000 of new capital.

The Treasury expert has stated to me that the average net income return in the prewar period represents a return of about 10 per cent upon the capital. So, depending upon the rate per cent at which this allowance is capitalized, it takes care of an increase of the prewar capital of from 20 to 25 per cent. This, I take it, is ample to cover the growth of the war period.

It is to be remembered also that the above table takes no account of the vast sums made by individuals and partnerships out of the war.

HOW RATES OF PENDING BILL ARE APPLIED.

Now, it is only claimed for the pending bill and the report accompanying it submitted by the majority of the committee that the bill produces $2,400,000,000 in revenues from war excess profits. Obviously, therefore, the Senate bill does not impose an 80 per cent tax upon war profits, or anything approximating that.

An illustration of a typical corporation will show just how the provisions of the Senate bill work out when actually applied.

Upon a corporation having a capital of $100,000, prewar profits of $10,000 and profits for the taxable year of $150,000, the tax under paragraph 301 would be $109,600 and under paragraph 320, $4,608, making a total tax of $114,208, or 76.14 per cent. But when the "cushions" are applied, this tax is reduced and this corporation would pay a war excess-profits tax of only 45½ per cent and a total tax of 51.7 per cent.

Mr. President, I have here a table, in which I work out in detail the calculations under the provision which I am now considering. These I ask to print without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Corporation:		
Capital		$100,000
Prewar profits		10,000
Taxable-year profits		150,000
Under bracket 1:		
Deduct 8 per cent of capital		$8,000
Specific deduction		3,000
Total deduction		11,000
Taxable profits under bracket 1:		
20 per cent of capital	$20,000	
Less deduction	11,000	
	9,000	
Tax on $9,000 at 30 per cent		2,700
Total tax under No. 1		2,700
Under bracket 2:		
Taxable profits	150,000	
Less profits included in bracket 1	20,000	
	130,000	
$130,000 at 60 per cent		78,000
Total under No. 1 and No. 2		80,700
Under bracket 3:		
Deduction 10 per cent of capital	10,000	
Specific deduction	3,000	
Total	13,000	
Profits	$150,000	
Less deduction	13,000	
Taxable	137,000	
Tax on $137,000 at 80 per cent	109,600	
Less tax under No. 1 and No. 2	80,700	
Total under No. 3		28,900
Total under 1, 2, and 3		109,600
Percentage of war excess profits	per cent	73.66
Corporation income tax:		
Profits		150,000
Deduction—		
Excess and war profits	$109,600	
Specific deduction	2,000	
		111,600
Taxable		38,400
$38,400 at 12 per cent		4,608
Total tax:		
Bracket 1		2,700
Bracket 2		78,000
Bracket 3		28,900
Corporation income tax		4,608
Total		114,208
Percentage		76.14

METHOD OF ASSESSING WAR EXCESS PROFITS ILLUSTRATED.

Mr. LA FOLLETTE. In other words, this is a corporation with $100,000 capital, a prewar average net income of $10,000, and for the taxable year a net income of $150,000.

Under the first bracket of paragraph 301 a tax of 30 per cent is levied upon the net income in excess of the excess-profits credits allowed under section 312. These credits are:

(1) Eight per cent of invested capital for the taxable year. In this instance $8,000; and

(2) A specific exemption of $3,000, making a total credit of $11,000.

This $11,000 is not taxable. There is taxable under bracket No. 1 excess profits in excess of this $11,000, and not in excess of 20 per cent of the invested capital. In other words, the capital is $100,000, and 20 per cent of that is $20,000. The difference between this and the credit of $11,000—$9,000—is the amount taxed under the first bracket. This is taxable at 30 per cent, so the revenue derived under this bracket would amount to $2,700.

Under the second bracket there is taxable all of the net income in excess of 20 per cent of the capital and in excess of the deduction—in this case the difference between $20,000 and $150,000—leaving $130,000 taxable at 60 per cent. The tax on this would be $78,000, and the total tax under brackets No. 1 and No. 2, $80,700.

Under bracket No. 3, which carries the 80 per cent clause, a different deduction is made. Under section 311 the war-profits credits allowed is a specific exemption of $3,000, and an amount equal to the prewar period income of the corporations, but in no instance less than 10 per cent of its invested capital. In this instance this deduction would be $10,000, the average prewar profits plus the specific deduction of $3,000 making the total of war credits to be deducted $13,000. Under the terms of bracket No. 3 the profits to be taxed are the total profits of the corporation less the deduction—$150,000 less $13,000, making $137,000 of taxable profits. At 80 per cent this would amount to $109,600. The bracket provides that there shall be levied under it the sum, if any, by which this 80 per cent exceeds the amount of the tax computed under the first and second brackets. The tax computed under the first and second brackets amounted to $80,700. This deducted from $109,600 leaves to be assessed under bracket No. 3 $28,900.

The total tax under brackets 1, 2, and 3 would amount to $109,600, which is the total excess and war profits tax levied upon the corporation.

But besides this war excess-profits tax the corporation is also subject to the corporation income tax under section 230. All of its net income for the year 1918 in excess of the credits provided in section 236 are to be taxed at 12 per cent. Section 236 provides that there shall be a credit allowed:

(1) For the amount of taxes imposed under title 3, which contains section 301, under which the war excess-profits tax is levied, so that while the total profits of the corporation amounted to $150,000, it is subject to the following deductions:

First, the taxes computed under section 301, amounting to $109,600; and, second, a specific deduction of $2,000 (section 236 (c)). In this instance the total deduction amounts to $111,600, which, subtracted from the $150,000 of profits, fixes the amount taxable under section 230, the corporation income-tax section, at $38,400. Taxed at 12 per cent, the revenue would be $4,608.

This added to the tax under the first, second, and third brackets of section 301 would bring the total tax of this corporation to $114,208, which is 76.138 per cent of the profits.

This would leave this corporation after all taxes are paid an income three and one-half times as great as its prewar income. It would give it a net income after deductions for taxes of $35,792 as against its prewar income of $10,000.

If this bill really taxes such a corporation 76 per cent of its profits, while it would still be short of the full measure of the contribution which such a war-profiteering concern should make to the Government, it would approach an 80 per cent war tax.

HOW THE "CUSHION" OPERATES.

However, the bill can not be correctly understood by merely applying these rates. There are other provisions which open the door wide for corporations to escape their just taxes. In the case of this corporation, it would claim exemption under paragraph (e) of section 327 and would be taxed under the provisions of section 328.

Paragraph (e), section 327, provides, where the invested capital is materially disproportionate to the net income of representative corporations engaged in like or similar trade or business, because—

(1) The capital employed, although a material factor, is very small or is in large part borrowed.

The tax is to be determined as provided in section 328 and shall be—

The amount which bears the same ratio to the net income of the taxpayer * * * for the taxable year as the average tax of representative corporations engaged in a like or similar trade or business bears to the average net income * * * for such year.

In this typical case the profits of $150,000 amount to 150 per cent of the capital, while it is assumed the net income of representative corporations engaged in a like or similar business is only 30 per cent.

Then this "cushion" provision would be applied as follows under section 328:

Corporations with a present and prewar capital of $100,000, prewar average annual net income $10,000; net income for the taxable year $150,000.

War excess-profits tax under section 301, $109,600, or 73⅔ per cent.

War excess-profits tax of corporations engaged in like or similar business as computed by the Treasury actuary, 45½ per cent.

This latter percentage would apply, so instead of paying a war excess-profits tax of 73⅔ per cent it would pay 45½ per cent. Instead of paying out of its profits of $150,000 $109,600 war excess-profits taxes it would pay $68,000 and would thus save $41,600, a saving of 41.6 per cent on the capital.

In addition, the corporation would pay taxes under section 230. If taxed on war excess profits under section 328, the taxes assessed under section 230 would be a different amount than if the war excess-profits tax was assessed under section 301. With war excess profits taxed under section 328 the tax under section 230 would be computed as follows:

Taxable profits $150,000 less the taxes assessed under section 328, $68,000, less specific exemption of paragraph (e) section 236, $2,000, a total deduction of $70,000, leaving $80,000 to be taxed at 12 per cent, which would yield revenue of $9,600.

So this corporation would pay under section 328, $68,000, and under section 230, $9,600, a total tax of $77,600.

The tax if levied under sections 301 and 230 would be $114,208.

With the "cushion" operating it would mean a saving on the total tax of $36,608, or 36.6 per cent of the capital.

Under these "cushion" provisions out of its $150,000 of profits this corporation would have left after paying its taxes $72,400, or in excess of seven times its peace-time profits.

The total tax assessed under sections 301 and 230 would be 76.14 per cent of the profits, but after applying the cushions under sections 328 and 230 would be only 51.7 per cent of the profits.

The basis of all income-tax laws of the United States has been to tax large incomes at a higher rate than smaller incomes. Also the basis of our excess-profits tax laws has been to tax large profits at a higher rate than small profits.

The relief provisions in this bill change this basis, and tax large incomes and enormous profits at the same rate as are taxed small incomes and small profits.

The relief provisions of this bill are intended to act so that every taxpayer will have an ample profit or income free from all taxation. No provision has been added to the bill, however, that will similarly take care of the Government's side as to revenue. Instead of the rates being increased they have actually been reduced. If increased, no harm could happen to the taxpayer because of the relief provisions.

Consequently, every relief provision not only protects the taxpayer against a heavy tax but also reduces the revenue to the Government, not only from the very small percentage of cases that the bill is intended to relieve, but it affects the very large percentage of taxpayers who, without these provisions, would pay only an adequate tax. If these relief measures were actually intended to relieve hardship only, the rates of tax would have been increased so as to take care of the revenue situation. But the rates have remained or have been reduced from the rates fixed in the bill as it passed the House.

I have illustrated the workings of one of these "relief" provisions. It is not my purpose to set out in detail all of these provisions, but I shall briefly outline the way in which some of the more important will operate to decrease the taxable profits or reduce the tax rate.

PERSONAL-SERVICE CORPORATIONS.

The first of these "cushion" provisions will be found on page 4 of the bill, lines 20 to 26, in the definition of the term "personal-service corporation." This is defined to mean a corporation the income of which is ascribed primarily to the activities of the principal owners or stockholders who are themselves regularly engaged in the active conduct of the affairs of the corporation, and in which capital is not a material income-producing factor.

That definition must be taken in connection with paragraph 8, page 34, and subdivision (14), page 52, which exempts personal-service corporations from taxation under the income-tax provisions, paragraph 8, page 34, and paragraph 304, page 88, which exempts such corporations from all profits tax. The provision with respect to the taxation of partnerships is made to apply in so far as practicable to such corporations and the stockholders thereof. The provision with respect to partnerships, section 218, is that partners shall be liable for income tax only in their individual capacity, and partnerships as such are not subject to war excess-profits taxes; so that personal-service corporations are thereby relieved from paying war-profits taxes. Many personal-service corporations have made enormous profits out of the war.

This is especially true of engineering corporations. Take, for example, an engineering corporation that has a capital of, say, $50,000 and for the three years prior to the war had an average net income of $100,000, and during this taxable year had an income of $1,000,000. This increased income was made possible for this corporation because it designed and superintended the construction of plants devoted to war production. In this instance the war profits of this concern would be $900,000 due entirely to the war, yet this $900,000 wholly escapes war excess-profits taxes.

EXCHANGE OF PROPERTY.

The second cushion to ease off the taxes will be found on page 7, paragraph (b), which reads as follows:

When property is exchanged for other property, the property received in exchange shall for the purpose of determining gain or loss be treated as the equivalent of cash to the amount of its fair market value, if any; but when in connection with the reorganization, merger, or consolidation of a corporation a person receives in place of stock or securities owned by him new stock or securities of no greater aggregate par or face value, or when a person or persons owning property receive in exchange for such property stock of a corporation formed to take over such property, no gain or loss shall be deemed to occur from the exchange, and the new stock or securities received shall be treated as taking the place of the stock, securities, or property exchanged.

Take, for example, two corporations each with an invested capital of $100,000, for which the stockholders paid in cash. Each of the corporations after some years had accumulated a surplus, so that their invested capital amounted to $200,000. The (a) corporation swallows the (b) corporation. The corporation is reorganized and there is exchanged the stock in the old corporation for stock in the new corporation, and for the purpose of determining loss and gain this old stock of corporation

(a) may be treated as the equivalent of cash to the amount of its fair market value. In other words, the fair market value of this property for which each stockholder paid $100 is now $200, and in this exchange of property each stockholder may receive not $100 worth of stock but $200 worth of stock, and this addition to his income—100 per cent—is not subject to taxation. Under the existing law and without this cushion in the bill this increased value when so distributed would be subject to taxation.

NET LOSSES.

On pages 8 and 9 of the bill will be found the sections covering the net loss cushion. This has been fully discussed on the floor, and permits a man who has made a mistake which resulted in a loss in his business during any taxable year ending after January 1, 1919, to recompute the taxes for the preceding year and then to recoup his loss by deducting the amount out of the taxes for that taxable year, and if his taxes for that taxable year be not sufficient to fully recompense him, then he may have a credit against his taxes for the succeeding year.

In case the loss was made during any taxable year beginning after December 31, 1916, and ending not later than December 31, 1918, such loss shall be allowed as a deduction in computing the net income of the taxpayer for the succeeding taxable year.

In other words, it is saddling onto the Government the mistakes and losses which may occur and which may not be deducted during the taxable year.

SALE OF MINES OR OIL AND GAS WELLS.

Page 18, line 3, reads as follows:

(b) In the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this section attributable to such sale shall not exceed 20 per centum of the selling price of such property or interest.

Applying this, let us assume that a prospector finds a mine or an oil or gas well, and in demonstrating the value of that property, allowing him full compensation for his time and for everything expended for this purpose, his total investment is $50,000.

Assume that he sells this property at $1,000,000. This leaves him a profit of $950,000. Under the terms of the income-tax section and without this cushion his tax would be about $700,000, but the above cushion comes into operation and it limits his tax by saying that the portion of the tax imposed by this section attributable to such sale shall not exceed 20 per cent or $190,000—a loss to the Government and a saving to the taxpayer of $510,000. This is how it operates on the big fellow.

But take the case of a little prospector, who spends $1,000 in discovering and proving a mine or oil or gas well, and assume that he sells his property for $31,000, leaving him a net profit of $30,000. Under the terms of the bill his tax would be $4,930. That being less than 20 per cent of the selling price of his property, this cushion does not operate for his benefit. In other words, this cushion operates to reduce the tax of the big operator from 70 per cent of the selling price to 20 per cent, while it leaves the tax on the little operator at 16.53 per cent.

This is not levying a tax in conformity with the rule that should maintain, that an income tax should be levied according to the ability of the person to pay. It aids the person who is so fortunate as to neither need nor deserve any aid, while the small man receives no benefit whatsoever from the cushion.

DEPLETION AND DEPRECIATION OF IMPROVEMENTS OF MINES, OIL AND GAS WELLS, AND TIMBER.

On pages 28 and 58 is the depletion paragraph, which provides in the case of a mine, oil or gas well, and other natural deposits and timber a reasonable allowance for depletion and for depreciation is made. If any individual or a corporation acquired a mine prior to March 1, 1913, in what is known as a proven tract—that is, where there were other mines developed in the same locality—and there was paid for this $100,000, but on March 1, 1913, the fair market value of the property was $1,000,000, then in computing the depreciation such fair market value and not what was actually paid for the property shall be the basis. If the mine or well was acquired after March 1, 1913, by the taxpayer, then not the cost of such acquirement but the fair market value at any time within 12 months after such acquirement shall be taken as the basis for depletion. So that while the purchase price might have been $100,000, after March 1, 1913, if the fair market value at any time within the succeeding year was $1,000,000, then the depreciation allowed would be based upon the latter figure.

Mines have a limited life. In the Joplin district the zinc mines last for from three to five years. Other properties—coal mines, gas or oil wells—have a longer life; but we will say, for example, that this property has a life of five years. Under this provision the taxpayer would be allowed a depreciation of $200,000 per annum. In other words, he would be allowed to deduct annually for five years from his income upon which the tax is computed twice as much as he paid for his property.

On page 29, line 19, and on page 60, line 5, is a paragraph which permits the taxpayer who has for the first time ascertained the amount of loss sustained during the preceding year and not deducted from the gross income for that year, or whose stock of goods is depreciated materially in value due to any shrinkage from the value of the inventory of the preceding year, to deduct such loss from the net income for such preceding taxable year and to have the taxes for that year redetermined, and any amount found to be due to the taxpayer on the basis of such redetermination is credited or refunded to him. The effect of this is that there may be a large stock of goods bought upon a high market, the market declined and the goods are still on the shelves. They are unsold. The tax for the preceding year can be redetermined and this loss recouped. It makes the Government the insurer of business judgment.

AMORTIZATION OF WAR PRODUCTION PLANTS.

(Page 26, subdivision (9), individuals.)
(Page 56, subdivision (8), corporations.)

Under the amortization section an individual or a corporation that constructed a building or acquired machinery or other equipment after April 6, 1917, for the purpose of manufacturing or of producing articles to contribute to the prosecution of the war, or who constructed or acquired vessels for the transportation of articles or men for that purpose, are permitted to annually amortize the cost of their plant without limit; that is, they are permitted to deduct from the income of this year any part or even the total cost of buildings, machinery, equipment, vessels—everything. The House limited the amount that might be deducted for any one year under this heading to 25 per cent of the taxpayer's net income, but the Senate committee struck this limitation from the bill and threw the door wide open.

Under the House bill the Secretary could say that there shall not be allowed any deduction under this heading to exceed 25 per cent, but under the Senate bill there is no limitation on the taxpayer, and he may claim a deduction of 25, 50, 75, or 100 per cent of his net income if the cost of the building or machinery equals that amount.

WIDENS THE EXEMPTION OF ASSOCIATIONS.

The existing law very properly provided for exemption from the corporation-tax section of farmers, fruit growers, and like associations organized and operated for the purpose of marketing their products, and which are operated without profit. These associations are mere selling agents for the individual farmers. In the pending bill, page 51, this very just exemption of the existing law is expanded and the door is thrown open and the opportunity given for the evasion of the corporation-tax law. The provision of the pending bill not only applies to such nonprofiteering associations, but it extends the exemption to include associations that act as selling agents not only for their own members and without profit, but which also sell for nonmembers. Where these associations make profit as the agent of a nonmember, such profit is taxable. But the viciousness of this provision is that membership in such organizations can be had for a mere nominal fee, and individuals who would not ordinarily find it advantageous to belong to such organization will under this provision find it a benefit to be a nominal member in such an association. It is problematic how much loss there may be to the Government in revenue, and there is no need of introducing this uncertainty when every legitimate association of this character is exempted under the existing law.

MAKING THE GOVERNMENT CARRY THE COST OF DEFERRED TAX PAYMENTS.

On pages 69 and 70 of the bill, section 250, there is extended the time for the payment of the income tax so that the last payment for the tax of 1918 need not be made until December 15, 1919.

The income which was taxed was of the year 1918. The tax should be due on the 31st day of December, 1918, and should be paid as soon thereafter as the books of the taxpayer can be closed and the return made. The existing law gives the taxpayer until June 15 in order to make certain that all of the taxes would be in the Treasury prior to the end of the fiscal year.

Anticipating a heavy war tax both on incomes and on profits for the year 1918, Treasury certificates were sold, so as to make it easy for the taxpayer. As the taxpayer accumulated his income during 1918, he laid aside a portion to meet the income taxes, and could invest it in Treasury certificates, such certificates bearing interest at from 2 to 4½ per cent, but practically all at 4½ per cent, so that the taxpayer, on the sum he had laid aside for payment of his taxes, could earn income up to the time that he would turn in the certificates, as the cer-

tificates are receivable for taxes. But this provision of extending these payments will put a loss of $20,000,000 onto the Government. Instead of collecting the money which these big corporations have laid aside during 1918 to pay their taxes for that year, they will extend their payments until December, and the Government in the meantime will have to issue certificates of indebtedness in anticipation of these payments. On these certificates of indebtedness, the face of which will be about $2,000,000,000, the average interest will be at least 1 per cent, so that it will mean an interest, taking into account the time for which it will run, charge of $20,000,000, which will amount to a bonus to the taxpayer. The little taxpayer will pay his taxes in cash, without taking advantage of these extension provisions, and it is only the concerns with big amounts involved that will be benefited.

RELIEF FOR SMALL CORPORATIONS.

The House bill and the pending bill contain provisions excepting certain corporations from the rates of taxation provided under the brackets of the war excess-profits tax. In discussing some of the "cushion" provisions I called attention to a few of these, and I will not again cover that ground.

The House bill would tax a corporation with an invested capital of not more than $25,000, 35 per cent of its net income in excess of $3,000. This was the same rate it applied to other corporations by the first excess-profits bracket, but in the case of other corporations the rate is limited to apply to profits not in excess of 15 per cent of the capital plus that $3,000 exemption.

In the case of corporations with a capital of more than $25,000, but not more than $50,000, the rate of taxation as fixed by the House bill is 40 per cent of the net income, less a specific deduction of $3,000. Under the terms of the House bill, with a specific exemption of $3,000, plus 8 per cent earning allowed upon the capital, there seems to be no reason why corporations of this class should not take the same rates as other corporations.

The pending bill provides that the war excess-profits tax on corporations shall in no case be more than 30 per cent of the net income in excess of $20,000. This is a cushion unnecessary, unjustifiable, because it permits corporations to retain inordinately large profits, though made out of war, and it is stricken from the substitute bill.

The substitute bill restores the House section which limits the tax which may be levied on personal service corporations to 20 per cent of its net income, but makes an exception in that it shall not apply to a corporation with a capital of more than $100,000, 50 per cent of the gross income of which consists of gains or profits derived from purchase, sale, or commissions from Government contracts. In such case, under the provision of the House bill, these corporations would be taxed on their profits as are other corporations.

The pending bill strikes out the House limitation and would also write into law a rule dividing the income of a corporation partly derived from capital and partly derived from personal service, and the tax rate is computed on that portion of the income earned by capital provided 30 per cent of the income is derived from personal service. Then the rate based on a part is applied to the whole income. This is a cushion which will permit many contracting corporations that have made large profits out of Government contracts to escape payment of just war excess profits at the same rate as other corporations that have made such profits.

The substitute bill recurs to the language of the House bill with its specific limitation, as this will afford all the "relief" that any personal-service corporation should be entitled to, while at the same time it will protect the Government in the revenues which it should justly have out of war contracts. In connection with the consideration of this item it should be borne in mind that the Government was compelled to pay high prices on these contracts. It accepted these high prices because in the first place it desired the work to be done quickly and it did not have time to haggle as to prices, and in the second place because, as it was stated and as it appeared in the public press over and over again, the Government counted upon getting back a large share of these excessive prices through the means of a stiff and uncompromising war tax.

CHANGES MADE BY THE SUBSTITUTE BILL.

The substitute bill follows the general form of the House bill up to the tax on beverages. It restores the House rates on estate taxes and a striking out of the inheritance tax as it has been written in by the Senate committee.

The tax on transportation and other facilities, telephone and telegraph messages as contained in the House bill and in the pending bill, are not in the substitute bill.

The tax on insurance in the substitute bill follows the language and rates of the House bill.

The tax on beverages and on tobacco and cigars is the same in the substitute bill and in the pending bill,

The tax on admissions and dues follows the language and rates of the pending bill.

The excise taxes carried under Title IX of the pending bill are included in the substitute bill, but in addition thereto the substitute bill restores the tax upon luxuries as this tax passed the House.

The special taxes under Title X of the pending bill are retained in the substitute bill, as are also the stamp taxes of Title XI.

The tax on employment of child labor is included in the substitute bill, as are also the general administrative provisions of Title XIII.

The general provisions of Title XIV are included in the substitute bill, with the exception that there is stricken therefrom the amendment to section 1101, which would repeal the existing law with respect to fourth-class mail matter.

The foregoing is a brief summary of the differences between the pending bill and the substitute. The result of these changes is to take some of the burden off the men of small incomes and place it where it properly belongs—on the larger incomes.

The substitute bill increases materially the amount of revenue which will be collected under the war excess-profits tax. It is estimated that the rates of the pending bill will produce $2,400,000,000 of war excess-profits revenue, while by the substitute bill there will be raised under this heading at least $3,200,000,000, an increase of $800,000,000.

Every dollar of this revenue will be taken from concerns that have been piling up abnormally high profits, whether these profits are what may be strictly termed war profits or merely the excess profits, over a reasonable return on business.

The substitute bill, by restoring the House provisions with respect to estate taxes, will be capable of producing an estimated revenue of $110,000,000 under this head—an increase of $88,000,000.

The substitute bill, under the heading of special taxes, is estimated to produce $262,805,000, as against $77,805,000, than the rates of the Senate bill under this heading would produce. The reason of this is that there are restored to the bill all of the luxury taxes that were eliminated by the Senate committee. Since I dictated that paragraph I believe the Senate has incorporated the luxury tax in the bill.

Mr. THOMAS. And reduced the amount to 10 per cent.

Mr. LA FOLLETTE. Yes; and has cut the amount in two, the amount that would be secured under the House rates; but I have put it into this substitute at the full amount of 20 per cent. By placing these taxes back in the bill a gain in revenue will be made amounting to $185,000,000.

It is from these items alone, the income tax, war excess-profits tax, estate tax, and luxury taxes, that the substitute bill increases in revenue are derived.

By eliminating the tax upon freight bills, passenger tickets, express and parcel-post packages, telegraph and telephone messages, as will be done if the substitute bill is adopted, there would be a loss in revenue upon this one head of $219,000,000.

But when all the changes are made by the substitute—and every change it proposes is for the purpose of placing the tax where it belongs, on wealth and luxuries that can well afford to bear the tax, and by taking a little off the poor—the total increase in revenue under the substitute bill would be $1,234,510,000.

I submit and ask to have printed in the RECORD a table showing the estimated revenue for the 12-month period under the pending bill and the substitute. These estimates were prepared by the Treasury expert.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Estimated revenues under the Senate bill and the La Follette substitute compared for 12-month period.

	Senate bill.	Substitute bill.
Income taxes:		
Normal	$414,000,000	$70,000,000
Surtax	1,018,000,000	1,714,510,000
Corporation tax	772,000,000	700,000,000
War excess-profit tax	2,400,000,000	3,200,000,000
Estate or inheritance taxes	22,000,000	110,000,000
Transportation facilities	219,000,000	
Insurance	17,000,000	17,000,000
Admissions and dues	54,000,000	54,000,000
Excise taxes	198,535,000	198,535,000
Beverages	75,000,000	75,000,000
Tobacco and cigars	240,600,000	240,600,000
Special (luxury taxes)	77,805,000	77,805,000
Stamp taxes	31,000,000	31,000,000
Floor taxes	70,000,000	70,000,000
Total	5,000,940,000	6,743,450,000

WAR EXCESS-PROFITS TAX OF SUBSTITUTE.

Mr. LA FOLLETTE. The computations presented have been submitted to the Treasury expert—in fact, the estimates were prepared by him. I am willing that these estimates should stand as the measure of the revenue-producing power of the substitute bill.

At the same time, in fairness to the Senate, I must express the belief that the revenue that would be derived under the war-profits bracket would be larger than the estimate.

My reasons for this belief are the following:

The estimated revenue under the war excess-profits tax as it passed the House was $3,200,000,000. The substitute bill has practically the House bill rates, but does not permit a corporation taxed under the war-profits method a specific exemption of $3,000, as does the House bill.

It appears to me that the striking out of this exemption must result in a large increase in the revenue that would be derived from war profits.

The 1916 statistics of income, the latest available, show there were 341,253 corporations that made returns of taxable income. This number has greatly increased since that time. It is estimated that this increase is almost 25 per cent, and that there are now about 400,000 corporations in the United States.

Assuming that of these 250,000, or little more than half, would pay a tax under the war-profits bracket, it would mean that 250,000 corporations would each receive under the substitute bill a deduction less by $3,000 than under the Senate or the House bill. In other words, the rates of the substitute bill would apply to $750,000,000 more profits than are taxed under the pending or the House bill.

Seven hundred and fifty million dollars of profits additional to the profits taxed under the war-profits bracket at the rate of 80 per cent would yield additional revenue of $600,000,000.

This $600,000,000 added to the estimated $3,200,000,000 would bring the total yield of revenue under the war excess-profits tax to $3,800,000,000.

That would amount to a war-profits tax of 76 per cent on the estimate of $5,000,000,000 of war profits, and would make the substitute bill produce revenue of $1,734,510,000 in excess of the revenue estimated to be derived under the pending bill.

As I said, I have only endeavored to indicate in a brief way how these relief provisions will operate. Their effect upon the revenues of the Government is clearly indicated by the estimate of the amount of war excess profits to be collected under the pending bill.

In the substitute bill, without making too many changes, I have endeavored to save, and the provisions of the substitute bill will save, to the Government revenue to an amount of from $800,000,000 to $1,400,000,000 out of the tax on war excess profits alone.

Mr. President, I have endeavored to present the more objectionable provisions of the pending bill as I view them and to remedy in some measure its more serious defects by the substitute bill which I have submitted to the consideration of the Senate.

EVERY DOLLAR OF WAR PROFITS SHOULD BE TAKEN.

I would not have it understood that I regard the substitute bill as the best measure that might be drawn to meet present requirements. Far from it. A just measure would allow no man or corporation to retain a dollar of profits made directly out of this war.

Thousands of letters are coming to us daily from the families of soldiers who are being supported by charity because the Government has failed to pay to these dependent ones the insurance and allotments to which they are entitled.

The suffering resulting is appalling. I make reference to it in this connection solely to remind Senators how near the limit of destitution and suffering a great mass of people in this country are actually living.

When a family so situated gives up the father and the sons to the service of the Government, they give everything. They give all their income when they give the power that produces that income. If the rich gave all of their income and loaned the Government all of their capital, they would give no more to support the war than the hundreds of thousands whose fathers and brothers were taken for this war service.

I would take every dollar of war profits, leaving business its enormous prewar profits and its capital untouched.

I would take all of the incomes over enough to enable the owner of the income to support his family in comfort.

But, sir, I know that such a bill would receive little support in this body.

I have therefore offered a substitute bill that is far short of the requirements that justice demands.

I desire a record vote whenever the Senate is ready to pass upon the adoption or rejection of my substitute.

Mr. President, in view of the unexpected progress made with the consideration of this bill since it was reported to the Senate it appeared that all committee amendments might be disposed of and that we might reach the parliamentary situation where I could present my substitute bill for argument and secure a vote upon it during Saturday's session. As I could avail myself of computations already made by the Treasury experts by adopting the form of the pending bill with respect to the tax upon excess and war profits, and thus expedite the preparation of my substitute bill, I prepared my substitute on that basis.

While not in conformity with my idea of a properly drafted war-revenue bill, I took that course under the circumstances and made such changes in the pending bill as would levy a higher rate of taxation upon excess profits and would bring under the war-profits bracket the actual war profits, without any deduction made with respect to a percentage of the capital or any specific deduction.

As the bill was not disposed of in its consideration before the Senate in Committee of the Whole Saturday night, I have had time to work out a substitute plan for a flat 80 per cent war-profits tax.

That is a variation from the printed substitute, and I am now calling attention to it.

As this flat tax on war profits takes no account of the so-called excess profits, I have recurred to the provision of the House bill taxing the net income of corporations. Under this provision such portion of the net income as is used to pay dividends, the discharge of bonds or other interest-bearing obligations, and any amount expended to purchase obligations of the United States will be taxed at 12 per cent, and all the net income in excess of amounts thus expended would be taxed at 18 per cent.

The result of these changes would be to bring a very substantial increase in the revenue that would be derived under the bill.

It is true that under this plan the profits of a great number of concerns that made exceptionally large earnings in the prewar period but had no increase in earnings during the taxable year would not be subject to quite as high a rate of taxation as would those same corporations if taxed under the provisions of the pending bill or the provisions of the House bill. This is because the substitute as framed makes no provision for the taxation of excess profits and is based wholly upon the idea that the profits that should bear the high rate of taxation for war purposes are the profits that are made out of war.

This conforms to the fundamental idea of a war-profits tax. It will bear equally upon the large and the small corporations. It will touch no corporation that did not make profits out of war. It is ascertained by subtracting the average net income of the corporation for the prewar period from the net income of the taxable year, and taxing the difference at the rate of 80 per cent. It is a tax easy to administer. It will take no toll except that which should be taken. It would do no harm if it was placed as high as 90 per cent or 100 per cent, because the corporation would be left an amount equal to its peace-time profit.

I will say, Mr. President, as my conception of fair taxation, that no dollar of profit should be permitted to accrue to any man or to any corporation out of this war.

As for corporations that did not exist in the prewar period, their war profits are to be determined by comparison with the war profits of representative corporations doing a like business. As to corporations that have added or withdrawn new capital, they are permitted a deduction plus or minus 10 per cent of the capital withdrawn or added. Under the determination with respect to the war profits of 1918 and levying an 80 per cent tax on same, this substitute would therefore yield 80 per cent of $5,000,000,000 of war profits, or $4,000,000,000 of revenue.

Under the excess and war profits bracket of the pending bill it is estimated that the revenue will amount to $2,400,000,000; with the change which I would make there would be an increase in revenue which will amount to $1,400,000,000.

Mr. KENYON. May I ask the Senator a question?

Mr. LA FOLLETTE. Certainly.

Mr. KENYON. I do not want to break into the Senator's line of thought, but he says that there should be no war profits, and he takes 80 per cent of war profits and there is then virtually 20 per cent left of the war profits.

Mr. LA FOLLETTE. In saying that there should be no war profits I am speaking my personal view. In presenting a bill which takes only 80 per cent, I am doing the best I can with the Senate.

Mr. KENYON. The Senator's substitute, then, does not take all the war profits?

Mr. LA FOLLETTE. No; it takes 80 per cent of the war profits, and takes it as a flat tax.

Mr. President, to effect the necessary changes I have had to make a few corrections in the print of the amendment in the form of a substitute which Senators have before them. If any Senator desires to mark the changes into his copy, I will submit them to the Senate and Senators will see just what changes I have made in the printed amendment which is upon their desks. The first of these changes occurs at the bottom of page 31. Instead of the language beginning with line 22, paragraph (a), I have recurred to the language in the House bill, which will be found on the copy of the pending bill beginning at line 23, page 47. I have restored the matter there stricken through down to and including line 8, on page 48.

I will read into the RECORD, Mr. President, the change made by the substitute bill. At page 31, after line 21, I have added the following:

In case of a domestic corporation, 18 per cent of the amount of the net income in excess of the credits provided in section 236: *Provided*, That the rate shall be 12 per cent upon so much of this amount as does not exceed the sum of (1) the amount of dividends paid during the taxable year plus (2) the amount paid during the taxable year out of earnings or profits in discharge of bonds; and other interest-bearing obligations outstanding prior to the beginning of the taxable year plus (3) the amount paid during the taxable year in the purchase of obligations of the United States issued after September 1, 1915.

In section 301, page 54 of the substitute bill, in lines 16 and 17, I have stricken out the matter which occurs in parentheses; in line 19, all after the words "equal to," and the balance of page 54 and page 55, down to and including the word "which," on line 9; also all after the parenthesis in line 11 down to and including line 19; on page 56, line 9, after the word "be," inserting the words "10 per cent"; on page 57 strike out lines 7, 8, 9, 10, and 11; on page 62, in line 21, strike out all after the word "capital" where it occurs in the center of the line; also lines 22 and 23 down to and including the words "trade or business," in line 24.

With these changes the language of the substitute bill as I introduced it on December 19, and as I offer it now, are identical, so that Senators may very easily follow these changes and will appreciate that, while I make a change in the corporation tax and in the war excess-profits tax, the body of the substitute bill remains as it was introduced.

The PRESIDING OFFICER [Mr. MCKELLAR in the chair]. The question is upon the adoption of the amendment offered as a substitute by the Senator from Wisconsin.

Mr. LA FOLLETTE. Upon that I ask for a record vote.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JONES of Washington (when his name was called). I am paired with the senior Senator from Louisiana [Mr. RANSDELL] and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. KENDRICK (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. FALL] to the Senator from Montana [Mr. WALSH] and vote "nay."

Mr. NEW (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. GAY]. Transferring that pair to the senior Senator from New Jersey [Mr. FRELINGHUYSEN], I vote "nay."

Mr. SAULSBURY (when his name was called). My general pair with the senior Senator from Rhode Island [Mr. COLT] does not apply to this proposal. I therefore vote "nay."

Mr. TOWNSEND (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON], who is absent. I therefore withhold my vote.

The roll call was concluded.

Mr. GERRY. I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. MYERS. I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. STERLING. Announcing my pair with the Senator from South Carolina [Mr. SMITH], and not knowing how he would vote on this question, I withhold my vote.

Mr. BRANDEGEE. I am paired with the senior Senator from Tennessee [Mr. SHIELDS]. I transfer that pair to the junior Senator from New Jersey [Mr. BAIRD] and vote "nay."

Mr. SMOOT. I desire to announce the unavoidable absence on account of illness of the Senator from Kansas [Mr. CURTIS]. He is paired with the Senator from Georgia [Mr. HARDWICK].

Mr. LODGE. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Illinois [Mr. SHERMAN] with the Senator from Kansas [Mr. THOMPSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED].

The result was announced—yeas 6, nays 54, as follows:

YEAS—6.

Borah	La Follette	Nugent	Vardaman
Gronna	Norris		

NAYS—54.

Bankhead	Jones, N. Mex.	Nelson	Smoot
Beckham	Kellogg	New	Spencer
Brandegee	Kendrick	Penrose	Sutherland
Chamberlain	Kirby	Phelan	Swanson
Dillingham	Knox	Poindexter	Thomas
Fernald	Lenroot	Pollock	Trammell
Fletcher	Lewis	Pomerene	Underwood
France	Lodge	Saulsbury	Warren
Gerry	McCumber	Shafroth	Watson
Hale	McKellar	Sheppard	Weeks
Harding	Martin, Ky.	Simmons	Williams
Henderson	Martin, Va.	Smith, Ariz.	Wolcott
Hitchcock	Moses	Smith, Ga.	
Johnson, S. Dak.	Myers	Smith, Md.	

NOT VOTING—36.

Ashurst	Gay	McLean	Sherman
Baird	Goff	McNary	Shields
Calder	Gore	Overman	Smith, Mich.
Colt	Hardwick	Owen	Smith, S. C.
Culberson	Hollis	Page	Sterling
Cummins	Johnson, Cal.	Pittman	Thompson
Curtis	Jones, Wash.	Ransdell	Townsend
Fall	Kenyon	Reed	Wadsworth
Frelinghuysen	King	Robinson	Walsh

So Mr. LA FOLLETTE'S amendment, in the nature of a substitute, was rejected.

Mr. THOMAS. Mr. President, this morning a motion which I made to strike out three lines on page 123 was accepted by the committee. My attention has been called to the identical language on page 128, beginning on line 7 and ending with line 9. I ask that that may also be stricken out.

The PRESIDING OFFICER. The Senator from Colorado offers an amendment, which will be stated.

The SECRETARY. On page 128, line 7, it is proposed to strike out: "and to the extent of the excess over $25,000 of the amount receivable by any beneficiary as insurance under policies taken out by the decedent upon his own life."

Mr. SIMMONS. I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. KING. I send to the desk the following amendment. I have submitted it to the chairman of the committee and it has received some investigation. I think he will accept the amendment.

The SECRETARY. On page 278, after line 7, insert:

SEC. 1407. That it shall be the duty of every individual partnership, and corporation which, since the 6th day of April, 1917, has entered into any contract, undertaking, agreement, or transaction with the United States, or with any agency, officer, or commission of the United States, or with any other person, partnership, or corporation having contract relations with the United States, for the performance of any work or for the supplying of any materials or property for the use of or for the account of the United States to file with the Commissioner of Internal Revenue and with the Attorney General, within 60 days after the passage of this act, a true and correct copy of every such contract, undertaking, agreement, or transaction, together with a true, accurate, and complete statement of all work and labor performed and materials and property supplied, and an account of all moneys or other things of value received, expenses incurred, and profits made and realized from such contract, undertaking, agreement, or transaction.

SEC. 1408. That in cases where the work to be performed or the materials to be supplied shall not have been completed within 60 days after the passage of this act, a further and supplementary statement covering the same matters and to the same effect as hereinbefore prescribed shall be filed with the Commissioner of Internal Revenue and with the Attorney General within 60 days after the completion of such contract, undertaking, agreement, or transaction.

SEC. 1409. That during the pendency of the present state of war every individual, partnership, and corporation, which shall hereafter enter into any contract, undertaking, agreement, or transaction with the United States, or with any agency, officer, or commission of the United States, or with any other person, partnership, or corporation having contract relations with the United States, for the performance of any work and for the supplying of any materials or property for the use of or for the account of the United States, shall immediately file with the Commissioner of Internal Revenue and with the Attorney General a true, correct, and complete copy of every such contract, undertaking, agreement, or transaction, and shall within 60 days after the completion of such contract, undertaking, agreement, or transaction file with the Commissioner of Internal Revenue and with the Attorney General the statement of work, receipts, expenditures, and profits hereinbefore prescribed.

SEC. 1410. That if such contract, undertaking, agreement, or transaction requires the performance of work or the supplying of materials or property for a period extending beyond one year, then the statement hereinbefore prescribed shall be filed with the Commissioner of Internal Revenue and with the Attorney General on or before the 1st day of January in each and every year during the continuance of such contract, undertaking, agreement, or transaction, and upon the completion of such contract, undertaking, agreement, or transaction the statement

of work, receipts, expenditures, and profits, hereinbefore prescribed, shall likewise be filed with the Commissioner of Internal Revenue and the Attorney General.

SEC. 1411. That the statement hereinbefore prescribed to be filed with the Commissioner of Internal Revenue and the Attorney General shall in every case be duly verified by oath by the individual or on behalf of the partnership or corporation making the same, and in the case of a partnership said statement shall be verified by one of the members of such partnership, and in the case of a corporation by the president or the manager of such corporation.

SEC. 1412. That a failure to file the statement referred to in sections 1407 to 1411, inclusive, within the time herein provided shall constitute a misdemeanor, and every person so offending shall be punished by a fine not exceeding $5,000 or imprisonment not exceeding two years, or by both such fine and imprisonment.

SEC. 1413. That if any person or officer or agent of any corporation or partnership shall knowingly falsely set forth or state anything in said statement filed with said Commissioner of Internal Revenue and said Attorney General, he shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $5,000 or punished by imprisonment not exceeding five years, or by both such fine and imprisonment.

SEC. 1414. That all persons employed in the civil, military, and naval establishments of the United States whose services are personal and whose duties, offices, and functions are prescribed by law shall be excluded from the operation of the provision of sections 1407 to 1413, inclusive.

Mr. SIMMONS. I have examined that amendment very closely, and members of the committee have also done likewise, and I will accept it.

Mr. BRANDEGEE. Mr. President, I simply want to suggest in relation to the amendment for the consideration of the conference committee, there are thousands of people, no doubt, who have had relations with the Government of a contractual nature since the war broke out, who will not know anything about the passage of the bill. The amendment is in a revenue act. It makes a penal offense for all people who neglect for a period of 60 days after the passage of the bill filing copies of their contracts with the internal-revenue collector. I suggest that if adopted—and I am not opposing it at all—the conference committee should provide that the parties having the contracts should in some way be notified by the Government that this is required of them.

Mr. SIMMONS. Does the Senator understand that the conferees would have authority to make changes in this provision?

Mr. BRANDEGEE. I hope so. At any rate if they can not do it they can not; but I suggest if it is possible they should do so, because there are many people who are not used to dealing with the Government and have made contracts of a small nature who will never know about this measure, and they may be the victims of blackmail and serious oppression unless they are notified, and they should be notified.

Mr. SIMMONS. The purpose of the amendment is undoubtedly good.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still in Committee of the Whole, and open to amendment. If there be no further amendment as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole.

Mr. POMERENE. I reserved the other day the right to have a separate vote in the Senate on the amendment relating to the zone system, to wit, section 1101 of the bill. I ask that that matter may be submitted to the Senate.

The PRESIDING OFFICER. Without objection, all the other amendments to the bill that have been agreed to in Committee of the Whole will be concurred in. They are concurred in. The question now is on concurring in the amendment reserved by the Senator from Ohio, which the Secretary will state.

The SECRETARY. On page 277, insert section 1101 in the following words:

SEC. 1101. That on and after July 1, 1919, the rates of postage on publications entered as second-class matter (including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, shall be 1 cent per pound or fraction thereof for delivery within the first and second zones applicable to fourth-class matter, and 1½ cents per pound or fraction thereof for delivery within any other zone.

(c) This section shall take effect July 1, 1919.

Mr. POMERENE. This is the amendment repealing the present zone system as applied to second-class mail. I think Senators are fully familiar with what is involved, and I do not care to occupy the time of the Senate to say anything further upon it. I ask for the yeas and nays upon concurring in the amendment.

Mr. SMOOT. Mr. President, I feel that I ought to make a correction in the statement that I made on the floor of the Senate the other day when we had the zone system under consideration. It will take me only a minute. The Senate was led to believe, and I was also led to believe and made the statement, that Mr. Penton was publisher of the Iron Age, a magazine published in New York, and I took it for granted when the statement was made that Mr. Penton was the publisher of that magazine. A letter was read in the Senate the other day when we had this question up by the Senator from Ohio [Mr. POMERENE] stating that he, of course, very much preferred to have an increase in the second-class postage rates rather than have the first-class postage raised from 1 cent to 3 cents. The magazine was pointed to as a horrible example of the cost of second-class mail matter to the Government of the United States.

My attention has been called to the fact that Mr. Penton is not the publisher of the magazine, has nothing whatever to do with it, but does publish a little magazine in Cleveland, Ohio, whose circulation is in the iron industry around Cleveland, and it hardly goes out of the first zone. Of course, under the proposition he would prefer very greatly to have the rate provided in the present law apply to his magazine rather than to have it apply to first-class mail matter.

I have a copy of the magazine before me. I notice there are 43 pages of reading matter with certain insertions in that reading matter and 189 pages of advertisements, and this is not the Christmas edition.

Mr. POMERENE. May I ask the Senator the name of that magazine?

Mr. SMOOT. I will state that the magazine is the Iron Trade Review, published at Cleveland, Ohio. This is the issue of December 19, 1918. I felt that I should make that correction.

Mr. POMERENE. It is true that a mistake was made in saying that he was connected with the Iron Age, but the Senate still has not investigated the subject sufficiently to have the facts. The Trade Review, to which the Senator referred, is one of the publications. Mr. Penton has either four or five publications. The statement that it is limited in its circulation to a few iron people in and about Cleveland is wholly gratuitous on the part of the Senator from Utah. It is not the fact. It has a very wide circulation throughout the country.

Mr. SMOOT. I make the statement I do, in relation to where it is circulated, from men who have sent to me the information; and if the Senator wants to know who they are I can tell him exactly who they are.

Mr. POMERENE. It is not necessary to tell me who they are. I know Mr. Penton, and I know he is one of the reliable men of this country, and he is not a Democrat, but he is a Republican who believes in paying his way without getting his hand in the public till.

The PRESIDING OFFICER. The question is on concurring in what is known as the zone postal amendment.

Mr. POMERENE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HITCHCOCK. I should like to have the Chair state what the amendment is.

The SECRETARY. On page 276, line 22, insert section 1402.

The PRESIDING OFFICER. The Secretary will call the roll on concurring in the amendment made as in Committee of the Whole.

The Secretary proceeded to call the roll.

Mr. GERRY (when his name was called). Making the same announcement as on the last vote I vote "nay."

Mr. JONES of Washington (when his name was called). As heretofore announced I am paired with the senior Senator from Louisiana [Mr. RANSDELL] and withhold my vote.

Mr. MYERS (when his name was called). I make the same transfer of my pair that I announced on the last vote and vote "nay."

Mr. NEW (when his name was called). Announcing the same pair and transfer as on the previous vote of to-day I vote "yea."

Mr. TOWNSEND (when his name was called). Making the same announcement of the transfer of my pair I vote "yea."

The roll call was concluded.

Mr. GERRY (after having voted in the negative). I voted under a misapprehension. I change my vote from "nay" to "yea."

I am informed that the Senator from New York [Mr. CALDER], with whom I am paired, would vote as I do, and therefore I do not need to make a transfer.

Mr. STERLING. I announce my pair as on the previous vote, and I transfer that pair to the Senator from Oregon [Mr. MCNARY] and vote. I vote "yea."

Mr. BRANDEGEE (after having voted in the affirmative). I omitted to state that I made the same transfer of my pair on this vote that I did on the previous one.

Mr. SIMMONS (after having voted in the affirmative). I wish to inquire whether the Senator from Minnesota [Mr. KELLOGG] has voted.

The PRESIDING OFFICER. He has not voted.

Mr. SIMMONS. I have a pair with that Senator, which I transfer to the Senator from Nevada [Mr. PITTMAN] and let my vote stand.

The result was announced—yeas 41, nays 22, as follows:

YEAS—41.

Bankhead	Henderson	Nelson	Sterling
Borah	Hitchcock	New	Swanson
Brandegee	Johnson, Cal.	Penrose	Underwood
Chamberlain	Jones, N. Mex.	Phelan	Warren
Dillingham	Kendrick	Poindexter	Watson
Fernald	Knox	Saulsbury	Weeks
Fletcher	Lewis	Simmons	Williams
France	Lodge	Smith, Ga.	Wolcott
Gerry	McCumber	Smith, Md.	
Hale	Martin, Va.	Smoot	
Harding	Moses	Spencer	

NAYS—22.

Beckham	La Follette	Nugent	Sutherland
Gronna	Lenroot	Pollock	Thomas
Johnson, S. Dak.	McKellar	Pomerene	Trammell
Kenyon	Martin, Ky.	Shafroth	Vardaman
King	Myers	Sheppard	
Kirby	Norris	Smith, Ariz.	

NOT VOTING—33.

Ashurst	Gay	Overman	Smith, Mich.
Baird	Goff	Owen	Smith, S. C.
Calder	Gore	Page	Thompson
Colt	Hardwick	Pittman	Townsend
Culberson	Hollis	Ransdell	Wadsworth
Cummins	Jones, Wash.	Reed	Walsh
Curtis	Kellogg	Robinson	
Fall	McLean	Sherman	
Frelinghuysen	McNary	Shields	

So the amendment was concurred in.

Mr. SIMMONS. I ask unanimous consent that the Secretary be authorized to adjust the numbers of sections and subsections.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPENCER. I offer the following amendment to the bill in the Senate.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. On page 197, line 2, strike out the figure "10" and substitute in lieu thereof the figure "5."

Mr. SIMMONS. I desire to inquire whether the Senator from Missouri reserved that amendment.

Mr. SPENCER. I did not.

Mr. SIMMONS. Very well. I will make no objection.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Missouri to the amendment of the committee.

Mr. SPENCER. Mr. President, nothing except a real sincere belief that there is an existing inequality could move me at this time to take a single moment. The Senate has agreed to the reduction of the tax upon jewelry from 10 per cent to 5 per cent. Every article of jewelry——

Mr. SIMMONS. Mr. President, at the request of a number of Senators on the committee I will accept the amendment.

Mr. THOMAS. I object. My objection is based upon the fact that representatives of the fur industry appeared before the committee and expressed themselves dissatisfied with the rate that the committee reported in the bill. If we are going to tax pantaloons and silk stockings, and so forth, 10 per cent as luxuries, we should also place a similar tax on furs as luxuries.

The PRESIDING OFFICER. Confusion has arisen by reason of the fact that all the Senate committee amendments made as in Committee of the Whole were concurred in, and in order to have this amendment adopted the Senator from Missouri will have to ask for a reconsideration of the vote. It grew out of inadvertence I know on his part.

Mr. SIMMONS. I ask that the amendment be reconsidered.

The PRESIDING OFFICER. Without objection it will be reconsidered. The question now is upon the amendment of the Senator from Missouri to the amendment of the committee.

Mr. GRONNA. I ask that the amendment may be read.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 197, line 2, strike out the figure "10" and substitute in lieu thereof the figure "5," so as to read:

(18) Articles made out of any fur, or articles of which fur is the component material of chief value, 10 per cent.

The amendment to the amendment proposes to strike out "10" and insert "5," so as to read 5 per cent.

Mr. GRONNA. Mr. President, I do not know that I particularly care to discuss this amendment, but I have occupied no time in the discussion of this measure, and I simply wish to say that I agree with what the Senator from California [Mr. JOHNSON] well said to-day, that the action of the Committee on Finance is an indorsement of the 17 Members who fought for an increased rate on excess profits last year. I did take some time last year to explain my position as to the rates on excess war profits. I then stated that no man who was known to be a financier even in a small way would carry on his business in the manner that we were proposing to conduct the business of the Government. I restate now that no man who is worth a million dollars would borrow and mortgage his plant for two-thirds of that sum, as we are now proposing to do only on a vastly greater scale in the case of the Government. He would realize that that would reduce the value of his securities the same as a similar procedure would depreciate the value of the bonds of the Government.

Mr. President, those of us who stated last year that we believed that the rates then imposed were insufficient were characterized as disloyal and pro-German. The chairman of the committee acknowledged here on the floor in making his excellent speech the other day that unless this bill were passed before the end of this year the Government would lose $2,000,000,000 in revenue. The rates imposed in this bill are not any more excessive than the rates proposed by the minority of 17 Senators last year; and if we are to lose $2,000,000,000 in the event this new bill is not enacted during this year, then we have reason to suppose that we would have collected more than $2,000,000,000 if the amendment proposed by the Senator from California and supported by the other 16 Members of the Senate had been agreed to a year ago. So the Senator from North Carolina, the chairman of the Committee on Finance, has also indorsed the position which we took a year ago, although at that time he made the statement—I think I recollect it distinctly—that if the increased rates proposed by us then were incorporated in the bill it would disturb business. After the chairman made that statement the bill was recommitted to the Committee on Finance and the rates nearly doubled.

I simply wanted to say this much to make plain the fact that the Members of the Senate to whom I have referred—17 in number, I believe—who then said that from an economic standpoint it was necessary to increase these rates, have been indorsed by the Committee on Finance.

Mr. KELLOGG. Mr. President, do I understand that the chairman of the committee has accepted the amendment as proposed by the Senator from Missouri [Mr. SPENCER] to the committee amendment?

Mr. SIMMONS. I did accept the amendment.

Mr. SMITH of Georgia. Other members of the committee do not accept it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri to the amendment of the committee.

Mr. SPENCER. I ask for a division.

The question being put, on a division the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the committee.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The bill is in the Senate and still open to amendment. If there be no further amendment, the question is, Shall the amendments be engrossed, and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill was passed.

Mr. SIMMONS. I move that the Senate request a conference with the House on the bill and amendments, and that the Chair appoint the conferees upon the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SIMMONS, Mr. WILLIAMS, Mr. SMITH of Georgia, Mr. PENROSE, and Mr. LODGE conferees on the part of the Senate.

Mr. SIMMONS. I move that the bill be reprinted, with the Senate amendments numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMOOT. Mr. President, that motion would only carry about 1,682 copies, to be distributed all over the United States. I ask that an order be made for the printing of the bill as passed by the Senate, with the amendments numbered, the number of copies that can be printed under the law within the $500 limitation. I can not now figure as to the exact number, but, under the law, we are authorized to print $500 worth; and whatever number may be printed within that cost I move be printed.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah.

The order was reduced to writing and was agreed to, as follows:

Ordered, That there be printed for the use of the Senate as many copies of the revenue bill (H. R. 12863) as may be within the $500 limitation as is prescribed by law, as passed by the Senate, showing the amendments of the Senate numbered.

WOMAN SUFFRAGE.

Mr. JONES of Washington. Mr. President, I desire to submit a request for unanimous consent. During the last session, in October last, the Senate voted upon the woman-suffrage joint resolution. It failed by a very small vote, and on reconsideration, was placed on the calendar. There are several Senators who have entered the Senate since that time, so that there is now a full membership of the Senate, and it seems to me that the joint resolution could be disposed of without any particular discussion and without taking very much time. I ask unanimous consent that the Senate proceed to consider that joint resolution at 2 o'clock on January the 10th.

Mr. WILLIAMS. Mr. President, I feel compelled to object to that request, because we have very much more important business coming before us.

The PRESIDING OFFICER. Objection is made.

LEAGUE OF NATIONS FOR PEACE.

Mr. SIMMONS. I move that the Senate proceed to the consideration——

Mr. LEWIS. Mr. President, is the Senator from North Carolina about to move an adjournment?

Mr. SIMMONS. No; I was going to move an executive session.

Mr. LEWIS. Previous to that may I be permitted to make an announcement?

Mr. SIMMONS. I yield to the Senator.

Mr. LEWIS. I merely desire to give notice, then, that on the next legislative day of our assembly I shall address the Senate upon the peace terms proposed by the United States through the President, replying to the criticisms of the Senator from Pennsylvania [Mr. KNOX] and of the Senator from Massachusetts [Mr. LODGE].

EXECUTIVE SESSION.

Mr. SIMMONS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

ADJOURNMENT TO THURSDAY.

Mr. SIMMONS. I move that the Senate adjourn until Thursday next at 12 o'clock noon.

The motion was agreed to; and (at 10 o'clock and 45 minutes p. m.) the Senate adjourned until Thursday, December 26, 1918, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 23 (legislative day of December 15), 1918.

REGISTER OF LAND OFFICE.

Henry P. Andrews to be register of the land office at Sacramento, Cal.

POSTMASTERS.

PENNSYLVANIA.

Joseph A. Hanley, Erie.
George B. M. Ward, Laceyville.
Margaret C. Brown, Langeloth.
John A. Waltman, Mayport.
John J. Roll, Natrona.
Percy W. Shepard, New Albany.
Isaac Scarborough, New Hope.
Edward Ace, Nicholson.

SOUTH CAROLINA.

Marie V. Keel, Allendale.
Fred Mishoe, Greelyville.
William T. Reynolds, jr., Mount Pleasant.
Inez H. Whitlock, Ridgeway.
Arthur R. Garner, Timmonsville.

SOUTH DAKOTA.

Perry H. Clute, Bigstone City.
Israel R. Krause, Java.
Arnold Poulsen, Lennox.

WISCONSIN.

Douglas S. Knight, Bayfield.
Palmer G. Slauson, Evansville.
Gustav B. Husting, Mayville.
Edward A. Severson, Neenah.

HOUSE OF REPRESENTATIVES.

MONDAY, *December 23, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father in heaven, let Thy blessing, like the manna from heaven, fall into the hearts of all Thy children and bring them in harmony with Thee.

May the memories of the past, childhood, youth, with all their hallowed associations, fill our hearts with the spirit of the season, that the Christ life may be our life; who taught us that it is more blessed to give than to receive; that we may help the needy; strengthen the weak by giving of our substance; cheer the lonely by our presence; comfort the sorrowing by kind words and loving smiles.

God grant that the Christ spirit may reign over the earth now and evermore, that the good that is in man may drive out the evil and bring into the world that peace for which all true men pray. In His name. Amen.

The Journal of the proceedings of Saturday, December 21, 1918, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5102. An act to authorize the change of name of the steamer *Charlotte Graveraet Breitung* to *T. K. Maher*.

ENROLLED BILLS.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 12916. An act to provide for the temporary promotion of commissioned officers of the Marine Corps serving with the Army; and

H. R. 12945. An act providing for the purchase of uniforms, accouterments, and equipment by officers of the Navy, Marine Corps, and Coast Guard, and midshipmen at the Naval Academy from the Government at cost.

MINING CLAIMS IN ALASKA.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Illinois asks for the present consideration of the resolution which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 372) to amend Senate joint resolution 78, approved October 5, 1917, entitled "Joint resolution to suspend requirements of the annual assessment work on mining claims during the years 1917 and 1918."

Be it resolved, etc., That the provisions of Senate joint resolution approved October 5, 1917, be amended so as to provide that the time for filing notices to hold said mining claims in the Territory of Alaska under the said resolution be, and the same is hereby, extended to the 1st day of April, 1919.

The SPEAKER. Is there objection?

Mr. MANN. I reserve the right to object.

Mr. FOSTER. Mr. Speaker, I will state that the word comes to me through the Delegate from Alaska [Mr. SULZER] that at this time there is, and for some time back there has been, a very great prevalence of influenza; that the mails have been stopped and that all travel practically has ceased in the Territory, at least in some parts of it; and that these people who were to file their claims by the 1st of January, 1919, do not now have the opportunity to do so. This resolution provides that these people may file their claims up to the 1st of April, 1919. It simply extends the time for filing these notices by three months.

Mr. MANN. What are the claims?

Mr. FOSTER. They are in Alaska. They apply only to Alaska.

Mr. MANN. What kind of claims are they?

Mr. FOSTER. Mining claims. Senate joint resolution 78 provided that the assessment work might be omitted for the years 1917 and 1918, but they must file a notice with the recorder where the mining claim is located in order to get the benefits of this law. This will expire on the 1st day of January, 1919.

Mr. MANN. If, as the gentleman says, this condition has existed for some time, why have they waited until this date and then come in without a bill having been introduced?

Mr. FOSTER. Well, I will state this: I do not know how long it has existed, but, as I understand, it has been some little time since this disease has existed; but I suppose that in the

hope that they might be able to file these claims and get them to the office in time they did not ask Congress to give this relief.

Mr. MANN. Of course they have not discovered the fact in the last 48 hours?

Mr. FOSTER. Oh, no; they have not discovered that. But I will state that Mr. O'Neill, the United States commissioner at Nome, has telegraphed to the Delegate that it is very urgent that this relief be granted to these people. I will state that there is no other relief granted to them except the right to file these notices until 90 days from now.

Mr. MANN. If this is not granted, what happens?

Mr. FOSTER. If they are unable to file their notices by the 1st day of January, somebody may come along and take their claims.

Mr. MANN. Has the gentleman from Illinois consulted with other members of the Committee on Mines and Mining?

Mr. FOSTER. I have not had the opportunity of consulting with them except in a general way, and only a few of them at that. I have not found any objection. So far as I know, there is no objection to granting these people this relief of 90 days for filing their notices.

Mr. MANN. I shall not take the responsibility of objecting, but it is very unusual to bring a matter of this kind up when nobody has been consulted on this side of the House, after almost everybody was given assurance that he might go home for the holidays. I know that my colleague is not going to try to take advantage of them.

Mr. FOSTER. I am not. I agree with my colleague on that point. But it has only come to my knowledge in the last few days. It is urgent; and if it is to be done, it ought to be done now.

Mr. MANN. It is negligence on the part of somebody.

Mr. FOSTER. The gentleman knows that some men leave things go until the last minute.

Mr. MANN. That is very unsafe in dealing with Congress.

Mr. FOSTER. Still, it is on account of sickness, and nobody can be hurt in this matter.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. FOSTER, a motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

DEPORTATION OF ALIENS WHO WITHDREW THEIR FIRST PAPERS.

Mr. MILLER of Washington. Mr. Speaker, I ask unanimous consent to address the House for two minutes, and during that time to present a resolution adopted by the Elks Lodge of Seattle, of which 20 per cent went to the front. The resolution is on the question of the deportation of aliens who have withdrawn their first papers.

The SPEAKER. Is the gentleman offering a resolution or asking that it be read?

Mr. MILLER of Washington. I ask that it be read.

The SPEAKER. The gentleman from Washington asks unanimous consent to proceed for two minutes. The Clerk, without objection, will read this resolution as part of the gentleman's remarks.

There was no objection.

The Clerk read as follows:

Whereas there was a law passed by the Congress of these United States in July, 1918, known as an amendment to selective-service act, giving persons within the draft age who had taken out first papers for American citizenship the privilege of turning in said first papers to their local exemption board and thereby become exempt from service; and

Whereas thousands of men within draft age who had been in this country for many years and had signified their intention to become citizens took advantage of this law and thereby became exempted from military service, or were discharged from military service by reason thereof, and have taken lucrative positions in the mills, shipyards, and factories; and

Whereas in the great world war for democracy the rank and file of the best of our American manhood have suffered and sacrificed themselves in order to uphold the principles upon which this country was founded and for which they were willing to give up their life's blood if necessary to preserve; and

Whereas Seattle Lodge, No. 92, points with everlasting pride to the fact that over one-fifth of its membership left their positions, vocations, and business, exemplifying the true spirit of Americanism and of Elkdom, many of them shedding their life's blood for the common cause; and

Whereas these counterfeit, would-be Americans, who are, in our opinion, neither fish, flesh, nor fowl, would contaminate the 100 per cent true American soldiers and sailors who will shortly return to again engage in the gainful pursuits of life: Therefore be it

Resolved, That we, Seattle Lodge, No. 92, B. P. O. E., numbering 5,000 true, red-blooded Americans, do ask the Congress of these United States to immediately enact a law to send these aliens who withdrew their first papers back to the country from whence they came, for we want them not, neither do we need them; for the country which we live in and are willing to fight for is good enough for us, and the country which they lived in, prospered in, yet were unwilling to fight for is too good for them to remain in. Be it further

Resolved, That a copy of these resolutions be sent to Brother JOHN F. MILLER, to present before Congress, and a copy be printed in the Elkogram, our official paper.

Introduced by John J. Sullivan, sergeant, United States Army.

Indorsed by the war activities committee of Seattle Lodge, No. 92, B. P. O. E.

Presented to this lodge for action.

(Signed) JOHN J. SULLIVAN,
Sergeant, United States Army.

[Applause.]

AMERICAN COMMITTEE FOR RELIEF IN THE NEAR EAST.

Mr. MONTAGUE rose.

The SPEAKER. For what purpose does the gentleman from Virginia rise?

Mr. MONTAGUE. Mr. Speaker, I rise to ask unanimous consent for the present consideration of two motions—one to discharge the Committee on the Judiciary from further consideration of Senate bill 4785, and the other to take that bill, which is now upon the Speaker's table, and consider it in lieu of House bill 12635. The Senate bill is a bill to incorporate the American Committee for Relief in the Near East, the purposes of which I explained a few days since. I do not desire to take time now unless some gentleman wishes to ask me a question.

The SPEAKER. The gentleman from Virginia asks unanimous consent to discharge the Committee on the Judiciary from further consideration of Senate bill 4785 and for the present consideration of the same. Is there objection?

Mr. MANN. Reserving the right to object——

Mr. GARRETT of Tennessee. I reserve the right to object, Mr. Speaker——

Mr. MANN. Is the Senate bill identical with the House bill 12635, which is reported from the House Committee on the District of Columbia?

Mr. MONTAGUE. It is identical. It has the unanimous report of the House committee and it passed the Senate on the unanimous report of the Judiciary Committee of the Senate.

Mr. GARRETT of Tennessee. Did the gentleman who objected the other day withdraw his objection?

Mr. MONTAGUE. I have a letter from the gentleman from Ohio [Mr. GARD] withdrawing his objection to the bill. He had telegraphic correspondence with the chairman of the Committee on the Judiciary, Mr. WEBB, who is away in North Carolina. His objection has been withdrawn.

The SPEAKER. Is there objection?

Mr. SMALL. Reserving the right to object, may I inquire of the gentleman from Virginia as to the probable length of time to be occupied in the consideration of this bill?

Mr. MONTAGUE. If the gentlemen had not interrupted, I hoped it would be over by this time.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Clerk read the bill, as follows:

A bill (H. R. 12635) to incorporate the American Committee for Relief in the Near East.

Be it enacted, etc., That the following persons, namely, James L. Barton, Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, Charles R. Crane, William Howard Taft, Charles Evans Hughes, Elihu Root, Harry Pratt Judson, Charles E. Beury, Arthur J. Brown, John B. Calvert, William I. Chamberlain, William T. Ellis, James Cardinal Gibbons, Jerome D. Greene, David H. Greer, Harold A. Hatch, William I. Haven, Myron T. Herrick, Hamilton Holt, Frank W. Jackson, Arthur Curtiss James, Frederick Lynch, Vance C. McCormick, Charles S. Macfarland, Henry B. F. Macfarland, William B. Millar, John R. Mott, Frank Mason North, George A. Plimpton, Philip Rhinelander, William Jay Schieffelin, George T. Scott, Albert Shaw, William Sloane, Edward Lincoln Smith, Robert Eliot Speer, James M. Speers, Oscar S. Straus, Charles V. Vickrey, Harry A. Wheeler, Stanley White, Ray Lyman Wilbur, Talcott Williams, and Stephen S. Wise, their associates and successors duly chosen, are hereby incorporated and declared to be a body corporate of the District of Columbia by the name of the American Committee for Relief in the Near East, and by that name shall be known and have perpetual succession, with the powers, limitations, and restrictions herein contained.

SEC. 2. That the object for which said corporation is incorporated shall be: To provide relief, and to assist in the repatriation, rehabilitation, and reestablishment of suffering and dependent people of the Near East and adjacent areas; to provide for the care of orphans and widows, and to conduct any industrial enterprises or operations of a philanthropic character which may, in the judgment of the corporation, be necessary to promote the social, economic, and industrial welfare of those who have been rendered destitute or dependent, directly or indirectly, by the vicissitudes of war, the cruelties of men, or other causes beyond their control.

SEC. 3. That the direction and management of the affairs of the corporation, and the control of its property and funds, shall be vested in a board of trustees, to be composed of the following individuals: James L. Barton, Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, Charles R. Crane, William Howard Taft, Charles Evans Hughes, Elihu Root, Harry Pratt Judson, Charles E. Beury, Arthur J. Brown, John B. Calvert, William I. Chamberlain, William T. Ellis, James Cardinal Gibbons, Jerome D.

Greene, David H. Greer, Harold A. Hatch, William I. Haven, Myron T. Herrick, Hamilton Holt, Frank W. Jackson, Arthur Curtiss James, Frederick Lynch, Vance C. McCormick, Charles S. Macfarland, Henry B. F. Macfarland, William B. Millar, John R. Mott, Frank Mason North, George A. Plimpton, Philip Rhinelander, William Jay Schieffelin, George T. Scott, Albert Shaw, William Sloane, Edward Lincoln Smith, Robert Eliot Speer, James M. Speers, Oscar S. Straus, Charles V. Vickrey, Harry A. Wheeler, Stanley White, Ray Lyman Wilbur, Talcott Williams, and Stephen S. Wise, who shall constitute the first board of trustees and constitute the members of the corporation. Vacancies occurring by death, resignation, or otherwise shall be filled by the remaining trustees in such manner as the by-laws shall prescribe, and the persons so elected shall thereupon become trustees and also members of the corporation.

SEC. 4. That the principal office of the corporation shall be located in the District of Columbia, but offices may be maintained and meetings of the corporation or of the trustees and committees may be held in other places, such as the by-laws may from time to time fix.

SEC. 5. That the said trustees shall be entitled to take, hold, and administer any securities, funds, or property which may be transferred to them for the purposes and objects hereinbefore enumerated by the existing and unincorporated American Committee for Armenian and Syrian Relief, and such other funds or property as may at any time be given, devised, or bequeathed to them, or to such corporation for the purposes of the trust; with full power from time to time to adopt a common seal, to appoint officers, whether members of the board of trustees or otherwise, and such employees as may be deemed necessary for carrying on the business of the corporation, and at such salaries or with such remuneration as they may think proper; and full power to adopt by-laws and such rules or regulations as may be necessary to secure the safe and convenient transaction of the business of the corporation.

SEC. 6. That as soon as may be possible after the passage of this act a meeting of the trustees hereinbefore named shall be called by Samuel T. Dutton, Cleveland H. Dodge, Henry Morgenthau, Edwin M. Bulkley, Alexander J. Hemphill, William B. Millar, George T. Scott, James L. Barton, and Charles V. Vickrey, or any six of them, at the Borough of Manhattan, in the city of New York, by notice served in person or by mail, addressed to each trustee at his place of residence; and the said trustees named herein, or a majority thereof, being assembled, shall organize and proceed to adopt by-laws, to elect officers, and generally to organize the said corporation.

SEC. 7. That Congress reserves the right to alter, amend, or repeal this act.

Mr. GARRETT of Tennessee. Will the gentleman from Virginia yield? The gentleman has the floor, I believe. I should like to have the gentleman explain the language in section 2, beginning in line 15—

to provide relief and to assist in the repatriation, rehabilitation, and re-establishment of suffering and dependent people of the Near East and adjacent areas.

Mr. MONTAGUE. That means exactly what it says. There are thousands of people there who are suffering for food and from disease. The starvation is most extensive; suffering and deaths have occurred and are now occurring in a manner perhaps unparalleled in the history of the world. The purpose is to give these people some assistance. They have been driven from one country into another, and it is necessary to secure means by which they can be transported back to their original homes.

Mr. GARRETT of Tennessee. I believe the gentleman explained to us when the matter was up the other day that the expression beginning in line 18 "and to conduct any industrial enterprises or operations of a philanthropic character" did not mean that this corporation was to conduct industrial enterprises in the United States.

Mr. MONTAGUE. No; the gentleman will see that the power to conduct industrial enterprises is qualified by the clause "such industrial enterprises as may be necessary to promote the social, economic, and industrial welfare of those who have been rendered destitute," and so forth.

I will say that this provision is to enable instruction to be given to many young people in the manual and mechanical trades. It is purposed to keep them self-sustaining economic units, to train them to work.

Mr. GARRETT of Tennessee. That is to be conducted, not in this country but in other countries?

Mr. MONTAGUE. I do not think the operations of the corporation relate to this country at all except the solicitation of funds and establishment of offices here.

Mr. GARRETT of Tennessee. Now, as to section 5—

that the said trustees shall be entitled to take, hold, and administer any securities, funds, or property which may be transferred to them for the purposes and objects hereinbefore enumerated.

Mr. MONTAGUE. Of course, the gentleman realizes that this authority is to enable the trustees to solicit funds and transfer securities into money; they must have that authority in order to administer the charity or philanthropy for which the corporation is endowed.

Mr. GARRETT of Tennessee. The gentleman would construe that provision in section 5 in the light of the language used in section 2?

Mr. MONTAGUE. Undoubtedly I would.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. MOORE of Pennsylvania. There has been much opposition lately to national incorporations and a recent investigation in regard to one of them. I think Congress itself has become disposed to go slow with respect to these corporations, to work here, there, and everywhere. I want to ask the gentleman where the funds of this association are to be raised?

Mr. MONTAGUE. With most earnest apology to the gentleman from North Carolina [Mr. SMALL], I will answer to the gentleman from Pennsylvania for a moment.

Mr. MOORE of Pennsylvania. I am asking the question because we have a great deal of distress in the United States just now; a large amount of suffering in the families of soldiers in France, particularly as to parents, wives, and dependent children. These, as much as the foreign people referred to here, deserve our attention.

Mr. MONTAGUE. I am unable to answer all of the gentleman's last remark. As to why some gentlemen wish to give charity to one object instead of to another is a matter which pertains to the liberty of the citizen, and I do not think we can abridge it.

Mr. MOORE of Pennsylvania. This is a request for unanimous consent. May I ask the gentleman several questions before unanimous consent is granted.

Mr. MONTAGUE. We are considering the bill under unanimous consent. Unanimous consent has been granted.

Mr. MOORE of Pennsylvania. Then I ask the gentleman that I may be permitted to put some questions in his time.

Mr. CRAMTON. Will the gentleman yield?

Mr. MONTAGUE. Yes; perhaps I can answer the two gentlemen at the same time.

Mr. CRAMTON. In section 2, if I may call the gentleman's attention, the objects of the corporation seem to be of two kinds. First, the relief for dependent people in the Near East and adjacent areas, and, second, the balance of section 2, which does not relate to any place but seems to refer to relief to be given to those who are suffering from war anywhere. In other words, there is no power of the Red Cross, no power of any other philanthropic organization for the relief of destitution or dependency or misfortune that would not be within the scope of this organization. Was that the intention?

Mr. MONTAGUE. It was not the intention, but there can be no conflict in the charities. Two lights burning in the darkness do not interfere with each other.

Mr. CRAMTON. No; but when the gentleman joins with that wide power of philanthropic action, so broad it not only provides for operations of a philanthropic character for "those who have been rendered destitute or dependent, directly or indirectly, by the vicissitudes of war, the cruelties of men, or other causes beyond their control," but there is no place limited for these industrial operations.

Mr. MONTAGUE. Those industrial operations, as I said in response to the gentleman from Tennessee [Mr. GARRETT], must be necessarily of a philanthropic character. They must all tend to the consummation of the philanthropic purposes authorized by this bill.

Mr. CRAMTON. Oh, yes; if that be so; but I am not so positive that it is so.

Mr. MONTAGUE. May I say also to the gentleman that it is confined wholly to the Near East?

Mr. CRAMTON. Even if they be of a philanthropic character—a term which is very elastic—it is not necessary that they be confined to the Near East.

Mr. MONTAGUE. This bill confines its powers to Syria, Armenia, and adjacent territory. It is in that particular section of the country that has been under the Ottoman oppression, an oppression unparalleled in the history of the world.

Mr. GARRETT of Tennessee. But the terms of the bill do not so confine it.

Mr. MONTAGUE. I beg most diffidently to disagree with the gentleman. The terms of the bill must be taken with the purposes of the bill. They must be construed with respect to the end to which the power is directed and which is to be exercised.

Mr. ROBBINS. Would not the "Near East" cover Roumania, where there has been quite as much suffering as in Armenia or Asia Minor? There was an attempt on the part of Bulgaria to exterminate the Roumanian Nation.

Mr. MONTAGUE. I doubt whether that is the Near East as it is historically understood.

Mr. ROBBINS. Are these funds to be derived entirely from voluntary charitable contributions, or is this society to come here and ask Congress to help carry on this work?

Mr. MONTAGUE. Entirely from voluntary contributions. I have no idea that they will come to Congress, although there is no provision in the bill that prohibits citizens from coming to

Congress to ask what they choose. I imagine that of all the charities solicited in recent years in America none will be freer from a purpose to entangle Congress or the Government than this. This incorporation would never have been asked but for this reason: The temper of the eastern mind is such that in order to facilitate banking operations and communication with Government officials it is necessary that there be some impress of the Government on the undertaking itself. This Government itself is loaning millions and millions of dollars to other countries. Why not permit these philanthropic gentlemen, who are of every religious denomination and almost every creed in America, to have this technical impress of the Government, in order to administer with more facility and efficiency the funds that may be collected by voluntary subscription? There will be no overhead charges, and the work so far has been administered by agencies already in existence.

Mr. ROBBINS. That is true, and it is very commendable and entirely a competent reason for asking for this incorporation, but it is covering the same ground that the American Red Cross covers now. Not so long ago we incorporated a society known as the German-American Alliance, and when the war broke out and investigation was had it was found that that society was distributing by every means possible throughout this country German propaganda in direct contravention to the aims of our people and our Nation in the war. The charter was promptly revoked. I do not say that this society is to be incorporated for any such purpose, but here is a society that can perpetuate itself indefinitely under a charter that has no limitation as to time, without restrictions as to place, except that it refers to the "Near East." This corporation can organize industries and carry them on and can administer charity, or can come to Congress and ask for appropriations of money to prosecute its work. Does not the gentleman think there ought to be some limitation as to time or place of an incorporation that is going to duplicate the work of the Red Cross and other charitable organizations already incorporated and in existence? These are some of the provisions of this act that give me very great concern. I should like to understand this proposed corporation better before supporting this bill.

Mr. MONTAGUE. It is not duplicating the work of the Red Cross, because the Red Cross has been unable to do this work. It has no means adequate to meet it. It is not operating in this field; it is not covering the distress that is now crying aloud in that country, and it is only too eager for this committee to do this work in the Near East.

Mr. TOWNER. Mr. Chairman, will the gentleman yield to me for five minutes?

Mr. MONTAGUE. Yes.

Mr. TOWNER. I think perhaps gentlemen do not quite understand the purpose of this organization.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield for a moment at that point? I asked the gentleman from Virginia a question, and there were other questions that I had in mind. That question has not been answered. May I have time for discussion before the debate closes?

Mr. GARRETT of Tennessee. Mr. Speaker, this is a matter involving the highest use of sovereign power. I think the Members should hear it thoroughly and know exactly what we are doing. I therefore make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is not.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

Alexander	Burroughs	Dallinger	Fairchild, Benj. L.
Anderson	Butler	Darrow	Fairchild, Geo. W.
Anthony	Candler, Miss.	Davey	Farr
Ashbrook	Caraway	Davis	Ferris
Aswell	Carew	Decker	Flynn
Bacharach	Carlin	Delaney	Fordney
Barnhart	Carter, Mass.	Dempsey	Francis
Beakes	Carter, Okla.	Dewalt	Freeman
Bell	Chandler, N. Y.	Dominick	Fuller, Mass.
Benson	Clark, Fla.	Donovan	Gallagher
Beshlin	Clark, Pa.	Dooling	Gallivan
Black	Cleary	Doughton	Gandy
Blackmon	Connally, Tex.	Drane	Gard
Bland, Ind.	Cooper, Ohio	Drukker	Garland
Bowers	Cooper, W. Va.	Dunn	Garner
Brand	Copley	Duprd	Gillett
Britten	Costello	Dyer	Glynn
Brodbeck	Crago	Eagan	Godwin, N. C.
Browne	Crosser	Edmonds	Goodall
Browning	Currie, Mich.	Emerson	Goodwin, Ark.
Brumbaugh	Curry, Cal.	Esch	Graham, Ill.
Burnett	Dale, N. Y.	Estopinal	Graham, Pa.
Gray, N. J.	Langley	Pratt	Stephens, Miss.
Greene, Mass.	Larsen	Price	Sterling
Griest	Lazaro	Purnell	Stiness
Griffin	Lee, Ga.	Rainey, J. W.	Strong
Hamill	Lehlbach	Ramsey	Sullivan
Hamilton, N. Y.	Lesher	Ramseyer	Sweet
Haskell	Littlepage	Riordan	Swift
Haugen	London	Roberts	Switzer
Hayden	Lufkin	Robinson	Tague
Heaton	McAndrews	Rose	Temple
Heintz	McCulloch	Rowe	Templeton
Helm	McKinley	Rowland	Thomas
Hensley	McLaughlin, Pa.	Russell	Thompson
Hood	Magee	Sabath	Tilson
Houston	Maher	Sanders, La.	Tinkham
Howard	Martin	Sanders, N. Y.	Van Dyke
Humphreys	Mason	Sanford	Vare
Husted	Mays	Saunders, Va.	Volgt
Hutchinson	Merritt	Scott, Iowa	Waldow
Ireland	Moon	Scott, Mich.	Walsh
James	Morin	Scott, Pa.	Wason
Johnson, S. Dak.	Mott	Scully	Watson, Pa.
Jones	Mudd	Sells	Watson, Va.
Juul	Neely	Shackleford	Webb
Kearns	Nelson, A. P.	Sherley	Welling
Kehoe	Nelson, J. M.	Shouse	Welty
Kelley, Mich.	Nichols, Mich.	Siegel	White, Ohio
Kelly, Pa.	Oliver, N. Y.	Sisson	Williams
Kennedy, R. I.	O'Shaunessy	Slemp	Wilson, Ill.
Key, Ohio	Overmyer	Smith, Mich.	Wise
Kiess, Pa.	Paige	Smith, Thos. F.	Wood, Ind.
Knutson	Park	Snyder	Woodyard
Krieder	Parker, N. J.	Stafford	Wright
LaGuardia	Parker, N. Y.	Steagall	Young, N. Dak.
Lampert	Porter	Steele	Zihlman

The SPEAKER. On this roll call 204 Members answered to their names.

Mr. KITCHIN. Not a quorum?

The SPEAKER. Not a quorum.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 58 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 24, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. McKENZIE, from the Committee on Military Affairs, to which was referred the bill (H. R. 13470) for the relief of John Chick, reported the same without amendment, accompanied by a report (No. 880); which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SNOOK: A bill (H. R. 13480) providing for the refund of taxes collected for stamp tax on certain policies under the emergency tax act of October 22, 1914, under the proviso to which act such policies were exempt; to the Committee on Claims.

By Mr. BLACK: A bill (H. R. 13481) to increase the cost of the public buildings at Paris, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. LONGWORTH: A bill (H. R. 13482) creating a commission for the maintenance, control, care, etc., of the Perry's victory memorial on Put-in-Bay Island, Lake Erie, Ohio, and for other purposes; to the Committee on the Library.

By Mr. ROGERS: A bill (H. R. 13483) authorizing the Secretary of War to donate to the town of Andover, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 13484) authorizing and directing the Secretary of War to make certain donations of ordnance and cannon to designated cities; to the Committee on Military Affairs.

By Mr. CHARLES B. SMITH: A bill (H. R. 13485) granting the consent of Congress to Oliver Cabana, jr., Myron S. Hall, E. G. Connette, and William F. MacGlashan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SULZER: Joint resolution (H. J. Res. 373) to create a joint committee from the Senate and House of Representatives to investigate Alaskan legislative requirements and report thereon; to the Committee on Rules.

By Mr. DILL: Joint resolution (H. J. Res. 374) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COX: A bill (H. R. 13486) granting a pension to Major Buley; to the Committee on Invalid Pensions.

By Mr. DIXON: A bill (H. R. 13487) granting an increase of pension to William G. Fremain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13488) granting an increase of pension to Johnson White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13489) granting an increase of pension to Roscoe W. Barker; to the Committee on Pensions.

Also, a bill (H. R. 13490) granting an increase of pension to Frank J. Brolley; to the Committee on Pensions.

Also, a bill (H. R. 13491) granting an increase of pension to Michael Langneck; to the Committee on Pensions.

Also, a bill (H. R. 13492) granting a pension to Earl Kelley; to the Committee on Invalid Pensions.

By Mr. GREENE of Vermont: A bill (H. R. 13493) granting a pension to Mary Jedowin; to the Committee on Invalid Pensions.

By Mr. McLAUGHLIN of Michigan: A bill (H. R. 13494) granting a pension to Irene M. Stanley; to the Committee on Invalid Pensions.

By Mr. PETERS: A bill (H. R. 13495) granting an increase of pension to Nelson C. Wallace; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 13496) for the relief of Stanley Mitchell; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ESCH: Resolutions by transportation bureau of the Denver Civic and Commercial Association, relating to Government ownership and control of public utilities; to the Committee on Interstate and Foreign Commerce.

Also, resolutions by the Wisconsin Dairymen's Association, in its forty-seventh annual convention, approving the purpose of the league to enforce peace; to the Committee on Foreign Affairs.

Also, resolutions by the Common Council of the City of Milwaukee, petitioning Congress to pass a law prohibiting the dumping of sewage and waste matters into the waters of the Great Lakes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER of Illinois: Petition of the Illinois Watchcase Co., protesting against an excise tax of 5 per cent on watchcases; to the Committee on Ways and Means.

By Mr. GALLIVAN: Resolutions by the County Galway Men's Benevolent Association of Greater Boston, relating to self-determination of Ireland; to the Committee on Foreign Affairs.

By Mr. HAMILTON of Michigan: Petition of citizens of Allegan, Mich., earnestly urging the support of Senate bill 4987 as a measure of welfare to this country; to the Committee on Education.

Also, petition of taxpayers and electors of vicinity of Lacota, county of Van Buren, State of Michigan, urging passage of Senate bill 4987; to the Committee on Education.

By Mr. HOLLINGSWORTH: Memorial of the W. H. Mullins Co., Salem, Ohio, protesting against 10 per cent tax on manufacture of motor boats; to the Committee on Ways and Means.

By Mr. OSBORNE: Petition of California Walnut Growers' Association, for the restoration of the railroads of the United States to their owners; to the Committee on Interstate and Foreign Commerce.

Also, petition of State Normal School, San Jose, Cal., in favor of the establishment of a department of education; to the Committee on Education.

By Mr. POLK: Resolutions of State Grange of Delaware, favoring stamping out of organizations inimical to best interest of country, or which advocate revolution, preach sedition, etc., and also against Government ownership; to the Committee on the Judiciary.

Also, resolutions of Central Labor Union of Wilmington, Del., favoring league of nations; to the Committee on Foreign Affairs.

By Mr. RAKER: Resolutions by the National Automobile Association, asking Congress for an additional appropriation to broaden the work of the Bureau of Foreign and Domestic Commerce of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

Also, resolution by the officers and members of Roosevelt Camp, No. 9, urging the passage of H. R. 13195, to prevent the display of disloyal flags; to the Committee on the Judiciary.

By Mr. ROBBINS: Resolution of Allied Irish-American Societies and friends, of Pittsburgh and vicinity, favoring the principle of self-determination for Ireland; to the Committee on Foreign Affairs.

Also, resolutions of trustees of Pennsylvania State Normal School, Indiana, Pa., in favor of Senate bill 4987; to the Committee on Education.

Also, resolutions of faculty of Pennsylvania State Normal School, Indiana, Pa., in favor of Senate bill 4987; to the Committee on Education.

By Mr. WARD: Petition from Harold I. Stecher, of Monticello, N. Y., and others, expressing opposition to H. R. 13159 without a full and free hearing; to the Committee on Merchant Marine and Fisheries.

HOUSE OF REPRESENTATIVES.

TUESDAY, *December 24, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, our Heavenly Father, pour out upon these, Thy servants, abundantly of Thy substance, to uphold, sustain, and guide them through the Congressional duties of this day; that they may be worthy in Thy sight of the trust reposed in them, by the people who have called them to do their work; and Thine be the praise through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed without amendment, joint resolution of the following title:

Joint resolution (H. J. Res. 372) to amend Senate Joint Resolution No. 78, approved October 5, 1917, entitled Joint Resolution to suspend requirements of the annual assessment work on mining claims during the year 1917 and 1918.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 372. Joint resolution to amend Senate joint resolution numbered 78, approved October 5, 1917, entitled, "Joint resolution to suspend requirements of the annual assessment work on mining claims during the years 1917 and 1918."

The Speaker announced his signature to enrolled bills of the following titles:

S. 4924. An act to amend section 336 of the Revised Statutes of the United States relating to the annual report on the statistics of commerce and navigation of the United States with foreign countries.

S. 3299. An act authorizing the President to reappoint Maj. Chalmers G. Hall, retired, to the active list of the Army.

ORDER OF BUSINESS—ADJOURNMENTS OVER.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday, and that when it adjourns on Friday it adjourn to meet on Monday following, and that when we adjourn on that Monday we adjourn to meet Thursday, January 2.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet next Friday, and that when it adjourns on Friday it adjourn to meet Monday thereafter, and when it adjourns Monday it adjourn to meet on Thursday thereafter.

Mr. KITCHIN. Mr. Speaker, I want to add another item: With the understanding that no business shall be transacted except the filing of reports by committees of the House and sending the revenue bill to conference.

Mr. MADDEN. I object to the revenue bill going to conference until we have a definite understanding about what is in it and have an opportunity to read it. It may be that we may want an independent vote on some of the items.

Mr. MANN. The gentleman is not asking to have it sent to conference.

Mr. KITCHIN. I am not asking that now.

Mr. MANN. Reserving the right to object, Mr. Speaker, the gentleman, I suppose, means by filing reports that the Committee on Appropriations will have the opportunity to report bills.

Mr. KITCHIN. I mean these reports that will be required to be presented to the full House.

Mr. MANN. As to the revenue bill, does the gentleman know when that is likely to be over, whether it is likely to be over from the Senate to-day?

Mr. KITCHIN. No; it will not come over to-day. I have inquired about that.

Mr. MANN. The gentleman will expect it, then, probably, on Friday?

Mr. KITCHIN. Yes. My intention then is to ask unanimous consent to send the bill to conference on Friday.

Mr. MANN. I asked the gentleman that question so that Members may know on what day the gentleman will probably make his request.

Mr. SIMS. Before the revenue bill is sent to conference we will have to disagree to the Senate amendments. Suppose we want to concur in some of the Senate amendments?

Mr. MANN. The request, of course, will be by unanimous consent. An objection would carry it over until after New Year's Day.

Mr. SIMS. An objection would send it to the committee.

Mr. MANN. In any event it will be after New Year's. It could not be called up for action in the House under the request of the gentleman, but by unanimous consent on Thursday, after New Year's Day.

Mr. KITCHIN. It will only be done if there is a full House.

Mr. COOPER of Wisconsin. Mr. Speaker, I would like to ask the gentleman from North Carolina if there is a certainty when that conference report comes up that there will be an opportunity for the House to vote upon the child labor amendment?

Mr. KITCHIN. If there is a person in the House who demands it, of course I imagine that the gentleman could object to it going to conference unless I should agree that it would not be brought back to the House without giving the House an opportunity to have that right.

Mr. BARKLEY. What is the object of adjourning over from Monday to Thursday of next week? The Members will all be back, will they not?

Mr. KITCHIN. That is based on the idea that the Senate will not transact business until then and the appropriation bills will not be ready.

The SPEAKER. The gentleman from North Carolina makes an addendum to his unanimous consent request, that no business will be transacted pending these three-day recesses, except that committees will be permitted to file reports, such committees as make direct reports from the floor. Is there objection?

Mr. McFADDEN. Reserving the right to object, Mr. Speaker, I want to say to the gentleman that I want to ask uanimous consent for five minutes' time.

Mr. KITCHIN. My request is that when we adjourn to-day it shall be to meet on certain days, and that nothing will be transacted on those days. That does not shut off anybody this morning from asking unanimous consent for anything.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE.

Mr. McFADDEN. Mr. Speaker, I want to ask unanimous consent to proceed for five minutes.

Mr. OLIVER of Alabama. Mr. Speaker——

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER of Wisconsin. I was not in the Chamber when the gentleman from North Carolina [Mr. KITCHIN] made his request. Was there included in the motion, or request, any reference to the conference report on the revenue bill?

The SPEAKER. There was some talk about it on the floor, but there was not any request made about it.

Mr. KITCHIN. The request was that no business should be transacted except the filing of reports of committees of the House and taking up the question of sending the revenue bill to conference.

Mr. MANN. And the right to ask unanimous consent to send it to conference.

Mr. KITCHIN. I will have to do that at the time, but no other unanimous consent request will be considered on those days except that and the filing of reports—the business connected with the filing of reports.

Mr. COOPER of Wisconsin. When that conference report comes up I hope an opportunity will be afforded to the House to vote upon the child-labor amendment.

The SPEAKER. That request has not come over yet. The Chair will see that the agreement is carried out.

Mr. McFADDEN. Mr. Speaker, if I have the floor——

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman permit an interruption for one moment?

Mr. WINGO. Reserving the right to object, Mr. Speaker, I would like to know upon what subject the gentleman from Pennsylvania desires to speak.

Mr. McFADDEN. On the subject of the proposed investigation of the Bureau of War-Risk Insurance.

Mr. WINGO. I think the gentleman had better wait, others wish to be heard—better wait until after Christmas, then——

The SPEAKER. Is there objection?

Mr. WINGO. I object, for the present.

Mr. McFADDEN. I make the point of no quorum.

Mr. BAER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. McFADDEN. Mr. Speaker, I understand the gentleman from Arkansas withdraws the point of no quorum.

Mr. BAER. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD.

Mr. MADDEN. I make the point of no quorum.

The SPEAKER. The gentleman from Illinois makes the point of no quorum. The Chair will count. [After counting.] One hundred and two Members present—not a quorum.

Mr. WINGO. Mr. Speaker, I ask unanimous consent to make a short statement.

Mr. MADDEN. I object.

Mr. SMALL. Mr. Speaker, I ask unanimous consent, if the gentleman from Illinois will withdraw his point of no quorum, that the gentleman from Pennsylvania [Mr. McFADDEN] have five minutes.

The SPEAKER. It is too late; it can not be done. There are 102 Members present—not a quorum.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll and the following Members failed to answer to their names:

Anthony	Dyer	Kettner	Rowland
Ashbrook	Eagan	Key, Ohio	Rucker
Ayres	Edmonds	Kiess, Pa.	Russell
Bacharach	Ellsworth	Knutson	Sabath
Bankhead	Emerson	Kraus	Sanders, La.
Bell	Esch	Kreider	Sanders, N. Y.
Benson	Estopinal	LaGuardia	Sanford
Heshlin	Fairchild, B. L.	Lampert	Saunders, Va.
Black	Fairchild, G. W.	Langley	Scott, Iowa.
Blackmon	Farr	Larsen	Scott, Mich.
Bland, Ind.	Ferris	Lazaro	Scott, Pa.
Bowers	Fess	Lee, Ga.	Scully
Brand	Flood	Lehlbach	Sells
Britten	Flynn	Lesher	Shackleford
Brodbeck	Focht	Linthicum	Shouse
Browne	Fordney	Littlepage	Siegel
Browning	Francis	London	Sinnott
Burroughs	Freeman	Lonergan	Sisson
Butler	Fuller, Mass.	Longworth	Slayden
Byrnes, S. C.	Gallagher	Lufkin	Smith, Idaho
Caldwell	Gallivan	Lunn	Smith, Mich.
Campbell, Pa.	Gandy	McAndrews	Smith, Charles B.
Candler, Miss.	Gard	McClintic	Smith, Thomas F.
Caraway	Garland	McCulloch	Snyder
Carew	Garner	McKeown	Stafford
Carlin	Gillett	McKinley	Steagall
Carter, Mass.	Glynn	McLaughlin, Pa.	Steele
Carter, Okla.	Godwin, N. C.	Magee	Stephens, Miss.
Chandler, N. Y.	Good	Maher	Stephens, Nebr.
Church	Goodall	Martin	Sterling
Clark, Fla.	Goodwin, Ark.	Mason	Stiness
Clark, Pa.	Graham, Ill.	Mays	Strong
Cleary	Graham, Pa.	Merritt	Sullivan
Coady	Gray, N. J.	Miller, Minn.	Swift
Connally, Tex.	Greene, Mass.	Moon	Switzer
Cooper, Ohio	Gregg	Moore, Pa	Tague
Cooper, W. Va.	Griest	Morin	Temple
Copley	Griffin	Mott	Templeton
Costello	Hamill	Mudd	Thomas
Cox	Hamilton, N. Y.	Neely	Tilson
Crago	Haskell	Nelson, A. P.	Tinkham
Crosser	Haugen	Nelson, J. M.	Van Dyke
Currie, Mich.	Hayes	Nicholls, S. C.	Vare
Curry, Cal.	Heaton	Nichols, Mich.	Vestal
Dale, N. Y.	Heflin	Norton	Voigt
Dale, Vt.	Heintz	Oliver, N. Y.	Waldon
Dallinger	Helm	O'Shaunessy	Walsh
Darrow	Hensley	Paige	Wason
Davey	Holland	Park	Watson, Pa.
Davis	Hood	Parker, N. J.	Watson, Va.
Decker	Houston	Parker, N. Y.	Webb
Delaney	Humphreys	Porter	Welty
Dempsey	Husted	Pratt	White, Ohio
Dewalt	Hutchinson	Price	Williams
Dies	Ireland	Purnell	Wilson, Ill.
Dominick	Johnson, S. Dak.	Rainey, John W.	Wise
Donovan	Jones	Ramsey	Woods, Iowa
Dooling	Juul	Riordan	Woodyard
Doughton	Kearns	Roberts	Wright
Drane	Kehoe	Robinson	Young, N. Dak.
Drukker	Kelley, Mich.	Rose	Zihlman
Dunn	Kennedy, R. I.	Rowe	

Mr. SMALL. Mr. Speaker, pending the announcement of the call I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman can not ask unanimous consent but he can go on and make his statement.

Mr. SMALL. I want to say that if this roll call shall develop that there is no quorum present I will move to go into Committee of the Whole House on the state of the Union on the river and harbor bill, on January 2, which I assume will be the earliest date that I can do that.

Mr. MANN. The gentleman knows that there will be no quorum present on that date.

Mr. SMALL. I will make the motion at that time and I do not think there will be any objection.

The SPEAKER. On this roll call 185 Members have answered to their names, not a quorum.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 38 minutes p. m.), the House, under its previous order, adjourned until Friday, December 27, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred to as follows:

1. A letter from the Secretary of the Treasury, transmitting a deficiency estimate of appropriation, submitted by the Assistant Secretary of the Treasury in charge of the customs service, for the payment of expenses of laborers at the port of New York engaged in guarding German and Austrian vessels from February to August, 1917, inclusive (H. Doc. No. 1614); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting a copy of a communication from the Secretary of Commerce, submitting a supplemental estimate of appropriation required by the Department of Commerce for the reclamation of waste materials, fiscal year 1920 (H. Doc. No. 1615); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. DENT: Resolution (H. Res. 484) providing a special rule for the consideration of H. R. 13274; to the Committee on Rules.

By Mr. OLDFIELD: A bill (H. R. 13497) to supplement an act of Congress approved October 5, 1918 (Public, No. 220), and to authorize the Secretary of the Interior, from the funds appropriated by said act, to determine, adjust, and pay losses sustained by investments preparatory to production of war minerals mentioned in said act; to the Committee on Mines and Mining.

By Mr. FOSTER: A bill (H. R. 13498) to supplement an act of Congress approved October 5, 1918 (Public, No. 220), and to authorize the Secretary of the Interior, from the funds appropriated by said act, to determine, adjust, and pay losses sustained by investments preparatory to production of war minerals mentioned in said act; to the Committee on Mines and Mining.

By Mr. DENT: A bill (H. R. 13499) making permanent the rank of general and lieutenant general in the Army and providing that when one of those officers vacate his commission the office shall lapse; to the Committee on Military Affairs.

By Mr. RODENBERG: A bill (H. R. 13500) to amend an act entitled "An Act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department" approved September 2, 1914, as amended by the act approved October 6, 1917; to the Committee on Interstate and Foreign Commerce.

By Mr. DENTON: A bill (H. R. 13501) to repeal so much of sections 7 and 14 of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States, approved May 17, 1917, as impose restrictions upon enlistments in the Regular Army; to the Committee on Military Affairs.

By Mr. ROGERS: A bill (H. R. 13502) authorizing the Secretary of War to donate to the town of Stow, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, A bill (H. R. 13503) authorizing the Secretary of War to donate to the town of Tewksbury, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, A bill (H. R. 13504) authorizing the Secretary of War to donate to the town of Tyngsboro, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, A bill (H. R. 13505) authorizing the Secretary of War to donate to the town of Westford, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13506) authorizing the Secretary of War to donate to the town of Wilmington, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13507) authorizing the Secretary of War to donate to the town of Bolton, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13508) authorizing the Secretary of War to donate to the town of Harvard, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13509) authorizing the Secretary of War to donate to the town of Northboro, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R. 13510) authorizing the Secretary of War to donate to the town of Groton, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R. 13511) authorizing the Secretary of War to donate to the town of Dunstable, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R. 13512) authorizing the Secretary of War to donate to the town of Carlisle, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R. 13513) authorizing the Secretary of War to donate to the town of Chelmsford, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13514) authorizing the Secretary of War to donate to the town of Concord, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13515) authorizing the Secretary of War to donate to the town of Dracut, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13516) authorizing the Secretary of War to donate to the town of Boxboro, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13517) authorizing the Secretary of War to donate to the town of Burlington, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13518) authorizing the Secretary of War to donate to the town of Lincoln, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13519) authorizing the Secretary of War to donate to the town of Littleton, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13520) authorizing the Secretary of War to donate to the town of Maynard, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13521) authorizing the Secretary of War to donate to the town of Berlin, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13522) authorizing the Secretary of War to donate to the town of Reading, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13523) authorizing the Secretary of War to donate to the town of Shirley, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13524) authorizing the Secretary of War to donate to the town of Pepperell, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13525) authorizing the Secretary of War to donate to the city of Woburn, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R.13526) authorizing the Secretary of War to donate to the city of Methuen, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R. 13527) authorizing the Secretary of War to donate to the town of Bedford, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R. 13528) authorizing the Secretary of War to donate to the town of Ayer, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also a bill (H. R. 13529) authorizing the Secretary of War to donate to the town of Acton, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13530) authorizing the Secretary of War to donate to the town of Billerica, Mass., one German cannon or fieldpiece; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. COX: A bill (H. R. 13531) granting a pension to Charles Ingle; to the Committee on Pensions.

By Mr. DOOLITTLE: A bill (H. R. 13532) granting an increase of pension to Milton St. John; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 13533) granting a pension to Larania Reynolds; to the Committee on Invalid Pensions.

By Mr. FULLER of Illinois: A bill (H. R. 13534) granting an increase of pension to Thomas F. Duffy; to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 13535) granting a pension to Mattie P. Jackson; to the Committee on Invalid Pensions.

By Mr. JACOWAY: A bill (H. R. 13536) authorizing the Postmaster General to cancel or readjust the screen-wagon contract of H. L. McFarlin at Little Rock, Ark.; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 13537) granting an increase of pension to Edward S. Banister; to the Committee on Pensions.

By Mr. LEA of California: A bill (H. R. 13538) granting an increase of pension to Charles E. Kingsley; to the Committee on Pensions.

By Mr. MANN: A bill (H. R. 13539) granting a pension to Joseph F. Feld; to the Committee on Pensions.

By Mr. RAMSEYER: A bill (H. R. 13540) for the relief of Mary J. McGlothlen; to the Committee on War Claims.

By Mr. RANDALL: A bill (H. R. 13541) granting an increase of pension to Orin H. Mathews; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 13542) granting an increase of pension to James H. Wendt; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Missouri: A bill (H. R. 13543) granting a pension to Nancy C. Sloan; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 13544) granting a pension to Mary C. Marshall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13545) granting a pension to Joseph A. Beckmeyer; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DALE: Petition of Joint Board, Furriers' Union of Greater New York, protesting against tax of 10 per cent on furs; to the Committee on Ways and Means.

Also, petition of Dubois Watch Case Co., of Brooklyn, N. Y., expressing emphatic objection to excise taxes on commodities; to the Committee on Ways and Means.

Also, petition of Ginnel Manufacturing Co., of Brooklyn, N. Y., objecting to proposed increase tax on commodities; to the Committee on Ways and Means.

Also, petition of Goldsmith, Stern & Co., of New York, protesting against excise tax on jewelry; to the Committee on Ways and Means.

By Mr. ESCH: Resolutions by citizens in Fox River Valley of Wisconsin, urging Congress to support measure for League of Nations; to the Committee on Foreign Affairs.

Also, resolutions by the president, secretary, and treasurer of the Omaha Railway Lodge, No. 239, asking retention of railroads under Government control; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER of Illinois: Papers to accompany a bill, granting an increase of pension to Thomas F. Duffy; to the Committee on Invalid Pensions.

By Mr. GALLIVAN: Petition of citizens of Sudbury, Mass., favoring a League of Nations; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, *December 26, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come before Thee in the name of the Prince of Peace. We come to worship Thee under the sense of our infinite debt of gratitude for Thine unspeakable gift. We bless Thee that at last the world has laid down its arms for the profound peace that for once in the centuries has wrapped the life of the world. We thank Thee that not only have men come to recognize the rights of men, but that there are supreme in the world to-day the ideals of Jesus, the Prince of Peace. We bless Thee that those who make peace are being guided by the spirit of Christ, and we pray that there shall not only be established a peace of righteousness and justice, but one of personal devotion to Him that leads the world to peace and to God.

Grant us Thy blessing to-day. Guide us in the discharge of the duties that are upon us, that with unity of purpose and with personal devotion to the Savior of men we may so perform our duties as that there may be established now and forever the reign of the Prince of Peace among men. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Sunday, December 15, 1918, when, on motion of Mr. SWANSON and by unanimous consent, the further reading was dispensed with and the Journal was approved.

ADJOURNMENT TO MONDAY.

Mr. SWANSON. I move that when the Senate adjourns to-day it adjourn to meet on Monday next.

The motion was agreed to.

PETITIONS AND MEMORIALS.

Mr. CURTIS presented resolutions adopted by the First District Appeal Board of the State of Kansas, favoring the issuing of brevet commissions to members of draft boards, which were referred to the Committee on Military Affairs.

Mr. KENYON presented resolutions adopted by the Retailers' Association of Fort Dodge, Iowa, favoring the boycotting of German-made goods, which were referred to the Committee on Finance.

Mr. TOWNSEND presented a petition of Valley City Lodge, No. 789, Brotherhood of Railway Carmen of America, of Grand Rapids, Mich., praying for the extension of five years of Government control of railroads, which was referred to the Committee on Interstate Commerce.

VOCATIONAL REHABILITATION.

Mr. SMITH of Georgia, from the Committee on Education and Labor, to which was referred the bill (S. 4922) to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment, reported it with amendments and submitted a report (No. 630) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 5235) to amend a joint resolution entitled "A joint resolution to authorize the President, in time of war, to supervise or take possession and assume control of any telegraph, telephone, marine cable, or radio system or systems or any part thereof and to operate the same in such manner as may be needful or desirable for the duration of the war, and to provide just compensation therefor," approved July 16, 1918; to the Committee on Interstate Commerce.

By Mr. HITCHCOCK:

A bill (S. 5236) to amend sections 7, 10, and 11 of the Federal reserve act and section 5172, Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. CURTIS:

A bill (S. 5237) donating captured cannon and cannon balls to the John Brown Memorial Park, Osawatomie, Kans.;

A bill (S. 5238) donating captured cannon and cannon balls to the Great Bend Memorial Association, Great Bend, Kans.; and

A bill (S. 5239) donating captured cannon and cannon balls to the Mount Auburn Cemetery Co., Topeka, Kans.; to the Committee on Military Affairs.

A bill (S. 5240) granting an increase of pension to Zephaniah Roberts (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 5241) granting a pension to George Forker (with accompanying papers); and

A bill (S. 5242) granting a pension to Georgia M. Hodgsdon (with accompanying papers); to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 5243) granting an increase of pension to Asa L. Bushnell (with accompanying papers);

A bill (S. 5244) granting an increase of pension to Perry Strayer (with accompanying papers); and

A bill (S. 5245) granting an increase of pension to John V. Kearns (with accompanying papers); to the Committee on Pensions.

By Mr. TRAMMELL (for Mr. WILLIAMS):

A bill (S. 5246) authorizing the appointment of an ambassador to the Republic of Peru; to the Committee on Foreign Relations.

By Mr. TRAMMELL (for Mr. WILLIAMS):

A joint resolution (S. J. Res. 202) requesting the Commission of Fine Arts to submit to the Congress certain suggestions (with accompanying paper); to the Committee on the Library.

FREEDOM OF IRELAND.

Mr. PHELAN. I introduce a joint resolution and ask that it be read and referred to the Committee on Foreign Relations.

The joint resolution (S. J. Res. 203) requesting the commissioners plenipotentiary of the United States of America to the International Peace Conference to present to the said conference the right of Ireland to freedom, independence, and self-determination was read twice by its title and referred to the Committee on Foreign Relations, as follows:

Resolved, etc., That the commissioners plenipotentiary of the United State of America representing the United States at the International Peace Conference soon to assemble at Versailles, be, and are hereby, requested to present to and to urge upon the said International Peace Conference the right to freedom, independence, and self-determination of Ireland, predicated upon the principle laid down by the President in his plea for an international league that "all governments derive their just powers from the consent of the governed."

AMENDMENTS TO APPROPRIATION BILLS.

Mr. KENYON submitted an amendment proposing to appropriate $15,000 for clinical examination, advice, care, and maintenance of children under 6 years of age, under a contract to be made with the Washington Diet Kitchen by the health officer of the District of Columbia, intended to be proposed by him to the District of Columbia appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. CALDER submitted an amendment proposing to appropriate $65,000 to pay Frank H. Walker and Frank E. Smith for damages sustained by them in the construction of the foundation of the west wall or walls of the Government Printing Office, etc., intended to be proposed by him to the second deficiency appropriation bill for the fiscal year 1919, which was referred to the Committee on Appropriations and ordered to be printed.

INTERNATIONAL PEACE CONFERENCE.

Mr. THOMAS. Mr. President, I desire to give notice that on Friday of next week, the 3d of January, I shall address the Senate upon some of the problems which the peace congress will soon encounter.

RIGHTS OF SOLDIERS.

Mr. CHAMBERLAIN. Mr. President, in view of the fact that Congress will not be engaged in legislation until after the holidays, I will take occasion to make some observations so as not to interfere with legislative work next week. I give notice, therefore, that when the Senate convenes on Monday next, and with its permission, I shall make some remarks with reference to our returning soldiers and to those at home in the cantonments and other places, and also as to the treatment which they are entitled to receive at the hands of the Government.

HOUSING SITUATION AT SEATTLE, WASH.

Mr. JONES of Washington. Mr. President, I have here an address in the nature of a report from the chairman of the United States Fair Rentals Commission in Seattle, Wash., acting under the Emergency Fleet Corporation. This report or address gives some very interesting information as to the proceedings of the commission and the manner in which it carried on its work. There are, I think, some very valuable suggestions in it as to how we can best meet the housing and rental situation in our cities, especially if we should be confronted with a situation in the future such as we have had in the past. This commission deals only with the shipping employees and their relations with the landlords of Seattle. In a letter to me, of which I simply desire to read a paragraph, the writer says:

This rental court of ours is unique, in that the court is an investigator, a prosecutor, defender, and judge, also sheriff. It has original and appellate jurisdiction, and is the court of last resort. It has fixed rentals, turned on the gas, the heat, fixed leaky roofs and toilets, put extra covers on shivering tenants, repaired the front porch, listened to all kinds of domestic difficulties, as well as those of landlord and tenant, and indirectly passed upon the desirability of tenants. It has saved to the tenants thousands of dollars, and, of course, it has likewise deprived the grasping landlords of the same thousands.

Mr. President, I ask that this report or address be referred to the Committee on Printing for its consideration as to whether or not, in the judgment of the committee, it is of sufficient importance to be printed.

The VICE PRESIDENT. Without objection, that action will be taken.

AFFAIRS IN RUSSIA.

Mr. TOWNSEND. Mr. President, I desire to have inserted in the RECORD, without reading, a letter which is similar to others to which I have called the attention of the Senate relative to our soldiers in Russia.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

DETROIT, MICH., *December 21, 1918.*

Hon. CHARLES E. TOWNSEND,
Washington, D. C.

DEAR SENATOR: I take the liberty of calling your attention to the way and in the manner the soldiers' mail is handled; also, secondly, why our boys are not returned from Russia, and beg of you to use all the power at hand as a United States Senator to force an investigation about these two points. I know a little myself about the rules and regulations of United States mail, having read the Postal Guide many times. I was postmaster at Columbia, Tuscola County, Mich., under Postmaster General Payne, when the office was discontinued on account of rural delivery from Unionville office. I have been clerk in the Colling post office, also mail carrier over eight years. I know the way our soldiers' mail is handled is strictly against the rules and regulations of the United States Post Office Department and is rotten. I can prove this to be the fact. I have two sons—Walter R., in Company D, One hundred and second Engineers, in France, and Arthur A., in machine-gun company, Three hundred and thirty ninth Infantry, Eighty-fifth Division, in north Russia. I will only here mention about Arthur's mail, as that is the most rotten of all. He received his mail as long as he was at Camp Custer nearly as regular as could be expected under the circumstances. When he left Camp Custer for overseas they were at Camp Mills, Long Island, several days in July waiting for a ship. I addressed a letter to him at that place with my return on the envelope, but they left for overseas before the letter reached there. They sent the letter back to me, after holding it over 100 days, written across it in red ink "Deceased," instead of forwarding it to him to London. He wrote from London twice. I wrote to him at London. They returned that letter, after holding it over 100 days, without forwarding it to Russia, also writing across it "Deceased." He wrote a letter on the ship going from London to Russia and twice from Russia; the last letter is dated September 24. He had not received any mail from anyone up to that date since he left Camp Custer last July. I have written four times to him to Russia, also other relatives and many of his young friends. I kept both returned envelopes marked "Deceased."

I am, yours, very respectfully,

J. H. FRANK,
293 Milwaukee Avenue, East Detroit, Mich.

DISCHARGE OF AMERICAN SOLDIERS.

Mr. TOWNSEND. Mr. President, I read in this morning's Washington Post an article by Col. Roosevelt relative to the discharge of our soldiers which so accords with my own sentiments, and I think with the sentiments of the people of the United States generally, that I desire to have it inserted in the RECORD, in order that it may be given as wide a circulation, at least, as congressional work and the CONGRESSIONAL RECORD can give it. I do not care to have it read, for I understand that probably every Senator here has already read it.

Mr. THOMAS. Mr. President, I have no objection whatever to the insertion in the RECORD of the article referred to by the Senator from Michigan, but I am not prepared to concede that it represents the sentiments of the majority of the American people.

Mr. Roosevelt was inconsolable until our troops were sent to France, and he is now inconsolable because they are not immediately returned, nothwithstanding the fact that a state of war still exists.

The VICE PRESIDENT. Is there objection to the printing of the article referred to? The Chair hears none, and it is so ordered.

The article referred to is as follows:

THEODORE ROOSEVELT SAYS ARMY SHOULD NOT HOLD MEN IN PEACE—BRING SOLDIERS HOME WHEN JOB IS FINISHED, HE URGES—NO EXCUSE FOR OVER THREE DAYS' DELAY IN PAYING TROOPS, HE DECLARES.

KANSAS CITY, MO., *December 25.*

The current issue of the Kansas City Star prints the following:

"A SQUARE DEAL FOR THE MAN AT THE FRONT.

[By Theodore Roosevelt.]

"We should show our respect for the men at the front by more than mere adulation. They are the Americans who have done most and suffered most for this country. It was announced in the press that in many cases they and the families they have left behind have not for months received their full pay. This is an outrage. All civil officials are paid. The Secretary of War is paid, and he ought not to touch a dollar of his salary and no high official should touch a dollar of his salary until the enlisted men and junior officers are paid every cent that is owing to them. And this payment should be prompt. There is literally no excuse for even so much as three days' delay in the payment.

"HAVE MADE SACRIFICES.

"Moreover, these men, at great cost to themselves, in paying everything, including in 50,000 or 60,000 cases their lives, have gone to the front at a wage from one-half to one-fifth as great as that their companions who stayed behind have received during the same period. They enlisted to do a specific job. They made the sacrifice in order to do that job. We on our side should see that just as soon as the job is done the men are taken home, allowed to leave the Army, and begin earning their livelihood and take care of the wives and children that married ones among them have left behind.

"Recently in the public press there have appeared various articles and chatty statements from the State, War, and Navy Departments that our men might be kept in Europe to do general police work and might not be brought back here until the summer of 1920. There are three types of soldiers on the other side—there are the Regular Army men, who have entered the Regular Army as a profession and to whom it is a matter of indifference whether they stay in Europe, come back here, go to the Philippines, or do anything else.

"NO THOUGHT OF POLICE WORK.

"That is a small proportion of our forces on the other side; the bulk are divided between volunteers, who enlisted in the National Guard or sometimes in the Regular regiments to fight this war through, and the drafted men, who were put into the Army under a law designed to meet this war, and this war only. Not one in ten of the volunteers would have dreamed of volunteering to do police work in European squabbles. Not 10 Congressmen would have voted for the draft law if it was to force selective men to do police duty after the war was over. All these men went in to fight this war through to a finish and then to come home.

"It is not a square deal to follow any other course as regards them. The minute that peace comes every American soldier on the other side should be brought home as speedily as possible, save, of course, the Regulars, who make the Regular Army their life profession, and any other man who chose to volunteer to go over or who can with entire propriety be used for gathering up the loose ends.

"GIVE HIM SQUARE DEAL.

"The American fighting man at the front has given this country a square deal during the war. Now let the country give him a square deal by letting him get out of the Army and go to his home as soon as the war is finished. The Red Cross has done wonderful work in taking care of the dependents of these men pending settlement by the Government, but the Government should not be content to rely on any outside organization to make up its own shortcomings."

PRESIDENT'S ADDRESS TO SOLDIERS IN FRANCE.

Mr. SWANSON. Mr. President, I desire to have inserted in the RECORD the address of the President of the United States delivered to the soldiers in France, which is printed in the Washington Post of this morning.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"Gen. Pershing and fellow comrades, I wish that I could give to each one of you the message that I know you are longing to receive from those at home who love you. I can not do that, but I can tell you how everyone has put his heart into it. So you have done your duty, and something more. You have done your duty, and you have done it with a spirit which gave it distinction and glory.

"And now we are to hail the fruits of everything. You conquered, when you came over, what you came over for, and you have done what it was appointed for you to do. I know what you expected of me. Some time ago a gentleman from one of the countries with which we are associated was discussing with me the moral aspects of this war, and I said that if we did not insist upon the high purpose which we have accomplished the end would not be justified.

HIGH PURPOSE ACCOMPLISHED.

"Everybody at home is proud of you and has followed every movement of this great Army with confidence and affection.

"The whole people of the United States are now waiting to welcome you home with an acclaim which probably has never greeted any other army, because our country is like this country, we have been so proud of the stand taken—of the purpose—for which this war was entered by the United States.

"You knew what we expected of you, and you did it. I know what you and the people at home expected of me, and I am happy to say, my fellow countrymen, that I did not find in the hearts of the great leaders with whom it is my privilege now to cooperate any difference of principles or of fundamental purpose.

"It happened that it was the privilege of America to present the chart for peace, and now the process of settlement has been rendered comparatively simple by the fact that all the nations concerned have accepted that chart, and the application of the principles laid down there will be their application.

READY TO MAKE GOOD.

"The world will now know that the nations that fought this war, as well as the soldiers who represented them, are ready to make good, make good not only in the assertion of their own interests, but make good in the establishment of peace upon the permanent foundation of right and of justice.

"Because this is not a war in which the soldiers of the free nations have obeyed masters. You have commanders, but you have no masters. Your very commanders represent you in representing the Nation, of which you constitute so distinguished a part.

"And everybody concerned in the settlement knows that it must be a people's peace, and that nothing must be done in the settlement of the issues of the war which is not as handsome as the great achievements of the armies of the United States and the allies.

ONLY ONE REGRET FELT.

"It is difficult, very difficult, men, in any normal speech like this to show you my real heart. You men probably do not realize with what anxious attention and care we have followed every step you have advanced, and how proud we are that every step was in advance, and not retreat; that every time you set your face any direction, you kept your face in that direction.

"A thrill has gone through my heart, and it has gone through the hearts of every American, with almost every gun that was fired and every stroke that was struck in the gallant fighting that you have done, and there has been only one regret in America, and that was the regret that every man there felt that he was not here in France, too.

HAVE DESERVED TRUST.

"It has been a hard thing to perform the tasks in the United States; it has been a hard thing to take part in directing what you did without coming over and helping you to do it. It has taken a lot of moral courage to stay at home. But we are proud to back you up everywhere that it was possible to back you up. And now I am happy to find what splendid names you have made for yourselves among the civilian population of France as well as among your comrades in the armies of the French, and it is a fine testimony to you men that these people like you and love you and trust you, and the finest part of it all is that you deserve their trust.

"I feel a comradeship with you to-day which is delightful as I look down upon these undisturbed fields and think of the terrible scenes through which you have gone and realize how the quiet of peace, the tranquillity of settled hopes has descended upon us. And while it is hard far away from home confidently to bid you a merry Christmas, I can, I think, confidently promise you a happy New Year, and I can from the bottom of my heart say 'God bless you.'"

FREEDOM OF IRELAND.

Mr. PHELAN. Mr. President, I ask to have inserted in the RECORD a petition for self-determination for Ireland and an address to the President of the United States from the people of Ireland.

There being no objection, the petition and address were ordered to be printed in the RECORD, as follows:

PETITION FOR SELF-DETERMINATION FOR IRELAND.

No people must be forced under a sovereignty under which it does not wish to live.—President Wilson.

To the President and Congress of the United States of America:

1. We, the undersigned citizens of the United States, differing in race, religion, and domestic politics, are one in the belief that "governments derive their just powers from the consent of the governed." This basic principle of American liberty is nobly championed by our great President. To win self-determination for all peoples this justice-loving Republic entered the world war.

2. The Irish nation is one of the oldest in Europe. Its contribution to civilization in the centuries of its independence is highly esteemed by all who read history.

Ireland never surrendered her national rights. The act of union, so called, was passed by a Parliament corrupted by England, in which less than one-fifth of the people of Ireland were represented. Two years before this "union," in 1798, and three years after it, under Robert Emmet, Ireland fought for her national independence, as she did in every century since the English invasion.

The net results of British domination in Ireland are destruction of industries, poverty, and depopulation.

In the last 70 years Ireland's population has been cut in half while England's has almost trebled.

3. Irishmen played a large part in freeing America from foreign rule and in the development of the Republic. In the present conflict over half a million Americans of Irish blood served in our Army and Navy. It is estimated that an equal number of men, born in Ireland (most of them exiled by bad economic conditions at home), enlisted throughout the world. From the Provost Marshal General's report it appears that a larger percentage of alien cobelligerents of Irish than of any other nationality waived exemption in the United States. For example: Ireland, 30.4; England, 22.5. When to these we add the combatants of Irish descent, recruited throughout the British Empire, we approximate a million and a half fighters of Irish blood. These men offered their lives for world freedom, confident that such a freedom would include the mother land of their race. No race now being freed has done more for world liberty in this war than the Irish race.

4. At this supreme moment, when the wrongs of centuries are being righted, a military despotism keeps the voice of Ireland from the ears of the free nations. Irish jails are filled with the best citizens. Many leaders of the people and elected representatives are deported to England and imprisoned without trial or even legal accusation.

5. In the face of these autocratic conditions a conference which met in the Mansion House, Dublin, and had delegates from 80 per cent of the elected representatives of Ireland, unanimously addressed President Wilson June 11, 1918, and urged self-determination for Ireland as "A sovereign principle between a nation that has never abandoned her independent rights and an adjacent nation that has persistently sought to strangle them."

Of the national councils of oppressed peoples that have appealed to our President, none was more clearly representative of the will of its nation than the Mansion House conference, appealing for the Irish nation. Our patriots could muster no such proportion for independence in 1776. Democracy is majority rule. In no nation is unanimity found, yet England maintains for her own purposes the will of 20 per cent as against the will of 80 per cent of the Irish people.

6. England, despite her professed acceptance of the President's principles, has (by Parliament vote Nov. 5, 1918) refused Ireland self-determination.

7. Deeming this an opportune time, as American arms are victorious, we confidently petition the President and Congress to exercise the unique power for justice of the United States to secure for Ireland, equally with Finland, Poland, Bohemia, and Belgium, that self-determination which President Wilson has demanded for all peoples, the form of government to be decided by adult suffrage of the people of Ireland, and representation at the peace conference and in the league of nations.

Let history record that America secured for Ireland that justice which the sons of both nations freely bled to win for all peoples.

Signed by numerous American citizens.

ADDRESS TO THE PRESIDENT OF THE UNITED STATES FROM THE PEOPLE OF IRELAND.

[It was John Mitchell who said that England won her greatest victory over Ireland when she got control of the ear of the world. She has control of the ear of the world still and, now as always, pours into it whatever poison she can against the Irish people, whom she evidently purposes to destroy. She is constantly ringing the changes upon

the atrocities committed against other small nations while very careful to cover up the worse atrocities committed by herself against the small nation that lies at her door. Whatever happens in Ireland will, if England can possibly help it, remain a sealed book, and unless the Irish people everywhere do their duty the real facts relating to Ireland will not be made known.

When it was sought to have a delegation representative of every phase of Irish life come to Washington to present the address adopted by the Mansion House conference to President Wilson England stepped in and prohibited the delegation from coming. The address then had to be presented through the American ambassador at London. The Associated Press and the United Press were careful not to publish this vitally important document, though they printed in full the appeal sent to President Wilson by Sir Edward Carson and his Orange confrères.

Referring to this address from the people of Ireland, the London Nation said: "No such bitter indictment of British policy has been framed for over a hundred years, and no British minister since Castlereagh has come nearer than Mr. George to deserving it. * * * The country which stands for an independent Bohemia governs Ireland by military law."

The address in full is as follows. You do your duty by giving it wide publicity]:

NOTE BY AMERICAN COMMITTEE.

"*To the President of the United States:*

"SIR: When a century and a half ago the American Colonies dared to assert the ancient principle that the subject should not be taxed without the consent of his representatives England strove to crush them. To-day England threatens to crush the people of Ireland if they do not accept a tax, not in money but in blood, against the protest of their representatives.

"During the American Revolution the champions of your liberties appealed to the Irish Parliament against British aggression and asked for a sympathetic judgment on their action. What the verdict was history records. To-day it is our turn to appeal to the people of America. We seek no more fitting prelude to that appeal than the terms in which your forefathers greeted ours:

"'We are desirous of possessing the good opinion of the virtuous and humane. We are peculiarly desirous of furnishing you with the true state of our motives and objects, the better to enable you to judge of our conduct with accuracy and determine the merits of the controversy with impartiality and precision.'

"If the Irish race had been conscriptable by England in the war against the United Colonies, is it certain that your Republic would to-day flourish in the enjoyment of its noble Constitution?

"Since then the Irish Parliament has been destroyed by methods described by the greatest of British statesmen as those of 'blackguardism and baseness.' Ireland deprived of its protection and overborne by more than six to one in the British lower house, and by more than a hundred to one in the upper house, is summoned by England to submit to a hitherto unheard of decree against her liberties.

"In the fourth year of a war, ostensibly begun for the defense of small nations, a law conscripting the manhood of Ireland has been passed in defiance of the wishes of our people. The British Parliament which enacted it had long outrun its course, being in the eighth year of an existence constitutionally limited to five. To warrant the coercive statute no recourse was had to the electorate of Britain, much less to that of Ireland. Yet the measure was forced through within a week, despite the votes of Irish representatives, and under a system of closure never applied to the debates which established conscription for Great Britain on a milder basis.

"CONSCRIPTION RAISES A SOVEREIGN PRINCIPLE.

"To repel the calumnies invented to becloud our action we venture to address the successors of the belligerents who once appealed to Ireland.

"The feelings which inspire America deeply concern our race; so, in the forefront of our remonstrance, we feel bound to set forth that this conscription act involves for Irishmen questions far larger than any affecting mere internal politics. They raise a sovereign principle between a nation that has never abandoned her independent rights and an adjacent nation that has persistently sought to strangle them.

"Were Ireland to surrender that principle she must submit to usurped power, condone the fraudulent prostration of her parliament in 1800, and abandon all claim to distinct nationality. Deep-seated and far-reaching are the problems remorsely aroused by the unthinking and violent courses taken at Westminster.

"Thus the sudden and unlooked-for departure of British politicians from their past military procedure toward this island provokes acutely the fundamental issue of self-determination. That issue will decide whether our whole economic, social, and political life must lie at the uncontrolled disposition of another race whose title to legislate for us rests on force and fraud alone.

"IRELAND IS AN ANCIENT NATION.

"Ireland is a nation more ancient than England, and is one of the oldest in Christendom. Its geographical boundaries are clearly defined. It cherishes its own traditions, history, language, music, and culture. It throbs with a national consciousness sharpened not only by religious persecution but by the violation of its territorial, juristic, and legislative rights. The authority of which its invaders boasted rests solely on an alleged papal bull. The symbols of attempted conquest are roofless castles, ruined abbeys, and confiscated cathedrals.

"The title of King of Ireland was first conferred on the English monarch by a statute of the parliament held in Ireland in 1542, when only four of our counties lay under English sway. That title originated in no English enactment. Neither did the Irish parliament so originate. Every military aid granted by that parliament to English kings was purely voluntary.

"Even when the penal code denied representation to the majority of the Irish population military service was never enforced against them.

"For generations England claimed control over both legislative and judicial functions in Ireland, but in 1783 these pretensions were altogether renounced and the sovereignty of the Irish legislature was solemnly recognized. A memorable British statute declared it 'established and ascertained forever, and shall at no time hereafter be questioned or questionable.'

"For this the spirit evoked by the successful revolt of the United States of America is to be thanked, and Ireland won no mean return for the sympathy invited by your Congress. Yet scarcely had George III signed his royal assent to that 'scrap of paper' when his ministers began to debauch the Irish parliament. No Catholic had for over a century been allowed to sit within its walls, and only a handful of the population enjoyed the franchise. In 1800, by shameless bribery, a majority of corrupt colonists was procured to embrace the London subjugation and vote away the existence of their legislature for pensions, peif, and titles.

"The authors of the act of union, however, sought to soften its shackles by limiting the future jurisdiction of the British Parliament. Imposed on 'a reluctant and protesting nation,' it was tempered by articles guaranteeing Ireland against the coarser and more obvious forms of injustice.

"To guard against undue taxation, 'exemptions and abatements' were stipulated for; but the 'predominant partner' has long since dishonored that part of the contract, and the weaker side has no power to enforce it. No military burdens were provided for, although Britain framed the terms of the treaty to her own liking. That an obligation to yield enforced service was thereby undertaken has never hitherto been asserted.

"We therefore can not neglect to support this protest by citing a main proviso of the treaty of union. Before the destruction of the Irish Parliament no standing army or navy was raised, nor was any contribution made, except by way of gift, to the British Army or Navy. No Irish law for the levying of drafts existed; and such a proposal was deemed unconstitutional. Hence the eighth article of the treaty provides that—

"'All laws in force at the time of the union shall remain as now by law established, subject only to such alterations and regulations from time to time as circumstances may appear to the Parliament of the United Kingdom to require.'

"Where there was no law establishing military service for Ireland, what 'alteration or regulation' respecting such a law can legally bind? Can an enactment such as conscription, affecting the legal and moral rights of an entire people, be described as an 'alteration' or 'regulation' springing from a preexisting law?

"Is the treaty to be construed as Britain pleases, and always to the prejudice of the weaker side?

"IRISHMEN DENIED THE RIGHT TO BEAR ARMS.

"British military statecraft has hitherto rigidly held by a separate tradition for Ireland. The territorial military system, created in 1907 for Great Britain, was not set up in Ireland. The Irish Militia was then actually disbanded, and the war office insisted that no territorial force to replace it should be embodied. Stranger still, the volunteer acts (naval and military) from 1804 to 1900 (some 20 in all) were never extended to Ireland. In 1880, when a conservative House of Commons agreed to tolerate volunteering, the measure was thrown out by the House of Lords on the plea that Irishmen must not be allowed to learn the use of arms.

"For, despite the Bill of Rights, the privilege of free citizens to bear arms in self-defense has been refused to us. The Constitution of America affirms that right as appertaining to the common people, but the men of Ireland are forbidden to bear arms in their own defense. Where, then, lies the basis of the claim that they can be forced to take them up for the defense of others?

"It will suffice to present such considerations in outline without disinterring the details of the past misgovernment of our country. Mr. Gladstone avowed that these were marked by 'every horror and every shame that could disgrace the relations between a strong country and a weak one.'

"After an orgie of martial law, the Scottish general, Abercromby, commander in chief in Ireland, wrote: 'Every crime, every cruelty that could be committed by Cossacks of Calmucks, has been transacted here. * * * The abuses of all kinds I found can scarcely be believed or enumerated.' Lord Holland records that many people 'were sold at so much a head to the Prussians.'

"We shall therefore pass by the story of the destruction of our manufactures, of artificial famines, of the fomentation of uprisings, of a hundred coercion acts, culminating in the perpetual act of repression, obtained by forgery, which graced Queen Victoria's jubilee year in 1887. In our island the suspension of the habeas corpus act, the repression of free speech, gibbetings, shootings, and bayonetings are commonplace events. The effects of forced emigration and famine American generosity has softened; and we do not seek a verdict on the general merits of a system which enjoys the commendation of no foreigner except Albert, prince consort, who declared that the Irish 'were no more worthy of sympathy than the Poles.'

"IRELAND'S APPALLING DECAY.

"It is known to you how our population shrank to its present fallen state. Grants of money for emigration, 'especially of families,' were provided even by the land act of 1881. Previous poor-law acts had stimulated this 'remedy.' So late as 1891 a 'congested district' board was empowered to 'aid emigration,' although millions of Irishmen had in the nineteenth century been evicted from their homes or driven abroad.

"Seventy years ago our population stood at 8,000,000, and, in the normal ratio of increase, it should to-day amount to 16,000,000. Instead it has dwindled to four and a half millions; and it is from this residuum that our manhood between the ages of 18 and 51 is to be delivered up in such measure as the strategists of the English war cabinet may demand.

"To-day, as in the days of George Washington, nearly half the American forces have been furnished from the descendants of our banished race. If England could not during your revolution regard that enrollment with satisfaction, might she not set something now to Ireland's credit from the racial composition of your Army and Navy? No other small nation has been so bereft by law of her children, but in vain for Ireland has the bread of exile been thrown upon the waters.

"Yet while self-determination is refused, we are required by law to bleed to 'make the world safe for democracy'—in every country except our own. Surely this can not be the meaning of America's message to mankind glowing from the pen of her illustrious President.

"In the 750 years during which a stranger sway has blighted Ireland her people have never had occasion to welcome an unselfish or generous deed at the hands of their rulers. Every so-called 'concession' was but the loosening of a fetter. Every benefit sprang from a manipulation of our own money by a foreign treasury, denying us an honest audit of accounts. None was yielded as an act of grace. All were the offspring of constraint, tumult, or political necessity. Reason and argument fell on deaf ears.

"To England the union has brought enhanced wealth, population, power, and importance; to Ireland increased taxation, stunted industries, swollen emigration, and callous officialism.

"Possessing in this land neither moral nor intellectual preeminence, nor any prestige derived from past merit or present esteem, the British Executive claims to restrain our liberties, control our fortunes, and exercise over our people the power of life and death.

"To obstruct the recent home-rule bill it allowed its favorites to defy its parliament without punishment, to import arms from suspect regions with impunity, to threaten 'to break every law' to effectuate their designs, to infect the army with mutiny, and set up a rival executive backed by military array to enforce the rule of a caste against the vast majority of the people. The highest offices of State became the guerdon of the organizers of rebellion, boastful of aid from Germany. To-day they are the pillars of the constitution and the chief instruments of law. The only laurels lacking to the leaders of the mutineers are those transplanted from the field of battle!

"Are we to fight to maintain a system so repugnant, and must Irishmen be content to remain slaves themselves after freedom for distant lands has been purchased by their blood?

"Heretofore in every clime, whenever the weak called for a defender, wherever the flag of liberty was unfurled, that blood freely flowed. Profiting by Irish sympathy with righteous causes, Britain, at the outbreak of the war, attracted to her armies tens of thousands of our youth ere even the Western Hemisphere had awakened to the wail of 'small nations.'

"Irishmen in their chivalrous eagerness laid themselves open to the reproach from some of their brethren of forgetting the woes of their own land, which had suffered from its rulers at one time or another almost every inhumanity for which Germany is impeached. It was hard to bear the taunt that the army they were joining was that which held Ireland in subjection; but fresh bitterness has been added to such reproaches by what has since taken place.

"IRELAND'S REWARD FOR HER SACRIFICE.

"Nevertheless, in the face of persistent discouragements, Irish chivalry remained ardent and aflame in the first years of the war. Tens of thousands of the children of the Gael have perished in the conflict. Their bones bleach upon the soil of Flanders or moulder beneath the waves of Suvla Bay. The slopes of Gallipoli, the sands of Egypt, Mesopotamia, and Juda afford them sepulture. Mons and Ypres provide their monuments. Wherever the battle line extends, from the English Channel to the Persian Gulf, their ghostly voices whisper a response to the roll call of the guardian spirits of liberty. What is their reward?

"The spot on earth they loved best, the land to which they owed their first duty and which they hoped their sacrifices might help to freedom lies unredeemed under an age-long thraldom. So, too, would it forever lie were every man and every youth within the shores of Ireland to immolate himself in England's service, unless the clamor of a dominant caste be rebuked and stilled.

"Yet proof after proof accumulates that British cabinets continue to be toward our country as conscienceless as ever. They deceive friendly nations throughout the world as to their Irish policy, while withholding from us even the act of home rule, which in 1914 was placed on the statute book. The recent 'convention' which they composed to initiate reform was brought to confusion by a letter from the prime minister diminishing his original engagements.

"Such insincere maneuvers have left an indelible sense of wrong rankling in the heart of Ireland.

"Capitulations are observed with French Canadians, with the Maltese, with Hindoos, with the Mohammedan Arabs of the African Boers, but never has the word of England in any capital case been kept toward the 'sister' island.

"The Parliaments of Australia and of South Africa, both of which (unlike our ancient legislature) were founded by British enactments, refused to adopt conscription. This was well known when the law against Ireland was resolved on. For opposing the application of that law to Irishmen, and while this appeal to you, sir, was being penned, members of our conference have been arrested and deported without trial. It was even sought to poison the wells of American sympathy by leveling against them and others an allegation which its authors have failed to submit to the investigation of any tribunal.

"To overlay malpractice by imputing to its victims perverse or criminal conduct is the stale but never failing device of tyranny.

"IRELAND'S FIGHT THE SAME AS AMERICA'S.

"A claim has also been put forward by the British foreign office to prevent you, Mr. President, as the head of the great allied Republic, from acquiring first-hand information of the reasons why Ireland has rejected and will resist conscription, except in so far as the military governor of Ireland, Field Marshal Lord French, may be pleased to allow you to peruse his version of our opinions.

"America's present conflict with Germany obstructs no argument that we advance. 'Liberty and ordered peace' we, too, strive for, and confidently do we look to you, sir, and to America—whose freedom Irishmen risked something to establish—to lend ear and weight to the prayer that another unprovoked wrong against the defenseless may not stain this sorry century.

"We know that America entered the war because her rights as a neutral, in respect of ocean navigation, were interfered with, and only then. Yet America in her strength had a guarantee that in victory she would not be cheated of that for which she joined in the struggle. Ireland, having no such strength, has no such guarantee, and experience has taught us that justice (much less gratitude) is not to be wrung from a hostile Government. What Ireland is to give a free Ireland must determine.

"We are sadly aware, from recent proclamations and deportations, of the efforts of British authorities to inflame prejudice against our country. We, therefore, crave allowance briefly to notice the insinuation that the Irish coasts, with native connivance, could be made a base for the destruction of American shipping. An official statement asserts that:

"'An important feature in every plan was the establishment of submarine bases in Ireland to menace the shipping of all nations.'

"On this it is enough to say that every creek, inlet, or estuary that indents our shores, and every harbor, mole, or jetty, is watchfully patrolled by British authority. Moreover, Irish vessels, with their cargoes, crews, and passengers, have suffered in this war proportionately to those of Britain.

"Another State paper palliates the deportations by blazoning the descent of a solitary invader upon a remote island on April 12, heralded by mysterious warnings from the Admiralty to the Irish command. No discussion is permitted of the tryst of this British soldier with the local coast guards or his speedy bent toward a police barrack and his subsequent confidences with the London authorities.

"Only one instance exists in history of a project to profane our coasts by making them a base to launch attacks on international shipping. That plot was framed not by native wickedness, but by an English viceroy, and the proofs are piled up under his hand in British state papers. For huge bribes were proffered by Lord Falkland, lord lieutenant of Ireland, to both the royal secretary and the Prince of Wales to obtain consent for the use of Irish harbors to convenience Turkish and Algerine pirates in raiding seagoing commerce.

"The plot is old, but the plea of 'increasing his majesty's revenues' by which it was commended is everlasting. Nor will age lessen its significance for the citizens of that Republic which, amidst the tremors and greed of European diplomacy, extirpated the traffic of Algerine corsairs 90 years ago. British experts cherish Lord Falkland's fame as the sire of their most knightly cavalier, and in their eyes its luster shines undimmed, though His Excellency, foiled of marine booty, enriched himself by seizing the lands of his untried prisoners in Dublin Castle.

"ENGLAND'S SLANDERS.

"Moving are other retrospects evoked by the present outbreak of malignity against our nation. The slanders of the hour recall those let loose to cloak previous deportations in days of panic less ignoble. Then it was the primate of all Ireland, Archbishop Oliver Plunkett, who was dragged to London and arraigned for high treason. Poignant memories quicken at every incident which accompanied his degradation before the lord chief justice of England.

"A troop of witnesses was suborned to swear that his grace 'endeavored and compassed the King's death,' sought to 'levy war in Ireland and introduce a foreign power,' and conspired 'to take a view of all the several ports and places in Ireland where it would be convenient to land from France.' An open trial, indeed, was not denied him, but with hasty rites he was branded a base and false traitor and doomed to be hanged, drawn, and quartered at Tyburn. That desperate felon, after prolonged investigations by the Holy See, has lately been declared a martyr worthy of universal veneration.

"The fathers of the American Revolution were likewise pursued in turn by the venom of governments. Could they have been snatched from their homes and haled to London what fate would have befallen them? There your noblest patriots might also have perished amidst scenes of shame and their effigies would now bedeck a British chamber or horrors. Nor would death itself have shielded their reputations from the hatchments of dishonor. For the greatest of Englishmen reviled even the sacred name of Joan of Arc, the stainless maid of France, to belittle a fallen foe and spice a ribald stage play.

"It is hardly 30 years since every Irish leader was made the victim of a special statute of proscription and was cited to answer vague charges before London judges. During 1888 and 1889 a malignant and unprecedented inquisition was maintained to vilify them, backed by all the resources of British power. No war then raged to breed alarms, yet no weapon that perjury or forgery could fashion was left unemployed to destroy the characters of more than 80 national representatives, some of whom survive to join in this address. That plot came to an end amidst the confusion of their persecutors, but fresh accusations may as easily be contrived and buttressed by the enginery of state.

"HOPE IN PRESIDENT WILSON.

"In every generation the Irish Nation is challenged to plead to a new indictment, and to the present summons answer is made before no narrow forum, but to the tribunal of the world. So answering, we commit our cause, as did America, to 'the virtuous and humane,' and also more humbly to the providence of God.

"Well assured are we that you, Mr. President, whose exhortations have inspired the small nations of the world with fortitude to defend to the last their liberties against oppressors, will not be found among those who would condemn Ireland for a determination which is irrevocable, to continue steadfastly in the course mapped out for her, no matter what the odds, by an unexampled unity of national judgment and national right.

"Given at the Mansion House, Dublin, this 11th day of June, 1918.

"LAURENCE O'NEILL.

"Lord mayor of Dublin, chairman of a conference of representative Irishmen whose names stand hereunder:

"Joseph Devlin; John Dillon; Michael Egan; Thomas Johnson; William O'Brien (Labor); T. M. Healy; William O'Brien; Thomas Kelly, John MacNeill, acting in the place of E. De Valera; and A. Griffith, deported May 18, 1918, to separate prisons in England, without trial or accusation—communication with whom has been cut off."

LANDS IN MINNESOTA.

Mr. KELLOGG. Mr. President, I ask unanimous consent to have substituted for House bill 79 Senate bill 4554, and to have the House bill considered at once. Senate bill 4554 was reported from the Committee on Public Lands on May 23, and it passed the Senate without any objection. It is a bill to extend the provisions of section 2455 of the Revised Statutes of the United States as amended by the act of March 28, 1917, relating to the sale of isolated tracts of the public domain to the State of Minnesota, and to make it applicable to the land ceded by the Chippewa Indians. The Committee on Public Lands considered the bill, reported it to the Senate, and it was passed by the Senate.

In the other House a like bill was introduced and reported by the committee, and was passed on October 2. Instead of passing the Senate bill the House passed a separate bill for the same object. I ask to have the House bill substituted for the Senate bill, and then that the House bill may be considered and passed at this time.

Mr. GRONNA. Mr. President, may I ask the Senator if this bill has been before the Committee on Indian Affairs?

Mr. KELLOGG. I do not think it has been before the Committee on Indian Affairs, but the Secretary of the Interior considered the whole subject and asked both the Senate and the House to pass the bill, and his report is in the RECORD.

Mr. GRONNA. May I ask the Senator another question?

Mr. KELLOGG. Certainly.

Mr. GRONNA. As I understood the Senator, this bill has reference to some ceded Indian lands. Am I right about that?

Mr. KELLOGG. It has reference to the sale of certain ceded Chippewa Indian lands in the State of Minnesota. It simply makes applicable to those lands the provisions of the statute for the sale of isolated tracts of land, as recommended by the Secretary of the Interior, who has charge of Indian affairs.

Mr. GRONNA. I will say to the Senator that that has been a mooted question for some time, and I think it is of very great importance. While I do not wish to delay the matter, I should like to have an opportunity to look the bill over before it is called up for passage.

Mr. KELLOGG. I have no objection to that whatever. I think the Senator will find, however, that it has been approved by the Commissioner of Indian Affairs and that there is no objection to it.

Mr. GRONNA. Let me say to the Senator that there have been many measures approved by the commissioner which were not approved by the Indians.

Mr. KELLOGG. This bill does not provide for the sale of lands generally; it simply provides for the sale of certain isolated tracts of land, provision for the sale of the Chippewa lands having been made long ago.

Mr. GRONNA. Nevertheless, it does indirectly affect some of the old tracts of ceded Indian lands.

Mr. KELLOGG. Yes; it does.

Mr. SWANSON. Mr. President, I dislike to object to the request of the Senator from Minnesota, but there was an understanding on the part of most Senators, at least—I do not know whether the Senator from Minnesota understood it or not—amounting more or less to an agreement, that no legislative action of any kind should be taken until the 2d of January. I do not know what effect would be had by substituting the House bill for the Senate bill, but I was informed that such an agreement as that to which I have referred was made, and I told some Senators that I would be here to see that it was executed, unless there was a quorum present. I feel that I ought, therefore, to call the attention of the Senator from Minnesota to the understanding referred to, and I am sure he will not insist that action be taken upon the bill to-day.

Mr. KELLOGG. Certainly not. I was not, however, aware of the agreement referred to.

LEAGUE OF NATIONS FOR PEACE.

Mr. FLETCHER. Mr. President, I desire to ask to have inserted in the RECORD, without reading, a portion of an editorial appearing in the Christian Register of December 19, 1918, dealing with the subject of the league of nations.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

(3) To further in all ways we can the league of the nations—that is the duty supreme of this hour. Never before in history has there been such an opportunity to organize peace as this Christmas has brought. We have wished peace and dreamed it and carolled it and preached it and prophesied it for hundreds of years; to-day it is ours for the organizing. But the all-essential prerequisite of organized peace is the league of the nations—in some form or other, the league of the nations. Such peace never will come until the league comes, and when it comes it will be based on the league. There are but two alternatives possible—competitive armament locking to new war possibilities or cooperative disarmament predicated on a league of the nations. The former means return to the old prewar perils and anarchies; the latter means advance toward new world stabilities. The only way in which to collect full indemnity for the dire costs of the war is in terms of the juster, happier new-world life to be secured by an international league, and it will be our fault if we fail to collect it. The difficulties in forming the league may be immense; they can not be as great as the disaster of not forming it. Nor are they so immense as they seem if the three greater powers now in friendly alliance, with five or six smaller ones glad to accede, lay self aside and will to have it. That it will be at once a perfect instrument of peace, with "guns never more," we are not to expect. Is any good instrument perfected as yet? Is democracy? Yet those men who spent the four summer months of 1787 in Philadelphia framing the Constitution of the United States did something that, in spite of the danger-breeding "compromises" left in it, pushed the world onward a long way toward organized liberty. The men assembling in Paris to-day to organize the world peace are better equipped for their task than the fathers for theirs, know better what is needed than they did, and, if backed by public opinion at home, are at least as likely to achieve a success. "If backed by public opinion at home"—it is our part to form this public opinion and back their highest and bravest endeavor. If we solidly believe in the league, what probable need for compulsory military training in our schools? What need of the new three years' expansion of our Navy, for which Secretary Daniels is pressing? What need of Britannia's ruling the waves with old-time supremacy lest Britons should ever be slaves? The league's success will preclude the necessity of these things. Why not transfer all our wisdom and energy to making the league and wait a bit? It is said that some chambers of commerce are cold to the plan. If that be true, let them hear from the unchambered people in unmistakable words. Are there papers trying to thwart it? Confront them and shame them in conventions and mass meetings. Whoso is cold to the idea of the league loves not his race, nor his country, nor his own children who are to live on the earth after him, nor even himself. Whoso opposes the idea is either carelessly or deliberately voting "more guns."

WAR EXPENDITURES—THE MERCHANT MARINE.

Mr. FLETCHER. Taking up another matter, Mr. President, I wish also to have inserted in the RECORD a short editorial from the Tampa Morning Tribune of December 21, 1918, entitled "Where the Money Went." If that is done, I propose——

Mr. JOHNSON of California. What is the title of the article?

Mr. FLETCHER. "Where the Money Went."

Mr. JOHNSON of California. It relates to what subject matter?

Mr. FLETCHER. It relates to the claim or charge that has been made in some instances that there has been favoritism to the South shown by the Government in the matter of governmental activities; and this editorial, as it will appear, undertakes to show that, with reference to expenditures made by the Quartermaster's Department, only about 7 per cent of those expenditures have gone to that portion of the country commonly called "the South."

Mr. SMOOT. Mr. President, the Senator does not believe that that is correct, does he?

Mr. FLETCHER. I presume that that is correct. I have no information to the contrary.

Mr. SMOOT. I am quite sure that, if the Senator will take the figures of the various departments, he will find that the editorial is not correct.

Mr. FLETCHER. The editorial will speak for itself; and I think the figures given in the editorial are taken from the department reports; it only has reference to the Quartermaster's Department. I undertake to say that, if we would consider all the expenditures made by all of the departments, a much less per cent of those expenditures will be found to have been made in the South. For instance, as to the report of the Ordnance Department, which shows contracts to an amount approximating $10,000,000,000, I am quite sure that of those contracts not over 5 per cent went to the South; and I am also sure of another thing, and that is that one concern in the State of Pennsylvania has more Government contracts than have been awarded to all of the South for all purposes. I have before me now the report of the United States Shipping Board, recently submitted to Congress, which deals with the matter of housing projects, and according to that report, for illustration, the commitments are: Newport News, Va., $4,850,000; Sparrows Point, Md., $4,500,000; Jacksonville, Fla., $650,000; Savannah, Ga., $350,000; Quantico, Va., $30,000; making a total of $10,385,000 committed to expenditures on these housing projects in the South. From and including the State of Maryland, embracing the entire Atlantic coast south of Baltimore and also the Gulf coast, the total is $10,385,000.

The report further shows that these other commitments are as follows: Hog Island, Pa., $10,031,000; Chester, Pa., $6,560,000; Bristol, Pa., $5,210,000; Essington, Pa., $1,220,000; Cornwall Heights, Pa., $8,800.

Making a total for Pennsylvania alone of $23,029,800, or more than twice the amount of the appropriations covering the whole South, including the Atlantic coast from Baltimore to Key West and the entire Gulf coast combined, placed in the one State of Pennsylvania.

The other housing commitments under the appropriation of $75,000,000, of which commitments have been made amounting to $58,635,300, as shown by the report, are as follows: Camden, N. J. (New York Shipbuilding Co.), $10,870,000; Gloucester, N. J., $2,470,000.

A total in New Jersey of $13,340,000, or $3,000,000 more in the State of New Jersey than in all the States south of Delaware.

The others are as follows: Portsmouth, N. H., $1,900,000; Lorain, Ohio, $1,260,000; Bath, Me., $750,000; Wilmington, Del., $3,000,000; Port Jefferson, Long Island, $300,000; Vancouver, Wash., $850,000; Wyandotte, Mich., $385,000; Manitowoc, Wis., $500,000; Groton, Conn., $1,200,000; Newburgh, N. Y., $900,000; Clyde, Cal., $750,000.

The housing at Groton, N. Y., is to accommodate 336 men, at a cost of $1,380,000, whereas the housing at Jacksonville, Fla., for instance, is to accommodate 316 men, at a cost of $747,500—a little over one-half as much. The housing at Bristol, Pa., is to cost $5,991,500 and accommodates only 650 men.

Mr. KIRBY. Mr. President, I should like to ask the Senator a question.

Mr. FLETCHER. I yield to the Senator from Arkansas.

Mr. KIRBY. What did these 336 men do who had to be accommodated in New York by $1,380,000 worth of housing?

Mr. FLETCHER. They work in shipyards.

Mr. KIRBY. Three hundred and thirty-six men are all that are accommodated?

Mr. FLETCHER. Three hundred and thirty-six men working in shipyards.

Mr. KIRBY. Do they board them at the Waldorf-Astoria, or something like that?

Mr. FLETCHER. This appropriation of $75,000,000 was to provide houses to accommodate the workmen in the shipyards wherever needed, in order that the building of ships might go forward. In some places labor could be had, but there was no place to put the workers, and houses had to be built for them to live in.

Mr. THOMAS. Mr. President——

Mr. FLETCHER. I yield.

Mr. THOMAS. The number of men and the amount of money expended for houses seem to me to be altogether disproportionate. The cost per man must be ten or twelve thousand dollars.

Mr. FLETCHER. Of course it means that the houses are much more expensive at Bristol, Pa., for instance, than they are in Jacksonville, Fla.

Mr. THOMAS. Why do they need such palatial structures for the accommodation of these men at Government expense?

Mr. FLETCHER. That is a fair question.

Mr. THOMAS. They should be comfortably sheltered, of course; but it seems to me that that is an exhibition of luxurious extravagance which no conditions would justify, when it is considered that the cost comes from the public purse.

Mr. FLETCHER. Of course I am not now attempting to go into details with reference to these plans, purposes, and means. I am simply citing these figures by way of comparison, to show that the activities of the Government and these large expenditures for the Government are not going to the South.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. FLETCHER. I will.

Mr. KING. It is not quite germane to what the Senator is inviting attention to, but I was curious to know whether or not, in view of the changed conditions, there was any interruption in the building program or whether the Emergency Fleet Corporation was still expending these large sums for the purpose of carrying out these projects?

Mr. FLETCHER. I think they have discontinued the new projects. They are simply going on with the contracts to which they are already committed in these instances. I think perhaps they have reduced or limited construction in some of these cases; but out of the total appropriation of $75,000,000 their commitments amount to $58,635,300, as shown by the report.

Mr. KING. If the Senator will permit me, my information was that in the case of a number of those commitments only a very small amount had been expended—less than 25 per cent in some instances, and considerably less than 50 per cent, between that and 25 per cent, in other instances—and I was wondering whether, in those cases where the amount expended on the project was inconsiderable, the purpose was to continue and complete the project?

Mr. FLETCHER. I do not think the purpose is to continue where the amount expended is comparatively small; but in all the instances named in the report I think the projects are pretty well completed. For instance, the project at Bristol, Pa., is practically finished. That is to cost $5,991,500. This project will accommodate a little over twice as many men as the Jacksonville project, but will cost nine times as much. Out of the entire appropriation for this housing purpose not a dollar is expended on the entire Gulf coast, from Key West to the Rio Grande.

I simply mention that by way of further corroborating the statement in the editorial that it is wholly unwarranted to claim that the expenditures for governmental activities have been made in a discriminatory way in favor of the South; and for the present that is all I desire to say on that subject.

The VICE PRESIDENT. Is there objection to printing in the RECORD the editorial referred to by the Senator from Florida? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[From the Tampa Morning Tribune, Dec. 21, 1918.]

WHERE THE MONEY WENT.

Now that the war is over and the need for camps gone, and they are being demolished, it is interesting to see just how the money spent for their building and maintenance was divided over the country.

We have heard so much from certain rabid Republican sources about the "little handful of Southern Congressmen and Senators" grabbing off all the good things in the way of war activities that we are pleased to find one southern paper which comes forth with a table showing "where the money went."

Under the above heading the Mobile Register tells us:

"Many of the training camps were located in the South for climatic reasons, but there were not wanting critics to complain that the South was unduly favored—'all that money being spent in the South!' The South, however, got but a taste of the money, as is shown by the reports of the Quartermaster General's office. The purchases for the Government in the period July 26, 1918, to October 26, 1918, can be taken for illustration. For the eastern division, as far as and including Maryland, the total is $232,000,000; for the Western States, $201,000,000; for the Southern States, $35,000,000; and for the Mountain and Pacific States, $12,000,000. This gives the lion's share, or 47 per cent, to the East and 41 per cent to the West. The South's portion, a little over 7 per cent. This should dispose of the charge that the South has been unduly favored."

THE MERCHANT MARINE.

Mr. FLETCHER. Mr. President, I desire at this time to take up another subject; I ask to have printed in the RECORD a communication from the New York Board of Trade and Transportation, together with resolutions of that board, on the subject of suggested amendments to the navigation laws of the United States, and particularly with reference to certain amendments proposed to the seamen's act, and on that subject I desire to submit a few observations.

The VICE PRESIDENT. Without objection, the matter referred to will be printed in the RECORD.

The matter referred to is as follows:

NEW YORK BOARD OF TRADE AND TRANSPORTATION,
New York, December 17, 1918.

Senator DUNCAN U. FLETCHER,
Chairman Senate Committee on Commerce,
United States Senate, Washington, D. C.

DEAR SENATOR: I have the honor to transmit herewith attested copy of resolution and report relating to suggested amendments of the La Follette or so-called seamen's act, which resolution and report were unanimously adopted by the New York Board of Trade and Transportation at its meeting on Wednesday last.

This board hopes that the amendments suggested will have your approval and support, because under the existing provisions of the law the large expenditures of the Government for the building of merchant ships will not alone suffice to establish our merchant marine on the ocean in the foreign trade, but will prove futile and a serious loss to the Government as well if we fail to embrace the opportunity which now is offered to the United States to greatly enlarge our overseas commerce in American bottoms.

Very respectfully,

FRANK S. GARDNER,
Secretary.

THE NEW YORK BOARD OF TRADE AND TRANSPORTATION,
New York City.

At the monthly meeting of the New York Board of Trade and Transportation held this day, Wednesday, December 11, 1918, Hon. Frank C. Munson, chairman of the committee on maritime affairs, submitted and read the following preamble and resolution, which, with the report submitted November 13, 1918, and hereto attached, were unanimously adopted:

"Whereas there are certain objectionable features in the so-called seamen's law now in force, as set forth in the report hereto attached, which are detrimental to the development of the American merchant marine, and that so long as this law continues in force it will tend to handicap and prevent the proper development of the American merchant marine: Be it hereby

"*Resolved*, That the New York Board of Trade and Transportation recommends to the chairman of the Senate Committee on Commerce and the House Committee on Merchant Marine and Fisheries that the objectionable features in this old law be repealed at the earliest possible date in the interests of the great merchant marine which is now being built."

LA FOLLETTE SEAMEN'S ACT.

[Report by Hon. Frank C. Munson, chairman of the committee on maritime affairs. Submitted Nov. 13, 1918. Ordered printed and referred to the meeting of the board to be held Dec. 11, 1918, for consideration.]

To the NEW YORK BOARD OF TRADE AND TRANSPORTATION:

The following are clauses in the La Follette seamen's act which should be modified or repealed:

The clause stating that 75 per cent of the crew in each department shall understand any order the officers may give. This prevents American ships from carrying 75 per cent foreigners who do not understand the English language. It is intended to prevent the carrying of Chinese on American ships to meet the competition of the Japanese, but it gives them carte blanche to carry Japanese crews with Japanese officers, hence the reason that the Japanese to-day have full control of the commerce of the Pacific Ocean.

Another clause provides that 50 per cent of the crew, exclusive of officers and apprentices, shall be able seamen. This part of the law was so impossible and unreasonable, because they could not be obtained, that no notice has been taken of it during war time. With peace now, however, it will be enforced, thereby tying up part of our new merchant marine.

The collector of customs may, on his own motion, and shall upon the sworn information of any reputable citizen deny clearance and hold the ship until an investigation is made. So any water-front sorehead can hold up any ship. This was so drastic and vicious that it also has not been enforced, but it is the law nevertheless.

The clause providing that the seamen can demand and receive half of the wages he has earned (note the word "earned," not due, as it should be) at every port the ship goes to, and every five days he can make another demand. The police records of various ports where American ships have gone bear ample proof of this bad law. The intention of this clause was to allow the men to draw their wages and desert, but it does not always work that way, although it causes serious delay to the ship at almost every port. Cases have arisen of boats running to Mexico and other foreign ports where parts of crews have been paid and deserted and impossible to get fire-room crew, with the result that ships have had to wait in port for crew to be brought by some other ship. This should be repealed with least possible delay.

There is also a clause providing that the sailors shall be divided into two watches. On many ships a big crew is carried and enough men to navigate the ship are put on watch and watch. The balance of the crew sleep all night and work all day, the object being to get the day crew to keep up the ship in good condition. If this section was enforced, we would have to keep a smaller crew and let the keeping up of the ship go, as men can not do any work at night except what is necessary to navigate the ship.

One of the absurdities of the bill was that a cargo steamer 410 feet long, carrying a crew of about 36, had to have 12 sets of davits and 9 lifeboats. On inquiry of the Government if they intended to enforce it, they said no.

The clauses in the bill providing for greater safety of life at sea and having better accommodations for the crew should be retained. The American ships built recently have excellent accommodations and leave nothing more to be desired, and the food served to American crews is much better than those of any other nation; in fact, it is as good as we have in our homes.

FRANK C. MUNSON,
Chairman Committee on Maritime Affairs.

A true copy.

LEE KOHNS, *President.*

Attest:
[SEAL.]

FRANK S. GARDNER, *Secretary.*

Mr. FLETCHER. Mr. President, judging by letters which are coming in and resolutions by chambers of commerce and boards of trade and contributions by shipowners and other writers to periodicals and newspapers there seems to be a movement on foot the purpose of which is to accomplish the repeal of certain provisions of the seamen's act, or certain amendments to that act. The complaint is particularly emphasized with reference to section 13 of the seamen's law. I am quite sure that to a very considerable extent there is no sufficient ground for these criticisms of the act and no justification for many of the claims that are made that the act is burdensome to American shipping.

In the first place, the act was approved March 4, 1915. It never went into effect as to foreign shipping until August, 1916, and some of its provisions have never been put into operation at all. There were three cases involving the constitutionality of the act, or at least certain provisions of the act, which until last Monday rested in the Supreme Court of the United States. There were cases brought that raised questions as to the very provisions of the act about which complaint is made, and it is difficult to see how that act could deter private enterprise, private initiative, from building up an American mercantile marine before the act was ever put into operation. The Supreme Court of the United States on last Monday handed down decisions—I called to get a copy of the opinion, but it will not be printed until Friday or Saturday—the effect of which is to sustain the constitutionality of the law, so that now the law can be put into force and effect in all its material provisions; and I do not believe it will be found to do what the gentlemen who advocate its repeal or its amendment apprehend. It will be found to accomplish, as it has already accomplished in so far as it has been put in force, what the advocates of the measure originally claimed it would accomplish, and that is, the equalization of the cost of operation of American ships and foreign ships coming into our ports. This is especially true in so far as it affects the wages paid to officers and crews on the ships; and the effect will be to raise the standard of other countries to our standard, rather than, as has heretofore been the policy, to lower our standard of wages paid to officers and crews on American ships to the lowest standard of the ports to which those ships might go.

The essentials of sea power are quite important. It will be conceded, of course, that we should build up an American mercantile marine. It will be admitted that we ought now to establish our status on the seas. It will be conceded that we should not lose this great opportunity to take our place as a respectable sea power and maritime nation among all the nations of the world.

Sea power involves, of course, what is commonly referred to as naval power. We ordinarily employ those words when we have in mind a State having a considerable navy and an inconsequential army. In the same way, we use the term "military power" when we think of a State with a considerable army but only a relatively small navy.

I do not intend to discuss that phase of or factor in sea power which is defined as "naval power." I speak of that sea power which is commercial in character, but none the less vital to our well-being, and which in some respects may be regarded as auxiliary to the navy. I have particular reference to that part of our sea power which produces revenue, rather than to that part which consumes revenue.

Capt. Mahan, in his admirable work, describes sea power in its broad sense, as including "not only the military strength afloat that rules the sea, or any part of it, by force of arms, but also the peaceful commerce and shipping from which alone a military fleet naturally and healthfully springs, and on which it securely rests."

I do not care whether you consider it as the foundation or the consummation of naval strength, in its technical sense; it is this element of sea power in its broad sense, a merchant marine, to which I invite your attention.

Generally, let me say at the outset that the supremacy of no nation in the future will depend upon its military strength, its big army. Germany had that. Nor will it depend upon its naval strength, its big navy. England had that; but that alone did not save her. Rather will that supremacy rest largely upon commercial strength. This has been true in great degree heretofore, but it will be more wholly true hereafter. That commercial strength will depend largely upon command of transportation.

That nation which produces a surplus of the prime necessities of life which other nations must have is in a position approaching supreme power. Especially and more fully is that true if such a nation owns and operates the carriers whereby it may take that surplus at will to the markets of the world and bring back the raw materials or the useful commodities it may want. There is no nation on earth which is so favored by nature and by development in this regard as America. No other nation can approach her in these respects if she but put to fruitful use her resources and take advantage of her opportunities.

Fallacies: There are certain fallacies which must be discarded forever.

The first is that we could more profitably turn our attention to internal development than to enterprises involving the use of the seas, and could safely rely upon others to furnish our overseas carriers. Not only is it unsound in policy, but it was a mistake in fact to assume that it was cheaper for us to have our exports and imports transported in foreign bottoms than in the ships of our own citizens.

On account of certain conditions, which I will mention later, it cost somewhat less to operate vessels under foreign flags than under our own. Hence, the deep-rooted notion that we had better hire foreign vessels to carry our goods than to build and use our own.

Plainly shortsighted and unpatriotic, this idea was unsound from a practical, business standpoint. Who ever heard of one merchant relying upon a competitor in trade for the delivery of his goods?

We had all the raw material and facilities for building any kind of ship required. We had the ports, harbors, and terminals. We could more than offset the lower wages of the foreigners by the greater efficiency of Americans. We had the coal, oil, and every means of equipment.

In July, 1914, our people began to realize what some of us had been telling them would sooner or later strike them in the face, namely, their utter dependence upon foreign carriers. Our experiences when German ships were out of commission, British ships commandeered for war purposes, and French and Italian ships unavailable, when freight rates advanced 1,000 per cent, and every industry of the country was made to suffer, should be sufficient to convince any reasonable mind that we can not afford to rely upon foreign ships but must have ships of our own.

The next fallacy is that a direct subsidy is necessary to the building up of an American merchant marine. It is not true that all other maritime nations have been compelled to subsidize their merchant shipping. It is well known that during the past four years vast fortunes have been made by the operation of ships. Excessive rates, unprecedented exactions, made that possible; but in ordinary times and under normal conditions the business was most attractive and profitable without any subsidy. There is no occasion for any subsidy unless the Government undertakes to establish new routes, pioneer in new and expensive ventures which can only compensate for the outlay after the trade is built up, open up new lanes, or form the new connections, depending upon the future for returns. In such instances the Government would be obliged to make allowances—probably furnish ships without charge or something of that sort.

A third fallacy is that our navigation laws hamper and hinder the operation under American registry.

This is an old fiction, brought forth on every occasion to do service for some particular, selfish purpose. When challenged to point out the objectionable laws, the critics usually fall back upon the seamen's act of March 4, 1915.

To be sure, we had no mercantile marine of consequence for the past 50 years, and it is quite difficult to understand how this act has interfered. It would be more to the point to state some law that had been operating all these barren years. This act, it is claimed, is burdensome on the American shipowner because it will mean greater operating expenses than vessels under other flags will have to bear. Just the reverse is true. When enforced it will equalize the cost of operation of American vessels with the vessels of other countries using our ports.

I will refer to that in detail later.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. Certainly.

Mr. KING. Replying to the suggestion just made by the Senator, Mr. Dollar and other men engaged in shipping on the

Pacific coast have repeatedly stated, as I understand, that the seamen's act of March 4, 1915, resulted in driving from the Pacific coast practically all American shipping and compelled the sale to Japanese concerns of at least one, and perhaps more, of the shipping lines that were operated upon the Pacific. What does the Senator say with respect to those contentions?

Mr. FLETCHER. I am somewhat familiar with the position taken by Capt. Dollar. I know Capt. Dollar personally, and have a great deal of respect for him. He is very well advertised as one of the great shipowners of the country, and from the accounts published regarding Capt. Dollar in the magazines and newspapers, one would imagine he owned perhaps the greatest fleet flying the American flag. The fact is, according to my information, that Capt. Dollar owns seven boats, and that the total tonnage of the whole Dollar Line is about 23,000 tons—about one good-sized ship.

In answer to the contention suggested by the Senator, I must say that it is utterly absurd to claim that the seamen's act drove the American flag off of the Pacific, because the act has not been in force with respect to the matters that are objected to in it.

Mr. KING. If the Senator will pardon me further, the claim was made, as I remember, that in anticipation of the enforcement of the act many, or at least some, of the ships were sold and some lines went out of business entirely.

Mr. FLETCHER. I think the ships were sold because they brought extraordinarily high prices. It was good business to sell them at that time, and it was good business to get others back in their place as soon as possible afterwards, because of the high freight rates; but the claim can not be sustained that the seamen's act proved disastrous to American shipping either on the Pacific or on the Atlantic. The fact is that some of the ships that were sold on the Pacific at enormous prices and at tremendous profit to the owners came right around to the Atlantic and were operated on the Atlantic from this side across the Atlantic, because that was a more profitable field, under the same law precisely that they were operating under on the Pacific. So that is an absurd contention. The act, as I have said before, never went into effect under its very provisions as to foreign ships until July, 1916, and in the matters that are complained of the act has not been in operation at all. The constitutionality of those provisions has been in question, and not until last Monday was that matter settled by the decision of the Supreme Court of the United States.

Mr. CALDER. Will the Senator yield?

Mr. FLETCHER. I will.

Mr. CALDER. The Senator said that ships were brought around from the Pacific coast to be operated in the Atlantic sea service. Was not the condition on the Atlantic entirely different? There ships were in great demand to be used in the war zone.

Mr. FLETCHER. Precisely.

Mr. CALDER. While on the Pacific Ocean there was no risk of loss of ships, and there, of course, an entirely different situation prevailed. On the Atlantic coast ships sold for extraordinary prices, but were operated at a profit.

Mr. FLETCHER. They were brought to the Atlantic and engaged in the trans-Atlantic business in a dangerous zone, as the Senator has said, but because the rates were so high that business was more profitable. The ships were operated upon the Atlantic under precisely the same law under which they were operated on the Pacific. My point is, I insist, they were not taken off the Pacific by reason of the seamen's act.

Mr. CALDER. If the Senator will permit me further, I will say that is correct, of course; but during the past two years on the Atlantic coast it made no difference what it cost to operate vessels; they could be operated at a profit——

Mr. FLETCHER. Precisely.

Mr. CALDER. Regardless of the seamen's act, because the freight rates were so high. So that the seamen's act did not have any effect on the operation of ships during the continuance of the war.

Mr. FLETCHER. The Senator is correct about that. For that reason I say that the contention is absurd that the seamen's act has driven the ships off the Pacific. I will mention the seamen's act a little more extensively a little later on.

ESSENTIAL.

First. Of course, the first essential to a creditable sea power is ships flying our flag. I take it if we have learned anything from the war, now about over, it is the fact that we must have an American mercantile marine sufficient to carry at least a major per cent of our foreign commerce.

The reasons need not be discussed. There is no need for argument. I assume there is practically unanimity of thought to that effect. There may be a difference of opinion as to how this is to be accomplished. Some contend that private enterprise should both build and operate the ships. Others contend that the Government should build and operate along with and not in a way to discourage private enterprise. Still others insist the Government should build, own, and operate the ocean-going boats engaged in foreign trade, flying our flag, without regard to individual or private interests.

The situation is that for 50 years we waited for private enterprise, and it failed. In 1914 officials of the administration, in and out of Congress, considered that it would be folly to wait longer and caused to be introduced a bill creating a Shipping Board and appropriating $50,000,000 with which to begin the building of an American mercantile marine. This measure was opposed more vigorously than any other proposed, in the Senate at any rate, within a quarter of a century. It was fought with such determination and united forces by our Republican friends that a vote was prevented on it, although it was kept before the Senate almost to the day of final adjournment, March, 1915.

Early after the assembling of the next Congress a similar bill was introduced, and by that time the war had brought an awakening throughout the country, and it was perfectly plain that our commerce was being paralyzed, and we were in the humiliating position of having to beg for ships, and there were none to be had. Accordingly the bill passed Congress, was approved September 7, 1916, and without that legislation we could not have won this war when it was won.

We could not have moved our troops and supplies across the ocean. We could not have borne the freight rates charged against our products. We would have had no ships of any consequence now.

We are getting the ships—four or five cargo carriers each days—and we are operating ships procured and constructed in pursuance of that legislation. We will be able to bring our boys home. We are able to carry food to starving peoples throughout the world in our ships. We are taking our place as a maritime Nation and are in position to maintain a respectable status as such.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from Florida yield to the Senator from Massachusetts?

Mr. FLETCHER. I yield to the Senator.

Mr. WEEKS. The Senator has referred to the failure of Congress to act in 1914, and has stated that it did act in 1915. Of course the Senator recognizes that there was a very material difference between the bill submitted to the Senate in 1914 and 1915, and that the 1914 bill might have passed if the majority had been willing to accept an amendment that the German ships should not be purchased as a result of that legislation. As a matter of fact, we obtained the German ships somewhat later and at a lower price than it was the purpose to pay for them; so that there seems to have been ample reason on that ground alone to have opposed the bill of 1914.

Mr. FLETCHER. I remember perfectly the amendment offered to the bill of 1914 prohibiting the Shipping Board from acquiring German ships, and the point being made that that might bring us into antagonisms which would result possibly in serious trouble; but I feel quite sure that that amendment, if it had been adopted, would not have caused those who were opposed to the bill then to favor it. I think there would have been other amendments, and there were other grounds of opposition to the bill. The fact is that all the Senators on the other side of the Chamber, I think—my recollection is every one of them—voted against the bill of 1915, except possibly one or two.

Mr. WEEKS. Mr. President, of course, the Senator is quite right in saying that there were other grounds for opposing the bill. One of the objections was the Government ownership and operation of ships. Many Senators still oppose that policy; and as the Government is building a large fleet, perhaps the Senator from Florida can inform the Senate now what disposition is to be made of that fleet when it is constructed or as the ships are constructed. Are they to be chartered or sold or operated by the Government? What is to be done with them? We have a very large appropriation available for building ships; we are going on building them evidently without any let or hindrance, and I think it is of importance to know what our policy is to be so that we may determine whether it is desirable to cancel the authority which now exists to construct large additional tonnage.

Mr. FLETCHER. Mr. President, going back a little bit further, I had not quite finished my answer to the first question when the Senator interrupted again. With reference to the German ships I said at the time that discussion was in progress that we could not buy any German ships if we wanted to. I opposed the putting of such a restriction in the bill because I

did not feel that it was wise to limit the board in respect to purchasing at all; but I was thoroughly convinced from my own information that we could not have bought the German ships if we had wanted to, and that was fully established by the appearance here of the representative of the German ships before a special committee of the Senate, of which the Senator from Montana [Mr. WALSH] was the chairman, who came here and stated that they had been forbidden to enter into any negotiations looking to the sale of those ships. They could not have sold them; they would not have sold them; and we could not have bought them. So that was not a dangerous feature of the bill of 1914 at all.

Now, with reference to what is going to happen in the future, I would not venture at this time to offer any matured advice upon that question. It is largely a matter of development, it seems to me. We will have to get a little more information; we will have to get a little more data as to what we are able to do in this country, what we have done, what we have ahead of us, and what other countries are doing before we can determine upon a definite policy of a permanent nature for the future, it seems to me.

I have not myself, I will say to the Senator, made up my mind about what would be the wise course to pursue with reference to the operation of these ships or their handling. Of course, the Senator realizes that under the shipping act as it stands now the Shipping Board must dispose of all of the ships within a period of five years after the declaration of peace. That is the present law. Whether we will change or modify that law in the future, or whether we will stand by it, or what other law we will enact as bearing upon that question will be a matter upon which we will have to have more data before we can, I think, take a decided, positive stand.

Mr. WEEKS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Massachusetts?

Mr. FLETCHER. I do.

Mr. WEEKS. I think there is ample reason for criticism for failure to know what you are going to do before you begin to leap. No private enterprise would be undertaken which involved the expenditure of hundreds of millions of dollars without a pretty clear conception of what was going to be done with the product of that expenditure. I think the Government should have been for months, for years for that matter, considering what it was going to do after the war was over not only in connection with shipping and the ownership and construction of ships but with everything else that has relation to this war. While I am not going to discuss what should be done at this time, I did not know but possibly the chairman of the Committee on Commerce might have some definite ideas. I do think that we should know what is going to be done with the ships that are being constructed in this wholesale way.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Mississippi?

Mr. FLETCHER. I yield to the Senator.

Mr. VARDAMAN. If the Senator will permit me a suggestion at this point, I desire to make a statement in line with the suggestion which has been made by the Senator from Massachusetts [Mr. WEEKS] which, it seems to me, embodies an additional reason for knowing just what we are going to do with the ships that are now being constructed. We all understand that ships are being constructed at the enormous cost of from $180 to $225 and upward per ton. If those ships are going to be disposed of in the near future it does seem to me an unwarranted waste of money to construct ships now at that cost and then to sell them in the markets of the world at a price which will be fixed by the law of supply and demand, which, if we are to judge by the prices which England is paying now—about $140 per ton—will involve a great loss of public funds.

Mr. WEEKS. Mr. President, I am glad the Senator from Mississippi has made that suggestion. I made some inquiries not long ago of the Shipping Board as to what the average cost of wooden and steel ships had been. Of course, we know that it has been very high, and in some cases as high as the Senator from Mississippi has stated, and it is costing now in the neighborhood of $175 to $180 a ton for the construction of steel ships; and yet there is a corporation in this country which has recently offered to take a contract to build ships of the same character for the French Government at $115 a ton, and a very large tonnage at that. Now, of course, it goes without saying that we can not operate ships that cost $180 a ton——

Mr. VARDAMAN. Two hundred and twenty dollars a ton, I think, in the case of the Hog Island contract.

Mr. WEEKS. Well, I am speaking well within bounds when I say that we can not operate ships that cost $180 a ton, either by Government operation or by private operation, in competition with ships that cost $115 a ton, other things being equal; and we are going to have these hundreds of millions of dollars invested in ships at a very high cost, which we have either got to operate at a loss or we have got to charge off a couple of hundred millions of dollars when we commence their operation.

Mr. FLETCHER. Mr. President, of course I hope the Senator has his information in satisfactory shape, so that he can speak accurately with regard to this offer to build for the French Government at $115 a ton. It is a little extraordinary if that offer has been made, because I know it is costing the Emergency Fleet Corporation more than that. The lowest figure that I know of where they have let contracts—lump-sum contracts, as they call them—for 9,000-ton steel ships is about $160 a ton. I do not know that they have made any for less than that; and if now they can be built for $115 it is rather interesting, because it indicates that our prices are high; and yet I have not known of any yards that are willing to bid less than $160 a ton for those steel ships.

The Senator is quite right about the difficulties we will have to meet.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield further to the Senator from Massachusetts?

Mr. FLETCHER. I yield.

Mr. WEEKS. May I just say that my information came from one of the important officers connected with the corporation that had made this offer; and he told me that they intended to build these ships on the Pacific coast, where the building under the direction of the Emergency Fleet Corporation had practically ceased, and there were 25,000 or 30,000 men out of employment, especially in the States of Oregon and Washington. Of course I would not have made that statement without having my authority from a very good source.

Mr. FLETCHER. I realize that; and I think there may be other features connected with that contract which somewhat offset some of the difficulties we are laboring under in connection with our own contracts. For instance, it may be that these people will have their own time in which to complete these ships. Of course, it is very different where ships are required to be built at once, built speedily, which was the situation that the Shipping Board had to meet from its very inception. The cry was "Ships, ships, ships, now!" We could not wait, and we were obliged to limit to the very lowest possible time the time in which these ships had to be built by every yard in the country.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Georgia?

Mr. FLETCHER. In just one minute. We had to disregard any economic considerations. Speed was the prime factor in every one of these contracts. Of course if you undertake to build a house that you have six months to build you can build that house at quite a different figure than you would have to charge if you had only six weeks in which to build it; and that was the situation with reference to the Shipping Board. It had to have the ships immediately. The demand was for ships speedily and without regard to the ordinary elements that would enter into a business contract where, for instance, a man had an opportunity to extend that contract over a period of years instead of over a period of months.

I now yield to the Senator from Georgia.

Mr. SMITH of Georgia. I realize fully the force of what the Senator has said; but is it not true that many of these ships are but started and have not made substantial progress? Ought not these contracts now to be so modified that the requirement of great speed, producing excessive cost, should cease to apply to them, and that they should be built upon a practical business basis of cost that will enable them to compete with the vessels of the world without a great write-off by the Government?

Mr. WEEKS. Mr. President, if the Senator will yield to me for just a moment——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Massachusetts?

Mr. FLETCHER. I do.

Mr. WEEKS. Of course, I had not intended to criticize the Emergency Fleet Corporation for what has been done up to this time. I recognize, of course, that it was necessary to do things hastily and to pay the price. Perhaps they are to be criticized, but I do not know whether they are or not. I am talking about the future; and it does seem to me that we ought to have some definite idea of what the future is going to bring to us and how we are going to expend this money.

Mr. VARDAMAN. We ought to stop it.

Mr. FLETCHER. First, with reference to the suggestion of the Senator from Georgia, there are certain economies now

being put into effect by the Shipping Board; certain contracts are being canceled and certain contracts are being modified to meet new conditions. Among the things they have done is to discontinue the allowance for extra time, which was very expensive, and the allowance for Sunday work, which was very expensive. They have eliminated those features in their engagements with the workers in the yards. One builder, for instance, estimates that his additional cost for extra time amounted to $100,000 per hull. That has been eliminated by the Shipping Board, so that hereafter the work will go on in the ordinary way, without this rush and extra expense.

With regard to what the Senator suggests about our policy, of course we know what the law is. At present we are operating under the law. We will have to continue to operate under that law until we conclude to change it in some respects. In other words, we know that the Shipping Board is authorized to make the contracts that have been made. We know about what it has accomplished. In the report filed here, which I hold in my hand, on page 179, the condensed summary of results in ship production as of November 15, 1918, is given. The keels laid amount to a dead-weight tonnage of 7,942,463; the hulls launched amount in dead-weight tonnage to 4,198,211; ships delivered—that means ships that are fully outfitted with all machinery, passed upon by the classification societies, accepted, and actually put into service—amount to 2,828,781 dead-weight tons. That has been accomplished so far; and there are contracts already entered into reaching up, as I recall, to somewhere between eight and eleven million dead-weight tons, all told.

We must understand, of course, that even though it does cost a great deal now to build ships, even though it costs a great deal more now than it did before the war to build ships—and that is a fact which we are bound to recognize, for before the war these ships that are now costing us $160 and more a ton could have been built for $50 or $60 a ton—still the necessity is here. It is almost as acute from a commercial standpoint as it was acute both for commercial reasons and from a military standpoint a few months ago.

The total world tonnage in 1914 was about 48,000,000 tons. Of that the United Kingdom owned about 28,000,000 tons. The destruction of allied and neutral shipping during the war amounted to something like 21,000,000 tons altogether; so that we have got to supply this loss. Great Britain's greatest accomplishment in the line of shipbuilding during the war was, in the past year, when she built something like 1,700,000 tons. She expects or hopes to build 2,000,000 tons a year. That is about her calculation. France is doing her level best to summon all her resources and put herself in a position to contract for 3,000,000 tons a year. That is only 5,000,000 tons of shipbuilding by those great maritime powers. If we can build 6,000,000 tons a year, we will not for a year hence have more than half restored the tonnage sunk by the submarines; and there undoubtedly is need for the shipping now. There will be need for it until we restore the world tonnage as it existed before the war, and we will have to increase that tonnage very materially to meet the needs of commerce.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Mississippi?

Mr. FLETCHER. I yield.

Mr. VARDAMAN. I want to ask the Senator, if he will permit me, this question: I agree with him that tonnage is very much needed, and I commend the spirit of both England, France, and the United States in the effort that is being put forth to supply it. But may I ask the Senator the difference between the price which France and England are paying and the price which we are paying in the United States?

Mr. FLETCHER. I do not know exactly what they are paying. I think that will depend very largely on the time the contracts are to run.

Mr. VARDAMAN. Somebody testified before the Commerce Committee, if the Senator will pardon me, that England is paying about $145 a ton, while the United States, in some instances, is paying as high as $225 a ton.

Mr. FLETCHER. That, of course, is under present contracts. My information is ships are costing England about $175 per ton. Of course, we expect to get that price down. Those contracts were made, as I say, when we had to have the ships, and had to have them within a limited time, and concentrate upon ships, no matter what the cost was; but my understanding is that our yards in this country are seeking contracts and are willing to take contracts, and France and Italy and other countries are willing to make contracts at about what we are paying in this country for those ships.

Mr. PHELAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from California?

Mr. FLETCHER. I yield to the Senator.

Mr. PHELAN. Is the Senator in a position to tell us at this point what the condition of the agreement is between the United States and the International Mercantile Marine Corporation for the acquisition of that fleet?

Mr. FLETCHER. I can not say definitely what the situation is at present. I know that negotiations have been on, and I think they are still on; and so far as I am informed it is the purpose to acquire that fleet, if it can be accomplished. It is a very great fleet, a very important fleet, and would supply us with something over a million tons of first-class shipping at a cost much less than ships are costing us now.

Mr. PHELAN. I understand that the ships are really owned by Americans, inasmuch as they own the stock of the International Mercantile Marine Corporation.

Mr. FLETCHER. That is quite true, as I understand the situation. The International Mercantile Marine Corporation owns the stock of the corporations that have the title to the ships. Those are British corporations.

Mr. PHELAN. But the stock is actually owned by American citizens?

Mr. FLETCHER. By the International Mercantile Marine Corporation, which is an American corporation, incorporated under the laws of New Jersey.

Mr. PHELAN. Construction in the yards of this country for foreign account is now permitted, is it not, certainly in so far as wooden and concrete ships are concerned? But as to steel ships, must not they, if constructed for order other than that of the Government, be under the American flag and registered under that flag?

Mr. FLETCHER. I have heard of no change in that requirement. Certainly no contracts can be made to build for foreign account without the approval of the Shipping Board, under the law; and I do not know that they are permitting contracts for foreign account, except where they are not using the yards themselves and have no need for the particular ships that the yards are equipped to build, such as wooden and concrete ships.

Mr. PHELAN. I saw the statement made unofficially that steel ships could not be constructed for private account unless they sailed under the American flag.

Mr. FLETCHER. That has been the policy heretofore, and, so far as I know, it obtains yet. Certainly they can not be built for foreign account without the consent of the Shipping Board.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Washington?

Mr. FLETCHER. I yield to the Senator.

Mr. JONES of Washington. I will say, with reference to that matter, that a few days ago the Senate passed a resolution inquiring of the Shipping Board what its policy is in that respect. I understand that it has not yet removed the ban against the making of contracts for steel ships in this country for foreign account without the permit of the board. What I wanted to call the Senator's attention to, however, was this:

As I understood when the Senator was interrupted, he was calling attention to the attitude of those who opposed the ship-purchase bill in 1914, and also pointing out what wonderful things had been accomplished under the act of 1915 by the Shipping Board in the building of ships. I am not going to pay any attention to the matter with reference to the ship-purchase bill of 1914. I am perfectly satisfied with my record with reference to that measure, so far as that is concerned, and with what I did to prevent the passage of the bill. With reference to the act of 1915, I want to call the Senator's attention to the fact, as I understand it to be a fact, that the large tonnage of ships to which he has referred has not been constructed under that act at all. It has not been constructed by the Shipping Board. It has been constructed under the emergency act, passed after we got into the war, providing for an appropriation of millions and hundreds of millions of dollars, under which the Emergency Fleet Corporation was organized. The Emergency Fleet Corporation has built those ships and has let those contracts, and the Shipping Board, as a board, has had practically nothing to do with it. So that the act of 1915 has not resulted in the building up of any merchant marine.

Mr. FLETCHER. The Senator is mistaken in this respect: The act of 1915 provides for the formation of the Emergency Fleet Corportion. In the very body of the act it provides for that corporation an appropriation of $50,000,000.

Mr. JONES of Washington. Mr. President, I think the Senator will find himself mistaken about that. It provides for the

organization of a corporation, as he says, with a capital stock of $50,000,000.

Mr. FLETCHER. Yes.

Mr. JONES of Washington. But the Emergency Fleet Corporation was a separate corporation, organized by the designation of the President. We gave the President authority to determine the agencies that he should use in the expenditure of the tremendous sum of money, which was not $50,000,000, but, in the first instance, $750,000,000, and it was afterwards increased, I think, until it amounts now to over $3,000,000,000. Under that authority the Emergency Fleet Corporation was organized, and not the permanent corporation that was contemplated by the act of 1915.

Mr. FLETCHER. I have always understood—and I think it is true beyond any doubt—that the procedure was under the act known as the shipping act, the act of 1915, to form a corporation; it was the authority given in that act to form a corporation with a capital stock of $50,000,000 that was exercised when the Shipping Board created the Emergency Fleet Corporation. That is the corporation formed in pursuance of that act and contemplated by that act. The capital stock was $50,000,000 and the corporation is controlled precisely as that act points out. The members of the Shipping Board are trustees of the Emergency Fleet Corporation and operate the Fleet Corporation.

Mr. JONES of Washington. But even granting that, what would that board have accomplished with $50,000,000? It would not have accomplished anything.

Mr. FLETCHER. It was laying the foundation and making a beginning. Further appropriations were of course necessary.

Mr. JONES of Washington. The ships that have actually been built were constructed under the emergency appropriation made by Congress and not under the shipping act.

Mr. FLETCHER. Precisely. The appropriations have been made by various acts, amounting altogether to something like $3,000,000,000. That has been done in the appropriation acts; but the corporation which has built the ships is the corporation provided for in the shipping act, formed in pursuance of the shipping act, operated in pursuance of the shipping act, and having the powers expressed in the shipping act.

Of course, having started in this enterprise so late, we have been hurried and driven to sacrifice economy to speed. There have been some mistakes, numerous delays, unavoidable confusion, and the ships have cost us a great deal more than they would have cost under normal conditions. The call was for ships in the quickest possible time, out of any material that might serve the present need, without regard to strict business methods observed in ordinary times.

We have yards of all sizes, built and expanded, on the Atlantic, Gulf, Pacific, and Great Lakes—sufficient to build for all the nations of the earth. The Government has expended approximately a hundred million dollars on three yards, one of which has 50 ways, all equipped, on a water frontage of more than a mile, comprising 846 acres, the land costing $1,706,000 alone—the largest shipyard in the world—now in full operation. It will have a capacity of 600 ships annually, 4,500,000 dead-weight tons. There have been criticisms of Hog Island, but what has been accomplished there is little short of marvelous, the time taken to make the development considered. The contractors, the agents of the Government there, have trained men, organized their forces, strained every nerve to produce results, and in spite of difficulties which were discouraging they claim they are succeeding in admirable fashion. Wherever the yards have proven efficient, they will be kept busy. Our capacity now is more than twice that of England and as great as that of the rest of the world combined. We can put out each year 6,000,000 tons of shipping. With shipping must come classification and insurance and other financial operations.

We purpose to continue to build ships not only until the world shortage, brought about by submarine ravages and other causes, of more than 21,000,000 tons shall have been restored, but the prewar supply must be greatly increased.

The shipbuilding industry has become one of first importance in the United States. The farmers, manufacturers, merchants, bankers, and all others engaged in industries and trade and business have come to realize what it means to have our own ships and our proper place on the ocean.

They rightly will not countenance any policy that does not mean an increase and strengthening of America's sea power. Congress should make every appropriation required to complete the present shipbuilding program and enlarge it to our full capacity.

All our resources—men and materials—available under conditions when due and proper economies are practiced and when there is no occasion for the haste that makes waste should be utilized in the building of ships. Of course, a careful study should be made so as to determine the character of vessel which should be built in every case. If I had my way, I would spread out a map of the world and study carefully every port in every country and ascertain what products and commodities and business could be counted on to move, if given the facilities, to and from such ports, and to what extent the United States may be interested, and whenever possible I would send vessels flying our flag into those ports and connect them with the ports of this country.

I would utilize our consular agents, our commercial agents, and every other means for developing trade and establishing friendly relations. We are a great creditor Nation now, and it will be necessary to take the goods of other countries liberally in exchange for our own. We paid England before the war about $300,000,000 per annum as interest on what we owed her. England now pays us about $200,000,000 a year as interest on what she owes us. Our loans to foreign countries amount to more than $8,000,000,000. We should facilitate liquidation in commodities as far as possible.

Second. The next essential to "sea power" after acquiring the ships is to have the men to navigate them.

SEAMEN'S ACT.

It is this essential that I desire particularly to speak about. It was to secure this essential as well as to make reasonable provision for safety of life at sea that what is known as the seamen's act was passed and approved March 4, 1915. Its enforcement will practically equalize the cost of operation on all vessels using our ports, whether flying our own flag or any other, because equal wages, equal crews, and equal equipment will bring about equal cost. This act has been either greatly misunderstood or deliberately and grossly misrepresented. I can well understand how foreign shipowners do not think much of this act. American shipowners in the past were closely connected with European shipowners and they clamored for a subsidy. Instead of a subsidy we offer this law and under it America can have a merchant marine without paying any subsidy of any kind.

Let us be frank about it. The law requires the local inspectors to take into account the statutory requirements as to manning lifeboats and a certain per cent of the deck's crew must have the rating of able seamen, but there is no law fixing definitely the number of seamen that shall be carried on vessels of the United States. The Secretary of Commerce is authorized to prescribe rules and regulations respecting the number of ordinary seamen, boys for training, the rating and number of men in the engine room. No such general rule, however, has been promulgated.

Prior to the passage of this act the difference between the wages paid to seamen hired in ports of the United States and other ports were about as follows:

Seamen's wages in New York were about 20 per cent higher than wages paid at Liverpool; about 22.5 per cent higher than in North Sea or Atlantic ports on the Continent of Europe; about 30 per cent higher than the wages paid in the ports of the inner Mediterranean or Baltic; about 400 per cent higher than the wages paid in India or China; about 300 per cent higher than the wages paid in the ports of Japan.

Vessels capable of hiring their seamen in low-wage ports and compelling them to remain with the vessel in high-wage ports had, of course, a great advantage over any other vessels not so advantageously situated.

This was recognized by Congress when, on June 26, 1884, a law was enacted allowing American vessels to discharge their higher priced men in low-wage ports and to keep them by the vessel, by fear of imprisonment, in high-wage ports. The attempt failed, however, because the Americans quit the sea entirely and we could not get men even to become officers.

On March 4, 1915, Congress, disregarding the protests from foreign countries, enacted the so-called seamen's act. The purpose of this act was to equalize the wage cost that so far had resisted all efforts. The further purpose was to induce the American to again seek the sea.

It was contended and finally believed that if the seaman was made a free man, with the right to quit the vessel in any safe port and the further right to demand and receive part of his earned wages, the seaman would seek the higher wages by quitting the vessel paying the low wage and thereby compelling the low-wage vessel to pay the wages out of the port.

The law became operative as to foreign vessels in July, 1916, and in August, 1916, the equalization began. It has continued ever since in spite of the war and in spite of the fact that several provisions of the law have not been permitted to function. This is no longer open to question. The Shipping Board has the evidence, which is not only undisputed by foreign consuls, but

the act is claimed as the reason for a condition which they very much resent and against which they never cease to protest.

With his European competitor the American shipowner is on an equality for the first time in about 60 years. The equalization does not stop in American ports. Great Britain in February last made the wages of seamen out of British ports the same as the wages paid to seamen out of Atlantic American ports. This was done because it was cheaper to pay American wages from British ports and keep the men on board in American ports than to pay less, to lose the men, cause possible delay, and to pay the American wages and the crimp's fees in ports of the United States. Let the act stand. See that it is properly enforced on American vessels and the foreign vessels being placed on absolute equality with the American vessels will pay the same wages and will have no just grounds for complaint.

OTHER LAWS.

The general cost of operation of vessels in the same trade prior to the passage of the seamen's act was practically the same except as to the wage cost. All supplies were bought where they could be bought the cheapest. The American vessel paid higher wages to officers and seamen. While this difference in wages was really only a small per cent of operating expense, we bring about equalization, overcome the objection, always greatly magnified, by raising the wages of all maritime nations to the American standard instead of following the old policy of lowering wages to foreign standards and causing our men to abandon the sea.

When it comes to consider that great question, "the freedom of the seas," it will be well to keep these matters in mind. They are likely to be quite as important as questions of the extent of territorial waters, legitimate blockade, and other international outstanding conventions. I would not be understood as intimating that antagonisms may arise or that there is danger of selfish interests dominating in the council of nations. It is fair to state that England does not, so far as I am advised, dispute the principle of equal opportunity of all nations to navigate the seas fully and the equal right of all nations to extend their commerce into all parts of the world. It is quite true that England's policy has tended toward liberality in this regard. She allows vessels of foreign registry to compete with her own in her coastwise trade. Most nations, including our own, confine this privilege to vessels of their own registry, respectively.

Aside from certain provisions of the seamen's act on this point, our laws are substantially like those of England, Germany, Norway, and Japan.

It is a fact that our laws are not as strict as those laws nor are they as burdensome. For instance, England, Germany, Japan, and Norway have a load line; we have none. They can not carry deck loads at any time beyond a certain height, which in the winter is very much reduced. We have no such regulations. Those nations have their seamen included in their workmen's compensation laws. Our seamen are excluded. In those nations the vessels must pay for hospital for sick seamen. Here this is taken from the taxes paid by the general public, except there is a small amount paid by the vessel owners, which is taken from the deserting seamen; but that is not sufficient to support the hospital. In those countries the vessels or their owners have a very considerable liability to passengers or their heirs in cases of disaster. Our vessels and owners have none.

On November 16 last the Admiralty Board of Great Britain, thanking the mercantile marine and the fishing industry for their incomparable services during the war, said that "without the loyal cooperation of the former"—that is, the mercantile marine—"with the navy and its indomitable courage, the enemy's submarine must have entirely attained its object."

The board also said, as reported in the dispatches, that "aboard all ships, from the largest dreadnaughts to the smallest patrol boat, there were found officers and men of the mercantile navy combining with those of the Royal Navy in fighting the enemy and defeating his nefarious methods of warfare." "In the interest of the Empire," the statement concludes, "the close connection between the merchantmen and the Royal Navy must prove a lasting one."

The navy or naval reserves have nothing to do with the operation of the merchant vessels in Great Britain; on the contrary, the officers and crews of the merchant vessels came to the assistance of the Royal Navy.

It is to the building up of this competent and efficient force of American seamen, unsurpassed in any country, that we must bend our most earnest endeavors. Then, indeed, the hour for an adequate American mercantile marine will have struck.

We can never succeed in establishing a creditable mercantile marine under our flag unless we arrange to furnish the men to sail the ships.

We can do that readily when we assure the men fair treatment, wholesome and healthful surroundings, reasonable compensation for services, and certain advancement for faithful and efficient performance of duties.

The American boy for many years past has found nothing to invite, but everything to discourage, him when he looked toward the sea. He has been driven to other occupations, even when his taste and yearning urged him to "do business on the great waters."

The sea power of any nation depends mainly upon the number of trained seamen that nation can furnish. It is the part of wisdom to foster in every way the development of seamanship and make attractive to those who turn to it as a permanent occupation the life of a mariner.

Before the days of Solomon the merchants of Tyre were operating ships and extending the trade to the then known regions. Their supremacy on the seas passed, after supporting dynasties and building cities, by the use of ships, to Greece; then to Italy; then to Portugal; then to Spain; then to Holland; then to England; and finally to the United States in the days of the Baltimore clippers.

We threw away the proud title of "The Mistress of the Seas." We deliberately allowed this country to become a "beggar of ships," and, with our commerce paralyzed, a "fettered and embargoed trafficker," we changed the word "mistress" to "vassal." I do not think we will be guilty of such folly again. We adopted the policy of neglecting our seamen, finding crews wherever they could be had for the least money, taking the foreigner stranded on our shores, picking up the derelicts, treating them outrageously, until the word "sailor" became a by-word and a reproach. Until the act of December 21, 1898, seamen could be imprisoned for leaving an American vessel in an American port and held against their will to service. Until the seaman's act, which became effective as to foreign vessels in August, 1916, under treaties denounced by that act, seamen on foreign vessels could be arrested and imprisoned by our courts for leaving their vessel. It was not until that act went into full effect that all seamen were set free in this country.

By act of Congress approved June 26, 1884, American shipowners were permitted to discharge a crew hired in an American port, employ another crew in the port in which his competitor hired his, come to the United States and go back to a foreign port without reshipping in the United States and thus escape the American wage rate. The crimping system was in full play, and the seaman was robbed. The forecastle, where he lived with men of all races, speaking languages he could not understand, inadequate as to space and ventilation, was a foul, disease-breeding place.

The wages were based on the lowest paid in any port he touched, and left him nothing for his family.

There was no prospect in such a life. No wonder the American left the sea. We can well understand why more than 60 per cent of the officers and men in our merchant marine in 1915 were not citizens of the United States.

It was not until March 14, 1897, that Congress passed a law requiring that the forecastle must be improved. Every maritime nation had long since required the same thing.

The seaman's act of March 4, 1915, was the first emphatic declaration by Congress that the rights and interests of our seamen should have recognition and be maintained. The old policy drove Americans off the ocean. It knocked our sea legs from under us.

The new policy is to call our men back and say to them, "You shall be treated as decent citizens; you are invited not only to a legitimate but an absolutely essential occupation, where your rights must be respected; you shall be assured of good living conditions, space in the forecastle shall be increased from 72 cubic feet per man to 120 cubic feet, with further provisions for health, cleanliness, and comfort; the crimping system is abolished; advance wages and allotments, by which seamen suffered great wrongs are prohibited; you are free men and can have one-half of the wages earned and not paid in ports of call, thus enabling you to protect your liberty."

A new day has dawned for American shipping, and greater opportunities than ever before have come to American boys on the sea and those old "salts" who cling to the life will rejoice to see it brighten, and all must realize that the officers and men in the American merchant marine are rendering unsurpassed service to their country.

Human life and property are in the hands of these men. The prosperity and even the safety of this country rests with them. They must know what to do in case of storm and danger. There is no mercy in the angry elements. There must be discipline without cruelty, control without tyranny, coolness without indifference, courage without recklessness.

I recall that when the *Titanic* was sunk the wireless operator who survived testified that he remained at his station until the sea washed him away as the ship went down by the bow.

I asked him at the hearing why he did not get into a lifeboat or jump to some raft before then. He replied that the captain had told him to take his position by his apparatus and endeavor to send out distress calls as long as he could, and receiving no further orders he remained there until the ship went down. That is the kind of stuff the seafaring man, to succeed, must be made of.

We require officers, firemen, cooks, stewards, and other men, and at least 24,000 able seamen and 16,000 ordinary seamen, to man new vessels. We already have many of these. We have the material for all, and we are bound to have sea power to an extent never before enjoyed, and as a basis for that we must have trained and capable seamen from our own population.

American shipping has always heretofore been protected—absolutely protected—by prohibition. I understand "protection" means securing the home market. The importation of ships has been forbidden, and the use of foreign ships in the "home market" has been prohibited, and our coastwise trade has been reserved for home-built ships for nearly 100 years.

BOUNTIES.

In colonial times Virginia gave a subsidy of tobacco to induce her people to build ships, and they built one ship.

Massachusetts gave a bounty on Massachusetts oil—the fisheries were depressed, not helped.

Rhode Island paid a bounty on oil. Her sailors continued to favor the slave trade.

The effect of subsidies on the Collins Line was disastrous to shipping.

British shipping in the trade to the northern ports of America was not increased but restricted by the subsidy to the Cunard Co.

We tried subsidies after the Civil War—lines from New York to Rio, San Francisco to China, Japan, and Hawaii. It brought the beneficiaries into politics and helped not at all to build up a merchant marine.

In 1891 we passed a subsidy (mail) law. It brought in four ships, which never increased. The greatest commerce carrier is the tramp, which was never subsidized by any country.

The report of the Merchant Marine Commission says:

> The statistics of loss of ships at sea afford matter for reflection. They show * * * that out of every 100 American seagoing steamships over 100 tons, for the past 7 years, on the average 2.24 have been lost each year; that out of every 100 foreign seagoing steamers over 100 tons, for the same period, on the average 1.98 have been lost each year.

Mr. Spears, in his admirable work on "The Story of the American Merchant Marine," shows that "when American ships were supreme they were insured at a less rate than those of any other nation, and the insurance was placed, to a large extent, in England." That when "the American sailor of the sail was able to handle his ship better than any other he paid lower premiums to the underwriters. That the higher per cent of losses means higher cost of insurance, and the cause is since the steamer era our sailor is less efficient in his work than our old-time sailor and less efficient, too, than the foreign steamship sailor of to-day. The superior intrinsic efficiency of the American sailor gave supremacy to the American flag." We must have our nautical units (seamen) as efficient for this modern day as was our ship of the sail in the days long past. We can accomplish this by having efficient men to man our vessels. There is no difficulty in the way of building the ships.

Our day has come to make the "Starred Banner the talisman of a world commerce."

Mr. President, I had some correspondence with Mr. Tucker, of the Philadelphia Board of Trade, on this subject, in which he submitted a communication from Mr. Sproule of that board of trade, raising the same questions that are discussed in the resolution which I submitted at the beginning of my remarks. I wrote him recently, under date of the 18th instant; and inasmuch as that letter applies more specifically to some of the matters covered by the resolutions from the New York Chamber of Commerce, I ask that it be printed in connection with my remarks.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

PHILADELPHIA BOARD OF TRADE,
Philadelphia, December 24, 1918.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SIR: I take this occasion to acknowledge receipt of your letter of the 18th instant, and in compliance with the request therein I have had the Evening Public Ledger publish same, and I inclose you herewith a cutting from the paper of the 24th instant.

There are one or two points in your letter which I will take the liberty of answering at a little later date, but the holiday duties prevent my doing so at this time.

Wishing you the compliments of the season, I remain,

Yours, very truly,

W. R. TUCKER, *Secretary.*

FLETCHER ARGUES AGAINST SUBSIDY—FLORIDA SENATOR TAKES EXCEPTION TO SECRETARY SPROULE'S CHARGES—DEFENDS SHIPPING LAWS—COST OF OPERATING SHIPS UNDER AMERICAN REGISTRY NECESSARILY HIGH, HE SAYS.

Defending the shipping laws of the United States, Senator DUNCAN U. FLETCHER, of Florida, chairman of the Senate Commerce Committee, in a letter to William R. Tucker, secretary and assistant treasurer of the Philadelphia Board of Trade, takes exceptions to published statements of George F. Sproule and argues against subsidies for the American merchant marine.

Senator FLETCHER denies that the cost of operating ships under American registry must necessarily be abnormally high, and says that when subsidies have been tried in this country they failed to bring about the development expected. His letter follows:

"Your favor of December 6, inclosing article by George F. Sproule, should have been answered before, but I have been so terribly driven that I have not had a moment's time to give to it.

"In an endeavor to sustain his contention that our laws are such 'that no man can own and operate a ship profitably under the American flag,' Mr. Sproule asks, 'Have England, Germany, Norway, and Japan laws compelling the master of a ship to give to the seaman one-half his wages every five days while in port?' Neither has the United States. Section 4 of the seaman's act provides:

"'Every seaman on a vessel of the United States shall be entitled to receive on demand from the master of the vessel to which he belongs one-half part of the wages which he shall have then earned at every port where such vessel, after the voyage has been commenced, shall load or deliver cargo before the voyage is ended, and all stipulations in the contract to the contrary shall be void: *Provided*, That such a demand shall not be made before the expiration of, nor oftener than once in the five days.'

"Even if the law provided for paying seamen one-half their wages every five days while in port, I fail to see how that would increase the cost of operation or otherwise work to the disadvantage of American shipping.

AMERICAN SAILOR WELL FED.

"Mr. Sproule asks, 'Is the standard of food on the ships of any of these nations comparable with that on American ships?'

"I answer that, generally speaking, it is. My information is that American ships do not feed any better than the ships of other maritime nations. He does not suggest in what respect the American standard of food is too luxurious. My opinion is we get the best men and the best service out of them by feeding them well without regard to a fixed minimum standard on which we could get by.

"He asks, 'Do any of these countries compel the production of certificates of competency for able-bodied seamen; at least, other than service such as indicated by the "discharge book"?'

"My answer is: Where life and property so vitally depend on the competency of seamen no one should want incompetent men employed as able-bodied seamen. If the standards of other nations are as lax as claimed, should not the United States be its own judge of their competency? No one can justly charge that the United States local inspectors are unfair in the matter of issuing certificates of competency to men who are properly qualified.

"He asks, 'Do any of these countries require that 55 per cent of the deck department, exclusive of officers, shall be certified sailors?'

"I submit that there is nothing wrong in requiring that only a little more than half of the deck department shall be competent sailors.

"He then inquires, 'Do any of these nations, excepting perhaps Japan, require the carrying of so large a crew as American ships?'

"Our law does not fix the number of the crew, and besides I do not believe the United States should be behind Japan in the requirement of adequate crews to fully man her merchant ships.

RIGHT TO COMPENSATION LAW.

"I want to say further, in reference to other points raised by Mr. Sproule, that giving a seaman the right to sue for injuries is quite a different thing from including seamen under the provisions of the compensation law. I believe they should be so included, but the fact they are not is unquestionably a monetary advantage to American shipowners. The fact that American shipowners do not have to pay hospital dues for sick seamen is another advantage which is not counterbalanced by the retention of wages due to seamen who desert.

"I still insist that the increase in wages of American officers and crews constitute only a small percentage of the gross operating expenses of a vessel. For confirmation of this I would refer to the report of the special shipping committee of the New York Chamber of Commerce, which was presented to that body on January 7, 1915. This committee consisted of five men, three of whom were practical shipping men and the other two were men who have given much attention to shipping matters. They were Mr. Irving T. Bush, president of the Bush Terminals, chairman; George B. Dearborn, president of the American-Hawaiian Steamship Co.; and Commodore Jacob W. Miller, formerly of the New England Navigation Co., and more recently the active head of the Cape Cod Canal Co. The other two members were W. H. Douglas, who later acted as chairman of the shipping committee of the United States Chamber of Commerce, and J. T. Gwathmey. This committee reported that after careful investigation they had found that the total difference in the cost of operating American steamships as compared with foreign steamships in the same trade in normal times was 'even less than 50 per cent,' and that 'subsidies were unnecessary.' The report further stated, in substance, that the false claims of subsidists have destroyed the confidence of American investors in shipping investments, and the committee outlined a plan whereby that confidence might be restored by the Government guaranteeing bonds of steamship companies. They said, 'If credit machinery be created to enable steamship men to finance American shipping enterprises, a substantial tonnage of freight vessels would be assured without the aid of subsidy.'

STATUS OF "ADMIRAL" BOATS.

"By the operation of the seamen's act the difference in wages between American and foreign ships will be greatly reduced, if not entirely wiped out, thereby cutting down to almost nothing the 'even less than 50 per cent' difference in cost of operation that the committee reported as against American ships.

"Regarding the instance cited by Mr. Sproule of the 'Admiral' boats, these vessels were chartered by the United Fruit Co., and not owned by them, as would be inferred from his statement. I believe he is in error that there was a difference of 50 per cent in the cost of operating these vessels as compared with the vessels that replaced them. These 'Admiral' boats were transferred to the Pacific coast, where they have been operated by the same interests that owned them when they were chartered to the United Fruit Co., and they have proven very profitable in the Pacific coast trade.

"The statement 'Your seafaring man does not mix sentiment with business; he looks at things from a dollar-and-cent angle,' would seem to be quite true, and applies to Americans who were ready to replace ships under their country's flag by British vessels even when the difference in cost of operation is 'less than 5 per cent.'

"Regarding the steamers *Shawmut* and *Tremont*, these vessels are now owned by the Panama Steamship Co. and are named the *Ancon* and the *Cristobal*. They have never gone from under the American flag, and I expect the only reason their original owners did not make a success of them was by reason of bad management. The original investors may have been victims of 'high finance,' because the Government paid a good price for them when it bought them.

"Regarding the cost of building ships in American shipyards, the record will show that at the outbreak of the war in 1914 cargo steamers were being built in Great Britain for $35 a dead-weight ton and in the United States for about $45 a dead-weight ton. This would give a difference of less than 30 per cent. It is evident that with an increase of shipbuilding in the United States and up-to-date facilities and equipment the difference of about 30 per cent in construction costs between that of Great Britain and that of the United States would or should be greatly reduced, if not entirely wiped out. This is admitted in the report of the New York Chamber of Commerce committee.

"It is in the testimony before the Commerce Committee that the New York Shipbuilding Corporation was building merchant ships in its yards for $60 to $78 a ton. The higher price was for tankers, which cost $15 to $20 a ton more than ordinary cargo steamers. These were the prices after the European war had been in progress three years, causing great increases in the cost of labor and material.

QUESTIONS FRENCH SUBSIDY.

"Mr. Sproule cites the French Government's subsidies to its shipping in support of his contention for American subsidies. He might have stated how much of a merchant marine France has as a result of her very liberal subsidies to French shipping. He does not undertake to say what subsidies Great Britain gives her shipping, excluding the special case of the subsidy that was granted to the Cunard Line in connection with the *Mauretania* and the *Lusitania*. The subsidy to the Cunard Line never increased British shipping one particle to and from our North Atlantic coast. Why has Great Britain by far the greatest merchant marine in the world, notwithstanding it costs more to operate British ships than the ships of any other country in the world except the United States? British shipowners are enterprising and patriotic, and they are not inclined to swap their flag because of a slight saving of a small per cent of operating expense. They are perfectly willing to pay somewhat higher operating expenses under their flag and are quite content with the 30 to 100 per cent annual net profits, which the London Stock Exchange Yearbook for 1914 shows it was not unusual for steamship companies to earn before the war.

"If there have been instances of failure of American ships to operate profitably, I am quite sure it is due to other reasons than alleged disadvantages under which American ships are said to labor. The tramp is the ideal cargo carrier, and no country ever subsidized the tramp. We tried subsidies after the Civil War—lines from New York to Rio, from San Francisco to Japan and China and Hawaii. It brought the beneficiaries into politics and helped not at all to build up a merchant marine. In 1891 we passed a subvention or subsidy mail law, whereby we brought under our flag four ships. That number was never increased. The effect of subsidies on the Collins Lines was disastrous to shipping. We tried bounties in colonial times. Virginia gave a subsidy on tobacco to induce her people to build ships, and they built one ship. Massachusetts gave a bounty on Massachusetts oil. The fisheries were depressed—not helped. Rhode Island paid a bounty on oil. Her sailors continued to favor the slave trade.

"Yours, very truly,

DUNCAN U. FLETCHER."

Mr. JONES of Washington. Mr. President, with many of the observations of the Senator from Florida I am in hearty accord. I am not going to discuss them, however, and I am not going to discuss at length the differences that appeared in this Chamber prior to the war. These differences were simply the reflection of the differences among the people throughout the country as to what would be the wise policy to pursue as to our shipping. Everybody desired a large American merchant marine. Everybody desires it now. We differed, I think, honestly and patriotically upon the policies that should be pursued. Those of us who opposed the ship-purchase act of 1914 did not believe that that act would accomplish what all of us wanted accomplished. We did not think it was the wise course to take. I still think we were right. That is true with reference to the act of 1915, to which the Senator has referred. But, Mr. President, the act under which our shipping has been built, the act under which the many contracts that are now made have been made, was an act that was passed by this body without any division whatever. It was an emergency act. It was to aid in the prosecution of the war, and was passed without any division. I have it in my hand; and I think it well, in connection with the Senator's remarks, to have it put in the RECORD.

This is the act approved June 15, 1917, "An act making appropriations to supply urgent deficiencies in appropriations for the Military and Naval Establishments on account of war expenses for the fiscal year ending June 30, 1917, and for other purposes."

On the first page there is a paragraph under the heading "Emergency shipping fund," and it reads in this way:

The President—

Not the Shipping Board, but the President—

is hereby authorized and empowered, within the limits of the amounts herein authorized—

(a) To place an order with any person for such ships or material as the necessities of the Government, to be determined by the President, may require during the period of the war, and which are of the nature, kind, and quantity usually produced or capable of being produced by such person.

(b) To modify—

That is, the President is authorized—

To modify, suspend, cancel, or requisition any existing or future contract for the building, production, or purchase of ships or material.

(c) To require—

That is, the President—not the Shipping Board, but the President—is empowered—

To require the owner or occupier of any plant in which ships or materials are built or produced to place at the disposal of the United States the whole or any part of the output of such plant, to deliver such output or part thereof in such quantities and at such times as may be specified in the order.

(d) To requisition—

That is, the President is empowered—not the Shipping Board, but the President is empowered—

To requisition and take over for use or operation by the United States any plant, or any part thereof, without taking possession of the entire plant, whether the United States has or has not any contract or agreement with the owner or occupier of such plant.

And, Mr. President, all shipping plants in this country that have been taken over during this war have been taken over under that provision and not under the general shipping act to which the Senator has referred.

(e) To purchase—

That is, the President is empowered and authorized to purchase—

requisition, or take over the title to, or the possession of, for use or operation by the United States, any ship now constructed or in the process of construction or hereafter constructed, or any part thereof, or charter of such ship.

Then there are other provisions here with reference to compliance with these matters; and, again:

The President may exercise the power and authority hereby vested in him, and expend the money herein and hereafter appropriated, through such agency or agencies as he shall determine from time to time.

He selected the Emergency Fleet Corporation, which the Senator is correct in saying was the corporation organized under the ship-purchase act; but the President could have taken any other agency. He could have taken an individual, and he could supplant that at any time; so that it was simply the agency that the President took under this act, and when it is discharging the duties imposed on it by the President it is discharging the duties given to the President and the powers of the President under this act, and not under the shipping act.

Then, listen:

All ships constructed, purchased, or requisitioned under authority herein, or heretofore or hereafter acquired by the United States, shall be managed, operated, and disposed of—

Not as the Shipping Board may direct; not under authority of the ship-purchase act, but—

as the President may direct.

So that everything that is being done in connection with the war emergency in securing ships to take care of the situation developed by the war is done under this act passed in 1917 and not under the ship-purchase act of 1915.

All authority granted to the President herein, or by him delegated, shall cease six months after a final treaty of peace is proclaimed between this Government and the German Empire.

Then, Mr. President, the Emergency Fleet Corporation will proceed to act under the act of 1915, and not before.

Under this act we authorize the expenditure of $500,000,000 for the construction of ships and appropriate $250,000,000 of that amount. We also authorize, for requisitioning ships and taking over plants, the expenditure of $250,000,000. Then these appropriations were supplemented, as has been stated heretofore by others in this discussion, until now they amount to over $3,000,000,000.

Now, just a word, Mr. President.

The Senator has referred to the seamen's act, and he has pointed out many things that that act takes care of; and with many of his suggestions in regard to that act I am in hearty accord. For many years prior to the passage of that act I was strongly in favor of legislation to free the seaman from practical slavery, and I welcomed that act for this purpose if for no other. There may be some things in that act that ought to be changed. I do not say that there are not; but I think the people who are interested in shipbuilding and in the future of shipping in this country should realize the fact that that act is not going to be repealed, at least until it is actually demonstrated that it is not only a detriment to the building up of an American merchant marine, but that it will absolutely prevent the building up of such an American merchant marine. In all of our plans for building up and maintaining a great American merchant marine that fact must be taken into account and must be a part of the basis for all legislation to accomplish what we all so much desire.

There are two great elements interested in this proposition. One is the great labor element of the country and the other is

the capital or business element of the country. I should like to see these two great interests get together, through representatives, face to face, and talk over the situation, each one trying to take into account the viewpoint and the interests of the other, both of them taking into account the higher interest of the United States in building up a great American merchant marine, and see if they can not unite upon a common ground and a common basis for maintaining and building up the American merchant marine.

If there are things in the seamen's act that will absolutely prevent the American flag from being upon the sea it ought not to be difficult for labor and capital to get together and remove such a detriment. If there are conditions that labor will insist upon and must have and that capital can concede, it ought not to be difficult for them to get together upon a common basis in that regard.

I hope something of this kind will be done. I do not believe we will ever get results until it is done. What I fear is that substantially the same controversies that prevented us before this war began from enacting legislation under which the American flag would fly over ships upon the seas will, now that the war has ended, when peace is formally declared, prevent our giving the encouragement that I think must be given in order to keep our flag upon the seas.

We are going to come out of this war with a large tonnage. Is it going to fly the American flag or will it, under restrictions that our people can not bear, be driven off the sea or driven to other flags? I hope not.

I think this is one of the most important problems that confronts the American people to-day. We ought to have our own transportation upon the sea, or at least our great share of it. Ships ought to be sailing the seas flying the American flag, under conditions prescribed by American law, framed upon the principles of justice, liberty, and humanity, and I hope it will be done; but unless we do see to it that the conditions under which our ships sail are substantially the conditions of our competitors our ships will be driven off the sea. Their conditions must be brought up to ours or else we must provide in some way to take care of the difference.

Let us see if we can not do it. I hope we can bring their conditions up to ours, but I see the tremendous difficulties in the way of that. But if we can not do it, then I want to say that I am willing that we should take governmental action in some way to make up the difference, whatever it may be; and I hope we can consider this question free from politics, free from partisanship, looking only to the welfare and glory of our country. I hope that labor and capital will look upon it in that way; and if that is done, in my judgment we will pass whatever legislation is necessary not only to build up the American merchant marine—or, in other words, to keep upon the sea the American merchant marine that we will have when this war ends—but also to build it up to the point where it ought to be.

Mr. FLETCHER. Mr. President, may I inquire of the Senator if it does not seem reasonable to him that with our present facilities, with ample yards located on both coasts, the Gulf, and the Great Lakes, and with the raw material right here in our own country, we ought to be able to compete with any country in the building of ships?

It is true that our labor charge may be a little higher, but we have contended heretofore, and I think very reasonably, that the increased efficiency of American labor makes up for the added cost. Does it not seem reasonable that we ought to build ships just as cheaply in this country as they can be built anywhere? If that is true, then we eliminate any difference in the cost of construction.

Now, with reference to the matter of operating, if we can equalize the labor cost—and that of itself covers but a small difference in cost—if we do that, ought we not to be on practically an equality with other countries? If, for instance, the cost of operating under the British flag was higher than it was under the American flag, the shipowners of England might have operated under some other flag; but her people were patriotic enough to fly the British flag even though it did cost them a little more to operate British ships than they would have paid under some other flag.

I think we ought to appeal a little to the patriotism of our American shipowners. Even if the cost of operating is a little bit higher—it can not be very much higher—they ought to be willing, as a matter of patriotism, to keep their ships registered under the American flag.

Mr. JONES of Washington. Mr. President, the Senator has assumed a great many things that I might agree with him upon; but he has assumed some things that I do not admit to be true; but if his assumptions are correct we probably will not have very much difficulty. I do think that we have the great opportunity now to put ourselves upon the sea where we ought to be. I think we have now the very opportunity that was presented to England during the Civil War. She took advantage of it; and the question is, Will we take advantage of it now? We have the shipyards; we have the ship labor. Our people are looking to the sea. They are looking to shipbuilding. They will extend their activities along this line with anything like an equal chance.

This thing is certain to my mind, that England and France, especially, are going to do everything in their power not only to maintain the position they have upon the sea but to strengthen that position, and these Governments are going to give every assistance they possibly can and that they deem to be necessary not only to keep their ships upon the sea but to increase them. Now, assuming all other conditions to be equal, if they grant governmental aid and assistance to private enterprise we will have to do the same thing or else we will be driven off the sea. We will have to do it in some form or other. It is all very well to appeal to the patriotism of our laboring people; it is all very well to appeal to the patriotism of our capitalists; but business is not carried on in the commercial world very greatly upon the basis of patriotism. It is carried on upon business lines; it is carried on with the most intense competition.

Mr. SMITH of Georgia. And for profit.

Mr. JONES of Washington. And, as the Senator from Georgia suggests, it is carried on for profit, and that is the great incentive, and we can not get around it. If the profit ceases, the business will soon die.

I think that the American capitalist and laborer, with practically equal conditions, can compete with any people on the face of the earth. But if you find the great commercial countries of the world coordinating governmental power with individual initiative and effort, then, Mr. President, our individuals can not stand up before it unless they also have help in some form or other. I do not now suggest what form that shall be; but they can not stand up against it unless they have, in some form or other, the aid and assistance of this Government. Are we ready, are we willing, to give that aid rather than forego the ships that we so much need in peace and that are imperative in war. We hope for lasting peace, but war may come. It should not find us without ships, as this war did.

What I want to suggest is simply that when we get all the facts, when we get all the conditions and find out with what we are confronted, we meet the problem without partisanship, without striving for party advantage, but, working simply as patriotic citizens, do what we believe to be for the welfare and good of our country.

Mr. JONES of Washington subsequently said: Mr. President, in connection with my remarks a while ago I desire to ask permission to have printed as part thereof a couple of paragraphs with reference to the emergency shipping fund—that is, the portion of it that I have marked. It is not very long and will give most of the part of that act I have not already read relating to that subject in a concrete form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Compliance with all orders issued hereunder shall be obligatory on any person to whom such order is given, and such order shall take precedence over all other orders and contracts placed with such person. If any person owning any ship, charter, or material, or owning, leasing, or operating any plant equipped for the building or production of ships or material shall refuse or fail to comply therewith or to give to the United States such preference in the execution of such order, or shall refuse to build, supply, furnish, or manufacture the kind, quantities, or qualities of the ships or material so ordered, at such reasonable price as shall be determined by the President, the President may take immediate possession of any ship, charter, material, or plant of such person, or any part thereof without taking possession of the entire plant, and may use the same at such times and in such manner as he may consider necessary or expedient.

Whenever the United States shall cancel, modify, suspend, or requisition any contract, make use of, assume, occupy, requisition, acquire, or take over any plant or part thereof, or any ship, charter, or material in accordance with the provisions hereof, it shall make just compensation therefor, to be determined by the President; and if the amount thereof, so determined by the President, is unsatisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined by the President and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation therefor, in the manner provided for by section 24, paragraph 20, and section 145 of the Judicial Code.

Mr. SMITH of Georgia. Mr. President, in his opening remarks the Senator from Florida [Mr. FLETCHER] called attention to certain newspaper publications recently going over the country which charged that large Government activities have taken place in the Southern States, and the claim has been made that these activities were due to the influence of representatives from that section.

These publications have been unkind and unjust. They have been utterly devoid of truth, both so far as they indicated the

extent of the activities and so far as they in any way suggested selections due to influence rather than desirability of location for the Government activities.

In point of fact, the activities in the Southern States have in no way measured up to the opportunities that the Government had, and the real blunder has been the failure to use opportunities in those sections and avail of the advantages which are there found. Really, the fear of such publications, and such publications themselves have, I think, intimidated representatives of the present administration and deterred them from using opportunities, to the injury of that section and to the loss of the Nation.

About three-fourths of our eastern water front stretches from the mouth of the Potomac to the Rio Grande. Nearly one-half of the entire water front of this Nation is found between those two places. For shipbuilding nothing north of it was comparable with that south of the Potomac. I had occasion to request a study of one of the harbors in the Southeast as a shipbuilding point. A new railroad stretches from it to the Birmingham coal and steel fields. At no point could steel and coal be laid down cheaper. Ample wood and lumber are to be had in that immediate section. There in 1857 our Government spent $150,000 to buy a thousand acres of land with 2 miles of water front, and it still owns this valuable tract.

Nearby an island was bought by our Government prior to that time for the lumber on it for shipbuilding purposes. This island, covered with timber, is still owned by the Government. A mile front was available upon which to begin shipbuilding, without a dollar of expense required for preparation of the water front. Yet it was simply impossible to interest the Shipping Board or the Emergency Fleet Corporation with that opportunity for ship construction where, for the year around, there was a perfect climate for outdoor work. If they had gone there instead of to places which were selected farther north, we should not have had the story of only one ship finished after an enormous expenditure of money preparing a water front. They could have finished and begun sailing vessels from that harbor in six months. I believe it was prejudice that prevented the use of this harbor, or the fear of publications along the line referred to by the Senator from Florida. Complaint is made that the "South is in the saddle," yet not a man from three-fourths of our eastern water front, from the Potomac to the Rio Grande, was given a place upon the Shipping Board or the Emergency Fleet Corporation, nor was a man from this entire section given a place of prominence with either.

An effort has been made to create the impression that many offices were given to the South by the present administration. My State fared in this respect better under President Taft than it has under President Wilson.

Mr. KING. The same claim is made by some other Democratic States.

Mr. SMITH of Georgia. A Supreme Court judge was selected by President Taft from Georgia, and also an Interstate Commerce Commissioner was selected by President Taft from Georgia. They died and their places went, I think, to Massachusetts. There has been nothing more inexcusable than the stories circulated throughout the country that the southeastern section was getting any advantage out of this administration. I desire to repeat that my State fared better under President Taft than it has under President Wilson so far as offices are concerned, and as to the location of enterprises the country has been the loser by neglect to use desirable locations in the Southeast.

Mr. KING. Mr. President, will the Senator from Georgia yield to me?

Mr. SMITH of Georgia. I will.

Mr. KING. If the Senator from Georgia visited a number of the departments of the Government during the war, which were engaged in providing ships, munitions, and so forth, he would have observed upon the walls maps of the United States and little red circles to indicate the places where the great manufacturing plants and other great governmental activities were being erected and carried on; and he would have seen, if he observed, that practically all, at least 90 per cent, of those governmental activities were within five or six States in the northeastern part of the United States.

Mr. SMITH of Georgia. And there was no excuse for not utilizing the splendid harbors of the south and southeast with their all-year season for outdoor work. It is true that the majority of the camps must necessarily have gone south of the Potomac, otherwise all-the-year training could not have been given unless they had gone upon the Pacific slope.

Mr. NEW. Mr. President——

Mr. SMITH of Georgia. I understand that it is possible on the coast of Oregon, Washington, and California to get all-year outdoor exercise.

Mr. FLETCHER. Mr. President, may I interrupt the Senator for one moment?

Mr. SMITH of Georgia. Certainly.

Mr. FLETCHER. I merely desire to observe the concentration of these activities at the few points which the Senator from Utah [Mr. KING] has mentioned resulted in terrific congestion; so that the report from the Department of Justice with reference to Hog Island shows that the railroads were loaded with cars which could not be moved, and that the cars were jammed all the way from Norfolk to Hog Island.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Does the Senator from Georgia yield to the Senator from Washington?

Mr. SMITH of Georgia. Yes.

Mr. JONES of Washington. The Senator is correct in stating that in Washington, Oregon, and California on the Pacific coast labor can work all the year around without diminution. That is one of the great elements that led to the shipyards of Seattle, for instance, making a record not only in the construction of wooden ships but in the construction of steel ships, notwithstanding the fact that the steel had to come from the East.

Mr. SMITH of Georgia. Mr. President, in the city of Brunswick, to which I have referred, there is a great harbor. Years ago our Government bought there an island, with 2 miles of water front, with a view to development of a great naval plant. Within 25 miles of that place the Government owns a large island, bought avowedly at the time on account of the lumber upon it that could be used in shipbuilding. To this city there is a new railroad, which runs nearly in a straight line to the Birmingham coal and iron fields, a road not crowded with business, but with ample facilities for the transportation of steel and coal not through a congested territory but through an unoccupied territory, a railroad not used to anything like its full capacity on account of the fact that it has only recently been constructed, and the territory along it has not been developed. It was built with a view of transporting steel and coal from middle Alabama to the coast.

Mr. NEW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Indiana?

Mr. SMITH of Georgia. Yes.

Mr. NEW. Mr. President, before the Senator got fairly away from the question of the greater eligibility of the southern sites on account of climatic conditions, I wanted to ask him if he could give me any estimate of what the difference in temperature is between the north and south banks of the Ohio River between Indiana and Kentucky?

Mr. SMITH of Georgia. If the Senator is waiting for an answer, as he lives nearer to that section than I do, I would prefer that he answer his own question.

Mr. NEW. The Senator has answered it in his own mind, and I think that the people of the two States have also formed some sort of an estimate of it.

Mr. SMITH of Georgia. I was speaking of shipbuilding and the advantage of taking a location where the work could continue the year around.

Mr. NEW. I rose to make my inquiry at the point where the Senator had made reference to the greater eligibility of the Southern States for the location of cantonments.

Mr. SMITH of Georgia. I was not referring to Kentucky; I was referring more particularly to the States considerably farther south.

Mr. President, passing from that subject, I wish to call attention to an editorial in the Washington Post of this morning, entitled "The Nation Supreme"; and I desire to ask that it be printed in the RECORD. It is such an excellent discussion of the subject, and so full of suggestion, I think it ought to have wide circulation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial referred to is as follows:

THE NATION SUPREME.

Bolshevists who are honest in their belief are in favor of a world community or internationalism which shall be paramount to all nations. They do not specifically demand a superleague of nations, but they should favor such a league, as it is a step toward the universal proletarianism which they fondly believe would cure human ills. The Bolsheviki are against nations as at present constituted, and the advocates of a sovereign league of nations are also dissatisfied with nations as at present constituted. Both Bolsheviki and proleaguers are trying to find a method of forcing nations to obey a will higher than the sovereign will of each State.

Is that what Americans want?

Diligent inquiry has failed to disclose any action or utterance by the American people or upon their authority which would permit anyone to assume that Americans are dissatisfied with their Government and are trying to find a plan which will evolve a universal sovereign superior to the United States and capable of compelling the United States to obey its will within a certain sphere.

Inquiry fails to reveal any growth of Bolshevism in the United States which could be regarded as anything more than a neighborhood outburst of mingled folly and sedition. There is no national movement toward Bolshevism. On the contrary, wherever the people's will could be ascertained on a respectable scale, there has been manifested a readiness to attack and destroy Bolshevism and an equal impatience with any scheme which would impair the sovereignty and independence of the United States.

No "internationalism" is wanted by the American people, so far as their will can be ascertained except the mutual and voluntary association of free nations temporarily acting together for the protection of liberty and civilization.

Whenever any proposal is made to create an international tribunal which would have jurisdiction over the Monroe doctrine, the American people kick and will not have it.

Whenever Socialists and Bolshevists propose to substitute an international system for the United States Government, the police are usually required to protect the utterers of such doctrines. It is noticeable that soldiers and sailors returned from the war zone are the first to attack the would-be destroyers of the Government.

Whenever the concrete suggestion is made that there should be a "world police force," with power to compel the United States to desist from any course which it might desire to take in defending its rights, its independence, or its honor, there is an immediate protest from Maine to California.

Efforts have been made to commit the United States to the principle of a league of nations empowered to enforce peace, and these efforts have failed. It is evident that the Senate will not approve of such a project, even in principle. The country will not agree to any project which requires the United States to surrender any of its sovereign will or freedom of action.

But, say the advocates of a league of nations, the States of this Union yielded certain sovereign powers for the sake of creating a strong general government, and they are all benefited by the arrangement. Why should not the nations combine in one union, as the States did?

The answer is that the people of the States were one homogeneous people, held together by common origin, language, experience, and danger. They were the antithesis of the heterogenous peoples of the world's nations, who are separated by differences of race, color, origin, language, experience, and environment. The Americans joined together because they had common interests. The nations can not join together in the United States of the World because they have conflicting and irreconcilable interests.

If the present war has not taught mankind that there are cleavages between certain peoples which never can be welded together, it has taught them nothing. Gloss the subject as you will, with all the eloquence and idealism that the mind can conceive, and the fact remains that the people of the United States are firmly resolved to hold their destiny in their own hands. They will not admit any other nation or people to a partnership in deciding the questions that affect the honor and existence of their country. The Nation, under the Almighty, is to them the ark of safety and the last resort in time of trouble.

Mr. SMITH of Georgia. Mr. President, I wish also to call attention to the fact that in the statement attributed to the President on last Sunday he declared that the force which the league of nations should use would be a moral force. If he is correctly quoted, it would seem that the character of a league of nations which he is advocating is one the moral force of which should be used to preserve peace. The President in an address on receiving a doctor's degree bestowed by the University of Paris said:

My conception of the league of nations is just this: That it shall operate as the organized moral force throughout the world, and that whenever or wherever wrong and aggression are planned or contemplated, this searching light of conscience will be turned upon them, and men everywhere will ask, What are the purposes you hold in your hearts against the fortunes of the world?

To that doctrine I think all of us may give the warmest of support; surely we may go that far, although we may not be willing to surrender any of the sovereignty of our country to a new constitutional government embracing the nations of the world that would have the right to dictate for us governmental policies. I can not believe for a moment that the President has advocated or would advocate any such extreme plan for a league of nations. I think his views are far more in line with those found in the Post editorial.

In presenting this editorial it is in no way meant as a criticism upon what is taking place in Paris and in England, but to commend there as well as everywhere else a rational view of cooperation by at least the nations who are now acting as allies, that they may plan to preserve universal peace through moral force, without undertaking to establish any international tribunal in the shape of a constitutional form of government, court, or police to interfere with the governmental power of the United States.

Mr. KING. Mr. President, the Senator from Florida [Mr. FLETCHER] has just submitted a most interesting address concerning our merchant marine. While all may not agree with his statements and conclusions, there can be no difference of opinion as to the importance of the subject which he has considered. I have not taken the floor for the purpose of submitting any extended observations upon this subject, but rather to express my regret that the Senator from Florida has not indicated what the Committee on Commerce, of which he is the chairman, intends to suggest with respect to the Emergency Fleet Corporation and the work in which it is now engaged. The practical close of the war compels, in my opinion, some immediate action upon the part of Congress with respect to the future operations of the Shipping Board and the Emergency Fleet Corporation. I feel sure that the American people will not be satisfied to permit these organizations to continue in peace times to carry out a program which was the product of war conditions. I think I express the views of many Senators when I say that a plan or program would be welcomed from the Commerce Committee which attempted to deal with the shipping interests of our country. It is not satisfactory to continue for an indefinite period in a laissez faire manner. The Senator from Florida has very clearly pointed out the necessity of a merchant marine. There can be no question but what our Nation has suffered for 50 years for a lack of shipping facilities. Prior to the Civil War 80 per cent or more of our foreign commerce was carried in American bottoms. Shortly before the outbreak of the present world war less than 20 per cent of American commerce was carried in American ships. The future prosperity of our country depends very largely upon our foreign commerce. The industry and genius of the people of this Republic will annually produce hundreds of millions of dollars of agricultural products and manufactured goods in excess of our domestic needs. To maintain suitable prices and to promote industrial peace and national prosperity we must secure adequate foreign markets for our surplus products. There is no more pressing problem for our consideration than that involved in the question of merchant marine. With the superior advantages which we possess by reason of the great quantity and variety of raw materials produced in the United States we can conquer the markets of the world. Our commercial interests must no longer be dependent upon foreign ships. An intolerable, as well as precarious, situation would result from such a condition. It is apparent, therefore, that we should address ourselves at the earliest possible moment to a question of such stupendous importance.

I express the hope that the Commerce Committee will submit a well-considered plan before this session is ended which will deal in a broad and rational manner with this entire question. There is much opposition now that peace has come to a continuation of the activities of the Emergency Fleet Corporation. There are many objections to a policy which commits the Government to the construction of a merchant marine and the operation of the ships after they have been built. While all concede the necessity of a merchant marine there is deep-sented opposition to the Government entering upon the task of building the ships and becoming a sea carrier of commerce. Of course, there are duties which the Government properly can perform connected directly or indirectly with our commercial prosperity; but, in my opinion, the majority of the American people will not approve of the policy of placing the instrumentalities of transportation of commerce in the hands of the Government. I know there is a school of thought that is now clamoring vociferously for governmental ownership and control, not only of our means of transportation but of many of the industries and activities which have engaged and properly engaged the attention of individuals. The bureaucratic, paternalistic, and socialistic schools are strongly in evidence to-day. They are urging the extension of the activities and duties and labors of the Federal Government into the domain of private endeavor. There is no task or no work which—in the view of some persons belonging to one or more of these schools—the Government ought not to perform. War breeds paternalism and a voracious, tyrannous, oppressive bureaucracy.

It requires great effort to throw off this incubus when war ceases. I sincerely hope that the Committee on Commerce will soon indicate that it does not approve of a plan which places the merchant marine in the hands of the Government as the sole owner and proprietor. A program should be worked out which will result in the construction of ships, such as our country needs, by private persons and not by the Government. I believe that with the superior advantages which our country enjoys over any other country in the world we could can build ships as cheap here as they can be constructed in any other nation. This, of course, can not be done if they are built by the Government.

Judge Hughes in a recent address referred to the inefficiency of governmental service. An investigation of enterprises conducted by the Government during the war, as well as in times of peace, conclusively demonstrates that governmental control makes for inefficiency, extravagance, and inexcusable waste. There is no question but what ships can and will be constructed by private concerns at a very much less cost than if constructed by the Government.

The construction and operation of railroads by the Government will be very much more costly than if constructed and operated by individuals or corporations. It is axiomatic that inefficiency and extravagance follow the entrance of the Gov-

ernment into business, industrial, and commercial undertakings. If the Government should construct and operate ships for commercial purposes, it is as certain as that the stars shine that the cost would be very much greater than if the ships were constructed and operated by private interests. And, of course, if the agency selected by the Government to build and operate ships did not have the Public Treasury from which to draw, its operations in building and controlling a merchant marine would soon lead it into bankruptcy. Congress should at the earliest possible moment agree upon some clean-cut, rational, and American program with respect to the great question of transportation, not only transportation upon sea but transportation upon land. The uncertainty as to the future policy of the Government concerning the railroad and shipping interests of our country can not result other than in serious consequences to the business interests, as well as the interests and welfare of all classes in our land. The American people are entitled to know what the policy of our country will be. Of course, the transition from war conditions to peace conditions can not be effectuated in an hour; and a reasonable time must be allowed for the purpose of evolving just and rational plans to deal with the great questions which are of such vital importance.

Personally I hope the President will convene Congress in extraordinary session soon after the adjournment in March. An extra session, in my opinion, is necessary in order to deal with the question of transportation, as well as other questions of transcendent importance to the American people.

Mr. WATSON. Mr. President, will the Senator permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Indiana?

Mr. KING. I yield to my friend.

Mr. WATSON. Does the Senator know whether or not the leaders on his side of the Chamber have determined that there shall be no extra session?

Mr. KING. Answering the Senator, I will say that I have not heard the subject discussed. I think there are some Senators upon this side of the Chamber who believe an extra session of Congress is necessary. I am not one of those who believe that Senators upon the other side, if an extra session of Congress shall be convened, will approach the consideration of these questions in a purely partisan manner. I think that the Republicans are just as patriotic as we are, and are just as anxious to reach a just and proper solution of these pressing problems as are the Senators upon this side of the Chamber. These questions are too big, as was very properly said by the Senator from Washington [Mr. JONES] for partisan purposes; and I should be glad if we could meet together in special session and in a patriotic and genuinely American way work out the tremendous problems that are now pressing for solution.

Mr. WATSON. Mr. President, I only want to say that I fully concur in the sentiment expressed by the Senator from Utah; but it has been my understanding that there would be an effort made, at any rate, to prevent an extra session of Congress. I feel quite sure that the Republicans do not desire an extra session of Congress for partisan purposes; but, so far as there has been an expression of the Senate on this side, it has been that there should be an extra session for the express purpose stated by the Senator from Utah, to take up and consider the great overwhelming problems that confront us. It is almost impossible that we shall legislate on the railroad question, the telegraph and telephone question, the cable question, the shipping question, and all of the other momentous problems within the next two months, with all of the great appropriation and supply bills to pass. It is a physical impossibility, because these questions alone would occupy the attention of Congress for many, many months before it could correctly solve the great problems that of necessity confront and perplex us. Therefore it is very refreshing to me to hear the Senator from Utah proclaim that he is in favor of an extra session of Congress, and that many of his associates and colleagues on that side share in his opinion.

Mr. JONES of New Mexico. Mr. President, will the Senator yield for a question?

Mr. WATSON. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. While we are trying to get information upon this matter of an extra session, I should like to inquire of the Senator from Indiana if he has heard anything said on that side of the Chamber about preventing the passage of some of the principal appropriation bills so as to force an extra session of Congress?

Mr. WATSON. Mr. President, I presume my friend asks me that question in good faith.

Mr. JONES of New Mexico. I certainly do.

Mr. WATSON. And I shall answer it in the same way. I have heard no intimation from any Senator on this side relating to that or any kindred subject.

Mr. JONES of New Mexico. I am very glad to hear that report from the Senator from Indiana. I hope and trust that his information is general among the Members of the Senate on that side of the Chamber. I have heard some rumors to the contrary.

Mr. WATSON. I have heard nothing of the kind from this side—not even a rumor—and I do not believe that anybody has taken that sort of position.

INTERNATIONAL PEACE CONFERENCE.

Mr. McKELLAR. Mr. President, I desire to give notice that on Monday next, if possible, and if not on Monday then on Thursday next, I shall make some remarks on the approaching peace conference.

ADJOURNMENT.

Mr. KING. Mr. President, if no other Senator desires to occupy the floor, I move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 25 minutes p. m.) the Senate adjourned until Monday, December 30, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, *December 27, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite Spirit, our Heavenly Father, we lift up our hearts in gratitude and praise to Thee, that the terrible war, which has brought desolation, sorrow, and grief to thousands of homes throughout the world, is comparatively over; that the work of reconstruction is in progress; and we pray that the great men of the world may lend their light, strength, and good purposes to establish a permanent peace that shall purify, sanctify, glorify mankind; that Thy kingdom may indeed come and Thy will be done in earth as in heaven, in the name of Him who lives and reigns in the hearts of all good men. Amen.

The Journal of the proceedings of Tuesday, December 24, 1918, was read and approved.

THE LATE REPRESENTATIVE DAVIDSON.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent that Sunday, February 16, 1919, be set aside for addresses on the life, character, and public services of the Hon. JAMES H. DAVIDSON, late a Member of Congress from the State of Wisconsin.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that Sunday, February 16, 1919, be set aside for memorial services on the life, character, and public services of the late Representative JAMES H. DAVIDSON. Is there objection?

There was no objection.

RECESS.

Mr. KITCHIN. Mr. Speaker, I understand that it will be about 15 minutes before the Senate sends over the revenue bill. I therefore ask unanimous consent that the House stand in recess until 12 o'clock and 30 minutes p. m.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the House stand in recess until 12 o'clock and 30 minutes p. m. Is there objection?

There was no objection.

Accordingly, at 12 o'clock and 5 minutes p. m., the House stood in recess until 12 o'clock and 30 minutes p. m.

AFTER THE RECESS.

The recess having expired, at 12.30 o'clock p. m. the House resumed its session.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 5213. An act to amend the act approved April 18, 1918, to give indemnity for damages caused by American forces abroad; to the Committee on Military Affairs.

S. 5102. An act to authorize the change of name of the steamer *Charlotte Graveraet Breitung* to *T. K. Maher;* to the Committee on the Merchant Marine and Fisheries.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Waldorf, one of its clerks, announced that the Senate had passed the following resolution:

IN THE SENATE OF THE UNITED STATES,
December 15 (calendar day, December 23), 1918.

Resolved, That the Senate insist upon its amendments to the bill (H. R. 12863) to provide revenue, and for other purposes, and asks a conference with the House of Representatives on the said bill and amendments thereto.

Ordered, That Mr. SIMMONS, Mr. WILLIAMS, Mr. SMITH of Georgia, Mr. PENROSE, and Mr. LODGE be the conferees on the part of the Senate.

The message also announced that the Senate had passed the bill (S. 5213) to amend the act approved April 18, 1918, to give indemnity for damages caused by American forces abroad, in which the concurrence of the House was requested.

THE LATE SENATOR STONE AND THE LATE REPRESENTATIVE MEEKER.

Mr. RUCKER. Mr. Speaker, I ask unanimous consent that Sunday, February 2, 1919, be set aside for memorial addresses on the life, character, and public services of the late Senator WILLIAM JOEL STONE, of Missouri, and the late Representative JACOB EDWIN MEEKER, of Missouri.

The SPEAKER. The gentleman from Missouri asks unanimous consent that Sunday, February 2, 1919, be set aside for memorializing the late Senator STONE and the late Representative MEEKER, both from the State of Missouri. Is there objection?

There was no objection.

THE REVENUE.

Mr. KITCHIN. Mr. Speaker, I ask that the appropriate number of bills be printed of the revenue bill, H. R. 12863.

The SPEAKER. The Chair lays before the House the revenue bill, of which the Clerk will report the title.

The Clerk read as follows:

An act (H. R. 12863) to provide revenue, and for other purposes.

Mr. MANN. Mr. Speaker, I would like to have the Senate resolution also read.

The SPEAKER. The Clerk will report the Senate resolution.

The Clerk read as follows:

Resolved, That the Senate insist upon its amendments to the bill (H. R. 12863) to provide revenue, and for other purposes, and asks a conference with the House of Representatives on the said bill and amendments thereto.

Ordered, That Mr. SIMMONS, Mr. WILLIAMS, Mr. SMITH of Georgia, Mr. PENROSE, and Mr. LODGE be the conferees on the part of the Senate.

Mr. MANN. Mr. Speaker, reserving the right to object to the request of the gentleman from North Carolina—and I shall not object of course to the printing of the proper number of bills—it is usual where the Senate adds amendments to a House bill to ask concurrence of the House in the Senate amendments? I notice they do not do that in this instance.

Mr. CAMPBELL of Kansas. By this resolution will the Senate retain possession of the papers?

Mr. MANN. No; this is merely a Senate resolution. They have not asked the House to concur in the Senate amendments. I suppose that will not prevent our concurring in them if we desire.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. KITCHIN. Yes.

Mr. GARRETT of Tennessee. Peculiarly enough, upon revenue bills it has seemed to be the custom, beginning with the Dingley Act, for the Senate immediately to pass a resolution insisting upon its amendments and appointing its conferees first.

Mr. MANN. They have not done that in this instance, have they?

Mr. GARRETT of Tennessee. Mr. Speaker, I ask that the resolution be again reported.

The SPEAKER. Without objection, the Clerk will again report the Senate resolution.

There was no objection, and the Clerk again reported the Senate resolution.

Mr. GARRETT of Tennessee. The resolution does say that they insist upon their amendments.

Mr. MANN. Yes.

Mr. GARRETT of Tennessee. It is a rather strange practice, but it is the practice on revenue bills, though I do not like it.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 12863, the revenue bill, with Senate amendments thereto, disagree to all of the Senate amendments, and agree to the conference asked by the Senate.

Mr. MADDEN rose.

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. MADDEN. To ask the gentleman from North Carolina to postpone his request just made until next Monday, for the purpose of giving opportunity to those who have not yet read the bill as amended to examine it. A great many Members are anxious to read the bill before it goes to conference, and I am one of those Members.

Mr. KITCHIN. Mr. Speaker, I think that that is a fair request, and I shall postpone it until Monday next.

The SPEAKER. What about the printing request? The gentleman started in to make a request some time ago about printing.

Mr. KITCHIN. That is to have the bill printed with Senate amendments numbered.

The SPEAKER. How many copies?

Mr. KITCHIN. Just the usual number, about 600 I believe it is. I would say to the House that under the rules of the House the Committee on Ways and Means can print about a thousand, and under the rules of the House the House can print about 600. If the 600 are not sufficient for the Members, our committee will furnish the balance.

Mr. BARNHART. Will the gentleman permit?

Mr. KITCHIN. I will.

Mr. BARNHART. There is nothing in the rules of the House preventing it having $250 worth printed. The number of the documents would depend upon the size.

Mr. KITCHIN. I was under the impression it was 500.

Mr. BARNHART. You can have $250 worth printed.

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. PARKER of New Jersey. As I read the last report of the Senate, I saw it had in it that Senator LA FOLLETTE had offered an amendment that incorporated all the other amendments as a substitute for the bill. Is that the way the bill comes over, or do the amendments come over separate?

Mr. MANN. There are 602 separate amendments.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the bill be printed with the Senate amendments numbered. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 38 minutes p. m.) the House adjourned until Monday, December 30, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting urgent estimate of appropriation required by the Office of the Treasurer of the United States for the fiscal year 1919 (H. Doc. No. 1616); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Department of Commerce, submitting estimate of appropriation required for certain light stations for the fiscal year ending June 30, 1920 (H. Doc. No. 1617); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War submitting a supplemental estimate of appropriation required by the War Department for additional employees for the fiscal year 1920, being an increase over the amount asked in the Book of Estimates for 1920, page 88 (H. Doc. No. 1618); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting urgent estimate of appropriations required by the Treasury Department, office of chief clerk and superintendent, for the fiscal year ending June 30, 1919 (H. Doc. No. 1619); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of the Interior submitting supplemental estimate of appropriation for repairing damages to the lower Yellowstone reclamation project, Montana (H. Doc. No. 1620); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WHITE of Maine: A bill (H. R. 13546) to amend an act entitled "An act to authorize the establishment of a Bureau

of War Risk Insurance in the Treasury Department," approved September 2, 1914; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES: A bill (H. R. 13547) granting a gratuity to members of the United States Army; to the Committee on Military Affairs.

By Mr. DENT: A bill (H. R. 13548) to authorize the resumption of voluntary enlistments in the Regular Army, and for other purposes; to the Committee on Military Affairs.

By Mr. JAMES: A bill (H. R. 13549) granting a gratuity to members of the United States Navy and Marine Corps; to the Committee on Naval Affairs.

By Mr. MONDELL: A bill (H. R. 13550) providing a rate of duty on wool sufficient to stabilize the prices of wool purchased or on which a price has been fixed by the United States; to the Committee on Ways and Means.

By Mr. KING: A bill (H. R. 13551) for the erection of a public building at Galva, Ill., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

By Mr. STEENERSON: A bill (H. R. 13552) to open Minnesota ceded Indian lands to soldiers' and sailors' homesteads; to the Committee on Indian Affairs.

By Mr. CURRY of California: A bill (H. R. 13553) to provide honorable discharges to certain members of the Military Establishment of the United States; to the Committee on Military Affairs.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 13556) to provide for suitable recognition by the United States Government of the service rendered by the members, examiners, clerks, and employees of the selective-service boards in the administration and enforcement of the selective-service act; to the Committee on Military Affairs.

Also, a bill (H. R. 13557) to provide for the erection of a public building at Duquesne, Pa.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13558) to provide for the erection of a public building at Coraopolis, Pa.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13559) to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia; to the Committee on Military Affairs.

By Mr. BRITTEN: Resolution (H. Res. 485) to declare the purpose and the desire of the people of the United States for the immediate creation by the peace conference at Versailles, France, of a league of nations to perpetuate the principles of peace and justice in the world; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWELL: A bill (H. R. 13554) granting an increase of pension to Robert R. C. Grantham; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 13555) for the relief of David Leonard; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Petition of Wisconsin Dairymen's Association, urging the formation of a league to enforce peace; to the Committee on Foreign Affairs.

Also, petition of Industrial Controller Co., of Milwaukee, Wis., protesting against the war tax on letter postage; to the Committee on Ways and Means.

Also, petition of Manufacturing Jewelers' Association of Milwaukee, Wis., protesting against tax on jewelry; to the Committee on Ways and Means.

Also, resolution of H. P. Andrae, of Electrical Supplies Co., Milwaukee, Wis., protesting against the war tax on letter postage; to the Committee on Ways and Means.

By Mr. DALE of New York: Petition of Sterling Motor Truck Co., protesting against the new revenue bill; to the Committee on Ways and Means.

Also, resolution of president of American Federation of Labor, requesting support of Senate bill 4922; to the Committee on Education.

By Mr. FULLER of Illinois: Petition of the Chicago Jewelers' Association and Halsman & Co., of Chicago, protesting against the proposed tax on jewelry; to the Committee on Ways and Means.

By Mr. GALLIVAN: Resolution of New England Hardware Dealers' Association, of Boston, Mass., relating to the national war-service convention; to the Committee on Military Affairs.

By Mr. GRAHAM of Pennsylvania: Protest by the Philadelphia Produce Exchange against the appointment by the Department of Agriculture of inspector of butter and eggs; to the Committee on Agriculture.

By Mr. NOLAN: Petition of the San Francisco Labor Council, urging the passage of the McKellar-Keating retirement bill; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDALL: Petition of various citizens of Pomona, Cal., against legislation restricting activities and study of amateur wireless telegraph operators; to the Committee on the Merchant Marine and Fisheries.

By Mr. STEENERSON: Petition of Dr. J. E. Engstad, Grand Forks, N. Dak., protesting against discharging men from the military service of the United States at distant demobilization camps; to the Committee on Military Affairs.

Also, petition of Otto N. Davis, chairman Minnesota Committee on Social Legislation, Old Capitol, St. Paul, Minn., requesting early and favorable action upon the so-called Smith-Bankhead bill; also petition of M. L. Jacobson, superintendent Moorhead public schools, Moorhead, Minn., in favor of Senate bill 4987; to the Committee on Education.

Also, petition of Ira Richardson, Thief River Falls, Minn., urging proper recognition by Congress of the local and district boards, by the issuance of brevet commissions and suitable medals; also petitions of the same import by local board for Kittson County, Minn.; by members of the local board for Pennington County, Minn.; and by members of the local board for Red Lake County, Minn.; to the Committee on Military Affairs.

By Mr. VARE: Resolutions of the Jewelers' Guild of Philadelphia, protesting against the contemplated taxation on jewelry under the new revenue bill; to the Committee on Ways and Means.

SENATE.

MONDAY, *December 30, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee at the close of another year of our Lord, a year whose sad and tragic history has been written in blood; a year expressed in sorrow and in tears, in the anguish of the hearts of millions, in the starvation of many, and yet a year whose closing hours show forth the triumph of righteousness and the unity of purpose in the world to secure the blessings of peace and the domination of the ideals of the Gospel of Thy Son.

We Thank Thee for these victories that have come; and now, as we address ourselves, at the beginning of a new year, to the yet more difficult tasks of peace and pursue those lines of action and life that are laid out by our Lord, we pray that we may be guided by the spirit of the Christ, that in the coming year peace may settle, with its gentle and blessed benediction, upon all mankind. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of Thursday last, when, on motion of Mr. SHEPPARD and by unanimous consent, the further reading was dispensed with and the Journal was approved.

SENATOR FROM TEXAS.

Mr. CULBERSON. Mr. President, I present the credentials of my colleague, Mr. SHEPPARD, and I ask that they be read and placed on file.

The VICE PRESIDENT. The Secretary will read the credentials.

The Secretary read as follows:

CERTIFICATE OF ELECTION—THE STATE OF TEXAS.

This is to certify that at a general election held in the State of Texas on the first Tuesday after the first Monday in November, A. D. 1918, being the 5th day of said month, MORRIS SHEPPARD having received the highest number of votes cast for any person at said election for the office hereinafter named, was duly elected as United States Senator for the State of Texas.

In testimony whereof I have hereunto subscribed my name and caused the seal of State to be affixed, at the city of Austin, on this the 23d day of December, A. D. 1918.

W. P. HOBBY,
Governor.

By the governor:
[SEAL.]

GEORGE F. HOWARD,
Secretary of State.

SENATOR FROM KENTUCKY.

Mr. MARTIN of Kentucky. I present the certificate of election of Hon. A. O. STANLEY, chosen by the qualified electors of the State of Kentucky a Senator to represent that State, which I ask may be read and placed on file.

The VICE PRESIDENT. The Secretary will read the credentials.

The Secretary read as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, A. O. STANLEY was duly chosen by the qualified electors of the State of Kentucky a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1919.

Witness: His excellency, our governor, A. O. STANLEY, and our seal hereto affixed, at Frankfort, this 25th day of November, in the year of our Lord 1918.

A. O. STANLEY,
Governor.

By the governor:
[SEAL.]

JAMES P. LEWIS,
Secretary of State.

ADJOURNMENT TO THURSDAY.

Mr. MARTIN of Virginia. I move that when the Senate adjourns to-day it stand adjourned until 12 o'clock meridian on Thursday next, the 2d day of January, 1919.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 3299. An act authorizing the President to reappoint Maj. Chalmers G. Hall, retired, to the active list of the Army;

S. 4924. An act to amend section 336 of the Revised Statutes of the United States, relating to the annual report on the statistics of commerce and navigation of the United States with foreign countries; and

H. J. Res. 372. Joint resolution to amend Senate joint resolution No. 78, approved October 5, 1917, entitled "Joint resolution to suspend requirements of the annual assessment work on mining claims during the years 1917 and 1918."

PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented a petition of Local Union No. 319, International Molders' Union, of Flint, Mich., praying for the enactment of the so-called civil-service retirement bill, which was ordered to lie on the table.

He also presented resolutions adopted by Local Lodge No. 788, Brotherhood of Railroad Carmen of America, of Owosso, Mich., favoring the five-year extension of Government control of railroads, which were referred to the Committee on Interstate Commerce.

He also presented a petition of the Board of Education of Ann Arbor, Mich., and a petition of the Board of Education of White Pigeon, Mich., praying for the creation of a Department of Education, which were referred to the Committee on Education and Labor.

Mr. LODGE presented a petition of the Society of Friends of Poland, of Boston, Mass., praying for the independence of Poland, which was referred to the Committee on Foreign Relations.

He also presented a petition of Local Division No. 5, Ancient Order of Hibernians, of Cambridge, Mass., praying for the freedom of Ireland, which was referred to the Committee on Foreign Relations.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 5249) authorizing and directing the Secretary of War to grant an honorable discharge to drafted and enlisted men for certain reasons, and for other purposes; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 5250) to donate a captured German gun to the cities of Salt Lake City, Ogden, Provo, Logan, and Manti, in the State of Utah; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 5251) tendering the thanks of Congress to Gen. John J. Pershing, United States Army, and the officers and men under his command; and to Maj. Gen. Enoch H. Crowder, Provost Marshal General, and the members of the local and district boards throughout the United States, Alaska, Hawaii, and Porto Rico; to the Committee on Military Affairs.

By Mr. LA FOLLETTE:

A bill (S. 5252) granting a pension to John Daley; to the Committee on Pensions.

By Mr. FERNALD:

A bill (S. 5253) granting an increase of pension to Milton W. Burnham (with accompanying papers); to the Committee on Pensions.

By Mr. NEW:

A bill (S. 5254) granting a pension to Nellie McPhearson (with accompanying papers); to the Committee on Pensions.

A joint resolution (S. J. Res. 205) permitting the loan of aircraft motors and aircraft material to educational institutions under certain conditions; to the Committee on Military Affairs.

MEAT-PACKING INDUSTRY.

Mr. KENYON. Mr. President, I introduce a bill which has reference to the packing houses, being similar to a bill which has been introduced in the House. I introduce the bill by request, because witnesses are to be here for the House hearings, and they desire also to have the opportunity, while here, of participating in the Senate hearings. I suppose the bill will have to be referred to the Committee on Interstate Commerce, although I shall ask later that it be referred to the Committee on Agriculture and Forestry.

The bill (S. 5248) to provide transportation, storage, and marketing facilities for, and to regulate commerce among the States in, live stock, meats, and other products derived from live stock or the slaughtering of live stock, was read twice by its title and referred to the Committee on Interstate Commerce.

TRADING WITH THE ENEMY.

Mr. BORAH. I introduce a bill for reference.

The bill (S. 5247) to repeal section 19 of an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," passed and approved October 6, 1917, was read twice by its title and referred to the Committee on Commerce.

Mr. BORAH. Mr. President, I desire to call attention to a letter which is signed by what is called the American Honor Roll Co. I have before me the original letter and also the envelope in which this letter was addressed to the parties. The envelope is from The Adjutant General's office of the War Department sent under the franking privilege of that department. I do not assume, Mr. President, that The Adjutant General's office is responsible for this matter. I take it that some one has taken advantage of the situation and is using privileges which the War Department in all probability has no knowledge of. This letter advises the next of kin of a wounded soldier, after commenting on the great victory of our soldiers and the sacrifices they have made, that if they will send in a dollar they will place the wounded soldier's name upon the honor roll and send him a fine certificate. It looks on the face of it like a petty larceny scheme for getting a dollar out of somebody whose kin have been wounded in this war. I introduce it for the purpose of calling it to the attention of the War Department, and that others who may receive such letters may be advised. I desire that those in charge of this letter will keep the original letter and the original envelope in order that The Adjutant General's office may know precisely how this matter is being carried on.

THANKS OF CONGRESS.

Mr. HENDERSON. I introduce a joint resolution and ask that it be read and referred to the Committee on Military Affairs.

The joint resolution (S. J. Res. 204) extending to members of local and district boards, Government appeal agents, and members of medical and legal advisory boards the thanks of Congress for their services rendered in the administration of the selective-service law; also authorizing the President to appoint by brevet commissions the members of such local and district boards; also authorizing and directing the Secretary of War to cause to be struck and presented to each of such officials in the name of Congress an appropriate medal, was read the first time by its title, second time at length, and referred to the Committee on Military Affairs, as follows:

Resolved, etc., That the thanks of Congress be, and is hereby, extended to all the members of local and district boards, Government appeal agents, the members of medical and legal advisory boards, for their loyal and devoted services, rendered without military preferment or proportionate pecuniary reward, in the administration of the selective-service law; and as a further expression of appreciation and gratitude for the able and efficient manner in which such services were performed, and in recognition of their achievements, the greatest of our Government, in the raising of our Army, and of their invaluable contribution to the successful prosecution of the present war, the President of the United States of America be, and hereby is, authorized to appoint by brevet to the Army of the United States of America the members of all the local and district boards, who as such members of said boards performed services in connection with the administration of the selective-service law, issuing commissions of the rank of captain by brevet to the chairmen of all such boards and the rank of first lieutenant by brevet to all other members of such boards; and that the Secretary of War be, and hereby is, authorized and directed to cause to be struck and presented to each of such officials in the name of Congress an appro-

priate medal, with suitable emblematical devices and inscriptions to be determined by him; and that to enable the President and the Secretary of War to carry this resolution into effect a sufficient sum of money, not to exceed $500,000, is hereby appropriated out of any moneys in the Treasury not otherwise appropriated.

AMENDMENT TO DISTRICT APPROPRIATION BILL.

Mr. SAULSBURY submitted an amendment proposing to appropriate $150,000 for the purchase of parcel 81/8, fronting on Columbia Road, Lanier Place, and Harvard Street, for a playground site, intended to be proposed by him to the District of Columbia appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

SHIP CONSTRUCTION.

Mr. SMOOT. A few days ago the Senate ordered printed what is known as Senate Document No. 315, relative to contracts for ship construction, but there are certain illustrations in the report, and I ask for the adoption of an order providing for the printing of the illustrations.

There being no objection, the order was read and agreed to, as follows:

Ordered, That the illustrations accompanying the communication from the acting chairman of the United States Shipping Board, transmitting, in response to a Senate resolution of November 21, 1918, information relative to existing contracts for ship construction, the cost of such construction, in both private and Government shipyards, be printed as a part of Senate Document No. 315.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS.

Mr. SMOOT. On December 3 the annual report of the National Advisory Committee for Aeronautics was submitted to the Senate, together with a number of illustrations, but the Senate failed to enter an order that these illustrations be printed as a part of the report. I ask that an order be made that these illustrations be printed with the report.

There being no objection, the order was read and agreed to, as follows:

Ordered, That the illustrations accompanying the annual report of the National Advisory Committee for Aeronautics, as submitted to the Senate December 3, 1918, be printed as a part of Senate Document No. 307.

AFFAIRS IN RUSSIA.

Mr. TOWNSEND. Mr. President, I have received very many letters and telegrams from people in Michigan in relation to the status of the American soldiers who are now in Russia. This subject has been presented to the Senate several times, but I wish to read one telegram which I received this morning and which will be a preface to what I desire to say. The telegram is directed to me, and it reads as follows:

Deplorable conditions among American troops in Russia have been brought to our attention by several wounded soldiers just returned. There are 1,000 Michigan soldiers of the 339th Infantry Regiment with allied forces near Archangel, and one soldier reports 100 died of influenza because of lack of treatment. Many wounded die because of privations. Boys fight on empty stomachs and sleep in swamps and snow, outnumbered 15 to 1, and are in danger of extermination unless reinforced. Get us information and advise us as to desirability and possibility of reinforcing them or withdrawing them at once. Immediate action necessary, as troops will be trapped by ice in less than two weeks.

This telegram is signed by the Michigan War Preparedness Board, Col. Roy C. Vandercook, secretary. It is similar to hundreds which I have received.

I have received letters from soldiers at Archangel, Russia, in which they have verified the statements which are made in this telegram. I have submitted the matter to the Secretary of War on several occasions for information, but thus far have got no satisfaction. This morning, however, I was able—I think from a reliable source—to learn something about the situation. The officer with whom I talked told me that these Michigan troops were sent to Russia, together with troops from Italy, France, and England, under charge of a British officer. They were sent there with the understanding that they were to protect Archangel against a then impending or threatened invasion by the German fleet. Of course, that danger has passed; and now this officer informs me that these men are to remain in Russia for an indefinite period; how long nobody seems to know. However, it seems that it will depend entirely upon the President, who, this officer tells me, has that matter in charge; and it can not be decided until after the peace conference terminates, which no doubt lies some distance in the future. It appears from the talk with my informant that the President believes he is authorized as a peace delegate to settle Russian affairs. I submit that was not the idea of Congress or of the people. Certainly not that of the American boys who were sent into Europe to fight Germany. The people should know what the President is going to authorize a British general to do with these soldiers after the war against Germany has ended.

This officer does not know of any way to grant relief, although he thinks that these troops are properly cared for, and that these stories have been exaggerated somewhat; that these men went there with winter clothing; that he can not speak for the food situation now, as that is entirely in control of Great Britain. The British commanding officer looks after that, and his word is law so far as these men are concerned.

The thing that interests me, and the thing that interests the people of Michigan and the people elsewhere throughout the United States, is why those soldiers are there and what is this indefinite speculative problem which has yet to be solved at the peace table by the President of the United States? This officer himself knows nothing about it. He realizes that it is a serious situation, but he is helpless at this stage of the proceedings to grant any relief or any comfort to the people at home.

The wounded soldiers who are returning from Russia corroborate all of these sad reports, and many letters have been received from them to that effect.

I make this statement, Mr. President, because I am receiving literally hundreds of telegrams and letters from the thousands of parents and friends in Michigan of these soldiers who feel that their loved ones are in that God-forsaken country and are practically lost so far as the United States is concerned. We know little, if anything, about it. I have urged as best I could that this matter be given special consideration and attention, and the only answer I receive is, "It is out of our hands." It now rests with the allied forces in Europe, and what the outcome will be will depend entirely upon the attitude of the President; and I think the country ought to know it. Some day the truth may be known. I trust it will not be too late to bring some comfort to the thousands of aching hearts which are agonizing over the doubt and uncertainty surrounding their loved ones who enlisted for a clear and definite purpose but are now being held for the President only knows what.

Mr. JOHNSON of California. Mr. President, may I add just a word to what has been said by the Senator from Michigan? Since I addressed the Senate recently upon our policy in Russia I have been overwhelmed with letters upon that subject. So many have come to me that I have had to respond with a form letter, for it has been utterly impossible for any one individual to go through the mass. Some of these letters have been put aside, and I shall read them to the Senate in a few days in order that it may be in possession of the heartaches and the anguish of many of the American people over this situation and over their lack of knowledge of their loved ones, who, without a declaration of war, are at present waging war in Russia.

I wish, however, to call to the attention of the Foreign Relations Committee, before which now is pending the resolution of inquiry—respectful inquiry only—that I introduced recently upon this matter, the fact that in response to an insistent popular inquiry in England, the foreign office in England through Lord Milner has told to the people of England what Britain is doing in this regard. I wish to call to their attention, too, that yesterday M. Pichon, the Minister of Foreign Affairs in France, told the French people what the French Government is doing. Now, it matters not whether the facts stated by either may be in accord with our views, it matters not whether the facts stated by either shall be in accord with what is actually transpiring or what has happened, at least England and France have replied to their people. The only Government on the face of the earth that does not take into its confidence its people is the present Government of the United States.

MAIL TO EXPEDITIONARY FORCES.

Mr. HITCHCOCK. Mr. President, I ask to have printed in the RECORD a letter from the Postmaster General on the subject of some remarks I made in the Senate the other day relative to the post-office service to the enlisted men in the field and to the service of mail from them to the United States.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 24, 1918.

Hon. G. M. HITCHCOCK,
United States Senate, Washington, D. C.

MY DEAR SENATOR HITCHCOCK: An examination of the RECORD of December 23 discloses that you inserted therein part of my communication to you of December 21, replying to criticisms of the postal establishment in connection with mail deliveries to our Expeditionary Forces in France. I note that complete acquittal is given the Post Office Department for any responsibility for failure of mail deliveries in France since June 30 last, for which I beg to make my acknowledgments.

In the course of the discussion the senior Senator from Idaho [Mr. BORAH], for whom I have great respect, asked a very pertinent question, to wit: "By what authority does the Post Office Department avoid the responsibility, which rests upon it, of transmitting the mail and taking care of it?"

The reply to this question called for that part of my communication which was not read to the Senate, which, in my opinion, discloses the exact reason why the Post Office Department insisted that the military authorities should at once [May] take over the delivery of the mails to our soldiers in France and conclusively shows that the responsibility for failure to make prompt mail deliveries did not rest with the Post Office Department officials or agents.

In the same connection the senior Senator from Minnesota [Mr. NELSON], who is always just and fair, made a brief statement, reciting conditions in connection with mail deliveries during the Civil War and put his finger on the crux of this controversy when he said: "Mr. President, if the Senator from Nebraska will allow me, I beg leave to say that during the Civil War our experience was this: The Post Office Department would send the mail to the different camps or to different organizations. After it reached there the mail would be distributed by the officers of the different corps or regiments. After the mail has reached France, manifestly, it seems to me, that the men connected with the Army were the proper ones to distribute it. Our Army was in motion; it was not like distributing mail here in the city of Washington, where every man's house is numbered. The Army was moving rapidly from place to place, from camp to camp. They were here one day and at another place another day. Hence, from the necessities of the case, it was proper for the War Department to distribute the mail after it got to France. That is exactly the method which was pursued during the Civil War."

You very justly have said, "There can be no question now that the failure (since July 30) is due to the failure of the War Department," but you also said, "So from the 30th of June on the Post Office Department is not actually responsible for the failure to deliver mail, but prior to that time it was responsible."

Now, as to whether this opinion is founded upon fact, I will be content for each Senator to decide for himself if the other part of my former communication is brought to their attention, which I again submit as follows:

"Since January 1, 1918, the Post Office Department has delivered to the headquarters of the various military units in France a total of 30,167,698 letters and 11,622,282 newspapers and parcels, making a total of 41,789,980 pieces of mail in the first six months of this year. This is an average of nearly 7,000,000 pieces of mail per month. The Post Office Department completed the delivery of this mail to the military representatives in the field and in the cities of France on an average of better than 30 days' time from the average date of postmarking to the delivery to the mail orderlies. Any complaints here or abroad that mail deliveries to our soldiers in France and to their friends and relatives in this country 'are wretchedly inadequate' or that much of the mail fails to reach its destination are utterly without foundation so far as the Post Office Service is concerned.

"After the mail was delivered by the postal authorities to the mail orderlies, usually at division headquarters, it passed out of the jurisdiction of the Post Office Department, and the postal authorities had neither control nor knowledge as to its subsequent movements into the hands of the individual soldiers. This report, therefore, deals only with the movement of the mail from the time of its postmarking in the United States to the day of its delivery in bulk to the accredited representatives of the military forces in France.

"An investigation directed by the Post Office Department developed statements from 31 superintendents of postal stations and 50 officers of the United States Army who were directly or indirectly concerned in mail delivery, showing that 55 of these 81 officials gave an average of from 15 to 30 days for the passage of a letter from date of postmarking to its delivery to the Army mail authorities. Eleven reported an average of from 31 to 35 days, 12 reported an average of from 5 to 6 weeks, and 3 scattered reports range from 6 to 8 weeks.

"There was no delay in the movement of the mail from the points of origin to the port of embarkation, all mail being worked to companies and other units usually days before a passenger ship or transport was available for its movement to France. Irregularities of sailing of vessels occasionally held mail at the port from a few days to two weeks. Lack of railway facilities abroad occasionally delayed mail at the ports in France, as well as in transit between the ports and the interior points of delivery. Inability to obtain Army trucks for moving the mail from the railheads to the postal stations at the front occasionally contributed to delay, and, again, the firm attitude taken by the highest American military authorities in France, that changes in location of troops could not be promptly furnished to a civilian postal organization, occasionally caused delays of from one to two weeks. Very frequently dispatches of mail from the United States would not meet any of the delays above cited; many dispatches would meet with a few minor delays; but occasionally there would be large consignments that would feel the cumulative effect of all or a greater portion of the delays which might befall mail in transit. But as an average the time from the date of postmarking to the delivery to the unit headquarters was considerably better than 30 days."

A large part of the complaints about the mail service to the troops since January 1 arose out of the unfortunate attempt on the part of the War Department to parallel the work of the Post Office Department in the handling of Christmas parcels for the soldiers, whereas the Christmas packages handled by the Post Office Department, being parcel post to the extent of 90 carloads delivered on or before the morning of the 25th of December, 1917, and 4 carloads from a transport belated by storm delivered on December 27, 1917; the Christmas boxes which the Army undertook to deliver through its lines of communication were not all delivered as late as the month of March, 1918. The blame for this state of affairs was laid by the senders and the recipients of these delayed articles at the door of the Post Office Department, whereas the sole responsibility for the delivery of same from the port of embarkation in this country to the man at the front lay with the Army.

Every complaint received about delivery of mail to a soldier in France, or from such a soldier, has been given individual attention. Each complaint was sent to the postal agent, who took it up immediately with the commanding officer of the company to which the soldier concerned belonged. In a majority of cases the soldier promptly replied, though in some instances no responses were obtained. As a result of this procedure, thousands of reports are on file in the Post Office Department, either from the soldier about whose mail complaint was made or from the military commander of his unit, showing that the service was satisfactory. These files are too voluminous to include in this report, but they are open to anyone interested in the mail service to the troops abroad as it was conducted by the Post Office Department.

The following typical communications are some of the very large number of replies received from the soldiers:

MAY 10, 1918.

Hon. OTTO PRAEGER,
Post Office Department, Washington:

I wish to thank you for your energy in facilitating the delivery of mail to soldiers and officers in France.

On March 20, 1918, my father, Mr. Edwin A. Munger, called on you in regard to this matter, and you forwarded his letter with request to the postal authorities in France to make a special effort.

On May 10 I received the letter. I wish to express my appreciation of the excellent work which the postal authorities are doing under the difficult conditions over there. We are here to fight a war and not to write letters and any mail at all is greatly appreciated.

Yours, very truly,

R. Y. MUNGER,
First lieutenant, Three hundred and seventh Infantry.

Mr. JOHN CLARK,
Postal Agent, Paris, France.

DEAR SIR: Just a word, personally, about what you are doing. I can fully appreciate your position over here. Let me say also that your department here now is giving us excellent service.

Sincerely, yours,

FRED E. YOUNG,
Second Lieutenant, Cavalry, U. S. R., A. E. F.,
First Corps School, U. S. A., P. O. 703.

This complaint without merit. Papers are arriving promptly. They are annoying, and I wish they would not send them to me. Please notify Galveston office to not mail same.

E. J. STEVENS,
Three hundred and first Stevedore Regiment.

C. O. COMPANY B, SECOND FIELD BATTALION,
SIGNAL CORPS, A. E. F.,
France, May 16, 1918.

To United States Postal Agent, Paris, France:

The delay in the delivery and transmission of this soldier's mail was due to his being transferred to several different organizations upon his arrival in France, thus causing his mail to be forwarded from one place to another until he was permanently located in some company. Since coming to this organization his mail has been arriving promptly and is delivered without delay.

W. T. CROOK,
Captain, Signal Corps, U. S. R., Commanding Company.

To the United States Postal Agent, Paris, France:

My mail has been coming as regularly as possible under the circumstances. I have no complaint to make. Delivery of last first-class mail received within 20 days of posting in Appleton, Wis.

ALLEN B. ELLIS,
First Lieutenant, One hundred and fiftieth Machine Gun Battalion.

From: Sergt. Maj. Thomas O. Simmons, Four hundred and seventy-fifth, First Independent, Aero Squadron, American Expeditionary Forces.

To: Postal agent, Paris.

Mail has been coming more regularly recently; this complaint was made by my father without my knowledge before the squadron was located, hence the delay in delivery of mail at the beginning and at the time this complaint was made; neither did he understand the conditions under which you are working.

THOS. O. SIMMONS,
Four hundred and seventy-fifth Aero Squadron,
American Expeditionary Forces.

HEADQUARTERS SEVENTEENTH AERO SQUADRON,
SIGNAL CORPS, AMERICAN EXPEDITIONARY FORCES, *May 8, 1918.*

To: Postal agent, United States Army Postal Service, American Expeditionary Forces.

1. I am surprised to learn that there has been complaints of delay in regard to mail for this squadron. So far as I am aware, it has been received as regularly and promptly as war conditions permit. There has been delay in the cases of a very few of the enlisted men who have been taken to hospitals at some distance from their stations and whose mail was held awaiting their return, which was expected within such a short time that it was doubtful if they would receive the letters if forwarded—in most instances where there has been any considerable delay it has been due to the length of time required for the men to make the journey back to the squadron. This office has been holding mail for Pvt. William H. Reed, concerning whom a notification dated February 19, 1918, that he had embarked for France from England to rejoin the squadron, was received. He has not yet reported and it was only recently that word was received that he was at Air Service Replacement Concentration Barracks, American Expeditionary Forces, to which address his mail has been forwarded.

2. Of the 31 officers and cadets belonging to this squadron, upon its arrival in England in January, 27 were left there on detached service, but for some time their mail was received here, and had to be forwarded to them, occasioning a certain amount of delay.

3. The four flights of this squadron are attached to different units of the Royal Air Force, but the mail for the whole squadron had been received at these headquarters, where it has been sorted and forwarded as promptly as possible. This would cause delay of a few days or possibly longer under certain circumstances, but could not well be avoided, as it would be ridiculous to expect the postal authorities to distribute mail to members of the squadron according to the flights to which they belonged.

4. In the case of Pvt. Meek, I am informed that his mail was forwarded to him at the hospital at which he was left in England and was returned with the information that he had left to rejoin the squadron. He reported on April 28 and his mail had been delivered to him.

HENRY McC. BANGS,
First Lieutenant, A. S., S. C., U. S. R.

MAY 17, 1918.

From: C. O. Headquarters Company, One hundred and forty-ninth Machine Gun Battalion.

To: Postal agent, A. P. O. 702.

Subject: Delay in the delivery of mail.

1. The matter referred to in your letter stating that Pvt. Frank B. Stevens, of this company, had not received mail regularly was investigated personally by me. I find that the mail referred to was held back while passing through the organization from which he was transferred and that it was only at the time of his transfer that the delay occurred.

He is now receiving his mail in good time and as regularly as anyone else in the organization, and I feel sure that there will be no more trouble from that source.

R. A. YOUNG,
First Lieutenant and Adjutant.

—

STATISTICAL SECTION, DEPOT DIVISION,
FIRST CORPS, *May 22, 1918.*

To: United States Army Postal Service, office of postal agent, station 702.

Returned with the information that soldier has been questioned and states that his mail is coming regularly at the present time and the reason that he has not received his mail heretofore was due to the many changes in stations. Mail for men connected with this department has been received regularly.

GEORGE L. TAIT,
Captain, Infantry, N. G., Divisional Statistical Officer.

—

HEADQUARTERS COMPANY E, TENTH ENGINEERS (FORESTRY),
AMERICAN EXPEDITIONARY FORCES, *May 20, 1918.*

To: Postal agent, United States Army, Paris, France.

DEAR SIR: I am in receipt this morning of copy of letter from France, dated April 2, regarding looking up forwarding of mail to my boy, who has been changing around some.

He is now First Lieut. George F. A. Mulcahy, C. A. C., U. S. A., A. P. O. 710, American Expeditionary Forces, via New York, and I am delighted that he is making good for our own dear old Uncle Sam.

Notwithstanding the picayunish, pettifogging meddling of the powers that "would be," including ——— ——— from my dear old Bay State, you all are doing wonderfully well, and I trust I am expressing the convictions of several million of us common people in thinking so.

Thanking you for your kind attention and regretting I have to trouble you, I am,

Very truly, yours,

GEO. J. MULCAHY,
Superintendent R. S. Howard Co.,
68 Thirty-fifth Street, Brooklyn, N. Y.

In a letter addressed to me by Maj. Gen. Pershing on the mail service in France, the commanding general of the American forces writes:

"Mr. R. L. Maddox, United States Postal Service, inaugurated the United States Army postal service in France last June and has conducted it very satisfactorily ever since. I take pleasure in commending him to you accordingly."

Secretary Baker, on the occasion of his recent visit to the Army in France, wrote John Clark, United States postal agent in Paris, as follows:

"I have read with very great interest the papers which you left with me at Chaumont and now have a much better appreciation of the difficulties which you have been facing than I had gotten from any other source. Quite frankly, it seems to me that both you and the military have approached the problem in an admirable spirit, and while, of course, there have been difficulties and complaints, I think in justice both to the post office and Military Establishment it is fair to say that you have cooperated intelligently and harmoniously and that the difficulties have perhaps been inescapable during the early days of organization and movement."

This response to the Senate resolution deals with the mail service to June 30, 1918, since which date the Army is conducting the transportation and delivery of the mail to the soldiers. This became inevitable in the interest of safety to the Army. Those charged with responsibility for the conduct of the war in France contended that military necessity required keeping secret the movement and new location of troops; also that it is not advisable to permit this information to pass into the possession of a civilian organization, which is the status of our postal establishment in France. The delay to the delivery of mail to large military units caused thereby sometimes involved from one to five carloads of letters, papers, and parcels, and ranged from several days to two weeks in time. All other obstacles to an expeditious delivery of mail to a large force of men under field conditions could be overcome by reasonable cooperation between the postal and military authorities, but this obstacle was fundamental. Under the circumstances the Post Office Department reluctantly asked the War Department either to change its point of view and furnish promptly to the postal authorities information as to the location of troops, so that the mail might more speedily follow the men as they moved, or to take over the entire movement and delivery of the mail in France. The military authorities adhered firmly to their original conclusion, that they could not with safety disclose to a civilian postal organization new locations or movement of troops. Although disagreeing with the military authorities as to the correctness of their position, the Post Office Department accepted their judgment on this purely military matter. After careful study of the subject, and as a result of conference with the military authorities, a satisfactory rearrangement of the service was reached. According to this agreement the Army assumes responsibility for the soldiers' mail from the time of its delivery to the military authorities at a port of embarkation in the United States until its final delivery into the hands of the individual soldier at the front, and the Post Office Department assumes responsibility for the mail from the soldiers from the time of its receipt by the postal authorities at the French seaport until its delivery into the hands of the addressees in the United States.

Mail for the American Expeditionary Forces is distributed to regiments and companies at two large Army postal stations, one in Chicago and one in New York. No congestion is permitted to occur at either station. All the mail for the soldiers is promptly separated and pouched for dispatch. At New York the mail is delivered in lead-sealed sacks to the military authorities, who, I am informed, dispatch it to the extent that space is available on every military vessel or commercial liner that will most expeditiously convey it direct to France. Upon its arrival at a port in France the mail is dispatched and delivered to the soldiers entirely by the military authorities.

Mail from the American Expeditionary Forces to the United States is delivered by the military authorities into the custody of the postal officials at two French seaports, where it is distributed direct to the cities between the sailing of the vessels for the United States. Arriving in New York, the residue, or unworked portion of the mail, is worked on the trains to its final distribution. In this manner the mail is being given the most expeditious treatment humanly possible with the ocean and railway facilities available under the stress of a world's war.

In conclusion, I desire to express the hope that under the new conditions and facilities, which the Army contended could not be extended to a civilian postal organization, the mail will be expedited to the soldiers, because I realize the importance of the prompt dispatch of mail matter to men in the field; but I will say frankly that my knowledge of postal affairs gives rise to grave doubts whether this new arrangement will result in complete satisfaction.

Having read this recitation of the facts based upon truth, how can any honest, unbiased mind reach the conclusion that postal officials were in any wise derelict or neglectful in the discharge of this important and responsible duty during the period of the war prior to June 30, as well as after that date?

In this connection I now desire to direct attention to another condition which is certain to prove a fruitful source of complaint and criticism, and that, too, in the near future. The failure to deliver mail to our troops in France before the various units are broken up for replacement with other units and before their return to this country necessarily will occasion great confusion. Already carloads of this undelivered mail are being turned back to the postal authorities for return to the senders. This situation, as I have said, will create widespread criticism, which the public, for lack of information as to the real facts, will direct against the postal authorities instead of placing the responsibility where it properly belongs. This in due time will, of course, be pressed on the attention of individual Members of Congress.

My attention has also been directed to certain observations submitted by you with reference to the taking over of the marine cables, wherein you said:

"I think the seizure of the cables was an utterly unjustified proceeding. I go so far as to say that it smacks of bad faith. Congress consented to give certain war powers to the President. Among those war powers were, if there was a war necessity, that he could take the telegraphs and the telephones, and when he took, in the name of the Postmaster General, the telegraphs and telephones there was no general complaint, because we were in the midst of war and there may have been a justification for the seizure; but when, after the war had closed in fact if not in law, the Postmaster General took possession of the cables, not only those crossing the Atlantic Ocean to countries with which we were associated in the war but also across the Pacific Ocean, which had no possible relation to the case, I think it was a high-handed outrage, and am frank to say so. * * * I think, furthermore, that it smacked of bad faith. Congress deliberately put the power into the hands of the administration for war purposes; but after the war is over it has been used to gratify the personal convictions, personal opinions, and personal wishes of the Postmaster General.

"If he had desired to secure from Congress the right to take over the cables, he should have asked for it. I think there is no justification at all in any reason that has been stated or which can be stated for that seizure."

Of course, my dear Senator, no one understands better than you that a public official is not called upon to notice the mouthings of irresponsible blatherskites who may criticize or misrepresent his official actions, but when a critical statement is made by a Senator of the United States, and especially by one for whom I have always entertained high regard and respect, it not only justifies but calls for response.

Of course it is not true that I have of my own will ruthlessly seized and taken possession of these cables. Of course it is not true that I have taken possession of them just to gratify my personal convictions, personal opinions, and personal wishes. Of course it is not true that I have reached out to control business activities the Congress did not intend to put into my hands. I feel that a reply to all such charges can be conclusively made by quotations from a motion to dismiss filed by the representative of the law department of the Government made by direction of the Attorney General of the United States to a silly suit recently instituted (for publicity purposes) in a court known to be without jurisdiction against the Postmaster General, in which these unfounded charges are set forth. I quote certain pertinent paragraphs from this motion:

"First. The possession taken through the Postmaster General and the defendant Carlton of the complainant's property on the allegations of the bill of complaint as amended has been taken by the President, in the exercise of his executive discretion, pursuant to a resolution passed by the Congress in the exercise of its discretion, as possession by the United States and not by the defendants as individuals, and the possession and rights involved are exclusively those of the United States and of the President in the exercise of his executive duties as such, and the District Court of the United States for the Southern District of New York has no jurisdiction to entertain this bill as amended, to which neither the United States nor the President is or can be a party."

"Fifth. The Congress has authorized the President to take over the complainant's cables, and the President in his discretion has exercised judgment that the taking over of such cables is necessary for the national security and defense, and this judgment is conclusive, and the proclamation of the President that it is deemed necessary for the national security and defense to take these cables is conclusive to negative the allegations of the bill of complainant to the contrary, and these allegations should be stricken out and dismissed from the bill as manifestly unfounded and impertinent."

"Eleventh. The allegation 'that the seizure of said cables on the ground that they were or are necessary for the national security and defense was and is a mere pretext without substance or basis of fact whatsoever' is an allegation of the complainant's opinion, immaterial in view of the judgment of the President and the action taken by him, and if intended as an allegation of bad faith on the part of the President is insufficient and should be stricken out and dismissed from the bill as insufficient, impertinent, and scandalous."

"Thirteenth. The allegation of the bill of complaint that the complainant is not provided with just compensation for the taking over complained of is manifestly unfounded in that Congress has in the resolution alleged expressly provided that the complainant shall receive just compensation and has provided for the executive and judicial determination thereof with recourse to the courts in the normal and reasonable manner for the ascertainment of compensation in the case of takings by the United States, and this court has judicial notice that Congress uniformly appropriates moneys for the payment of all judgments rendered by the Court of Claims, and the allegations that the right of application to that court is an illusory right and that there is no reasonable expectation of the timely payment of such a judgment are allegations that the United States and the Congress will exercise bad faith, whereas this court has judicial notice that the United States and the Congress are incapable of bad faith, and the allegations of the bill of complaint to the contrary are manifestly unfounded and should be stricken out and dismissed from the bill as impertinent and scandalous."

"Third. The war existing on July 16, 1918, still continues and there has been no proclamation of the exchange of ratifications of the treaty of peace, and of these facts the court should take judicial notice to negative the allegation of the bill of complaint that the war ceased on November 11, 1918, and this allegation should be stricken out and dismissed from the bill as manifestly unfounded and impertinent."

"Fourth. The proclamation by and under which the possession alleged was taken was signed by the President on November 2, 1918, and the proclamation by the President that it was done on November 2, signed by the President and attested by the Secretary of State, is conclusive that it was done on that day, and this court should take judicial notice that it was signed on November 2, 1918, to negative the allegation of the bill or complaint that it was not signed until after November 11, 1918, and this allegation should be stricken out and dismissed from the bill as manifestly unfounded and impertinent."

"Eighteenth. The allegations concerning the landings of the complainant's cables on territories of foreign nations and the complications likely to arise from the action of the Government are insufficient to state any cause of action or any part of a cause of action and have no relation to the validity of the possession taken from the complainant, or to the relief sought in the bill of complaint, and said allegations should be stricken out and dismissed from the bill as insufficient and impertinent."

Every intelligent lawyer in America knows that these allegations are not only founded upon truth, but that they are supported by well-established principles of law which have been long recognized and are no longer questioned by lawyers or judges who make any pretensions of a knowledge of the law as it is. I believe you want to be fair and am sure you would not consciously do me or the postal establishment an injustice. It is in this spirit I am writing you and on your sense of justice I rely far bringing these facts just as they are to the attention of your fellow Senators.

Sincerely, yours, A. S. BURLESON.

Mr. HITCHCOCK. Mr. President, I made the request because the Postmaster General complains that I did not insert the full copy of what he sent me the other day, consisting of some printed matter, and, in order to be entirely just to him, I ask to have this letter printed in the RECORD. I will say that the additional matter consists of statistics showing the quantity of mail matter delivered in bulk to the military authorities during the time that the Post Office Department undertook to transport it across the ocean. It also consists of a number of certificates or statements from lieutenants and other officers in France complimenting the Post Office Department by the statement that the mail had been promptly delivered—as promptly delivered as the circumstances of war would permit. With relation to those, I wish to say that these few complimentary statements that the mail was promptly delivered remind me very much of the defense offered by the Irishman in court. After two witnesses had been introduced to testify that they saw him kill a certain individual he introduced five witnesses who testified that they did not see him kill the individual. [Laughter.]

I have no doubt some of the mail was promptly delivered in France; but the statement of a few officers to the effect that their particular units received the mail promptly is really no defense at all, in view of the widespread and universal complaint of the nondelivery of mail.

Mr. President, the Postmaster General concludes his letter by an attempt to reply to my criticism of the seizure of the cables after the war was over. His defense consists of a quotation from the brief of the Attorney General, which, however good it may be in law as to the jurisdiction of the court, is no answer whatever to the statement that these cables were seized on the pretense that they were taken over under the war power, when as a matter of fact the war had ceased; and I do not think any intelligent person will support the Postmaster General in his claim that because the order for the seizure of the cables purports to be signed, and probably was signed, on the 2d of November, such signing at that time, on the 2d of November, was a justification for taking over the cables.

Mr. KELLOGG. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. HITCHCOCK. I yield to the Senator.

Mr. KELLOGG. Of course, I did not see the order; but I am informed that while the order may have been signed by the President on the 2d of November, it was entirely incomplete. It was not countersigned by the Secretary of State. It was never published or exhibited to anyone until after the war had closed and the armistice had been signed. Even the date when it was exhibited to one of the telegraph companies was blank, and the order was never made before the signing of the armistice. The law authorized the President to take over the cables and telegraph lines as a war necessity, and not a Senator on this floor or anywhere else dreamed that we were giving the Postmaster General power to force on this country Government ownership whether the people wanted it or not.

Mr. HITCHCOCK. What the Senator says adds force to what I am seeking to show here, but it is absolutely not necessary. Even if the order had been signed on the 2d of November and had been fully completed and countersigned, and even if it had been announced at that time, it would not have been good faith with the Congress of the United States; but, as a matter of fact, it was not announced then. It was suppressed, and the country knew nothing of it until the armistice had been signed and had gone into effect. I believe I am correct in that.

Mr. KELLOGG. The Senator is absolutely correct.

Mr. HITCHCOCK. So I renew my statement, made here the other day, that when the Postmaster General took the very grave step of taking over these international cables under the pretense that it was necessary to take jurisdiction of them for war purposes he did something which was entirely outside of the authority the Congress intended to give; and many speeches made upon the floor of the Senate at the time that that great power was put in the hands of the Executive showed conclusively that it was only given under the great urgency and the tremendous necessity of fighting a war. To take those cables over after the fight has ceased and the war has come to an end is, in my opinion, very close to breaking faith with the Congress of the United States.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. HITCHCOCK. I yield.

Mr. WATSON. I have made some investigation with reference to the taking over of the cables, having had the honor to address the Senate on that proposition; and to the best of my knowledge and belief at this time, when that order was made the date was first put down in pencil as the 14th, the armistice having been signed on the 11th. Afterwards that date was erased and the 2d inserted.

I have every reason to believe that that fact is susceptible of proof. The object of it is quite apparent, without comment.

Mr. HITCHCOCK. I merely desire to say that the quotation from the Attorney General's brief may show conclusively that the Postmaster General has the power legally to take over the cables, and it may show, as he says in his statement, that the bringing of the suit was a silly thing and that the court has not any jurisdiction; but, admitting all that, it does not vindicate the Postmaster General from the charge I made, that in taking over the cables he practically violated good faith with the Congress which had given him the power.

Mr. SHAFROTH. Mr. President, I am not a member of the Committee on Post Offices and Post Roads nor of the Military Affairs Committee, but, I must say, that when men are trying to do what they think is best and exercising their judgment I do not believe in the criticisms that are made against the executive officers of the Government.

The war is not over yet, as a matter of fact. There is no question but that the fact that a mere armistice exists does not conclude the war, and consequently the Postmaster General, no doubt, thought that the cables would be of great use, perhaps, in connection with the matters to be negotiated upon the signing of the peace treaty. It all is a part of the war matters.

At all events, I do not believe that men should be criticized here when they are doing what they think is best. There is nothing corrupt in this matter. There is nothing that in any manner would reflect upon a person's good intentions, and for that reason it does not seem to me that we ought to have criticisms continually of men connected with the Government with relation to these matters.

Now, Mr. President, the Senator has said something with relation to the letters that he has received, and illustrated it by the fact that one man said he had seen a shot fired, whereas five men said they had not seen the shot fired. The same logic can be used with relation to the number of letters in which complaints are made. I have not received 20 letters from people in my State with relation to this matter, and yet 30,000 of the men of Colorado have been enlisted in the Army of the United States. In the same manner a person could say that inasmuch as the 30,000 did not complain, therefore the mere 20 letters that I have received simply illustrate the case of one person out of probably a thousand or fifteen hundred people that are in the Army of the United States.

We can not look into these matters with fairness unless we know the circumstances attending each one. I know, as a matter of fact, that the sending of letters to the armies in France has been attended with the greatest difficulty, and it has been a wonder to me that many of them ever were received at all. When men move from one part of the line to another within perhaps two hours how is it possible to follow them up?

There is no question but that soldiers have been wounded and placed in hospitals, and there is no doubt but that there has been a lack of delivery of letters in those instances; but you must remember, as a matter of fact, that when that occurs it is almost impossible to find them. With a state of war existing everything is in such a condition that it is impossible to follow matters up. I have not any doubt but that there has been complaint, and I have been told that the English Government and the French Government both have had great diffi-

culty in reaching their men, but perhaps not to the extent that has obtained with regard to ours, because our men were there only a short time, whereas the men of the English Army and the men of the French Army have been there for a long period of time and have had their points upon the firing line much more definitely settled and fixed than ours.

Mr. SWANSON. Mr. President, will the Senator yield?

Mr. SHAFROTH. I yield.

Mr. SWANSON. Regarding the letters, I want to ask the Senator from Nebraska if this is not true:

The Post Office Department has had this difficulty in delivering mail in Europe from the 30th of June of this year. I think justice ought to be done that department. The Army would not give the Post Office Department the location of the various units. They said that the civil department of the Government ought not to have the location of the units of the Army. Consequently, it was nearly impossible for the Post Office Department to deliver the mail, not knowing where the units of the Army were. As I understand, when that condition arose on the 30th of June, the understanding was that the mail should be delivered by the Post Office Department to the ports in France, and that the Army, which knew where the units were, should have the control of the mail after that time.

Mr. HITCHCOCK. That is substantially correct, except that since the 30th of June the Post Office Department has delivered the mail to a terminal in New York City, and has received the mail at a terminal in Bordeaux.

Mr. SWANSON. Now they deliver the mail in New York, and the Army gets the mail delivered in France and brings it here; but up to the 30th of June, as I understand, the Post Office Department complained that they had tried and had been unable to get the location of the units in France in order to deliver the mail. As I understand, the War Department said it would not be wise, it would not be proper, they would not like to trust to all these individuals the location of these units, since if that were done Germany might learn where the units were. Then the department, as I understood, said it was impossible for them to deliver the mail, not knowing where the units were, and on account of that condition after the 30th of June this arrangement was made. Now, that is the reason.

Mr. HITCHCOCK. That is true, as stated by the Postmaster General.

Mr. SWANSON. Now, in all justice and fairness, how could the Post Office Department deliver mail when they did not know where the units were, when they were being changed all of the time?

Mr. HITCHCOCK. The fact is that the service was very wretched prior to the 2d of June. The Post Office Department blamed the War Department, and the War Department said, "Let us take over the delivery of the mail." Since the 30th of June the Post Office Department can not be held responsible for the failure.

Mr. SWANSON. But up to that time—now, just be fair——

Mr. HITCHCOCK. But since that time the complaint has been just as great as prior to that time. There has been no change.

Mr. SWANSON. But there is no complaint——

Mr. HITCHCOCK. And in this communication of the Postmaster General, which I have not taken the time of the Senate to read, it is explained that much of the delay in the delivery of the mail has been due to the fact that men were taken to hospitals, and instead of sending their mail after them to the hospitals it was kept with their companies until they returned, so the poor devils lying on their beds in the hospitals sometimes for months at a time could not hear from their families at home. At the very time when the men should have had their mail they were deprived of it.

Mr. SWANSON. But in all fairness to the Post Office Department, when the Post Office Department did not know the location of the units, did not know whether they were in northern France or southern France or where they were, and the War Department, as I understand, would not tell them where the units were, I should like the Senator to explain how the Post Office Department could deliver the mail to people when they did not know where they were and they were being changed every day. As I understand, the Post Office Department was anxious to get the location of these units, so that the mail could be delivered promptly.

Mr. NEW. Mr. President——

Mr. SWANSON. With that condition I think the criticism of the Post Office Department is not called for, unless they could get the names of the units and where the men were.

Mr. HITCHCOCK. Well, whom would the Senator hold responsible?

Mr. SWANSON. If the War Department thought it was unwise to give the location of the units, I could not hold them responsible. A great deal of this condition was due to the fact that these men were changing every day, every week, and every month, and therefore it was impossible for their mail to follow them. It was considered unwise to let anybody in the civil establishment know the location of these units, because if that were done the Germans would know at once the number of men opposed to them. It was a war condition.

Mr. NEW. Mr. President, will the Senator yield?

Mr. SHAFROTH. I yield to the Senator from Indiana.

Mr. NEW. By way of an additional contribution to this little discussion, I will say that the explanation that the Senator from Virginia makes as to the delay certainly does not apply to cases of base hospitals, for instance, which were located shortly after the American troops went over there, and they have never been changed from that time to this; but their mail has been delivered with no more regularity, perhaps, than that of those units the location of which has been changed from time to time.

Mr. SWANSON. If the Senator will permit me, how could the Post Office Department know that a man was in a hospital wounded until the name was furnished them and the unit?

Mr. NEW. Mr. President, I am not referring at all to the men who were wounded and in hospitals. I am referring to the officers and the men who constituted the personnel of the base-hospital organization.

Mr. SWANSON. The Post Office Committee, of which I am a member, asked the representatives of the department about this matter and knew the difficulties of the situation. They realized that unless the Army could furnish the Post Office Department the location of the various units of the Army it was impossible to deliver the mail.

Mr. NEW. Exactly.

Mr. SWANSON. They tried to get it, and the War Department thought it was unwise to give it to them. I am not prepared to say whether it was wise or unwise, but they would not give it.

Mr. NEW. If the Senator will permit me, I do not think he gathers my point exactly. I mean this: As early as January, 1918, certain base hospitals were definitely located at points in France. That location has never been changed from that moment until the present day. The men who constituted their personnel originally are the same to-day as they were then, and yet their mail has been most irregularly and unsatisfactorily delivered on both sides—both the mail to them and the mail from them to the people on this side.

Mr. SWANSON. Does the Senator suggest that all the mail should be sent to these base hospitals?

Mr. NEW. The mail intended for them certainly should be.

Mr. SWANSON. How would they know at home that they were in the hospital when the mail was directed?

Mr. NEW. The Senator still fails to catch the point I make. For instance, you were detailed as commanding officer of a certain base hospital, having with you a certain number of other officers and men to the number of 100 or more. Your location was fixed at a certain definite point.

Mr. SWANSON. I can understand why that class of people ought to have gotten their mail promptly; but that is a very small class of people. The entire Army was not made up of that kind of units.

Mr. NEW. No.

Mr. SWANSON. They were a very small class, and I have not heard any complaint from people in base hospitals.

Mr. NEW. I make the point that the statement that units were moved from one point to another does not hold good in cases of that kind, certainly.

Mr. SHAFROTH. Mr. President, I rose simply to say that I do not think criticism should be made against officials relative to their acts when full information does not exist with relation to the surrounding circumstances. It is not fair to them, especially when we believe that every man connected with this Government has been anxious to give good service.

It is true complaints have been received that mail has not been promptly delivered to our soldiers; but how could it be to an army of two or three million men, the companies and regiments of which were continually being shifted from one post to another of a battle line extending over many miles?

As to the failure to receive allowances, upon investigation it was found in many instances that the parties had transferred the allowance to somebody else. All of these matters indicate that there ought not to be criticism of officers of the Government unless there are specific complaints and clear evidence of a willful neglect. Nobody is willfully neglecting anything in this Government.

Mr. President, we had a storm of indignation against the Secretary of the Navy at one time because, it was alleged, he was not doing things properly; but now I think everybody con-

cedes that he has made the most wonderful record that has ever been made by any Secretary of the Navy since the establishment of the Government. The criticisms were improper; they were unfair; they were hasty and founded upon matters that did not take into consideration the viewpoint of the Secretary of the Navy.

Soon after that there was a storm of indignation against the Secretary of War, Mr. Baker, that he was not doing anything; that he was neglecting everything; that he was absolutely inefficient. Secretary Baker is one of the most methodical, accurate, and industrious men in the public service, and it is now conceded that the record which has been made by the War Department of the United States in this great conflict has never been equaled by that of any country in the history of the world.

The European nations have been amazed at the efficiency and skill with which we have prosecuted the war. While we are being so greatly admired by disinterested peoples——

Mr. POINDEXTER rose.

Mr. SHAFROTH. Is it possible that we are now to criticize our officers who have done such wonderful work, especially upon matters the full circumstances of which are not known. War upsets everything. You can not have the same regularity in war as where ordinary conditions exist. Because of that fact, it seems to me that instead of criticism we ought to commend men unless we know that they have been guilty of willful neglect or that it is probable that their intent has been to give poor service.

The statement which the Senator from Virginia [Mr. SWANSON] has made is illuminating upon this question. I have never before heard it, but I can readily see why the War Department would not want the employees of any other department to have the location of the various companies, regiments, and divisions of our troops on the firing line. I can readily see that the War Department did not believe that it was proper or wise to give to the employees of any other branch of the Government or any one not connected with the Army such information. It would be sure to leak out and reach the enemy and give to the Germans great military advantage. Of course, the Post Office Department could not deliver the mail to soldiers when their location was unknown to them. See how wrong it is to criticize officers when the surrounding circumstances are unknown.

Then, again, there was a crowding of tonnage on our ships. Everything was subservient to the getting to the place where the troops were located of munitions and other supplies as well as soldiers, which were deemed more important in the midst of conflict than even the letters of the soldiers. While letters are important in some respects, everyone must concede that they are not nearly so important as those things which were absolutely necessary in order to win the war.

Mr. President, I feel that when we have made such a wonderful success of the war, have gained such a great victory, a victory accomplished in less time than anybody expected, instead of criticism of the men who have been bending all their energies to do what is right, there should be praise and not criticism, unless the facts showing the justice of such criticism should be plainly established and show that the conduct of the officials amounts to willful neglect.

Mr. CHAMBERLAIN and Mr. POINDEXTER addressed the Chair.

The VICE PRESIDENT. The Senator from Oregon.

Mr. POINDEXTER. Will the Senator from Oregon yield to me for just a moment?

Mr. CHAMBERLAIN. I should like very much to proceed with and finish my remarks. I have yielded for three-quarters of an hour, but if the Senator from Washington is only going to take a moment, I will yield to him.

Mr. POINDEXTER. I will not interrupt the Senator at this time.

Mr. CHAMBERLAIN. Mr. President, I do wish that the distinguished Senator from Colorado [Mr. SHAFROTH] had reserved his castigation of those who dare criticize until after I had made the few observations which I have in mind to make. They will be in the nature of suggestions, rather than in the way of criticism, but in view of the fact that the Senator has spoken of criticisms of the War Department in the past, and I having been one of those who dared indulge in such criticisms, I am rather disposed to believe that the Senator had some reference to my humble self, and undertakes now to frighten me from the path which I have mapped out for myself, assuming, perhaps, that I intend to do now what I did in the past, and that is, to criticize those in charge of the Military Establishment. But, Mr. President, I shall not be deterred from the discharge of a duty as I see it, whether there be timid souls or not, or courageous spirits, if you will, who feel that it is not proper for anybody connected with one branch of the Government to criticize those connected with another branch, or to make such suggestions as one may see fit to assist in the proper conduct of the war or in the adjustment of the affairs of the Government after peace has been declared.

The rôle of a critic, Mr. President, is never a pleasant one; but, in my opinion, no one can contribute so much to the welfare of this country as can the man who dares sometimes to criticize when there is a just foundation for such criticism. There is nothing that so compels a man who has a duty to perform, if there is the least disposition upon his part to do it carelessly or do it wrongly, as to turn the light upon his pathway, so that the observant public may see that his feet pursue the proper path, and that the duties which devolve upon him are properly performed.

Mr. President, conditions to-day, after the armistice has been signed, are not very unlike those which existed when Congress convened in December, 1917. When I say that I mean that when Congress convened in 1917 the Members thereof were overwhelmed with letters of complaint, and particularly was that true as to Members of the Military Affairs Committee and the chairman of that committee—from men of practical affairs all over the United States, and from good mothers who had sons either in France or on the way to France, or from wives whose husbands had gone over, calling attention to the fact that the industrial life of this Republic, so far as preparation for war was concerned, was not doing its duty under the inefficient direction of the War Department, whose duty it was to see to it that industries were so marshaled, were so coordinated, were so arranged, that those things which were necessary to the safe conduct of the war should be done and performed effectively. Complaints are coming to us now, Mr. President, not with regard to industrial life, but now that the war has been won, and our sons and brothers and all are coming back to us, armless and legless and eyeless, that America is unprepared to take care of them now, just as America was unprepared for more than a year to so conduct the war as to conserve life, to conserve energy, and to conserve the health of this Republic, as far as it was possible to do.

God only knows, Mr. President, how many lives have been uselessly sacrificed by our unprepared condition, even up to the time the armistice was signed. Acting upon complaints that were made to the Military Affairs Committee and to its members prior to the assembling of Congress in December, 1917, the committee began to investigate conditions in the War Department. It investigated the situation with reference to ordnance, munitions, and arms of all kinds; it investigated the Quartermaster's Department; it investigated aircraft production; it investigated every branch of the Military Establishment which had some duty to perform in connection with the war. While there was no formal report signed and presented by the committee to the Senate, except with reference to aircraft, yet the deliberations of the committee induced it to report at first a bill creating a director of munitions, as indicating the views of the committee as to what was necessary to coordinate the Ordnance Department so that the best results might be attained, and, next, further carrying out the views of the committee, a bill creating a war cabinet, not to interfere with the functions of the Commander in Chief of the Army and Navy, but to still further centralize the power of this Government in some hands between the President of the United States and the fighting force, so that industrial life might be still further utilized and plans mapped out for the future conduct of the war.

The Commander in Chief of the Army and Navy on the 11th day of January, 1918, disapproved of the bill creating a director of munitions, and the unpleasant controversy which occurred at about that time between the President and myself is still remembered, I am sure, at least by the Members of the Senate. It got to be almost treason to dare to criticize anybody, except the Members of Congress, and it was looked upon generally as commendable to criticize them. It amounted almost to treason—aye, indeed, the suggestion of treason was leveled against some men, Members of Congress, too, who dared to criticize the conduct of those in public place. I myself, Mr. President, passed under the yoke for daring to express an opinion as to the War Department, but without a single regret; and if my criticism saved the life of one young man on the battle front of France I am willing, if need be, to yield my seat in the Senate of the United States to-day. But the bill creating a director of munitions was disapproved; it was bitterly resented that the charge had been made that the Military Establishment had fallen down; that it had almost quit functioning because of inefficiency in the departments of the Government.

But when the munitions director measure was disapproved by the President what happened? There was presented to the Senate as an administration measure a bill which in effect

confessed inefficiency in the War Department, and went further than confessing inefficiency in the War Department, in that it confessed inefficiency in every department, and placed it in the power of the President to reorganize every executive department of the Government. If there was no inefficiency in the War Department, why reorganize it? Why grant this great power? If there was not inefficiency in any other of the departments, why grant power to change any of them? It was true, then, and we realize as we glance back over the past year that it was true, Mr. President, that there was inefficiency in many of these departments. The Senator who had the bill in charge stated more than once on the floor of the Senate that the power was needed because there was inefficiency in all departments and bureaus. I voted for the measure which the President sent to Congress giving him this great power, because, as the greater included the less, so this measure which he sent to us included in the main the measures which the Military Affairs Committee had reported to the Senate. The measure of the President was broader than either of the bills which the Military Affairs Committee presented and was broad enough to cover both or all or any other form of coordination that he desired to bring about by reorganization, and I approved of it. In order that I may not seem to have overstated the effect of the so-called Overman bill, which was referred to the Judiciary Committee, and so the Military Affairs Committee ousted of its jurisdiction over legislation of the kind, I will ask the Secretary to read the first few sections of that act.

The PRESIDING OFFICER (Mr. HENDERSON in the chair). Without objection, the Secretary will read as requested.

The Secretary read as follows:

An act authorizing the President to coordinate or consolidate executive bureaus, agencies, and offices, and for other purposes, in the interest of economy and the more efficient concentration of the Government.

Be it enacted, etc., That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the land and naval forces the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this act, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be filed with the head of the department affected and constitute a public record: *Provided*, That this act shall remain in force during the continuance of the present war and for six months after the termination of the war by the proclamation of the treaty of peace, or at such earlier time as the President may designate: *Provided further*, That the termination of this act shall not affect any act done or any right or obligation accruing or accrued pursuant to this act and during the time that this act is in force: *Provided further*, That the authority by this act granted shall be exercised only in matters relating to the conduct of the present war.

SEC. 2. That in carrying out the purposes of this act the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

SEC. 3. That the President is further authorized to establish an executive agency which may exercise such jurisdiction and control over the production of aeroplanes, aeroplane engines, and aircraft equipment as in his judgment may be advantageous; and, further, to transfer to such agency, for its use, all or any moneys heretofore appropriated for the production of aeroplanes, aeroplane engines, and aircraft equipment.

Mr. CHAMBERLAIN. Mr. President, the mere fact that that bill was requested to be enacted into law was a confession that every department of the Government was inefficient. Under it reorganization after reorganization has taken place in the War Department, and possibly in some of the other departments, although I have not paid much attention to them; but reorganization after reorganization has taken place under that act, and under it many of the things which were necessary to be performed, as found by the Military Affairs Committee, for the successful prosecution of the war have been performed.

It may be asked, "Why refer to this? It is ancient history." Mr. President, I am referring to it in order to draw from the past, with regard to the prosecution of the war, a lesson for our guidance in the future in the protection of those who have suffered as a result of that war. Criticism has been resented all the time. It will be resented now. It will be resented most by those who deserve it most.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Oklahoma?

Mr. CHAMBERLAIN. I yield for a question.

Mr. GORE. I want to make a little statement.

Mr. CHAMBERLAIN. I can not yield for that purpose. Does the Senator mean in reference to the pending matter?

Mr. GORE. Yes; in reference to the Senator's last remark.

Mr. CHAMBERLAIN. I have no objection, if it will take but a moment.

Mr. GORE. Only a moment.

I wish to say that Camp Doniphan is situated 4 miles from the town where I live in Oklahoma—Lawton, Okla. One of the most tragic incidents referred to by the Senator a year ago occurred at Camp Doniphan, and conditions there, I suppose, were typical of what prevailed in other cantonments. I was informed soon afterwards by one of the leading citizens of my town that within 24 hours after the Senator's speech of criticism conditions began to improve at Camp Doniphan; that the improvement was immediately noticeable, and that conditions had been good, in shipshape; I think that is the expression that he used. I say this not merely in vindication of the Senator's course of criticism but in vindication generally of the importance of constructive criticism as one of the leading incentives to human progress and to human improvement.

Mr. CHAMBERLAIN. I thank the Senator for calling attention to the conditions out there and the changes that took place for the better.

Mr. President, let us see what the Military Affairs Committee found to criticize in the Military Establishment, beginning with December, 1917; and I am not going into detail.

I merely called attention to the fact that there was a lack of ordnance matériel and great tardiness about furnishing small arms; that there was a lack in quartermaster's supplies, and not only that, but that the uniforms that were furnished to the soldiers were reduced in wool content so that they were almost absolutely unfitted for use in France, resulting in the purchase of such supplies on a very large scale in Great Britain by Gen. Pershing, and individuals in authority over there. A perfect vindication of that criticism is to be found in the fact that the wool content of the uniform was restored just as soon as Gen. Goethals took charge of the Quartermaster's Department. Instead of being shoddy, the uniform was made up in such a condition that an honest soldier fighting for his country could wear it with comfort and without shame, coming as he did from the richest country on the face of the globe; and that wool content has been maintained ever since the criticisms of the Military Affairs Committee, and God only knows what became of the junk that these men were formerly compelled to wear. The only good thing about it was that it would not last very long.

I called attention to the fact that there was great delay in aircraft production; that there was great waste of the people's money in useless experimenting; that although the war had been in progress then from April until December, 1917, and during January and February, 1918, while the committee was still investigating conditions, there were no airplanes oversens.

Those were the principal criticisms of the Military Affairs Committee. The details of these criticisms have been gone into before now, and I am not going to repeat them; and I want to say now, Mr. President, that I am saying nothing in malice, because personally I am very fond of the Secretary of War. I know nearly everybody here connected with the Military Establishment. Some of my warmest personal friends are there; but what I say is to assist in solving postwar problems with reference to those who are coming back to us.

As proof of the correctness of these charges, I call attention first to the fact that we passed the administration measure known as the Overman bill to give the power of reorganization and correction. Whateyer was necessary to be done, Congress was willing and glad to give to the President and did give it to him. It gave him generously, promptly, and without criticism nearly everything he asked, as it ought to have done.

That is the first proof. The second is that just as soon as these matters had been brought to the attention of those in authority the inefficients went out. Usually they were promoted out from all the departments and bureaus in the Military Establishment into other fields of activity, whether for the benefit of the Government or not; but they were all placed in positions of innocuous desuetude, where they could not do any harm, if they could not do any good.

The third proof is that curative legislation was passed from time to time that would remedy defects that had been pointed out by the committee all down the line.

And the last proof, but not the least, is furnished by the man who above all others knows what conditions have been and were at the date of the signing of the armistice. We did not expect to get all the truth, or all the facts, if you please—to put it in a milder form—before the armistice was signed, but now that the lid has been lifted we are able to turn the light on and look into the dark places and get evidence from incontrovertible authorities, and we know for a fact that every charge that the Military Affairs Committee made was absolutely true.

How do we know it? Gen. Pershing, in his report to the Secretary of War on the 20th of November, 1918, says:

Our entry into the war found us with few of the auxiliaries necessary for its conduct in the modern sense. Among our most important deficiencies in material were artillery, aviation, and tanks. In order to meet our requirements as rapidly as possible we accepted the offer of the French Government to provide us with the necessary artillery equipment of seventy-fives, one-fifty-five millimeter howitzers, and one-fifty-five G. P. F. guns from their own factories for 30 divisions. The wisdom of this course is fully demonstrated by the fact that although we soon began the manufacture of these classes of guns at home, there were no guns of the calibers mentioned manufactured in America on our front at the date the armistice was signed. The only guns of these types produced at home thus far received in France are 109 seventy-five millimeter guns.

In aviation we were in the same situation, and here again the French Government came to our aid until our own aviation program should be under way. We obtained from the French the necessary planes for training our personnel, and they have provided us with a total of 2,676 pursuit, observation, and bombing planes. The first airplanes received from home arrived in May, and altogether we have received 1,379. The first American squadron completely equipped by American production, including airplanes, crossed the German lines on August 7, 1918. As to tanks, we were also compelled to rely upon the French. Here, however, we were less fortunate, for the reason that the French production could barely meet the requirements of their own armies.

It should be fully realized that the French Government has always taken a most liberal attitude and has been most anxious to give us every possible assistance in meeting our deficiencies in these as well as in other respects. Our dependence upon France for artillery, aviation, and tanks was, of course, due to the fact that our industries had not been exclusively devoted to military production. All credit is due our own manufacturers for their efforts to meet our requirements, as at the time the armistice was signed we were able to look forward to the early supply of practically all our necessities from our own factories.

A most generous suggestion upon the part of Gen. Pershing, after we had been in the war for 18 months, to be in such a position when the armistice was signed on the 11th of November, 1918, that we could look forward with some degree of pride and comfort to the prospect that we were likely to have "all our necessities from our own factories" in the near future!

The answer to all of this by those who resent criticism is: "But France was doing this for us." Why, Mr. President, the idea of America depending upon France for these things! The piece of ordnance that is looked upon the world over as the greatest piece of artillery in the world is the 75-millimeter gun, and here we found our Ordnance Department undertaking to improve the carriage and the gun itself and to make it better than France, when Germany had been trying for years to acquire the secret of the recoil mechanism of the French 75-millimeter gun, and no government on earth had ever gotten it except America. We finally abandoned our attempted improvement of the French 75-millimeter gun and went back to the French gun and began to get them in quantity; and when the armistice was signed, though none of American manufacture were at the front, there was some chance of our getting the 75-millimeter and these other guns that are mentioned in Gen. Pershing's report.

Now, notwithstanding the splendid generosity of Gen. Pershing in his report to the Secretary, once in a while something slips out in his report to show the condition in which our men found themselves. If there was one great battle in France where American boys made their names and their country immortal it was at St. Mihiel. Gen. Pershing, in his account of that battle, said this—and I am only going to read a paragraph from it:

The French—

Again, "the French." This was one of the first battles in which Gen. Pershing had gotten the American force together so as to have it purely and distinctively an American victory when it was won—

The French were generous—

Says Gen. Pershing—

In giving us assistance in corps and army artillery, with its personnel, and we were confident from the start of our superiority over the enemy in guns of all calibers. Our heavy guns were able to reach Metz and to interfere seriously with German rail movements.

Now, notice again:

The French Independent Air Force was placed under my command, which, together with the British bombing squadrons and our air forces, gave us the largest assembly of aviation that had ever been engaged in one operation on the western front.

In other words, these splendid divisions of ours, with all America and her wealth behind them, were dependent in this very great battle upon the French for the artillery and the personnel to man the artillery that went into this great fight! Splendid, heroic, patriotic France! And then, with the exaggerated stories by those in authority about sending over airplanes by the thousands and tens of thousands, we find that in that great battle, with America's "thousands and tens of thousands" of airplanes and Liberty motors, the independent French air service and the British bombing service were there to aid our own service in the observations which were absolutely necessary to conduct the artillery fire of our own troops and to watch the movements of the enemy.

Mr. LODGE. Mr. President, would it disturb the Senator if I should ask him a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Massachusetts?

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. LODGE. Can the Senator tell me how many of the planes of which Gen. Pershing spoke in the report that was read were pursuit planes and combat planes? How many of those did we have when the war closed?

Mr. CHAMBERLAIN. I am going to call attention to that in just a few minutes.

Mr. LODGE. I beg the Senator's pardon.

Mr. CHAMBERLAIN. Now I am going to call attention to some testimony obtained and reported by the representative of the President himself—Hon. Charles E. Hughes, who was appointed by the President to investigate the aircraft situation; and in offering that testimony I presume I can not be charged with unfairness or misrepresentation with reference to facts. But first we have Gen. Pershing's own statement in his report that within three months and a half before the armistice was signed—that is, on the 7th day of August, 1918—the first American squadron, completely equipped by American production, including appliances, crossed the German lines; and yet we had been led to believe by the statements of many of those in authority, given sometimes officially and sometimes in extraofficial statements, that as far back as February 20, 1918, we were sending those airplanes over by the thousands.

A squadron consists of 18 planes. The first squadron of 18 American-made planes, then, went over the German lines on the 7th of August. We were assisted by the French again in this service; but even France, Great Britain, and America all combined could not get enough airplanes over there to do the work that was necessary to be done. If America had gotten to work and had done the things that were necessary to be done, we would have had the air just simply swarming with airplanes, and would much sooner have determined the war, and would have saved thousands and tens of thousands of American lives.

Now, Mr. President, to show my authority for this statement, you will remember that the Military Affairs Committee investigated the aircraft situation. I do not know why the idea got abroad that that committee was partisan. There were a number of Republicans on it, but the majority were Democrats. The majority could have watched and found out at any time when Republican advantage was attempted to be taken of a situation; but, Mr. President, so long as I was serving on that committee, from the 4th of December up through all of that investigation, I never saw a Republican at any time indicate a desire to take partisan advantage of what was transpiring. Every man was animated by the same desire, and that desire was to assist those in authority in preparing our country to win this war. Criticisms by all or by any of us were made in the utmost good faith and in order to help, not to hurt. But there seemed to grow out of the situation that feeling.

I have had Democrats upbraid me for indulging in criticism. Why, Mr. President, if the time ever comes when I can not put my finger on a rascal in my own party and improve my party, and if the time ever comes when I must not use my judgment and must not criticize because it may hurt my party, though it may help my country, then I want to get out of public life; but I shall, so long as I serve the people of my State, point out the things in this Government which I think are detrimental to my State and to the Nation. If it destroys my party, I am willing to destroy it if by so doing it will help to save the country.

So the criticisms of that committee were leveled not against the individual, but against conditions. The criticisms were constructive or were intended to be constructive. If they hurt anybody or hurt in any direction, it was simply because it was inevitable under the conditions that then existed.

Now, let us turn to the report of Judge Hughes. I want to be careful, for I was once charged with an unjustifiable distortion of the truth, and no higher motive could be found for my criticism of conditions than that I was in opposition to the policies of the administration: yet I think I can say without egotism—and I think the Senate will bear me out in saying it—that I have had as much to do with legislation that the administration wanted, particularly with legislation bearing upon the war, as has any other one man in the Senate, acting, of course, only as the representative of the Military Affairs Committee. So I could not have been opposed to any policies. Ah, Mr. President, that committee wanted to help the situation, and not to hurt it.

Now, notice this in Mr. Hughes's report. Right here, Mr. President, in view of the fact that I have never seen a copy of the Hughes report anywhere except in the Official United States

Bulletin of November 6, 1918, and in view of the fact that that report goes fully into the whole question of expenditures under this aircraft legislation and production, I am going to ask to have it printed as an appendix to my observations.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report referred to will be found as Appendix A to Mr. CHAMBERLAIN'S speech.

Mr. CHAMBERLAIN. Mr. President, Judge Hughes says in one place in his report:

> In the face of the delays in production a series of misleading public statements were made with official authority. While these statements were authorized by the Secretary of War, he states that they were issued in reliance upon information furnished by the Chief Signal Officer, Gen. Squier, and by Col. Deeds, who were acquainted with the actual conditions. It is unnecessary to review the delusive predictions and exaggerations contained in these utterances.
>
> But particular attention should be directed to the official statement released for publication in the papers of February 21, 1918, which contained the following:
>
> Notice this, Senators—
>
> The first American-built battle planes are to-day en route to the front in France. This first shipment, though in itself not large, marks the final overcoming of many difficulties and in building up this new and intricate industry.

There was not any plane on the way to France at this time. Mr. Hughes continues:

> At the time this statement was issued (February 20) only one plane had been delivered for shipment to the American Expeditionary Forces, and while this had been shipped from the factory on February 5 it did not leave the United States until March 22. The only other service planes which had been delivered were five DeH–4s, which had been shipped for use at Gerstner Field, La. No additional shipments of airplanes for the use of our forces abroad were made until April 3. Actual production in quantity did not really begin until May.

It is but fair to say, in this connection, that Mr. Hughes finds that Mr. Baker made his statement on the strength of representations of Col. Deeds; and in view of the fact that I am asking to have the whole report printed as an appendix to my remarks, I shall not indulge in commenting on it any further than to say that the American people were led to believe that the sending of airplanes over to France was in quantities, when, as a matter of fact, if Gen. Pershing tells the truth, the first American squadron that went over the German front was on August 7, 1918.

The evidence before the Military Committee showed that these false statements did great harm in Europe. Our allies thought they could depend upon us for any number of planes, and so production fell off, while Germany, fearing the truth of these statements, stimulated production of planes. The result was inevitable at the battle front.

Now, with reference to training planes furnished by France. The Senator from Massachusetts [Mr. LODGE] asked me about that. I really do not know how many we had, but I do know that Gen. Squier, while he was chief signal officer and in charge of aviation as well, sent a great many American boys over to France to be trained. I do not know how many—2,000 it may be. Those boys, or a large part of them, did not have any training. Many of them had to come back. And we were commissioning American boys here on this side and sending them over to outrank boys who had volunteered several months or a year before.

Mr. NEW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. CHAMBERLAIN. Yes.

Mr. NEW. In answer to the question put by the Senator from Massachusetts [Mr. LODGE], I will say that the only planes sent over by the United States Government were what are known as the D H–4, which is not a pursuit plane. No planes which are known as pursuit planes were sent by the United States Government at any time.

Mr. CHAMBERLAIN. I am glad to have the information which has been furnished me by the Senator from Indiana. I do know, however, that many of those boys were sent back, and later some steps had to be taken to correct the inequality of commissions, so that those who had volunteered and gone over there to be trained as aces should at least rank on an equality with those who went over from America very much later, and who had had training here, while their colleagues in France had not been trained at all. The morale of these young men had been practically destroyed. And I am going to call the attention of the Senate to just one case, which is measurably personal in its nature, but it illustrates the situation that existed there almost under Gen. Pershing's nose.

A few days before the registration for the last draft two splendid young fellows came into my office. They were dressed in lieutenant's uniforms, and they told me that they had just come from France. I do not mind mentioning their names. I do not usually mention names, because, as a rule, it leads to dire consequences to the poor fellow whose name is mentioned; but I will mention them. One of them was Lieut. Paul Conlhe and the other was Lieut. John K. Ney, of the same name as the famous French marshal. These boys went over there as volunteers; they enlisted May 3, 1917, left New York for overseas duty October 26, 1917, and they came back here to America just before the registration for the last draft, discharged from the Army and their commissions revoked. They told me a story that reached my heart. They had been over there all these months to be trained, not for display, but to fight; but they did not get any fighting; they did not even get any training; they got tired of doing camp and police duty and asked for a transfer to the Artillery—one of these young fellows was ambitious and got into a French artillery school—they asked to be transferred to the Artillery or to the Infantry or to any place where, as red-blooded, splendid, well-educated Americans, they could "do their bit" for their country.

Now, what do you suppose was the answer to their petition? They were sent to one of the points of debarkation in France and in a few days ordered back to America, with their commissions revoked, and they were relegated to private life. When they appealed to me they said: "We have no unit to which we can go; we can not appeal, because there is no record. There was never any board of inquiry; there was never anything; we were just simply sent home by the personnel officer." I took up those cases with the Chief of Military Aeronautics, but I did not get anywhere with them. I then took them up with The Adjutant General, but made no progress there. In the meantime I advised them to register for the draft, which they did; and in the meantime, on the day that the draft took place over in the Senate Office Building, it happened that Gen. March was there, and I asked him as a favor to me, when he left the office, to come into my private office, as I wanted to talk to him about a case that seemed to me extremely unjust to two fine American boys. He came in and I told him the case. He said he would like to see them, and I took them down to see him the next morning. I told him if there was anything wrong about their records I would cease my efforts in their behalf, but that on the surface of things it all looked wrong to me.

One of them was over 6 feet high, a graduate of the University of Washington and an athlete of that institution. The other was from Iowa. Gen. March looked them over, asked them a few questions, and promised to take their cases up personally, which he did; and inside of four days he telephoned me that he found nothing wrong in the records of these boys and ordered their commissions restored, but transferred them to the Tank Corps.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Colorado?

Mr. CHAMBERLAIN. Yes, sir.

Mr. THOMAS. May I ask the Senator whether the revocation of their commissions, to which he has just referred, was done by the order of the commander of the Expeditionary Forces or by the Chief of Staff here?

Mr. CHAMBERLAIN. I think it was done by their personnel officer.

That is just one instance, but must Senators be compelled to follow up each one of these cases in order to have justice done the young men? They would not have gotten anywhere, Senators, if it had not been that I was willing to take up their cases and help them out. And not only that, they had not been paid, and I loaned one of them money, which he promptly repaid, in order that he might send a telegram to his father.

The way to correct those things, Mr. President, is to get at the man who is guilty of the act of injustice; and in that case it was the personnel officer, who discharged these men without cause and without inquiry. There is an old French adage to the effect that whenever an individual gets into trouble, "Cherchez la femme." That might be transposed to "Search for the fellow who has been guilty of the injustice and punish him," and not put it up to Senators and Representatives in Congress or anybody else to take up the individual cases of young men. I might cite other cases, Mr. President——

Mr. LA FOLLETTE. Has the Senator given the name of the officer who is responsible?

Mr. CHAMBERLAIN. No; but the department knows it.

Mr. LA FOLLETTE. Why not put that in the RECORD?

Mr. CHAMBERLAIN. I only know it by hearsay, but I understand his name is Col. Bingham. I do not want to do an injustice; I simply give the name on hearsay. I did not pursue the inquiry as to him; I wanted to get these boys reinstated to the places they were entitled to hold, and they are in the service now, unless they have been recently discharged.

Mr. President, I will not discuss this matter that is behind us any further. I have done it because the good faith of members of the Military Affairs Committee has more than once been called in question—as splendid a body of men as I ever worked with, Republicans and Democrats. We differ sometimes, but you can only get good legislation by discussion and compromise. No man ever gets exactly what he wants. So that in these questions in the committee where there are differences of opinion you get the truth only because you discuss them.

Now, why all of this? To bring the attention of the Senate to the fact that the conditions which existed prior to December, 1917, so far as criticisms of the War Department are concerned, exist to-day, and for a little while I am going to address your attention to them.

There come over my desk every morning hundreds of letters from young men in the Army, from their mothers, from their wives, and from every class of people who are directly or indirectly connected with the Military Establishment. I know that you have to discount some individual complaints, and I do discount them, but there are exceptional cases which are proven beyond a peradventure of doubt. The exception usually proves the rule, and whenever you find one case where a great hardship has been worked against an individual in any particular place you can rest assured that the conditions are practically the same where the same opportunities are afforded for injustice.

I shall not indulge in harsh criticism of the department, but I want to prophesy that unless something is done to correct conditions now the men who are coming back from France are going to make themselves heard and are going to make themselves felt; and they ought to make themselves heard and felt. Let us see how many men we have had over there and how many men have been killed, wounded, and are missing. According to Gen. Pershing's report—

There are in Europe altogether, including a regiment and some sanitary units with the Italian Army and the organizations at Murmansk, also including those en route from the States, approximately 2,053,347 men, less our losses. Of this total there are in France 1,338,169 combatant troops. Forty divisions have arrived, of which the Infantry personnel of 10 have been used as replacements, leaving 30 divisions now in France organized into three armies of three corps each.

Taking the number of combatant troops given by Gen. Pershing and the casualties—the dead, wounded, and missing—and we find that 17 per cent of the combatant troops have been killed or wounded or are missing.

According to Mr. Baker there were casualties reported to October 23, as follows: 53,160 deaths, 179,625 wounded, 1,160 missing, 2,163 prisoners, making a total of 236,108.

Now, Mr. President, the wounded men are coming back to the United States. They are on the way back now, and we are pursuing the same dilatory policies with reference to getting ready to take care of them that we pursued during the war with reference to getting ready to fight. That is one of the criticisms that probably my good friend from Colorado [Mr. SHAFROTH] will resent, but it is a criticism I make, and I charge it now. We are getting word from many hospitals and cantonments that the conditions for taking care of these young men are bad.

There are 179,000 of them, in round numbers. Where are the hospitals that they are going to put them in? Let me read into the RECORD on this subject a criticism of Representative JOHNSON of South Dakota, who has just returned. He was a lieutenant in the Army.

His statement was published in the St. Paul Pioneer Press of December 26, and is as follows:

REPRESENTATIVE JOHNSON SAYS WOUNDED WERE MISTREATED AT CAMP MERRITT.

WASHINGTON, *December 21.*

Investigation of the hospital service at Camp Merritt, N. J., was demanded of the War Department by Representative ROYAL C. JOHNSON, of South Dakota, formerly a first lieutenant in the Three hundred and thirteenth Infantry, immediately after he was discharged from the Army yesterday.

Representative JOHNSON said, on leaving to-day for his home at Aberdeen, that he will make formal complaint to the War Department when he returns from a short visit with his family.

NOTIFIED WOUNDED WERE COMING.

"Twenty or more of the officers and men who came over from France with me," Representative JOHNSON said, "were not fully recovered from their wounds. The captain of our ship, the *Maui*, notified the hospital authorities at Camp Merritt by wireless that these men would be sent there upon arrival in New York. They were put on a train at Jersey City on the day of our arrival and were given no nourishment until 10 p. m., although they reached Camp Merritt in a few hours.

"At Camp Merritt the sick men were placed in ordinary barracks. Those who were able to get about skirmished around for blankets and other bedclothing for themselves and the others.

"MEDICAL OFFICER AT FAULT.

"One of the medical officers was most at fault. He refused to credit the statement that some of the patients were officers and would not give orders for their proper care. These men were kept in barracks for two days before they were removed to the camp hospital. I have demanded an investigation and will file a formal complaint with the War Department upon my return from South Dakota."

Representative JOHNSON was wounded in battle himself, but had recovered and was not a victim of the mistreatment which he says was accorded some of the men.

Mr. President, of course, no Senator can vouch for these statements in the newspapers, but they are pretty accurate when quotation marks are used, and this statement of Representative JOHNSON purports to be a quotation.

The New York Times is a reputable paper, and I am going to ask to have read a little clipping from that paper printed on the 28th of December, having reference to the same subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Secretary read as follows:

THESE MEN SHOULD BE PAID.

In the single week ending with December 20 there were landed at the several Atlantic ports, chiefly at or near New York, 7,000 sick or wounded soldiers. These men have had the best of medical care, as they so well deserve; but from a large number of them there are coming complaints, often bitter, that their pay is far in arrears. This is a cruel hardship for the soldiers whose convalescence is considerably progressed, for they find themselves penniless at a time when lack of money is particularly trying.

The War Department has heard these complaints with a sympathetic ear, and it probably is doing what it can to remedy the evil. Its efforts, however, have not been very successful as yet, and the reasons it gives for the delay in paying these men, while fairly good explanations, are not adequate excuses. Of course, the task of keeping track of men frequently moved from hospital to hospital was great. Difficulties, however, are not insuperable because great, and it is not easy to believe that a pay system could not have been devised by which the money earned at such risks and sacrifices could not have been brought to those who needed it.

Some of the wounded have remained unpaid for as long as 10 months, and a delay of 4 months is almost the common rule. The discontent thus created has harmful effects that extend far beyond the men directly affected.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Colorado?

Mr. CHAMBERLAIN. Yes.

Mr. THOMAS. In that connection I have a copy of a memorandum of date December 28, issued by Brig. Gen. H. M. Lord, entitled "Memorandum for Mr. D. H. Allen, office of the Secretary of War." Would the Senator object to having the memorandum inserted in the RECORD at this time? It is upon this identical subject.

Mr. CHAMBERLAIN. No; I am glad to have both sides of the question.

Mr. VARDAMAN. Mr. President——

Mr. CHAMBERLAIN. I should like to have it read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

DECEMBER 28, 1918.

Memorandum for Mr. D. H. Allen, office of the Secretary of War.

MY DEAR MR. ALLEN: I am returning herewith letter from Mason Olcott, dated December 21, 1918, at 322 West Seventy-fifth Street, New York City, with which he incloses a clipping from the Newport News Daily Press relative to the arrival of casuals from overseas who have not been paid for some months previous to their sailing for this country and arrive here without funds.

Up to the present time the great majority of casuals wounded and sick coming from overseas arrive in this country without funds and without the papers which are necessary to enable payment here. The reasons for failure to pay men regularly in France and the causes which are responsible for their failure to be provided with service records and other papers which are necessary for pay purposes are many, and probably you do not require a discussion of these reasons and causes in this memorandum. However, all who have been in France and are familiar with conditions over there are unanimous in the statement that the resultant condition is a necessary outcome of actual conflict, where troops are fighting and advancing day and night and are necessarily separated from their records, and when wounded separated entirely from their commands, never again to get in touch with them.

To meet this condition after arrival in this country several very revolutionary procedures have been installed. Steps have been taken so that these casuals on their arrival in this country are given something on account. This payment is made at the hospitals to which they are assigned temporarily before locating permanently in some other concentration hospital. The commanding officers of all these concentration hospitals have been instructed by the director of finance, with the approval of the Chief of Staff, to make out pay rolls on the affidavit of the soldier, so that he may give him his pay in full not only for the current month but for any prior months for which the soldier claims he has not received pay. There is absolutely no sanction of law for this procedure, and the officer who certifies to a roll under those conditions and the disbursing officer who pays a roll thus executed do so with the possibility, if not probability, that considerable amounts of money will be charg d against them by the accounting officers of the Treasury. Congress has been asked by the Secretary of War to enact legislation that will sanction this procedure and protect the certifying officers and the paying officers who comply with the instructions issued by the Director of Finance.

There is no reason why any casual from France who has not been discharged from the Army should be penniless at this time, for, as stated, on their arrival in this country they are given some payment on account, and after reaching the hospital they are in most cases given their pay in full. There may be cases, of course, where the

commanding officers of hospitals hesitate or possibly refuse to certify to pay rolls under these conditions for fear of the consequences, but I am led to believe that these cases are rare, and I think there are no cases where soldiers are not getting something on account.

In June last, on the initiative of this office, a pay card was instituted which would serve when a soldier was separated from his command as an identification card, and would contain enough of his military history to provide for his payment. These pay cards were sent to France with the intention that they would be put into use. It was thought over there, however, that a more durable document would be necessary, and a pay book which a soldier should carry with him was prepared, but this was not put into effect until November. Many of the casuals now arriving are provided with these pay books, and if this proves to be general the casuals from now on will have with them all the information required to properly and correctly pay them, so that the complaints which are being so commonly heard will be from now on lessened until they are finally eliminated, but I will repeat that under the procedure installed there should be no occasion for any casual from France who has not been discharged from the Army to be without necessary funds.

I am dictating a letter this date to the Newport News Daily Press, calling attention to these facts, with request that they correct the rather unwarranted editorial which was inclosed in your letter.

Very truly, yours,

H. M. LORD,
Brigadier General, Assistant to the Director of Purchase, Storage, and Traffic, Director of Finance.

Mr. CHAMBERLAIN. Mr. President, that letter may state the exact truth. I have no disposition to take issue with Gen. Lord. He is a good soldier and a good man; but for the present, at least, I prefer to take the word of the innumerable young fellows who are writing to me every day, and I doubt not to every Member of the Senate, complaining that they do not get their pay.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Mississippi?

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. VARDAMAN. In line with what the Senator from Oregon has just said, I have a letter this morning from the uncle of a young soldier who joined the Army at the age of 18. He went to France, and soon after arriving there was sent to the front. He received four wounds, was sent back to the United States, and he writes that he has been transferred to three hospitals. His wounds have all healed, but he is, of course, crippled for life. He is now at his home in Mississippi, on furlough. He has asked to be released from the Army, because he can render no further service to his country as a soldier. He states that for six months he has not received one penny of pay, and that it is difficult to get answers to his letters; and they are appealing to me to intercede in his behalf. That is only one of hundreds that I have received since I came back to Washington in August.

Mr. CHAMBERLAIN. Mr. President, I am not going to give individual cases, although I have hundreds of them, which are not in line with the statement of Gen. Lord. I am not overlooking the fact that it is very difficult to handle this situation. What I am now stating is the same criticism I indulged in once before—of not having hospitals ready in advance of the return of the wounded. We knew when we assembled men in cantonments and camps more than a year ago that some of them were going to be sick; but there were no hospitals made ready for this contingency in advance. Therefore there were thousands of deaths that ought to have been avoided. We have not sufficient hospitals prepared now to accommodate all these wounded men who are coming back here, and therefore we are going to have a great deal of suffering. If the War Department would pay half as much attention to arranging to receive these boys as they do to getting legislation through that will protect contractors who have made contracts over the telephone and otherwise in violation of law, it would not take long to get something done. Pick up the paper any day—pick up the Washington Post of this morning—and I will venture to say that you will find that they are urging some piece of legislation that will protect some firm or corporation that made a contract over the telephone. If you do not pass such legislation, it is usually stated, there is going to be bankruptcy for such corporation or firm. If you do not protect these boys by constructing hospitals you are going to have deaths and suffering and untold agony, because there is not any form of suffering that will not have to be endured by reason of the terrible wounds that these young men have received.

Now, as a general proposition with reference to hospitals, I am going to take the liberty of reading into the RECORD, in view of Gen. Lord's statement, a letter under date of December 29, 1918, from Mrs. C. P. Farrell, of New York City, who is a responsible lady who knows whereof she speaks. I ask that the Secretary read the letter.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

117 EAST TWENTY-FIRST STREET,
Gramercy Park, New York City.

To the Hon. GEORGE E. CHAMBERLAIN.

DEAR SENATOR CHAMBERLAIN: May I have just a moment of your valuable time to say that my niece, Mrs. Walston Brown, and I are in daily touch with our returning soldiers and we have yet to see one who has received any pay for months—beginning as far back as February and the majority in April. They come to us and to Pershing House, next door, in large numbers every day from the Greenhut Hospital and from Ellis Island. Their spirit is wonderful—no complaints of any description—but their position is a very difficult one. The majority were severely wounded, having lost legs, arms, and eyes.

With great respect, I am,

Very sincerely,

SUE M. (Mrs. C. P.) FARRELL.

DECEMBER 29, 1918.

Mr. CHAMBERLAIN. I am not quite sure, Mr. President, but I think the lady whose name is mentioned in the letter is daughter of the late Robert G. Ingersoll.

Mr. LA FOLLETTE. Yes.

Mr. CHAMBERLAIN. So you see now here are letters coming from people who contradict people like Gen. Lord who are interested in making it appear that the soldiers are protected as they should be. The writers of such letters have no interest in the matter at all, except the interest that every good woman has; that every good mother has; that every good wife has; that every good sweetheart has; and that is, to see that these boys are in as good condition as possible when they arrive, and that they shall be put in even better condition when they get here.

Mr. President, I would not have had that letter read into the RECORD but for the fact that Gen. Lord's letter was read into the RECORD. I could have read into the RECORD a great many such letters to the same effect not only from ladies who are members of the Red Cross and other similar societies that tell about the conditions of these men but from the men themselves. It is all right to talk to me about furnishing these men money when everybody knows better. They have not been furnished with it, and they will not be until those who are responsible are criticized for not doing what it is their duty to do.

Mr. KING. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. CHAMBERLAIN. I do.

Mr. KING. It would seem that the situation to which the Senator from Oregon is just inviting attention calls for criticism of officials on the other side of the water rather than of officials here, for, as I understand the matter, full authority was given to Gen. Pershing—and, of course, that authority could be utilized by him, or could be conferred by him upon his subordinates—to pay all of the officers and soldiers who were there under his control. I have understood that there was a paymaster system there and that all they needed to do was to draw upon the Government and their requisitions would be honored. Can the Senator from Oregon tell why Gen. Pershing, or those who have charge of the matter overseas, have been so derelict in paying the men who were there?

Mr. CHAMBERLAIN. I can not say, Mr. President. I realize the very great difficulty of following these wounded men particularly from one hospital to another, but all things are humanly possible, and it ought to be made humanly possible; it ought to be done; and at least as to the poor boys who are coming back in the condition which has been described, and which is admitted in the letter of Gen. Lord, some system ought to be devised, either in France or here, to see that these men do not come back penniless. There is some default in the pay system somewhere. I am undertaking to call attention to the necessity of going ahead and doing things, for the War Department does not need any legislation to correct conditions. All they need is to get a move on and to do the necessary work.

They have had ever since the 6th of April, 1917, to arrange for these hospitals. Did they expect the men would come back here intact, just as they went over? Did they not know that this was the most deadly and destructive war that ever was waged, and that there was bound to be terrible destruction of limb, as well as of life, and that the limbless and the eyeless had to come back to the United States and here be cared for? Yet I have not heard anything of any hospital being provided for these boys; that is, I mean on a scale that is sufficient to take care of them.

I do not know anything about the row which is on in Chicago about a Speedway war hospital, which is said to be a permanent fireproof structure, and the wooden hospital buildings at Fort Sheridan, which are in course of construction. I do not

know anything about the merits of the controversy now waging with respect to them; but although the Surgeon General and nearly every department of the Government having to do with these things approve of the Speedway Hospital we find that somebody is going ahead with the construction of a wooden hospital at Fort Sheridan. If you see the Surgeon General to-day, he will tell you that that hospital ought to be constructed, but they are not doing it. What the reason is I do not know. So it is, Mr. President, all over the country. They are not arranging to receive these young men. That is what I am complaining of.

Mr. POINDEXTER. Mr. President, will the Senator from Oregon yield to me a moment?

Mr. CHAMBERLAIN. Yes.

Mr. POINDEXTER. Mr. President, I can aid the Senator from Oregon, I think, in following out the conclusion that he is looking for as to who is responsible.

Mr. CHAMBERLAIN. I should like to know, for I do not know.

Mr. POINDEXTER. The one man who is responsible for the executive departments of the Government is the President of the United States.

Mr. CHAMBERLAIN. Yes; that is true; but that begs the question, I will say to the Senator from Washington. The President is responsible for the execution of all these laws; but the Senator from Washington knows very well that the President could not give these matters his personal attention. I know the Senator from Washington wants to be fair; but that is hardly a fair way to put it.

Mr. POINDEXTER. I certainly do not want to be unfair; but I would like to ask the Senator from Oregon if he takes the position that the President of the United States, who is elected by the people and who has the appointment of the different Cabinet officers who have charge of the business of those departments, is not to be held responsible for any of the results of their administration?

Mr. CHAMBERLAIN. No; I do not claim that.

Mr. POINDEXTER. Then it follows, I suppose, that the President, is to be held responsible?

Mr. CHAMBERLAIN. Mr. President, in the last analysis, what the Senator from Washington says is correct; the President is responsible for the appointment of men upon whom devolves the discharge of these duties which are not performed, but I thought possibly the Senator's question would leave the impression that the President himself had put his hand on this particular thing and had tied it up.

Mr. POINDEXTER. My complaint is—if it may be denominated a complaint at all—just the opposite to that; not that the President has put his hand on it and made a mistake, but that he has not put his hand on it at all. In all the discussion during the morning as to whether the Post Office Department was responsible or whether the War Department was responsible for the failure of the aircraft, the failure of ordnance, and the neglect of wounded soldiers, no one seems to have assumed that there was any head to the Government superior to the different departments whose duty it is to coordinate them and demand efficiency in them all.

Mr. CHAMBERLAIN. The Senator is right theoretically, but the Senator knows that the President can not know—it is not humanly possible for him to know—all that is going on in the War Department, in the Interior Department, and in the other departments, because one man has not enough heads and enough hands to know and do these things, but he is responsible for the appointment of these men, and if I knew of a case where the President is directly responsible in any particular matter, you can rest assured I would point it out. I am not afraid to criticize the President or anyone else.

Mr. POINDEXTER. Mr. President, I know the Senator is not, and I honor him for it, and I think he is honored by the country for the fact that he is not afraid to criticize any officials. The higher the official is the more important it is that he should be subject to the operations of public opinion and to just criticism. But I should like to ask the Senator if he takes the position that in such a general failure as he has described, in the case of a number of the heads of great executive branches, for instance, the failure to pay the soldiers, the general fact that soldiers are not paid, as the Senator alleges, if the President of the United States ought not to be expected to know that, and to remedy that condition? One word from him would remedy it.

Mr. CHAMBERLAIN. And one word from the Secretary of War pretty nearly would remedy it. That is what I am trying to get—the one word.

Mr. POINDEXTER. But the Secretary of War is under the orders of the President. The people of this country do not know the Secretary of War; they did not elect the Secretary of War; they did not know that Mr. Baker was going to be Secretary of War when they chose the man responsible for the executive branch of the Government. They elected the President of the United States; and he is the man that they have a right to hold responsible for results.

Mr. CHAMBERLAIN. I think theoretically the Senator is correct.

Mr. POINDEXTER. Well, Mr. President, I do not concede that it is merely theoretical; it is intensely practical. The President of the United States is entitled to the credit for the success of his administration, and everyone wants to give him credit for any merit that may be found in the conduct of the executive branch of the Government, but by the same rule he ought to be held responsible for those things that go wrong.

Mr. CHAMBERLAIN. I do not know that there is anything further I can say to the Senator. I have held executive positions where great responsibilities rested upon my shoulders, and I know from experience how impossible it is for the Executive to know and do everything. My own State, for example, has millions of acres of school and public lands, and it was a physical impossibility for me when I was governor of that State to know just exactly the condition of all of those lands. Of course, I knew in a general way, but not in detail. Fraud was charged on every hand. We cleared the atmosphere; but I had to do that through agents; I could not do it myself. If I chanced to get an agent who was wrong, then I would have had to suffer just as the President suffers when he has an agent who is wrong. I think we ought to know whether or not a man under the President, who holds his position by virtue of a presidential appointment, is doing his duty, and, if he is not doing his duty, let the people know it.

Now, Mr. President, I am anxious to go ahead. What I have been discussing is the hospital situation generally. At this time I am not prepared to put my hand on any particular thing and say this is wrong or that is wrong or there is graft here or graft there. I do not make any such charge as that. What I am trying to do is to call attention to a fact which the country knows, and that is that a reception for these young men is not being properly prepared—not hastily enough prepared. Congress is doing all that it can to relieve the situation both here and abroad; Congress has never declined to do anything; it has gone ahead on its own initiative and given these young men their uniforms, given them extra pay, and things of that kind, but that does not reach the young fellows who are coming back here crippled.

So I suggest, as a word of warning, that the men who are responsible for this muddling along when conditions demand haste and action will be held accountable by the American people and by the boys who are directly interested. These matters not only affect the young fellow who is wounded, but his neighbor is going to be affected in the same way, and they will see to it that they are all treated fairly and justly in this matter. That is the beauty, if I may say so parenthetically, of the selective-draft law—every community in the land is represented and interested, and every time a community loses a boy and every time a boy is wounded the whole community stands with him. So the American people are going to hold delinquent officers responsible, whoever they may be.

Mr. VARDAMAN. Mr. President——

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. VARDAMAN. It has been suggested to me that the reason the payments have not been made is because the soldier's record upon which the payment is based is not obtainable. It seems to me that a provident and prudent company commander, knowing that a soldier of his command was going to be separated from his company, would make a copy of the soldier's record and certify to it, so that the soldier might bring it back to the States and carry it to the hospital with him, and thus be enabled to receive his money. It seems to me a piece of carelessness that is inexcusable.

Mr. CHAMBERLAIN. Now, Mr. President, passing from the hospital situation, let me, if I may, offer one or two words of advice along other lines to the War Department. I do this because these things come to me just as the case of the young lieutenants who returned from France came to me, and I can not take up individual cases. I hope I am taking up thousands of cases in these observations. Take the pay of soldiers. That question has been discussed here to some extent. Mr. President, there is absolutely no excuse for not paying these men. There may be some difficulties in the way; there are difficulties in the way, because from the pay of a private soldier who gets $33 a month there have to be deducted forfeitures, for instance, imposed by courts-martial; there have to be deducted premiums for his war insurance; there has to be deducted the money that

is set apart for his dependents. All of these things take time, but they ought to be done; and if it takes 5 men where only 1 man is acting now, or if it takes 10 men where only 1 man is acting now to hasten the pay of these young men, let the department get the 10 men or the 5 men to do the work promptly and efficiently.

Why, Mr. President, I have innumerable letters giving instances where liberty bonds have been actually paid for as long ago as last July and have not yet been delivered. There are young men who have not been paid for 9 or 10 months. The department asks, "Why do you not send these complaints to us?" Why, Mr. President, I would have to have a clerical force almost as large as that of the War Department to take up these letters individually, so that I am just sending a message through the CONGRESSIONAL RECORD to cover them all. I have sent a good many letters to the department. Let me give you an instance of the case of a hospital record which I sent down for investigation. It was the case of a young constituent of mine at Fort Bayard, N. Mex., who had tuberculosis. He was in the Letterman Hospital in California for a while, and then was restored to duty; but later there was a return of his trouble and they sent him down to Fort Bayard; all of which was perfectly proper. I have known the father of that boy for 40 years, and the boy has known me ever since he was old enough to know anybody. He said he did not believe he could get well there and made the usual application through military channels for discharge. He had a wife and a family dependent upon him. He volunteered, like many other young fellows. They turned down his application, and then he wrote me, and he wound up his letter by saying—I will quote the exact language, because I do not want to misquote it:

> There is an outstanding order against a soldier asking outside aid for a discharge, and a letter being written; but this letter would not necessarily have to be submitted to the Surgeon General's office. Have no complaint against treatment here at all. Best of everything is done for patients.

That was a harmless statement. Now, I usually observe these requests and do not send the letters to the department when requested not to do so; but through some inadvertence this letter slipped through my hands and got down to the department. You would think that the boy had a right to write to his Senator or his Representative; but just exactly what that boy feared happened. His letter was sent right back to the officer who was responsible.

Here is what happened: That poor boy, suffering with tuberculosis, was brought up before some sort of a board of inquiry. I am not going to take the time to read the record; but his pay was forfeited for 15 days, and he was punished for having had the temerity to write to his Senator! Now, that seemed such a palpable outrage to me that it was one of the individual cases that I went to see the Secretary of War about personally. I said, "If we have reached a point when a young man in a hospital or in the Army or anywhere else can not talk or write to his Senator the country wants to know it." The Secretary of War very kindly said, "I will take that up personally if you will send it to me," and he did take it up for me personally; and in due course, after having investigated the matter, he reported to me that the punishment had been inflicted and he could not relieve that, but that he had ordered the rule revoked under which the boy was court-martialed—the rule which forbade these young men writing to any outside person for aid. I immediately wrote him, and told him that in view of the fact that I had inadvertently gotten him into trouble, if he would let me know how much of his pay he had forfeited I would send him the money at once.

That, however, did not cure the situation. What they ought to have done was not to partially correct the wrong that had been done to this boy, but to get rid of the men who were responsible for adopting any such un-American rule as that.

Mr. SMOOT. Mr. President, will the Senator tell me the date of that letter, and, if possible, the date on which the rule was revoked?

Mr. CHAMBERLAIN. I sent the Secretary's letter to the young man. I will tell you in just a moment.

Mr. SMOOT. I will say to the Senator that I ask the question because recently I had brought to my attention the case of a constituent of mine. He not only was summoned before his commanding officer, but he happened to be a sergeant, and he was demoted at once and put back as a private, and was censured in the strongest terms for having written me a letter.

Mr. CHAMBERLAIN. I wrote to the young man on the 23d of December, 1918, inclosing him the Secretary's letter to me; and the Secretary's letter was dated just a few days before that.

Mr. SMOOT. That letter, then, is subsequent to the case I have referred to; and I sincerely hope the rule has been revoked.

Mr. CHAMBERLAIN. Mr. President, I am not going to discuss any further this question of soldiers' pay and insurance. I feel tempted to discuss the casualty lists, but I understand the Senator from Massachusetts [Mr. WEEKS] is going to discuss that matter. I think he gave notice of it a few days ago, and I am not going to discuss it, because there is no use in taking up the time of the Senate on it in view of this fact.

Mr. BORAH. Mr. President, do I understand the Senator to say that he is not going to discuss the casualty lists?

Mr. CHAMBERLAIN. Not just now, because I understand the Senator from Massachusetts [Mr. WEEKS] is going to discuss that subject.

Mr. BORAH. May I ask one question, not for the purpose of leading the Senator into a discussion of this matter if he does not wish to discuss it, but evidently he has given consideration to it: What is the explanation for this delay in the publication of the casualty lists?

Mr. CHAMBERLAIN. Well, it is a long story.

Mr. BORAH. Is it a just story?

Mr. CHAMBERLAIN. Yes and no. Take the Battle of the Argonne Forest, for instance. There many young men were killed, and under the intense fire there it was impossible even to go where they were, or to bury them, until later. The result was that it was quite difficult in many instances, because of wounds and natural decay, to identify many of them. There might have been, we will say, by way of illustration, 50 of them lost in that way and 50 others were temporarily missing from their command. They sought to identify those individuals—the killed and the temporarily missing—in order not to harass needlessly the fathers and mothers and friends of the boys at home. That is the purpose of it—not to give to the public the name of a soldier until they have had the casualty list verified.

Mr. BORAH. I can understand perfectly how that would be true at the time the conflict was being waged and for a considerable time thereafter, and I am not raising this point for the purpose of discussion; but I suppose every Senator has had numerous letters on the subject, and I never have been able to explain why it is that 11 weeks, going on two months, after the armistice was signed the casualty list is still coming out day by day. It does seem to me that within a short time after the armistice was signed and after the settlement of the difficulty an accurate statement of casualties could be made. It is the suspense, the agony of suspense, that is even worse than the knowledge.

Mr. CHAMBERLAIN. I am inclined to agree with the Senator.

Mr. BORAH. I simply wanted to know whether or not there was any reason that we could assign to the people who write us, "Why this delay?"

Mr. CHAMBERLAIN. I am frank to say that from the evidence taken before our committee there is no excuse for all of it. There is an excuse for some of it. The Red Cross had information on a lot of these boys before the War Department did. We had Mr. Castle, of the Red Cross, before our committee. We had Mr. Keppel, Assistant Secretary of War, who had the matter immediately in charge in the War Department, before us. Mr. Keppel went over to France to undertake to find out what the difficulties were and to try to correct them, so that we would get speedier returns, but for some reason the Red Cross was not permitted to give out the information it had until after the armistice was signed or very shortly before that time.

I never have been able to see any reason for that. I think they ought to have been permitted to give it all out, because here were Red Cross nurses that attended the hospitals in France where young men died, either from wounds or from disease. A young man would write a letter to his mother or to his sister or to somebody in this country and hand it to the Red Cross nurse, and those letters came over here to the Red Cross, and they were not permitted to give them to the people to whom they were addressed. That may have been all right, but it never has seemed all right to me, and I have not been satisfied with any explanation that has been attempted to be made. The reporting of casualties ought to have been improved. There are so many individual cases that appeal to the heart that one hardly knows where to start and where to stop in discussing the situation.

Take the case of an old classmate of mine, at Washington and Lee University, who had two sons in France, both lieutenants. One of them was a young staff officer, not over 22 years old. He was given a dangerous mission to perform, and he performed it like a man; and when he lay down, wounded, to die, he wrote a message to his commanding officer telling him why he had failed in his mission. That message was on the boy's body; and the first notice the father had of that boy's death was on the blackboard in the Sunday School of a church

that he attended! Now, here was an officer performing a dangerous errand, "carrying a message to Garcia," if you please, but under the most desperate circumstances. It seems that the War Department ought to have had official information about that officer; and the father came here to talk to me, and see if I could not get some official information about him.

That is only one case. There are hundreds of them. I presume every Senator gets letters about them. I could read into the RECORD here stories that would make the hearts of the American people bleed, due largely to inefficient methods. I am not charging anybody with doing wrong. I think we have accomplished wonders in this war, but we seem to have forgotten the little things that set the heartstrings in motion. We seem to have forgotten those who above all are entitled to our attention, now that the war is over.

Passing that, I come to another thing, Mr. President, not so much in the way of criticism, as by way of suggestion, in the hope that some remedy may be found for conditions that exist. It is with reference to inequalities in the administration of the law as it affects the soldiers. The administration of military justice during this war has developed many cases of life or long-term sentences by courts-martial which either would not have been imposed at all or would have been much more lenient if the rights of the enlisted man had been properly protected in the course of his trial before the court-martial. Mere boys, some of them wholly irresponsible mentally for their acts, have been adjudged guilty of serious civil or criminal offenses and sentenced for life or long terms in the penitentiary. Court-martial sentences found by the reviewing authority to be null and void for want of jurisdiction have been allowed to stand, thereby subjecting to illegal punishment a man sentenced without justification of law.

A soldier doing military police duty who entered a shop during the night, because, according to his own story, he heard a noise which he thought was made by a burglar, was found in the shop and himself accused of burglary. The court-martial which tried him found him not guilty. The commanding officer who had appointed the court disapproved the verdict and "recommended" that the court reconsider the case. The court did "reconsider" and found the man guilty and imposed a long term of imprisonment. The evidence was wholly circumstantial. On final review of the record in this case it was recommended that the verdict of guilty be set aside and the man discharged. The commanding officer, disapproving of this recommendation, has allowed the verdict to stand, and the man is now serving his sentence. This case, while not typical, illustrates the control which the military commander exercises over the administration of military justice.

A lot of those cases come to me. I have looked up many of them to verify them. I know of a case where a young lieutenant was on a court of inquiry in a certain cantonment—I will not mention where. His commanding officer said: "A. B. is charged with crime. He ought to be severely punished. He ought to be sent up for six months." The young officer, a lawyer, detailed for court-martial duty, looked into the case, and he and his colleagues sentenced this young fellow to five days in the guardhouse. His commanding officer called him up and said: "You know, that is the man whom I told you ought to be severely punished. I see you have only sentenced him for five days in the guardhouse." The lieutenant replied, "That is all that the evidence warranted. It was a very minor offense." "That is the way military law is administered here, is it?" and in a very short time the young officer was removed from that detail, simply because he had not carried out the orders of the commanding officer. What use of a court if a commanding officer is to practically control its actions?

Senators, I am not blaming the Secretary of War for this. I blame him only to this extent: That a word from him would stop such practices.

These individual cases give the human touch to conditions, and in order to impress it upon the attention of the War Department I am just going to call attention to two or three more as illustrative of what is in my mind. I am not going to give the names of the soldiers, either.

A green country boy, a private in the machine-gun company of the One hundred and fifty-sixth Infantry, was tried and convicted of the charge of absence without leave from Camp Beauregard from May 9 to May 15, 1918. That is six days. It was shown in evidence by the prosecution that he had been notified of his selection for overseas duty. The accused testified that he went home to see his mother, probably for the last time, as she was ill in a hospital. He was sentenced to a dishonorable discharge, total forfeitures, and confinement at hard labor for 25 years in a disciplinary barracks.

Now, Senators, I realize the necessity of maintaining discipline. There is not any question about that; but, in God's name, could not a boy like that have been punished a little less severely under the circumstances than 25 years in a prison, where his life in the very nature of things must be ruined?

A similar case is that of a private of Company D, One hundred and fifty-fifth Infantry, who was charged and convicted of absence without leave from May 9 to May 15, 1918—the same period of time—from Camp Beauregard—the same place—after notification of his selection for overseas duty. It was shown that the boy had gone home to his folks in Mississippi to tell them good-by. He was sentenced to dishonorable discharge, total forfeitures, and 15 years' confinement at hard labor in a disciplinary barracks.

You see, there is 10 years' difference between the punishment meted out to these two young men in the same place and for the same crime. There may be aggravated circumstances connected with them that I do not know anything about, but I can not conceive how it should have been found necessary to have inflicted such terribly severe punishment. I can understand that if it was on the battle front and a boy had left his post without leave his punishment should be severe, even to sentencing him to be shot.

Mr. LA FOLLETTE. He returned voluntarily, did he?

Mr. CHAMBERLAIN. So I understand.

Now, take another case: A private of Company M, Forty-ninth Infantry, was convicted of sleeping on his post at Camp Merritt, N. J., and was sentenced to a dishonorable discharge, total forfeitures, and 10 years' confinement at hard labor in a disciplinary barracks. You see, there is the same kind of a case, and yet there are 15 years' discrepancy between the punishment meted out to the first soldier, where both crimes committed were practically the same.

Mr. WATSON. Did these men come back of their own accord?

Mr. CHAMBERLAIN. I am so informed. If the Senator from Indiana wants, I will give him the names and record, and I will give them to the Secretary of War if he wants them; but I dislike to publish these cases in the RECORD, so that the young men may probably be discredited, because I hope that something will be done to relieve many of these sentences.

Take another case: A private of Company F, Forty-ninth Infantry, was convicted of sleeping on his post at the United States Engineers' Depot, New York City, and was sentenced to dishonorable discharge, total forfeitures, and 10 years' confinement in a disciplinary barracks. He was assigned to what was virtually a watchman's job; and he gets 10 years. I can not conceive why such severe punishment should be meted out to young soldiers for such small crimes. I believe in the strictest military discipline, but it can be accomplished without any such severity as that.

A case somewhat different from these in which the President showed mercy was that of a private of the Third Training Company, Casual Detachment, who was convicted of disobedience of orders to drill and of having seditious literature in his possession for distribution. He was sentenced to be shot. It appeared that he was a sincere conscientious objector and that he had not been offered noncombatant service, as provided in General Order No. 28, War Department, March 23, 1918. He had in his possession some literature in which certain passages had been condemned by the Department of Justice, but that department had ruled that such books might be retained by members of religious sects for private study, and there was no evidence that the accused attempted or intended to distribute these books. His death sentence was disapproved by the President, and the prisoner was discharged; and very properly so. I hope the President will exercise the same clemency and show the same mercy in many other cases; and I believe he will. But I call attention to these cases to show the inequality of sentences by court-martial in the country; and there is no reason for it.

The commanding officer's control over the court-martial is such that he may "suggest" the action which the court should take.

It is wholly repugnant to our ideas of the administration of criminal law that anyone should have the power to set aside a verdict of acquittal. Nevertheless, this is the power of the commanding officer over a court-martial trial. He may exercise this power not only in the case of military offenses but also in the case of ordinary civil offenses, as, for example, larceny committed by a soldier.

The cases which may be sent to court-martial are not definitely defined or limited. The commanding officer may de-

termine what offenses shall be tried by court-martial. He may, for example, subject to the disgrace of court-martial every soldier who, no matter what the justifying circumstances, has been absent from his post for five days. He may, without any investigation of the circumstances, order such a man tried by court-martial. In the French Army such cases are not sent to trial until an investigation has determined that the man ought to be tried. With us the commanding officer exercises at all stages a military disciplinary control of the administration of military justice. We do not administer military justice according to law; it is constantly under the control of a military commander, who is not obliged either to ask for legal advice or to follow it when he has asked for it and it has been given to him by the responsible law officers of the Army.

It is not surprising under the circumstances that there are too many trivial cases sent to trial by court-martial, too many unduly severe sentences and widely varying punishments imposed for like offenses. Terms for the same or similar offenses imposed by courts-martial during the present war range all the way from life imprisonment in the penitentiary to six months' confinement in a disciplinary barracks. Frequently the life term is imposed for an offense for which in other cases a few months' imprisonment is imposed.

In the case of the less serious offenses the punishment ranges from days or months of disciplinary confinement to a few years' imprisonment. There is no standard of punishment, and the changing personnel of courts-martial and their lack of familiarity with criminal law make anything like uniformity of punishment impossible. If we are to have a democratic Army, military justice ought to be administered as it is in other countries, by courts which are constituted, whose procedure is determined, and whose action is controlled by law. Courts-martial should be required to accept the interpretation of the law by a responsible law officer in the same manner that a jury in a civil criminal court accepts the interpretation of the law by the judge of the court. This is not to suggest that military discipline should be undermined, but that it should be supported by a fair and effective system of determining guilt and imposing punishments. There is no greater obstacle to discipline than the resentment which the soldier feels for unjust and arbitrary punishment.

The records of the courts-martial in this war show that we have no military law or system of administering military justice which is worthy of the name of law or justice. We have simply a method of giving effect to the more or less arbitrary discretion of the commanding officer.

All of that responsibility does not rest on the Secretary of War; much of it may rest on Congress. We ought to enact a code that would fix the boundaries of these courts, and which would define their jurisdiction and duties; but, as it is, with these inequalities of administration, it seems to me that a word from the Secretary of War to the commanding officers would bring them very quickly to a more uniform administration of the law. There is nothing in the world that will make the members of the Military Establishment do their duty in a proper way more surely than to discharge or reprimand an officer once in a while. There is a sort of free masonry amongst them, and whenever one of them is put on the tenterhooks for anything that he has done irregularly, everyone in the Army who is of the same rank and grade has his ear to the ground and knows it, and governs himself accordingly.

Mr. SHAFROTH. Mr. President, will the Senator from Oregon yield to me for a moment?

The PRESIDING OFFICER (Mr. JOHNSON of California in the chair). Does the Senator from Oregon yield to the Senator from Colorado?

Mr. CHAMBERLAIN. Yes.

Mr. SHAFROTH. Has not the Senator from Oregon noticed the various determinations by courts of justice in the States, and noted how vastly different are the sentences which are imposed by such courts as the result of judicial proceedings?

Mr. CHAMBERLAIN. Oh, yes.

Mr. SHAFROTH. That is true in like cases of like offenses which are prosecuted. I have noticed such variations to have been from 1 year to 14 years. Such sentences often depend upon the judge and upon the character of his impression as to what would be the proper sentence. Some judges believe in severe sentences; others believe in light sentences; while still others believe in almost no sentences. The severity of the sentence oftentimes results from the make-up of the individual. So I do not see how in such cases anyone can be properly charged with any neglect or any wrong in permitting these judge advocates to remain in office. People both in times of war and in civil life invariably hold different views as to crime. Some will say, "This man should be set up as an example; I will show the people in this community that there has got to be respect for a certain law"; and such judges will impose severe sentences, while at the same time almost across the border in another judicial district there will be another judge who will impose a very light sentence. That is human nature; men are differently constituted; so it seems to me when these inequalities of sentences have occurred no one is to blame except the individual who imposes the sentence.

Mr. CHAMBERLAIN. I realize the force of the Senator's suggestion. I have had some of the same experiences the Senator has had, and, besides that, I was prosecuting officer in my State in a large district for four years, and I know the difficulty of meting out exact justice. The conditions in different communities or different counties in the same State will be entirely different; but there is the great equalizing power in the chief executive, and ninety-nine times out of one hundred he exercises it so as to equalize inequalities by the use of the pardoning power or in some other way. But here is a great central government with a Secretary of War entirely in charge of the military branch of it, and under whose jurisdiction all of these crimes come. He can very much relieve the situation if he will only attempt by proper order to do so. When he sees that two young men in the same cantonment, as at Camp Beauregard, are sentenced, one for 15 years and one for 25 years, for exactly the same offense, a simple word from him to the President of the United States would result in equalizing the sentences, if necessary, by the use of the pardoning power.

Mr. WILLIAMS. Does the Senator mean the same offense or the same charge?

Mr. CHAMBERLAIN. The same charge.

Mr. WILLIAMS. When two men are charged with the same offense and brought up for trial, the Senator must recognize, as I do, that the facts may appear entirely different in the two cases. The characters of the two culprits, or the alleged culprits, may appear entirely different. There is not an inequality of punishment for an offense, but an inequality of punishment on a charge. One man is found guilty of killing another, another man is found guilty of killing still another, and a third of killing still a third; one man is hung, one man is sent to the penitentiary for life, and one man is convicted of manslaughter. All the Senator knows about these cases is that the charges were identical.

Mr. CHAMBERLAIN. The suggestion of the Senator is more or less true. In the very great haste——

Mr. THOMAS. Mr. President, may I inquire of the Senator whether these individual cases to which he has referred have been appealed to the Judge Advocate General?

Mr. CHAMBERLAIN. I think all of them have been.

So much for that, Mr. President. Where there is a noticeable inequality on the face of the record, and there are those under the Military Establishment who know the facts, it seems to me they ought to be looked into, with the power of recommendation somewhere to relieve the situation; but the sure cure for it all is to have some sort of a tribunal, appellate or supervisory, that shall have the power to formulate rules and equalize these unjust sentences, under the direction, of course, of the Commander in Chief of the Army and Navy.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator a question there, if he will yield.

Mr. CHAMBERLAIN. I yield.

Mr. WILLIAMS. Taken for granted that the Senator's suggestion is perfectly apropos and perfectly right, whose fault is it that there is no such tribunal? It can not be the fault of the Secretary of War.

Now, I should like to ask the Senator another question in that connection, and let him answer them both at once. Suppose he was Secretary of War or suppose that I was Secretary of War. Does the Senator imagine that either he or I could take personal cognizance of all the thousands of cases, examine them like a justice of the peace, and go into the testimony to see just how far each individual ought to be punished? In other words, if there is not a tribunal—and there would have to be about a thousand tribunals, by the way, for one could not attend to all the business—how do you expect a man of flesh and blood, like Baker or CHAMBERLAIN or WILLIAMS, to go into all these cases?

Mr. CHAMBERLAIN. Mr. President, I realize the force of what the Senator says, and I stated before the Senator came in and did me the honor of his presence that I am delivering this one message and placing it in the CONGRESSIONAL RECORD to call the attention of the Secretary of War to conditions. I can not take up the innumerable cases that have come to me, and do not expect the Secretary of War to do so; but the Secretary has

never been denied anything in the way of assistance that he has asked for in this war.

Mr. WILLIAMS. Now, if the Senator will pardon me just once more, and then I hope to let him alone——

Mr. CHAMBERLAIN. I hope so, because I wish to finish.

Mr. WILLIAMS. Not only the present Secretary of War, but various Secretaries of War, have communicated to us in times of peace and in times of war, during the Revolution, the Mexican War, the War between the States, the Spanish-American War, and this war, and so far the committee over which the Senator from Oregon presides—the Military Affairs Committee—has had charge of the question of courts-martial. The whole country has agreed to substitute in time of war for the ordinary courts operative in times of peace, for justices of the peace, circuit courts, appellate courts, and various courts, so-called courts-martial. They have tried to organize them so that approximate and quick justice could be dispensed in war times. It must be quick; we can not fool with it; we have got to keep up discipline in the Army; and being determined to do that we have organized the present courts-martial. The Senator will remember that while serving upon the committee of which he is chairman and of which I was once a member, I found at one time that one officer had been the accuser, the judge, and the chief witness against a man whose rank had been taken away from him. We remedied that, and why can not the committee remedy such other injustices as suggest themselves?

Mr. CHAMBERLAIN. I think the committee will attempt to do so where legislation is necessary, Mr. President, but the committee occupies this position: The committee is limited as to its clerical force. To attend to all these things is a physical impossibility for the committee with the clerical force that the committee has, while the Secretary of War is supplied not only with a great body of legal advisers, to whom he can refer any of these matters either for advice or to draft legislation, but with as much money as he needs for any legitimate military purpose. We have amended the Articles of War during this Congress two or three times at the request of the Secretary of War. He is having these difficulties pointed out to him, and I have not any doubt that if he asks for another amendment to the Articles of War we will amend them again.

Mr. McCUMBER. May I ask the Senator a question?

Mr. CHAMBERLAIN. Yes.

Mr. McCUMBER. I wish to ask the Senator if, from his observations, he has not long since arrived at the conclusion that all of the punishments imposed by courts-martial, taking them as a body, are immensely more severe than punishments which would be imposed by the ordinary courts and in most cases we might say unconscionably severe?

Mr. CHAMBERLAIN. I think that is true, but I will say to the Senator that in times of war I have no objection to the severity of sentences, as a rule, because discipline is absolutely necessary to be maintained. If a soldier is guilty of an offense and is only sentenced to five days there might be 5,000 men associated with him who would commit the same offense if they knew they would only get five days' punishment.

Mr. McCUMBER. But even in times of peace I find the punishments imposed by courts-martial immensely more severe than the punishments imposed by civil courts.

Mr. WILLIAMS. Mr. President, the Senator would not punish the Senator from North Dakota for going to sleep at all, would he?

Mr. CHAMBERLAIN. Not if he were in good company and with some one like the Senator from Mississippi.

Mr. WILLIAMS. But the Senator would punish a soldier for going to sleep when he was a sentinel, and he might have to shoot him for doing it, because it is a very serious offense.

Mr. CHAMBERLAIN. Yes, of course; there is no doubt about that in time of war.

Now, Mr. President, these remarks are just by way of suggestion with reference to the dispensing of military justice, and I do hope that the War Department will take some notice of them.

There is only one other matter that I am going to discuss, and that is the question of demobilization. That is a question we have had a good deal of trouble about, and one concerning which, I presume, every Senator has been getting a great many letters. I am not one of those who believe that we ought to hastily disorganize our Army. This war is not ended yet. I hope that those who are negotiating peace terms will reach a conclusion which will end it; but at this time we are not at peace. I think we ought to move with some degree of care in the demobilization of the Army; and yet whether we are moving quite as fast as we ought, I am not prepared to say. That is a military proposition. Now, what I object to and what I want to call the attention of the Secretary of War to is the fact that the American Army, both in France and here, do not know what to expect. They ought to know—not only the American Army, but the American people ought to know—just exactly what they are to expect in reference to demobilization. We do not know.

Mr. NEW. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Oregon yield to the Senator from Indiana?

Mr. CHAMBERLAIN. Yes.

Mr. NEW. I hesitate to interrupt the Senator, and yet, with his permission, I should like to read a few lines from the law approved June 15, 1917, with reference to the duration of the period for which men were conscripted or for which enlistments were to last. It is as follows:

> Whenever said war shall cease by the conclusion of peace between the United States and its enemies in the present war, the President shall so declare by a public proclamation to that effect, and within four months after the date of said proclamation, or as soon thereafter as it may be practicable to transport the forces then serving without the United States to their home station, the provisions of said act, in so far as they authorize compulsory service by selected draft or otherwise, shall cease to be of force and effect.

In other words, Mr. President, we made an implied contract with every soldier we took into the service that his enlistment should end not longer than four months after the declaration of peace. It is true, to be sure, that the President has issued no proclamation and that until he does theoretically we are still at war, but it is quite as true that in point of fact hostilities have ceased and that we are no longer actually at war.

In common with every other Member of this body, I suppose, I am in daily receipt of letters from people from home and applications in person and in writing from soldiers on both sides of the Atlantic who are anxious to get out, and who feel that their obligation to the Government under this law has been amply discharged. I have been hoping that the Senator would come to a discussion of that question in the course of his remarks, and, in order that he may enlarge upon that somewhat, I have taken the liberty to interrupt and to call to his attention that feature of the law.

Mr. KING. Mr. President, if the Senator will pardon me——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. CHAMBERLAIN. I do.

Mr. KING. The Senator from Oregon very kindly consented to yield. The Senator's remarks would imply that he construed the act as meaning that the four-months' period to which he refers dated from the armistice. Obviously the Senator is wrong, because that four-months' period would not begin to run until the proclamation of peace was signed.

Mr. WILLIAMS. And promulgated.

Mr. KING. And promulgated.

Mr. NEW. No, Mr. President; I understood that full well. The law states that this shall date from the issuance of a proclamation by the President, and I, of course, understood that until that proclamation is issued we are theoretically at war. But practically and actually we are not at war; and what I seek to bring out is the fact that not only the soldiers themselves but the people at home are exceedingly anxious to reach some understanding as to when the period of this service may be reasonably expected to cease.

Mr. KING. The point I was trying to make was that I think it would be very unfortunate to have the country believe that the period of four months would begin to run from the time the armistice was signed; and it seems to me that it is purely speculative now to say when their services will not be required. We can not say that the war is over at all. There may be at any moment a recrudescence in some form or other in Europe, and we would be very foolish to withdraw our troops now.

Mr. WILLIAMS. Mr. President——

Mr. NEW. Mr. President, I am infringing a good deal upon the time of the Senator from Oregon, and I will reserve an answer to that question until I can make it in my own time.

Mr. WILLIAMS. Mr. President, if the Senator from Oregon will pardon me——

Mr. CHAMBERLAIN. I should like very much to conclude. Does the Senator wish to ask a question?

Mr. WILLIAMS. I can not say that it is a question, because it is pursuing the thought suggested by the Senator from Utah just a moment ago. There are somewhere between two and three million German soldiers still with their arms, armed now, and fighting one another, in Berlin and elsewhere, and under the admirable military machine system of the German Empire

they can be remobilized within 48 hours. If we are fools enough not to leave a "watch on the Rhine," we will have to remobilize all over the civilized world to lick Germany again.

The Senator from Oregon says, "What are we to expect?" and "somebody ought to tell us what to expect." I can tell him what we are to expect. Each boy in that army is expected to stay until he knows that this fight has been won and that Germany has been handicapped and hamstrung and rendered helpless as a part of the ultimate terms of peace, and not as part of the provisional terms of an armistice.

Mr. CHAMBERLAIN. Mr. President, in answer to the distinguished Senator from Mississippi, permit me to say that if he had listened to me he would have heard me say that I was not one of those who believed in the immediate or hasty demobilization of the whole Army.

Mr. WILLIAMS. I was not replying to the Senator from Oregon; I was replying to the Senator from Indiana.

Mr. CHAMBERLAIN. The Senator referred to the Senator from Oregon. Perhaps he meant somebody else. But now let me tell you what I meant when I requested information for the soldiers and for the people as to what they intend to do.

You can take the circular letter that has been sent to every Senator and to every Representative from the Adjutant General's Office telling what is necessary to be done in order to get young men discharged and what is the program of demobilization, and it is so loosely drawn that anything is possible to be done under it. There is no certainty about it. There are so many provisos to it that when it gets to a man in the ranks who thinks he has had a promise that he is going to be discharged he does not know what it means. What I am getting at is to have the department tell these young men what they and their people may expect. Now, here is what I mean by that:

The war has been ended now a month and a half—more than a month and a half.

Mr. THOMAS. That is, it is a month and a half since the armistice was signed.

Mr. CHAMBERLAIN. I mean, the armistice has been in force over a month and a half. On the 12th day of November, 1918, the next day after the armistice was signed, Great Britain commenced to plan for the demobilization of her army at home and in France. Great Britain was not afraid to take these steps because of Germany. Great Britain did what the Secretary of War ought to have done. It does not need any legislation to do it. He can not come back to Congress and say—

> Shake not thy gory locks at me.
> Thou canst not say I did it.

No legislation is necessary. The Secretary of War has absolute power to act in the premises, under the Commander in Chief of the Army and Navy of course.

Now, let us see what Great Britain did.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. CHAMBERLAIN. I yield to the Senator from Indiana.

Mr. WATSON. The act to which my colleague [Mr. NEW] has called attention seems to be dual in character. The first part of it recites:

> That the service of all persons selected by draft and all enlistments under the provisions of the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, shall be for the period of the war, unless sooner terminated by discharge or otherwise—

Having reference to the soldiers yet in the United States—

> Whenever said war shall cease by the conclusion of peace between the United States and its enemies in the present war, the President shall so declare by a public proclamation to that effect, and within four months after the date of said proclamation or as soon thereafter as it may be practicable to transport the forces then serving without the United States to their home station, the provisions of said act, in so far as they authorize compulsory service by selected draft or otherwise, shall cease to be of force and effect.

It seems to be dual in character, the first portion having reference to those in the United States, the second portion having reference to those without the United States; and as to those within the United States, they can begin demobilization at any time under the provision of that act.

Mr. CHAMBERLAIN. Mr. President, I do not care to enter into that discussion, because, whatever my personal views may be with reference to the disbandment of the Army, I am willing to leave that as at present advised to the military authorities, acting probably under the advice of or in conjunction with Gen. Pershing, to do what seems to be the best thing to do in this emergency. What I mean to suggest is that we ought to have followed in the footsteps of Great Britain. The next day after the armistice was signed we find that Mr. MacPherson, the undersecretary of state for war, discussed this question of demobilization in Parliament, and between the 12th day of November and the 23d of November they had adopted a policy, and they sent men out to lecture to the soldiers to tell them what they might expect. There is not a cantonment in the United States where the soldiers can tell you that they understand what to expect. All of them expect something different.

Mr. MacPherson says:

> I am fully aware of the importance of the diffusion amongst the troops serving abroad—

Serving abroad, mind you. These are the troops on the Continent—

> of information as to the Government plan for demobilization of forces. Arrangements have been made by which full information concerning the method of demobilization will be given to the troops when the situation is suitable. Lectures are already being given at the front dealing with the outlines of the procedure to be adopted.

If we had adopted some such policy as that, there would not exist the present discontent amongst the troops and the people.

There ought to have been some notice given to our soldiers and to the American people, first, that the married men would be excused; second, that the boys who were going back to a job would be next; third, that those who had dependents would be next or whatever order was determined upon. In other words, we ought to have organized the Army for demobilization along the lines that appealed to the economic condition of the country.

Continuing, Mr. MacPherson said:

> The claims of married men to early relief have been recognized, and it has been provided in the scheme of demobilization that, other conditions being equal, married men shall be selected in preference to single men for draft for disposal.

And again:

> In view of the present situation, as many additional miners—

Now, this is the coal miners—

> as many additional miners as possible who are serving at home will be released.

And I understand some British miners and others are being released in France. In other words, they considered the economic conditions of the country, and selected the men for discharge along the lines that were for the best interests not only of the men and their dependents but of the country.

What have we done? We have a War College. Has it studied out and given to the people the advantage of the knowledge that it had? Has any decree been issued for the demobilization of these men along lines that fitted into our life? We have not heard of any.

Mr. SHAFROTH. Mr. President, I saw a statement in the paper, I think it was yesterday, that 600,000 American troops had been demobilized within five weeks, and I saw another statement to the effect that 30,000 were to be transported every day from France or from the Continent to the United States.

Mr. CHAMBERLAIN. How many married men were in that number?

Mr. SHAFROTH. I do not know.

Mr. CHAMBERLAIN. How many miners were in it?

Mr. SHAFROTH. I do not know. Perhaps it was 30,000 that were going to be discharged.

Mr. CHAMBERLAIN. May I ask the Senator how many married men were in that number?

Mr. SHAFROTH. I do not know. No account was given of it. I did not suppose that men were demobilized except in regiments and companies. I supposed that was the manner of demobilization—I think it was the manner of demobilization in the Civil War—without regard to the question of whether they were married or whether they were not. At least it could take place more speedily. To inquire as to each person and as to the necessity of his being at home would require a great deal of time of itself. I supposed that demobilization took place in companies and in regiments.

Mr. CHAMBERLAIN. No; they have not done that, as the Senator will find if he will take the trouble to inquire. They are demobilizing individually now. What I am getting at is, On what basis are they demobilizing these men?

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Oklahoma?

Mr. CHAMBERLAIN. I do.

Mr. GORE. I should like to say that I made application a few days ago to the War Department to discharge drillers in the oil fields. They are engaged in the production of a very important source of industrial power, standing pretty much on the same footing as coal, and I thought that the department would be justified in expediting the discharge of these men, because they are largely young men and have been largely taken by the draft. There is a sore need for labor of this sort which can not be easily supplied, or supplied in an impromptu way. The department advised me that it would not be practicable to do that.

Mr. CHAMBERLAIN. I am glad to have that statement from the Senator. If those men had been in Great Britain they would have been released, whether they were in the army in France or whether they were in the army in England.

With reference to the great number that are being discharged, as stated by the Senator from Colorado, we may be discharging them too fast. I am not prepared to say as to that. The proposition I am suggesting, and the criticism I have, is that we are not discharging them on any uniform basis, so far as I have been advised. There is no system about it.

Mr. HENDERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nevada?

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. HENDERSON. I would call the Senator's attention to Circular No. 77, issued by the War Department, if the Senator has not yet examined it.

Mr. CHAMBERLAIN. I have read them all; and if the Senator will get the circular letter that goes out of The Adjutant General's Office covering the whole method he will find that it is like a Delphic oracle. You can construe it into anything you want.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. CHAMBERLAIN. I yield.

Mr. WATSON. Is Circular No. 77 the one under which they permit each individual to make his own application or assign the particular reason for his discharge?

Mr. CHAMBERLAIN. That is the one; yes.

Mr. WATSON. Is it not a fact that that has been put in abeyance somewhat? That is to say, I am informed that at certain cantonments and certain training stations they will line up a company and men will go along and say to that man, "Step out," and to the other man, "Step in front," and so forth, and in that way they select 60 men from each company to be kept there, regardless of the business that the man left when he entered the service or the business that he could go back to when he goes home, regardless of his family relationships, regardless of the number of dependents upon him. In that way they leave men in the service who in reality ought to be discharged and they discharge men who ought to be left.

Mr. CHAMBERLAIN. That is true. That is just what I am criticizing, and that is what I am suggesting, and that is why I call attention to the British method, which is the same method, the adoption of a policy uniform in character and the instruction of the men as to just what they may expect.

We think we are quite progressive in America, but the British people not only outstrip us in this race of demobilization, but they have adopted a policy that is more liberal than our own policy, and I think probably our Congress will be still more liberal than they have been. Now, note. Mr. MacPherson says further:

It may be well that I should state at once that on demobilization—

Now, notice this—

Each man will receive at least 28 days of leave, with pay and allowances, and that he will be fully insured against unemployment for a period of not less than 20 weeks during the first year.

See how those people are taking care of the men who have been fighting for four long, weary years! Have we any policy in this regard? None at all, so far as I have been advised.

That is the criticism I have, Mr. President. I am not blaming the Secretary of War or anybody else because these men are not being discharged faster, for I do not know what the military necessities are now; but I am blaming the authorities because they have no policy, and they have not let the American people know what plans, if any, they have, so that they may know how to govern themselves; that is all. "If that be treason, make the most of it." Referring again to the proceedings in Parliament on the subject of demobilization of the army, I ask, Mr. President, to have the discussions printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

DEMOBILIZATION IN GREAT BRITAIN—OFFICIAL STATEMENTS IN THE HOUSE OF COMMONS FROM THE SIGNING OF THE ARMISTICE TO THE PROROGATION OF PARLIAMENT, NOVEMBER 21, 1918.

Information for the army. November 12 (2469).

Mr. MACPHERSON (undersecretary of state for war). I am fully aware of the importance of the diffusion amongst the troops serving abroad of information as to the Government plans for the demobilization of the forces. Arrangements have been made by which full information concerning the method of demobilization will be given to the troops when the situation is suitable. Lectures are already being given at the front dealing with the outlines of the procedure to be adopted.

Married men (release). November 12 (2469).

Mr. MACPHERSON. The claims of married men to early release have been recognized, and it has been provided in the scheme of demobilization that, other conditions being equal, married men shall be selected in preference to single men for the drafts for disposal.

Coal supply (release of miners). November 12 (2470.)

Mr. MACPHERSON. In view of the present situation, as many additional miners as possible who are serving at home will be released, and I understand some are being released from France.

Leave with pay and unemployment benefits. November 12 (2521).

Dr. MACNAMARA (secretary to the Admiralty). It may be as well that I should state at once that on demobilization each man will receive at least 28 days' leave with pay and allowances, and that he will be fully insured against unemployment for a period of not less than 20 weeks during the first year.

Unemployment benefits. November 12 (2581).

Dr. ADDISON (minister of reconstruction). The rates for benefits for both ex-service and civil workers are as follows: Adults, 24s. per week for men and 20s. per week for women, with 6s. per week for the first dependent child under 15, and 3s. per week for each succeeding dependent child, so that a man with a wife and one child will get 30s. per week and 3s. for each additional dependent child. The donation will not be payable for the first three days of any continuous period of unemployment. The out-of-work donation payable to partially disabled men in receipt of pensions will be additional to their pensions, and no deductions will be made on account of such pensions.

Plan of demobilization. November 12 (2583–2588).

Dr. ADDISON. I propose to issue a pamphlet, which is in popular form, but I hope honorable members will not like it any the less for that. It is intended to be read by the general public. It will be posted to every member this evening. The pamphlet sets out the whole scheme of army demobilization, and it is reduced at the end to the form of question and answer. It deals with the navy, the air force, and the army. This matter was gone into at great length by a committee presided over by my honorable friend the secretary of state for India [Mr. Montagu], appointed by the previous government, and we have adopted the principle that demobilization must be governed by industrial requirements. It has been a most elaborate piece of work. We have had to have the army classified into trade groups, of which there are 42, and the department at the war office that deals with this side of the question fills me with admiration. Arrangements have been made to mark down first, what we call the demobilizers, They are the people required to start the demobilizing machinery. That has been done. The next group are what we call pivotal men, and here again I have issued a precise statement. You get in practically every work some men round whom the work revolves, and until they are there you can not get the work started. Therefore the ministry of labor have invited the different trades to specify their pivotal groups, and these are separately catalogued in the army.

The demobilization, whilst the man is with the colors, will be managed by the war office, but the order or priority of demobilization—the arrangement for picking out the pivotal men—is undertaken by the organization at the ministry of labor under Sir Stephenson Kent. The civil side is under that organization, and the army deals with the military side of it. Those are the two organizations which work in common, and which deal with the whole arrangements.

In discussing occupation we naturally have to have regard to those occupations the reestablishment of which causes the biggest amount of employment. We naturally put them very high in the scale. Therefore the priority grading of employment is based upon considerations of that kind. It must depend partly upon the time of the year, because grading is different now from what it would be in harvest time. At any rate, these pivotal men represent a group, and they, of course, will come back early. But within each group we have regard to the length of service the men have done during the war, whether a man is married, and other considerations of that kind. Another large group of the army which has been separately marked down, and which makes our problem very much easier, is that large group of men for whom there are jobs waiting for them when they come back. I am sure we all recognize that it is a national duty to secure these men the priority of reemployment when they return. I am glad to say, according to information I have received from the minister of labor, that more than 60 per cent of the men in the army are what are called "slip" men—that is to say, men who have jobs awaiting them. So that when a commanding officer receives an order to send back a certain number of men, he knows at once which men are the pivotal men and which men have a job awaiting them, and this eases our problem enormously with regard to employment at home. Those have been the governing considerations right through this very elaborate scheme.

The scheme deals with the whole of the army, whether at home or abroad. The committee considered very carefully the rate of demobilization. That necessarily must depend upon all kinds of military considerations, some of which are obvious, and the maximum rate of demobilization can clearly only be attained after some time, but the general scheme contemplates that the rate of demobilization from the forces at home will be the same compared with the rate of demobilization of the forces overseas. That at first, might look as if it gave some advantage to the men at home, but, as a matter of fact, the men at home, in the vast majority of cases, have seen foreign service; they have been abroad, therefore you can not distinguish in that way, and the scheme contemplates an equal demobilization of the two groups. The machinery by which they are to be demobilized is set out in detail in the pamphlet which I am circulating to honorable members, therefore I need not trouble the committee with it now. I may say that a man is sent primarily to a place that is called his dispersal station, which is near his home. There he receives a protection certificate, a railway warrant home, a cash payment of his war gratuity and an out-of-work donation policy, which lasts in the case of the soldiers 12 months and covers 26 weeks of unemployment, with benefit at the rate I have mentioned. He will receive the war gratuity. The precise method of the payment of that will be announced shortly. I believe it is likely that it will be paid in four weekly installments. The man will receive 28 days' furlough when he reaches his dispersal station, and will then receive pay and ration allowance during that time, and the separation allowance will also continue during that period.

There is another class of demobilized men, before I come to the officers, for whom we have to make special provision. A large number of men joined the army who had not completed their apprenticeship. It will be, I am sure, a waste of brains and energy if these men, after three or four years' service, have to go back to civil life and find that

they have lost their skill. They were practically unskilled workmen, and we must provide some incentive to their completing a short term of apprenticeship which will bring them up to a sufficient standard of skill. Therefore we have worked out this scheme for a system of completion of apprenticeship for men who have been serving in the forces. Again, I will circulate the full details, as it is a rather elaborate scheme. It is a rather elaborate scheme, but what it comes to is this—we discussed it with the employers and the workmen's representatives in great detail—the employer is to pay wages to the apprentice during the first 12 months representing not less than seven-twelfths of the current rate of wages, and the State makes them up to the man, so that he gets in the aggregate three-fourths of the wages to which he would have been entitled at that stage of his apprenticeship, and the next year it makes up to a bigger fraction still, namely, five-sixths. That is to say, what we really do, on the basis of the employer affording facilities for an intensive form of apprenticeship, is to make a contribution in view of the man's age being greater than it otherwise would have been, in order to bring up his wages practically to the standard of what they would have been at that stage of his career. The details are elaborate, therefore I do not give the committee anything but a bare statement.

Now I come to the question of officers. We have dealt with great care with the question of officers, and the committee, under Sir Reginald Brade, spent a great many months working on this business. I am sure the committee will recognize that in respect to a large number of young men of all branches of training who gave up their prospects, who have been in the army, and have become dislocated from their normal employment, we are under a very special heavy responsibility. The Government has accepted the general principle that from the beginning of demobilization and for a year afterwards permanent appointments in the civil service shall be reserved for ex-officers and ex-soldiers. As the rigid application of this rule, however, would exclude certain candidates with special qualification, it is intended that the rule should not apply (a) to the relatively small number of posts requiring special technical qualifications or involving special responsibility, and (b) that it should not apply to a limited number of cases in which men pronounced unfit on grounds of health for general service have been temporarily employed and are specially recommended by the heads of their departments. With those exceptions, by that means we open the civil service to ex-officers and ex-soldiers for 12 months after the war.

The next thing is that a great number of officers and men in various callings have had their professional training interrupted during the war, and it would be equally, as in the case of the skilled mechanic and the apprentice, very unfortunate if we were not to recognize that we have special responsibility with regard to enabling these men to complete their professional or other training. Therefore, it is recognized that the further training or education of young ex-officers in various callings, or men not officers, who have interrupted their training in those callings, is a matter in which we have special responsibility, and the war cabinet has agreed to the principles of a scheme whereby, where circumstances require, assistance with respect to fees and maintenance shall be given on the recommendation of the training committee to enable men in those classes to complete their training. The details of the scheme proposed will be announced very shortly.

With regard particularly to a special class of cases in which the one-man business figures very largely, we propose to make provision against that by continuing the civil liabilities department after the termination of the war, so that assistance subsequent to demobilization may be given in accordance with a scheme based upon the existing regulations of the department. That covers assistance with regard to officers and men who are unable, by reason of their undertaking military service, to meet their financial obligations after demobilization, and are thereby exposed to serious hardship, and the obligations in respect of which assistance may be granted are those arising in respect of rent, interest, and installments payable in respect of loans, including mortgages, installments payable under agreements for the purchase of business premises, a dwelling house, furniture, and the like, rates and taxes, insurance premiums, and school fees. We will continue the existing scheme for assisting those cases. There it will be within the discretion of the department which deals with the civil liabilities to make a grant, either in the form of a lump sum or by quarterly or other installments, and if in any particular case the department is of opinion that in lieu of assistance in respect of any of the specific obligations mentioned above it is desirable that assistance should be given for the purpose of enabling applicants to purchase stock, trade, or shop fittings, a grant may be given for this purpose.

In connection with reorganization, we have to consider another question which has been present to the mind of everyone, and that is the considerable and very right demand that in appropriate cases where they are capable of making good use of these facilities the men shall have some right of access to the land. A scheme has been worked out and examined in great detail by a cabinet committee, the details of which will be announced shortly, which will provide facilities for ex-service men of all branches of service, for settlement either on small holdings, allotments, or gardens.

Civil positions (priority of release). November 13 (2651).

Mr. MACPHERSON. Provision has been made in the demobilization scheme that those men whose civil positions have been kept open for them shall receive priority of release within their several industrial groups. Instructions will be issued in due course, but no application should be made by employers until public notification is given. While it is not proposed to differentiate between volunteers and conscripts as such, the object aimed at will be achieved by including in early drafts a certain proportion of those men who have served longest in a theater of active operations.

Information from employers. November 13 (2652).

Mr. ROBERTS (minister of labor). In order to assist the working of the scheme by which men with definite employment awaiting them can be released early, action in the direction indicated by the honorable and gallant member is being taken. Letters are being issued to employers suggesting that they should prepare particulars of men now with the forces whom they wish to engage immediately upon dispersal. The particulars required will be the men's names, the nature of the employment, and the rate of wages offered, and also, if possible, the unit, regimental number, and home address. It is not desired that these particulars should be supplied to the ministry of labor at present, but employers will be asked in due course to send the particulars to the employment exchanges on special cards which will be supplied.

Applications for release. November 14 (2869–2870).

Mr. ROBERTS. The civil demobilization and resettlement department of the ministry of labor will be responsible for dealing with applications for the release of men from the forces and for laying down the principles which, subject to the exigencies of the naval and military situation, will regulate the order of release. I propose to deal with both these points in a public announcement.

Police. November 14 (2876).

Mr. MACPHERSON. Provision has been made in the demobilization scheme for the early release of policemen serving with His Majesty's forces.

Procedure. November 18 (3201).

Mr. MACPHERSON. Men will be released from military service in accordance with a general scheme of industrial priority which is being prepared by the ministry of labor. When demobilization begins, dispersal drafts will be formed by officers commanding units strictly in accordance with instructions which have been laid down, wherein the principle of a priority on industrial grounds is combined with that of a limited priority on other grounds, such as marital condition, length of war service, etc.

Memento of service. November 19 (3310).

Mr. MACPHERSON. It is intended that on demobilization a soldier will retain his uniform (except greatcoat) and kit, and he will therefore keep his cap and badge.

Agricultural labor. November 19 (3310–11).

Mr. MACPHERSON. There are at present over 70,000 men in agricultural companies, and 5,000 plowmen who are in medical category "A" have just been sent out on two months' furlough. All men at home of any medical category, who are thrashers, are now being obtained from the army. During the harvest 20,000 soldiers were supplied, of whom about 3,000 are still engaged in potato lifting. Any men of low medical category who are experienced farm workers and are serving at home are being attached to agricultural companies and made available for agricultural work.

Professional men. November 19 (3338).

Dr. ADDISON. Arrangements have been made to earmark for early release when general demobilization begins soldiers who have definite offers of employment. The honorable member will appreciate the need for demobilizing first of all those men whose services are essential for the reestablishment of industries which will be able to absorb labor. In regulating the priority of release, due weight will be given to the industrial importance of surveyors and valuers.

Young soldiers (education). November 20 (3383–84).

Mr. MACPHERSON. It has been arranged that officers and men whose education has been interrupted by military service and who wish to resume their studies will be treated on the same basis as those men who have definite employment awaiting them, and they will be granted early release within the period of general dispersal. I am unable to make any statement as to when this release will take effect. * * * What I have tried to arrange is this: There are a great many brilliant young boys in officers' cadet battalions, and I am now most anxious that they should be allowed to attend their examinations at Oxford or Cambridge.

Building trade. November 20 (3419).

Mr. MACPHERSON. The urgent necessities of the building trade will not be lost sight of in the administration of the scheme of demobilization.

Business proprietors. November 20 (3419).

Mr. MACPHERSON. The general scheme of demobilization provides that proprietors of one-man businesses who will be able to recommence their business may be released from the army on the same basis as other men with employment awaiting them.

Pivotal men. November 21 (3452).

Mr. BRIDGEMAN (parliamentary secretary to the ministry of labor). Employers who wish to insure that men serving with the forces who desire to return to their employment are earmarked for early release should obtain from the nearest employment exchange a postcard (E. D. 406), enter on it each man's full name, unit, regimental number, and the theater of war or command where he is now serving, and return it to the exchange. These forms E. D. 406 are also obtainable from employment exchanges throughout Scotland.

Mr. CHAMBERLAIN. Mr. President, if we shall have some system like that, suitable of course to our conditions, I shall be fully justified in my suggestions about the matter.

Mr. President, there are many other things that I might say, but I have already detained the Senate very much longer than I had intended.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. CHAMBERLAIN. I yield.

Mr. WATSON. Before the Senator takes his seat, I should like the privilege of asking him one question as to one phase of the present situation, in order that I may have his views; that is, with reference to the order of the Secretary of War against further promotions in the Army after a fixed period of time. I understood that an order had been issued by the Secretary of War that there should be no promotions after the armistice. Is there any truth in that statement?

Mr. CHAMBERLAIN. I have not received any information on that subject.

Mr. THOMAS. Mr. President, if the Senator from Oregon will permit me, I will inform the Senator from Indiana that I took that subject up some time ago with the Secretary of War, and I can state that he is in great sympathy with the proposition that promotions which have hitherto been ordered, but upon which commissions have not been issued, should be

granted, and, when it is possible, also granted with the discharge. It may be, however, that some legislation is necessary in regard to that.

The Secretary of War also suggested that it would be pleasing to him if every officer who has served and served well and with credit were advanced one point in promotion at the time of discharge.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. CHAMBERLAIN. Yes.

Mr. SMOOT. In further answer to the inquiry of the Senator from Indiana, I will say that I, too, had a conference with the Secretary of War upon the same matter; and, as I understood, the promotion that was to be given to an officer who was honorably discharged from the service was that he should be advanced one point, provided he remained in the Reserve Army.

Mr. THOMAS. I do not want to be understood as saying that the Secretary of War would do what I have stated he favored; but that is what he would like to do, and we may be able to assist him in that effort by enacting legislation here.

Mr. SMOOT. I had noticed the Senator from Colorado had introduced a bill directing the Secretary of War to issue such commissions where they had been recommended on or before November 11, 1918.

Mr. THOMAS. Yes; I have introduced a bill to that effect.

Mr. SMOOT. I do not think that it is absolutely necessary to have legislation in the matter. All the Secretary of War has to do is to revoke the order which was issued by the War Department and to issue those commissions up to November 11; but the order was that no matter whether a commission had been recommended through the regular military channels or not, if it had not actually been perfected at the time of the signing of the armistice it should go no further and the promotion should not be granted. I hope the Senator from Colorado will use all of his endeavors to see that the bill which he introduced shall be reported to the Senate, for I know there is a feeling both in the House and in the Senate that legislation of that kind ought to be enacted, and enacted at an early date.

Mr. THOMAS. I intend to make the effort at the next meeting of the Committee on Military Affairs to have the bill favorably reported.

Mr. CHAMBERLAIN. Mr. President, I am going to request that there be printed as an appendix to my remarks the report of Gen. Pershing to the Secretary of War. That report will be found in the report of the Secretary of War for the year 1918.

The PRESIDING OFFICER. Without objection, permission to do so will be granted.

The report referred to will be found as Appendix B at the close of Mr. CHAMBERLAIN'S speech.

Mr. CHAMBERLAIN. Mr. President, reading Gen. Pershing's report, brief as it is, it will be seen that the splendid courage and conduct of the American troops reflected credit not only upon them but upon America as well. The combat operations from the time they first entered the lists of combatants is told in a soldier's way and with an eloquence which only a soldier can command. I am not going to refer to that report except to call attention to and ask Senators to read the account of the battle of St. Mihiel, which Gen. Pershing said was the first great offensive of our troops, to the story of the Meuse-Argonne offensive in its first phases, in its later phases, and in its final consummation. I do not believe that any army in the world ever made such a splendid record in so short a time. In those particular operations the American soldiers constituted a separate and an independent command, and they very soon convinced the allies that America had an Army in the field on which they could rely, and one which soon taught Germany that it must be respected and feared.

One of the remarkable things about it is that from the time of the first movement forward until the Germans surrendered there was never a backward step of the American troops, except at one time, and that was under the order of a commanding French officer. Even then the American officer in command of our reluctantly and temporarily retreating forces served notice upon the world that American soldiers could not understand why there had been given to them the order to retreat and that he was about to make a counteroffensive, which he did. Mr. President, from that hour to this very holy moment there has not been a time when America has not given a proper account of herself through her splendid soldiery.

Those soldiers, as well as those here who wanted to go but who were prevented by war's sudden ending, are of the best blood and of the flower and chivalry of this country. There is represented in our Army at home and abroad every community of American life, the best of American life. The farmer's son, the laborer's son, the lawyer's son, the banker's son, the rich and poor alike, from every avenue of this splendid Republic of ours, all are there, and they have together been marching shoulder to shoulder to a victory which not only means France redeemed but means civilization protected and perpetuated for America as well as for those other countries. Glad we ought to be that our boys, those by whom government in America must in the last analysis be administered, have assisted in conquering across the seas 3,000 miles from the homeland an army brutal in its nature, unrelenting in its enmities and in its hates, no respecter of women or of children, of innocence or of age, an army which has followed and justified the advice given to it at one time by its Kaiser, "Make yourselves more frightful than the Huns under Attila. See that for a thousand years no enemy mentions the very name 'Germany' without shuddering"; an army whose subjection will for all time remove a constant menace and an obstruction to civilization.

"By the light of the stars in Old Glory's free flag
We tramp through the battle field's night;
By our side floats the sun-flag of faithful Japan
As we charge through the smoky daylight.

"Hurrah for the roar of the guns that we man
For Belgium oppressed; or perchance,
Hurrah for our allies who march as one man
For every man's country and France!

"The tricolor 'll float with our aid once again
Where the Hun trod the lilies of France!
May God mark the road from Archangel to Rome
As the line of our final advance!

"There's red in the blood of our veins as it flows,
There's red in the flags that we bear,
May peace join the shamrock, the maple, the rose,
With the lily of France, everywhere!

"So here's to the way, and here's to the day
When victory's banner's unfurled
O'er the Anzac, Italian, the Serb, and the bear,
O'er the Briton, the Yank, and the world!"

America has played her part. Our soldier boys are coming back with an enlarged vision; they are coming back to take part with those who have been compelled to remain at home in the administration of the affairs of Government; and do not fear, Mr. President, that those, whoever they may be, who are responsible for their mistreatment, must give an account of themselves at the opportune moment.

Let us receive them, then, not only with loud and glad acclaim, Mr. President, but let us receive them with the tenderness which is their due for the suffering they have endured in the cause of liberty and of civilization.

APPENDIX A.

JUDGE HUGHES'S REPORT AND RECOMMENDATIONS ON THE AIRCRAFT PRODUCTION INVESTIGATION TRANSMITTED TO ATTORNEY GENERAL GREGORY.

WASHINGTON, D. C., *October 25, 1918.*

The ATTORNEY GENERAL:

I have the honor to submit the following report of the aircraft inquiry:

The investigation has been concerned with aircraft production. Other activities relating to aviation, but not to production, have been touched only incidentally. Thus, upward of 30 training or flying fields with numerous structures have been provided, and to meet other aviation needs a great variety of construction has been required, here and abroad. These enterprises, being aside from aircraft production itself, have not been the subject of this inquiry, save as transactions relating to Wilbur Wright Field and McCook Field have invited scrutiny by reason of the aircraft enterprises centered at Dayton, Ohio, and the activities of Edward A. Deeds and his former business associates.

Another governmental activity which does relate to aircraft production, but is conducted separately from the orders for airplanes and engines, is known as the sales department. The Government itself purchases large quantities of lumber, fabric, chemicals, etc., which it resells. When these commodities are supplied by the Government to contractors, the sales department is credited and the items are transferred to the other appropriate accounts. The largest item of this sort is for spruce. The account of the sales department for the fiscal year ending June 30, 1918, shows that spruce orders amounted to $76,211,360.35, on which there had been deliveries and payments aggregating $6,357,853.83, leaving unfilled orders of $69,853,506.52; and of the spruce delivered the Government had resold to the extent of $3,079,155.95. It appears that the Government had also (to June 30, 1918) invested in its cut-up plant at Vancouver, Wash., the sum of $1,487,237.81. While to some extent testimony has been taken bearing on the spruce contracts, it became evident as the inquiry proceeded that it would be impossible to reach any satisfactory conclusion with respect to the transactions of the spruce production division without a special inquiry on the Pacific coast, which, in view of the extent and character of the activities involved, would probably take several months. It has not been practicable to undertake this as yet, in view of the magnitude of the work involved in other branches of the investigation, and accordingly it has been left to be undertaken hereafter by the Department of Justice as it may be advised. For this reason, a report on the operations of the

spruce production division or of the sales department will not now be attempted. Also, in view of the importance of the present inquiry in its special relation to airplanes and airplane engines, transactions of the balloon division have not been examined.

Aside from these limitations, the inquiry has taken a wide range. It has been prosecuted without pause since it was begun in the latter part of May last. About 280 witnesses have been examined and over 17,000 pages of testimony have been taken. The more important plants have been visited, and a large part of the testimony has been taken at these plants where books, records, employees, and Government representatives have been available. To compass all the activities involved in aircraft production, reaching into a great variety of contracts and operations involving numerous plants and the expenditure of many millions of dollars, would require the constant efforts of a force of investigators for a year or more longer and also the services of an army of accountants charged with the responsibility of checking and auditing the work of the hundreds of Government representatives now supervising the contractors' accounts. It is impossible, of course, to say what irregularities or offenses such a protracted inquiry would bring to light, but the investigation has been sufficiently comprehensive to give, it is believed, a survey of the field as a whole and to disclose the facts bearing upon the serious charges which have been made.

In addition, and as a result of information received through this inquiry, there have been special proceedings before grand juries. Thus, on information of violations of the sabotage act at the Hammondsport (N. Y.) plant of the Curtiss Aeroplane & Motor Corporation, the matter was examined by the grand jury and indictments were returned in the western district of New York, and there have also been indictments in the same district for violations of this act at the North Elmwood plant, Buffalo, of the same corporation. There also has been a special investigation by the grand jury at Sacramento, with respect to conditions at the Liberty Iron Works.

It is manifestly impracticable to state the details of even the more important evidence, but the salient and controlling facts which have been elicited will be set forth, so far as this is deemed to be compatible with military exigency.

First. Appropriations and expenditures.

At the time of the declaration of a state of war with Germany, April 6, 1917, the appropriations available for aircraft production were those applicable to the fiscal year ending June 30, 1917. By the act of August 29, 1916, the sum of $14,281,766 was appropriated for the expenses of the Signal Service, with the proviso that not more than $13,281,666 should be used for the purchase, manufacture, maintenance, and operation of aircraft and of described vehicles necessary for the Aviation Section. It was further provided that not to exceed $50,000 should be used for the payment of all expenses in connection with the development of a suitable type of aviation motor and not more than $500 should be used for the cost of special technical instruction of officers of the Aviation Section. Of the total appropriation above mentioned the sum of $4,500,000 was later (act of May 12, 1917) made available for the establishment of aviation schools and experimental stations, and it was under this appropriation that Langley Field, Va., was acquired and developed.

The act of February 14, 1917, appropriated $3,600,000 for aircraft, buildings for equipment, and other accessories necessary in the Aviation Section, for use in connection with seacoast defenses.

The act of May 12, 1917, appropriated for the expenses of the Signal Service for the fiscal year ending June 30, 1918, the sum of $11,800,000, with the proviso that not more than $10,800,000 should be used for aircraft production, including experimentation, and for the buildings for equipment and personnel and necessary accessories. The sum of $43,450,000 was appropriated by the deficiency appropriation act of June 15, 1917, of which $31,846,067.16 became available, under the terms of the act, for the fiscal year 1917–18.

Provision for an adequate aircraft program for the Army was not made until the passage of the act of July 24, 1917, appropriating for aeronautical purposes the sum of $640,000,000.

STATEMENT FOR FISCAL YEAR JUNE 30, 1917, TO JUNE 30, 1918.

The aggregate of all aeronautical appropriations which were available for the Army for the fiscal year ending June 30, 1918, were as follows:

Act of July 24, 1917	$640,000,000.00
Other aeronautical appropriations	51,851,866.47
Total	691,851,866.47

The estimated obligations charged against these appropriations during the fiscal year amounted to $933,948,959.03. To the extent of $176,924,903.42 this excess represented obligations of the sales department already described, for which it was contemplated there would be reimbursement by resales. (Of this last-mentioned amount there were reported as disbursed in the sales department (to June 30, 1918) that is, for deliveries of materials, $25,966,739.95 [corrections on further accounting raised this amount to $26,557,706.87], the resales amounting to $19,008,150.26, and the balance representing assets on hand.) Exclusive of the obligations of the sales department, the estimated aeronautical obligations of the Government for the fiscal year 1917–18 amounted to $757,024,055.61. These obligations were calculated on estimated costs, and the excess over the total aeronautical appropriations (that is, over $691,851,866.47) will largely be offset by savings on the estimated costs and by cancellations of orders.

OBLIGATIONS OTHER THAN FOR AIRPLANES AND ENGINES.

The estimated obligations for the aviation equipment division covered not only airplanes and engines, but a variety of equipment and other essentials. Thus the estimated obligations, charged against the $640,000,000 appropriation, for transportation, including motor trucks, chassis, motorcycles, bicycles, etc., amounted to $42,938,630.73; for general equipment, including various sorts of apparatus and supplies, $34,979,741.53; for maintenance, including maintenance of supply depots, planting of castor beans, etc., $17,948,955.60; for special clothing for aviators, mechanics, etc., $2,520,512.63; for machine guns, ammunition, and bombs, $29,249,033.29; for acquisition of plants $2,595,599.83; and for miscellaneous equipment, including various incidental expenses of officers, stations, and schools, $7,748,617.75.

There were also charged against the $640,000,000 appropriation the estimated obligations of the construction division, embracing training fields and construction here and abroad, amounting to $62,232,664.55; of the balloon division (covering balloons and accessories), $16,910,891.20; of the schools division, $1,016,223.48; and of the finance division, including the pay of reserve corps and of civilian employees, and the reserve for foreign expenditures, $35,963,417.55. The various estimated obligations for similar purposes other than for airplanes and engines, which were charged against the other aeronautical appropriations for the fiscal year 1917–18, aggregated $28,009,060.92.

Thus out of the total estimated obligations ($757,024,055.61) for all aeronautical purposes, exclusive of the sales department, the estimated obligations for purposes other than airplanes and engines aggregated $282,113,349.06.

OBLIGATIONS FOR AIRPLANES AND ENGINES.

The amount of the estimated obligations for airplanes and engines, and spare parts of both (including experimental and development work), charged to June 30, 1918, against the aeronautical appropriations for the fiscal year 1917–18 was as follows:

Charged to the $640,000,000 appropriation	$457,379,122.15
Charged to other appropriations	17,531,584.40
Total	474,910,706.55

ACTUAL DISBURSEMENTS FOR ALL AERONAUTICAL PURPOSES.

It should be noted that the amounts above stated represent estimated obligations, not actual disbursements. Although obligations were incurred, payments were to be made only as payments were earned by performance of contracts. Payments prior to June 30, 1918, were made on vouchers for amounts represented as earned, but such payments were only a part of the estimated obligations, by reason of delays in production. Further payments should be made only as production goes forward and contracts are duly performed.

Thus, as against the total estimated obligations for aeronautical purposes, aggregating $933,948,959.03 (including the sales department), the disbursements reported down to June 30, 1918, amounted to the sum of $430,234,316.99. Out of the $640,000,000 appropriation, the total disbursements for the fiscal year for all aeronautical purposes (that is, embracing those apart from airplanes and engines, as well as for the latter) amounted to $363,818,014.87 (subject to correction by addition of $590,966.62 for sales department); and, according to the accounts of the Bureau of Aircraft Production, there remained of this appropriation in the Treasury of the United States on June 30, 1918, the sum of $276,181,985.13. According to the books of the Treasury Department, the unexpended balance of the $640,000,000 appropriation amounted on June 29, 1917, to $304,478,211.70. The difference of $28,296,226.57 is explained by the existence of unwithdrawn balances which had been allotted to the Quartermaster Corps and the Ordnance Department, and by various credits pertaining to the month of June which were not received in the Bureau of Aircraft Production until July.

ACTUAL DISBURSEMENTS FOR AIRPLANES AND ENGINES.

The actual payments for the fiscal year 1917–18 against the estimated obligations for airplanes and engines, and spare parts of both (including payments for experimental and development work), are reported by the finance division of the Bureau of Aircraft Production as amounting to $155,535,946.41, as follows:

Disbursed from the $640,000,000 appropriation	$142,908,398.95
Disbursed from other appropriations	12,627,547.46
Total	155,535,946.41

These disbursements included not only payments to contractors for articles delivered or on account of work and materials, but also advances in the nature of loans to contractors, upon security, made by the War Credits Board, and, in addition, the payments which had been made for the manufacture of planes and engines overseas.

The payments for manufacture overseas amounted to $25,605,074.31, as follows:

Cash remittances to overseas disbursing officers for payment on overseas contracts for airplanes and engines	$16,600,000.00
Paid on purchase of materials, supplies, etc., purchased by United States for shipment abroad to be used in overseas manufacture of airplanes and engines. [This includes the compensation of the purchasing agent, The J. G. White Engineering Corporation, amounting to 3 per cent of the purchases, or $262,662.02]	9,005,074.31
Total	25,605,074.31

The unpaid balances of advances to contractors (whose contracts are embraced in the obligations for airplanes and engines above described), these advances being repayable to the Government, amounted on June 30, 1918 (exclusive of interest), to $21,491,551.14. The principal contractors who have received these advances are specified below:

Contractor.	Advances authorized.	Advances made.	Balance unpaid June 30, 1918 (without interest).
Curtiss Aeroplane & Motor Corporation	$8,000,000	$8,000,000	$5,561,645.94
Dayton Wright Airplane Co	2,500,000	2,000,000	1,405,222.57
Duesenberg Motors Corporation	1,650,000	1,650,000	1,632,447.97
Fisher Body Corporation	2,000,000	2,000,000	1,944,933.33
Lincoln Motor Co	6,500,000	6,500,000	6,255,392.00
Nordyke & Marmon Co	2,000,000	2,000,000	2,000,000.00
Packard Motor Car Co	5,000,000	5,000,000	1,731,232.03
Trego Motors Corporation	315,000	285,000	281,695.70
Willys-Overland Co	2,500,000	2,500,000	451,861.25
Various other contractors			227,120.38
Total			21,491,551.14

The amounts paid, to June 30, 1918, on account of experimental and development work on airplanes and engines amounted to $1,697,830.19, of which the principal items are these:

Expenditures of experimental station at McCook Field	$974,300.20
Director, Bureau of Standards	64,077.33
Department of Agriculture	34,540.82
Packard Motor Car Co	249,159.10
Dayton Wright Airplane Co. (other vouchers allowed before June 30, 1918, but not paid until later, $89,630.52)	48,120.39
Dayton Metal Products Co	66,097.14
Miscellaneous payments	261,535.21
Total	1,697,830.19

Deducting these advances and the payments of experimental and development work, the disbursements to the end of the fiscal year, June 30, 1918, for airplanes and engines and their parts manufactured or in process of manufacture in the United States amounted to $106,741,490.77, as follows:

Total disbursed for airplanes and engines		$155,535,946.41
Less—		
For overseas manufacture	$25,605,074.31	
For advances to contractors	21,491,551.14	
For experimental and development work	1,697,830.19	
		48,794,455.64
Disbursed on account of production in United States		106,741,490.77

Airplanes and engines delivered during fiscal year ending June 30, 1918.

The reported deliveries of airplanes and engines made prior to June 30, 1918, are as follows:

AIRPLANES.

Elementary training planes:		
JN4–D	2,972	
SJ–1	1,600	
		4,572
Advanced training planes:		
JN4–H—		
Training	402	
Gunnery	321	
JN6–HB	100	
S4–B	100	
S4–C	73	
Penguin	50	
		1,046
Combat and bombing planes:		
DeH–4	529	
Bristol Fighter	24	
		553
Total planes		6,171

ENGINES.

Elementary training:		
OX–5	5,474	
A7a	2,188	
		7,662
Advanced training:		
Hispano, 150 horsepower	2,188	
Gnome, 100 horsepower	209	
LeRhone, 80 horsepower	68	
Lawrence, 28 horsepower	114	
		2,579
Combat and bombing:		
United States 12 cylinder (Army type)	1,615	
United States 12 cylinder (Navy type)	775	
Hispano, 300 horsepower	2	
		2,392
Total engines		12,633

For some of the units thus delivered payments had not yet been made at the close of the fiscal year. The payments to June 30, 1918, covered about 5,530 of the airplanes delivered and about 9,750 of the engines delivered. In addition, there had been deliveries of various planes and engine parts, and the greater part of these were also covered by the payments above mentioned. And there were also large payments to contractors under cost-plus contracts for labor, materials, and overhead charges in connection with work in process.

ALLOCATION OF PAYMENTS TO JUNE 30, 1918.

The payments for the production of airplanes and engines, and parts, were made under two classes of contracts, (1) fixed price, and (2) cost-plus contracts:

Payments under fixed-price contracts	$57,193,621.06
Payments under cost-plus contracts	49,547,869.71
Total	106,741,490.77

FIXED-PRICE CONTRACTS.

In the case of payments under fixed-price contracts the payments presupposed delivery to and acceptance by the Government of the articles contracted for. Most of the JN training planes, 150 of the Standard J–1 training planes, metal parts for Handley-Page planes, all the engines for the elementary training planes, and 1,500 of the Hispano-Suiza 150-horsepower engines are embraced in the orders placed on a fixed-price basis. Large numbers of parts of planes and engines were ordered on the same basis.

The payments under fixed-price contracts are shown to have been distributed as follows:

For engines and their parts	$23,216,930.28
For airplanes and their parts	33,976,690.78
Total	57,193,621.06

COST-PLUS CONTRACTS.

The cost-plus contracts for engines and parts related to the Liberty engines (United States twelves), most of the Hispano-Suiza, and the Le Rhome, Gnome, and Bugatti engines. Among airplanes 1,450 of the Standard J–1 elementary training planes, the De Haviland four, and Bristol service planes, and the Handley-Page wood parts were under cost-plus contracts. The following is the distribution of payments under cost-plus contracts to June 30, 1918:

For engines and their parts	$28,348,487.44
For airplanes and their parts	21,199,382.27
Total	49,547,869.71

These payments (being exclusive of advances in the nature of loans) embraced (1) cost of special tools and "Increased facilities" owned by the Government, but located in contractors' plants, (2) fixed profits on completed units delivered, (3) royalties on completed units delivered, (4) cost of manufacture of completed units delivered, and (5) payments for work in process—that is, for materials, labor, and overhead expense applicable to units in course of production. The distribution of these payments to June 30, 1918, is:

Special tools and increased facilities owned by the Government	$6,840,971.70
Fixed profits on completed units delivered	3,279,028.18
Royalties on completed units delivered	374,986.40
Payments to June 30, 1918, under cost-plus contracts for labor, materials, and overhead charges applicable to delivered units and to work in process	39,052,883.43
Total	49,547,869.71

It is impossible at this time, by reason of the state of the accounts, to divide the last item covering cost of manufacture so as to give separately the manufacturing cost (exclusive of fixed profits and royalties) of the units which had been delivered and the cost of work in process at the close of the fiscal year.

Appropriations and obligations for fiscal year, June 30, 1918, to June 30, 1919.

CONTINUANCE OF PRIOR APPROPRIATIONS.

The act of July 9, 1918, making appropriations for the fiscal year 1918–19, continued the prior appropriation of $640,000,000, and other aeronautical appropriations, thus making them available for the present fiscal year and for the payment of obligations incurred prior to the passage of the act. Under this provision the production orders given in the last fiscal year, which remain uncanceled, will be continued and payments will be made in accordance with the terms of the existing contracts as production progresses.

NEW APPROPRIATIONS.

The act of July 9, 1918, also made a new appropriation for the Air Service of $884,304,758. This appropriation is available for the purchase, manufacture, maintenance, repair, and operation of airships, war balloons, and other aerial machines, with equipment, aviation stations, schools, and fields; for the expenses of officers, enlisted men, and civilian employees; and also for training, experimental work, creation, expansion, acquisition, and development of plants, etc. Of this amount there has been apportioned for Air Service productions the sum of $760,000,000, of which $200,000,000 has been set aside for airplanes, their spare parts, instruments, and accessories; $250,000,000 for engines, their repair parts, instruments, and accessories; and $200,000,000 for foreign expenditures. Various items for balloons, oils, gases and chemicals, transportation, plants, miscellaneous equipment and supplies, experimentation, and pay of Reserve Corps and civilians make up the remainder.

Against this new appropriation, thus apportioned, the obligations incurred to September 30, 1918 (exclusive of the sales department) amounted to $151,580,503.35, of which $21,603,470.90 is for airplanes, their spare parts, etc., and $102,746,372.91 is for engines, their repair parts, etc. The total payments against the new obligations amounted to September 30, 1918, to $3,670,707.66 (exclusive of foreign expenditures and transfers to other departments), leaving then unexpended of the new appropriation of $760,000,000 apportioned to Air Service production, the sum of $756,329,292.34.

PAYMENTS SINCE JUNE 30, 1918, AND TOTAL PAYMENTS TO DATE.

The last financial reports available are of September 30, 1918. The disbursements to that date which were made after June 30, 1918, for all aeronautical purposes and were chargeable to the appropriations for the prior fiscal year (continued as above stated) are as follows:

Disbursed from the $640,000,000 appropriation (act of June 24, 1917)	$128,265,038.31
Disbursed from other aeronautical appropriations	7,250,915.36
Total disbursed since June 30, 1918, under prior appropriations for aeronautical purposes	135,515,953.67

The total disbursements for aeronautical purposes from June 30, 1918, to September 30, 1918, are, in the aggregate:

Under appropriations prior to June 30, 1918	$135,515,953.67
Under appropriations after that date, as above	3,670,707.66
Total	139,186,661.33

These disbursements for all aeronautical purposes can not at present be apportioned so as to show separately the amounts disbursed since June 30, 1918, for airplanes and engines and parts.

DELIVERIES TO OCTOBER 11, 1918.

The total deliveries of airplanes and engines (exclusive of spare parts) to October 11, 1918, appear, by the Government's reports, to be as follows:

TRAINING PLANES.

	Since June 30, 1918.	Total to Oct. 11, 1918.
JN–4D	615	3,587
SJ–1		1,600
JN–4H and JN–6H	609	1,432
S4–B		100
S4–C	225	298
Penguin	245	295
E–1	12	12
Total	1,706	7,324

ENGINES FOR TRAINING PLANES.

OX–5	2,532	8,005
A–7a (Hall-Scott)	62	2,250
Gnome 100 horsepower	69	278
Le Rhone 80 horsepower	679	747
Hispano, 150 horsepower	824	3,012
Lawrence	328	442
Total	4,494	14,737

SERVICE PLANES.

De Haviland fours	1,821	[1] 2,350
Handley-Page (parts 85 per cent complete)	[2] 100	100
Le Pere	5	5
SE 5	2	2
Total	1,928	2,457

ENGINES FOR SERVICE PLANES.

Liberty (U. S.) twelves	7,299	[1] 9,689
Hispano, 180 horsepower	242	242
Hispano, 300 horsepower	3	5
Bugatti	1	1
Total	7,545	9,937

[1] Since the above was prepared information has been received that to Oct. 18, 1918, 2,556 De Haviland fours and 10,568 Liberty (U. S.) twelves have been delivered.
[2] 25 sets of wooden parts and no metal parts delivered to June 30, 1918.

Payments for airplanes condemned.

STANDARD J–1 TRAINING PLANES.

This type of plane was condemned as dangerous in June, 1918, because of the unsuitability of the motor (Hall-Scott, A7a) used with it. There were 1,600 of these SJ–1 planes ordered and delivered, and all deliveries had been made prior to June 30, 1918. The entire amount disbursed for these planes and their spare parts to September 30, 1918, the date of the last financial statement, is $11,027,733.61, of which $8,593,576.11 was under cost-plus contracts.

There were 2,250 A7a engines ordered for these planes, all of which, with parts, have been delivered. The amount disbursed for these engines and parts (exclusively under fixed-price contracts) to September 30, 1918, amounted to $6,487,134.75.

The aggregate cost of the SJ–1 planes with the A7a engines with spare parts to September 30, 1918, amounted to $17,514,868.36.

There appears to have been no defect in the SJ–1 plane itself, and there is an expectation that it may be utilized by the installation of another engine. The cost of adapting these planes to such an installation may amount to $2,000 a plane.

What salvage may ultimately be gained in this way, or on the A7a engines, can not now be determined.

BRISTOL FIGHTERS.

The Bristol Fighter was condemned as unsafe in July, 1918. A contract for 2,000 of these planes and for 1,200 sets of spare parts had been placed with the Curtiss Aeroplane & Motor Corporation on a cost-plus basis, at an estimated cost of $19,190,100. Orders were also given to the Hayes-Ionia Co. and to the Lewis Spring & Axle Co., each for 400 sets of spare parts, at the estimated cost of $1,890,000, or $3,780,000 in all. The estimated cost of the Bristol planes and spares was thus $22,970,100.

Only 27 had been delivered prior to cancellation, but there was a large amount of work in process. The amount shown by the accounts of the Bureau of Aircraft Production to have been paid on these contracts to September 30, 1918 (exclusive of "increased facilities" owned by the Government) is about $2,350,000. Taking the materials purchased for the Bristols, the labor and estimated overhead charges, it would appear that the total amount expended by the Curtiss Co. in the course of the production of the Bristols was about $3,000,000. This does not include any claim for damages for the cancellation of the contract. The finance division of the Bureau of Aircraft Production makes a general estimate (which includes unpaid vouchers and possible claims for damages growing out of the cancellation of contracts) that the aggregate cost of the Bristol will amount to about $6,500,000. What salvage there may be on the materials can not now be determined.

The Liberty engines intended to be used in the Bristols can be utilized in other planes.

On this estimate the cost to the Government of the SJ–1 planes (with engines), and on the Bristol planes, subject to reduction by whatever salvage there may be, amounts to $24,000,000. [Further information has been received that a contract is contemplated under which about $3,500,000 of Bristol parts may be used in a new type of plane, which, if successful, would reduce the estimated loss on the Bristols to $3,000,000 and the total loss on SJ–1s and Bristols, subject to salvage on the SJ–1s, to $20,500,000.]

Second. Responsible officers and advisory boards.

By the act of July 24, 1917, full authority was given to the President to provide through the War Department for the purchase, manufacture, maintenance, and operation of all types of aircraft, with all necessary equipment.

SIGNAL CORPS.

Under the Secretary of War the authority to establish the aircraft program and the control and administration of matters relating to aircraft production for the Army were vested in the Chief Signal Officer, Brig. Gen. George O. Squier. It was under his direction that the organization of the Aviation Section of the Signal Corps, with its various departments of production, supply, inspection, and accounting was effected. The matter of aircraft production was intrusted to the equipment division, which was organized on August 2, 1917. Edward A. Deeds was made chief of this division, with Sydney D. Waldon as his assistant. At the same time Robert L. Montgomery was made chief of the finance and supply division. There was a reorganization on August 29, 1917, by which these two divisions were abolished and the functions of both were transferred to a new Equipment Division, with Edward A. Deeds in charge. Robert L. Montgomery was made the head of the finance department of the equipment division. Deeds, Montgomery, and Waldon had been members of the Aircraft Production Board, and in or about August, 1917, they were commissioned with the rank of colonel. Thus Col. Deeds, as the head of the Equipment Division, had direct charge under the Chief Signal Officer of all matters relating to aircraft production. On January 14, 1918, Col. Deeds became industrial executive in the Executive Division of the Signal Corps, and was succeeded by Col. Montgomery as head of the Equipment Division, but despite the change in technical relation it is apparent that Col. Deeds remained in practical charge, under the Chief Signal Officer, of production. In February, 1918, William C. Potter became the head of the Equipment Division, and remained in this position until the passage of the act of May 20, 1918.

BUREAU OF AIRCRAFT PRODUCTION.

By order of the President, dated May 20, 1918 (promulgated May 24, 1918), the Chief Signal Officer was put in charge of military signal duties not connected with the Aviation Section; Gen. W. L. Kenly was appointed Director of Military Aeronautics and charged with the duties which had formerly pertained to the Aviation Section, except so far as they related to aircraft production, and for the latter purpose the executive agency known as the Bureau of Aircraft Production was established. Mr. John D. Ryan was appointed head of this bureau and thus became Director of Aircraft Production, Mr. Potter taking the post of assistant director.

Advisory Bodies.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS.

By the act of March 3, 1915, an Advisory Committee for Aeronautics was established, to consist of two members from the War Department, two from the Navy Department, a representative each of the Smithsonian Institution, of the United States Weather Bureau, and of the United States Bureau of Standards, together with not more than five additional persons qualified as experts. The prescribed duty of the committee was to supervise and direct the scientific study of the problems of flying with a view to their practical solution. This body has been continuously maintained; it has examined numerous inventions and has been engaged in scientific study. But it has had nothing to do with the formulation of the aircraft program or with decisions as to the types of planes or engines selected for production.

The committee was also active in securing the adjustment reflected in what is known as the cross-license agreement for the payment of royalties for the use of patented inventions pertaining to aircraft.

JOINT ARMY AND NAVY TECHNICAL AIRCRAFT BOARD.

This board was constituted in the early part of May, 1917. It was composed of officers of special qualifications by reason of scientific study and experience, who were designated by the Secretary of War and the Secretary of the Navy, respectively. The declared purpose was "to standardize, so far as possible, the designs and general specifications of aircraft except Zeppelins." The board has been in continuous existence and has made various recommendations. These, however, have not been controlling and the board has had no authority to enforce its views.

AIRCRAFT PRODUCTION BOARD.

The Aircraft Production Board was created in May, 1917, pursuant to a resolution of the Council of National Defense. Its function was solely advisory. The initial steps in organization were taken under the authority of the Council of National Defense by Howard E. Coffin, who became chairman of the board and selected the civilian personnel, consisting of Edward A. Deeds, Sidney D. Waldon and Robert L. Montgomery. Mr. Coffin—vice president of the Hudson Motor Car Co.—was a member of the Advisory Commission of the Council of National Defense. Mr. Deeds had been engaged in manufacturing enterprises at Dayton; in April, 1917, he had been appointed a member of the munitions standards board and placed on the subcommittee on fuses and detonators. Mr. Waldon had formerly been a vice president of the Packard Motor Car Co. Mr. Montgomery was a member of the firm of Montgomery, Clothier & Tyler, bankers and brokers, of Philadelphia. In addition to the four civilian members, the chief signal officer and Rear Admiral D. W. Taylor, Chief of the Bureau of Construction, were appointed members of the board, representing the Army and Navy, respectively.

While the Aircraft Production Board had no authority to commit the Government, the board was continuously active in the formulation of programs and the adoption of resolutions of advice. Numerous contracts for airplanes and engines were placed upon its recommendation. When the Equipment Division of the Aviation Section of the Signal Corps was organized in August, 1917, the work of the board became of less actual importance, though it was still conspicuous in routine. Col. Deeds, Col. Waldon, and Col. Montgomery now had executive duties in the Equipment Division under the Chief Signal Officer, and for the most part the recommendations relating to the Army aircraft program naturally followed the views of the Army officers who were in actual control. Similarly, the recommendations relating to the Navy reflected Navy proposals. The board, however, afforded a valuable opportunity for the interchange of opinion and the unification of effort.

AIRCRAFT BOARD.

The Aircraft Board, superseding the former organization, was established by the act of October 1, 1917. This was composed of nine members, including the Chief Signal Officer (Maj. Gen. Squier) and two other representatives of the Army, and the Chief Constructor of the Navy (Rear Admiral Irwin) and two other naval officers. For the Army, the Secretary of War designated Col. Deeds and Col. Montgomery; and for the Navy, the Secretary of the Navy designated Capt. N. E. Irwin and Lieut. Commander A. F. Atkins. The civilian members, appointed by the President with the advice and consent of the Senate, were Mr. Coffin (chairman), Richard F. Howe (who had been connected with the International Harvester Co.), and Harry B. Thayer (president of the Western Electric Co.)—the last named being appointed in February, 1918.

The act creating the Aircraft Board empowered it under the direction and control of the Secretary of War and the Secretary of the Navy, "to supervise and direct, in accordance with the requirements prescribed or approved by the respective departments, the purchase, production, and manufacture of aircraft, engines, and all ordnance and instruments used in connection therewith, and accessories and materials therefor, including the purchase, lease, acquisition, or construction of plants for the manufacture of aircraft, engines, and accessories: *Provided*, That the board may make recommendations as to contracts and their distribution in connection with the foregoing, but every contract shall be made by the already constituted authorities of the respective departments."

It was also provided that "except upon the joint and concurrent approval of the Secretary of War and the Secretary of the Navy there shall not be established or maintained under the board any office or organization duplicating or replacing, in whole or in part, any office or organization now existing that can be properly established or maintained by appropriations made for or available for the military or naval service."

In February, 1918, Acting Judge Advocate Gen. S. T. Ansell gave an opinion to the effect that the provisions of the act should be construed to contemplate "only advisory or recommendatory functions." Thereupon, the Chief Signal Officer, in an order approved by the Secretary of War and the Secretary of the Navy, defined the duties of the Aircraft Board as follows:

"(a) To act as a clearing house between the General Staff and the Signal Corps for all matters pertaining to raw materials for foreign governments for the production of aircraft, the Equipment Division of the Signal Corps to act as purchasing agency.

"(b) To act as a clearing house between the General Staff and the Signal Corps for all information in relation to requirements of foreign governments for aircraft to be manufactured in the United States.

"(c) To act as a clearing house for all information as to requirements as between the Army and Navy for aircraft and raw materials.

"(d) To study the requirements of the Army and Navy as regards combat and training planes. To study types with the technical divisions of the Army and Navy to the end that recommendations be made that given types be placed with industrial plants best fitted to undertake their manufacture. The Aircraft Board shall have no direct communication with manufacturing plants, except through the medium of the procurement divisions.

"(e) As a result of above studies the Aircraft Board may recommend that preparations be made for production before actual contracts are made.

"(f) To recommend the placing of experimental contract.

"(g) All programs should be made up by the board from information which shall be furnished by the proper Army and Navy military and naval branches on the one hand and the equipment and production divisions of the Army and Navy on the other. All foreign cables respecting aircraft production should be cleared through the board.

"(h) The Aircraft Board should be the instrumentality through which contact is made on matters of large policy with other bodies, such as Shipping Board, allied representatives, etc."

Despite the broad language of the act of Congress as to the power which might be committed to the board under the direction of the Secretary of War and the Secretary of the Navy, it will be observed that this Executive order had the effect of greatly limiting the authority of the board and that it was denied even the right to hold "direct communication with manufacturing plants." It was further provided that all programs should be made up by the board "from information which shall be furnished by the proper Army and Navy military and naval branches on the one hand and the equipment and production divisions of the Army and Navy on the other." The manifest purpose was to leave no question that the actual control of aircraft production rested with the military and naval officers.

The Aircraft Board held frequent sessions and continuously made recommendations upon which action was taken and contracts placed, the service of the board being virtually that of a clearing house for proposals which generally emanated from the responsible authorities and in all cases were dependent upon the action of these authorities for their final approval and execution.

Third. Personal interests.

There are no common-law offenses against the United States, and a charge of crime under Federal law must rest exclusively upon the violation of a Federal criminal statute. (United States *v.* Eaton, 144 U. S. 677, 687; United States *v.* George, 228 U. S. 422.)

The applicable statutes of the United States dealing with the question of personal interest of officers and agents of the Government in Government contracts are the following:

(1) Section 41 of the Criminal Code of the United States, formerly section 1783 of the Revised Statutes, provides:

"SEC. 41. No officer or agent of any corporation, joint-stock company, or association, and no member or agent of any firm, corporation directly or indirectly interested in the pecuniary profits or contracts of such corporation, joint-stock company, association, or firm shall be employed or shall act as an officer or agent of the United States for the transaction of business with such corporation, joint-stock company, association, or firm. Whoever shall violate the provision of this section shall be fined not more than $2,000 and imprisoned not more than two years."

Under this statute it is not enough that an interested person merely recommends or advises transactions with the Government. To constitute a violation of the statute the interested person must "be employed" or "act as an officer or agent of the United States for the transaction of business with such corporation," and so forth.

(2) Section 3 of the act of August 10, 1917 (food and fuel control act), provides:

"SEC. 3. That no person acting either as a voluntary or paid agent or employee of the United States in any capacity, including an advisory capacity, shall solicit, induce, or attempt to induce any person or officer authorized to execute or to direct the execution of contracts on behalf of the United States to make any contract or give any order for the furnishing to the United States of work, labor, or services, or of materials, supplies, or other property of any kind or character if such agent or employee has any pecuniary interest in such contract or order, or if he or any firm of which he is a member, or corporation, joint-stock company, or association of which he is an officer or stockholder, or in the pecuniary profits of which he is directly or indirectly interested, shall be a party thereto. Nor shall any agent or employee make, or permit any committee or other body of which he is a member to make, or participate in making, any recommendation concerning such contract or order to any council, board, or commission of the United States, or any member or subordinate thereof, without making to the best of his knowledge and belief a full and complete disclosure in writing to such council, board, commission, or subordinate of any and every pecuniary interest which he may have in such contract or order and of his interest in any firm, corporation, company, or association being a party thereto. Nor shall he participate in the awarding of such contract or giving such order. Any willful violation of any of the provisions of this section shall be punishable by a fine of not more than $10,000 or by imprisonment of not more than five years, or both: *Provided*, That the provisions of this section shall not change, alter, or repeal section 41 of chapter 321, Thirty-fifth Statutes at Large."

This section covers those who act in an advisory capacity. It has no application to transactions occurring before its passage.

It is apparent that the section was guardedly drawn and its limitations should be noted. The first sentence of the section applies to interested persons only where they "solicit, induce, or attempt to induce" any person or officer, who is "authorized to execute, or to direct the execution of contracts," to make any contract or give any order for labor, services, materials, etc. The use of different expressions in the different clauses of the section suggests possible shades of meaning. The act of recommending does not come within the first sentence unless it is found to amount to "soliciting," "inducing," or "attempting to induce," nor does the first sentence cover solicitations addressed to others than the persons or officers duly authorized to make the contracts or give the orders.

The second sentence relates to "recommendations" by interested persons, but it is limited to recommendations made "to any council, board, or commission of the United States or any member or subordinate thereof" in the absence of the disclosure described. Apparently this sentence does not cover recommendations made to individual officers acting under the authority conferred upon them by law, who are not members or subordinates of a "council, board, or commission."

The third sentence provides that the interested person shall not "participate in the awarding of such contract or giving such order." This would seem to relate to those who take part in the actual awarding of the contract or giving of the order and not to those who act in an advisory capacity only.

The section concludes with the proviso that its provisions shall not alter or repeal section 41 of the Criminal Code above quoted.

To come within these statutes an interested person must either (1) act as an officer or agent of the Government for the transaction of business with the concern in which he is interested, or (2) solicit, induce, or attempt to induce the person or officer, who is authorized to execute or direct the execution of contracts, to make a contract with, or give an order to, the concern to which the interest relates, or (3) take part in a recommendation to a "council, board, or commission," or subordinate or members thereof, without the disclosure stated, or (4) participate in the award of the contract or giving of the order.

In connection with these statutes attention may be called to the following provision, which appears as a rider in the appropriation act of March 3, 1917, immediately following an appropriation for the distribution of documents (39 Stat., p. 1106):

"*Provided*, That on and after July 1, 1919, no Government official or employee shall receive any salary in connection with his services as such an official or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality, and no person, association, or corporation shall make any contribution to, or in any way supplement the salary of, any Government official or employee for the services performed by him for the Government of the United States. Any person violating any of the terms of this proviso shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than $1,000 or imprisonment for not less than six months, or by both such fine and imprisonment, as the court may determine."

It will be noted that this provision, enacted in March, 1917, is not to be operative until July 1, 1919. It may be contended with force that this constitutes a legislative declaration, by implication, that the action described by the provision—that is, the mere supplementing of the pay of Government officials by private contributions—should not be deemed contrary to law prior to the date fixed.

Individual relations of officials.

PRESENT BUREAU OF AIRCRAFT PRODUCTION.

(John D. Ryan—William C. Potter.)

There is no suggestion and no evidence that either Mr. Ryan or Mr. Potter has taken any part in Government transactions with any concern in which he has a personal interest.

MEMBERS OF THE AIRCRAFT BOARD.

The relations of the members of this board who received commissions in the Army are stated hereafter. As to Mr. Coffin and as to the naval officers who were members of this board, it should be said that there is no evidence that any one of them has taken any part in transactions or recommendations relating to any corporation, firm, or association in which he has an interest. Disclosures of interest in particular corporations have been made from time to time by Mr. Howe and Mr. Thayer, and with respect to such corporations it appears that they have abstained from participating in the recommendations made by the board, except that Mr. Howe in his disclosure of interest to the board on February 12, 1918, stated that he was interested in a corporation holding preferred stock of the Willys-Overland Co. and that he was present at the meetings of the board on December 7 and December 18, when resolutions involving a contract with that company were passed, but that he was not aware of such financial interest at those times. As the board acts in an advisory capacity simply, section 41 of the Criminal Code can not be regarded as applicable, and the limitations of section 3 of the act of August 10, 1917, with respect to mere recommendations, have already been pointed out.

OFFICERS OF THE SIGNAL CORPS FORMERLY IN CONTROL OF AIRCRAFT PRODUCTION.

(1) The Chief Signal Officer: It does not appear that Gen. Squier had any interest in any corporations or concerns transacting business with the Signal Corps. The defects in the organization, which was created under his direction for the purpose of aircraft production, are matters distinct from any question of personal interest and will be considered in another division of this report.

(2) Col. Edward A. Deeds: The charges pertaining to personal interest in Government contracts relate particularly to Col. Edward A. Deeds and grow out of the highly suggestive transactions with his former business associates at Dayton. These transactions have been subjected to careful scrutiny.

Col. Deeds was born near Granville, Ohio, on March 12, 1874. There is testimony that he once said that his name originally was "Dietz." No public record has been found to this effect. Col. Deeds denies making the remark attributed to him and states that his family has borne the name of Deeds for at least four generations—his great-grandfather of that name coming from Pennsylvania. For many years Col. Deeds was an officer of the National Cash Register Co. and was one of several connected with that organization who were indicted in the Federal District Court for the Southern District of Ohio, in 1912, for violation of the Sherman Antitrust Act. Upon the trial Deeds, with other defendants, was convicted, but this conviction was set aside by the circuit court of appeals (Patterson *v.* United States, 222 Fed., 599) and the prosecution went no further.

At the time of our entry into the war Mr. Deeds had large business interest at Dayton. His intimate business associates were Charles F. Kettering and H. E. Talbott. Mr. Deeds and Mr. Kettering (an inventor and engineer of ability) have been jointly associated in many enterprises with equal shares, it being their policy to organize corporations and to take their respective interests in stocks. Mr. Deeds has supplied the financial talent and Mr. Kettering, who is without any aptitude for business details, the engineering skill. They have had, and still have, a common agent of a highly confidential sort—George B. Smith, of Dayton—who holds the power of attorney of each, keeps their respective books, has charge of their bank accounts, signs their

checks, and generally looks after their financial affairs. They are still associated in various undertakings and their relations are of the most intimate character.

In 1904 Kettering was employed in the National Cash Register Co. as a designer in the engineering department, and later he became associated with Deeds in the development of what is known as the Delco ignition system for automobiles. In the course of this development Deeds and Kettering organized the Dayton Engineering Laboratories Co., known as the Delco Co. The enterprise was successful, and the common stock was sold by Deeds and Kettering in 1916 to the United Motors Corporation for several million dollars in cash and certain shares of stock. Deeds and Kettering each retained a few shares of preferred stock. Deeds continued as president of the corporation, with a salary of $60,000 a year, and Kettering as vice president, with a salary of $50,000.

In April, 1915, Deeds, Kettering, H. E. Talbott, sr., and his son, H. E. Talbott, jr., organized the Dayton Metal Products Co. with a capital stock of $200,000. The stock was held as follows: Talbott, sr., 900 shares; Deeds, 500 shares; Kettering, 499 shares, Talbott, jr., 99 shares; Charles H. Mead, 1 share; and George B. McCann, 1 share. Prior to our entry into the war this company had profitable fuse contracts with the British Government, and had accumulated a considerable surplus. It appears that in the spring of 1917 both Deeds and Talbott were appointed on the subcommittee on fuses and detonators of the Munitions Standards Board. In 1916 the company had a contract with the Navy Department for fuses, and it received other fuse contracts from the Navy and the Ordnance Department of the Army in 1917. As vice president of this company, Deeds had a salary of $25,000 a year. The relation of the Dayton Metal Products Co. to aircraft production is that this company, in the latter part of the year 1917, acquired all the stock (save four qualifying shares) of the Dayton Wright Airplane Co., and also had subcontracts for metal parts with contractors making airplanes and engines. The Dayton Metal Products Co. also subscribed and paid for 1,000 shares (par value, $100,000) of the stock of the Lincoln Motor Co., which was organized to build Liberty engines, and had a paid-up capital stock of $850,000.

In September, 1916, Deeds and Kettering organized the Domestic Building Co., of Dayton, for the purpose of erecting and financing plants for the use of various companies. The capital stock is now $1,000,000, of which all but four qualifying shares are held by Deeds and Kettering, in equal parts. This company owned the land and erected the building acquired by the Dayton Wright Airplane Co. for its principal airplane plant.

On April 9, 1917, the Dayton Wright Airplane Co. was incorporated with a capital stock of $500,000 by Deeds, Kettering, H. E. Talbott, and H. E. Talbott, jr., in conjunction with Orville Wright. They had taken over the former Wright organization and thus had started an airplane enterprise at Dayton in a small way in the summer of 1916. The larger enterprise of the Dayton Wright Airplane Co. was launched about the time of our entry into the war, manifestly with the expectation of obtaining Government contracts. While Deeds was one of the incorporators, he did not become a stockholder, the subscriptions for the first 5,000 shares being as follows: H. E. Talbott, 1,990 shares; C. F. Kettering, 2,000 shares; H. E. Talbott, jr., 990 shares; George H. Mead, 10 shares; and C. A. Craighead, 10 shares. In August, 1917, the capital stock was increased to $1,000,000 ($600,000 common and $400,000 preferred). The new common stock was taken by Messrs. Talbott and Kettering in the proportion of two-fifths, two-fifths, and one-fifth. There were early negotiations for a Government contract, and as early as June 12, 1917, a contract with the company was recommended by the Aircraft Production Board. The contract was executed on August 17, 1917 (under date of Aug. 1, 1917), and was for 400 Standard J-1 training planes, at the fixed price of $6,500 each. For this there was substituted the contract dated September 7, 1917, which was also recommended by the Aircraft Production Board and was approved by Gen. Squier. This contract was for 400 Standard J airplanes, 2,000 De Haviland nines, and 1,500 Martinsydes, with spare parts. By later modifications the Martinsydes and De Haviland nines were omitted and provision was made for 4,000 De Haviland fours. These contracts were on a cost-plus basis, the estimated amount involved being upward of $30,000,000. There was to be a fixed profit of $620 on each Standard J plane and $875 on each De Haviland, making a total fixed profit of about $3,750,000, exclusive of fixed profit on spare parts covered by the contract, thus expected to be earned, according to the contemplated deliveries, before the end of 1918. The contract also provided for additional profits to the extent of 25 per cent of the saving under the bogey or estimated cost of the planes ($7,000 on the De Havilands), and it is estimated that the additional profit on this basis would have amounted to over $2,600,000. When the bogey cost of $7,000 was fixed, letters were obtained from the Dayton Wright Airplane Co. and from the Fisher Body Corporation (which also had a contract for De Havilands) that after 250 machines had been produced there would be an equitable adjustment if the bogey cost was found to be "materially wrong."

Accordingly, a contract is now about to be signed reducing the bogey cost to $5,000 and the fixed profit to $625 per plane. Even at this rate the fixed profit on the 4,000 De Havilands will be $2,500,000, and it is believed that there will be an additional profit through saving under the bogey cost and on spare parts of not less than $1,000,000. In August and September, 1917, when the first Government contracts were awarded, the capital stock of the company ($1,000,000) had not been paid in. It was not paid in until December 1, 1917, when, in one transaction, the stock was paid for and all the shares, preferred and common, save five qualifying shares, were transferred to the Dayton Metal Products Co., which thus became, and still remains, the owner of the Dayton Wright Airplane Co. As the latter company practically received nothing on the issue of its capital stock save the fixed property represented by its plants, it was lacking in working capital, and this at the outset was supplied by various loans and advances of the interested parties. In December the Government agreed to advance the company $2,500,000, of which $1,500,000 was advanced at once.

The name of Orville Wright was used in this enterprise, but his chief activity has been as a consulting engineer in connection with experimental work. He has not been responsible for production. Mr. Kettering is an engineer of ability, but his work also has been that of experimental engineering; he is not a manufacturing or production expert. Much emphasis is placed by the parties concerned upon the fact that they were able to avail themselves of the old Wright organization, which has been continued as already stated. But this was a very slender basis for the prompt selection of this newly organized company, which had not even completed its financial arrangements, as one of the few companies immediately admitted to the advantages of large and highly profitable Government contracts. The promoters of this enterprise, not content with these profits which were to accrue to them either directly or through their ownership of the Dayton Metal Products Co., at once took advantage of the opportunity to increase their gains by salaries as executive officers of the Dayton Wright Airplane Co. Dating from August 1, 1917, the salaries thus allowed were as follows: H. E. Talbott, sr., $35,000; C. F. Kettering, $35,000; and H. E. Talbott, jr. (30 years old, who was made president of the company), $30,000. Talbott, sr., was at the time receiving, and continued to receive, $60,000 a year as president of the Dayton Metal Products Co., Kettering received a salary of $25,000 from the Dayton Metal Products Co. and $50,000 from the Delco Co., and Talbott, jr., was also receiving a salary of $18,000 from the Dayton Metal Products Co.

There would seem to be no question but that the members of the Aircraft Production Board in recommending contracts had confidence in the capacity of those undertaking the venture, and the previous success of this group, while Mr. Deeds had been associated with them, was well known. But the fact remains that practically at the inception of the Government's aviation activity in connection with the war, and within the sphere of Col. Deeds's important, if not commanding, influence, his former business associates were placed at once, through Government contracts, in a position where they had the assurance of very large profits upon a relatively small investment of their own money and in addition were able to secure generous salaries which they charged against the Government as part of the cost of manufacture.

That Deeds, Kettering, and Talbott continued to be on the most intimate and confidential footing in connection with the prosecution of the Government work by the Dayton Wright Airplane Co. is apparent from their correspondence, of which the following are excerpts:

Letter, Deeds to Kettering, June 13, 1917:

WASHINGTON, *June 13, 1917.*

Mr. C. F. KETTERING,
City National Bank Building, Dayton, Ohio.

MY DEAR C. F.: You will be interested to know that the standard training machine is going to be called the United States primary training and will not be called the Curtiss J. N. This was decided last week, and I forgot to tell you when in Dayton.

Provision will be made for either Mr. Coffin or myself to appear before the S. A. E. [Society of Automotive Engineers], and as I am one of the committee on arrangements will see that the plans of the Aircraft Production Board get properly before the association.

Relative to the design of planes, I do not care to write what is being done, but will discuss it with you when I get home, and you will see that we have already gone away down the pike in this matter. Everything is lining up now in pretty good shape.

Yours, very truly,

E. A.

Telegram, Deeds to Talbott, July 3, 1917:

JULY 3, 1917.

Mr. H. E. TALBOTT,
Dayton, Ohio:

Gen. Squier went direct to Detroit. Will probably spend Fourth at his old home in Michigan. May be in Dayton Thursday or Friday, arriving there from Detroit or from Champaign, Ill. Harold, Kettering, and Wright can take care of him. He will be interested in the Dayton Wright factory and laboratory, Orville Wright laboratory, and especially Mr. Kettering's views on scientific subjects. In general, he is highly technical.

E. A. DEEDS.

Telegram, Kettering to Deeds, August 4, 1917:

DAYTON, OHIO, *August 4, 1917.*

E. A. DEEDS,
Room 527, Munsey Building, Washington, D. C.:

We believe all confidential telegrams should be sent to Mr. H. E. Talbott, sr., City National Bank Building, or George B. Smith, instead of the Dayton Wright Airplane Co.

C. F. KETTERING.

Telegram, Deeds to Kettering, August 4, 1917:

AUGUST 4, 1917.

Mr. C. F. KETTERING,
City National Bank Building, Dayton, Ohio:

Hereafter all confidential telegrams will be sent to H. E. Talbott, sr., instead of to the Dayton Wright Airplane Co.

E. A. DEEDS.

Telegram, Deeds to Talbott, September 16, 1917:

OLD POINT, VA., *September 16, 1917.*

Mr. H. E. TALBOTT,
Dayton, Ohio:

For your personal information as coming from your local attorney, Judge Advocate General has ruled it legal for Government to select one contractor one, and the two a third as appraisers of market value of plant at expiration of contract. If you care to raise the question, the above will be found to be the final ruling.

E. A. DEEDS.

When this last telegram, which puts in a strong light the relations of the parties, was sent, Deeds was an officer in the Army. This highly improper conduct, in holding communication in this matter with his former business associate in a transaction pending between the Dayton Wright Co. and the Government department in Col. Deeds's charge, demands the attention of the military authorities.

But evidence of favoritism, influence, or confidential communications of this sort, however otherwise reprehensible, do not make out criminal liability under the statutes above quoted, unless it appears that the representative of the Government has a pecuniary interest in the Government contract or order, or is an officer or stockholder of, or has a pecuniary interest in, a corporation, firm, or association which is a party to the Government contract or order. And the question is whether Col. Deeds had such an interest. His statement is that he had no such interest, but, on the contrary, had given up large salaries to devote himself to the Government service.

About the time he received his commission as colonel in the Army Mr. Deeds addressed the following communications to the Secretary of War and to the Aircraft Production Board, under date of August 28, 1917:

WASHINGTON, D. C., *August 28, 1917.*

HON. NEWTON D. BAKER,
Secretary of War, Washington, D. C.

DEAR SIR: You have honored me by appointment temporarily as an officer in the Regular Army of the United States and as a member of the Aircraft Production Board connected with your department. It is possible that this board in the development of the airplane work may wish to recommend a contract with some of the corporations in which

I have had an interest. Following the advice of counsel, I have resigned my official relations with these corporations and made bona fide transfers of my stock therein to other parties.

For your protection as well as my own, I desire to file with your department a copy of a written disclosure of my relations, both past and present, to these corporations which I have this day filed with the Aircraft Production Board, and I inclose same herewith.

In serving in the positions to which you have appointed me I desire to comply with both the spirit and letter of the law, and to do no act which might invite criticism upon myself or your department.

I count it an honor and privilege to be thus called into the service of our country, and am pleased to make whatever sacrifice of time and money that service may demand.

I inclose a second copy of my statement to be filed with you as chairman of the Council of National Defense.

Yours, very respectfully,

(Signed) E. A. DEEDS.

WASHINGTON, D. C., *August 28, 1917.*

The AIRCRAFT PRODUCTION BOARD,
Washington, D. C.

GENTLEMEN: As a member of your board and interested in the letting of contracts on the recommendation of that board on behalf of the Government, I desire at this time to make a full and complete disclosure of the interest I may have in any corporation which might be a party to any such contract or which might furnish supplies to the Government through the instrumentalities of your board.

I was a stockholder and officer in the following, to wit:

(1) The United Motors Co. of New York, being a union of several companies manufacturing automobile parts.

(2) The Dayton Engineering Laboratories Co., of Dayton, Ohio, manufacturers of ignition and starting devices for automobiles.

(3) The Dayton Metal Products Co., of Dayton, Ohio, engaged, among other things, in the manufacture of munitions.

(4) The Domestic Building Co., of Dayton, Ohio, a corporation formed for the development of real estate and which now owns the land and buildings leased to the Dayton Wright Airplane Co.

In all of the foregoing corporations I have severed my official connection therewith by resignation and have made a bona fide transfer to other parties of all my stock therein.

In addition to the above corporations, I was an incorporator of the Dayton Wright Airplane Co., but never owned any stock therein. I am also the president of and a large stockholder in the Domestic Engineering Co., of Dayton, Ohio, makers of Delco light plants, and expect to retain my official connection therewith and my financial interest therein.

I also own the ground embraced in the Moraine Experimental Flying Field near Dayton, Ohio, used for aviation purposes, but out of which I receive no compensation.

I make this disclosure now so that your board, as the representative of the Government, may be fully informed as to my relations, past and present, with these corporations, and be thus enabled to act wisely on any order or contract involving any of these corporations, either directly or indirectly. I desire that this written disclosure be recorded in the minutes of your board for the mutual protection of all of us.

Yours, very respectfully,

(Signed) E. A. DEEDS.

The facts with respect to the disposition of Col. Deeds's interests (so far as pertinent to this inquiry) and the method of disposition are as follows:

UNITED MOTORS CORPORATION—DAYTON ENGINEERING LABORATORIES CO.

The significance of Col. Deeds's statement with respect to the disposition of his interests in these corporations is that the Delco ignition system is used in the airplane engine known as the Liberty motor. In the planes manufactured abroad the magneto ignition system had been used and, prior to its use on the Liberty motor, it appears that the Delco system had not been employed on an airplane engine. In the specifications for the Liberty motor the Delco system was required to be installed with the first 20,000 engines. As already stated, the Delco system is controlled by the Dayton Engineering Laboratories Co. (Delco Co.), and this company is owned by the United Motors Corporation.

On the sale of his Delco stock to the United Motors Corporation, Deeds had received, in addition to cash, 30,000 shares (no par value) of its stock. [The total issued stock amounted to 1,200,000 shares.] After certain distributions, he still held at the time in question 17,500 of these shares. He also had an interest in a pool of certain shares, on which 3,880 additional shares were received in November, 1917. In his letter (above quoted) to the Aircraft Production Board, Deeds stated that he had severed his official connection with the United Motors Corporation and had made a bona fide transfer of his shares. He had resigned as vice president and director on August 16, 1917. The only transfer made by him of any of his shares in that company was by gift to his wife. He indorsed for transfer the certificates for 17,500 shares on October 13, 1917, and they were transferred to Mrs. Deeds's name on October 17, 1917. Thereafter, it is testified, they were held by the confidential agent, George B. Smith, for her account. Entries of the transfer were made in Col. Deeds's books by Smith not earlier than October, 1917, and were dated back to August 28, 1917. In the statement of his assets on August 31, 1917, submitted to him by Smith, the shares appear as part of his property. Mrs. Deeds's name first appears in the statement of assets of October 31, 1917. The remaining shares (3,880) received on the dissolution of the pool, about November 22, 1917, were transferred from the pool manager directly to Mrs. Deeds, as Mr. Deeds's donee, and the certificates were received by Smith on her behalf. Prior to the transfer of the stock in October and at the time of Col. Deeds's letter to the Aircraft Production Board he had simply told his wife that it was to be her stock, and it does not appear that there had been an effective gift of the shares. The actual value of the 21,380 shares was approximately $500,000.

In addition to these shares in the United Motors Corporation, Deeds also held 38 shares of Delco preferred stock, which he had retained at the time of the sale of his common stock. These preferred shares he transferred to Kettering. It appears that the transfer was first entered by Smith in Col. Deeds's private journal in December, 1917. The date of the entry was afterwards changed to August 28, 1917, to correspond to the date when Smith was notified that Col. Deeds had received his commission in the Army. The stock was transferred to Kettering on the books of the company on October 13, 1917. The payment was made by debits in Deeds's open account with Kettering.

If there were evidence that Col. Deeds had acted as officer or agent of the Government in the transactions with the Delco Co. or with the United Motors Corporation prior to October 13, 1917, there would be ground by reason of his interest for charging a violation of the statute, and it may be doubted whether there was then or thereafter such a transfer as would avail to take the case out of the statutory prohibition. But there is no evidence that Deeds acted for the Government in any transaction with either of these corporations. So far as appears the Government made no contracts for Delco ignition either with the Delco Co. or with the United Motors Corporation. The contracts for the Delco system were made by the contractors who were manufacturing the engines under contracts with the Government, and the dealings with the Delco Co. or with the United Motors Corporation in relation to the Delco system were had by these contractors. It must also be said that, despite the natural inference from former business association and interests, the proof is lacking that the selection of the Delco system was due to the solicitation of Deeds. It can hardly be questioned that the design of the Liberty motor contemplated the use of the Delco system and that the magneto system could be used only by a special adaptation. The Delco system, however, had been extensively used for automobiles, notably by the Cadillac and Packard companies, and was in high favor with those who were developing the Liberty motor. While there has been a question as to which system was preferable, and it has been understood that foreign representatives at first did not approve the departure from foreign practice, and many may still be found to disapprove it, there is considerable evidence that the use of Delco ignition has been growing in favor and there has been testimony in this investigation from impartial and competent sources commending its adoption.

Special attention has been given to the memorandum directing the use of the Delco system in the first 20,000 Liberty motors. In the first memorandum by Maj. Gray, chief of the specification section, under date of October 6, 1916, the accessories recommended were so placed that the Delco ignition came last on the list. This was then rearranged, apparently to attract less attention to Delco, in alphabetical order. The recommendation, Maj. Gray testifies, for the use of the Delco system and the other accessories specified came from Maj. Vincent, one of the designers of the Liberty motor and then executive officer of the airplane experimental department of the equipment division, who stated that he did not believe they would be justified "in specifying for quantity production any other accessories than those which had thus far been tested out satisfactorily." The situation was a delicate one, says Maj. Gray, as Maj. Gray himself had been president of the Hess Bright Co. (he had resigned his office and disposed of his holdings in June, 1917), whose ball bearings were required as one of the accessories, and Col. Deeds had developed the Delco system. Maj. Gray testifies that he brought the question to Col. Deeds's attention, who said, "I do not like really to have anything to say about it, because in that list is the Delco ignition, and if I authorize it, it will look as though I have an ax to grind." The sum of the matter is that there is no satisfactory evidence that Col. Deeds signed, prepared, or directed the order for the use of the Delco ignition, although it can not be doubted that he desired the system to be used. Nor is there evidence that any recommendation was made by Col. Deeds to the Aircraft Board or to any other council, board, or commission regarding the matter.

His statement to the Aircraft Production Board on August 28, 1917, that he had made a bona fide transfer of all his stock in the United Motors Corporation, when the stock had not in fact been transferred, and at most he contemplated a gift of the stock to his wife, was neither candid nor truthful, and is certainly not to be regarded as a "full and complete disclosure." But in the absence of proof of solicitation, inducement, or recommendation by him, or action on his part as an officer or agent of the Government in transactions with the United Motors Corporation or the Delco Co., there are no facts bringing the case within the statutory prohibition.

DOMESTIC BUILDING CO.

In his letter of August 28, 1917, to the Aircraft Production Board, Col. Deeds stated that he had made a bona fide transfer of his stock in this company. This was not true. It appears that on that date he resigned the office of president of the company, but he did not dispose of his stock. The stock of that company is still held in equal portions by Deeds and Kettering.

Col. Deeds was plainly led to make the statement in his letter by the fact that the Domestic Building Co. had acquired the land and had erected the building which was in course of completion, and was then occupied and intended to be used as the principal plant of the Dayton Wright Airplane Co. for the manufacture of airplanes. It is said that in anticipation of a lease of the property to the Dayton Wright Airpalne Co., it had been agreed prior to August 28, 1917, that Deeds's stock in the Domestic Building Co. should be sold to Kettering. But there is not sufficient evidence of a definite and binding agreement to that effect, or of anything more than a loose understanding between intimates, whose arrangements could at any time be adjusted to suit their mutual convenience. Certainly, there had been no transfer of the stock. It was not until November that there was an adjustment of accounts with this company, and then, instead of a sale of his stock by Deeds, he retained his stock in the Domestic Building Co., and the plant erected by that company was purchased by Talbott, sr., Kettering, and Talbott, jr., who at once transferred it to the Dayton Wright Airplane Co.

On February 4, 1918, the Domestic Building Co. made a direct conveyance to the Dayton Wright Airplane Co. of an additional tract of 8.34 acres, adjoining the first tract, at the price of $13,344, or $1,600 per acre.

However, there is no ground, so far as the retention of Deeds's stock interest in the Domestic Building Co. is concerned, for charging a violation of statute. It is not enough that the Dayton Wright Airplane Co. purchased these properties, or that certain advances by Deeds were taken into account in fixing the purchase price of the main plant, or that both parcels of land were sold at more than the amount they had cost the Domestic Building Co. The Government has never had any contracts with the Domestic Building Co. and it does not appear that Col. Deeds has acted as an officer or agent of the Government in any transactions between the Government and that company. The gratuitous statement contained in his letter to the Aircraft Production Board that he had made a transfer of all his stock in this company may be said to indicate a willingness to state, as an accomplished fact, a transaction which never took place but was merely in contemplation as a step to be taken if deemed to be necessary.

DAYTON WRIGHT AIRPLANE CO.

Col. Deeds's statement in his letter of August 28, 1917, that he had never been a stockholder in this company was true. The stock is owned by the Dayton Metal Products Co., and if Col. Deeds had or has any interest through stock ownership in the profits on its contracts with the Government, this interest must be derived from an interest in the stock of the Dayton Metal Products Co.

His relation to the organization of the Dayton Wright Airplane Co. is this: He was an incorporator, and while he did not subscribe for stock, and none was issued in his name, the payment of the stock of the company to the extent of upward of four-fifths of its par value was made, in substance, by the transfer to the company of the plant built by the Domestic Building Co. owned by Deeds and Kettering, and this company received therefor unsecured notes of Talbott, sr., Kettering, and Talbott, jr., only a small part of which has been paid. Thus Deeds and Kettering through the Domestic Building Co. virtually furnished the main plant of the Dayton Wright Airplane Co. on a credit to the Talbotts and Kettering. The transaction was as follows:

The airplane factory was erected on a tract which the Domestic Building Co. had acquired from the Moraine Development Co. (a corporation in which Deeds and Kettering were largely interested) at a price a little more over $753 an acre. The building was intended for the use of the Domestic Engineering Co., another concern owned by Deeds and Kettering, which was engaged in the business of supplying Delco lights for general illuminating purposes. It was later decided that it should be used by the Dayton Wright Airplane Co., which entered into possession. Still later it was arranged that the syndicate composed of Talbott, sr., Kettering, and Talbott, jr., should purchase the plant from the Domestic Building Co. and convey it to the Dayton Wright Airplane Co.

In November, 1917 (while the building was still incomplete), Mr. Allan R. Smart, a public accountant (of Barrow, Wade, Guthrie & Co.), made an adjustment of the accounts of Deeds, Kettering, Talbott, sr., and Talbott, jr., for various advances, and a balance was struck of $683,732.16 as owing to the Domestic Building Co. In this adjustment the land (25.55 acres) was taken at $1,200 an acre and the building at the amount of the expenditures upon it, making the price of the plant (called the Moraine plant) $836,401.08. The balance of $683,732.16 was covered by three individual notes of Talbott, sr., Kettering, and Talbott, jr., in the proportion of two-fifths, two-fifths, and one-fifth, as follows: H. E. Talbott, $273,492.87; C. F. Kettering, $273,492.87; and H. E. Talbott, jr., $136,746.43. All of the notes were dated November 4, 1917, and were payable to the Domestic Building Co. one year after date, with 6 per cent interest. The notes are unsecured. The makers of the notes have paid interest quarterly, and, in addition, Talbott, sr., has paid $3,492.87 on the principal of his note, reducing it to $270,000, and Talbott, jr., has paid $26,746.43 on the principal of his note, reducing it to $110,000. It appears that Mr. Kettering has made payments of $6,000. This transaction left the Talbotts and Kettering as the owners of the Moraine plant, which the Dayton Wright Airplane Co. was operating, and the stock of the Dayton Wright Airplane Co., for which they had subscribed, had not been paid in.

The payment of the subscriptions for the stock of the Dayton Wright Airplane Co., the concurrent payment by that company for two plants (the Moraine plant, already mentiond, and another at Miamisburg), and the transfer of its stock, thus paid for, to the Dayton Metal Products Co. were effected by an exchange of checks on December 1, 1917. Shortly before the Miamisburg plant had been acquired by Talbott, sr. (for the syndicate), for the sum of $60,000 and was turned over to the Dayton Wright Airplane Co. at $127,202, the profit being divided between himself, Kettering, and Talbott, jr., according to their respective interests in the syndicate. To accomplish the desired result the following procedure was adopted:

The Dayton Wright Airplane Co. gave to the syndicate its check for the sum of $955,071.25, made up of the purchase price of the Moraine and Miamisburg plants ($836,401.08 less an item of interest ($8,531.83) for the Moraine, or main plant, and $127,202 for the Miamisburg plant). The Dayton Metal Products Co. gave its checks to the syndicate for $183,459.55, for various balances of accounts, and for $999,500, the purchase price at par of the stock of the Dayton Wright Airplane Co. (less 5 shares retained). The syndicate thus received checks to the aggregate amount of $2,138,030.80. The syndicate gave their check to the Dayton Wright Airplane Co. in payment of the capital stock of $1,000,000 and another check to the Dayton Metal Products Co. for $1,136,537.20 as the purchase price of certain securities which the Dayton Metal Products Co. sold to the syndicate, making the total of the syndicate's checks $2,136,537.20. The Dayton Wright Airplane Co. gave its check to the Dayton Metal Products Co. in repayment of advances for $44,928.75, the difference between the sum of $955,0[illegible]1.25 paid by the company for the plants and the sum of $1,000,000 received for its stock. The transaction was accomplished with a minimum use of cash (less than $1,500), and as a result the Dayton Metal Products Co. had all the stock (save 5 shares) of the Dayton Wright Airplane Co., the Dayton Wright Airplane Co. had the Moraine and the Miamisburg plants, Messrs. Talbotts and Kettering had the securities which they had purchased from the Dayton Metal Products Co., and the Domestic Building Co. (owned by Deeds and Kettering) continued to hold the notes which the Talbotts and Kettering had given to that company on the settlement in November.

On the transfer by the syndicate of the shares of the Dayton Wright Airplane Co. to the Dayton Metal Products Co. it was agreed that all dividends in excess of 7 per cent per annum on the transferred stock and in excess of 8 per cent per annum on the common stock should be paid to Talbott, sr., Kettering, and Talbott, jr., in the proportion of two-fifths, two-fifths, and one-fifth. Why they should have desired these profits to be divided in the syndicate proportions instead of taking the profits through their dividends in the proportions in which they held the stock of the Dayton Metal Products Co., the purchaser of the shares, has not been made clear. The Talbotts and Kettering also took an option from the Dayton Metal Products Co. to repurchase all the shares at any time within five years for the sum of $999,500.

DAYTON METAL PRODUCTS CO.

Col. Deeds originally held one-fourth of the stock of this company, or 500 shares. It appears from the minutes of the board of directors that at a meeting of the board in Dayton on May 21, 1917, President Talbott stated that the company had been advised by the Ordnance Department of the Army "that, in all probability, the entire facilities of the company would be utilized for munition work, and in all probability contracts would be given to the company as soon as appropriations were made by the Government." It is further set forth "that Mr. E. A. Deeds explained that he had been called to Washington and requested to take place on some of the committees of the Council of National Defense; that he had been to Washington and that he had accepted the call; and he therefore desired it that he might act as uninterested, directly or indirectly, in any manufacturing plant which was contemplating business with the Government, and that he desired to offer his resignation as vice president and as director of the company." The minutes show the acceptance of this resignation and that Mr. Kettering was elected vice president. The minutes of the meeting of May 21, 1917, conclude with the following statement:

"At this meeting Mr. Deeds offered for sale and discussed probable purchasers for his stock in the Dayton Metal Products Co., and Mr. Deeds offered to the directors his entire holdings of stock at its book value less 15 per cent to cover costs and probable losses in view of the possibility of no future Government contracts being secured and the business of the company would have to be readjusted into lines being developed by the experimental department."

Some time subsequently—in the early part of the year 1918—the accountant drew a line across the last-mentioned statement in the minutes. He explains that he did not consider it "a corporate record," but a matter between the stockholders.

The testimony of the parties concerned is that Talbott, sr., Kettering, and Talbott, jr., purchased all Deeds's shares in the Dayton Metal Products Co. at their book value as of May 1, 1917, less 15 per cent, and gave in settlement of the purchase price their notes as follows:

H. E. Talbott, 200 shares	$207,706
C. F. Kettering, 200 shares	207,706
H. E. Talbott, jr., 100 shares	103,853

The notes were dated May 22, 1917, were payable to Deeds's order one year after date, with interest at 4½ per cent, and were placed in the hands of George B. Smith, the confidential agent of Deeds and Kettering. The notes were wholly unsecured. According to the stock certificate book the old certificates were canceled and new certificates issued to the Talbotts and Kettering under date of May 22, 1917.

It is not only open to doubt whether the transaction described in the minute book took place on May 21, 1917, but on all the evidence it is reasonably clear that it did not take place on that date. The minutes are typewritten and pasted in the minute book. No one of the parties is willing to testify positively that the proceedings described in the minutes took place on that day. Mr. S. S. King, of the Dayton Lumber & Manufacturing Co., has testified that he and Deeds went to Washington on the same train on May 18, 1917, and that they were in communication every day in Washington, from May 19 to 23. Furthermore, it appears that on May 21, 1917, when Mr. Deeds is represented as making his statement at the meeting of directors in Dayton, he was making his first appearance, according to the minutes of the Aircraft Production Board, at a meeting held by that board on that day in Washington. He himself testifies that he was in Washington on that day. While Mr. Deeds is represented as resigning his office as vice president of the Dayton Metal Products Co. in May, 1917, he continued to draw his salary until the end of June, 1917. The notes were placed in the custody of the confidential agent, Smith, but he made no entry in Deeds's bills receivable book of these notes until September. It does not satisfactorily appear, in view of the nature of some of the items, that the adjustment of accounts in fixing the book value and the determination of the amounts of the notes could have been made before June 30, 1917. There are stock certificates bearing the date of May 22, 1917, and purporting to have been issued after the issue of the new certificates to the Talbotts and Kettering for the Deeds shares, but these certificates were issued to members of the Talbott family, dividing the shares he had formerly held.

Upon all the evidence it is not established that the stock was purchased as early as May 22, 1917, and there are many indications that the transaction was dated back to that date.

However, Col. Deeds's stock was actually transferred on the books of the company, and the notes dated May 22, 1917, were given, apparently, not later than September, 1917.

On December 31, 1917, interest was paid by the makers on their respective notes to that date, and interest was paid quarterly thereafter. On January 18, 1918, Talbott, sr., paid $7,706 on account of the principal, reducing his note to $200,000; in February, 1918, Talbott, jr., paid $3,853 on account of the principal, reducing his note to $100,000, and on September 11, 1918, Kettering paid, on account of his note, the sum of $10,000.

If the transaction was a bona fide sale of the stock, Col. Deeds thereby parted with all his stock interest in the Dayton Metal Products Co., and thus did not have, by virtue of an interest in that stock, an interest in the profits of the Dayton Wright Airplane Co. The parties all deny that there is any secret agreement or option or understanding of any sort for a retransfer of the shares to Col. Deeds or for a sharing of profits with him.

To conclude: The fact is that the transfer of the shares in the Dayton Metal Products Co., which owns the stock of the Dayton Wright Airplane Co., was made to Col. Deeds's intimate business associates on their unsecured notes, which are overdue and unpaid save to a small extent. But there is no proof upon which it can be charged that Col. Deeds retained an interest in the Dayton Metal Products Co. and thereby in the Dayton Wright Airplane Co.

OTHER AVIATION ACTIVITIES CENTERED AT DAYTON—THE WILBUR WRIGHT FIELD.

This is a tract of about 2,245 acres leased to the Government by the Miami conservancy district, of which Mr. Deeds was the head. It was a portion of the area selected by the Miami conservancy district for the impounding of waters in the event of a serious flood. The property was acquired by the Government for a flying field and was developed by the erection of hangars, barracks, a storehouse, and other structures. Upward of $3,000,900 has been expended by the Government in this development.

On April 30, 1917, Maj. (now Gen.) Foulois was directed to inspect land sites for aviation purposes at various places, including Dayton, and several tracts at Dayton were examined by him and by Capt. (now Col.) Edgar on May 8. These officers were met at Dayton by Mr. Deeds, and both Deeds and Orville Wright accompanied them on their inspection of the tracts in the vicinity. As to these, on May 11, 1917, Maj. Foulois reported as follows:

"The largest tract of land inspected is about 10 miles from Dayton and contains about 4,000 acres. This tract of land is admirably suited for aviation purposes, is under the control of the conservancy directors, and any portion of it can be acquired by the Government at a very low cost. The purpose for which this land has been set aside by the State of Ohio makes it extremely desirable for aviation purposes, in that it will be always used for agricultural purposes only and no buildings or other obstacles will ever be erected within the area set aside. Options on this tract of land or any portion thereof will be mailed to this office within the next few days."

On May 15, 1917, Gen. Squier recommended that the approval of the Secretary of War be obtained for the rental of several aviation training sites, including the one at Dayton, which was thus described:

"Approximately 2,500 acres in the vicinity of Dayton, Ohio, at the rate of $17,500 per year, with the privilege of renewal for three years, and the option of purchase at $350,000, the cost of crop destruction being $75,000. This will provide a four-squadron training field."

Mr. Coffin, as chairman, indorsed the proposal, stating that it was "in the judgment of the committee a wise and necessary action," and the project was approved on behalf of the Secretary of War by the Acting Chief of Staff. On May 19, 1917, Gen. Squier authorized Capt. Edgar to lease this site and others, and to proceed with the contracting for the necessary buildings. The first lease was signed on May 22, 1917 (by Capt. Edgar for the Government and Mr. Deeds for the conservancy district), for 2,075 acres for the period ending June 30, 1917, at the rental of $2,000, the Government also agreeing to pay $73,000 to cover damages to crops. There was an option for renewal for the year beginning July 1, 1917, at the rental of $17,660, and for a further renewal for the year beginning July 1, 1918, for a tract containing 2,500 acres (including the 2,075 acres first mentioned) at a rental of $20,000, and for further annual periods ending July 1, 1922; and there was also an option to purchase the 2,500 acres for $350,000.

Of the proposed tract of 2,500 acres, 505.27 acres were found to be marshy and were withdrawn and 250.47 acres, said to be of equal value, were added. This left a tract of 2,245.20 acres, for which a new lease was executed on July 1, 1917, for the period ending June 30, 1918, at the rental of $18,404.59, with annual options of renewal at a rental of $20,000 until June 30, 1922, with the option to purchase at the same price. The rental for the first year is explained by the fact that there were 210.47 acres of which possession could not be taken until March 1, 1918. Soon after that date the commanding officer at the field stated that 34.94 acres were in the possession of the Government, but that the remaining acres were available for occupancy, but "were very low and swampy and in the present condition of no value to the Government." For the Miami conservancy district it was stated that it had settled with the tenants at considerable expense in order to get possession and it was unwilling to take back the land from the Government.

There is an adjoining tract of 32 acres (part of the original 2,500 acres) which with 8 acres additional were sold to the Government as a site for a warehouse.

It appears from the testimony of Ezra M. Kuhns, the secretary of the Miami conservancy district, that at the time of our entry into the war the district had been able to secure options on only about 300 acres of the tract in question, but when negotiations with the Government began there was swift action. Mr. Deeds had brought the matter to the attention of Mr. Waldon as early as April 24, 1917, and had sent to him one of the district's engineers with maps. The following telegrams show the activity of Deeds and Talbott:

Telegram Deeds to Kuhns, April 30, 1917:

WASHINGTON, D. C., *April 30, 1917.*

EZRA M. KUHNS,
Miami Conservancy District, Dayton, Ohio:

Subject of our trip yesterday moving very rapidly and very satisfactorily. There is no doubt in my mind but what we will be successful. Avoidance of publicity very essential. Inspection will be made end of this week or first of next. You and Morgan [Morgan was the engineer of the Miami conservancy district] must plan now as though it was decided.

E. A. DEEDS.

Telegram Deeds to Kuhns, April 30, 1917:

WASHINGTON, D. C., *April 30, 1917.*

EZRA M. KUHNS,
Miami Conservancy District, Dayton, Ohio:

Options should be rushed in the vicinity of Fairfield, raising the price if necessary.

E. A. DEEDS.

Telegram Deeds to Kuhns, April 30, 1917:

WASHINGTON, D. C., *April 30, 1917.*

EZRA M. KUHNS,
Miami Conservancy District, Dayton, Ohio:

Ohio State University is ordered to-day to cooperate with the Dayton School and Magruder, Lord, and Knight instructed to report at Camp Borden, Canada, Monday to learn course of instruction. Publicity will follow these instructions, and no one outside of Signal Corps officers knows of our plan for the larger school, and so far as everyone is concerned Dayton School is the Wright Field civilian school. Think you should advise Wright, Morgan, Harold, Talbott, and Kettering so that they will not disclose anything inadvertently. The civilian school will continue regardless of what is done with the other plan, and Ohio State will give the preliminary instruction in military tactics and all class-room work, while the Wright Field Co. will give the instruction in aviation. Harold Talbott should be the channel through which publicity is given out, and there is no objection using the last statement if called upon.

E. A. D.

Telegram Deeds to Talbott, May 11, 1917:

WASHINGTON, D. C., *May 11, 1917.*

H. E. TALBOTT, *Dayton, Ohio:*

Think your whole plan is ideal.

E. A. DEEDS.

Telegram Talbott to Deeds, May 11, 1917:

MAY 11, 1917.

E. A. DEEDS,
Care New Willard, Washington, D. C.:

Contracts remaining secured to cover 2,500 acres will be closed by to-morrow evening. Will start Monday on immediate possession of land, so the fields will be ready when buildings are finished. This applies to central 1,000 acres in front of new building. Builders may retain use of buildings and barns for a few months and in some cases until winter, but main fields must be prepared without delay if they are to be used this fall. Think best to give no reason for immediate possession and feel sure we can arrange it. We can arrange financial matters as suggested. Wire if you approve.

H. E. TALBOTT.

Telegram Deeds to Talbott, May 11, 1917:

WASHINGTON, D. C., *May 11, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

With few exceptions owners can, if necessary, continue to live in their houses for a year, thus avoiding necessity of moving this summer. Their teams will be employed, giving revenue to them. District wants to try out flying on large scale and wants to try experiment at once. This is only a suggestion. You doubtless may have a better one. May be necessary to exercise option at once; and if so, I will gladly go on District's note for full amount.

E. A. DEEDS.

Telegram Deeds to Talbott, May 12, 1917:

WASHINGTON, D. C., *May 12, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

Suggest Kuhns, Emmett, Grant, and Brown be here Monday morning for conference on conservancy, bringing description of entire 2,500. Tax value and tax rate of property under discussion. Will be helpful. Publicity can be delayed at this end without difficulty. Everything moving nicely.

E. A. DEEDS.

The partiality for this site does not appear to have been warranted by any advantages it can be said to possess. Indeed, no satisfactory reason appears for the securing of so large a tract, as apparently 1,400 or 1,500 acres would have answered the purpose.

Fields of about 650 acres were selected at Rantoul and Detroit for two-squadron fields, and the field at Dayton was for four squadrons. Both the leasehold interest and the option to purchase are subject to a flood easement. The evidence is that in case of a flood such as that of the year 1913, the impounded water (that is, after the completion of the dam, which it is understood will be completed in two or three years) would cover the lowland to a depth of about 40 feet; the lowest hangar would have 24 feet of water, that is, over the eaves, and the highest hangar would have 13 feet of water. The barracks and various buildings, which stand on higher ground, would not be seriously affected. The warehouse itself (a large structure) is in a dry place, and the suggestion that some of the property stored there during the past year has suffered from moisture is not supported. Aside from the consequences of flood in the Miama Valley and the use of the area as a detention basin, it should be added that a considerable part of the tract consists of swamp land, which is unsuitable for the use for which it was leased.

There is no evidence that Deeds himself had any interest in the land acquired. He was head of the Miami conservancy district, but this was a public enterprise not organized for profit. Apparently at an earlier period advances had been made by the Dayton Metal Products Co. (a portion of which had originally been charged to Deeds personally and later credited back to him and charged to the maintenance account of the company, which had been used for the purchase of options for the district. The result of this transaction was to leave the Dayton Metal Products Co. a creditor of the enterprise but without interest in the land. Mr. Deeds had been appointed on the Munitions Standards Board in March, 1917, and he accepted appointment on the Aircraft Production Board on May 11, 1917. At this time, however, he was acting only in an advisory capacity, and it was before the passage of the act of August 10, 1917. He testifies that his only interest in this project was as a citizen of Dayton.

THE CONTRACT FOR THE DEVELOPMENT OF THE WILBUR WRIGHT FIELD.

The next step was the placing of the contract for development. The contract was signed by Capt. Edgar, under the direction of the Chief Signal Officer, and its terms were not unreasonable. It was on a cost-plus basis with a sliding scale, which as applied to the amount actually expended gives the contractor a commission of 7 per cent, with a maximum limit of $140,000. The contractor, the Dayton Lumber & Manufacturing Co., was recommended by Deeds. This company had done nothing in an extensive way for several years, having been engaged since the year 1908 in selling material and in operating a planing mill and a lumberyard. Its capital stock was $75,000. Prior to April, 1917, one S. S. King had owned 117 of the 750 shares. King's holdings were then increased to 417 shares, and in acquiring these 300 shares King was backed by H. E. Talbott, who as president of the City National Bank of Dayton arranged for a loan of $60,000 for the purpose. King wrote to Talbott on April 25, 1917: "As to the ownership of the stock, if you see fit to back me up in it, this can be determined in any manner that you see fit." It was not long after the control of the Dayton Lumber & Manufacturing Co. was thus acquired that the arrangement was made for giving to this company the contract to develop Wilbur Wright Field. King's narrative of the circumstances in which this contract was obtained is very illuminating and affords a notable contrast to the difficulties of many who unavailingly sought contracts with the Government.

King was sent for by Talbott and informed that he (King) had been "recommended down at Washington to assume the responsibility of putting up some buildings for Wilbur Wright Field," and suggested that he immediately set about effecting an organization for the purpose. This was on Saturday, May 17, 1917, and on Sunday Talbott telephoned to King, asking him to leave immediately for Washington. Accordingly King went to Washington on Sunday afternoon, taking the same train with Deeds. It was arranged that King should call the next day at Deeds's office, which he was informed was on the same floor with that of the contracting officer, Capt. Edgar. Accordingly on the following day, May 19, Deeds introduced King to Capt. Edgar, and in two or three days, on May 23, the contract was signed. As Col. Edgar testifies: "King was brought down here by Col. Deeds and recommended to us as a proper contractor, the most available in Dayton for the work."

The following is a portion of the correspondence between Deeds and Talbott relating to this contract:

Telegram Deeds to Talbott, May 23, 1917:

WASHINGTON, D. C., *May 23, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

King probably returns to Dayton this evening. He is undertaking something which he alone is unable to get through with. It will be important that you give him a vision of this job and some very definite suggestions how to hit it in a big way. This is the biggest undertaking that has ever been put across in Dayton.

E. A. DEEDS.

Telegram Deeds to Talbott, May 23, 1917:

WASHINGTON, D. C., *May 23, 1917.*

H. E. TALBOTT, *Dayton, Ohio:*

Suggest you personally direct publicity regarding contract to be given soon, so that it will avoid criticism and at the same time tell the story. This is particularly vital because of Capt. Waring to start work Friday and the visitors whom I am bringing, who may read the papers. Your good judgment is needed on this.

E. A. DEEDS.

Telegram Deeds to Talbott, May 24, 1917:

WASHINGTON, D. C., *May 24, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

In arranging for contract do not overlook a local contractor and lumberman in Osborne. Ezra Kuhns knows his name. He has been friendly to us, and I promised him something to do on this job.

E. A. DEEDS.

Telegram Talbott to Deeds, May 28, 1917:

MAY 28, 1917.

E. A. DEEDS,
Care New Willard, Washington, D. C.:

Just to remind you, chartered accountants of Government selection, expense to be paid by contractor and charged to cost of work. Piecework for labor only on various unit sections in various classifications of work will do much toward speed and economy. Each individual transaction to have the approval of officer in charge before it is effected.

H. E. TALBOTT.

Telegram Deeds to Talbott, May 31, 1917:

MAY 31, 1917.

H. E. TALBOTT, Sr., *Dayton, Ohio:*

Wire what progress has been made on Dayton Field. This is for our report to the council. If foundations have been started, for instance, and how many men on the job. This only needs to be a rough estimate.

DEEDS,
Aircraft Production Board.

Telegram Talbott to Deeds, June 1, 1917:

JUNE 1, 1917.

DEEDS, *Aircraft Production Board,*
War Department, Washington, D. C.:

Steam shovel and large trench digging machine now in place. Three cutting gangs at work. Teams and tractors on ground. Carpenters finishing sheds and office for construction purposes. Foundation excavations in progress. Have plant and equipment for six concrete gangs which will be at work early in the week. Sidewalks progressing. Repairing highways to facilitate trucking operations from Dayton. Purchased five new Packard trucks to augment transportation over the existing available trucks. Next week will see everything booming along. All material, lumber, cement, planks, board roofing located and on the way. Wish you would think over method of authority which can be given me to rush transportation of railway cars. This looks like the main point of congestion. All departments of construction now organized with experienced and competent supervisors and foremen. All this in spite of the fact that it has rained every day since Waring has been here.

H. E. TALBOTT.

Despite the indications of these messages, and of his transactions with King, Mr. Talbott testifies positively that he had no interest in the enterprise, except as a citizen of Dayton and got nothing out of it beyond 6 per cent interest received by the Dayton Metal Products Co. on money loaned.

King had no capital available for the enterprise, nor had the Dayton Lumber & Manufacturing Co. King's testimony is:

"Q. Did you have the capital to swing that?—A. Not without assistance.

"Q. Where did you expect to get the assistance?—A. When I talked to Mr. Talbott he told me on the Saturday afternoon, I said, 'Well, this will take a good deal of money.' He said, 'Yes, but,' he said, 'you need not worry about that. We will work out some way for that.' He said, 'I do not know how we will work it out, but we will work out some way for that.'"

The financial assistance that King needed was obtained upon the credit of the Dayton Metal Products Co., supported by the personal guaranties of H. E. Talbott and C. F. Kettering. Notes of the Dayton Lumber & Manufacturing Co. to the extent of $400,000 were discounted by the Dayton Metal Products Co. with the American Exchange National Bank, of New York. It was originally contemplated that these notes should be indorsed by Deeds and Talbott, as is shown by the following extract of a letter to Mr. Talbott from W. H. Bennett, vice president of the American Exchange National Bank, under date of June 25, 1917:

"Referring to the conversation which the writer had with you on Thursday, I have conferred with Mr. Kenzel, assistant cashier of the Federal reserve bank, and upon your statement that the Dayton Lumber & Manufacturing Co. is under contract with the United States Government for the preparation of the aviation field at Dayton, and that said company is to receive payments on the 10th of each month on the presentation of receipted vouchers for work completed in the previous month; and that it is the intention of the Dayton Metal Products Co. to make advances to said Dayton Lumber & Manufacturing Co. of amounts necessary to carry on the work, he ruled that the paper executed by the Dayton Lumber & Manufacturing Co. and indorsed by the Dayton Metal Products Co. to cover said funds so advanced will be eligible for rediscount with the Federal reserve bank.

"Therefore, we feel that it will probably be of mutual advantage to provide for the advance of $400,000 requested from us by a three months' note executed by the Dayton Lumber & Manufacturing Co., to the order of the Dayton Metal Products Co. and indorsed by Mr. H. E. Talbott and Mr. E. A. Deeds. If you so desire, the indorsement of the individuals can be secured by an assignment from the Dayton Metal Products Co. of certain securities now in safekeeping with us to the individuals referred to."

It was subsequently arranged that the indorsements should be those of Talbott and Kettering, who also gave their separate agreement of guaranty. The avails of discounted paper were passed by the American Exchange Bank to the credit of the Dayton Metal Products Co. It appears from the accounts between the Dayton Lumber & Manufacturing Co. and the Dayton Metal Products Co. that, while the latter company ultimately paid the notes, their proceeds were used in large part from time to time for the benefit of the Dayton Metal Products Co.

The credit to the Dayton Lumber & Manufacturing Co., thus extended to it upon its notes, was furnished without security; or, as Mr. Talbott put it, with "no further security except in the man (King). I trusted the man; I knew his contract." After the contract had been obtained, King increased his stockholdings in the Dayton Lumber & Manufacturing Co. by the purchase of 104 additional shares, borrowing for the purpose $20,000 from the Dayton National Bank.

It appears that the total amount paid by the Government under the contract with the Dayton Lumber & Manufacturing Co. to August 14, 1918, amounted to $3,115,161.94. This represents the amount paid for the cost of the work; that is, for lumber, materials, etc. The commission or profits of the contractor, which had been paid to that date, amounted to $102,436.04. There has been considerable trouble in connection with the contract, and the accounts are far from being in satisfactory shape. An audit of the books of the company was made by Barrow, Wade, Guthrie & Co. to November 30, 1917. They reported that they found "the pay rolls very incomplete, full of errors, corrections, and erasures," and that there was "abundant evidence that great laxity and carelessness has been exhibited by the employees of the company, especially those in the paymaster's department." These statements are amply confirmed by the evidence in this investigation, and the accounts are in course of being reaudited by Government accountants. The consideration of the various irregularities in the accounts and of the questions to which they give rise must await the result of this examination. It will be observed that the Government has withheld a large part of the compensation of the contractor until a satisfactory adjustment has been made. Of the profits received from the Government it would appear that the moneys have been retained in the business of the company, except to the extent of a dividend of $37,500, that is, 50 per cent on the capital stock. Of this dividend King was entitled on the 521 shares acquired in his name to $26,050, and of this amount it appears that he had received 70 per cent, or $18,235, to July 1, 1918. He had paid $11,000 on account of his loan ($21,000) to the Dayton National Bank. He had paid nothing on the $60,000 loan from the City National Bank. No agreement has been proved for a division of profits on this contract, and there is no proof that Col. Deeds has had an interest in the contract or in the Dayton Lumber & Manufacturing Co. Even if it appeared that the Dayton Metal Products Co. was interested in the contract (which would explain transactions otherwise difficult to understand), this fact would not affect Col. Deeds, unless he were found to be interested in that company. The question would thus come back to the transfer of his stock in the Dayton Metal Products Co., which has already been considered.

M'COOK FIELD (FORMERLY KNOWN AS NORTH FIELD).

This is a field of approximately 200 acres in and adjacent to Dayton, which was leased by the Government from the Dayton Metal Products Co., and has been used for the purpose of making various tests. Lieut. Col. Vincent first suggested another field (South Field or Moraine Field) and brought the matter to the attention of Col. Deeds by whom that field was principally owned. On September 27, 1917, Col. Deeds sent the following telegram to Mr. Talbott:

WASHINGTON, D. C., *September 27, 1917.*

Mr, H. E. TALBOTT,
City National Bank Building, Dayton, Ohio.

Col. Clark takes letter regarding Moraine flying field with him to Dayton to-night. George McCann has another letter, for Mr. Kettering. Government will lease land, put up buildings, and operate experimental field. Lease will be for three years without privilege of purchase, as that is not necessary. Have complete description of property prepared, also statement of cost of buildings already erected and suggested monthly rent arrangement and have George McCann bring them to Washington to complete lease. Have him prepare deed for this property to Mr. Kettering, who in turn will lease it to the Government.

DEEDS, *Equipment Division.*

Talbott and Kettering refused to consent to this use of South or Moraine Field, as it was said to be needed for experimentation in connection with the Dayton Wright Airplane Co., and they suggested North Field, or what afterwards became known as McCook Field. The latter tract had originally been purchased by Deeds and Kettering, each of them bearing one-half of the cost, and they had made some improvements, such as leveling, removing trees, etc., and had erected one or two small buildings. The object of their purchase had been to develop a training field for airplanes, to be used by civilians, but this project could not be carried out. The suggestion was that this parcel, with approximately 82 acres of land adjoining, which was owned by the Dayton Metal Products Co., would be suitable for the Government's use as an experimental station. Deeds did not wish to be a party to the lease, and conveyed to Kettering his undivided one-half interest in the parcel owned by them in common, and Kettering then conveyed that parcel to the Dayton Metal Products Co., which thereupon leased the entire tract to the Government.

The lease was dated October 4, 1917. Col. Deeds was present at the conference at which the terms were settled and sent the following telegram to Talbott on October 3:

WASHINGTON, D. C., *October 3, 1917.*

Mr. H. E. TALBOTT,
City National Bank Building, Dayton, Ohio.

Have worked out a lease for the North Dayton Field, $12,800 a year without cash payment. It is the best thing that can be done under the circumstances, and suggest its acceptance. Craighead will discuss it with you in detail when you see him.

DEEDS, *Equipment Division.*

Lieut. Col. Edgar, under the authority of the Chief Signal Officer and the approval of the Chief of Staff and of the Assistant Secretary of War, signed the lease on behalf of the Government. The rental is at the rate of $12,800 a year with an option of renewal from year to year, until June 30, 1921. There is no option to purchase; the lessor agrees that at the expiration of the lease the lessee may remove the structures and improvements erected by it upon the premises.

The contract for the development of the field was made with the Dayton Lumber & Manufacturing Co., notwithstanding the fact that the contractor had failed to give satisfaction in connection with the Wilbur Wright Field. This is explained by Col. Edgar as follows:

"We had an organization at the Wilbur Wright Field. We had practically reorganized King's force, and it was determined to take them over to McCook Field, which was brought to us by Col. Deeds as a rush job which must be done immediately. * * * He personally brought the proposition to me as a proposition that had to be put through immediately. They had no place to test the planes that were coming out. We did not pick out McCook Field; we had nothing to do with its location. A contract was made for the rental of the ground of the McCook Field, and we were importuned to take our organization over there with this contractor and finish this job up and it was done.

"Q. Importuned by whom? A. By Col. Deeds."

The total amount expended by the Government upon McCook Field to August 14, 1918, amounts to $949,085.35, and the contractor's compensation is 7 per cent of the cost with a maximum limit of $46,200. The amount paid to that date as contractor's profit was $26,667.65. The remaining portion of the total compensation has been withheld awaiting the audit of the contractor's accounts.

There is no proof that Col. Deeds has had an interest in the contract for the development of this field. Nor does it appear that he had an interest in the lease executed by the Dayton Metal Products Co. to the Government, or in the rent reserved. While Col. Deeds originally owned a part of the tract leased to the Government, he conveyed—by what purported to be an absolute sale—his interest to Kettering, and was not interested in the lease by Kettering's grantee, the Dayton Metal Products Co., unless he was interested in the stock of that company, a question already considered. It is understood that the amounts advanced by Deeds in connection with the development of that portion of the tract in which he had an undivided one-half interest were taken into account in the settlement that was made in November, 1917, when the amount to be paid (by notes) to the Domestic Building Co. for the plant acquired by the Dayton Wright Airplane Co. was determined; but this fact is not sufficient to establish an interest in the lease so as to bring the matter within the range of the Federal penal statute.

SOUTH FIELD OR MORAINE FIELD.

This is a tract of about 110 acres lying south of the city of Dayton and a short distance from the plant of the Dayton Wright Airplane Co. The greater portion of the land belongs to Col. Deeds. It has been improved by the erection of a number of hangars and other buildings. This land was leased about November 30, 1917, to the Dayton Wright Airplane Co. for a period of three years at a rental of $1 per year. It is used by that company as a place of experimentation. The expenditures for hangars and improvements upon South Field which had been made by Col. Deeds had been taken into account in the settlement made with the Domestic Building Co.

ACCEPTANCE FIELD.

This is a field lying close to the plant of the Dayton Wright Airplane Co., upon which the airplanes it manufactures for the Government are taken out for trial. The greater part of this field belongs to the Moraine Development Co., and it appears that Deeds is interested in this field as a stockholder in that company. Deeds and Kettering each hold 2,055 shares out of a total of 10,003 shares, the majority of the stock being held by Adam Schantz. This field is leased to the Dayton Wright Airplane Co. The transactions relating to South Field and Acceptance Field were with the Dayton Wright Airplane Co., and not with the Government.

(3) COL. SIDNEY D. WALDON.

During the period in question Col. Waldon was a stockholder in the Packard Motor Car Co. This interest he retained, but he disclosed it to the Aircraft Production Board at its meeting of August 27, 1917, and to the Secretary of War, and it does not appear that he took part at any time in any proceedings of the board or in any other transactions in relation to the Packard Co. No interest on his part in any other concern having dealings with the Government is shown.

(4) COL. ROBERT L. MONTGOMERY.

At the time Col. Montgomery entered the service of the Government he was one of the directors of the J. G. Brill Co., of Philadelphia, holding one share of common stock. Col. Montgomery states that he resigned from the board of directors and sold his share of stock on September 22, 1917, before any contract was made by that company with the Government and that he did not negotiate the contracts in which that company is interested. Col. Montgomery further states that at the time he entered the Government's service it was agreed with his partners that no member of the firm should have any interest in any concern connected with aircraft work. It appears that the wife of one of his partners held for some time 200 shares of the stock of the Curtiss Aeroplane & Motor Corporation, which she had purchased in her own right, and then sold it, and that subsequently she bought some 500 shares of the stock of the Wright-Martin Aircraft Corporation. With these transactions Col. Montgomery had no connection.

Col. Montgomery's firm (Montgomery, Clothier & Tyler) in August, 1917, took an interest of $250,000 in an underwriting syndicate through the National City Co. for the flotation of $5,000,000 6 per cent notes of the Electric Auto-Lite Corporation. Later, Montgomery, Clothier & Tyler issued a circular offering the notes for sale to the public. These notes of the Electric Auto-Lite Corporation were secured, in part, as the circular states, by a specific pledge of collateral, among which were shares, amounting to $12,500,000 in par value, of the common stock of the Willys-Overland Co. The Farmers' Loan & Trust Co., of New York, was made trustee to receive the pledge. The sale of all the notes was completed by September 12, 1917, $116,000 being sold through Montgomery, Clothier & Tyler, who received $8,500 in settlement of their interest in the underwriting. Col. Montgomery states that this transaction, with others, was undoubtedly mentioned to him by his partners at or about that time, but that he never saw the circular or had the transaction fully explained to him until May of this year. In August and September, 1917, at the time of this transaction, Col. Montgomery, on behalf of the Government, was negotiating contracts with the Willys-Overland Co. for the manufacture of engines for training planes. The Willys-Overland Co. not only made these contracts but also had a substantial interest in the Curtiss Aeroplane & Motor Corporation, which at the time had contracts with the Government for airplane engines. While the Electric Auto-Lite Corporation was affiliated with the Willys-Overland and Curtiss Cos., the transaction in question concerned the flotation merely of notes of the Electric Auto-Lite Corporation, and the interest of purchasers of these notes in the stock companies having dealings with the Government was only through the pledge of the Willys-Overland stock as collateral security. It appears that while Col. Montgomery's firm took part in the sale of the notes as members of the underwriting syndicate, none of the notes were actually purchased by his firm, either for firm account or for any individual partner, and in these circumstances it is believed that there would be no sufficient ground for holding the above-quoted statutes to be applicable.

Apart from the above matter, there is no evidence that Col. Montgomery has had an interest in any corporation, association, or firm with which he has dealt as an officer or agent of the Government.

Other officials.

LIEUT. COL. JESSE G. VINCENT.

In April, 1917, Mr. Vincent was vice president of the Packard Motor Car Co. in charge of engineering, with a salary of $25,000 a year. Under his contract with that company made in 1912 he was entitled to subscribe for certain shares of its stock. On August 15, 1917, having resigned his office, he made a settlement with the company, receiving his salary to that date and a bonus of $5,000 for the preceding year's work, and at the same time, through the exercise of his option, he acquired $15,000 of common stock at par, which, with the stock dividends previously declared thereon, gave him approximately 347 shares. He had purchased outside about 82 share, so that he became a stockholder in the Packard Motor Car Co. to the extent of 429 shares of the common stock of the par value of $42,900. This stock he has continued to hold since August, 1917; he has received dividends of 1¼ per cent quarterly, with the exception of one quarter, for which a dividend was passed.

From about May 27, 1917, until August 15, 1917, Mr. Vincent, while paid by the Packard Co., was actually at work for the Government in the development of the Liberty motor. It is said that for this period he was "loaned" by his company to the Government. On September 3, 1917, he received a commission in the Army with the rank of major, and later he was raised to the rank of lieutenant colonel. About July 1, 1917, he was put in charge, as a civilian, of the engine design section of the Signal Corps, and he remained in this service after he was commissioned and until October 1, 1917. On the latter date the airplane experimental department of the Signal Corps was established in charge of Lieut. Col. Clark, with headquarters at McCook Field, Dayton, and Maj. Vincent was associated with this department as its executive officer with his office at the Lindsey Building, Dayton. On February 6, 1918, he was put in charge of the airplane engineering department at Dayton and in command of McCook Field. He is now in charge of the airplane engineering division of the Bureau of Aircraft Production.

Both before and after Maj. Vincent received his commission in the Army he had transactions with the Packard Motor Car Co. in which he acted on behalf of the Government. On June 6, 1917, the Aircraft Production Board adopted a resolution which provides, after recitals, as follows:

"*Therefore be it resolved*, That the board proceed immediately to secure space wherein to bring together sufficient draftsmen under a competent engineering organization to produce complete designs of 8 and 12 cylinder motors, to be known as the US–8A and US–12A, respectively; that the design for the 4 and 6 cylinder motors follow as soon as practicable, these motors to be known as the US–4A and US–6A, respectively. These designs and drawings to be made to include the designs and drawings for the special tools necessary to produce the parts of these motors. The board should undertake to have the parts made wherever in its judgment they can be most quickly and advantageously done and have them sent to Washington and assembled here in space to be secured, parts to be made for five (5) US–12A and five (5) US–8A.

"*And be it further resolved*, That the board recommend to the office of the Chief Signal Officer that the sum of $250,000 be immediately set aside to carry on this work and that a disbursing officer be assigned to handle this fund."

This allotment, or $249,159.10, was paid to the Packard Motor Car Co. for drawings, models, tests, etc., and for six US–8A's and five US–12A's, which were to serve as standardized engines. No written contract for this work or written order for this work setting forth unit prices or specifying the terms on which the work was to be performed is found in the files of the Signal Corps, and in this respect the proceeding was very irregular. Instead of there being an appropriate agreement or written order, it appears that verbal orders were given from time to time by Mr. Vincent, which, it is testified, were confirmed in conversations with Mr. Deeds.

The first voucher presented by the Packard Co. for this development work was for $104,500, which was paid on August 11, 1917, upon a certificate of Mr. Deeds, then a civilian, in charge of the equipment division. While Mr. Deeds was familiar in a general way with the work, it does not appear that he or any one else acting for the Government, except Mr. Vincent, had detailed information as to what had been done or as to actual cost. The exact amount of the outlays could not then be stated either by the company or by Mr. Vincent, and while definite amounts were placed opposite the particular services and engines described in the voucher, these amounts were mere estimates. The voucher did not so state, but the payments were virtually payments on account. Included in this first voucher (paid August 11) were the salaries and traveling expenses, as estimated, of those in the engineering organization which Mr. Vincent had effected for this development work, including the salary of Mr. Vincent himself after he came to Washington as above stated. As he testified:

"In other words, this item was intended to cover not only the making of drawings, but the moving of engineers here to date and also a lot of traveling expenses incident thereto * * * that was all lumped under original design work. * * * Q. Was there any itemization of that anywhere? A. There was not, because it was impossible to make any such itemization. I knew roughly what it would cost. * * * Q. How much of that amount of $37,000 included in that voucher—that is, the voucher for $104,500—was for salaries? A. I should say about one-third. Q. For what period were those salaries allowed. A. They were allowed for the period that the men were actually on the job.

* * * * * * * *

"Q. Is your salary included in the $37,000? A. I think it is."

Another voucher in similar form for $73,194.72 was presented by the Packard Co. on November 20, 1917. It was accompanied by a letter from Maj. Vincent, representing the engine-design section of the Signal Corps, to Col. Deeds, which stated:

"I have personally supervised this work and hereby certify that all of the above material has been delivered to the Government and is now being used for Government purposes.

"The prices at which the engines are billed are only approximately correct and may be high or low, but this can not be determined until a final checkup is made when the job is completed. There are several engines yet to be delivered, and before we pay for the final ones, I will arrange to have a checkup made in order to insure that the total amount paid for the entire job is entirely fair to both the Government and the Packard Motor Car Co. I would ask that payment be made the Packard Motor Car Co. promptly in this connection, as they are going to a great deal of trouble to do this experimental work for us."

A third voucher for $60,000, for three engines, which was also a mere estimate, was paid on December 6, 1917, on Col. Deeds's certificate.

The fourth, and final, voucher was paid on January 19, 1918, for the two remaining engines, which were put down at $5,732.19 each so as to bring the total amount expended for the development work within the above-mentioned allotment of $250,000. The Packard Co. at this time submitted an itemized statement of its outlays which Maj. Vincent examined and approved. This statement purported to show the total cost of the entire work; that is, the cost of material and labor, the direct expense (including traveling and other expenses of the organization which Mr. Vincent brought to Washington for the purpose of working

on the design of the Liberty motor) and the overhead charges. These items aggregate $221,474.75, to which a profit of 12½ per cent ($27,684.35) was added, making a total of $249,159.10. Maj. Vincent wrote the following letter to Col. Deeds in submitting the final voucher with his approval of the itemization of cost:

DAYTON, OHIO, *January 19, 1918.*

From: Maj. J. G. Vincent, airplane experimental engineering department, Lindsey Building, Dayton, Ohio.
To: Col. E. A. Deeds, Southern Railway Building, Washington, D. C.
Subject: Final payment on the Liberty engine development order.

1. I am inclosing herewith bills from the Packard Co. for the last, or No. 6, S-cylinder engine, and the last, or No. 5, 12-cylinder engine. These bills have been held in abeyance until the Packard Co. could furnish us with a final accounting covering the cost of the job.

2. You will remember that the joint Army and Navy technical committee set aside an appropriation of $250,000 to cover the cost of this job. At the time they set aside this amount and asked me to have 10 engines built I was afraid it could not be done within the appropriation, but am glad to be able to advise you that altogether we built 11 engines, as well as 2 wooden models and ran several tests under this order and still kept within the appropriation. You will note that the last two engines are built at $5,732.19 each, as this just balances out the net cost to the Packard Co. plus 12½ per cent profit.

3. As a matter of general information I want to point out that the Packard Co. cooperated with us to the limit on this job, and many of their executives gave a great deal of their time to this work for which they received no pay whatsoever. It is also a fact that this work was put ahead of a great deal of other work, causing losses which can never be computed. They did this cheerfully because their heart was in the job, and my only object in mentioning it is to in some degree give them credit for their attitude, as I know no one at Washington can possibly realise what this brand of cooperation costs.

4. I want to go on record as stating that I do not know of any other place in the world where this job could have been done at anything like this cost.

5. During the last two years that I was with the Packard Co. they spent approximately a half million dollars on aircraft development work. The spending of this money not only put me in position to know what should make an aircraft engine, but it also resulted in the development of an organization at the Packard plant which was ready and waiting to grab this Liberty job. I think you will find the brief résumé of costs entirely satisfactory, but I simply want to state that the Packard Co., of course, have a complete record of all the transactions, if they should ever be required. I think, however, that this job is so obviously reasonable that nothing else will be required. I want to urge that you have final payment made to the Packard Co. immediately, as they are carrying on a lot of development work for us and are, therefore, carrying considerable investment at all times.

(Signed) J. G. VINCENT,
Major, S. C., U. S. A.

The irregularity of proceeding in this manner without a contract or proper order in writing is apparent. No price had been fixed for the work or materials; if only outlays were to be reimbursed, it was necessary that outlays should be appropriately proved before payment was made, and this had not been done in the case of the first three payments. Nor does it appear that at the time the first voucher for $104,500 was passed, on or about August 11, 1917, Mr. Deeds had any authority in the absence of a written contract or a proper written order to give the certificate. The Chief Signal Officer testifies that he did not have such authority. Nor was his certificate itself accurate in its terms, as there was no agreement for a price, and if there was an agreement for the reimbursement of actual outlays, the voucher, being a mere estimate, was not in accordance therewith.

It should be said, however, that the evidence does not afford ground for the conclusion that the Government was defrauded or that there was any intent to defraud the Government on the part of any of the parties concerned. The work was development work, these first engines being made by hand in advance of tooling up for quantity production in order to standardize the design, and it does not appear that the services rendered were not worth the amount paid or that the estimates of the outlays were not fair estimates; that is, that the amounts as estimated were not actually expended as set forth in the final statement. Both Maj. Vincent and Mr. MacCauley, the president of the Packard Motor Car Co., testify that the amount paid under these vouchers as finally adjusted did not embrace any expenses incurred in the original work of the Packard Co. in developing an aircraft engine; that is, prior to the time when Mr. Vincent came to Washington on May 27, 1917. Viewed as an arrangement for services on a cost-plus basis, the allowance of profit does not seem to be excessive. While the vouchering was irregular, there is no sufficient basis for a charge under the statutes relating to false and fraudulent vouchers or the facilitating or obtaining of payments with intent to defraud the Government.

A distinct question, however, is presented as to Lieut. Col. Vincent. Section 41 of the Criminal Code explicitly prohibits any person who is directly or indirectly interested in the pecuniary profits or contracts of a corporation from acting as an officer or agent of the United States for the transaction of business with such corporation. It is manifest that Lieut. Col. Vincent acted as an officer and agent of the Government for the transaction of business with the Packard Motor Car Co., in which he was a stockholder, and that this was in violation of the statute.

LIEUT. COL. GEORGE W. MIXTER.

Lieut. Col. Mixter, formerly vice president of Deere & Co., of Moline, Ill., manufacturers of agricultural machinery, came to Washington in July, 1917, to undertake the organization of the inspection department of the aircraft engineering division of the Signal Corps. He was later chief of the inspection department of the equipment division of the Signal Corps. He was commissioned as an officer in the Signal Corps, with the rank of major, about August 15, 1917. The work of the inspection department covered the inspection or acceptance of material and manufactured articles furnished to the Signal Corps, including the inspection of airplanes and engines manufactured under contracts with the Government. As chief of the department, Maj. Mixter dealt with the matters of organization and personnel and exercised a general supervision over the department in matters of administrative policy. In May, 1918, Maj. Mixter was made production manager and on the reorganization which resulted in the establishment of the Bureau of Aircraft Production he continued to carry the title of production manager, being directly under Archer A. Landon, who is Director of the Production Division, which is broadly charged with the actual execution of the aircraft program after the receipt of engineering data.

Prior to his connection with the Government, Mr. Mixter held 25 shares (par value $2,500) of the preferred stock of the Curtiss Aeroplane & Motor Corporation. He has not disposed of this stock. He testifies that he had sold his common stock in the company about two years ago and that he had not given thought to the retention of the few preferred shares; that his personal accounts are kept at his office in Moline and are in charge of his secretary. The Curtiss Co. had important contracts with the Government for the production of aeroplanes, and Lieut. Col. Mixter was in charge of the organization of the inspection of materials and products at its plant as well as at other plants, and he visited the Curtiss plant from time to time in the exercise of his authority as head of the inspection department and as production manager, and as an officer of the Government he dealt with such questions at this plant as required attention.

The statutory phrase "transaction of business" is broad enough to embrace the activity of officers or agents of the United States who are heads of divisions having charge of the inspection of products under contracts requiring the action of Government inspectors in course of performance. It would be a narrow construction to hold that the statute (Crim. Code, sec. 41) is limited to the making of contracts or the placing of orders or transactions relating to payment or discharge. It would seem to be quite as important that the chief of a department of inspection, selecting the inspectors who act under his instructions at the plants of contractors, should be free from interest in the corporation whose work is inspected, as the inspectors themselves, and both the chief of an inspection department and the inspectors may properly be regarded as agents of the Government for the transaction of business with the corporation. The same would be true of the production manager having supervision of production under contracts with the Government. No ruling in the Federal courts with respect to the applicability of the statute to such an officer or agent of the Government has been found. In the view that the statute has the scope suggested, Lieut. Col. Mixter acted as an officer or agent of the United States, contrary to the prohibition, for the transaction of business with the Curtiss Aeroplane & Motor Corporation, in which he was a stockholder. His holdings were small, but it can not be said that for that reason the statute is inapplicable.

MAJ. HOWARD C. MARMON.

Maj. Marmon joined the Signal Corps about June, 1917, and almost immediately was sent to Europe with the Aeronautical Commission. On his return he was assigned to duty with the airplane experimental department at McCook Field, Dayton. Prior to his service with the Government he was vice president and engineer of the Nordyke & Marmon Co., of Indianapolis, which was engaged in manufacturing mill machinery and motor cars, and he held $15,000 in par value of the stock of that company, its book value being several times its par. On entering the Army, he gave to his brother a power of attorney to dispose of his shares, and they were transferred to his mother, Mrs. Elizabeth C. Marmon, and have since stood in her name. The transfer was a gift; Maj. Marmon testifies that he has no interest in the stock. His mother turns over to him the income of other property which is the equivalent of the salary he had previously received from the Nordyke & Marmon Co.

The Nordyke & Marmon Co. has a contract for 3,000 Liberty engines and spare parts, and previously had a contract, which was filled, for 1,000 Hall-Scott engines and spares. The evidence is that Maj. Marmon had no part in the negotiations relating to these contracts or with the supervision of inspection, production, or payments. He has been engaged in the airplane experimental department, or engineering department at McCook Field. It does not appear that he has had any transaction with the Nordyke & Marmon Co. save that he sent to that company, with others, from McCook Field, the blue prints for the Liberty engine. It also appears that he signed a communication from McCook Field relating to a Marmon automobile which had been ordered by Lieut. Col. Vincent for that department. Taking all the facts into consideration, there is no sufficient ground for a charge of violation of the statute in his case.

SECOND LIEUT. SAMUEL B. VROOMAN, JR.

In a subsequent portion of this report reference is made to the Mahogany Manufacturers and Importers Association, a voluntary association of the leading mahogany manufacturers of the United States, which was formed last January in connection with negotiations for the purchase by the Government of mahogany for airplane propellers. One of the members of the association is the S. B. Vrooman Co., of Philadelphia. Second Lieut. Vrooman is the son of Samuel B. Vrooman, who was the head of this company until his death, a short time ago. Second Lieut. Vrooman is 31 years of age, and for upward of nine years was at work in his father's company handling lumber, inspecting, and selling. On his marriage, in June, 1917, his father gave him $10,000 in par value of the company's stock, which for some years has paid 20 per cent dividends annually. This stock he still holds. In addition to the dividends on his stock, the S. B. Vrooman Co. has continued to pay him since he entered the service of the Government the sum of $50 a week, which is the equivalent of the compensation he previously received for his services to the company.

In December, 1917, S. B. Vrooman, jr., became identified with the Equipment Division of the Signal Corps as a civilian and was made an inspector of mahogany purchased by the Government. In February, 1918, he was put in charge of the inspection of all propeller lumber. He selected the district officers, who in turn selected the inspectors. Mr. Vrooman issued instructions to the district officers, visited the plants to see that the inspectors were doing their duty, and passed on disputed points. He has continued in this service, and in July, 1918, received a commission as second lieutenant. Among the plants subject to his jurisdiction as head of inspection of propeller lumber is that of the S. B. Vrooman Co., which has had contracts with the Government and is within the territory assigned to the district office at New York. S. B. Vrooman, jr., selected the head of this office, Mr. McCullough, who was responsible to him for the efficiency of the inspection and for the carrying out of his instructions, which related to the inspection at the Vrooman plant as well as others. The conclusion is not to be escaped that S. B. Vrooman, jr., was the agent of the Government directly responsible for the proper inspection of the mahogany delivered by the S. B. Vrooman Co. to the Government under its contracts, and that his acting as such agent for the transaction of business with the corporation in which he was a stockholder was in violation of the statute.

Fourth. The aircraft program.

At the time of our entry into the war we had no combat planes and only a few planes for training and scouting purposes. Approximately 100 airplanes had been delivered to the Army up to the year 1917. There were few flyers and still fewer who had any acquaintance with

aviation engineering. The airplane manufacturing industry was in its infancy in this country. But these difficulties were not concealed. The necessity of prompt endeavor to surmount them and of securing at once the full benefit of foreign experience was obvious.

On May 22, 1917, the Joint Army and Navy Technical Aircraft Board, consisting of officers of the Army and Navy especially qualified by reason of aeronautical experience, made a series of recommendations to the Secretary of War and the Secretary of the Navy, which were duly approved by each Secretary. It was recommended that there should be purchased by the Army (from the Curtiss Aeroplane & Motor Corporation) "700 Curtiss JN-4 advanced training planes, equipped with the Curtiss OX-5 engines, with 50 per cent extra engines and appropriate amount of engine and airplane spares." The purchase of 100 Gnome engines (40 for the Navy and 60 for the Army) from the General Vehicle Co., was also advised. It was recommended "that no action be taken on the suggestion by the Aircraft Production Board for the purchase of the Standard J airplanes, pending tests of this machine by Army flyers." Other recommendations were as follows:

"9. The board recommends that the Aircraft Production Board take immediate steps to obtain complete working drawings, complete machines for use as samples, and to arrange for the manufacture in this country of the following airplanes and engines:

"AIRPLANES.

"Sopwith, 1½ strutter.
"Spad, 1-place pursuit type.
"S. E. 5, 1-place pursuit type.
"Sopwith, 130-horsepower Clerget, 1-place pursuit type.
"D. H. 4, 2-place reconnoissance.
"B. E. 2 D, 2-place reconnoissance.
"White, Gnome pusher, seaplane.
"Two types of Fairey seaplanes; 130-horsepower Clerget type; and also a Campania type.
"Farman, with a 150-horsepower Hispano-Suiza engine, seaplane.

"ENGINES.

"Lorraine-Dietrick, 250 horsepower.
"Clerget, 130 horsepower.
"Hispano-Suiza, 200 horsepower.
"Rolls-Royce, 270 horsepower.
"B. H. P., 200 horsepower.
"Gnome Mono-soupape, 170 horsepower."

The same board on May 23, made further recommendations to the Secretary of War and Secretary of the Navy, which were also approved, as follows:

"3. It is estimated that the needs of the United States Army for heavier-than-air aircraft until July 1, 1918, will be as indicated hereinafter, and it is recommended that a building program to accomplish these needs be started at once.

Under the present conditions in order to meet the needs of the United States Army only:

TRAINING.

Type of airplane.	Number required.	Type of engine.	Number required.
JN-4	3,500	OX-5	7,000
DeH-4	1,750	RR or equivalent	3,500
SE-5	600	HS	1,200
SPAD	600	HS	1,200
Sopwith	600	Clerget 130	1,200
JN-4 (stop-gap order)	0	Hall-Scott A7a	1,000

In the event that the United States are called upon to train foreign fliers in addition to United States Army fliers:

TRAINING.

Type of airplane.	Number required.	Type of engine.	Number required.
JN-4	5,000	OX-5	10,000
DeH-4	2,500	RR or equivalent	5,000
SE-5	800	HS	1,600
SPAD	800	HS	1,600
Sopwith	800	Clerget 130	1,600

"6. It is recommended that the Aircraft Production Board of the Council of National Defense take steps immediately to advise concerning the formulation of the plans how best to obtain in this country the following airplanes and engines, with the designs of these airplanes and engines and the rights to manufacture them in this country.

AIRPLANES.

Type.	Number.	Type.	Number.
DeH-4	2	R-R	4
SE-5	2	H-S	4
SPAD	2	Do	4
Sopwith	2	Clerget 130	4
BE2C	2	RAF	4
Farman seaplane	2	H-S	4
Martinsyde	2	R-R-190	4
Sopwith 1½ strutter	2	Clerget 110	4
Handley-Page twin	4	R-R	16
Caproni	2	CUR 92 Rb 110	4
Savoya	2	With engine	4
Do	2	Do	8

"7. In addition all such modern German airplanes complete with engines as it may be possible to obtain. These may be obtained either from the allies or from Holland.

"8. Additional engines desired:
"Four Lorraine-Dietrick, 250 horsepower.
"Three Clerget, 130 horsepower.
"Two Hispano Suiza, 200 horsepower.
"Three Rolls-Royce, 270 horsepower.
"Two B. H. P., 200 horsepower.
"Four Gnome Mono soupape, 170 horsepower."

REPORT OF AERONAUTICAL COMMISSION.

Two months after we had entered the war an aeronautical commission was sent to Europe. This commission, which sailed on June 17, 1917, in charge of Maj. (afterwards Col.) R. C. Bolling, was composed of Army and Navy experts and civilians. Capt. Virginius E. Clark and Capt. Edgar S. Gorrell represented the Army, and Navy Constructor G. C. Westervelt and Lieut. Warren G. Child represented the Navy.

Maj. Bolling's report was sent from Paris on August 15, 1917. The governing principle for the American production program was stated by Maj. Bolling to be:

"First. The United States must first provide itself with all airplanes and engines required for training purposes in America.

"Second. The United States must next provide the airplanes and engines necessary for use strictly in connection with the operation of American forces in the field. It is best known in Washington what will be the size and composition of the American forces in the field at any given dates in the future. You have the information as to the number of types of airplanes required in direct connection with military operations of these forces. We have learned nothing to change the views on that matter which were held by Maj. Foulois when we left Washington.

"Third. After these first two considerations comes the American program of putting into the field next year air forces in excess of the tactical requirements of its Army in France. It is greatly desired that the United States shall do this. Such air forces should consist of fighting airplanes and bombers." (Then follows a statement of the proportions deemed advisable.)

The conditions of European production were described, and the advisability of obtaining through foreign orders the supply of airplanes and engines required for use at the front and in training abroad for a period extending to July 1, 1918, was strongly emphasized, as is shown by the following extract from the report:

"In our opinion, these American needs may be divided into two periods: First period, from the present time to July 1, 1918. Second period, subsequent to July 1, 1918. With every confidence in the ultimate performance of the American production program our investigations of production experience over here and of the sea tonnage situation have convinced us that airplanes and engines produced in America can not be actually delivered at the front in any great quantity prior to July 1, 1918. Subsequent to July 1, 1918, we believe that American production will not only take care of our needs but may become a large factor in maintaining the air forces of our allies. In considering the period between now and July 1, 1918, due weight must be given to the experience of all foreign countries and manufacturers in the delays in airplane and engine production which were not and could not be foreseen. Only at close hand can one appreciate how many and how great those delays have been. * * *

"After long and careful consideration of this subject, we and all others here have come to the very strong conviction that most of the airplanes and engines for American use at the front and for our training here between now and July 1, 1918, must be produced either in France or Italy, where effective and successful methods of production are already in full operation. Because we consider this imperative and absolutely essential to prevent failure of our air campaign next year, an arrangement has been made with the French Government under which they are to produce for us the airplanes and engines shown on the attached table, which also includes a schedule of guaranteed deliveries. * * *

"You will also find annexed a schedule of approximate prices of these airplanes and engines and a draft of the proposed agreement between the American and French Governments which is now in the final stages of execution, although the orders have been actually placed by the French Government with its manufacturers. This agreement has been prepared after conference with the Judge Advocate General and his staff here and considerations of the arrangements under which England is having engines built in France."

Foreign orders.

Accordingly Maj. Bolling reported that the following orders had been placed abroad:

In France.

TRAINING PLANES.

Seven hundred and twenty-five Nieuports, with Le Rhone engines, and 150 Spads, with Hispano engines. Deliveries to be in time to meet United States training program in France.

SERVICE AIRPLANES.

	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	June.
1,500 Breguet (Renault & Fiat)	60	60	460	460	460	.....	.....	.....
2,000 Spad (200 HP Hispano)	.....	.....	.....	135	300	400	550	615
1,500 New Spad (150 Gnome)	.....	.....	50	100	200	300	350	500
or								
1,500 Nieuport (150 Gnome)	.....	.....	300	400	400	400	.....	.....

SERVICE ENGINES.

	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	June.
1,500 Renault (300 HP)	60	60	460	460	460	.....	.....	.....
4,000 Hispano (200 HP)	.....	.....	135	375	565	755	945	1,225
3,000 Gnome (150 HP)	.....	.....	400	400	400	600	600	600

In Italy.

Five hundred S. I. A. 6 B (reconnaissance and day bombing airplane similar to the Breguet). Deliveries to begin October and be completed in December.

Two hundred to three hundred Caproni biplanes with the new Isotta-Fraschini engine. Deliveries prior to June 30, 1918.

A formal contract was made between Gen. Pershing and the French Government under date of August 30, 1917, for the 5,000 service planes and 8,500 engines above described. The French Government entered into this contract upon the express condition that the United States should furnish the machine tools and raw materials, which were fully listed. In order to perform this condition a contract was made under date of October 4, 1917, by the United States Government with the J. G. White Engineering Corporation, by which the latter was to act as an agent for the purchase of the required materials on the basis

of cost plus three per cent as compensation. It turned out that there was great difficulty in obtaining these materials, as the French specifications in important instances could not be met at the time by American manufacturers. While the contract with the French Government called for deliveries of materials for planes two and one-half months before delivery of the finished planes, and materials for engines three and one-half months before delivery of finished engines, and that all materials advanced by the French production service should be replaced not later than November 1, 1917, it appears that only 14 per cent of the required materials had been placed at points of embarkation in the United States by November 1 for shipment to France, 46 per cent by January 1, 1918, and 67 per cent by March 1, 1918; 91 per cent was delivered at points of embarkation by June 1, 1918, and 99 per cent before the end of August. From information recently received it appears that all materials shipped under the contract arrived safely in France, and that substantially all have been satisfactory as to quality. For the materials thus delivered during the fiscal year ending June 30, 1918, there had been paid to the J. G. White Engineering Corporation $9,005,074.31, of which $8,742,412.29 represents the purchase price and $262,662.02 the agreed compensation.

It is understood that in December, 1917, in view of the existing conditions and the serious need for airplanes on the part of the French, the original contract was modified by a new contract calling for about one-quarter of the deliveries within the period contemplated in the first contract. The exact terms of the second contract are not now available here. It is also understood that further orders were placed with the French Government from time to time.

The deliveries originally contemplated on the foreign orders were not made; most likely by reason of the delays on the part of the United States in furnishing the required materials and the increased pressure of the needs of the allies.

DELIVERIES ON FOREIGN ORDERS.

Up to February 1, 1918, it appears that only about 600 planes had been received under the orders placed with the French Government, of which only about 70 were fighters and bombers. The situation as it then existed is disclosed in the cable from Gen. Pershing under date of February 16, 1918:

P. 610, Paragraph 1–A.

Dated FEBRUARY 16, 1918.

Conference to-day between Chief of Air Service, A. E. F., and French undersecretary of state for aeronautics develops fact that due to nonarrival in France of sufficient raw materials French production of aeroplanes and engines is insufficient to meet needs of French and American air service during the next three months. Nine American squadrons will be available for front-line service next month, and if military necessity requires that they be put into front-line service several of these squadrons must be equipped with inferior types of aeroplanes purchased from the French Government, a procedure which is strongly disapproved. Urgently important every effort be made to expedite remainder shipment of J. G. White & Co. materials destined for France—almost 14,000 tons—and also urgently request no delay in shipment of service aeroplanes from the United States.

PERSHING.

PLIGHT OF OUR CADETS ABROAD.

There may also be noted at this point the serious delays which occurred in securing adequate provision for the training of American cadets abroad. Hundreds of these cadets were held at concentration camps and other places for several months without suitable training. This was the more regrettable because these students embraced a large number who were exceptionally proficient, and who had gone abroad early on the assumption that they would have important and superior advantages in training. It is said that their numbers were larger than the capacity of the French and British schools which it was expected would receive them.

In his cable of March 13 Gen. Pershing speaks of the plight of these cadets as follows:

P. 726, paragraph 1.

MARCH 13, 1918.

For Chief Signal Officer. Approximately 700 cadets are now under flying training in Europe. These cadets had to wait an average time of three months before commencing flying training. Approximately 700 cadets in Europe awaiting flying training. These cadets have already waited from three to five months for training, and it is estimated that some of them will have to wait at least four months before their training can be commenced. All of those cadets would have been commissioned prior to this date if training facilities could have been provided. These conditions have produced profound discouragement among cadets. In order to remedy injustice and to relieve cadets in Europe on equitable basis of rank with cadets trained in the United States request approval of plan to immediately issue to all cadets now in Europe temporary or reserve commissions in Aviation Section, Signal Corps, subject to revocation in all cases where on completion of training cadets so commissioned are found not to have requisite qualifications for officers in the Air Service. If plan approved, will recommend cadets by groups according to seniority. Strongly recommend approval.

PERSHING.

The Secretary of War observed this condition during his visit to France in the spring and cabled that these cadets should at once receive their commissions, which were to be held subject to revocation if later they were not found to be qualified. Gen. Pershing stated in his cable of March 30, 1918, that this relieved the principal difficulty so far as training was concerned, and the situation as it then existed was "difficult because of lack of machines for front, and not because of lack of training facilities."

LACK OF INFORMATION HERE AS TO EXACT STATUS OF FOREIGN ORDERS.

Despite constant interchange of cables information was lacking here as to the exact status of the foreign orders. While cable inquiries had been made from time to time, it appears from a letter written by Lieut. Col. Horner for the Chief Signal Officer to Col. Bolling, as late as March 12, 1918, that the desired information had not been obtained. There had been apparently an utter lack of an adequate system of communication by which proper records could be kept here of the transactions abroad. Tables and charts of the foreign orders and deliveries were finally received here, but it seems that there still was considerable uncertainty as to the extent of the foreign obligations, and at the beginning of this investigation the extraordinary statement was made by Lieut. Col. S. E. Wolff, then head of the finance division, that notwithstanding repeated inquiries, extending over many weeks, he had been unable to ascertain within $100,000,000 what obligations had been incurred abroad.

AGREEMENT WITH FRENCH GOVERNMENT OF MAY 3, 1918.

On May 3, 1918, a new agreement was made with the French Government by which the contract of August 30, 1917, was canceled. Provision was then made by the French Government for the acceptance of orders of the American Government for aeronautical material and for the acceptance by the American Government of orders of the French Government for raw materials and other supplies. As these orders would be intended to meet, in the common interest, the military needs of each country presenting them, it was agreed that each Government should fill the orders so far as compatible with its own requirements and resources. It was further agreed that upon the arrival in France of the raw materials included in the contract of August 30, 1917, they should be delivered to the French Government on the assurance that they would be utilized in accordance with the conditions set forth in the new agreement; and also, that until the American Army should be able to meet its own requirements in aeronautical material, the French Government should place at the disposal of the American aviation units, and such instruction units as may be required, the same aviation material as used by the corresponding French units, both as to quality and quantity.

It would seem that by May 23, 1918, there had been delivered by foreign governments for our use abroad about 1,400 training planes and about 350 service planes. Since that time there have been additional deliveries, and according to a list obtained by Gen. Kenly the approximate number of airplanes received by our forces from European sources to July 31, 1918, were as follows:

School or training planes	1,617
Service or combat planes	1,512

Production in the United States.

RECOMMENDATIONS OF BOLLING COMMISSION.

While Maj. Bolling's commission, in anticipation of delays here, placed large orders abroad, it is evident that the speediest production in this country that was possible, of a variety of airplanes and engines, was contemplated. The Bolling commission recommended for production here:

"AIRPLANES.

"Advanced training Bristol Scout, with 80 Le Rhone.

"Division or Corps d'Armée Bristol Fighter, with 200 Hispano.

"Long-range reconnoissance and day bombing DH–4, with Rolls-Royce or some other equivalent engine to be later adopted. Fiat 300 has proved successful here.

"Fighting or pursuit (fixed engine) Spad, with 200-horsepower Hispano.

"Fighting or pursuit (rotary engine) new Spad, with 150 Gnome. (This airplane is now undergoing final tests.)

"Night-bombing Caproni triplane, with 3 Isotta-Fraschini 270-horsepower engines, or other equivalent engine to be later adopted. For very long distance bombing with heavy loads the Italians are now arranging to use the Caproni biplane with three Isotta-Fraschini engines instead of the heavier Fiats now used. For distances of 400–500 miles (out and back included) the much greater consumption of gasoline and oil by the triplane gives it little greater bomb-carrying capacity than the biplane with Isotta-Fraschini engines, and the biplane can be produced much more quickly and in greater quantities. It is also much easier to house at the front. For bombing at shorter distances nothing gives such great bomb-carrying capacity as the triplane.

"ENGINES.

"Eighty Le Rhone for training purposes.

"Two hundred Hispano Suiza for fixed engine one-place fighters and division or corps d'armée airplanes.

"One hundred and fifty Gnome Monosoupape for rotary engine fighters.

"Rolls-Royce for United States production only under some special arrangement of a Rolls-Royce factory in the United States. This engine is not considered suitable for great quantity production. It also requires very skillful mechanics to keep it in commission at the front.

"While we have investigated many other excellent engines such as Renault, Fiat, Isotta-Fraschini, and S. P. A. all of them are too heavy per horsepower to be recommended as engines for great quantity future production in the United States. Renault, Fiat, and Isotta-Fraschini all have new designs now under test which may prove very desirable. The Bugatti engine appears perhaps to offer the most interesting future development for light weight per horsepower and ease of quantity production. The developments with our United States engine now under test are probably the most important consideration in this question of engine production in the United States. Of course, we are without any adequate information over here as to these developments."

RECOMMENDATIONS OF ARMY AND NAVY TECHICAL MEMBERS OF BOLLING AERONAUTICAL COMMISSION.

Capt. Clark, U. S. A. S. C.; Capt. Marmon, U. S. A. R. S. C.; Naval Constructor Westervelt, U. S. N.; and Lieut. Child, U. S. N., the Army and Navy technical members of the Bolling commission, on their return to the United States made a report to the Secretary of War and the Secretary of the Navy under date of September 4, 1917, which embraced the following recommendations:

"23. So far as land airplanes are concerned, the types at present indicated as necessary are the following:

"(A) Primary training—dual control—about 90 horsepower.

"(B) One or two types of machines for training toward the fast fighter—single seater—using for the present the 80-horsepower Le Rhone rotary engine.

"(C) Army observation—two seater—using probably between 225 and 250 horsepower.

"(D) Single-seater fighter—using a rotary engine of about 170 horsepower. (If a water-cooled engine can be built which will, at altitudes, give more power per total weight than the rotary, this type of aeroplane should be eliminated.)

"(E) Single-seater pursuit—should mount an engine which will give about 150 horsepower at 20,000 feet altitude.

"(F) Day bomber—should mount one engine which will give about 325 horsepower at 15,000 feet.

"(G) Night bomber—should mount two or three of the engines mentioned under (F).

"In order to minimize the number of types of engines, it might be desirable to use the same engine in the Army observation and in the single-seater pursuit. Such an engine should be given about 180 horsepower at 15,000 feet."

RECOMMENDATIONS OF CAPT. (AFTERWARDS LIEUT. COL.) CLARK.

Capt. Clark, who had a larger experience in aeronautics prior to our entry into the war than any other member of the commission, was the expert largely relied upon to make suggestions as to the planes which should be manufactured. He visited numerous factories in England, France, and Italy and also observed the types of planes in operation at the front. He testifies that his final recommendations on his return to this country in early September, 1917, after learning the situation with respect to engine production here, were for the production of the following types of planes:

Day bomber DeH–9, with the Liberty direct drive, 12-cylinder high-compression engine.

Army observation Bristol fighter, with the same engine.

Night bomber, a Caproni triplane with three Liberty low-compression geared engines (Handley-Page an acceptable substitute).

Two-seater fighter, a Bristol fighter with a Liberty 8-cylinder, or with that number of cylinders which should be developed.

Single-seater pursuit—the Spad, with the Hispano-Suiza.

Single-seater combat with a rotary engine, 150-horsepower Gnome.

Advanced training machine. Bristol Scout, with 85-horsepower Le Rhone.

Program as adopted.

ELEMENTARY TRAINING PLANES.

There were selected for production to be used as elementary training planes the Curtiss type known as the JN4–D, with the OX–5 engine, and the standard type, known as 8J–1, with the Hall-Scott or A–7a engine. The program called for 4,800 JN–4Ds (later reduced to 3,700, and this number was somewhat increased after May, 1918), for 1,600 8J–1s, for 7,950 OX–5 engines, and 2,750 Hall-Scott, or A–7a, engines (reduced to 2,250).

ADVANCED TRAINING PLANES.

For advanced training it appears that there were originally chosen the Bristol Scout, with the Le Rhone 80 horsepower engine, the Thomas Morse S–4, with Gnome 100 horsepower, and the United States Training, with the Hispano (150 horsepower). There were modifications which resulted in the adoption of the types known as S4–B (with Gnome 100 horsepower), the S4–C (with Le Rhone 80 horsepower), the JN4–H and JN6–H (with the Hispano 150 horsepower), and the Penguin (with the Lawrence 28 horsepower).

SERVICE OR COMBAT AND BOMBING PLANES.

The type first selected for production were the Spad (single-seater pursuit), with the 200-horsepower Hispano Suiza engine; the Spad, using the U. S.–8 engine; the Spad Monocoque, using 150 horsepower Gnome engine; the Martinsyde; the De H–9; the Caproni and the Handley-Page, with the Liberty engine (U. S.–12). Subsequently the Martinsyde and the Spads were rejected, the production of the De H–9 was first limited and then postponed, the Caproni and the Handley-Page was not treated as a part of the immediate program, and the plans for production were centered on the De H–4 and the Bristol Fighter, with the 12-cylinder Liberty engine (U. S.–12).

The program charts which were prepared show extraordinary variations with respect to quantities and surprising expectations as to deliveries. Thus the program for De H–4s shows a total program on August 2, 1917, of 8,000; August 16, of 7,500; August 22, of 5,000; August 24, of 6,000; August 25, of 15,000; August 31, of 6,000; September 4, of 15,000; October 17, of 250; October 29, of 1,000, at which number it appears to have been continued until January 18, 1918, from which time it was increased until 4,500 appear in the program of February 11, 1918, and 8,000 in that of February 19 and thereafter.

According to this program or schedule it seems to have been anticipated on August 2, 1917, that 25 De H–4s would be delivered in October, 100 in November, 425 in December, 750 in January, and 1,000 in February, and more in each of the succeeding months. Even as late as September 4, 1917, the schedule shows expected deliveries of 62 in October, 1917; 250 in November; 1,063 in December; and in the program of November 5, 50 were scheduled for delivery in December, 100 for January, etc.

The program of September 5, 1917, for the De H–9s calls for 2,000 of this type; that of October 9, for 4,000; October 17, 6,750; October 25, 7,750; October 29, 7,000; at which it was continued until January 18, 1918, when it became 7,500, to be reduced on February 1 to 5,400, and on February 12 the De H–9 schedule was canceled.

On September 5, 1917, according to this schedule, deliveries of De H–9s were expected as follows: November, 1917, 50; December, 200; January, 250; and 300 in February, March, April, and June. On November 5, 1917, 50 seem to have been expected in January and 300 in February, 1,050 in March, 1,500 in April, 1,900 in May, and 2,200 in June. As late as January 18, 1918, 40 are scheduled for March and 500 for April.

The program for the Bristol Fighters started on August 2, 1917, with 1,000. It appears to have been raised to 3,000 on August 16, 1917, within one week it was dropped again to 1,000, and on November 26 the program was finally raised to 2,000. It seems that on August 2, 1917, deliveries of 25 were scheduled for October, 50 for November, 100 for December, 125 for January, etc. On November 5, 1917, the schedule calls for 50 in January, 150 in February, 200 in March, etc.

On August 9, 1917, the Caproni program called for 500; on August 16, for 9,000; on August 22, for 2,000; on August 24, for 500, and there were other variations until the program appears to have settled down after September 28, 1917, to 1,600. On February 19, 1918, the program dropped to 50; it called for 250 on May 3, 1918, and was afterwards increased to 1,000.

On August 9, 1917, when the program for Capronis called for 500, monthly deliveries of 100 were scheduled to begin in February, 1918. A week later, on August 16, 1917, when the program was increased to 9,000, deliveries of 900 were scheduled for December, 1,350 for January and each month thereafter. When the schedule was dropped to 1,000 deliveries appear to have been expected of 100 in February, and in February deliveries of 100 seem to have been looked for in May.

The Handley-Page program shows on September 5, 1917, a total of 1,500, with anticipated deliveries of 100 in December, 300 in January, 400 in February, etc. As late as January 8, 1918, deliveries were scheduled for February of 110, 190 for March, 200 for April, etc. On March 18, 1918, the program had dropped to a total of 50.

These programs, with their variations and schedules of deliveries, appear to be grotesque in the light of the actual facts, but they bear the imprimatur of the planning department of the equipment division with the countersign (except in the case of the DeH–9s) of official approval.

SUSPENSION OF THE PROGRAM FOR SINGLE-SEATER PURSUIT PLANES.

On October 5, 1917, in reporting the failure of the Spad Monocoque, the cablegram from our representatives overseas also contained the following advice as to single-seater pursuit planes with rotary engines:

"Recommend you build no rotary engine single-seater pursuit airplanes to be sent to Europe; existing machines this type will be outclassed by changing time yours arrives; build only what you need for use in United States training purposes."

This, however, did not touch the Spad intended to be used with the fixed engine—that is, with the Hispano Suiza engine. That machine was not experimental. As early as July 15, 1917, there was official advice that "200 H. P. Hispano Suiza (is) now fighting on front in Spad aeroplanes." Col. Bolling reported in his cablegram of August 1, 1917, that the Spad with that engine is "the best-fixed engine fighter now in service." There is no reason why this fighting plane should not have been produced here in quantity many months ago. The failure to do so was not due to lack of facilities, but simply to a change of opinion at a critical time as to what was advisable.

Responding to repeated and urgent recommendations for production of Spads in this country, an order for 3,000 Spads was placed with the Curtiss Aeroplane & Motor Corporation under date of September 19, 1917. But this order had barely been placed when doubt was cast upon the enterprise, and after preparation for production was well under way the order was canceled on November 7, 1917. This is the date of the cancellation, as testified to by Mr. Morgan, then vice president of the Curtiss Co. It was nearly six months later that the production of a single-seater pursuit plane (the S. E. 5) was undertaken, and thus there was a serious loss of time through a reversal of judgment, which was in turn reversed.

It should be noted that virtually all the cables of advice sent by our military representatives abroad are signed "Pershing," but doubtless they most frequently come from subordinate officers and, with respect to the subject under consideration, from those in charge of the Air Service overseas. In a cablegram received here on October 5, 1917, the following appears:

"If USA 8 cylinder heavier than Hispano Suiza pounds per horsepower build no monoplace pursuit airplanes with USA 8 cylinder engines. Machine will be useless by time it arrives here. Increase number DH 4s or DH 9s by number monoplace pursuit airplanes. This is necessary provided USA 12 is success. Useful loads increasing so rapidly here that engines now in United States are not considered powerful enough meet requirements. Two-place pursuit airplanes considered most urgently needed airplanes next year."

The view thus set forth found support in influential quarters here. On October 27, 1917, Lieut. Col. Clark, in a memorandum sent to Mr. Coffin, expressed the opinion that "all fighting and bombing by day will be done in two-seaters flying in regular formation." And he added, "The single-seater will be eliminated." A few days later the following cablegram was received:

NOVEMBER 8, 1917.

No. 252 (S. D. 2700), paragraph 1:

"Your 359, paragraph 7, and other cables concerning American engine program. Situation here has changed much during three months since original recommendations and continues changing constantly. Following general principles appear clear to us: First. Single-seater fighter will probably become obsolete general use next year, although small numbers will always be used special purposes. Recommend you to produce number already actually under contract and started. Believe we can obtain here all this type required future above number actually under contract here and America. This applies both single-seater fighting airplanes and engines. Second. Two-seater fighter airplane with stationary engine will supersede single-seater. Four hundred horsepower probably sufficent next six months, after that 500 horsepower necessary. This summarizes cables already sent you."

It will be observed that while this message recommended against further production, it distinctly stated that the number, already under contract and started, should be produced. But this was not done.

On November 30, 1917, Col. Deeds cabled:

"Curtiss company have completed drawings and ordered material for Spad for 220 H. P. geared Hispanos. We have canceled that order. Tulasne suggests possibility of helping the French program by building Spad planes here to be equipped with 220 H. P. geared Hispano engines built in France. We could get production in February without materially affecting output of two-place fighters. We are not urging this because of the fact that we have ordered material which can be utilized in other machines, but if it would help your program here is a quick source for these machines."

To this there was a reply (from London) on December 14, 1917, as follows:

"* * * With reference to paragraph 1 your cablegram 461 do not recommend unionized production Spad airplanes for France. No such request received from French here. Believe they can produce all these airplanes they need. Think our only efforts should be applied airplanes and engines already on our program. United States should leave production single-place fighter to Europe."

The Spad contract having been canceled and preparations for the production of single-seaters in this country abandoned, in less than two months there was an urgent request from our military representatives abroad that Spads be produced here. As early as February 10, 1918, it was recommended that steps be taken to "put into production 1,000 Spads one-place with 220-horsepower Hispano Suiza engines for earliest possible delivery in France." It was said that "French delivery of one-place Spads very uncertain and can not be depended upon. Should have more definite information next two weeks as to whether your production Spad one-place fighter should be further increased." While this new proposal was evidently the result of the breakdown in the French deliveries, it seems that a closer inquiry into the progress of our deliveries of raw material abroad and the conditions of French manufacture would have revealed the serious importance of continuing the production of single-seaters in this country in accordance with the original program.

However, the authorities here were not then ready to follow the new recommendation, and two weeks later, on February 25, 1918, they cabled the following reply:

"Production of Spads with 220-horsepower Hispano Suiza engines does not fit well into our program because engines can not be put in production without material delay. Probably first deliveries in France in December. We could somewhat more easily produce the 300-horsepower Hispano Suiza engine. We are now producing large number of 150-horsepower engines for training planes, and could even increase production. We believe with this information you will probably decide not to request production of Spads here. Please give us your full advice."

It was not until March 9, 1918, that this cablegram was answered, with the statement that "question being considered. Will advise you soon." On April 6, 1918, Mr. Potter cabled that the British Air Board had advised that they could supply at once 200 SE–5 planes without engines. He added: "We can arrange production for 180-horsepower Hispano Suiza engines for same at rate of five per day within 30 to 60 days. Shall we arrange engine supply? If so, will you arrange contract for planes?" On the same day Col. Deeds cabled:

"We could within four weeks begin to supply 180-horsepower high-compression direct-drive Hispano Suiza engines to be shipped to England, to be installed in the planes by the plane manufacturer. Would this type of fighting machine be of value to you, and if so shall we proceed to provide them for you? We are advised that this type is in successful use by the British on the front."

On April 19, 1918, the following urgent message was received from our representatives abroad:

"The United States should make immediate preparations for the production of single-seater machines to supplement those we may receive from France and England."

But on April 21, 1918, there was a further cablegram (referring to Mr. Potter's cable of April 6, 1918), stating that the whole subject was still under consideration. This message was (in part) as follows:

"Will the production of 180-horsepower Hispano Suiza engines be interfered with by contracts placed by French or English? If not, we strongly recommend production of this motor for our needs this year on following basis." (Giving delivery dates.) * * * "The situation with reference to single-seater fighters for remainder of 1918 is as follows: Both France and England have a plane production in excess of their engine production, and as the 180-horsepower Hispano Suiza is already in production in the United States in small quantity, our only practical means of securing the necessary number of single-seater fighters will be for the production of this engine for overseas duty to be increased so as to provide the number indicated and for us to distribute these engines here month by month as conditions require. The entire question of the provision of single-seater aeroplanes for 1918 and 1919 is being thoroughly investigated, and a comprehensive report, with all data necessary, will be forwarded by an officer familiar with the entire situation."

On April 24, 1918, Mr. Potter cabled that contract could be made with the British Government for SE–5s at the rate of 30 per week beginning July 1; that 180-horsepower high-compression Hispano Suiza motors could be supplied from here for those planes at the same rate, and that the same machine could be put into production here and shipments begun in September. He asked quick advice if arrangements were desired which would permit of "quickest possible delivery of single-seater fighting planes on the front," and he added "SE–5 equipped with 180 Hispano is the only machine we can produce quickly."

To this an answer was received on May 4, 1918, disapproving the production of SE–5s, as follows:

"Production of SE–5 for 180 Hispano in America disapproved, since it appears that necessary planes for this engine can be obtained in Europe, either SE–5, Spad, or both."

This was followed on May 12, 1918, however, by a cablegram stating that the question was still open pending final report of board of air service officers and that final recommendation would be cabled in about 10 days.

On May 15, 1918, Mr. Potter cabled referring to the message from overseas of April 19, 1918, urging immediate preparation for production of single-seater fighters, and calling attention to the fact that the cablegram of May 4, 1918, was an exact reversal of the former recommendation. He said:

"We took immediate action on this recommendation, and have given orders for 1,000 SE–5s. Your 1052, paragraph 2–A, exactly reverses these recommendations. In view of this inconsistent information, and also due to requests for production of SE–5 from Air Division for training purposes, we have decided not to change our orders for production on these machines, and request that samples be sent promptly in accordance with our London 81, paragraph 3."

The final result is that there has been no renewed order for the production of Spads and that the order for SE–5s is being proceeded with, but that the American machine of this type is still in an experimental stage. It is understood that the machines are being tested, and that the questions which have arisen and have been brought to the attention of the authorities are receiving their consideration. We have not as yet sent from this country to the battle front a single pursuit or combat plane, as distinguished from the heavy observation or bombing planes, and, after giving due weight to all explanations, the fact remains that such pursuit planes could have been produced in large quantities many months ago had there been prompt decision and consistent purpose.

DELAYED PROGRAM FOR THE HANDLEY-PAGE AND CAPRONI BOMBING PLANES.

Although the Handley-Page and Caproni planes remained in the program, production was delayed. Both these types of bombing planes were included in the modified recommenadtions of the Joint Army and Navy Technical Board on November 21, 1917, and these recommendations were approved by the Secretary of War and the Secretary of the Navy.

HANDLEY-PAGE PLANES.

On January 25, 1918, a resolution recommending a contract for Handley-Page planes with the Standard Aero Corporation was tabled by the Aircraft Board, in view of the fact that such an order might interfere with work already undertaken by the company. On February 8 the board discussed the advisability of concentrating upon the manufacture of a single type of night bomber, and it was stated that, due to the lack of history as to the comparative performance of the Handley-Page and Caproni, the decision had been made to put both types into production in the United States. Arrangements had been made for the assembly in England of Handley-Page machines for the American service, and on February 19 the minutes of the Aircraft Board show that a cable had been received on February 14 by the British War Mission indicating that it would be serious to cancel these arrangements. The minutes add that in view of "a cable received February 18 from Gen. Foulois recommending the building of both the Handley-Page and Caproni types, because of the military needs for the immediate future, it was decided that at present both types should be constructed," and the Secretary was asked to keep before the board's attention the necessity of making a decision prior to July 1 concerning the concentration on the manufacture of one of these types for the year 1919.

On March 19 the Aircraft Board recommended that a contract be placed with the Standard Aircraft Corporation for the assembling of 500 Handley-Page planes and the furnishing of such parts (other than wood parts) as the Government might require, these planes to be assembled and taken down and disassembled and packed for export shipment to such extent as the engineering department should require, but not more than 10 per cent of these—that is, 50 planes—to be fully assembled for testing and flying in this country. Orders for 1,000 sets of wood parts and for various metal parts of the Handley-Page were placed. In a letter to Col. Bloomfield, Air Division, under date of March 20, 1918, M. W. Kellogg, director of production, thus summarizes what had been done up to that time:

"2. Some time ago miscellaneous orders were placed from time to time, either by letter or word of mouth, with people that our production department felt could facilitate this matter by having manufacturers start on the work. These manufacturers, as per list attached, have done more or less work. The ones that are further advanced are the W. R. Mullins Co., of Salem, Ohio, who are supplying approximately 75 per cent of the metal parts to be used, also the Grand Rapids Airplane Co., of Grand Rapids, Mich., on the wood parts, they having at this time received about 250,000 feet of spruce, and I understand that a large part of this has been in the kilns and they will start work in a short time, which we would judge to be approximately from a week to 10 days, manufacturing some of the parts. The other manufacturers are in a more indefinite condition. We are now trying to adjust the questions between them and the Signal Corps by giving them a formal contract, and at the same time ascertaining as far as possible the exact conditions of their detail part of the work. Some of these subcontractors have very small items. As an example, the two tire companies have only been instructed to develop and make the molds for the tires and have manufactured a very few tires each. Other companies have only made dies for a very small percentage of the stampings, etc.

"3. We gave a contract a week ago for the assembling of the machines that are going to be assembled, to wit, 50, and for the marking, listing, packing, etc., for export abroad for 450, to the Standard Aircraft Corporation who, in connection with our engineers, will use their best efforts to push the work.

"4. We are just starting at this time to line up our production department on an aggressive assembling of this material and a correlation of same with a view that if it develops that any of the manufacturers are in such a position that they would seriously delay the work, to put pressure upon them to try to overcome such a condition.

"5. We are advising you of all these facts to as clearly as possible give you a picture of the situation so that you can use your own judgment and do as he sees fit in this connection.

"6. You will note that while we have ordered numerous parts for 1,000 planes, our assembling contract only covers 500. This was done with the distinct understanding that if the contractors did their work efficiently and well and in proper time, we would favor them with a further order of not less than 500 more machines."

The first Handley-Page plane assembled in this country was flown in the early part of July.

The Standard Aircraft Corporation, it appears, was able to produce the first Handley-Page machine within 90 days from the time they were given full authority for that purpose, and the testimony is that making allowance for whatever advantage existed by reason of the fact that previous contracts had been let for certain parts the first machine could have been produced, at the outset, within 120 days. Further time, of course, would have been required for quantity production, but for the long postponement of the program of the Handley-Page no satisfactory reason is shown.

CAPRONI PLANES.

In the minutes of the Aircraft Board, under date of February 12, 1918, it was recited that the Italian manufacturer Caproni had sent to this country samples of his triplane and biplane, with his production engineer, Capt. D'Annunzio, expert flyers, and 13 factory experts to assist the United States in placing Capronis into production. On February 7 the board had recommended that a contract be made with the Standard Aircraft Corporation for the manufacture of 50 Caproni planes. Mr. Coffin urged on February 20 that plans be laid for quantity production of Capronis, to be assembled in Italy, but it was the feeling of the board that the matter should be held in abeyance until the production of sets of Caproni parts for the Italian Government were under way.

On April 11, 1918, it appears to have been the sense of the Aircraft Board that the Caproni should be put into immediate production in view of (1) repeated cable advices to that effect; (2) the actual experience in Europe with the Caproni; (3) the fact that Capt. D'Annunzio had assured the Signal Corps that there would be no difficulty in the installation of the Liberty motor. On March 21, 1918, Mr. Potter advised the board that the Italian Government did not desire a contract for the manufacture of Caproni parts in this country, because of the remoteness of contemplated deliveries, and inquired the disposition of the board as to the manufacture of 50 complete Capronis, as recommended on February 7. On March 26, 1918, the question of manufacturing the Caproni was again raised in the board and after discussion was referred to the Chief Signal Officer for the consideration of Col. Waldon, with especial reference to the question of the establishment of an assembly plant in France. On April 2 a letter addressed by the Italian ambassador to the Chief Signal Officer was referred to the board, inquiring whether the American Government intended to build Caproni planes for its own use, and if so, how many. Discussion was had of the question, "in view of cables recently received urging such production and the expense already incurred by the Government in prepartion therefor."

On April 23 Mr. Potter stated to the board that a verbal order had been given to the Fisher Body Corporation for 250 Caproni planes, and that preparations for production were under way. On May 9 it was further stated by Mr. Potter that arrangements had been made with the Fisher Body Corporation and Capt. D'Annunzio for the manufacture of 500 sets of Caproni parts by that company, contract for which would be let as soon as funds were available and that preparation for production was under way, which, however, was not promised before September. Contracts were made in June, 1918, with the Fisher Body Corporation and the Curtiss Aeroplane & Motor Corporation, each for 500 Capronis. There were arrangements several months ago, apparently of a tentative character, with the Standard Aircraft Corporatiton for four Capronis, of which one has been built.

There appears to be no adequate reason for this long delay in putting the Caproni planes into production. If it was due to congestion in plants selected for production, this could have been obviated by a better and wider distribution of work. This is, of course, so far as the matter of plane production is concerned. The immaturity of the Liberty motor doubtless, had its effect, but it would seem that orders for the motors sufficient to meet all appropriate demands should have been distributed in such a way that there could have been no occasion for delay in the building of planes because of the lack of orders for the engines to go with them.

POSTPONEMENT OF THE DE HAVILAND 9.

In his recommendation, on his return from Europe in September, 1917, the DeHavilland 9 was preferred by Capt. Clark, as the DeH–4 appeared to him to be obsolescent at the time the Bolling commission was in England, and the DeH–9 was designed along the same general lines as the DeH–4, but with its weaknesses, from a military standpoint, corrected. In other words, he regarded the DeH–9 as far better suited for bombing than the DeH–4. The principal distinction is that on the DeH–9 the rear man—the gun fighter—is moved back about 20 inches from his position on the DeH–4; the pilot is moved back so that he is placed immediately in front of the gun fighter; the fuel is moved forward so that it is near the engine, and between the fuel tank and the pilot is a bomb compartment.

The contracts with the Dayton Wright Airplane Co., the Fisher Body Co., and the Standard Aircraft Corporattion, originally called for DeH–9s. When, on September 22, 1917, the program, as it then stood, was submitted to Col. Bolling on behalf of the Chief Signal Officer, it called for 2,000 DeH–9s, and the reply was that the number was not sufficient and should be doubled. It may also be noted that in the same cableg ram (Sept. 22) from the office of the Chief of the Signal Officer it was stated that the first deliveries of the DeH–9 with the Liberty 12, and synchronized Marlin piston-type airplanne gun, would be made in November, 1917.

The sample machine, however, which was first received from England was the DeH–4. The DeH–9 had not yet been put into service at the front. Apparently there was no sample DeH–9 available here until at the end of February, 1918, and it seems to have been thought that progress had been made to such a degree in the developing of the design of the DeH–4 for production that it was advisable to concentrate upon the production of the DeH–4 to the virtual exclusion of the DeH–9. Consequently, in the substitution of contracts, the DeH–4 took the place of the DeH–9, and it appears that in February, 1918, directions were received from Col. Deeds and Col. Montgomery that orders for DeH–9s were to be canceled for the present, pending information from abroad.

It seems that with an adequate production program, this improved type, or its American equivalent, could have been produced here some time ago, but it has not yet been put into quantity production. It is said, however, that the DeH–9 is now "being put out of production abroad" because of the "coming in" of the DeH—9A, which is a further improvement.

RESULT.

For obvious reasons, it is not deemed advisable to make public the details of the present aircraft program. That can be stated by the military authorities whenever they think it wise to do so. For the present purpose it may be said that the abandonment of the program for the Spads left us, until recently, without any program for single-seater pursuit planes, and that also, until recently, so far as service planes were concerned, there remained a program for immediate production which was virtually limited to De Havilland 4s and Bristol Fighters.

The Bristol Fighter as redesigned to take the Liberty motor proved to be a failure and after a series of fatal accidents was discarded. The Bristol was so far removed from a machine that could carry an engine of that power that it has been admitted by high authority that it was "a very foolish thing to put the two together."

Thus, nothing is left of last fall's program for service planes save the De Haviland 4s. The course of production of these planes is hereafter stated. It appears that after the remedying of various defects, they are being successfully used as observation and bombing planes. There are certain limitations, which it is not necessary to describe, of their military effectiveness for this purpose, and machines of the later and improved types are to be provided. By reason of a lack of maneuverability the De Haviland 4s can not serve the purpose of a pursuit plane.

ENGINES FOR SERVICE AIRPLANES.

The Bolling commission's recommendations for the production of engines in the United States for service airplanes embraced the 200 H. P. Hispano-Suiza for fixed engine single-seater fighters, the 150 Gnome for rotary-engine fighters, and the Rolls-Royce for United States production only under some special arrangement for a Rolls-Royce factory in the United States. It was said that the Rolls-Royce engine was "not considered suitable for great quantity production. It also requires very skillful mechanics to keep it in commission at the front." It was added that the Renault, Fiat, Isotta-Fraschini, and S. P. A. were too heavy per horsepower to be recommended for great quantity production in the United States and that the first three mentioned had new designs under test which might prove very desirable. Special attention was directed to the development of the Bugatti engine. And this statement of the Bolling commission concluded with the observation that the developments in connection with the United States (Liberty) engine now under test "are probably the most important consideration in this question of engine production in the United States."

ROLLS-ROYCE AND SUNBEAM ENGINES—BRITISH EXPERIENCE.

There has been considerable testimony as to the feasibility of securing, in the year 1917, the early production of certain foreign engines, notably the Sunbeam and the Rolls-Royce. In order that there might be an authoritative statement of British experience, there was obtained, through the courtesy of the British ambassador, a memorandum under date of June 22, 1918, which has the authority of the British air ministry. From this it appears that when we entered the war, in April, 1917, the British had in use the following airplane engines: 160 H. P. Beardmore; 150 H. P. RAF4–A; 130 H. P. LeRhone; 130 H. P. Clerget; 190 H. P. Rolls-Royce; 150 H. P. Hispano-Suiza; 275 H. P. Rolls-Royce; 320 H. P. Cossack Sunbeam; 230 H. P. RAF3–A. The following engines at that time (April, 1917) were "coming on": 150 H. P. BR–1; 180 H. P. Viper Hispano; 220 H. P. Geared Hispano; 200 H. P. Arab Sunbeam; 220 H. P. B. R. 2; 270 H. P. Falcon, Rolls-Royce; 140 H. P. Clerget; 375 H. P. Eagle Rolls-Royce; 260 H. P. Maori Sunbeam. With respect to these engines, the memorandum furnished by the British ambassador contains the following statement:

"Of those 'in use' in April, 1917, all were good reliable engines, but it was obvious that they could not remain in the front rank for very much longer.

"Of those 'coming on' the two Rolls-Royce engines and the 180 Viper Hispano were practically certain to be a success.

"The others were undeveloped and could not have been recommended at that time; so that in April, 1917, no Sunbeam engine could have been recommended for manufacture in America, and the general opinion in England was that the Rolls-Royce was quite unsuited to American methods of production."

A further communication from the British ambassador states that what is quoted above on the Rolls-Royce and Sunbeam may be taken to apply equally to July and August, 1917. It should be added that in 1917 Col. Bolling cabled advising against the production of the Sunbeam engine in the United States.

THE HISPANO-SUIZA ENGINE.

A different situation existed with respect to the Hispano-Suiza engine, which had been used extensively abroad. In the summer of 1917 the 150 H. P. Hispano-Suiza engine was in production at the plant of the Wright-Martin Aircraft Corporation at New Brunswick, N. J. That company had received an order from the French Government in February, 1916, for 450 of these motors. Although the contract was to be fully performed by the late summer of 1916, there was serious delay and deliveries did not begin until March, 1917. This delay was due in large part to the difficulty of putting into production an article of very fine workmanship and material which was entirely new to American shop practice. The greatest problem in this sort of work has been the procurement of materials of proper refinement and texture. The delay was also apparently due in considerable measure to conditions which could have been remedied, and a comparatively small force was engaged on the Hispano-Suiza motor work during the year 1916, the main effort of the company at that time being motor-car production. (Since the fall of 1917 virtually all the facilities at the New Brunswick plant of the Wright-Martin Corporation have been engaged in the manufacture of airplane engines.) By September 1, 1917, 202 engines had been delivered under the French contract, and by October, 1917, the difficulties had been surmounted; in that month 117 were produced and the French contract was completed in November, 1917.

The Signal Corps placed a number of contracts with this company, reflecting changing purposes. Under date of July 31, 1917, it placed a contract for 500 of the 150-horsepower Hispano (type A). In September, 1917, a further contract was made for 500 of the same type, and this was canceled on October 2, 1917. On the latter date the company received a contract for 4,000 of the 220-horsepower Hispanos (type F), which were the 150-horsepower engines geared to high speed. This contract was canceled on November 13, 1917, and was replaced by the contract of that date for 1,000 150-horsepower Hispanos (type A). On November 20, 1917, the company received a contract for 3,000 300-horsepower Hispanos (type H), which was modified by two contracts in the present year postponing the delivery dates, the second of which (May 11, 1918) provided for the manufacture of the 300-horsepower Hispanos in Long Island City and for a further postponement of deliveries. On February 2, 1918, another contract was awarded to the company for 1,000 150-horsepower Hispanos (type A). On February 25, 1918, a contract was made for 1,000 type E or I Hispanos, and on May 25, 1918, another contract for 1,000 type E or I Hispanos was placed with the same company. Type E is Type A modified as to connecting-rod construction, magneto-drive construction, and the piston design so as to make possible the carrying of a higher compression and thereby greater power—that is, 180 horsepower at normal speed. Type I is 150 horsepower and has all the improvements of type E except the high compression.

The 300-horsepower Hispano (type H) was in an experimental stage last November, and the first deliveries now due of type H are in October. Under the contract of July 31, 1917, for 500 150-horsepower Hispanos deliveries were to begin 90 days from date of contract and determination of final details. Subsequently October 25, 1917, was fixed as the date from which the 90 days were to be reckoned, and the deliveries were actually completed in February. Under the contract of November 13, 1917, for 1,000 150-horsepower Hispanos deliveries were to be completed in April, 1918, and, with the exception of one motor, they were completed in May, 1918. Under the contract of February 2, 1918, for 1,000 150-horsepower (type A) motors deliveries were to be completed in July, and by the end of July 988 had been delivered.

The type A, or the 150-horsepower Hispano, has been used for the advanced training plane known as the JN–4H. The 180-horsepower Hispano is adapted to single-seater pursuit planes, such as the Spad or the SE–5, and is now in course of delivery.

On July 25, 1917, the Wright-Martin Aircraft Corporation submitted to the Aircraft Production Board a schedule for proposed deliveries of the Hispano-Suiza motor "of either direct driven or geared specifications" amounting to approximately 7,000 over and above the deliveries then due on the French contract. The offer was on the condition that "orders are placed with us or some definite arrangement made for same at once, so that we have sufficient assurance to warrant us in making the necessary capital expenditures and providing further that arrangements can be made for the Government to furnish us with the necessary working capital in excess of our present resources."

There is ample basis for the conclusion that had there been a sustained effort to produce single-seater pursuit planes, and with this definite purpose adequate orders had promptly been given so as to justify the provision of additional facilities by this company and the speedy utilization of its highest capacity engines for these pursuit planes could have been delivered in quantity through the winter and spring and large numbers of these engines would have been available by July 1, 1918, in addition to the production needed for advanced training planes and without interfering with the development of the high-power Liberty motor. This is aside from what could have been accomplished through timely arrangements made for production by other companies.

ROTARY ENGINES.

In the cable of October 5, 1917, in Gen. Pershing's name, it was recommended that "no rotary engine single-seater pursuit aeroplane" should be built here to be sent to Europe. On November 8, 1917, Brig. Gen. Saltzman, Acting Chief Signal Officer, requested the opinion of the Joint Army and Navy Technical Board as to the extent to which rotary motors should be included in the building program for airplanes and engines in the future. In response the Joint Army and Navy Technical Board replied that as "the tendency in the design of fighting airplanes" appeared to point toward two-seater fighters of maximum power, it was believed that in the general building program for the coming year "rotary engines should be considered of secondary importance." It was added, however, that in order "to anticipate improvements in the art or changes in the military situation" it was desirable that the art of building rotary engines be retained in the United States, and that for this purpose "the organization skilled in rotary engine production be preserved." Referring to the schedule of production of rotary engines, the board expressed the opinion that the order for 2,500 80-horsepower Le Rhone engines was larger than was necessary to preserve the art, and that this order should be reduced to the minimum number that

would accomplish the purpose, and it was further recommended that steps be taken to preserve the possibilities of production of the 160-horsepower Gnome engine. The immediate occasion of this inquiry was the pending question whether the Government should purchase the plant of the General Vehicle Co., of Long Island City, which was manufacturing Gnome motors. This purchase was made, but the manufacture of Gnome motors was continued at this plant for a time. In May arrangement was made for the use of the plant by the Wright-Martin Aircraft Corporation in the building of 300-horsepower Hispano-Suiza. Additional orders have been placed for Le Rhone engines. The rotary engines have been used for advanced training planes.

THE LIBERTY ENGINE.

In the latter part of the year 1914 the Packard Motor Car Co. decided to go extensively into the development of air motors. It had received one of the Mercedes motors, used by the Germans in their airplanes, which had been imported in a racing chassis. Taking certain features from that motor and from other motors, an engine was designed in 1915, a duplicate of which was used in a racing car. This engine developed 140 horsepower at 3,600 revolutions per minute. Another model, with greater power, was completed in December, 1916, and was also used in a racing car; this was rated at 200 horsepower at 2,180 revolutions per minute. It was described in a pamphlet exhibited at the Aeronautical Show in New York in January, 1917, as "the Packard aircraft engine," exhibited "as a stimulant to the new aviation industry." The work of developing these motors had been under the direction of J. G. Vincent, then vice president of the Packard Motor Car Co., in charge of engineering. In the latter part of May, 1917, Mr. Vincent took his drawings to Washington for the purpose of laying before the Government the plan of the Packard Co. to manufacture these engines in large quantities through enlisting the aid of other automobile manufacturers who had experience in high-grade motor work. Mr. Vincent met Mr. Deeds, Mr. Waldon, and others. The design was not deemed to be adequate for the needs on the western front, and it was necessary to increase the horsepower of the motor with lighter weight per horsepower. Mr. Vincent worked in Washington in conjunction with Mr. E. J. Hall, of the Hall-Scott Co., making sketches for the purpose of improving the motor, and in a few days a new motor was designed, embodying to a considerable extent the engineering features which had been developed during the past two years of experimental work. The first efforts were directed to the development of an 8-cylinder motor, and in a few days Mr. Vincent returned to Detroit, taking the Washington sketches for the purpose of having a wooden model made by the Packard Co., and this was done. At the request of the authorities, Mr. Vincent was loaned by the Packard Co., in order that he might take charge of the engineering division of the Aviation Section of the Signal Corps. The Packard Co. made a full-sized operating model, which was sent to the Bureau of Standards on July 3.

Later, about August, 1917, the production of an 8-cylinder engine was postponed and the immediate production of a 12-cylinder engine of the same type was decided upon. In developing the design for the purpose of quantity production, various difficulties were encountered. Aside from minor changes found to be necessary in the course of production, the crank shafts, connecting rods, and bearings in the first 1,000 engines were too light, creating a dangerous condition. The crank shafts, connecting rods, and bearings had to be redesigned. It was also found to be advisable to change the system of lubrication, and again it was difficult to obtain a development of radiators that were suitable for a motor of this size. As late as June 25 of this year Gen. Pershing's cable described a series of defects in the motors which had been shipped abroad, and these, it is understood, were speedily remedied.

It now appears to be conclusively established that the Liberty engine is a great success for observation and bombing planes, and for this purpose it has found high favor with the allies. It is too heavy for the lighter pursuit planes. The following statement furnished by the British ambassador with respect to British opinion of the Liberty motor was received on June 22, 1918:

"No bench tests have been applied to the Liberty engine in England, but tests in the air similar to those applied to British engines have been carried out on a DH 9–A with satisfactory results. Bench tests in France were observed by members of the British technical department and were satisfactory. The tests carried out in France were the standard French tests, and do not differ very largely from the standard English tests, except that the power output was taken with a fan brake instead of a Froude water brake, as generally used in England. The results were excellent, except that the design of crank shaft and connecting rod was found to be faulty, but this was well known and had been modified in the United States. The carburation was also found to be unsatisfactory, but is now in course of being remedied.

"The official opinion of the Liberty engine is that it is an engine which, with a natural development in the perfecting of its details, will prove reliable and up to the power and consumption standards that have been claimed. It is eminently suited for bombing and reconnoissance aeroplanes, but not for fighting aeroplanes. The number of engines actually ordered for the British Government is 980, but 4,500 are required by the end of the year. The British Government would have prepared to place an order for 3,000 at once, but at the desire of the American Government the order was limited to 980, the number which was allocated for delivery up to the end of June. Up to date 205 engines have been delivered from the works.

"The following is the text of a telegram received from the air ministry on June 8:

"'The British technical authorities have reported to the air minister that the Liberty engines have now been subjected to sufficient air experiment in England to warrant confidence in this engine. Excellent results have so far been obtained which place the engine at once in first line of high-powered air engines. Naturally, service experiment in the field is still to be obtained, but the Liberty engine will be a most valuable contribution for the allied aviation program, and the United States should develop production with every confidence.'"

The following further statement was supplied by the British air ministry under date of September 27, 1918:

"No severe bench tests on the Liberty engine were carried out in England, owing to the extensive tests in America.

"The only bench test in England was one short test at nine-tenths power for data re oil and fuel consumption. The result was quite satisfactory.

"One engine was stripped after 100 hours' flying and was found to be in good condition.

"Tests in the air have been carried out in De Havland 9–A and De Havland 10 machines. In these the engines have performed uniformly satisfactorily.

"The performance of the Liberty engine is at least as good as that of the Rolls-Royce in identical machines. The information officially expressed four months ago, that the Liberty engine would prove satisfactory in service, is wholly confirmed."

The facts as to production will be given later.

Fifth. Selection of contractors and distribution of work.

SELECTION OF CONTRACTORS.

For engines to be used in training planes there were orders (to June 30, 1918) for 7,950 OX-5s distributed among the Curtiss Aeroplane & Motor Corporation, the Willys-Morrow, and Willys-Overland Cos. Orders for the Hall-Scott engines (2,250) were placed with the Nordyke & Marmon Co. and the Hall-Scott Motor Co. The General Vehicle Co. received an order for 111 Gnome engines (100 horsepower), and the unfilled portion of this order was taken over by the Aeronautical Engine Co., which also received certain additional orders for engines of the same type when the latter corporation was organized to conduct operations at the plant of the General Vehicle Co. after its purchase by the Government. The Union Switch & Signal Co. had orders for 2,500 Le Rhone engines (80 horsepower). The orders for the Hispano-Suiza engines placed with the Wright-Martin Aircraft Corporation have already been sufficiently detailed (ante, p. 96). In addition, orders for 450 of the Lawrence engines (28 horsepower) were placed with the Excelsior Motor Manufacturing Co. and an order for 2,000 Bugattis was given to the Duesenberg Motor Corporation.

In the summer and fall of 1917 contracts were entered into for the manufacture of 22,500 Liberty motors, as follows:

Aug. 31, 1917, Lincoln Motor Co	6,000
Sept. 4, 1917, Packard Motor Car Co	6,000
Sept. 7, 1917, Nordyke & Marmon Co	3,000
Sept. 11, 1917, Trego Motor Corporation	500
Nov. 22, 1917, Ford Motor Co	5,000
Dec. 11, 1917, General Motors Corporation	2,000
Total	22,500

The contract with the Trego Motor Corporation was subsequently canceled. [It is understood that it has been taken over by the Ordnance Department for tanks. It is canceled so far as its relation to aircraft is concerned.] Only one engine being delivered.

For the production of elementary training planes of the type known as the JN4–D reliance was placed chiefly upon the Curtiss Aeroplane & Motor Corporation, which had already made planes for the British Government. Substantial orders were also given to the Springfield Aircraft Co. and the Canadian Airplane Co. (Ltd.), of Toronto. A number of small orders were placed from time to time with various concerns. The total orders to June 30, 1918, were for 3,975 of the JN4–D type.

The orders for the Standard–J training planes were distributed among the Dayton Wright Airplane Co., the Fisher Body Corporation, and the Standard corporations (Standard Aero Corporation and Standard Aircraft Corporation). The total orders were for 1,600 of this type.

For advanced training planes there were orders given to the Curtiss Aeroplane & Motor Corporation (to June 30, 1918) for 919 JN–H and 479 JN6–H; to the Thomas Morse Aircraft Corporation (for 100 S4–B and 400 S4–C), and to the Breese Aircraft Corporation (for 300 Penguins).

With respect to both elementary and advanced training planes there were also various orders for spare parts.

In service planes the production of the De Haviland 4s was pivoted upon the work of the Dayton Wright Airplane Co. in connection with the designing of the plane for American production, as hereafter explained. There were contracts for 8,500 of the DH–4s, as follows:

Dayton Wright Airplane Co	4,000
Fisher Body Corporation	4,000
Standard Aircraft Corporation	500
Total	8,500

The contract for the Bristol Fighters (2,000) was given to the Curtiss Aeroplane and Motor Corporation.

In view of the exigency, it was inevitable that the responsible officials of the Signal Corps intrusted with the duty of aircraft production should exercise a broad authority, virtually unhampered by restrictions, in the selection of contractors. The Aircraft Board, in which the responsible Army officers sat as members, afforded a useful opportunity for the comparison of views, but not a legal, and only to a limited extent a practical, check. There have been numerous complaints from individuals and corporations who sought contracts unsuccessfully. The extent to which activities were centered at Dayton, the profitable contract promptly given to Col. Deeds's former business associates, and the preference of a small group of manufacturers in the allotment of the large contracts created a feeling of distrust which finds frequent expressions in the record of this inquiry.

There could be no well-founded objection to a well-directed effort to standardize products for production in large quantities under conditions favoring the most economical and efficient work. So far as orders for production of planes in small quantities and various spare parts are concerned, to give an adequate statement of the facts with respect to the companies who received, or which asked and were refused, contracts would require a great variety of detail which it is impracticable to set forth. It does not appear that in the award of these contracts there was adherence to any clearly-defined principle. It is sufficient to say that in many instances the parties complaining have no ground for their complaints, save that others in no better situation obtained what the complainants were denied. For while offers or requests of some manufacturers went unheeded because of alleged lack of proper facilities or of assured financial ability, in other cases contracts were made with parties equally destitute of adequate resources. Among those whose facilities were apparently adequate, some were taken and others were left.

But aside from any question of discrimination between manufacturers, it is obvious that the exigency demanded that important and needed sources of supply should not be neglected, and in this connection, without attempting to make a comprehensive statement of other available resources, the case of the Singer Manufacturing Co. deserves special attention.

SINGER MANUFACTURING CO.

While this company had no experience in the building of airplanes, it had perhaps the largest plant in the country for cabinetwork and one of the largest veneer plants, and its facilities available for the

processes demanded in aircraft production were hardly excelled in the country. As Col. Waldon testifies, "There was every reason why they should be successful in airplane manufacture." The officers of the company were not seeking contracts, but they offered its facilities to the Government, and these were not utilized. As early as July 14, 1917, Mr. Waldon, of the Aircraft Production Board, requested an interview with the vice president of the Singer Sewing Machine Co., and this was had. Later representatives of the Singer Co. visited the plants of the Curtiss Co., the Dayton Wright Co., and the Canadian Airplanes (Ltd.), of Toronto, and an interview was then had with Mr. Deeds and Mr. Waldon, on August 14. Up to that time the manufacture by the Singer Co. of 3,000 training planes had been under consideration, but it was then suggested that it should build 1,000 service planes of the DeH–4 type. Before undertaking this work the representatives of the Singer Co. desired to examine the sample DeH–4 at the plant of the Dayton Wright Airplane Co. The letter of introduction to that company, however, revealed the fact that the whole proposition was still very indefinite. The letter (Aug. 15, 1917) stated:

"We are asking the Singer Sewing Machine Co. to conduct such investigations as is possible while we are making up our minds as to the part of our program they are to fulfill. When they were here yesterday we suggested that they should help in the DeH–4 production. This is not definitely settled, and they may be given some other part of the program, but we would like to have them given the privilege of an opportunity to study the details of the DeH–4, inasmuch as it represents the latest type of barge war machine from abroad."

On receiving this letter the vice president of the Singer Co. telegraphed Mr. Waldon that it was so indefinite that the trip would be postponed until it was decided whether it was desired that they should undertake the building of the DeH–4. To this Mr. Waldon replied, under date of August 16, as follows:

"We are promptly in receipt of your telegram about the indefiniteness of our letter of August 15. Since your visit we have received a cablegram which indicates that there will be a very important change in our program, in all probability causing us to change the type of machine you would build. This was the reason I stated in my answer that it was not definitely settled that you would build the DH–4. It will be in your hands, however, whether you go to Dayton and look over the DH–4 as a sample of an up-to-date war machine. The one we have in mind now that we would ask your assistance upon would be quite a little larger than this."

On August 17 Mr. Waldon telegraphed "change in program will probably make it necessary to assign a type other than DH–4." On August 20 the Singer Co. informed Mr. Waldon that they had decided to postpone their trip to Dayton "until it is more definitely settled what you wish us to do for you." In a postscript to this letter it was stated that the Singer Co. had been requested by the British Government to duplicate their order from that Government for certain airplane parts (universal joints), and they asked whether there was any objection to their undertaking this additional work. An answer was received on August 23 that this was entirely satisfactory. This additional work for the British Government required the services of perhaps 100 persons and left the Singer Co. quite free to undertake the making of planes for the Government, but no further word was received and no order was given to the Singer Co. In the light of the correspondence no explanation has been given of the failure to enlist its important resources for the purpose of aircraft production.

ENGEL AIRCRAFT CO., OF NILES, OHIO.

In view of the former connection of Mr. Harry E. Baker, the brother of the Secretary of War, with the Engel Aircraft Co., the facts with respect to its organization and its contracts with the Government should be set forth.

The company was organized about August, 1917, under the laws of Ohio. Mr. Harry E. Baker testifies that it was originally intended to have a capital stock of $3,000,000 (preferred $1,000,000 and common $2,000,000), but this was subsequently reduced to $1,500,000 (preferred $500,000 and common $1,000,000). Mr. Harry E. Baker, of Cleveland, was president and general manager. His associates in the organization of the company were Mr. Engel, vice president and production manager, and Mr. Patterson, secretary and treasurer.

Mr. Baker had taken an option in the spring of 1917 for the plant at Niles, Ohio, formerly owned by the Engel Airplane & Motor Co., and this was taken over by the new company, which, in effect, issued its preferred stock therefor, at a cost of about $225,000. The remainder of the preferred stock was sold for cash. The preferred stock was entitled to 7 per cent cumulative dividends, and, as Mr. Baker states, was to be retired at par before the common stock participated in earnings. The common stock was issued to Mr. Baker and his associates for services in promotion. As an officer of the company Mr. Baker received a salary at the rate of $7,000 a year.

On October 9, 1917, the Aircraft Board recommended that an order be placed with the Engel Aircraft Co. for spare parts for 100 JN4–D training planes, at the aggregate price of $80,827.80. At the meeting of the Aircraft Board on October 19, 1917, it was recited that the equipment division had recommended that a larger order be placed with the Engel Co., and the board thereupon rescinded its resolution of October 9 and recommended that an order be placed with the Engel Co. for spare parts for 700 JN4–D airplanes, at a total cost of $585,077.50. Following this contract for 700 sets, Mr. Baker states that there were further orders from the Government during his connection with the company for 200 sets of spares for JN4–D's, 200 sets of spares for JN4–H's, and another order of 100 sets of spares for JN4–D's, the aggregate orders being for 1,200 sets of spares at a price of about $1,000,000. Mr. Baker testifies that he ceased his connection with the Engel Co. on January 21, 1918.

The Secretary of War testifies that either before or after our entry into the war his brother (Harry E. Baker) asked him whether there was any reason why he should not go into the manufacture of a certain flying boat for the Navy, in association with one Engel. The Secretary told him that he knew of no reason why he should not. Later his brother informed the Secretary casually that they were going to make airplanes, and asked if the Secretary objected. The Secretary replied that he had no right to object, but did not wish to be consulted about it; that he had nothing to do with it. Later the Secretary discovered that the Engel Aircraft Co., of which his brother was president, had a contract with the Government, which was not a competitive contract, but one which had been given upon an inspection of the facilities of the aircraft company. The Secretary sent for Gen. Squier and asked for the facts. The Secretary regarded the situation as intolerable and directed that the contract should be canceled. Thereupon it was immediately canceled by telegraph and arrangements were made, through Mr. Eugene Meyer, jr. (acting for the Secretary), for the separation of Mr. Harry E. Baker from the company. The Secretary thought it was just that his brother should be paid on the basis of the value of any services he had rendered, but that his complete separation from the company was necessary before a contract should be regarded as possible.

Mr. Harry E. Baker testifies that in January last he was informed by telephone that all of the contracts of the Engel Co. had been canceled; that he immediately went to Washington and had an interview with Assistant Secretary of War Crowell, who told him that his association with the aircraft business was embarrassing to the Secretary of War and that he should retire from it. He said that he had no desire to furnish cause for embarrassment, and accordingly, after an interview with Mr. Meyer, he turned back to the treasurer of the company all of the stock that he had in his name and resigned as president and general manager. Mr. Baker testifies that the company paid him nothing for his stock. In addition to the payments of salary which, according to his testimony, he had received for two months at the rate of $7,000 a year, Mr. Baker says that he was paid on his retirement the sum of $15,000 in consideration of the services that he had rendered.

Being assured that the separation of his brother from the company had been effected, the Secretary notified Gen. Squier that the capacity and merits of the company were the only matters to be considered. All the contracts were immediately reinstated on the same terms. Subsequently an additional order was given to the Engel Co. for 500 sets of spares for De Haviland 4's, at an estimated cost of $2,275,000.

DISTRIBUTION OF WORK.

Quite as important as the selection of contractors and the development of adequate sources of supply, was the distribution of work so as to insure prompt and efficient production. Each type of plane requires special preparation and the demands of varied sorts of work may easily be mutually restrictive and demoralizing. A conspicuous instance of this is furnished in the case of the Standard Aircraft Corporation. This company, with its predecessor (the Standard Aero Corporation), had the unusual features of being a manufacturing corporation under the direction of two lawyers, Harry Bowers Mingle and Max J. Finklestein, of the firm of Mingle & Finklestein, of New York City. It is unnecessary to review the financial history of the two Standard corporations, with their plants at Elizabeth and Plainfield, N. J. It is sufficient for the present purpose to say that from the time of the organization of the Standard Aircraft Corporation in November, 1917, it has been the operating company, except that recently the Standard Aero Corporation has been availed of, and it has taken the plant at Plainfield for the purpose of handling fixed-price orders, the cost-plus contracts being in course of performance at the large plant at Elizabeth. Both these corporations are controlled by Mitsui & Co., a leading Japanese firm, which holds all the preferred stock and a majority of the common stock of each company. The orders which have been given by our Government to one or the other of these Standard companies exhibit an extraordinary range of types, embracing training planes of the Standard J type, 6 machines and spares of the JR–1B type for the Post Office, advanced training planes of the M Defense type, 4 Capronis, the assembly of Handley-Page planes, 500 De Haviland 4's, as well as flying boats for the Navy and various orders for small parts. The effect was to put in this plant almost every variety of airplane work, a proceeding which has no justification from a production standpoint. Mr. Charles H. Day, the chief engineer of the Standard companies, whose ability is generally recognized, frankly admits the serious disadvantage of this multiplicity of orders. He says:

"There is a natural amount of confusion in having a multiplicity of those parts. * * * The engineering personnel is limited by the number of different machines you have to produce, and the executive force is limited by the same amount. The physical layout of the factory itself is very seriously affected. * * * We have on the HS boat job made entirely our own drawings. It was out of the question to work to the drawings which were supplied us and we therefore redrew the entire job. That occupied a great amount of time of the drafting room and the engineering departments of the Standard Aircraft. Then a great amount of drawing has been necessary on the De Haviland 4, it being impossible to get Van Dyke drawings from the Signal Corps, and we have attempted to draw up a great deal of that machine, and we have redrawn in its entirety the Handley-Page machine. That involves the engineering department and the drafting department and the bill of materials department, sometimes known as the specification department, which is one of the most important we have, inasmuch as under the present regulations we are not allowed to purchase material except we bill the material. The approvals officer will not approve the materials except on the basis of a bill of materials supplied, and making the bills of materials and completing the drawings on all these different machines has been extremely difficult.

"Q. Have you had in your drawing department the HS boats for the Navy, that is the seaplane, the Handley-Page planes, and the De Haviland planes, all being worked out at the same time?—A. Yes, sir."

On the same point, Mr. Day again testified:

"The order for the De Haviland 4s is a very small order comparatively. * * * If we were to turn over our plant entirely into building the 500 De Haviland 4s and had a go-ahead on 500 De Haviland 4s, it would not last very long. We expected early in this year and were preparing to take over a large order for Capronis. That was before we had the De Haviland machines, and it was supposedly to be a thousand Capronis. That was a fair-sized order, and we expected we would have that alone and nothing else. But that was withdrawn, and the order for 700 sets of spare parts for the Bristol and 1,500 sets of spare parts for the De Haviland 9 was given us, and that was a pretty fair-sized order. That in itself would have been sufficient for some length of time, but both of those orders were recalled. The interference, so far as spare parts of machines is concerned, would have been less than the interference caused by two orders for complete machines. It has been impossible for us to obtain a large enough continued order to actually know what we were going to do and to prepare for doing it."

Criticisms upon the management of the corporation do not excuse such a state of affairs. If a manufacturing corporation is to be intrusted with work, it is manifest that it should be given the work it can handle efficiently; and if its efficiency is distrusted, there is still less reason for embarrassing it with confusing orders. On the other hand, if it is deemed capable of successful production it should have a suitable opportunity to develop it. The effect of placing such an assortment of orders, coupled with the difficulties besetting production in this new industry, has not only interfered with production, but has promoted waste, made it exceedingly difficult to maintain proper cost accounts, and has confused responsibility for delays.

Other illustrations of a poor distribution of work might easily be given; the result of it is that one part of the Government's program has stood in the way of another.

Sixth. The course of production—Delays—Misleading public statements.

It is not deemed to be necessary to review in detail in this report such delays as occurred in the delivery of training planes and engines therefor. As early as February 16, 1918, 1,733 had been delivered of the JN4–D and 683 of the SJ–1 elementary training planes. As already stated, 2,972 of the JN4–D had been delivered by June 30 and the total order for the SJ–1 (1,660) was completed by May 11, 1918. By February 16, 1918, there had been delivered 1,438 of the OX–5 engines and 1,083 of the A–7a engines and deliveries continued from week to week.

The elementary training planes of the JN–4D type seem to have been satisfactory. In connection with this phase of the execution of the aircraft program it should be said that the general average of accidents in training for all the camps in the United States, is one accident for every 3,200 to 3,600 hours of actual flying. The worst school, in this respect, is one accident for every 1,900 hours of flying and the best school shows one accident for every 4,800 hours of flying. While it is somewhat difficult to obtain comparative statistics with respect to accidents in French and British training camps, it is believed from reports from our officers serving in the English and French schools that we have about twice as much flying per accident as either of the other nations.

The condemnation of the SJ–1 plane as dangerous, because of the Hall-Scott engine, has already been mentioned. It is to be noted that as early as February 12, 1918, the Joint Army and Navy Technical Aircraft Board passed a resolution reciting the opinion of the board "that the Standard airplane as completed with the Hall-Scott engine is not a satisfactory training machine" and recommending "that if it is necessary to make further purchases from the Standard Co. of types that have been developed by them, that such machines be of the type designed for the installation of the Hispano-Suiza engine and the 150 Hispano-Suiza engines be purchased for these machines." The Standard J training plane with the Hall-Scott engine continued to be used until it was condemned in June, 1918, on Gen. Kenly's return from overseas and after his careful examination of its operation. The order of Gen. Kenly, under date of June 6, 1918, is as follows:

"1. Due to the shortage of training-type airplanes in the past it was necessary to use a certain number of Standard J–1 airplanes for training as filler-in until there were sufficient JN–4 machines manufactured for all schools.

"2. At the present time there are sufficient JN–4 machines in storage to entirely replace all Standard machines in use. The director of military aeronautics therefore desires that no more Standard airplanes be used in flying training and that steps be taken at once to entirely replace the Standard J–1 machines now in use by JN–4 airplanes. The Standard machines can be utilized in mechanics' training schools, ground schools, and any other schools where it is not necessary that they be taken into the air."

With respect to advanced training planes, it may be said that by February 16, 1918, 60 had been received of the S–B and 105 of the JN4–H. The delivery of Penguins did not begin until the middle of April, and of S4–Cs until May. There had been delivered by February 16, 1918, 121 of the Gnome (100 horsepower) and 444 of the Hispano (150 horsepower) engines. Deliveries of the Lawrence (28 horsepower) began in March and of the LeRhone (80 horsepower) in May, 1918.

SERVICE PLANES.

As already stated, the program during the period under consideration and until recently has been practically limited to the De Haviland 4s and the Bristol Fighters.

THE DE HAVILANDS.

The contracts for these planes, after the substitution of De H–4s, for De H–9s, called for 8,500 De H–4s, viz., Dayton-Wright Airplane Co., 4,000; Fisher Body Corporation, 4,000; Standard Aircraft Corporation, 500.

Under the first contract with the Dayton-Wright Airplane Co. (dated Sept. 7, 1917), deliveries of the De H–9s then provided for were to begin in November, and the entire 2,000 were to be delivered by the end of June, 1918. Under the modified contract (Jan. 17, 1918), for 1,000 De H–4s and 3,000 De H–9s, deliveries were to begin in January and to be completed by the end of July, 1918. Under the final contract (Apr. 1, 1918), substituting 4,000 De H–4s, the latter were divided into two lots of 2,000 each, the first lot for immediate production to be delivered by August 1, 1918, and the remainder to be delivered as ordered.

The first De H–4 was shipped from the plant of the Dayton-Wright Airplane Co. on February 5, 1918. It was intended for the American Expeditionary Forces in France, but it was not completely equipped; it did not have any bomb gear that would work. On February 14, 1918, the following telegram was addressed by Mr. Talbott to Col. Deeds:

"Wire received reference Secretary Redfield and Dr. Stratton. Maj. Shepler advises first 100 De Havilands to remain in this country. If so, will you recall plane shipped for foreign shipment, allowing us to substitute plane completely equipped. Progress here encouraging."

However, the plane already shipped was not recalled. The transport containing it sailed on March 22, and, on account of engine trouble in the Azores, it did not reach Europe until May 4.

Nine additional De H–4s were shipped by the Dayton-Wright Airplane Co. in February for the use of various fields—two on the 15th, one on the 16th, and two on the 17th, intended for Gerstner Field in Louisiana; one on the 21st for McCook Field (which was sent to South Field); one on the 22d for the Fisher Body Corporation; one on the 23d for the Standard Aircraft Corporation; and one on the 25th for McCook Field. Four were shipped in March—two for Gerstner Field on the 9th and 12th, one for McCook Field on the 10th, and one on the 21st was delivered to the property officer at the Dayton-Wright Airplane Co.

There were no shipments for the American Expeditionary Forces between February 5 and April 3, 1918, when four were shipped; four more were shipped on April 14 and four on April 22, and there were no more shipped for use abroad until May 2, 1918. That is to say, up to May 2 there had been 13 De H–4s shipped for our forces abroad. It was in May, 1918, that what may properly be called quantity production of De H–4s began. By the end of that month 193 De H–4s and by the end of June 529 De H–4s had been delivered by the Dayton-Wright Airplane Co. Of these 529 it appears 381 had gone to ports of embarkation, 116 to the Navy, and 32 to various destinations in this country, including training fields.

On June 25 advices were received that there were serious defects in the planes which had been received abroad. At the meeting of the Aircraft Board on July 31 Col. Arnold stated that all planes shipped to Europe by the Army which were found on arrival to have weaknesses were rebuilt at the aircraft production centers. At the same meeting Mr. Potter stated that the De Haviland planes for the Navy which had been shipped from the factory but were not yet floated should be sent back to the Dayton-Wright Co. to be rebuilt.

From June 30 to October 11, 1918, the Dayton-Wright Airplane Co. delivered 1,320 De H–4s, making 1,489 in all to the latter date.

In the contract with the Fisher Body Corporation (Nov. 6, 1917) provision was originally made for 3,000 De H–9s, the deliveries to be completed before July 1, 1918. For these there were subsequently substituted 4,000 De H–4s, of which 2,000 were to be delivered by September 1, 1918—afterwards extended to November 1, 1918—and 2,000 more at dates to be fixed. Up to June 30, 1918, no deliveries of De H–4s had been made by the Fisher Body Corporation. This company got into quantity production in August, and had delivered 452 up to October 11, 1918.

For the order of 500 De H–9s placed with the Standard Aircraft Corporation (Jan. 26, 1918), there were eventually substituted 500 De H–4s by the contract of March 28, 1918. No deliveries had been made up to June 30, 1918, and only 49 had been delivered up to October 11, 1918.

The total deliveries of De H–4s to October 11, 1918, amounted to 2,350. Of these, 1,617 had been floated, 388 were at ports or in transit, 177 had been shipped to camps and training fields, and 168 are described as being for "manufacturers and miscellaneous."

BRISTOL FIGHTERS.

The contract with the Curtiss Aeroplane & Motor Corporation called for 2,000 Bristols to be delivered by August 31, 1918.

There was no definite release for production until February, and then only to the extent of 25 machines. Four hundred were released for production in the latter part of March and 400 more on April 24. As already stated, only 27 were delivered in all, and the order was canceled in July.

LIBERTY ENGINES.

The deliveries were to be completed as follows:

	Lincoln Motor Co.	Packard Motor Car Co.	Nordyke & Marmon Co.	Ford Motor Co.	General Motors Co.
November	5	50	.....	.....	.....
December	80	200	.....	.....	.....
January	160	500	25	.....	.....
February	275	800	125	.....	.....
March	700	1,000	350	.....	.....
April	1,400	1,200	700	200	.....
May	1,900	1,200	800	800	25
June	1,480	1,050	800	1,000	125
July	.....	.....	.....	1,000	250
August	.....	.....	.....	1,000	380
September	.....	.....	.....	1,000	400
October	.....	.....	.....	.....	500
November	.....	.....	.....	.....	400

These were the actual deliveries: (There are slight discrepancies between the factory records and the Government reports, and the latter apparently based on actual receipts are used in this tabulation.)

	Lincoln Motor Co.	Packard Motor Car Co.	Nordyke & Marmon Co.	Ford Motor Co.	General Motors Co.	Total.
November	.....	1	.....	.....	.....	.....
December	.....	25	.....	.....	.....	.....
January	.....	43	.....	.....	.....	.....
February	7	96	.....	.....	.....	.....
March	24	153	.....	.....	.....	.....
April	134	314	.....	.....	.....	.....
May	196	439	.....	.....	.....	.....
June	309	556	.....	53	130	.....
July	484	724	16	197	244	.....
August	701	543	24	459	398	.....
September to Oct. 11.	1,022	970	117	1,212	371	.....
Total	2,787	3,864	157	1,868	1,013	9,689

The total deliveries of Liberty motors (U8–12s) to October 11, 1918, amounted to 9,689, of which 6,895 were for the Army and 2,794 for the Navy. Of those for the Army, 3,555 had been floated, 456 were at ports or in transit; and there had been delivered 990 to allied Governments, 260 to flying fields, 1,429 to manufacturers, etc., the remainder, or 205, being turned over to the Navy.

Contracts have recently been made for the production of the Liberty 8 (U8–8), but no deliveries had been made to October 11, 1918.

MISLEADING PUBLIC STATEMENTS.

In the face of the delays in production a series of misleading public statements were made with official authority. While these statements were authorized by the Secretary of War, he states that they were issued in reliance upon information furnished by the Chief Signal Officer, Gen. Squier, and by Col. Deeds, who were acquainted with the actual conditions. It is unnecessary to review the delusive predictions and exaggerations contained in these utterances.

But particular attention should be directed to the official statement released for publication in the papers of February 21, 1918, which contained the following:

"The first American-built battle planes are to-day en route to the front in France. This first shipment, though in itself not large, marks the final overcoming of many difficulties met in building up this new and intricate industry."

This statement had its origin in a conversation between Col. Deeds and a representative of the Committee on Public Information a week or two before the completed statement was issued. A draft was first prepared and submitted to Col. Deeds, who examined it and made some corrections. The statement contained in the paragraph above quoted was not only left unchanged, but was the subject of special inquiry. Col. Deeds was asked what was meant by the "first shipment," and he replied, "They are on the water now, on the way to France." He was then asked, "How many?" and he answered, "I do not know, but I

do not think more than 10." His statement in its final form was then presented to the Secretary of War, who permitted it to be issued upon the understanding that it had been verified by Gen. Squier and Col. Deeds.

[At the time this statement was issued (February 20) only one plane had been delivered for shipment to the American Expeditionary Forces, and while this had been shipped from the factory on February 5, it did not leave the United States until March 22. The only other service planes which had been delivered were five DeH–4s, which had been shipped for use at Gerstner Field, La. No additional shipments of airplanes for the use of our forces abroad were made until April 3. Actual production in quantity did not really begin until May.]

Col. Deeds admits that this statement was brought to him before its publication, and that he went through it. He examined it minutely enough to correct with his own hand one of the paragraphs following that above quoted, which gave the number of men required on the ground for every plane in the air, his correction making it 46 instead of 45. Col. Deeds denies, however, that he said in response to the inquiry upon the point that the battle planes were "on the water now, on the way to France." That he did make this statement is testified to directly and unequivocally by John W. McConaughy and Marlen E. Pew, representing the Committee on Public Information.

When Col. Deeds was examined as a witness before the Committee on Military Affairs of the Senate, on April 2, 1918, he was asked this question and gave this answer:

"Senator WADSWORTH. Did you see, or do you know whether any other responsible officers in your aviation section of the Signal Corps saw the statement given out by Secretary Baker on February 21 before it was published?

"Col. DEEDS. No, sir; I did not see it. I do not know of anybody seeing it."

Col. Deeds admits giving this testimony. He testified that he did not then recall the paper in question.

Col. Deeds further testifies, in explanation, that when the paper was before him his information was that "four planes were on the cars en route to France," and that it later developed that only one was sent and the others were diverted to Lake Charles—that is, to Gerstner Field—for tests on radiators. The shipments to Gerstner Field, however, had been made directly from the Dayton Wright Airplane Co. on February 15, 16, and 17, and these planes had not been shipped from the factory for the American Expeditionary Forces. There is evidence, also (ante, p. 113), that on February 14 Mr. Talbott had telegraphed to Col. Deeds that Maj. Shepler advised that first 100 De Havilands should remain in this country and asking on this assumption for the recall of the one plane "shipped for foreign shipment," so that another could be substituted "completely equipped."

There is no question but that this grossly misleading statement was published on the authority of Col. Deeds and that the Secretary of War relied upon the fact that it had Col. Deeds's approval in giving it his official sanction. While this conduct of Col. Deeds does not come within the scope of the Criminal Code, it deserves the prompt attention of the military authorities.

Gen. Squier testifies that he had nothing to do with the statement that was issued for publication on February 21 and that he did not know of it before it was published. He testifies that when it was brought to his attention, he did not regard it as a proper statement to have been sent out, but that he did not institute an inquiry to ascertain who was responsible for it. It is evident that the matter called for immediate investigation and for suitable disciplinary measures, but no steps were taken either for correction or punishment.

The Secretary of War states that the responsibility for the statement clearly rested with Gen. Squier and Col. Deeds, and that he did not learn of the inaccuracies of the statement until his return from Europe in the latter part of April.

There were earlier statements of a delusive character as to the progress of aircraft production, but the particular statement to which attention has been called was inaccurate in its specific statement of facts, and its misleading character was obvious to anyone having knowledge of the actual conditions.

Seventh. Causes of delay in production.

FIRST. LACK OF KNOWLEDGE AND EXPERIENCE.

This was a fundamental difficulty affecting production in all its stages. The industry was new, and there was a lack of engineers and skilled workmen. Novel problems were encountered at every step and lack of knowledge bred indecision and confusion. Experience in other manufacturing enterprises gave no assurance of facility in this untried field. In addition, it was necessary to develop new sources of supply of needed materials, and the difficulties of the main contractors had their counterparts in the plants of subcontractors by which various sorts of material or fabricated parts were supplied.

SECOND. DEFECTIVE ORGANIZATION IN THE SIGNAL CORPS.

The duty of providing an adequate organization for aircraft production was left to the Signal Corps. It is quite clear that this undertaking was beyond the competency of the Chief Signal Officer, who had neither training nor experience for such a large industrial enterprise, and those who were brought to the task in his department failed to produce an organization which was adapted to meet the exigency.

The contracts were for production, and presupposed that the manufacturers should have an established design. The contractors agreed to produce the described machines in accordance with drawings and specifications to be furnished by the Government. In order to secure production of types of planes unknown to our manufacturers, it was necessary that the Government should create an engineering department which should settle the design and furnish adequate and accurate drawings and specifications. But this essential condition of achievement was not met.

Undoubtedly, the lack of airplane engineers was a serious obstacle. Still, there were a few in the country who had devoted themselves sedulously for a considerable time to the study of aviation problems, and it does not appear that there was a suitable effort to draw to the Government's service such talent as was available. Whether or not much assistance could have been obtained in this way is a question which can not be answered in the absence of an appropriate test. It was, however, entirely obvious that the exigency called for the most efficient organization, and that to add to inexperience the lack of a suitable organization and the confusion of a divided responsibility would inevitably lead to serious delays and threaten the entire program.

There was an engine design section established about July 1, 1917, in charge of Mr. Vincent, who had been engineer of the Packard Motor Car Co., but had no experience in the designing of airplanes; and this department did not have anything to do with the designing of airplanes as distinguished from airplane engines.

Capt. (afterwards Lieut. Col.) Virginius E. Clark, who had had perhaps as much aeronautical experience as anyone in the Army, had been in charge of airplane designing, but he was absent in Europe with the Aeronautical Commission from June until about September 1, 1917. On his return he resumed the work of airplane designing, and the Airplane Experimental Department was organized about October 1, 1917, in charge of Lieut. Col. Clark, who was put in command at McCook Field, Dayton. This organization continued until February 6, 1918. Lieut. Col. Vincent testifies that he had been arguing for an "engineering department" with the idea that it would take entire charge of engineering as it pertained to engines and planes" and "definitely straighten out" what he thought to be "an unsettled condition." By this he meant that "an attempt was being made to put planes into production in this country without having complete drawings or a complete understanding as to just what equipment such planes were to carry." But for the purpose of settling designs of airplanes and furnishing drawings to the manufacturers the Airplane Experimental Department proved to be hopelessly inadequate, and the result was that it was largely left to the manufacturers themselves to work out the designs of service planes, an undertaking for which they were ill equipped.

When the Airplane Experimental Department failed to give satisfaction, instead of strengthening it and making it adequate to the engineering work which had to be done, an additional department was created (about Jan. 1, 1918) which was called the Production Engineering Department. This department was also located at Dayton, because the Dayton Wright Airplane Co. was at that place, and there the department remained until the middle of April. It was said to be its function to supply manufacturers with engineering information, drawings, specifications, etc., from which they could produce in quantity what they were to manufacture; to specify materials, to decide upon details of design, etc. It was not, however, established merely as an aid to the manufacturer in producing according to a settled design—that is, to enable the manufacturer to cope with the difficulties which were sure to arise in the course of production, but this department was largely placed in control of the airplane design itself, which the Airplane Experimental Department had failed to establish satisfactorily. The new department was never informed or equipped so that it could perform its function adequately. It was under the general supervision of the head of the production department of the equipment division, who was inexperienced in airplane engineering or in airplane production, and this creation of another inadequate department failed to solve the difficulty.

On February 6, 1918, the Airplane Engineering Department was established in charge of Lieut. Col. Vincent, who was put in command at McCook Field. Lieut. Col. Vincent at once began to direct the efforts of the new department toward getting some well-known machines ready for production, rather than doing the purely experimental or research work, and he obtained permission from Mr. Potter to take the De Haviland 9 from the Dayton Wright Co. at South Field "and put it through McCook Field." But this new department did not have a definite function with respect to the types of service planes already under contract—that is, the De Haviland 4 and the Bristol—and these were left apparently as before, subject to the inadequate direction of the Production Engineering Department.

The consequences are easy to trace. When the model DeH–4 was received in this country it was accompanied by the English drawings. It was necessary to redesign the plane to accommodate it to the Liberty motor. The model was sent to the Dayton Wright Airplane Co., and this company which, under its contract, was to produce in accordance with drawings and specifications furnished by the Government, appears to have undertaken the work of redesigning and making the new drawings. These were made and the DeH–4 as redesigned was flown on October 29, 1917. When, later, changes were required, the company expected drawings to be furnished by the Signal Corps; the Production Engineering Department apparently expected the drawing to be provided by the company. Rapid and successful production, which demanded clearly defined responsibility, could not be expected under such conditions. About February 21, 1918, the Production Engineering Department having been unable to secure production, the work on the DeH–4 was virtually taken out of its hands and placed in charge of Lieut. Col. E. J. Hall for the purpose of a swift effort to get results. Lieut. Col. Hall proceeded to get necessary information as to equipment, developed a little organization of his own, at once built three model planes (one for the Dayton Wright Airplane Co., one for the Fisher Body Corporation, and one for the Standard Aircraft Corporation) and sought to remove as rapidly as possible the various hindrances to production. In this way production in quantity was finally attained. But this was not the perfecting of the organization, but, in substance, was a desperate effort outside the regular instrumentalities of the Equipment Division, because those instrumentalities could not be relied upon.

With respect to the development of the Bristol, similar conditions existed. When Lieut. Col. Hall had made sufficient progress at the plant of the Dayton Wright Airplane Co. to warrant it, he turned his attention to the production of the Bristol, at the plant of the Curtiss Aeroplane & Motor Corporation. As he testifies, "They were worse than at a standstill." "It would have been easier," he says, "for me to have taken and designed the whole machine around the equipment if they had not had the material started." He found that "practically all they did was to get in a row, so that the condition when I went in there was that everybody was damning everybody else." This was about April 11, 1918.

It appears that Capt. Clark in the fall of 1917 began the work of redesigning in order to adapt the Bristol to the Liberty motor, and about the last of October the model Bristol, with a large number of drawings, was sent to the Curtiss Co. Mr. Mueller, who was the chief engineer of the Curtiss Co., states that they were unable to make the plane from the drawings, that "the dimensions would not check up," and that "it was impossible to get the machine together from the parts made from the details of the Signal Corps drawings." In January, 1918, the Production Engineering Department took over the work on the Bristol, but differences with the contractors speedily arose, and at the end of January, for the purpose of reconciling these differences, a conference was held between the representatives of the Signal Corps and of the company, respectively, and it was determined that engineering decisions should thereafter be left to the engineer of the Curtiss Co. This authority apparently was exercised for two or three weeks, but opposition developed and there was no real progress. Lieut. Col. Hall took the matter up in April and an effort was made to drive through to production. It is apparent, however, that this plane never got beyond an experimental stage, and yet 400 were released for production in March and 400 more in April. This was evidently in response to criticism of delays. But the plane as designed for the Liberty motor was doomed to failure. Had there been an adequate engineering department to settle the matter of design and make the necessary en-

gineering tests and decisions before production was entered upon, much time and money expended in fruitless effort would have been saved.

Throughout this period the equipment division of the Signal Corps presented an organization with a host of sections and departments, with ill-defined functions, creating disorder and confusion rather than sustained, well-directed, and expert effort. There was a vast amount of lost motion. Manufacturers were brought into contact with various divisions with overlapping powers; earnest and able scientific men, who were brought into particular sections, found themselves lacking in authority or in conflict with other sections; and uncertainty, indecision, and vacillation enfeebled the entire undertaking. Military organization was another obstacle to the rapid prosecution of what was essentially an industrial enterprise. Whatever might be accomplished by such an organization in a thoroughly understood activity, it was certainly unsuited to an entirely new industrial endeavor of this sort. A mobile force in which men could readily be moved about, tested, elevated, and disposed without regard to military rank or precedent was absolutely required. The inherent difficulties of the situation were thus greatly increased by defective organization. No doubt, also, the swift creation of a large force of inspectors, without the qualification of experience in their line of work, not only opened the door to abuses but to an extent retarded production.

The situation, as it appeared to Archer A. Landon (Mr. Coffin's assistant) more than six months after we had entered the war, is strikingly shown in his letter to Mr. Coffin, dated October 16, 1917, in the course of which Mr. Landon said:

"* * * The lack of organization and continuity of responsibility is so apparent that success will be a miracle. * * * If we are to be successful, there must be fixed, from the Secretary of War or the Secretary of the Navy down almost to the office boy, a direct line of responsibility that will make every individual assume the absolute responsibility for the work he is undertaking and under no circumstances should any conflict of authority or responsibility occur. Industrial men of known responsibility and capacity for the particular work undertaken must be selected. They should be peculiarly fitted for the positions they occupy and should be responsible for their work as in civil life. * * *

"We men who have come here in an effort to assist you find ourselves very seriously embarrassed, and justly so. We are started off to do what seems to be an important piece of work, only to find that this work has been delegated to somebody else in some other department and that we are treading on other people's toes. The result is that we do not get the information we want and we do not get anywhere. They do not throw us out, but they are all adept at pulling the latest Washington game of 'passing the buck,' or else frankly resenting our appearance in the matter.

"Take the spruce situation as an example of dilly-dallying through a lack of organization. The first I knew of the spruce situation was around the latter part of July or the 1st of August. At that time it was one of your great worries. The entire aircraft program was and is now endangered by the lack of ability to get spruce; and yet from that time until now, notwithstanding repeated conferences, there was nothing done on the spruce situation, either toward closing contracts or increasing production, until October 13, when Col. Disque was sent West on the situation; a loss of time of practically three months. If this had been your own business the men would have been on their way west the day after the matter was first brought up. The only reason that there was no action in July was because we do not possess an organization of direct responsibility, and on that account these inefficiencies are possible, and they will continue to occur until such time as somebody wakes up and thoroughly organizes the work."

After giving a further illustration, Mr. Landon continued:

"This is not intended as a criticism of Gen. Squier or the other officers, but it is intended to be a very vigorous criticism of methods of organization that make such a condition possible; and I submit to you, sir, that if this same condition exists in all departments and continues to exist, we might as well submit to the Germans now, because the one way you can beat efficiency is to match it with efficiency, and efficiency can only be obtained by a thorough organizing of our responsibilities and following them through to a definite conclusion, which conclusion should be the winning of the war."

Mr. Landon, leaving the aircraft work in October, 1917, returned to it in June, 1918, then becoming chief of the production of aircraft in the Bureau of Aircraft Production. Up to that time the policy he had recommended had not been carried out. He testifies that he "could see practically no change in the organization in six months"; that is, prior to the new organization through the Bureau of Aircraft Production, which had just been instituted.

It should be understood, of course, that the complaint so emphatically voiced was not directed at the Aircraft Board, as this, as Mr. Landon stated in his letter, was "merely an executive advisory board." The responsibility lay with the officers intrusted with the duty of effecting an adequate organization for aircraft production.

THIRD. LACK OF INFORMATION AS TO THE EQUIPMENT REQUIRED FOR SERVICE PLANES.

The model De Haviland 4 was not received until about the beginning of August, 1917, and, as already stated, it was necessary to redesign it and make new drawings. But whatever delay was due to a failure to obtain a model earlier, or to the necessity of redesigning the plane, was greatly increased by the lack of needed information as to the equipment which was to be put on it. From the time the model machine, as redesigned, was completed and flown on October 29, 1917, several months elapsed before its equipment was finally determined upon. The engineer of the Dayton Wright Co. testifies that "the information which we were anxious to receive and which was necessary for production was not forthcoming until the middle of April."

There appear to have been several reasons for this. There was always the difficulty created by lack of experience in equipping airplanes for service in war, and there was considerable trouble in obtaining some portions of the equipment. But, in addition, it appears that there was a lack of exact and detailed information as to just what was required. The drawings and the specifications which accompanied the sample plane sent here were supposed to designate definitely the apparatus to be put upon the planes and its location. The testimony is that these drawings and specifications "did not check up with the actual plane," and there was resulting uncertainty as to what should be done. Communications with the other side were had frequently with regard to instruments, accessories, and various parts of equipment, but, despite this, the uncertainty seems to have continued for a long period, and there was apparently an inability to frame a definite bill of material which could be given to the manufacturer. The showing indicates either an extraordinary lack of decision on the part of those whose duty it was to decide, or an even more remarkable absence of administrative efficiency in seeking and obtaining necessary information.

About February 10, 1918, definite instructions were received from the other side as to the armament and instruments of the DeH-4, but these instructions involved serious changes in the plane. And, subsequently, there were further chances in equipment, as stated below, causing still further delay.

FOURTH. CHANGES IN DESIGN AND EQUIPMENT OF SERVICE PLANES.

The following statement, set forth in the testimony of Mr. Schoonmaker, the engineer of the Dayton Wright Airplane Co., which is substantially uncontroverted by the representatives of the Signal Corps, is an illuminating description of the delays in production incident to changes in design made necessary by changes in equipment so far as the DeHaviland 4 is concerned, and also indicates the waste thereby occasioned. It will be observed that changes were made necessary not only by new requirements as to equipment, but by inaccuracies in drawings and various defects. Mr. Schoomaker testifies:

"The first sample DeHaviland machine was received on August 14, 1917. This was accompanied by an incomplete set of drawings, but with the machine as a sample and with what drawings we had at hand, we were able to complete the necessary lay-out from which to build one sample machine, which was flown on October 29, 1917. This plane was satisfactory in every detail as a machine and practically no changes have been made in the construction except where they were affected by the equipment which the machine was to carry.

"We were advised at that time, in answer to our request for information on guns, that the machine was to be equipped with the Vickers gun, and that the gun mounts would necessarily be the same as the English gun mounts. This information was requested by the Dayton Wright Co. during August, when the preliminary lay-outs of the machine were being made. At a late date we were advised that the Marlin gun would supplant the Vickers and that the Signal Corps would take care of the necessary design of gun mount, etc. The front gun-mount design was received on January 8; after a conference with Signal Corps men it was decided that this mount would not be satisfactory and, therefore, was discarded. The Dayton Wright Co. produced a design of gun mount and cartridge box which was built and installed and accepted by the Signal Corps after a firing test on January 26.

"Owing to the fact that the Marlin gun was not similar to the Vickers, a complete rearrangement of the cowling over what had already been designed was necessary. The first drawing of the Marlin gun which we received was delivered to us on February 12, but no bill of material on the complete gun equipment accompanied same. On February 26 we were requested to mount two stationary guns on the forward cowling. This necessitated a redesign of the gun mount already ordered into production, and this work was carried on by the Signal Corps. This also affected all cartridge boxes of which drawings had been made and which were released to production. A redesign of the cartridge boxes for the double gun mount was furnished by the Signal Corps on March 5. This design was not satisfactory, as the drawings were incorrect, and the pieces manufactured from them did not assemble in the machine. A new redesign was furnished by the Signal Corps on March 15; parts were made from these drawings and were released to production. On April 1 the Dayton Wright Co. was ordered by the Signal Corps to again redesign the cartridge boxes, changing certain dimensions; since that date few minor changes have been necessary, but nothing which directly interfered with the production of these parts.

"Changing the gun equipment as mentioned above necessarily changed the shell chute lay-out. The first drawing which we received from the Signal Corps for the left-hand gun chute came to us on March 5. Parts made from these drawings were not satisfactory, as they did not assemble in the machine. The Signal Corps corrected these drawings, and sample parts were made, and the Dayton Wright Co.'s drawings were released for production several days later. The Signal Corps found, however, that these samples were not satisfactory, and they were rejected, as there had been an error in the drawings. The Dayton Wright Co. redesigned the chute for the left-hand gun on March 29. Samples were made from these drawings which were satisfactory to the Signal Corps, and released to production on April 7.

"The first right-hand shell chute was laid out by the Signal Corps on March 6. Samples manufactured from these drawings were not satisfactory and did not assemble properly in the machine. The Signal Corps proceeded on the correction of these drawings, and they were released for the production of sample. These drawings were very difficult to work to, and samples manufactured from them were not satisfactory and were rejected.

"The Dayton-Wright Co. produced a new design of this shell chute on March 29, which before samples could be made and tried out it was seen that a new design would be necessary, due to the change of location of the electric generator for the electrically heated clothing. A new design was started by the Dayton-Wright Co. on March 30.

"A design along entirely different lines had been started in the meantime by some Signal Corps men at South Field on March 29, and this type was approved on March 31 by the Signal Corps and drawings were made and released to production. This design was tested out on the evening of April 2 and proved unsatisfactory. Another new design was started by the Signal Corps on April 3, which, after a few modifications, was released to production on April 11.

"The same procedure of redesign and development as was required for the shell chutes applies also to the cartridge box and shell-chute covers.

"Our first request for information on the synchronizing device was in November, 1917, but up to February 14 no bill of material or complete set of drawings had been delivered. We received on January 23 a few parts which were intended for production; however, the assembly was incomplete and the parts made would not fit the engine. We received drawings of the hand pump on February 5. During January a sample hand pump was delivered to South Field; no drawing or instructions accompanied this to show mounting and this office was never advised as to its use. When assembled on the machine in January it was found that an interference was encountered with the gasoline shut-off cocks and strainer, necessitating a redesign of these parts and the transferring of them to the other side of the fuselage. This in turn caused an interference of the spark and throttle controls, necessitating scrappage of parts then on hand and redesign of this layout.

"The first synchronizing outfit which we received caused a considerable amount of trouble and upon examination of the trigger motors it was found that practically no two of them were alike and it was almost impossible to get a pair of guns on a machine which would function correctly. The first synchronizers were delivered directly to us instead

of the engine builder and they were not made so as to be directly interchangeable with the motor crank shaft, the result being that a considerable amount of hand work had to be done in the fitting up of these synchronizers.

"On April 2 it was found that the synchronizer generator did not have a satisfactory lubrication system and it was necessary to connect it to the motor oiling system. This necessitated the dissembling of the synchronizer head and welding on a special boss for the attachment of this oil line. This has been done on all of the synchronizers to date.

"Information, drawings, and bill of material for the gun sights were requested on October 19, 1917. A list of different types of sights were received on January 4, but no bill of material or drawings. Drawings for wind-vane sights were received February 6. No drawings were ever furnished on any of the sight mounts; however, the sight locations were approved February 13.

"This will recall that it was advised that the old English De Haviland be used for the mounting of guns and sights so that all of the difficulties which were likely to be encountered could be worked out on this job. Our engine cowling was held within the limit of the cowling used on the English job so that no interference would occur. On November 20 it was called to the attention of the Signal Corps that no use had been made of this machine to date, and early in the spring was shipped to Wilbur Wright Field.

"On April 6 the location of the Aldis sight was removed and changed to the left-hand side of the right gun, this necessitating a change of all the parts which had been made up for the old sight and which were already released to production.

"Our first instructions regarding the bomb-dropping gear were to equip the De Haviland machine with two rails similar to the English machine. Information had continually been requested on bombing apparatus, but no drawings could be furnished. On January 18 we received our first information from the Ordnance Department on bomb gear. This was merely an unlocking device and we gave space in our drafting room for several Ordnance Department men to complete their drawings for application to the machine, they being turned over to me on February 1. On going over these drawings it was found that they were not complete, and about a week later more drawings were received which assisted in production of the first model gear. The delivery of this apparatus had been sadly deficient, it being necessary to ship a large number of planes without it, as some of this is built in the floor of the fuselage and must be put in during the various assembly operations. A further change on the operating mechanism of the bombing gear is coming through, which will be incorporated possibly on the five-hundredth machine.

Information was requested during October, 1917, on the camera and camera mounts. We were advised at that time that the camera mount which the English De Haviland was equipped with would also be used on the American-made machine. On January 19 we received from the Signal Corps a camera which would not fit the English mount. As the English mount was already built into a number of our fuselages, it was impossible for us to change this part on our early shipments. A new design of mount was made by the Signal Corps and installed in the sample machine in our shop. On February 25 this was rejected by the Signal Corps and a new design started and drawings furnished on same May 27.

"The focusing lens retainers were designed at the direction of the Signal Corps for a 4-inch by 5-inch lens. The location of these was shifted several times, and the size of the lens was changed by the Signal Corps to 5-inch by 6-inch and the drawings for retainers were furnished on April 2.

"Up to February 14 we had no information on oxygen apparatus, except that it was to be part of the equipment. As late as April 6 we had no samples of the apparatus or drawings showing installation of same. Final approval of the oxygen installation was received June 10.

"Drawings for the radio equipment and first information regarding same came to us February 1. These were recalled for changes and new set issued, which were illegible. These were returned, and on February 8 a new set of drawings were received for the bonding together of all metal parts on the machine; these drawings could not be followed on a production basis. The Dayton-Wright Co. then prepared a sample machine, and drawings were made from this and accepted by the Signal Corps March 25. Radio instruments were received February 20, and installation according to Signal Corps drawings was stopped February 25 and new installation directed. The Dayton-Wright Co. prepared drawings for this installation and wiring according to the sample which was prepared.

"On March 28 the generator mount on the side of the fuselage was abandoned. A new installation was furnished by the Signal Corps, but it was found that it interfered with the landing gear strut. On April 10 the new design from the Signal Corps showing the correct location of the generator was received.

"Considerable trouble was encountered with the installation of the Holt flare lamps, as there was a misunderstanding between the Dayton-Wright Co. and Signal Corps as to who was to furnish them. The first Holt flare lights were received on February 25.

"The first navigation light samples were received on March 20, and wiring instructions for same were delivered a few days later.

"The electric generator for lighting and heating was received on March 15. The Signal Corps drawings showed the location on the side of the fuselage. This was unsatisfactory, as the generator propeller interfered with the rear flying wires of the wing structure. The Signal Corps prepared new drawings for the relocating of this generator, but these were unsatisfactory, owing to the interference with the landing gear strut. On April 9 a new set of drawings were received showing the correct location of this generator.

"Radiator and water lines were approved by the airplane engineering department, Signal Corps, on November 21 after flying test. At this time, of course, there was practically no information at hand regarding the equipment of the De Haviland plane, which necessarily added considerable weight, so that the radiators which we had ordered for production were considered unsatisfactory by the production engineering division. The radiators furnished by the Signal Corps were 1 inch deeper in the core, which necessitated redesign of the shutter assembly. At a late date it was decided to make a further change on radiator design, making it 4 inches longer. This affected the under cowling of the motor, the forward cowling, water lines, and numerous other details, entailing a large amount of scrappage and reoperation of parts.

"The Signal Corps advised that they would furnish us short radiators for our first 150 ships and long radiators for the next 100, after which we were to supply our own. A shortage of 50 radiators was encountered in the first agreement, which necessitated us going to the long radiator job 50 machines earlier, which caused a serious delay and complication in the shop.

* * * * * * *

"Drawings were received from the Airplane Engineering Division, Signal Corps, November 21 on gas and air lines. From these drawings all parts were ordered into production. All gas and air-line connections were changed by the Signal Corps and final information received on this change April 5. This necessitated scrappage of all parts on hand, and a delay was occasioned in securing necessary new material."

The delays at the plant of the Dayton Wright Airplane Co. due to these changes in design also caused delay in the other plants, which were to produce De Haviland 4s, for both the Fisher Body Corporation and the Standard Aircraft Corporation were awaiting a definite design and a determination of equipment and proper drawings before proceeding to production. The Dayton Wright Airplane Co. was in advance simply because it had the advantage of the possession of the model, and it was working out the necessary drawings.

It will be observed that these changes were required in the course of production. That is, instead of proceeding with production on the basis of a given equipment, where changes in equipment would cause serious delay, and introducing different equipment in the planes subsequently produced, virtually the entire production was held up to accommodate the new demands. As Lieut. Col. Horner testifies, "We would go on changing this way and that way and let that change go through production, when it could be done without interfering with production, and if we had done it we would have had a thousand more planes on the French front to-day than we now have without any question."

It is unnecessary to review the changes in the ill-fated Bristol. They were numerous and related to the structure of the plane itself. Production was, of course, impossible while these changes were in progress. The real effect of the changes, however, in view of the result, was not to retard the production of a useful plane, but to cause an unnecessary expenditure.

FIFTH. CONDITIONS IN MANUFACTURING PLANTS.

The conditions in certain plants engaged in the manufacture of airplanes were unfavorable to production, not only because of lack of experience and the absence of mechanics trained in that class of work, but because of defective organization and want of efficiency. The Dayton Wright Airplane Co. had the difficulties inherent in a new organization, but in view of the changes that were required in the course of production it would be impossible to define to what extent, if any, production was retarded by reason of the fact that the organization was a new one. The lack of competent organization at the North Elmwood plant (Buffalo) of the Curtiss Aeroplane & Motor Corporation is commented upon later (post, pp. 150, 156), but in view of the cancellation of the Bristol order it need not be considered here. Whatever delay there was was in the course of an attempt to make an impossible plane. At the plant of the Standard Aircraft Corporation conditions were also far from satisfactory, but for the same reason, so far as service planes are concerned, its capacity for production was not put to a proper test. It should be added that at this plant the first Handley-Page was assembled and successfully flown within 90 days after the company had been given full charge of the matter.

There have not been lacking indications of sinister influences at various plants. The opportunities of workmen at aircraft plants to retard production or to injure material and product are quite obvious, and the necessity of keeping the plants free of enemy influences is emphasized in another part of this report. But so far as the delays in production of service planes are concerned, it is impossible in view of interrupted work and changing plans to attribute the delays in any definite measure to such a cause.

SIXTH. CHANGES IN THE LIBERTY ENGINE.

In any proper estimate of what should have been accomplished in carrying out the aircraft program it is necessary that regard should be had to the development of the Liberty motor. The airplane must have its motor, and it was inevitable that in the development of a new high-power airplane engine, with the object of securing higher power with a lower weight per unit of power, that changes would be found necessary. Needed improvements were constantly suggested by experimentation, and the number of changes looms very large in the testimony of the experienced engineers who were endeavoring to get into quantity production. It is unnecessary to attempt a review of these numerous changes, for whether time could have been saved by greater expertness is a matter of opinion, and in view of the time that has frequently been spent in the development of new types of motors, there is slight ground for criticism by reason of loss of time in perfecting the Liberty motor. The difficulties were inherent in the task and the task itself was worth while. As has been said, there was no reason why the development of the Liberty motor should have stood in the way of the production of other motors, such as the Hispano-Suiza for use in single-seater pursuit planes to which the Liberty engine was not adopted. But, so far as the heavier observation and bombing planes are concerned, the weight of opinion is that it would have taken about as long to put any other high-power motor into successful quantity production in this country, according to our methods of manufacture, as it has taken to develop the Liberty motor. The attempt to secure planes and motors through foreign production for service pending this development has already been reviewed. By pursuing different methods it is possible, as testified by Lieut. Col. Hall, that there might have been a small preliminary production of Liberty motors two or three months earlier, but, making due allowances for the inevitable course of experimentation, the Liberty motor could not have been put into large production much earlier than it was. What has been called the "immaturity" of the Liberty motor placed a time limitation upon the program for the planes that were made to take this motor, but it may be observed that by May 4, 1918, 778 Liberty motors (U. S. 12s) had been made, of which 390 were taken by the Army, and only 36 De H—4s had at that time been delivered, and no other Army planes to take this motor were available. It can hardly be said that unnecessary delays in service-plane production, caused by bad organization and lack of a settled design, were excused by unforeseen difficulties in the development of the Liberty engine; and it should also be observed that if, in the light of general experience in motor building, delay in the development of the Liberty engine was to be feared, there was the greater reason for making sure, to the full extent of ability, of the immediate production of single-seater pursuit planes for which other engines could be provided.

Eighth. Contractors' profits.

Under the various fixed-price contracts it is probable that large profits have been gained, but definite information as to their extent would not be available without a survey in detail of manufacturing conditions and costs in a considerable number of plants—an undertaking which would have been wholly impracticable in this inquiry. The profits allowed by the cost-plus contracts present a distinct question.

The justification for cost-plus contracts was found in the fact that the undertakings were novel and that the manufacturers did not have accurate data upon which to make a satisfactory estimate of the cost of production. This was conspicuously true in the case of airplanes of types with which manufacturers in this country had been unacquainted previously. For production in large quantity either new plants or greatly enlarged facilities at existing plants, as well as special tools, would be required to meet an exigency of uncertain duration, and it would also be necessary to procure the requisite labor and materials for the new undertakings in a rising market and to provide working capital for long periods; and, while motors had been manufactured here upon a large scale, the newly-designed engines for the service airplanes required such a reduced weight per horsepower and such delicacy of construction that it was felt that the enterprise had many elements of uncertainty. In these circumstances it was not an unreasonable conclusion that if contracts for the new types of airplanes and for the new engine were offered solely on a fixed-price basis, either manufacturers would not undertake the work or would insist upon high prices as a safeguard against the chances of ultimate loss. It was deemed inexpedient for the Government to undertake the manufacture directly, and it was decided to adopt the alternative of an assumption by the Government of the cost of manufacture through contracts upon a cost-plus basis. This practice, however, could not properly outlast the reasons which may have justified it at the outset. Contracts of this sort lead to waste, foster abuses, and impose an almost intolerable burden of cost accounting, in itself a hinderance to rapid production. Early in this inquiry it was abundantly shown that it was highly important to establish reasonable fixed prices whenever experience afforded a fair basis for estimates.

The principal features of the cost-plus contracts for airplanes and engines may be said to be these:

(1) The payment by the Government of the contractor's outlays for labor and materials and for the overhead charges incident to the work;

(2) The payment by the Government for special tools and certain "increased facilities" located in the contractor's plant, but owned by the Government;

(3) Reimbursement by the Government for depreciation;

(4) A fixed profit to the contractor; and

(5) The fixing of an estimated cost, or "bogey," and a division of whatever saving was effected under this estimate so as to give 25 per cent of this saving to the contractor as additional profit.

It will be observed that by this method the contractor is assured not only the payment of the cost of labor and material used in the process of manufacture, but of administrative outlays for management and supervision, and an allowance for depreciation of plant. To the extent that these payments are made promptly and at short intervals, the working capital required would be reduced. Provision has also been made for the supply of needed assistance by means of advances through the War Credits Board where these are deemed to be justified. The contractor is guaranteed a certain profit regardless of cost. This is called the "fixed profit." And finally, the fixing of a "bogie" cost was designed to counteract the temptation to wastefulness by giving the contractor a substantial share in the fruits of economy. And it may here be noted that the popular impression that under this form of contract the contractors receive the same amount of profit, however wasteful they may be, and have no incentive to avoid unnecessary outlays, is without foundation. The bogey costs were in all cases placed so high that the contractor had every reason to expect that the actual cost would be much less and that through its share in this saving the contractor would be able to derive an increased profit from economical management. It is apparent, however, that with a large fixed profit guaranteed the incentive to economy is not as strong as when the entire venture is at the contractor's risk. And particularly when interruption of work and changes in design vex production managers, and it is difficult to maintain economical methods, there may easily be bred an indifference to an excessive cost where its burden falls upon the Government. At least this is to be inferred from conditions in certain plants, and the conclusion is unescapable that the cost-plus system of contracts for the manufacture of commodities, as distinguished from such contracts for mere service, is a vicious system and is to be tolerated only during such period as it is found to be absolutely necessary to secure immediate production.

The fact, however, that a cost-plus system is deemed advisable for a time does not justify an exorbitant fixed profit. It has already been pointed out in the case of the Dayton Wright Airplane Co. that the contract for De Haviland–4s originally called for a fixed profit of $875 per plane. This was arrived at on the basis of 12½ per cent of the bogey cost of $7,000. This, however, was not an actual cost and, as the event has shown, was very far above the actual cost. If it had been thought fair that there should be a profit of 12½ per cent per unit produced, it would have been a simple matter to have given this percentage of the actual cost, as the actual cost was to be ascertained in the course of the accounting, and provide for payments from time to time on account. There is no conceivable reason for giving a percentage of the bogey cost, if the object were merely to assure the contractor a profit equivalent to a given percentage of cost. The actual cost of the De Haviland–4s at the plant of the Dayton Wright Airplane Co. despite all the difficulties of production and the enhanced cost of the first lot of machines produced during a period of many changes in designs is understood to be under $4,400. A fixed profit of 12½ per cent on the actual cost of each machine would have been about $550, instead of the $875 which was fixed by making the calculation on the bogey cost.

Again, in a contract for manufacturing articles at the contractor's plant, the agreed profit upon a cost-plus basis should have a proper relation to the contractor's actual investment and risk. The contractor is not only reimbursed for his outlays for labor and material but for expenses of management included in overhead charge—including such reasonable salaries of officers, managers, etc., as may properly be allocated to the Government work. There is no sacred formula by which the Government is bound to pay a profit per unit of production regardless of the time in which capital is turned over. The extent to which the Government supplies the needed working capital, either by payments on account of work and materials supplied or through advances, should also be considered. A percentage of outlays, or of a bogey cost, although small in itself, may give an exorbitant profit as applied to each unit of a large production.

SERVICE AIRPLANE CONTRACTS.

In the case of the Dayton Wright Airplane Co. the paid-in capital was $1,000,000, invested in plant. Advances by the Government to the extent of $2,500,000 were authorized, and in December and January last advances of $1,000,000 were actually made. These were followed by additional advances, and the balance of total advances on June 30, 1918, was $1,405,222.57. Approximately $750,000 of the money thus borrowed from the Government at interest is represented by investment in fixed assets. The plant is exclusively devoted to Government work, and outlays for labor, materials, and overhead, as provided in the contract, are met by the Government.

The operations of this company relating to production may be said to have begun about August 1, 1917. The total fixed profit on the 400 Standard-J planes was $620 per plane, and the fixed profit on the 4,000 De Haviland 4s was $875 per plane, making a total of $3,748,000. With the saving as now estimated of approximately $2,600 under the original bogey cost of $7,000 the additional profit of 25 per cent of this saving would amount to $650 per plane, making the total profits on the De Haviland contract about $1,525 per plane. At the present rate of deliveries the contract for 4,000 De H-4s will be completed before March 1 next. The total profits on the 4,000 De H–4s would have amounted to upward of $6,100,000, and it is safe to say that, including the profit on the Standard-J planes, the company would have earned a profit of more than $6,350,000 under the original contract. This does not include whatever profits would have been made on its experimental contract or on the spares for D H-4s. It should also be added that under its contract it was provided, in substance, that at the completion or cancellation of its contract the Government should pay the difference between the cost of its plant, including real estate, building, machinery, and appliances built or otherwise acquired for the performance of the contract, less what was found to be the fair market value at the time when the contract was completed or canceled, and that in determining (through a board of appraisers) this fair market value, the need or requirement of such a plant in the neighborhood, and the probability of securing a tenant promptly, or having an established business available, should be considered as one of the important factors.

In the case of the Fisher Body Corporation, which had the other large order for De Haviland 4s (4,000), as well as an order for 400 Standard-Js, the profits would certainly not have been less. Instead of establishing a new plant, as did the Dayton Wright Co., the Fisher Body Corporation had already effected a highly efficient organization and had an established plant which required, however, a considerable expansion of plant facilities and special equipment. The net investment in fixed assets, including building, land, and machinery, which was made by the Fisher Body Corporation for the Government work, amounted, to May 31, 1918, to $860,849.05. The corporation was aided by an advance through the War Credits Board of $2,000,000, made last December. Waiting for the necessary drawings, it got into production later than the Dayton Wright Co. and up to October 11, 1918, had only delivered 452 planes. But it should complete its production of the entire 4,000 within the next six months.

As already stated, in accordance with letters obtained at the time the contracts were made with the Dayton Wright Airplane Co. and the Fisher Body Corporation, which promised an equitable readjustment if it was found that the bogey cost was too high, it appears that contracts are now being negotiated for the reduction of the bogey cost of the De H–4s to $5,000 and the fixed profit to $625 per plane. The total profit per plane with the percentage of saving (exclusive of profit on spare parts) under the new contract would amount to about $775 per plane, or $3,100,000 in all, which, with the profit on spare parts, would make the total profit on the De Havilands not less than $3,500,000.

LIBERTY ENGINE CONTRACTS.

The bogey cost, as first fixed in the contracts for Liberty engines, was $6,087. This was approved by Mr. R. H. White, of Cleveland, and Mr. Henry May, of Buffalo, to whom the propriety of the estimate had been submitted by the Secretary of War. The fixed profit as originally stipulated was 15 per cent of this bogey cost, or $913.05 per engine. Lieut. Col. Hall (who had had large experience in engine manufacture) testifies that he made an estimate about the time that contracts were being let, and told Col. Deeds that $2,400 would cover the cost of labor and materials for the Liberty engine, without overhead charges.

In December, 1917, the bogey or estimated cost was reduced to $5,000 and the fixed profit put at 12½ per cent of this sum, or $625 per engine, and the contracts with the Packard, Lincoln, and Nordyke & Marmon companies were modified accordingly. This was in consideration of further allowances for depreciation and provision for advances by the Government. In last May the contract with the Ford Motor Co. was modified by the same reduction of the bogie cost and fixed profit. The contracts with the General Motors Co. were put upon the same basis.

Even at this reduced bogie and percentage the profits allowed were very large.

By September 6, 1918—that is, within a year from the date of the contract—the Packard Co. had delivered (according to the Government's report) 3,100 Liberty 12s, and the agreed fixed profit on these amounted to $1,937,500. In the following month it produced 560, and its should complete its deliveries of the 6,000, first contracted for, not later than January, 1919, and on these 6,000 engines the agreed fixed profits would be $3,750,000. This profit it would earn within 17 months after it received the contract, and if it could have completed the deliveries as contemplated when the contract was made—that is, according to contract schedule—the profit would have been earned in 11 months. Only the fixed profit has been mentioned, as this was definitely guaranteed, but in addition to this the company was entitled to 25 per cent of its saving under the bogey of $5,000. The Government's estimate is that the actual cost of the first 600 Liberty engines produced at the Packard plant was $3,873 per engine, and that the average cost of the first 1,200 motors was thus $3,442 per engine. It would seem that the actual cost of the entire 6,000 is likely to be somewhat under $3,200 per engine. But on the basis of $3,200 there would be an additional profit, through the contractor's percentage of saving, of $450 an engine, which would make $2,700,000 additional profit, or, with the fixed profit of $3,750,000, a total profit of approximately $6,450,000 earned on the 6,000 engines, within a year and five months, despite delays in production. To this there should still be added a considerable amount for profits on spare parts on the 6,000 engines which may be estimated at upward of $1,500,000, and thus the aggregate profits on the Liberty engine (exclusive of the original development work) would reach about $8,000,000.

The Packard Co. estimated that on May 31, 1918, from the standpoint of plant values, the total investment exclusively for aircraft motor work was $11,808,404.47. This included, however, advances by the Government for working capital amounting to $2,145,568, and

inventory and other items which would be represented in the cost of labor and material ultimately defrayed by the Government. The proportion of its plant, less depreciation, employed on aircraft work was estimated by the company at $5,500,000. It should also be noted that in the contract reducing the bogey cost and fixed profit it was provided that on the termination of the contract the Government should pay for depreciation upon the heat-treating building and equipment erected by the contractor for the purpose of carrying out the contract, the difference between their cost and "the value thereof to the contractor for use in its business," as determined by a board of appraisers, and that in determining this value the appraisers should be guided by the use the contractor "shall have for said building and equipment at the termination of said contract, in the ordinary operation of its business of manufacturing motor cars and trucks, and shall not include the value, if any, which the same may have to the contractor in the manufacture of further aviation motors." The Government was also to pay the full cost of facilities for testing and inspecting the engines, including the building and equipment erected by the contractor therefor, and should also reimburse the contractor for the machine tools purchased, especially for the construction of aviation engines, to be used by the contractor without rental, but to remain the property of the Government.

The contract with the Ford Motor Co. was for 5,000 Liberty engines. The company did not begin its deliveries until the 14th of June. It was estimated by its officers that deliveries would reach 1,500 in October, and that the entire contract would be completed by the 1st of December. It is behind its schedule, but between September 6 and October 4 it delivered, according to the Government's records, 768, and it may be expected that it will complete its contract for 5,000 by the end of January, 1919. Under the original contract it would then be entitled to fixed profits on the 5,000 engines of $3,125,000 and the additional percentage of the saving under the bogey cost of $5,000. With its well-known efficiency and in view of the fact that by beginning later it did not have as much difficulty as the Packard Co. had experienced, it may be assumed that the actual cost of the 5,000 engines at the plant of the Ford Co. will be less than $3,200 per engine and at the rate of $450 an engine (that is, 25 per cent of the difference between $3,200 and $5,000) its additional profits would amount to $2,250,000, or its aggregate profits on the 5,000 engines would be $5,375,000, earned by January, 1919. The plant investment required for this production certainly can not be regarded as any greater than that on the part of the Packard Co. The Ford Co. has not received advances from the Government. The Ford Co. also has a contract for 400,000 cylinder forgings for the Liberty engine on a fixed-price basis of $8.25 each; these are supplied to the other manufacturers. The contract with the Ford Co. for the Liberty engines provides that there shall be allowed for depreciation on the machinery and buildings especially acquired for the performance of the contract, in addition to the facilities already owned by the contractor, the difference between the fair cost and the fair market value as determined by appraisers at the time of the completion or cancellation of the contract.

The Lincoln Motor Co. has its special feature in that it was a new organization and established a new plant which is devoted exclusively to the manufacture of Liberty engines for the Government. It has a highly expert organization, with Mr. Henry M. Leland at the head. When the bogey or estimated cost was reduced from $6,087 per engine, with a fixed profit of 15 per cent, to $5,000 per engine, with a fixed profit of 12½ per cent, the Government made a special agreement with reference to depreciation, which is thus summarized in a resolution of the Aircraft Board:

"That the Government make an allowance for depreciation of the company's heat-treating plant equal to the difference between the cost thereof and the value to the company of the business at the termination of the contract; further, that the cost of the company's testing plant be allowed as a part of the production cost of the engines to be manufactured; further, that the machinery and equipment used by the company in the performance of the contract be depreciated 40 per cent over the term of the contract."

The Government made advances during the last fiscal year to the extent of $6,500,000; additional advances were made in July and August of $4,300,000, in order to discharge obligations and maintain a capacity of 1,500 engines a month, making the total sum advanced by the Government of $10,800,000.

The Lincoln Motor Co. had delivered, according to the Government's reports, only 580 motors by the end of June, but it had reached a production of over 600 per month by October 4, and doubtless will soon be at full capacity, so that the first 6,000 motors will probably be delivered before the end of January. For the first 600 motors the cost of production at the plant of the Lincoln Motor Co. was $3,585, which was nearly $300 per motor less than that of the Packard Motor Car Co., and it may be assumed that its average cost for the entire 6,000 will be not much, if any, more than $3,000. That is the figure which appears in the company's estimate of profit. But on the basis of an actual cost of $3,200 per motor the Lincoln Motor Co. would have earned by January, 1919 (through fixed profits and percentage of saving), on the delivery of the 6,000 motors about $6,450,000. There would also be profits on spare parts, which are estimated at upward of $1,500,000 more, making an aggregate profit of about $8,000,000. This would be exclusive of allowances by way of depreciation.

The investment in real estate, buildings, machinery, and equipment (exclusive of the special tools to be paid for by the Government, and the cost of testing and inspection facilities on which there is to be a depreciation allowance of 100 per cent) amounts to approximately $7,150,000, of which about $3,460,000 is the cost of machinery, tools, and equipment (to July 31, 1918), on which the Government is to pay a depreciation allowance of 40 per cent, in addition to profits. The entire paid-in capital of the company amounts to $850,000. At the outset the company obtained on the credit of its officers about $2,000,000, which served its purposes until it obtained the amounts needed for its plant, equipment, and working capital, through advances by the Government. It is pointed out very clearly that the company has provided an excellent plant for the manufacture of Liberty engines, and that ultimately its profit, after paying taxes, will represent only an equity in its plant, without any assured business, as it has been devoted exclusively to Government work. On the other hand, it may be said that there is a very liberal flat depreciation allowance on machinery, tools, and equipment; that the plant is a permanent one, admirably designed for commercial work, and not merely for a temporary exigency, and that there is every prospect that it can be successfully utilized. It should also be said that from the standpoint of the Government it was free to make arrangements with existing plants, and the amount of the profits it should allow should be determined accordingly.

It is unnecessary to review the original contracts with the Nordyke & Marmon Co., which is very far behind in its deliveries, and with the General Motors Co. (Cadillac and Buick plants). The profit allowed per engine was the same as in the other contracts, but the contracts were for fewer engines, 3,000 in the case of the Nordyke & Marmon Co. and 2,000 in that of the General Motors Co. The Nordyke & Marmon Co. received advances of $2,000,000. There were no advances to the General Motors Co.

The large percentage of the contractors' profits which will be taken by the Government in taxation is strongly emphasized, and, of course, what the Government takes back through taxation should fairly be taken into account. But the contemplated tax does not justify an extravagant scale of profits which, even after payment of taxes, would permit an excessive return upon the capital invested, in view of the greatly reduced risks of the contractor under the cost-plus contracts.

REVISED CONTRACTS FOR LIBERTY ENGINES.

What has been said above relates to the original contracts for Liberty engines. During a recent period the contracts with the Lincoln Motor Co., the Packard Motor Car Co., and the Nordyke & Marmon Co. have been revised and put upon a fixed-price basis of $4,000 an engine.

The revised contract with the Lincoln Motor Co. is dated July 31, 1918. The former contract for 6,000 engines is canceled and superseded and the new contract provides for 9,000 United States twelves and necessary spare parts, with an option to the Government to require the production of 8,000 additional engines and spare parts. The schedule of deliveries provided for in the new contract is as follows:

Previous to Aug. 1, 1918	1,000
August	750
September	1,000
October	1,500
November	1,500
December	1,500
January, 1919	1,500
February	250

The price is $4,000 an engine. The spare parts are to be delivered on a schedule basis corresponding to a total price of $4,000 for a completed engine. The contract provides for payments by the Government, by way of amortization, upon a basis of 100 per cent of the actual cost of all testing and inspecting facilities provided by the contractor with the approval of the Government; for payment by the Government, by way of amortization, upon a basis of 40 per cent of the actual cost of the heat-treating building and equipment theretofore provided by the contractor; and payment by the Government, by way of amortization, upon a basis of 40 per cent of the actual cost of machinery, tools, and other items furnished by the contractor. It is further agreed that in case the Government shall not order from the contractor the 8,000 additional engines for which it has an option, or the contractor is prevented by termination of the contract from manufacturing and delivering the 9,000 engines contracted for and the 8,000 additional engines, the Government shall pay to the contractor a sum equal to 40 per cent of the difference between the actual cost of its plant, including real estate, buildings, machinery, and equipment built or otherwise acquired by it for the purpose of performing the contract (exclusive of any allowance of interest) and any and all payments previously made by the Government on account of depreciation or amortization. While the new contract is on a fixed-price basis, provision is made for payments by the Government within 10 days of the determination of the various items, on account of the cost of direct materials, supplies, and labor, and also for the payment monthly of amounts equal to proper ordinary depreciation, and other proper items of overhead expense not previously paid by the Government. It is also provided that in case the actual cost of manufacture shall be increased or decreased by reason of any changes in specifications or in the rates of labor, material, supplies, or equipment, varying from the rates in force at the date of the revised contract, upon satisfactory proof, the contractor shall be paid the total amount of such increases, in addition to the fixed price, or in case of a decrease the fixed price shall be reduced accordingly.

Up to October 4 the Lincoln Co. had delivered, according to the Government's report, 2,566 engines, instead of the 2,750 required by the schedule to October 1, and it is likely to be somewhat behind its schedule in the total deliveries, but its deliveries of 9,000 should be completed by March next. It may be assumed, as the company assumes in its own estimate, that the 9,000 motors can be produced on an average cost of $3,000 each, which would leave $1,000 profit per engine, exclusive of the spare parts, making a profit on the engines of $9,000,000 earned, it may be expected, by April 1; and assuming that the profit on spare parts will be 25 per cent of the profit on the motors, there would be an additional profit of $2,250,000. On this basis the entire profits earned by the company on the Liberty engine contract would be $11,250,000.

The new contract with the Nordyke & Marmon Co. was made under date of August 31, 1918. The former contract for 3,000 Liberty engines is canceled, and the substituted contract calls for 5,000 U.S.–12s and spare parts, with the option of the Government to order 2,000 additional. The schedule of deliveries is as follows:

1918.	
August	50
September	70
October	250
November	300
December	400
1919.	
January	400
February	475
March	500
April	500
May	500
June	500
July	500
August	500

The contract is on the basis of a fixed price of $4,000 per engine, with a provision for increase or decrease in case of a change in the actual cost of manufacture, similar to that contained in the revised contract with the Lincoln Co. The contract also contains a provision for special depreciation, which is somewhat involved and need not be set forth.

The revised contract with the Packard Motor Car Co. was made under date of September 2, 1918. It supersedes the original contract and provides for 12,000 U.S.–12s at a fixed price of $4,000 per engine, and spare parts on the basis of this price for a completed engine. It contains provision as to an increase or decrease of price in case of a

change of the cost of manufacture similar to that found in the other revised contracts above mentioned. The Packard Co. agrees to deliver the articles at the rate of 600 engines a month, beginning with September 2, 1918. As the Packard Co. has delivered 3,660 engines up to October 4, 1918, the entire 12,000 will be delivered approximately by December, 1919. It is likely that the cost, distributed over the 12,000 engines, will not be more than $3,000 an engine, and at this rate the profit on the 12,000 engines will amount to $12,000,000, with probably $3,000,000 more as the profit on spares, making about $15,000,000 in all.

Under the original cost-plus contracts for the Liberty engines—that is, with the bogey cost of $5,000, a fixed profit of 12½ per cent thereon, and an additional profit of 25 per cent of the savings under the bogey cost—the total profits per engine would amount to $1,075 on the basis of an actual average cost of $3,200 per engine, or to $1,125 on the basis of an actual average cost of $3,000 an engine. It will thus be seen that the change from the cost-plus contracts to the fixed-price contracts saves the Government from about $75 to $125 (or possibly a little more) per engine on the fixed-profit allowance, and also whatever expense may be saved by the reduced requirements of cost supervision and accounting and in connection with material. Upon the new fixed-price contracts the contractor's profits, though reduced, still remain very liberal.

It is understood that it has been arranged that similar revised contracts on a fixed-price basis will be made with the Ford Motor Co. and the General Motors Co., but these had not yet been executed according to the latest information received.

Ninth. Supervision of production—Waste.

Little need be said with respect to the supervision of the production of engines. Although the numerous changes in the Liberty engine and the remedying of the defects which were disclosed necessarily involved considerable outlays, the losses due to these causes can hardly be said to be greater than would naturally be expected in the development of a new high-powered motor for airplanes. It has already been pointed out that the actual cost of the first lot of 600 motors at the plant of the Packard Motor Car Co., which was earliest in production, was as high as $3,873 per engine, and that this cost was subsequently reduced so that the average cost of the first 1,200 motors was $3,442, and that it is expected that the cost per engine at this plant will fall below $3,200. Again, the actual cost of the first lot of 600 motors at the plant of the Lincoln Motor Co. was $3,583, and it is believed that motors can now be produced at this plant at a little, if any, over $3,000 per engine. The enhanced cost of the first lots of engines may be said to reflect in large measure the expenditures which could have been avoided had there been no changes in design, but these outlays fell within the range of reasonable experimentation and can not justly be regarded as showing a lack of careful supervision.

The chief losses, which may be properly characterized as waste, have been in connection with the production of airplanes. A statement has already been made (ante, p. 15) of the cost of the Standard J–1 training planes which were condemned as dangerous in June, 1918, because of the unsuitability of the type of engine. The expenditures on the Standard J–1 planes, including the engines, to September 30, 1918, amounted to about $17,500,000, and the amount which may ultimately be saved if these planes are utilized with another engine can not now be stated.

The changes in the De Haviland 4s which have been detailed (ante, pp. 126–131) caused great additional expense which could have been avoided had there been a more efficient organization and prompt decisions as to equipment. The most serious waste, however, in connection with service planes was in the work and materials thrown away on the Bristol Fighter, which was in course of production at the plant of the Curtiss Aeroplane & Motor Corporation and was finally condemned in July, 1918 (post, p. 157).

Under the cost-plus contracts it was of the utmost importance that there should be the most careful supervision of production and an adequate system of cost accounting so that useless expenditures should be avoided and actual costs carefully determined. This undertaking was difficult in itself, but it was rendered even more difficult by the demand for haste and the necessity of quickly providing a large force of inspectors and accountants in a novel undertaking. Manufacturers were in constant opposition to what they regarded as unnecessarily technical requirements by accountants, and the Government representatives themselves were admonished by their superior officers not to let strictness stand in the way of production. And it could hardly be expected that this large matter of industrial supervision and cost accounting could be adequately handled under the restrictions of military organization. Moreover, not only was efficiency hampered, but the door was open to abuses, and despite the fidelity of many who sought to protect the Government, wasteful conditions were permitted to exist which were wholly inexcusable. It should also be said that a large outlay has been caused by the fact that the Army and Navy each maintains a complete staff of accountants so that, for example, in the North Elmwood plant of the Curtiss Co., where both Army and Navy work is being done, there are two sets of Government employees at work in all branches of cost-plus accounting under the respective contracts.

LABOR.

Labor conditions generally were unsatisfactory. In the labor market the Government was largely competing with itself. At the plant of the Packard Co. the labor turnover is from 400 to 600 per cent a year, which would mean 40,000 to 60,000 men coming and going in order to maintain an organization of 10,000 to 11,000 men. The larger portion of this "floating," as it is called, occurs among probably 4,000 to 5,000 men, and the testimony is that in some departments there has been a complete change about 15 times a year. Women have largely been employed in many plants with satisfactory results. The plant of the Wright Martin Aircraft Corporation at New Brunswick, N. J., is a conspicuous exception, few, if any, women being employed in the shops. The testimony is that the local labor organization has taken a stand against the employment of women, and accordingly this has not been pushed by the management.

In the case of the Wright Martin Co. also it was apparent that a very large proportion of the employees were within the draft age as fixed by the selective-service law of May 18, 1917. The records show that on August 15, 1918, 41.36 per cent, or 2,300 of the total number of employees (5,560) at the New Brunswick plant, were within the draft age, and of this number 15.83 per cent were in class 1. The report by the representatives of the Government at this plant states that the method used by the company for securing deferred classification and indefinite furloughs is as follows: When a man is employed who is in class 1 of the draft, he is given a week to "make good." If he then is found to be efficient, his foreman induces an application for deferred classification, and if this is refused by the district board and the employee is called to camp, a request is made by the company to the personnel department of the Bureau of Aircraft Production for his return on indefinite furlough. Prior to August, 1918, the operations of the draft department of the company were open to serious criticism and exhibited many irregularities. In one case a man, whose duties were such that anyone who could handle a screw driver could do his work, was drafted and immediate steps were taken to have him returned as a "motor builder." Previous to his employment by the company he had been employed as a stock clerk by a manufacturer of gowns, and he had no previous mechanical experience. In another case a man who was considered a deserter by his local board was finally located at the plant of the Wright Martin Co., where he was arrested and inducted into the Army. Affidavits were immediately presented for his return from camp upon industrial grounds, and he was returned accordingly. One who had been a clerk of a carpet company, without mechanical experience, and who had a minor assembly job, was drafted and was returned on indefinite furlough as a necessary employee. A former proof reader, a former skating instructor, and a former coupon clerk who had obtained employment at the Wright Martin plant were drafted and similarly returned. In other cases men whose work was entirely clerical secured deferred classification on industrial grounds. Cases of this sort have now been brought to the attention of the Provost Marshal General. It is stated by the Government representative that at present the draft department of the Wright Martin Co. is in competent hands, and it appears that its work is being done with a better regard for the interests of the Government.

LABOR COST.

To establish the labor cost under cost-plus contracts it was necessary that there should be proper time records and suitable provision for the identification and check of employees as they entered and left the factory. The opportunities for irregular pay rolls through laxity or connivance are obvious. The conditions in this respect at the North Elmwood (Buffalo) plant of the Curtiss Aeroplane & Motor Corporation were especially bad. It was at this plant (completed last fall) that the cost-plus work was done on the Bristol fighter for the Army and the H8–1 seaplane for the Navy. [The Curtiss Aeroplane & Motor Corporation has seven distinct plants—at Buffalo the Churchill Street group (including the Churchill Street plant, where training planes are made, and the plants at Niagara Street, Bradley Street, and South Elmwood, making parts for Churchill Street); the Austin Street plant, doing Navy work, including contracts for the British Government; and the North Elmwood Avenue plant. At Hammondsport, N. Y., motors are manufactured exclusively. The work, except at the North Elmwood plant, is on a flat-price basis.] There is abundant testimony, with picturesque detail, which can not be given here, to the effect that at the North Elmwood plant large numbers of employees were kept on the pay rolls when they were not needed; through an utter lack of a decent system men and women were paid when they did not work; employees were able to leave the factory without being detected and remain absent for hours while recorded as on duty; employees would ring one another's time cards; men who were without work enough to keep them busy during the day were employed overtime at increased rates; men were brought to the plant on Sundays when there was virtually nothing to do; and for many months there was such demoralization at this plant that it became the subject of contemptuous gossip among the employees and in the community. One of the inspectors for the Navy testifies that as late as July he, with others, went through the plant at night on a tour of inspection, and not only were they able to go from one end of the plant to another without being asked for their passes, but they found absurd conditions of idleness. In one room "the foreman and three men (were) sprawled out on the floor," and, as he put it, there were "slackers from one end of the plant to another."

It is urged in palliation that the cancellation of the Spad order and the difficulties encountered in the development of the Bristol created a state of confusion and that the management was constantly expecting to be able to get into production and felt it necessary to maintain an adequate force for this purpose. That the force was increased heavily at the North Elmwood plant during the early period despite the fact that there were serious difficulties with the Bristol design and the company was not ready for large production is beyond question. In October, 1917, the average number of men working at the North Elmwood plant was 578. In December this was increased to 4,142; in January to 5,970; in February to 7,029; there was a decrease of a few hundred in March and April, and an increase in May to 7,557, and in June the average number at work was 9,788. To approximately 60 per cent of its capacity this plant was either idle or working only in connection with the Bristol. The employment of men on a large scale when there was not work enough for them had much to do with the virtual destruction of the morale at the plant. But whatever loss the Government has sustained in this way is not nearly as large as it might otherwise have been by reason of the fact that a careful reaudit is in progress, which should be strictly prosecuted, and final settlement of payments awaits a satisfactory determination of actual outlays.

EMPLOYMENT OF ALIEN ENEMIES.

Among the regulations established by proclamation of the President on April 6, 1917, was the following:

"An alien enemy shall not approach or be found within one-half of a mile of any Federal or State forest, camp, arsenal, aircraft station, Government or naval vessel, navy yard, factory, or workshop for the manufacture of munitions of war or of any products for the use of the Army or Navy."

Under the authority granted by the President to the Attorney General for the administration of the alien enemy regulations, the Department of Justice developed a permit system whereby alien enemies could obtain permits to be employed within a munitions factory, including one engaged in the manufacture of aircraft, within the half-mile zone. The granting of such permits is intrusted to the United States marshal of the district, who is authorized to issue them if he is satisfied that such action will be in no respect dangerous to the community or the United States. He is required before issuing a permit to confer with the special agent of the Department of Justice in the locality, to make a thorough investigation, to get the approval of the United States attorney or assistant United States attorney of the district, and also to obtain from the employer a certificate in writing to the effect that he desires to employ the applicant, and that he is satisfied that such employment will not be to the injury of the community or the United States. Sponsors or bonds may be required, and all such permits are revocable.

It will be observed that while the precaution has been taken to require suitable investigation by agents of the Government, the cooperation of the employer, who has special opportunities for obtaining accurate information, is expected. It is manifest that unless the Government is in possession of facts showing the inadvisability of the employment, the certificate of the employer in compliance with the regulations is likely to be most persuasive.

There is considerable difference in the practice of the various companies engaged in the manufacture of aircraft as to the employment of enemy aliens under these regulations. The following illustrations will suffice:

The Fisher Body Corporation states: "We do not employ any German aliens in our aeroplane factory or in our aeroplane divisions." On May 22, 1918, Mr. Kepperley, the vice president and general manager of the Curtiss Co., gave instructions that under no circumstances should alien enemies be employed. Despite this instruction some alien enemies who had previously been employed on permits were retained in positions of importance. One of these, who began work for the Curtiss Co. last fall, was put in charge of the milling-machine department in the machine shop and became assistant general foreman of the machine shop at the North Elmwood plant. Another German subject (having a brother in the German Navy), who began to work in the Curtiss plant in February, 1917, became foreman in the welding department at the North Elmwood plant and has been at work on all the tubing work and tail units for the Bristol fighter as well as on the engine braces for the H8 flying boats. Another, who had himself served one year in the German Army and was discharged on account of wounds, was employed as toolmaker at the Curtiss plant until some time in June.

The Lincoln Motor Co. states: "It is our endeavor to employ none but American citizens or friendly aliens. We are careful and using every precaution to not employ enemy aliens." The Nordyke & Marmon Co. is equally careful. Their statement is: "At this date there are no alien enemies employed in the airplane engine division. A very few have been employed in this division from time to time, but for only short periods at a time, as it has been our settled policy from the beginning of the war to keep alien enemy employees out of our Government departments, notwithstanding the individual man might be perfectly harmless. As fast as these men have been discovered they have been discharged."

About 200 enemy aliens (including Austrians and Hungarians) are employed by the Packard Motor Car Co. About 200 enemy aliens (not Germans, but Austrians and Hungarians) are employed at the plants of the Wright-Martin Aircraft Corporation in New Brunswick and Newark. No enemy aliens are employed by that company at its Long Island City plant.

The Ford Motor Co. has about 250 German aliens who are employed in departments dealing with Government work. One hundred and forty-three of these are in departments in which from 20 to 60 per cent of the work done is Government work; 35 are at the blast furnace, and 61 are at the shipbuilding plant, which is doing Government work exclusively. These enemy aliens are working under special permit granted on the company's recommendation.

GERMAN SYMPATHIZERS.

The serious risk that is taken in permitting men of known pro-German sympathies, whatever their citizenship, to work in aircraft plants in any important capacity is generally recognized. The opportunities are abundant for delays and interferences in production through the action or inaction of those controlling the progress of production. It is the assumed sympathy with his nation which makes the employment of the German subject dangerous, and the danger may be quite as great in the case of one who, although not an enemy alien, is more friendly to Germany than to the United States.

There have been persistent rumors of pro-German sympathies on the part of employees of the Curtiss Co., but it has been impossible to ascertain to what extent, if any, the demoralization that until recently has existed at the North Elmwood plant of that company was due to any influence of this hostile description. The conditions that existed naturally bred distrust which was reflected in common talk, but facts warranting a definite conclusion as to disloyalty on the part of employees in important positions are lacking.

In the case of the Ford Motor Co., one of the company's employees (who formerly had been in the educational department and had represented the American Protective League) testified as to his inquiry into cases of disloyalty. The reports obtained by him exhibit utterances of employees in antagonism to the Government, insulting references to the President, and praise of the Kaiser. In an extreme case, in which the employee reviled and even threatened the President, there was a prosecution and a plea of guilty. The man was fined $300, was released, and the testimony is that he resumed work in the Ford plant. The reports were numerous, and the employee who obtained them testified that there were about 200 employees whose loyalty was seriously open to question, but how many of these were employed in Government work he could not say. So far as the Liberty engine was concerned, his investigation related to half a dozen cases in the drafting department in the Ford Co. In this department there was a serious situation which engaged the attention of the management. Its importance was manifest from the fact that the drafting department embraces the tool design and drafting room in which the drafting work upon the Liberty engine is done, and it is possible for one in that department to bring about delays, the causes of which, in view of the multiplicity of drawings involved, it would be difficult satisfactorily to trace. This department was in charge of Carl Emde. There were repeated reports of pronounced pro-German utterances by Emde. A former employee, who had left the plant voluntarily and had later been found with plans and photographs of the plant, was a close friend of Emde's and had been employed in his department. This man, it is understood, has been interned. While nothing conclusive could be established against Emde in relation to his work, the advisability of removing him from a position of such strategic importance was clear to some of the most important men in the management. A conference was held on the subject at which Mr. Ford and the factory managers were present. According to the minutes of this conference reports were read "from various members of the drafting department who were in touch with the situation, and who felt that the department was practically a pro-German institution." Several conferees expressed the opinion that Emde should be removed, and one said that in his opinion "in the very nature of things Mr. Emde could not give us everything required to assist the Government of the United States." Mr. Ford, however, was opposed to that course and overruled his associates. Mr. Ford's position and his reasons are thus set forth in the minutes:

"Mr. Ford deliberated and stated that he had heard numerous rumors, but in speaking of all he had heard there had not been one thing shown him which would make him change the present head of the drafting department. He felt that it was a time of sacrifice—that in the next few years every man would be called upon to make some sort of sacrifice, and that possibly Mr. Emde, German born, was making his sacrifice now when making drawings for the Liberty motor to be used ultimately against Germany."

This statement of attitude is sufficiently expressive and requires no comment. The proposed removal did not take place. There has been a laxity at the Ford plant with respect to those of German sympathies which is not at all compatible with the interests of the Government. In deference to Mr. Ford's view, those in direct charge of production, who were alive to the situation, have had to pursue a policy of constant watchfulness and supervision instead of being free to take the precautions which the exigency demanded.

MATERIALS.

The leading causes of waste in material were engineering changes and faulty workmanship. As material was rendered useless it was scrapped, and there is no little evidence of a lack of care in securing salvage. For the losses due exclusively to changes in design after authorized production had begun, the manufacturers can not be regarded as responsible; and these losses, while they can not be accurately computed, are undoubtedly heavy. Their extent, of course, is proportioned to the stage of production reached when changes were directed; and with respect to the service planes the history of production at the Dayton-Wright Airplane Co., the Fisher Body Corporation, and the Standard Aircraft Corporation discloses the same conditions varying only in degree as to the delay and waste caused by repeated changes.

With respect to the intelligence and efficiency of the inspection and the extent to which rejections have been on sound grounds, there are naturally differences of opinion and complaints and countercomplaints, the basis for which can not be satisfactorily determined. It is to be noted that the rejection of spruce which has gone into production has reached a high percentage. Even at one of the best plants the Government representative puts the percentage as high as 60 per cent after allowing for salvage, and at other plants the percentage of rejections was probably higher.

A poor industrial organization such as existed at the plants of the Standard Aircraft Corporation and the Curtiss Co. (North Elmwood plant) did not favor economical production, and in the case of the former company conditions were aggravated, as already pointed out, by the assignment to that company of a large number of small orders for varied work. At the North Elmwood plant of the Curtiss Co. the waste, which was incident to delay and changes, was vastly increased by irregular practices. Thus, in order to keep men busy who apparently had no proper work to do, there was excessive production of parts. A production order might be for 500 parts, but the actual production might run to 5,000 or even more of these parts until this unwarranted conduct was discovered and stopped. There is instance after instance of excessive production which served to increase the size of the scrap heap when a change made the parts useless.

Again at this plant, when a change would lead to an order stopping the production of parts, production often would continue despite the order. As an illustration, one witness testified that he had personally given a stop order on certain metal parts and found two weeks after, in going through the metal shop, that they were still making the parts, sending them through the various operations and working overtime on their production. During periods of idleness employees devoted their time to making clocks and toys out of the materials at their command in the factory. Excess material was scattered about the factory without a proper record being kept of it. And it appears that material would be sent to the scrap heap instead of being properly salvaged, in order to cover mistakes.

There was also a lack, at the Curtiss plant, of proper records of material. In the case of steel stores there was confusion between what had been supplied for the Army work, for the Navy work, and for the Curtiss fixed-price work, so that accurate accounting based on the ledger entries was wholly impossible. And in addition to other manifest delinquencies, there was an absence of proper plant protection. The situation of the company in view of its experience with both the Spad and Bristol orders was undoubtedly a difficult one, but the lack of competent industrial administration is too clear to admit of dispute and has freely been confessed.

There has been little evidence at the North Elmwood plant of the exercise of the broad powers of the Government to prevent these abuses, and the fact that conditions were permitted to continue reveals the failure of the representatives of the Signal Corps to take proper steps for the protection of the Government's interest. There was, however, such an absence of system on the part of the company in the keeping track of parts, and so many changes in the persons employed, that while there is abundance of general testimony it is practically impossible at this time to trace particular instances of dereliction to individuals in order, with suitable particularity, to support definite charges. The divided responsibility which resulted in giving the design of the Bristol so largely into the control of the representatives of the Curtiss Co. was also a source of embarrassment, and the extreme haste to make up for lost time added to the confusion. Conditions through the winter and early spring were chaotic, and the improvement that has been made since that time has been unnecessarily slow. It is fair to say, however, that recently there have been changes which promise a needed betterment in the industrial organization.

So far as the loss of the Government in connection with the Bristol is concerned, the payments already made to the Curtiss Co., according to the Government accounts, amounts to upward of $2,000,000, exclusive of advances, and, as already stated, the Government has estimated that the loss, including claims growing out of the cancellation, may reach $6,500,000 (ante, p. 16). The Government, however, has a margin of security by reason of deferred payments, and a reaudit is in progress which must be completed before a final settlement is made for materials furnished. The loose methods employed by the company should be taken into consideration and a final settlement should be reached only upon satisfactory proof of proper outlays.

OVERHEAD CHARGES.

In the course of production payments have been made on account of overhead charges upon the basis of a general estimate—that is, by taking a percentage of other outlays, which seems to be justified in the experience of the plant, as representing the overhead expense. The overhead expense embraces general administrative outlays, including

executive salaries, and the theory of the cost-plus contract is that the Government pays the expense of superintendence as a part of the cost.

It is, of course, important that fair salaries should be allowed, and all exorbitant demands rejected. Reference has already been made to the salaries paid to the executive officers of the Dayton Wright Airplane Co., who were at the same time the stockholders in a close corporation and divided their time with other companies from which they received high salaries. There appears to be no justification for even the temporary allowances to the Talbotts and Kettering of annual salaries aggregating $100,000, and the explanation furnished that the "relations with the contractor were somewhat delicate at first, and, moreover, the company was in crying need of cash, and any withholding of amounts due was sure to create much friction," is not convincing; inasmuch as the individuals, and not the company, got the money, and it is difficult to see how "friction" in this matter could have injured the Government. It is also stated that when the salaries were allowed in the fall of 1917, dating from August 1, 1917, it was felt that it was a matter of considerable importance "that would have to be passed by Col. Deeds, who was in charge of the Equipment Division," but Col. Deeds testifies that he knew nothing of the salaries that were paid to these officers.

It should be said, however, that these allowances, under the terms of the contract, should be regarded as tentative, and that it is within the authority of the finance department in its final settlement to adjust the matter on a fair basis. And that is the position of that department.

Even more extraordinary was the salary paid by the Standard Co. to its president, Mr. Mingle, at the rate of $63,000 a year, which is sought to be charged as a part of the cost of operations. This, however, has not been allowed. The question what would be a proper allowance has been under consideration. Several vouchers have been passed which represent merely payments on account, or payments "subject to adjustment," and it is stated that the amount of Mr. Mingle's salary thus far actually allowed is at the rate of $15,000 a year.

The adjustments of overhead expense, as are the other payments on vouchers under the cost-plus contracts, are subject to a revision of accounts and it is within the power of the finance division in the ultimate adjustment of cost in accordance with the terms of the contract to protect the Government against any claims on the part of the contractors which may be found to be unjustified.

Tenth. Special matters.

1. PURCHASE OF THE PLANT OF THE GENERAL VEHICLE CO.

In November, 1917, the Government purchased the plant of the General Vehicle Co. at Long Island City, N. Y., for $1,527,568. The purchase embraced all the real estate, building, and machinery constituting the plant, and all other assets, except that patents (other than those relating to internal combustion rotary aircraft engines), franchises, good will, cash, bills, and accounts receivable, specified securities, and all inventory assets not acquired and used in connection with the manufacture of Gnome engines, were retained by the General Vehicle Co. The company also agreed to release for the use of the Government its administrative and manufacturing organization, so that the Government might take over the plant property and organization as an active manufacturing establishment in full readiness for production. Upon a physical valuation and inspection of the books of the company by Government appraisers and accountants, showing that the price was a fair one on the basis of prices previous to the war, and upon an opinion of the Judge Advocate General as to the legality of the purchase and as to the propriety of the form of contract, the purchase was recommended by the Aircraft Board.

The advisability of the purchase, however, was doubted at the time by officers of the Government. It appears that at the outset, in formulating the aircraft program, it was supposed that the Gnome rotary engine would be a factor of some importance, and a small order for Monosoupape motors was placed with the General Vehicle Co., but in view of doubts as to the planes to be built, with which such engines would be used, further orders were not placed. Later, on word from overseas that Gnome rotary engines should be put into production, there were negotiations with the General Motors Corporation looking to the acquisition of the General Vehicle plant and the manufacture of these engines in large quantities. Before the matter was closed the instructions from abroad were changed and the proposed transaction was abandoned. The considerations underlying the purchase are stated in the recitals of the Aircraft Board in the resolution adopted at its meeting of October 19, 1917. It was stated that advices from France indicated a doubt as to the future demand for rotary engines in aviation, but that nevertheless these engines would be used to a greater or less extent for a considerable period to come; that it was desirable that "the technique of manufacture of rotary engines should in any event be studied and developed in the United States in case of need"; that the General Vehicle Co. had "the only plant and organization of substantial size in the United States equipped and organized with the necessary facilities and experience for the manufacture of such engines"; and that the present and future demand for rotary engines was "not sufficient in amount or sufficiently continuous to justify a manufacturer in the maintenance of a plant and organization adequate for a prompt supply of such engines and for the proper study and development of the technique of that type of engine."

In a previous part of this report (ante, p. 98), reference has been made to the opinion of the Joint Army and Navy Technical Board, given on November 16, 1917, that in the program for the coming year rotary engines should be considered of secondary importance, but that it was deemed desirable that the art of building rotary engines should be retained in the United States and that for this purpose the organization skilled in rotary-engine production should be preserved. While it was thought that an order which had been given to the Union Switch & Signal Co. for 2,500 80-horsepower LeRhones was larger than was necessary to preserve the art, it was further recommended that steps be taken to maintain the possibilities of production of the 160-horsepower Gnome engine. The resolution of the Joint Army and Navy Technical Board did not in terms approve the purchase of the General Vehicle Co.'s plant, nor did it express opposition in any definite way.

The actual necessity of the purchase of the General Vehicle Co.'s plant is not apparent. As soon as the Government made the purchase, a corporation called the Aeronautical Engine Co., with a nominal capital, was incorporated for the purpose of building Gnome engines at the plant and contracts were made for the manufacture of small quantities at cost without profit. This, however, did not continue long. It was found that the Union Switch & Signal Co. had mastered the art of making LeRhone engines, and although these were of a different type, it seemed that the necessity of keeping the organization in existence at the plant purchased from the General Vehicle Co. soon ceased or was very much minimized. In April last it was proposed that the plant at Long Island be leased to the Wright-Martin Co. for the manufacture of the 300-horsepower Hispano-Suiza engines, and an arrangement for this purpose was made soon thereafter, one of the reasons being stated to be "the practical abandonment of the manufacture of Gnome motors."

At the time of the purchase of this plant by the Government the General Vehicle Co. had outstanding notes amounting to $1,550,000, which were held by the Peerless Truck and Motor Corporation. The purchase price paid by the Government was substantially equivalent to the amount of these notes and thus provided for their retirement. The purchase, however, was made on the basis of the value of assets, and whatever difference of opinion there may be as to the advisability of the purchase there are no facts warranting the conclusion that it was not made in good faith or that the amount paid was in excess of the fair value of the property acquired.

2. MAHOGANY MANUFACTURERS AND IMPORTERS' ASSOCIATION.

True mahogany is a desirable wood (ranking, in the opinion of the Government's production engineers, next to black walnut) for the making of propellers for service, or combat, airplanes. To meet this demand contracts had been made for mahogany in the fall of 1917, but with only one responsible corporation; that is, Lewis Thompson & Co. A contract with one of the companies selected was canceled because it was apparently without financial resources and could not provide a bond, and in the case of another contractor no deliveries were made.

In the beginning of January, 1918, it appeared that there was a serious shortage in the Government's supply of wood for service-plane propellers and through the War Trade Board the leading mahogany manufacturers of the United States were invited to a conference in Washington. This conference was held on January 21, and at that time, or in the later conferences, the following corporations and firms were represented: Huddleston-Marsh Mahogany Co.; Ichabod T. Williams & Sons.; George D. Emery Co. (said to be closely affiliated with I. T. Williams & Sons) and the Astoria Veneer Mills & Dock Co., of New York; Palmer, Parker & Co., of Boston; Lewis Thompson & Co. and S. B. Vrooman Co., of Philadelphia; Freiberg Lumber Co., of Cincinnati; C. C. Mengel & Bro. Co., of Louisville; Taige Mahogany Co., of Indianapolis; C. L. Willey Co., of Chicago; and the Otis Manufacturing Co., of New Orleans. At the first conference the manufacturers were notified of the Government requirements for propeller stock, their cooperation was sought, and they were asked to advise the Government of the quantity which each could furnish and the price.

The representatives of the War Trade Board suggested the advisability of an organization of the manufacturers to secure effective cooperation with the Government, and accordingly an association of the manufacturers was at once formed, which appointed a war committee composed of A. S. Williams, of the Astoria Veneer Mills & Dock Co.; C. H. Thompson, of Lewis Thompson & Co.; F. C. Leary, of Ichabod T. Williams & Sons; F. G. Otis, of the Otis Manufacturing Co.; and J. C. Wickliffe, of the C. C. Mengel & Bro. Co. The committee met at once and passed a resolution expressing the opinion that the best interests of the Government would be served by the purchase by the Government "of all Central American mahogany logs now under contract with the members of the association at a price to be agreed upon; the Government to arrange transportation of said logs; the manufacturing of the logs into lumber to be done by the mills represented by this association at a price to be agreed upon." At the same meeting the officers of the association were elected: Thomas Williams, of Ichabod T. Williams & Sons, president; R. S. Huddleston, of the Huddleston-Marsh Co., treasurer; and Charles H. Thompson, of Lewis Thompson & Co., secretary. This proposition was rejected by the representatives of the Signal Corps for reasons stated at length, which were in substance that it was deemed inadvisable that the Government should arrange for the purchase of logs directly from the loggers in Central America and Mexico in view of the unfamiliarity of the Signal Corps with the logging business, or that the Government should take over existing contracts for purchases of logs on account of the complications that might arise, or that the Government should become directly involved in log purchases. Recognizing the difficulties in the disposal of a largely increased quantity of lumber, the representatives of the Signal Corps felt disposed to pay "a higher price than prewar or existing prices for propeller stock" in order that the mahogany manufacturers might offset any loss due to the low market value of rejected material. It was then recommended by the Signal Corps that the manufacturers should make a proposition as to the price to be paid for propeller stock, and it was stated for the manufacturers that they could not quote prices on the basis of the existing Signal Corps specifications, as these were too restrictive as to the grade to be selected and permitted the Signal Corps to accept or reject the material based upon the judgment of the inspector.

It was finally suggested that the manufacturers should submit a proposition based on what are called "National Hardwood Inspection" rules (that is, the rules of the National Hardwood Lumber Association), quoting a separate price on "firsts and seconds, selects, and No. 1 common." Discussions continued between the war committee of the association and representatives of the Government, among the latter being Lieut. Ryerson, who was in charge of propeller parts in the plane production section, Joseph S. Otis, who, as the result of a disagreement, had recently severed his connection with the Otis Manufacturing Co. and had offered his services to the Government as a mahogany expert, and representatives of the lumber committee of the Council of National Defense. At the meeting on January 23, according to Lieut. Ryerson's report, the war committee of the association suggested prices for propeller mahogany according to "National Hardwood Inspection" rules as follows: Firsts and seconds $350 per M feet; selects, $320; No. 1 common, $270. After these figures were submitted a discussion of costs followed, in which Joseph O. Otis, representing the Government, and J. C. Wickliffe, representing C. C. Mengel & Bro. Co., gave their respective estimates of cost. Mr. Otis's estimate was considerably lower than the other and was contested by Mr. Wickliffe. The question of specifications was again discussed and the Signal Corps representatives stated that it would be impossible to place orders on the basis of "National Hardwood Inspection" rules, which permitted widths considerably less than those required for propeller stock. After further parley, Lieut. Ryerson stated that it would be preferable to negotiate with the various manufacturers and importers individually for the purchase of such mahogany as they were in a position to offer. It was considered that if negotiations could not be brought to a close on the basis of the prices quoted that it might be desirable for the Government to fix a price for the purchase of propeller stock and agree to provide in its contracts that after partial performance there should be an audit of costs and a readjustment of prices upon a fair basis.

After the negotiations had thus proceeded for several days the manufacturers submitted to the officials of the Signal Corps the opinion that Joseph S. Otis was not competent to advise the Signal Corps with

respect to mahogany costs and suggested that action should be taken by which some one should be put in charge of the purchases of mahogany for the Government "who could develop the actual facts and be fair to the industry." Joseph S. Otis left the Signal Corps on January 29. On January 31 Henry Lockhart, jr., was placed in charge of the "Materials Department, Foreign and United States," which had the duty of procuring the materials necessary for the production of airplanes, with the exception of motors and instruments. About February 5 Henry K. S. Williams, who had formerly been in the lumber business as a member of the firm of Ichabod T. Williams & Sons (being a brother of Thomas Williams, of that firm), but had retired several years before, was put at the head of the hardwoods section, which was a subdivision of the Materials Department, and had charge of the orders for woods required for propeller stock. Shortly after, on February 25, J. C. Wickliffe, who had been for 10 years secretary of the C. C. Mengel & Bro. Co., of Louisville, and had been active as a member of the war committee of the Mahogany Manufacturers' and Importers' Association, entered the service of the Government as assistant to H. K. S. Williams in the hardwoods section. The suggestion that he should take this position was made about the middle of February in a conversation between H. K. S. Williams and Mr. Mengel, when the latter was asked if he could spare Mr. Wickliffe from his organization. On March 4, 1918, J. Edward McCullough, who had been superintendent at the mill of the George D. Emery Co., one of the members of the Mahogany Manufacturers' and Importers' Association, was made district inspector of mahogany, as well as other woods in the New York district, embracing Boston, New York, Philadelphia, and New Orleans. He was selected by S. B. Vrooman, jr., who, about February 10, was given general charge of the inspection of all propeller lumber throughout the country. Prior to his connection with the Government (he started as an inspector in December, 1917) S. B. Vrooman, jr., had been in the service of the S. B. Vrooman Co., also one of the members of the Mahogany Manufacturers' and Importers' Association; he was, and has continued to be, during his service with the Government one of the stockholders of that corporation (ante, p. 68).

Mr. Wickliffe during his connection with the C. C. Mengel & Bro. Co. had owned five shares of its preferred stock, which he disposed of some years ago. His wife owned five shares of the common stock, which were sold when he entered the Government service. His salary as secretary of the Mengel Co. had been $500 a month. His compensation from the Government was at the rate of $4,000 a year. When it was suggested that he should become connected with the Government he said that he could not afford it, but he was informed that Mr. Mengel had offered to continue his salary "as a donation to the Government during the war." Mr. Wickliffe replied that he did not like the arrangement, would not accept it without Mr. Lockhart's approval, and in any event would not consent to be paid more than enough to defray the living expenses of himself and his family. Mr. Wickliffe was paid by the Mengel Co. in addition to his salary from the Government, $250 on March 25, $250 on March 29, and $250 on April 15, a total of $750. This was subsequently adjusted on the basis of $350 for the period to April 1, and $400 was returned by Mr. Wickliffe to the Mengel Co. This was explained in Mr. Wickliffe's letter to Mr. Mengel as follows:

"628 LEXINGTON PLACE,
"Washington, April 13, 1918.

"Mr. C. R. MENGEL,
"President C. C. Mengel & Bro. Co., Louisville, Ky.

"DEAR MR. MENGEL: The Signal Corps having fixed the salary I am to receive from them at the highest figure they can pay of $4,000 per annum, I want to let you know that I think it necessary now that you reduce the amount that you are remitting me monthly to $350 per month. As near as I can estimate it, I can get by on Washington living expenses and do such official entertaining as I shall have to do on the sum of these two amounts. If I find that I can not, I shall frankly let you know the condition. But I feel that living here and doing the necessary at my present job on this figure is about the equivalent of the salary I had when I was with you in Louisville. Therefore kindly give the necessary instructions to have the remittance cut down.

"Again thanking you and the company through you, I am,

"Very truly, yours,

"J. C. WICKLIFFE."

The arrangement with C. C. Mengel & Bro. Co. was approved by H. K. S. Williams in his letter of April 24, 1918, as follows:

"WASHINGTON, D. C., *April 24, 1918.*

"From: Office of the Chief Signal Officer.
"To: C. C. Mengel & Bro. Co., Louisville, Ky.
"Subject: Services.

"1. In line with the request of your president, Mr. C. R. Mengel, this section desires to give you this letter stating that at the time it asked you for the services of your former secretary, Mr. J. C. Wickliffe, it was fully understood by it that you or the mahogany industry would pay him an amount of money per month over and above the salary the Signal Corps was authorized to pay him, so that the sum of these two would be sufficient to cover his and his family's expenses during his service with the Signal Corps. This was done with the full knowledge of Mr. Henry Lockhart, jr., head of the materials department, because of the fact that the hardwood section needed his services, and in view of the further fact that your offer to do this was made with the distinct understanding that he should sever all connections with your company and with the mahogany industry and assume his new duties, of course, entirely as a member of the Signal Corps organization. This section would also set forth the fact that your offer was specifically asked by you to be considered in the light of a donation to the war.

"By direction of the Acting Chief Signal Officer.

"HENRY LOCKHART, Jr.,
"Materials Department, Foreign and United States,
"By H. K. S. WILLIAMS,
"Hardwood Section."

The salary which S. B. Vrooman, jr., had received from the S. B. Vrooman Co. has been continued by that company, and when J. Edward McCullough entered the service of the Government the George D. Emery Co. paid, until the arrangement mentioned below, the difference between his Government pay and his former compensation from the company.

It was soon arranged that the Mahogany Manufacturers and Importers' Association should assume the payment of the additional compensation to Mr. Wickliffe and to Mr. McCullough. Accordingly, for the period beginning with April, this compensation was paid to both in checks from Mr. Huddleston, the treasurer of the association. The amounts were raised by voluntary contributions of various members of the association. The minutes of the association show the following action in the matter:

"The matter of the difference in compensation between the amount paid by the Government for services to J. C. Wickliffe and to Mr. McCullough and the amount of compensation previously received was discussed. The following resolution was then presented, duly seconded, and adopted by the affirmative vote of all present:

"*Resolved*, That such excess compensation be paid by the various members of the association in the form of an annual subscription, which is made up by various amounts subscribed by the mahogany firms, amounting in total to $5,700.

"The motion was duly made, seconded, and carried by the affirmative vote of all present that a copy of this resolution be sent to Mr. H. K. S. Williams."

Mr. Wickliffe testifies that this arrangement was made "because it was felt that it was not right for any one individual firm to pay it all." Mr. Huddleston testifies that it was "purely a question of cooperation with Mr. Mengel." Early in May there was correspondence between H. K. S. Williams and Mr. Huddleston, the treasurer of the Mahogany Association, in which a letter in the following form, addressed by Mr. Huddleston to Mr. Wickliffe, was first submitted to H. K. S. Williams and approved by him:

"347 MADISON AVENUE,
"New York, N. Y., May 10, 1918.

"Mr. J. C. WICKLIFFE,
"Materials Department, Foreign and United States, Hardwood Section, Washington, D. C.

"MY DEAR MR. WICKLIFFE: A few days ago, when the heads of the various mahogany importing and manufacturing concerns met for general discussion, attention was called to the fact that by virtue of your recent appointment as assistant to Mr. H. K. S. Williams your annual income had been cut something in excess of 50 per cent.

"After a general discussion, it was agreed that it would not be fair that you stand alone the burden imposed on you by your services to the Government in this particular department; therefore it was mutually agreed that the various mahogany firms, feeling as patriotic as you have demonstrated yourself to be, will make up the difference between your former income and what you are now receiving from the Government, provided such an act would meet with the approval of Mr. H. K. S. Williams, the head of your department.

"I am pleased to advise you that I am to-day in receipt of a letter from Mr. H. K. S. Williams, approving of this transaction; so, acting in the capacity of treasurer, I will mail you each month a check for $350, beginning the month of April, which, I am informed, will make up the difference in your salary."

A similar letter was written, with the approval of H. K. S. Williams, to Mr. McCullough. Mr. McCullough was paid by the association for April, May, June, and July, at the rate of $91.67 a month. He returned to his former employment early in August. In the case of Mr. Wickliffe the arrangement continued until it was officially disapproved on August 20, 1918, by Mr. J. Gilmore Fletcher, on behalf of the Bureau of Aircraft Production, in the following letter:

WAR DEPARTMENT,
BUREAU OF AIRCRAFT PRODUCTION,
Washington, August 20, 1918.

Mr. J. C. WICKLIFFE,
Hardwood Section, 119 D Street NE., Washington, D. C.

Mr. DEAR MR. WICKLIFFE: In view of the fact that the Government looks with disfavor upon your receiving from the Mahogany Manufacturers and Importers' Association your present monthly remittance, which I shall refer to here as a salary of $350 per month, I deem it best, and hereby request, that you immediately refuse to accept any further payments from that source, or any other source which comes in direct line with your duties in the Hardwood Section, the Raw Materials Department, Division of Aircraft Procurement, Bureau of Aircraft Production.

I shall at once take the proper steps to have the salary now paid you by the Government, namely, $4,000 per year, increased to $8,200 per year, and shall make every effort to expedite a decision on the point of allowing you this increase.

Yours, very truly,

J. GILMORE FLETCHER,
Chief of Aircraft Procurement.

Mr. Wickliffe immediately requested Mr. Huddleston to discontinue the payments, and accordingly there has been no payment of additional compensation since the payment for the month of July.

Early in February, 1918, arrangements were made with some of the manufacturers for the taking over of certain mahogany which had been under contract for delivery to British merchants, but the amount was relatively small. After H. K. S. Williams took charge of the hardwood section, and also after J. C. Wickliffe became his assistant, negotiations were continued with the manufacturers composing the Mahogany Manufacturers and Importers' Association for the purchase by the Government of mahogany in large quantity for propeller stock. On the appointment of H. K. S. Williams, his brother, Thomas Williams (of Ichabod T. Williams & Sons) had resigned as president of the association, and C. R. Mengel was elected in his stead. On February 14, 1918, new specifications had been adopted by the Signal Corps (No. 15028–A) modifying and liberalizing the prior specifications which had been adopted in the previous December. At about the same time (Feb. 13) the manufacturers had submitted two proposals, one under the Signal Corps specifications (No. 15028–A) at $400 per M feet for firsts, seconds, and selects, and $320 per M feet for lower grades, f. o. b. cars eastern mills (with corresponding prices for other points according to estimated freight rates), and another proposal under the national hardwood rules for specified sizes at $350 per M feet for firsts, seconds, and selects, and $280 per M feet for No. 1 common, f. o. b. cars eastern mills. These had been refused. The important difference was with respect to the inspection.

In this situation a conference was held on March 6 between the manufacturers and H. K. S. Williams, J. C. Wickliffe, and S. B. Vrooman, jr., representing the Government. The minutes of this conference show that H. K. S. Williams opened the meeting with the announcement that "it was the purpose of the Signal Corps to grant as liberal an inspection as could be given consistent, of course, with the principle that no lumber could be taken that would not make propeller blades." After a discussion of the matter of utilizing lumber which showed scattered pin-worn holes, and the opinion having been expressed by Mr. Vrooman that such stock could be used where it did not affect the strength of the board, Mr. Williams stated that he would endeavor to have the inspec-

tion department accept such lumber. This, as Mr. Wickliffe testifies, was accomplished. The minutes show that Mr. Williams "stated that Mr. Vrooman is going to be in charge of the inspection all over the country; that he will appoint verious men to do the inspecting at the various mills, and shall show them what is to be done. Mr. Williams further stated that his object in having Mr. Vrooman at this conference was that "the interpretation of the Signal Corps specifications might be as easy as such interpretation could be made consistent with the principle of accepting only propeller material, but that the Government might get all such material that it could get." Mr. Williams then requested that each manufacturer advise him of the cost of its logs placed alongside steamer at Central American and Mexican loading points, and these estimates were given.

Another conference was held on the same day between the manufacturers and H. K. S. Williams and J. C. Wickliffe, representing the Government, at which, after considerable discussion, Mr. Williams stated that he would recommend the payment by the Government of the following scale of prices on Mexican and Central American mahogany propeller stock under Signal Corps specifications No. 15028–A, as follows: $350 per M feet for firsts, seconds, and selects, and $280 for lower grades, f. o. b. eastern and middle western points, and $330 and $265, respectively, at New Orleans; and the same schedule of prices was stated for African mahogany f. o. b. eastern and middle western points. At these conferences Mr. Wickliffe was in attendance as Mr. Williams's adviser. He reviewed the manufacturers' estimates, and made calculations for Mr. Williams as to costs, and in view of his extensive experience there can be no doubt that considerable reliance was placed upon his opinion and advice. The terms of the contracts were virtually settled, in accordance with Mr. Williams's proposal, at the second conference on March 6, and these terms were subsequently approved by Mr. Lockhart. The formal contracts were not made until some time later. On March 26 the Aircraft Board recommended the execution of the contracts on the above terms for the following quantities:

For African mahogany:

	Minimum.	Maximum.
	Feet.	*Feet.*
Astoria Veneer Mills Dock Co.	2,000,000	3,500,000
I. T. Williams & Sons	500,000	1,500,000
Palmer & Parker Co.	600,000	1,500,000
C. C. Mengel & Bro. Co.	[1] 2,800,000	2,800,000
Talge Mahogany Co.	2,130,000	2,450,000

[1] Amended to read 1,700,000 minimum.

For Central American and Mexican mahogany:

	Minimum.	Maximum.
	Feet.	*Feet.*
Huddleston & Marsh Mahogany Co.	1,750,000	3,000,000
Astoria Veneer Mills & Dock Co.	1,500,000	2,500,000
Lewis Thompson & Co.	1,500,000	2,000,000
Otis Manufacturing Co.	1,000,000	2,000,000
Frieburg Lumber Co.	500,000	1,250,000
I. T. Williams & Sons	750,000	2,000,000
Palmer & Parker Co.	300,000	750,000
C. C. Mengel & Bro.	2,800,000	2,800,000

On April 16 the Aircraft Board recommended the making of a contract with the S. B. Vrooman Co. for Central American or Mexican mahogany 500,000 feet minimum and 1,500,000 maximum.

It is hardly necessary to say that it was a gross impropriety for corporations or firms, either individually or collectively, to pay additional compensation to an employee of the Government, and for the employee to receive such compensation, for services in relation to contracts and transactions in which the corporations or firms were directly and pecuniarily interested. It is not found, however, that there is any statute making this a criminal offense unless it is a case within the statute against bribery or proves to be part of a fraudulent scheme to take advantage of the Government or part of an endeavor to induce a violation of law.

The act of March 3, 1917 (ante, p. 25), making it a crime to pay additional compensation to an employee of the Government or for an employee to receive such additional compensation, only applies to such contributions after July 1, 1919. The occasion of this statute, it is understood, was criticism of payments of additional compensation made to experts in the employ of the Government where, however, the employee in the Government service was not acting in matters in which the person or corporation contributing had any pecuniary interest or motive of gain. Contributions for the support of those who have made sacrifices in undertaking war work for the Government are doubtless made in many instances, but there is no analogy between cases of this general description and payments of additional compensation to employees of the Government by those having direct pecuniary interest in the transactions in which the employee acts as the Government's agent. But under the statute against bribery (Criminal Code, secs. 39, 117) it must be proved that the payment was made or received with intent to influence the decision or action of the representative of the Government on a question which may be brought before him in his official capacity or in his place of trust or profit or to influence him to commit, aid, collude in or allow a fraud, or to make opportunity for the commission of a fraud, on the United States, or to induce the employee to do or omit to do an act in violation of his lawful duty. Whether in the present case, in the circumstances disclosed, any charge of this sort could properly be made would largely depend upon the question whether the terms and prices secured by the mahogany manufacturers were fair and reasonable or could be deemed excessive and the result of improper influence.

In view of the intimate relation of the representatives of the Government, who took part in the negotiations, to the manufacturers, it is obviously appropriate that there should be a fair and impartial examination of the transactions by a body competent to make a survey and determination of questions of costs and profits. Testimony has been given in the present inquiry tending to show that the prices were high. Lower prices under prior orders and offers are referred to. On the other hand, the manufacturers urge that in view of the peculiar conditions of the industry, the difficulties attending the procurement of logs, and the risks taken by reason of the small percentage of lumber suitable for propeller material, the prices and terms were in all respects fair; that Mr. Williams, Mr. Wickliffe, Mr. Vrooman, and Mr. McCullough took their positions simply because of the necessity of having men in their respective places who were qualified by experience, and that throughout the transactions all the persons concerned have been moved solely by the desire to serve the Government. It was manifestly impossible in the course of the present inquiry to make such a survey of the mahogany industry as to reach a satisfactory conclusion with respect to the cost of producing the required mahogany, and as to the fairness of prices and terms. This sort of investigation would require special facilities of the kind which are at the command of the Federal Trade Commission, and through its instrumentality it is believed that such a survey of the industry and a determination of fair costs and profits can be made. Upon its report as to the cost of producing the required mahogany, it can readily be decided whether there is ground for prosecution by reason of the transactions which have been disclosed in this inquiry.

AFRICAN MAHOGANY.

Attention should be called to the fact that the contracts with the mahogany manufacturers called for considerable quantities of African mahogany. It appears that prior to the war large importations of mahogany had been made from Africa. Thus, in 1914 out of total importations of mahogany logs of 70,914,000 feet, there were 31,177,000 feet of African mahogany. At the first conference with the Government representatives on January 21, 1918, as the minutes kept by these representatives show, Mr. Mengel had suggested the increased supply which could be obtained from Africa, and Mr. Leary, of Ichabod T. Williams & Sons, "described his efforts to induce the Signal Corps to use African mahogany." Offers of African mahogany were made in proposals by several of the mahogany manufacturers under date of March 6. Thus, in the proposal then sent to the Signal Corps by C. C. Mengel & Bro. Co., it was stated that his company had at Axim, Africa (on the gold coast) "awaiting steamers 3,000,000 feet of sound, fresh, logs"; and also at Axim "now in streams tributary to it and available for the June rains 4,000,000 feet, and these logs, located as they are, and from the best information we have, pretty nearly sure to be delivered at Axim on the June rains, as they were put in pretty good, safe streams by our own men in our own employ and paid by us, and put in streams selected so that they would come out on light water."

The advisability of using African mahogany as propeller material, however, was far from clear. It was not regarded as within the original specifications, but the modified specifications adopted on February 14, 1918 (No. 15028–A), stated that African mahogany (Khaya senegalensis mahogani) was approved by the Signal Corps. Despite this statement the question was not regarded as settled. On February 13, 1918, H. S. Betts, Acting Assistant Forester, in reply to a letter of Capt. Oakleaf, of the Signal Corps, stated that it was "undoubtedly true that the term 'African mahogany' without further specifying as to kind of wood would include several species which are inferior in quality for propellors," but after referring to various tests quoted a report from the Forest Products Laboratory that the African mahogany was "practically the equal of the Central American species and could be substituted satisfactorily for the latter."

On February 26, H. K. S. Williams wrote to Maj. Gray, of the Production Engineering Department, that he was "anxiously awaiting information as to whether African mahogany has been approved for use for the manufacture of propellers for battle and bombing aeroplanes." He said that he had reported the matter a number of times to his superiors and had been told to communicate with Maj. Gray, and after referring to communications he had received on the subject, he asked for a reply by telegraph. On March 1 the Production Engineering Department telegraphed its answer to H. K. S. Williams, as follows:

"This department is not favorably disposed toward African mahogany for combat propellers and does not see why it should be shipped here and then back to Europe. Can not arrangements be made to have walnut for English diverted to our propeller manufacturers and to ship African mahogany to England? There is much poor African mahogany on American market. In any event for safe use African mahogany would have to be inspected at the source to make sure that we obtained the proper varieties and proper wood. We feel further that with provision for splicing which has been adopted there should be enough of other woods available to meet the propeller requirements."

Before this was received a telegram was sent on the same day to Maj. Gray, with the signature of the Materials Department, to the effect that they were "anxiously awaiting telegraphic reply to letter February 26;" and on March 2 the Production Engineering Department, notwithstanding the statements in its telegram of March 1, telegraphed to the Materials Department as follows:

"Regarding use of African mahogany for combat and bombing airplane propellers, advise that such wood is acceptable for use in these propellers."

And on March 16 the Airplane Engineering Department (by Mr. Caldwell, on behalf of Maj. Marmon) wrote to Maj. Gray, of the Production Engineering Department, referring to tests of propellers made of African mahogany at Langley Field and McCook Field, and stated the following order of preference for propeller woods: (1) Walnut; (2) Honduras mahogany; (3) cherry; (4) African mahogany; (5) quarter-sawed poplar; (6) quarter-sawed white oak. Mr. Caldwell stated further that the following species of African mahogany were acceptable: (1) Grand Bassan; (2) Lagos; (3) Benin; also that there was an African wood similar to mahogany known as "Iroko" which had been found acceptable in the English propeller construction. On March 21 Mr. Caldwell wrote to Lieut. Col. Horner, of the Equipment Division, stating that they had definitely ascertained that the wood they had tested came from Axim, and that "this wood would be acceptable at least to the extent of three or four million feet." Mr. Wickliffe, on behalf of Mr. Lockhart, of the Materials Department, sent the following memorandum to the contract section on the same day (Mar. 21):

"It is only recently that the use of African mahogany has been authorized in the construction of propellers, and therefore the entrance of purchase request to cover the quantities of African mahogany shown in the attached proposals" (of the mahogany manufacturers) "has been withheld pending such authorization. Permission has now been received for the use of this wood and purchase requests are being sent to the priority section to-day covering the quantity of African mahogany shown in the proposals of Astoria Veneer Mills & Dock Co., Palmer & Parker Co., Ichabod T. Williams & Sons, and C. C. Mengel & Bro. Co."

In view of the heavy demand for shipping facilities, a serious question arose with the Shipping Board as to the necessity of getting in the African mahogany. In a conference between Mr. Karl de Laittre, representing the Shipping Board, and Mr. Sibley and Mr. Wickliffe, of the Signal Corps, on May 4, Mr. Wickliffe's attention was called to the lack of shipping space, and he replied (according to the stenographer's minutes produced by Mr. de Laittre):

"Yes; but this is a matter of contract. We make our contracts in good faith on both sides. It is not permissible for the Government to break these contracts; it would break the people making them. * * * We can not let these people down on the African product."

At another point in the conference Mr. Wickliffe said:

"If the timber from Africa is not brought forward, coming in June, and is allowed to deteriorate, the first part that will be hit will be the outside of the log, out of which the aircraft material comes. If we do not get this African lumber, we have exhausted every resource in walnut and cherry and in Central American mahogany. We do not yet know as to the use of quarter-sawed oak. Then if we do not get this timber we can not get any African logs before June of the following year."

Meanwhile the subject had been taken up for investigation by representatives of the War Trade Board and of the Forestry Service. Its importance lay in the fact that there was an abundance of white oak available in this country, and it developed that there was opinion of considerable weight in favor of the use of oak on combat propellers.

On June 2 a conference was held between representatives of the production engineering department, the airplane engineering department, the propeller inspection department, the propeller purchase section, and the wood inspection section of the Signal Corps. Mr. Caldwell, who had written the letter of March 21, represented the airplane engineering department. Lieut. Ryerson's memorandum of this conference contains the following:

"The question of the advisability of, and necessity for, importing African mahogany was carefully considered and it was the unanimous opinion that it would be possible to meet our present and future propeller lumber requirements from domestic or South American supplies, and that because of the difficulty of inspecting African mahogany its further use in propellers should be discouraged."

On August 3, 1918, Lieut. Ryerson, of the propeller section, having been asked for a statement of the requirements of woods for propeller stock, requested the production engineering department for "an up-to-date formal statement" as to the kinds of lumber to be specified for combat propellers in their order of preference. This brought a reply under date of August 7 from the production engineering department, through Prof. J. S. MacGregor (head of the physical testing department, school of mines, Columbia University), as follows:

"Answering your memorandum of August 3, requesting information on kinds of wood for propellers, we advise you herewith that this department has authorized the use of the following woods for combat propellers. The list is given in the order of their preference:

"Black walnut.
"True mahogany (Honduras).
"Cherry.
"Quarter-sawed white oak.
"African mahogany."

The objection to African mahogany (aside from the shipping problem) was that it varied considerably in quality and that inspection of it so far from its source would make it difficult to be sure that the right species was received. Throughout the controversy Mr. Wickliffe has expressed his views with considerable emphasis and has thrown the weight of his influence in favor of contracts for African mahogany and of the provision of shipping facilities to bring it in. In support of his position he has produced a memorandum, under date of August 23, signed by Charles Day, as special assistant to the Secretary of War, to the effect that "while oak propellers are being used with satisfactory results in connection with our training planes, they have not been adopted for planes for active service overseas on account of unsatisfactory results obtained abroad when their use has been attempted for any considerable period."

Mr. Wickliffe has also presented a letter under date of July 19 from Lieut. Holiande, in charge of wood purchasing for the French Government, in which it is said that "we are buying a very great quantity of African mahogany in France direct from our colonies"; also a letter received from the office of the British War Mission giving information to the effect that "the home authorities proposed during 1919 to use British Honduras and West African mahogany exclusively for propeller construction, cutting out walnut completely," and that demands from factories in England for propeller lumber are met "indiscriminately by the supply of either British Honduras or West African mahogany, the latter being considered as equivalent to the former for all purposes."

On the other hand, a very recent cablegram (September 28) from the scientific attaché to the American Embassy in London, in answer to an inquiry of the Research Information Service here, states that "authorities, British opinion, and practice placing walnut and Kanduranian, Nicaraguan, Cuban mahogany ahead of African. British would not use African if sufficient quantities of above were available. African used only in combination with other woods." The statement to the contrary as to British practice is said to be incorrect, and it is added: "British have not tested oak, cherry, poplar sufficiently to make comparison. American Army wood experts now here state A. E. F. satisfied with oak and have advised Washington, D. C., accordingly. Poplar has also showed up well on tests. British unable to see any justification for United States using African mahogany in view of other furnishings available."

It is understood that ships for African mahogany were finally provided. Upon the evidence, it is apparent that the matter was the subject of discussion and presented grounds for differences of opinion. The interest, however, of some of the leading mahogany manufacturers in obtaining contracts for the delivery of African mahogany is apparent, and while the efforts to induce its purchase and transportation may have been based upon the belief that the wood was better than that available here, and that the supply was needed by the Government, the matter is one which should receive consideration in connection with the survey of the industry which has been suggested for the purpose of determining the fairness of the mahogany contracts and of the action taken under them.

3. SABOTAGE ACT—GRAND JURY PROCEEDINGS.

There have been occurrences in various plants indicating efforts to injure war material, or to make it defective, or to conceal defects, but on investigation it has generally been very difficult to find sufficient basis for criminal prosecution, either for lack of evidence as to the particular individual who had committed the act, or because on close examination it appeared that the condition of the material could be fairly attributed to carelessness, and evidence of criminal intent was wanting.

HAMMONDSPORT PLANT OF THE CURTISS CO.

In the course of this inquiry information was received that frequent attempts had been made to conceal defects in motors and their different parts which were in course of manufacture at the plant of the Curtiss Aeroplane & Motor Corporation at Hammondsport, N .Y. Evidence having been obtained as to specific instances of this practice, there was an investigation in July last before a grand jury in the western district of New York, John W. Ryan, Esq., of Buffalo, being appointed special counsel for the purpose, which resulted in the return of indictments against Lewis Longwell and Hector Bordeau, subforemen in the assembly room of the Hammondsport plant, under section 3 of the sabotage act of April 20, 1918. Demurrers to these indictments have been overruled and the cases are awaiting trial.

NORTH ELMWOOD PLANT.

In view of the conditions found at the North Elmwood plant of the Curtiss Aeroplane & Motor Corporation, there was a special investigation through special agents of the Department of Justice for the purpose of discovering violations of the sabotage act, with the result that evidence was brought before the grand jury in the western district of New York, John W. Ryan, Esq., acting as special counsel, and indictments were obtained in September against Richard Eastman, foreman of the propeller department; Frank Truell, an assistant foreman; and David Rogovan, a workman, under the sabotage act. On October 9 these defendants pleaded guilty and were fined $500 each.

LIBERTY IRON WORKS.

Testimony given in this inquiry in relation to alleged irregularities at the Liberty Iron Works at Sacramento, Cal., led to a special investigation in charge of John W. Preston, Esq., special assistant to the Attorney General, before the grand jury at Sacramento in September last. Considerable testimony has been taken, but no indictments have been returned.

4. CROSS-LICENSE AGREEMENT AS TO RIGHTS UNDER AIRPLANE PATENTS.

In view of claims under alleged patent rights, and with the object of facilitating aircraft production by providing for manufacture on a definite basis, a corporation was formed under the laws of the State of New York known as the Manufacturers' Aircraft Association (Inc.). This corporation entered into an agreement with its "subscribers"—that is, its stockholders—called the cross-license agreement. The Government is not a party to the agreement, but it was recommended by the National Advisory Committee for Aeronautics, was indorsed by the Aircraft Board, and received the approval of the Secretary of War and the Secretary of the Navy.

By the cross-license agreement the subscribers grant to each other licenses under all airplane patents now or hereafter owned or controlled by them in the United States, its territories and dependencies (except foreign patents and certain specified patents); the corporation is designated as the agent of the subscribers to execute licenses accordingly; each subscriber agrees that it will not enter into any agreement or arrangements whereby its privileges under United States airplane patents or inventions will be diminished or surrendered so as to exclude or restrict the operation of the agreement, and that it will not grant licenses under any such patents for use in airplanes with reference to which it is receiving royalties under the agreement, to any other person, firm, or corporation on more favorable or lower terms of royalty than those provided in the agreements, or which may become more favorable or lower during the term of the license. Under the agreement in its original form, in providing for the payments to be made by subscribers, it is stipulated that each subscriber shall pay to the corporation $200 for each airplane sold and delivered by the subscriber until the Wright-Martin Aircraft Corporation and the Curtiss Aeroplane & Motor Corporation (these corporations claiming to hold basic patents) had each been paid the sum of $2,000,000. A supplemental agreement has since been made modifying the provision for payments by subscribers and providing that the aggregate payments to both the Wright-Martin Corporation and the Curtiss Co. should be $2,000,000 instead of $4,000,000.

The agreement has been criticized upon the ground that its provisions constitute a hindrance to the progress of invention in the important airplane field and as being in restraint of trade. Whatever ground for criticism exists in this respect is to be found in the terms of the agreement itself, as these are quite definite and determine its operation and effect. I shall not deal with the question of the legality of the agreement, as the question was specifically submitted by the Secretary of War to the Attorney General whether the association and the agreement were in contravention of the antitrust statutes of the United States, and the opinion was expressed by the Attorney General that they were not. That disposed of the question, in the absence of a contrary decision by the courts so far as the action of the Executive department is concerned.

To the question whether the patents of the Wright-Martin Co. and of the Curtiss Co. are basic patents, and whether the payments for which the agreement provides constitute a proper compensation for the rights conferred, it would require an exhaustive examination of the patent situation to give a satisfactory answer, and this inquiry has furnished no opportunity for such examination. For this reason no opinion is expressed upon the point further than to say that, if the validity of the agreement be assumed, the amount of the payments was a matter of sound administrative discretion, and there is no ground for the conclusion that the amount as fixed in the supplemental agreement could not fairly be allowed. It is also asserted that the Government is left liable to other claimants, but this also requires an opinion upon the validity of certain patent claims which could not be dealt with in this inquiry.

GENERAL CONCLUSIONS AND RECOMMENDATIONS.

1. The controlling facts and the conclusions in relation to the matters reviewed have been stated under appropriate headings. It would be impossible to restate them in a brief summary. The defective organization of the work of aircraft production and the serious lack of competent direction of that work by the responsible officers of the Signal Corps, to which the delays and waste were chiefly due, were matters for administrative correction through unification of effort under competent control. The provisions of the criminal statutes do not reach inefficiency.

It is not within the province of this report to make recommendations with respect to administrative policy, but it should be said that under the direction of Mr. Ryan and Mr. Potter there has been improvement in organization, and progress has been made in gratifying measure.

2. The evidence discloses conduct, which, although of a reprehensible character, can not be regarded as affording a sufficient basis for charges under existing statutes, but there are certain acts shown, not only highly improper in themselves but of especial significance, which should lead to disciplinary measures. The evidence with respect to Col. Edward A. Deeds should be presented to the Secretary of War to the end that Col. Deeds may be tried by court-martial under articles 95 and 96 of the Articles of War for his conduct (1) in acting as confidential adviser of his former business associate, H. E. Talbott, of the Dayton Wright Airplane Co., and in conveying information to Mr. Talbott in an improper manner, with respect to the transaction of business between that company and the division of the Signal Corps of which Col. Deeds was the head; and (2) in giving to the representatives of the Committee on Public Information a false and misleading statement with respect to the progress of aircraft production for the purpose of publication, with the authority of the Secretary of War.

3. The absence of proper appreciation of the obvious impropriety of transactions by Government officers and agents with firms or corporations in which they are interested compels the conclusion that public policy demands that the statutory provisions bearing upon this conduct should be strictly enforced. It is therefore recommended that the officers found to have had transactions on behalf of the Government with corporations in the pecuniary profits of which they had an interest should be prosecuted under section 41 of the Criminal Code.

4. The Federal Trade Commission should be requested to report upon the proper cost of mahogany for airplane propellers, to the end that upon the coming in of its report the question of the propriety of further action with respect to the transactions of the Mahogany Manufacturers and Importers' Association may be determined.

5. It is recommended that the representatives of the Department of Justice should keep in touch with the progress of the reaudit of accounts, so that it may be advised of the complete enforcement of the rights of the Government in final settlement of accounts and that the Government has been fully protected against unnecessary loss through waste and the absence of suitable factory supervision.

6. Permit me also to suggest that a special division or subdivision of the present Bureau of Investigation in the Department of Justice should be assigned to the consideration of suggested delinquencies in connection with aircraft production, so that the work already done may be appropriately followed up. In particular it is recommended that the activities in relation to spruce production, which, being largely centered on the Pacific coast, it was impracticable to embrace in the present inquiry, should be carefully scrutinized.

I have the honor to remain,

Respectfully, yours,

(Signed) CHARLES E. HUGHES.

APPENDIX B.

Report of Gen. Pershing.

NOVEMBER 20, 1918.

MY DEAR MR. SECRETARY: In response to your request, I have the honor to submit this brief summary of the organization and operation of the American Expeditionary Force from May 26, 1917, until the signing of the armistice November 11, 1918. Pursuant to your instructions, immediately upon receiving my orders I selected a small staff and proceeded to Europe in order to become familiar with conditions at the earliest possible moment.

The warmth of our reception in England and France was only equaled by the readiness of the commanders in chief of the veteran armies of the allies and their staffs to place their experience at our disposal. In consultation with them, the most effective means of cooperation of effort was considered. With French and British Armies at their maximum strength, and all efforts to dispossess the enemy from his firmly intrenched positions in Belgium and France failed, it was necessary to plan for an American force adequate to turn the scale in favor of the allies. Taking account of the strength of the central powers at that time, the immensity of the problem which confronted us could hardly be overestimated. The first requisite being an organization that could give intelligent direction to effort, the formation of a General Staff occupied my early attention.

GENERAL STAFF.

A well-organized General Staff, through which the commander exercises his functions, is essential to a successful modern army. However capable our division, our battalion, and our companies as such, success would be impossible without thoroughly coordinated endeavor. A General Staff broadly organized and trained for war had not hitherto existed in our Army. Under the Commander in Chief, this staff must carry out the policy and direct the details of administration, supply, preparation, and operations of the Army as a whole, with all special branches and bureaus subject to its control. As models to aid us we had the veteran French General Staff and the experience of the British, who had similarly formed an organization to meet the demands of a great army. By selecting from each the features best adapted to our basic organization, and fortified by our own early experience in the war, the development of our great General Staff system was completed.

The General Staff is naturally divided into five groups, each with its chief, who is an assistant to the Chief of the General Staff. G. 1 is in charge of organization and equipment of troops, replacements, tonnage, priority of overseas shipment, the auxiliary welfare association, and cognate subjects; G. 2 has censorship, enemy intelligence, gathering and disseminating information, preparation of maps, and all similar subjects; G. 3 is charged with all strategic studies and plans, movement of troops, and the supervision of combat operations; G. 4 coordinates important questions of supply, construction, transport arrangements for combat, and of the operations of the service of supply, and of hospitalization and the evacuation of the sick and wounded; G. 5 supervises the various schools, and has general direction and coordination of education and training.

The first chief of staff was Col. (now Maj. Gen.) James G. Harbord, who was succeeded in May, 1918, by Maj. Gen. James W. McAndrew. To these officers, to the deputy chief of staff, and to the assistant chiefs of staff, who, as heads of section, aided them, great credit is due for the results obtained not only in perfecting the general staff organization but in applying correct principles to the multiplicity of problems that have arisen.

ORGANIZATION AND TRAINING.

After a thorough consideration of allied organizations it was decided that our combat division should consist of four regiments of Infantry of 3,000 men, with three battalions to regiment and four companies of 250 men each to a battalion, and of an Artillery brigade of three regiments, a machine-gun battalion, an Engineer regiment, a trench-mortar battery, a signal battalion, wagon trains, and the headquarters staffs and military police. These, with medical and other units, made a total of over 28,000 men, or practically double the size of a French or German division. Each corps would normally consist of six divisions—four combat and one depot and one replacement division—and also two regiments of Cavalry, and each army of from three to five corps. With four divisions fully trained, a corps could take over an American sector with two divisions in line and two in reserve, with the depot and replacement divisions prepared to fill the gaps in the ranks.

Our purpose was to prepare an integral American force which should be able to take the offensive in every respect. Accordingly, the development of a self-reliant Infantry by thorough drill in the use of rifle and in the tactics of open warfare was always uppermost. The plan of training after arrival in France allowed a division one month for acclimatization and instruction in small units from battalions down, a second month in quiet trench sectors by battalion, and a third month after it came out of the trenches, when it should be trained as a complete division in war of movement.

Very early a system of schools was outline and started which should have the advantage of instruction by officers direct from the front. At the great school center at Langres, one of the first to be organized, was the staff school, where the principles of general staff work as laid down in our own organizations were taught to carefully selected officers. Men in the ranks who had shown qualities of leadership were sent to the school of candidates for commissions. A school of the line taught younger officers the principles of leadership, tactics, and the use of the different weapons. In the Artillery school at Saumer young officers were taught the fundamental principles of modern artillery, while at Issoudun an immense plant was built for training cadets in aviation. These and other schools, with their well-considered curriculums for training in every branch of our organization, were coordinated in a manner best to develop an efficient army out of willing and industrious young men, many of whom had not before known even the rudiments of military technique. Both Marshal Haig and Gen. Petain placed officers and men at our disposal for instructional purposes, and we are deeply indebted for the opportunities given to profit by their veteran experience.

AMERICAN ZONE.

The eventual place the American Army should take on the western front was to a large extent influenced by the vital questions of communication and supply. The northern ports of France were crowded by the British Armies' shipping and supplies, while the southern ports, though otherwise at our service, had not adequate port facilities for our purposes, and these we should have to build. The already overtaxed railway system behind the active front in northern France would not be available for us as lines of supply, and those leading from the southern ports of northeastern France would be unequal to our needs without much new construction. Practically all warehouses, supply depots, and regulating stations must be provided by fresh constructions. While France offered as such material as she had to spare after a drain of three years enormous quantities of material had to be brought across the Atlantic.

With such a problem any temporization or lack of definiteness in making plans might cause failure even with victory within our grasp. Moreover, broad plans commensurate with our national purpose and resources would bring conviction of our power to every soldier in the front line, to the nations associated with us in the war, and to the enemy. The tonnage for material for necessary construction for the supply of an army of three and perhaps four million men would require a mammoth program of shipbuilding at home, and miles of dock construction in France, with a corresponding large project for additional railways and for storage depots.

All these considerations led to the inevitable conclusion that if we were to handle and supply the great forces deemed essential to win the war we must utilize the southern ports of France—Bordeaux, La Pallice, St. Nazaire, and Brest—and the comparatively unused railway systems leading therefrom to the northeast. Generally speaking, then, this would contemplate the use of our forces against the enemy somewhere in that direction, but the great depots of supply must be centrally located, preferably in the area included by Tours, Bourges, and Chateauroux, so that our armies could be supplied with equal facility wherever they might be serving on the western front.

To build up such a system there were talented men in the Regular Army, but more experts were necessary than the Army could furnish. Thanks to the patriotic spirit of our people at home, there came from civil life men trained for every sort of work involved in building and managing the organization necessary to handle and transport such an army and keep it supplied. With such assistance the construction and general development of our plans have kept pace with the growth of the forces, and the Service of Supply is now able to discharge from ships and move 45,000 tons daily, besides transporting troops and material in the conduct of active operations.

As to organization, all the administrative and supply services, except The Adjutant General's, Inspector General's, and Judge Advocate General's Departments which remain at general headquarters, have been transferred to the headquarters of the services of supplies at Tours under a commanding general responsible to the commander in chief for supply of the armies. The Chief Quartermaster, Chief Surgeon, Chief Signal Officer, Chief of Ordnance, Chief of Air Service, Chief of Chemical Warfare, the general purchasing agent in all that pertains to questions of procurement and supply, the Provost Marshal General in the maintenance of order in general, the Director General of Transportation in all that affects such matters, and the Chief Engineer in all matters of administration and supply, are subordinate to the Commanding General of the Service of Supply, who, assisted by a staff especially organized for the purpose, is charged with the administrative coordination of all these services.

The transportation department under the Service of Supply directs the operation, maintenance, and construction of railways, the operation of terminals, the unloading of ships, and transportation of material to warehouses or to the front. Its functions make necessary the most intimate relationship between our organization and that of the French, with the practical result that our transportation department has been able to improve materially the operations of railways generally. Constantly laboring under a shortage of rolling stock, the transportation department has nevertheless been able by efficient management to meet every emergency.

The Engineer Corps is charged with all construction, including light railways and roads. It has planned and constructed the many projects required, the most important of which are the new wharves at Bordeau and Nantes, and the immense storage depots at La Pallice, Montoir, and Gievres, besides innumerable hospitals and barracks in various ports of France. These projects have all been carried on by phases keeping pace with our needs. The Forestry Service under the Engineer Corps has cut the greater part of the timber and railway ties required.

To meet the shortage of supplies from America, due to lack of shipping, the representatives of the different supply departments were constantly in search of available material and supplies in Europe. In order to coordinate these purchases and to prevent competition between our departments, a general purchasing agency was created early in our experience to coordinate our purchases and, if possible, induce our allies to apply the principle among the allied armies. While there was no authority for the general use of appropriations, this was met by grouping the purchasing representatives of the different departments under one control, charged with the duty of consolidating requisitions and purchases. Our efforts to extend the principle have been signally successful, and all purchases for the allied armies are now on an equitable and cooperative basis. Indeed, it may be said that the work of this bureau has been thoroughly efficient and businesslike.

ARTILLERY, AIRPLANES, AND TANKS.

Our entry into the war found us with few of the auxiliaries necessary for its conduct in the modern sense. Among our most important deficiencies in material were artillery, aviation, and tanks. In order to meet our requirements as rapidly as possible, we accepted the offer of the French Government to provide us with the necessary artillery equipment of 75s, one 55-millimeter howitzer, and one 55 G. P. F. gun from their own factories for 30 divisions. The wisdom of this course is fully demonstrated by the fact that, although we soon began the manufacture of these classes of guns at home, there were no guns of the calibers mentioned manufactured in America on our front at the date the armistice was signed. The only guns of these types produced at home thus far received in France are one hundred and nine 75-millimeter guns.

In aviation we were in the same situation, and here again the French Government came to our aid until our own aviation program should be under way. We obtained from the French the necessary planes for training our personnel, and they have provided us with a total of 2,676 pursuit, observation, and bombing planes. The first airplanes received from home arrived in May, and altogether we have received 1,379. The first American squadron completely equipped by American production, including airplanes, crossed the German lines on August 7, 1918. As to tanks, we were also compelled to rely upon the French. Here, however, we were less fortunate, for the reason that the French production could barely meet the requirements of their own armies.

It should be fully realized that the French Government has always taken a most liberal attitude and has been most anxious to give us every possible assistance in meeting our deficiencies in these as well as in other respects. Our dependence upon France for artillery, aviation, and tanks was, of course, due to the fact that our industries had not been exclusively devoted to military production. All credit is due our own manufacturers for their efforts to meet our requirements, as at the time the armistice was signed we were able to look forward to the early supply of practically all our necessities from our own factories.

The welfare of the troops touches my responsibility as Commander in Chief to the mothers and fathers and kindred of the men who came to France in the impressionable period of youth. They could not have the privilege accorded European soldiers during their periods of leave of visiting their families and renewing their home ties. Fully realizing that the standard of conduct that should be established for them must have a permanent influence in their lives and on the character of their future citizenship, the Red Cross, the Young Men's Christian Association, Knights of Columbus, the Salvation Army, and the Jewish Welfare Board, as auxiliaries in this work, were encouraged in every possible way. The fact that our soldiers, in a land of different customs and language, have borne themselves in a manner in keeping with the cause for which they fought, is due not only to the efforts in their behalf but much more to other high ideals, their discipline, and their innate sense of self-respect. It should be recorded, however, that the members of these welfare societies have been untiring in their desire to be of real service to our officers and men. The patriotic devotion of these representative men and women has given a new significance to the Golden Rule, and we owe to them a debt of gratitude that can never be repaid.

COMBAT OPERATIONS.

During our periods of training in the trenches some of our divisions had engaged the enemy in local combats, the most important of which was Seicheprey by the Twenty-sixth on April 20, in the Toul sector, but none had participated in action as a unit. The First Division, which had passed through the preliminary stages of training, had gone to the trenches for its first period of instruction at the end of October, and by March 21, when the German offensive in Picardy began, we had four divisions with experience in the trenches, all of which were equal to any demands of battle action. The crisis which this offensive developed was such that our occupation of an American sector must be postponed.

On March 28 I placed at the disposal of Marshal Foch, who had been agreed upon as commander in chief of the allied armies, all of our forces to be used as he might decide. At his request the first division was transferred from the Toul sector to a position in reserve at Chaumont en Vexin. As German superiority in numbers required prompt action, an agreement was reached at the Abbeville conference of the allied premiers and commanders and myself on May 2 by which British shipping was to transport 10 American divisions to the British Army area, where they were to be trained and equipped, and additional British shipping was to be provided for as many divisions as possible for use elsewhere.

On April 26 the First Division had gone into the line in the Montdidier salient on the Picardy battle front. Tactics had been suddenly revolutionized to those of open warfare, and our men, confident of the results of their training, were eager for the test. On the morning of May 28 this division attacked the commanding German position in its front, taking with splendid dash the town of Cantigny and all other objectives, which were organized and held steadfastly against vicious counterattacks and galling artillery fire. Although local, this brilliant action had an electrical effect, as it demonstrated our fighting qualities under extreme battle conditions, and also that the enemy's troops were not altogether invincible.

The Germans' Aisne offensive, which began on May 27, had advanced rapidly toward the River Marne and Paris, and the allies faced a crisis equally as grave as that of the Picardy offensive in March. Again every available man was placed at Marshal Foch's disposal, and the Third Division, which had just come from its preliminary training in the trenches, was hurried to the Marne. Its motorized machine-gun battalion preceded the other units and successfully held the bridgehead at the Marne, opposite Chateau-Thierry. The Second Division, in reserve near Montdidier, was sent by motor trucks and other available transport to check the progress of the enemy toward Paris. The division attacked and retook the town and railroad station at Bourescbes and sturdily held its ground against the enemy's best guard divisions. In the battle of Belleau Wood, which followed, our men proved their superiority and gained a strong tactical position, with far greater loss to the enemy than to ourselves. On July 1, before the Second was relieved, it captured the village of Vaux with most splendid precision.

Meanwhile our Second Corps, under Maj. Gen. George W. Read, had been organized for the command of our divisions with the British, which were held back in training areas or assigned to second-line defenses. Five of the ten divisions were withdrawn from the British area in June, three to relieve divisions in Lorraine and the Vosges and two to the Paris area to join the group of American divisions which stood between the city and any farther advance of the enemy in that direction.

The great June-July troop movement from the States was well under way, and, although these troops were to be given some preliminary training before being put into action, their very presence warranted the use of all the older divisions in the confidence that we did not lack reserves. Elements of the Forty-second Division were in the line east of Rheims against the German offensive of July 15, and held their ground unflinchingly. On the right flank of this offensive four companies of the Twenty-eighth Division were in position in face of the advancing waves of the German infantry. The Third Division was holding the bank of the Marne from the bend east of the mouth of the Surmelin to the west of Mézy, opposite Chateau-Thierry, where a large force of German infantry sought to force a passage under support of powerful artillery concentrations and under cover of smoke screens. A single regiment of the Third wrote one of the most brilliant pages in our military annals on this occasion. It prevented the crossing at certain points on its front while, on either flank the Germans, who had gained a footing, pressed forward. Our men, firing in three directions, met the German attacks with counterattacks at critical points and succeeded in throwing two German divisions into complete confusion, capturing 600 prisoners.

The great force of the German Chateau-Thierry offensive established the deep Marne salient, but the enemy was taking chances, and the vulnerability of this pocket to attack might be turned to his disadvantage. Seizing this opportunity to support my conviction, every division with any sort of training was made available for use in a counteroffensive. The place of honor in the thrust toward Soissons on July 18 was given to our First and Second Divisions, in company with chosen French divisions. Without the usual brief warning of a preliminary bombardment, the massed French and American artillery, firing by the map, laid down its rolling barrage at dawn while the infantry began its charge. The tactical handling of our troops under these trying conditions was excellent throughout the action. The enemy brought up large numbers of reserves and made a stubborn defense both with machine guns and artillery, but through five days' fighting the First Division continued to advance until it had gained the heights above Soissons and captured the village of Berzy-le-sec. The Second Division took Beau Repaire farm and Vierzy in a very rapid advance and reached a position in front of Tigny at the end of its second day. These two divisions captured 7,000 prisoners and over 100 pieces of artillery.

The Twenty-sixth Division, which, with a French division, was under command of our First Corps, acted as a pivot of the movement toward Soissons. On the 18th it took the village of Torcy while the Third Division was crossing the Marne in pursuit of the retiring enemy. The Twenty-sixth attacked again on the 21st, and the enemy withdrew past the Chateau-Thierry-Soissons road. The Third Division, continuing its progress, took the heights of Mont St. Père and the villages of Chartèves and Jaulgonne in the face of both machine-gun and artillery fire.

On the 24th, after the Germans had fallen back from Trugny and Epieds, our Forty-second Division, which had been brought over from the Champagne, relieved the Twenty-sixth, and, fighting its way through the Forêt de Fère, overwhelmed the nest of machine guns in its path. By the 27th it had reached the Ourcq, whence the Third and Fourth Divisions were already advancing, while the French divisions with which we were cooperating were moving forward at other points.

The Third Division had made its advance into Roncheres Wood on the 29th and was relieved for rest by a brigade of the Thirty-second. The Forty-second and Thirty-second undertook the task of conquering the heights beyond Cierges, the Forty-second capturing Sergy and the Thirty-second capturing Hill 230, both American divisions joining in the pursuit of the enemy to the Vesle, and thus the operation of reducing the salient was finished. Meanwhile the Forty-second was relieved by the Fourth at Chéry-Chartreuve and the Thirty-second by the Twenty-eighth, while the Seventy-seventh Division took up a position on the Vesle. The operations of these divisions on the Vesle were under the Third Corps, Maj. Gen. Robert L. Bullard, commanding.

BATTLE OF ST. MIHIEL.

With the reduction of the Marne salient we could look forward to the concentration of our divisions in our own zone. In view of the forthcoming operation against the St. Mihiel salient, which had long been planned as our first offensive action on a large scale, the First Army was organized on August 10 under my personal command. While American units had held different divisional and corps sectors along the western front, there had not been up to this time, for obvious reasons, a distinct American sector; but, in view of the important parts the American forces were now to play, it was necessary to take over a permanent portion of the line. Accordingly on August 30 the line beginning at Port sur Seille, east of the Moselle and extending to the west through St. Mihiel, thence north to a point opposite Verdun, was placed under my command. The American sector was afterwards extended across the Meuse to the western edge of the Argonne Forest, and included the Second Colonial French, which held the point of the salient, and the Seventeenth French Corps, which occupied the heights above Verdun.

The preparation for a complicated operation against the formidable defenses in front of us included the assembling of divisions and of corps and army artillery, transport, aircraft, tanks, ambulances, the location of hospitals, and the molding together of all of the elements of a great modern army with its own railheads, supplied directly by our own service of supply. The concentration for this operation,

which was to be a surprise, involved the movement, mostly at night, of approximately 600,000 troops, and required for its success the most careful attention to every detail.

The French were generous in giving us assistance in corps and army artillery, with its personnel, and we were confident from the start of our superiority over the enemy in guns of all calibers. Our heavy guns were able to reach Metz and to interfere seriously with German rail movements. The French Independent Air Force was placed under my command, which, together with the British bombing squadrons and our air forces, gave us the largest assembly of aviation that had ever been engaged in one operation on the western front.

From Les Eparges around the nose of the salient at St. Mihiel to the Moselle River the line was roughly 40 miles long and situated on commanding ground greatly strengthened by artificial defenses. Our First Corps (Eighty-second, Ninetieth, Fifth, and Second Divisions), under command of Maj. Gen. Hunter Liggett, restrung its right on Pont-a-Mousson, with its left joining our Third Corps (the Eighty-ninth, Forty-second, and First Divisions), under Maj. Gen. Joseph T. Dickman, in line to Xivray, were to swing in toward Vigneulles on the pivot of the Moselle River for the initial assault. From Xivray to Mouilly the Second Colonial French Corps was in line in the center and our Fifth Corps, under command of Maj. Gen. George H. Cameron, with our Twenty-sixth Division and a French division at the western base of the salient, were to attack three difficult hills—Les Eparges, Combres, and Amaramthe. Our First Corps had in reserve the Seventy-eighth Division, our Fourth Corps the Third Division, and our First Army the Thirty-fifth and Ninety-first Divisions, with the Eightieth and Thirty-third available. It should be understood that our corps organizations are very elastic, and that we have at no time had permanent assignments of divisions to corps.

After four hours' artillery preparation the seven American divisions in the front line advanced at 5 a. m. on September 12, assisted by a limited number of tanks manned partly by Americans and partly by the French. These divisions, accompanied by groups of wire cutters and others armed with bangalore torpedoes, went through the successive bands of barbed wire that protected the enemy's front line and support trenches in irresistible waves on schedule time, breaking down all defense of an enemy demoralized by the great volume of our artillery fire and our sudden approach out of the fog.

Our First Corps advanced to Thiaucourt, while our Fourth Corps curved back to the southwest through Nonsard. The Second Colonial French Corps made the slight advance required of it on very difficult ground, and the Fifth Corps took its three ridges and repulsed a counter attack. A rapid march brought reserve regiments of a division of the Fifth Corps into Vigneulles in the early morning, where it linked up with patrols of our Fourth Corps, closing the salient and forming a new line west of Thiaucourt to Vigneulles and beyond Fresnes-en-Woevre. At the cost of only 7,000 casualties, mostly slight, we had taken 16,000 prisoners and 443 guns, a great quantity of material, released the inhabitants of many villages from enemy domination, and established our lines in a position to threaten Metz. This signal success of the American First Army in its first offensive was of prime importance. The allies found they had a formidable army to aid them, and the enemy learned finally that he had one to reckon with.

MEUSE-ARGONNE OFFENSIVE, FIRST PHASE.

On the day after we had taken the St. Mihiel salient much of our corps and Army artillery which had operated at St. Mihiel and our divisions in reserve at other points were already on the move toward the area back of the line between the Meuse River and the western edge of the forest of Argonne. With the exception of St. Mihiel, the old German front line from Switzerland to the east of Rheims was still intact. In the general attack all along the line the operation assigned the American Army as the hinge of this allied offensive was directed toward the important railroad communications of the German armies through Mezieres and Sedan. The enemy must hold fast to this part of his lines or the withdraw of his forces with four years' accumulation of plants and material would be dangerously imperiled.

The German Army had as yet shown no demoralization and, while the mass of its troops had suffered in morale, its first-class divisions, and notably its machine-gun defense, were exhibiting remarkable tactical efficiency as well as courage. The German general staff was fully aware of the consequences of a success on the Meuse-Argonne line. Certain that he would do everything in his power to oppose us, the action was planned with as much secrecy as possible, and was undertaken with the determination to use all our divisions in forcing decision. We expected to draw the best German divisions to our front and to consume them while the enemy was held under grave apprehension lest our attack should break his line, which it was our firm purpose to do.

Our right flank was protected by the Meuse, while our left embraced the Argonne Forest, whose ravines, hills, and elaborate defense screened by dense thickets had been generally considered impregnable. Our order of battle from right to left was the Third Corps, from the Meuse to Malancourt, with the Thirty-third, Eightieth, and Fourth Divisions in line, and to Third Division as corps reserve; the Fifth Corps, from Malancourt to Vauquois, with Seventy-ninth, Eighty-seventh, and Ninety-first Divisions in line, and the Thirty-second in corps reserve; and the First Corps, from Vauquois to Vienne le Chateau, with Thirty-fifth, Twenty-eighth, and Seventy-seventh Divisions in line, and the Ninety-second in corps reserve. The Army reserve consisted of the First, Twenty-ninth, and Eighty-second Divisions.

On the night of September 25 our troops quietly took the place of the French who thinly held the line in this sector which had long been inactive. In the attack which began on the 26th we drove through the barbed-wire entanglements and the sea of shell craters across No Man's Land, mastering all the first-line defenses. Continuing on the 27th and 28th, against machine guns and artillery of an increasing number of enemy reserve divisions, we penetrated to a depth of from 3 to 7 miles, and took the village of Montfaucon and its commanding hill and Exermont, Gercourt, Cuisy, Septsarges, Malancourt, Ivoiry, Epinonville, Charpentry, Very, and other villages. East of the Meuse one of our divisions, which was with the Second Colonial French Corps, captured Marcheville and Rieville, giving further protection to the flank of our main body. We had taken 10,000 prisoners; we had gained our point of forcing the battle into the open and were prepared for the enemy's reaction, which was bound to come, as he had good roads and ample railroad facilities for bringing up his artillery and reserves.

In the chill rain of dark nights our engineers had to build new roads across spongy, shell-torn areas, repair broken roads beyond No Man's Land, and build bridges. Our gunners, with no thought of sleep, put their shoulders to wheels and dragropes to bring their guns through the mire in support of the infantry, now under the increasing fire of the enemy's artillery. Our attack had taken the enemy by surprise, but, quickly recovering himself, he began to fire counter attacks in strong force, supported by heavy bombardments, with large quantities of gas. From September 28 until October 4 we maintained the offensive against patches of woods defended by snipers and continuous lines of machine guns, and pushed forward our guns and transport, seizing strategical points in preparation for further attacks.

OTHER UNITS WITH ALLIES.

Other divisions attached to the allied armies were doing their part. It was the fortune of our Second Corps, composed of the Twenty-seventh and Thirtieth Divisions, which had remained with the British, to have a place of honor in cooperation with the Australian Corps on September 29 and October 1 in the assault on the Hindenburg line where the St. Quentin Canal passes through a tunnel under a ridge. The Thirtieth Division speedily broke through the main line of defense for all its objectives, while the Twenty-seventh pushed on impetuously through the main line until some of its elements reached Gouy. In the midst of the maze of trenches and shell craters and under cross-fire from machine guns the other elements fought desperately against odds. In this and in later actions, from October 6 to October 19, our Second Corps captured over 6,000 prisoners and advanced over 13 miles. The spirit and aggressiveness of these divisions have been highly praised by the British Army commander under whom they served.

On October 2–9 our Second and Thirty-sixth Divisions were sent to assist the French in an important attack against the old German positions before Rheims. The Second conquered the complicated defense works on their front against a persistent defense worthy of the grimmest period of trench warfare and attacked the strongly held wooded hill of Blanc Mont, which they captured in a second assault, sweeping over it with consummate dash and skill. This division then repulsed strong counterattacks before the village and cemetery of Ste. Etienne and took the town, forcing the Germans to fall back from before Rheims and yield positions they had held since September, 1914. On October 9 the Thirty-sixth Division relieved the Second, and in its first experience under fire withstood very severe artillery bombardment and rapidly took up the pursuit of the enemy, now retiring behind the Aisne.

MEUSE-ARGONNE OFFENSIVE, SECOND PHASE.

The allied progress elsewhere cheered the efforts of our men in this crucial contest as the German command threw in more and more first-class troops to stop our advance. We made steady headway in the almost impenetrable and strongly held Argonne forest, for despite this reinforcement it was our Army that was doing the driving. Our aircraft was increasing in skill and numbers and forcing the issue, and our Infantry and Artillery were improving rapidly with each new experience. The replacements fresh from home were put into exhausted divisions with little time for training, but they had the advantage of serving beside men who knew their business and who had almost become veterans overnight. The enemy had taken every advantage of the terrain, which especially favored the defense, by a prodigal use of machine guns manned by highly trained veterans and by using his artillery at short ranges. In the face of such strong frontal positions we should have been unable to accomplish any progress according to previously accepted standards, but I had every confidence in our aggressive tactics and the courage of our troops.

On October 4 the attack was renewed all along our front. The Third Corps tilting to the left followed the Brieulles-Cunel road; our Fifth Corps took Gesnes while the First Corps advanced for over 2 miles along the irregular valley of the Aire River and in the wooded hills of the Argonne that bordered the river, used by the enemy with all his art and weapons of defense. This sort of fighting continued against an enemy striving to hold every foot of ground and whose very strong counterattacks challenged us at every point. On the 7th the First Corps captured Chatel-Chehery and continued along the river to Cornay. On the east of Meuse sector one of the two divisions cooperating with the French captured Consenvoye and the Haumont Woods. On the 9th the Fifth Corps, in its progress up the Aire, took Fleville, and the Third Corps, which had continuous fighting against odds, was working its way through Brieulles and Cunel. On the 10th we had cleared the Argonne Forest of the enemy.

It was now necessary to constitute a second army, and on October 9 the immediate command of the First Army was turned over to Lieut. Gen. Hunter Liggett. The command of the Second Army, whose divisions occupied a sector in the Woevre, was given to Lieut. Gen. Robert L. Bullard, who had been commander of the First Division and then of the Third Corps. Maj. Gen. Dickman was transferred to the command of the First Corps, while the Fifth Corps was placed under Maj. Gen. Charles P. Summerall, who had recently commanded the First Division. Maj. Gen. John L. Hines, who had gone rapidly up from regimental to division commander, was assigned to the Third Corps. These four officers had been in France from the early days of the expedition and had learned their lessons in the school of practical warfare.

Our constant pressure against the enemy brought day by day more prisoners, mostly survivors from machine-gun nests captured in fighting at close quarters. On October 18 there was very fierce fighting in the Caures Woods east of the Meuse and in the Ormont Woods. On the 14th the First Corps took St. Juvin, and the Fifth Corps, in hand-to-hand encounters, entered the formidable Kriemhilde line, where the enemy had hoped to check us indefinitely. Later the Fifth Corps penetrated further the Kriemhilde line, and the First Corps took Champigneulles and the important town of Grandpre. Our dogged offensive was wearing down the enemy, who continued desperately to throw his best troops against us, thus weakening his line in front of our allies and making their advance less difficult.

DIVISIONS IN BELGIUM.

Meanwhile we were not only able to continue the battle, but our Thirty-seventh and Ninety-first Divisions were hastily withdrawn from our front and dispatched to help the French Army in Belgium. Detraining in the neighborhood of Ypres, these divisions advanced by rapid stages to the fighting line and were assigned to adjacent French corps. On October 31, in continuation of the Flanders offensive, they attacked and methodically broke down all enemy resistance. On November 3 the Thirty-seventh had completed its mission in dividing the enemy across the Escaut River and firmly established itself along the east bank included in the division zone of action. By a clever flanking movement troops of the Ninety-first Division captured Spitaals Bosschen, a difficult wood extending across the central part of the division sector, reached the Escaut, and penetrated into the town of Audenarde. These divisions received high commendation from their corps commanders for their dash and energy.

MEUSE ARGONNE—LAST PHASE.

On the 23d the Third and Fifth Corps pushed northward to the level of Buntheville. While we continued to press forward and throw back the enemy's violent counterattacks with great loss to him, a regrouping of our forces was under way for the final assault. Evidences of loss of morale by the enemy gave our men more confidence in attack and more fortitude in enduring the fatigue of incessant effort and the hardships of very inclement weather.

With comparatively well-rested divisions, the final advance in the Meuse-Argonne front was begun on November 1. Our increased artillery force acquitted itself magnificently in support of the advance, and the enemy broke before the determined infantry, which, by its persistent fighting of the past weeks and the dash of this attack, had overcome his will to resist. The Third Corps took Aincreville, Doulcon, and Andevanne, and the Fifth Corps took Landres et St. Georges and pressed through successive lines of resistance to Bayonville and Chennery. On the 2d the First Corps joined in the movement, which now became an impetuous onslaught that could not be stayed.

On the 3d advance troops surged forward in pursuit, some by motor trucks, while the artillery pressed along the country roads close behind. The First Corps reached Authe and Châtillon-Sur-Bar, the Fifth Corps, Fosse and Nouart, and the Third Corps Halles, penetrating the enemy's line to a depth of 12 miles. Our large caliber guns had advanced and were skillfully brought into position to fire upon the important lines at Montmedy, Longuyon, and Conflans. Our Third Corps crossed the Meuse on the 5th and the other corps, in the full confidence that the day was theirs, eagerly cleared the way of machine guns as they swept northward, maintaining complete coordination throughout. On the 6th a division of the First Corps reached a point on the Meuse opposite Sedan, 25 miles from our line of departure. The strategical goal which was our highest hope was gained. We had cut the enemy's main line of communications, and nothing but surrender or an armistice could save his army from complete disaster.

In all 40 enemy divisions had been used against us in the Meuse-Argonne battle. Between September 26 and November 6 we took 26,059 prisoners and 468 guns on this front. Our divisions engaged were the First, Second, Third, Fourth, Fifth, Twenty-sixth, Twenty-eight, Twenty-ninth, Thirty-second, Thirty-third, Thirty-fifth, Thirty-seventh, Forty-second, Seventy-seventh, Seventy-eighth, Seventy-ninth, Eightieth, Eighty-second, Eighty-ninth, Ninetieth, and Ninety-first. Many of our divisions remained in line for a length of time that required nerves of steel, while others were sent in again after only a few days of rest. The First, Fifth, Twenty-sixth, Forty-second, Seventy-seventh, Eightieth, Eighty-ninth, and Ninetieth were in the line twice. Although some of the divisions were fighting their first battle, they soon became equal to the best.

OPERATIONS EAST OF THE MEUSE.

On the three days preceding November 10, the Third, the Second Colonial, and the Seventeenth French Corps fought a difficult struggle through the Meuse Hills south of Stenay and forced the enemy into the plain. Meanwhile, my plans for further use of the American forces contemplated an advance between the Meuse and the Moselle in the direction of Longwy by the First Army, while, at the same time, the Second Army should assure the offensive toward the rich iron fields of Briey. These operations were to be followed by an offensive toward Chateau-Salins east of the Moselle, thus isolating Metz. Accordingly, attacks on the American front had been ordered, and that of the Second Army was in progress on the morning of November 11, when instructions were received that hostilities should cease at 11 o'clock a. m.

At this moment the line of the American sector, from right to left, began at Port-Sur-Seille, thence across the Moselle to Vandieres, and through the Woevre to Bezonvaux in the foothills of the Meuse, thence along to the foothills and through the northern edge of the Woevre forests to the Meuse at Mouzay, thence along the Meuse connecting with the French under Sedan.

RELATIONS WITH THE ALLIES.

Cooperation among the allies has at all times been most cordial. A far greater effort has been put forth by the allied armies and staffs to assist us than could have been expected. The French Government and Army have always stood ready to furnish us with supplies, equipment, and transportation and to aid us in every way. In the towns and hamlets wherever our troops have been stationed or billeted the French people have everywhere received them more as relatives and intimate friends than as soldiers of a foreign army. For these things words are quite inadequate to express our gratitude. There can be no doubt that the relations growing out of our associations here assure a permanent friendship between the two peoples. Although we have not been so intimately associated with the people of Great Britain, yet their troops and ours when thrown together have always warmly fraternized. The reception of those of our forces who have passed through England and of those who have been stationed there has always been enthusiastic. Altogether it has been deeply impressed upon us that the ties of language and blood bring the British and ourselves together completely and inseparably.

STRENGTH.

There are in Europe altogether including a regiment and some sanitary units with the Italian Army and the organizations at Murmansk, also including those en route from the States, approximately 2,053,347 men, less our losses. Of this total there are in France 1,338,169 combatant troops. Forty divisions have arrived, of which the Infantry personnel of 10 have been used as replacements, leaving 30 divisions now in France organized into three armies of three corps each.

The losses of the Americans up to November 18 are: Killed and wounded, 36,145; died of disease, 14,811; deaths unclassified, 2,204; wounded, 179,025; prisoners, 2,163; missing, 1,160. We have captured about 44,000 prisoners and 1,400 guns, howitzers, and trench mortars.

COMMENDATION.

The duties of the General Staff, as well as those of the Army and corps staffs, have been very ably performed. Especially is this true when we consider the new and difficult problems with which they have been confronted. This body of officers, both as individuals and as an organization, have, I believe, no superiors in professional ability, in efficiency, or in loyalty.

Nothing that we have in France better reflects the efficiency and devotion to duty of Americans in general than the Service of Supply, whose personnel is thoroughly imbued with a patriotic desire to do its full duty. They have at all times fully appreciated their responsibility to the rest of the Army, and the results produced have been most gratifying.

Our Medical Corps is especially entitled to praise for the general effectiveness of its work both in hospital and at the front. Embracing men of high professional attainments, and splendid women devoted to their calling and untiring in their efforts, this department has made a new record for medical and sanitary proficiency.

The Quartermaster Department has had difficult and various tasks, but it has more than met all demands that have been made upon it. Its management and its personnel have been exceptionally efficient and deserve every possible commendation.

As to the more technical services, the able personnel of the Ordnance Department in France has splendidly fulfilled its functions, both in procurement and in forwarding the immense quantities of ordnance required. The officers and men and the young women of the Signal Corps have performed their duties with a large conception of the problem and with a devoted and patriotic spirit, to which the perfection of our communications daily testify. While the Engineer Corps has been referred to in another part of this report, it should be further stated that the work has required large vision and high professional skill, and great credit is due their personnel for the high proficiency that they have constantly maintained.

Our aviators have no equals in daring or in fighting ability and have left a record of courageous deeds that will ever remain a brilliant page in the annals of our Army. While the Tank Corps has had limited opportunities, its personnel has responded gallantly on every possible occasion and has shown courage of the highest order.

The Adjutant General's Department has been directed with a systematic thoroughness and excellence that surpassed any previous work of its kind. The Inspector General's Department has risen to the highest standards and throughout has ably assisted commanders in the enforcement of discipline. The able personnel of the Judge Advocate General's Department has solved with judgment and wisdom the multitude of difficult legal problems, many of them involving questions of great international importance.

It would be impossible in this brief preliminary report to do justice to the personnel of all the different branches of this organization which I shall cover in detail in a later report.

The Navy in European waters has at all times most cordially aided the Army, and it is most gratifying to report that there has never before been such perfect cooperation between these two branches of the service.

As to Americans in Europe not in the military services, it is the greatest pleasure to say that, both in official and in private life, they are intensely patriotic and loyal, and have been invariably sympathetic and helpful to the Army.

Finally, I pay the supreme tribute to our officers and soldiers of the line. When I think of their heroism, their patience under hardships, their unflinching spirit of offensive action, I am filled with emotion which I am unable to express. Their deeds are immortal, and they have earned the eternal gratitude of our country.

I am, Mr. Secretary, very respectfully,

JOHN J. PERSHING,
General, Commander in Chief
American Expeditionary Forces.

To the SECRETARY OF WAR.

LEAGUE OF NATIONS FOR PEACE.

Mr. McKELLAR. Mr. President, I had expected to begin a little earlier in the afternoon, but Senator CHAMBERLAIN'S speech took longer than I expected and, therefore, I am going to ask Senators, if they will, to let me proceed without interruption until I have concluded the main argument and then I shall be delighted to answer any questions that any Senator may wish to ask. I am going to speak for a few moments in behalf of the policies and principles advocated by a distinguished American who is temporarily outside of the boundaries of the United States, as everybody in the world knows; an American citizen who has gone to Europe on a very important mission on behalf of the United States, of which he is the legal representative and spokesman. Attacks have been made upon him since he left, attacks from the rear, attacks that I think ought not to have been made, and certainly not during his absence on a perfectly lawful and entirely proper mission involving the best welfare of our Nation. To these attacks I wish to reply for a short time this afternoon.

Mr. President, on Wednesday, December 18, the junior Senator from Pennsylvania [Mr. KNOX], and on Saturday, December 21, the senior Senator from Massachusetts [Mr. LODGE], respectively, made speeches in this body in effect taking President Wilson severely to task for insisting upon the first four and the last of his celebrated 14 points, as stated by him on January 8, 1918, being taken up, considered, and agreed upon at the ensuing peace council at Versailles. Both gentlemen argued most ably and strenuously in favor of the peace conference postponing to a later date any consideration of the President's points involving secret diplomacy, freedom of the seas, economic barriers, or disarmament, or a league of nations to secure peace. Both substantially predicted failure of the President's peace proposals, and both, if we believe the reports of the newspapers, virtually served notice on the President that if the forthcoming peace treaty contained any provision on these five subjects the treaty would not be ratified by the Senate. I assume that these two distinguished Senators essayed to speak for the party that will be dominant in this body after March 4.

Mr. President, being a new Member of this body, I can not hope that anything I may say on this subject will be considered as a reply to the able speeches made by these distinguished gentlemen, and I realize that I am taking a risk of being called presumptuous in daring to oppose their conclusions; and yet,

differing from the views expressed by them, as I do, believing that their premises are totally unsound; believing that their fears are wholly unfounded; believing that their opinions can work nothing but disaster to American aims and American ideals in the forthcoming conference; believing that the announcement and publication of such views just in advance of the opening of the conference are calculated to mislead our allies as well as our former enemies and to work incalculable harm to our beloved country, I can not refrain from giving to the Senate and to the country the views that I have on this vital subject.

AMERICA MUST LEAD.

On August 23, 1918, in delivering a speech in this body, Senator LODGE, among other things, said:

The United States occupies virtually a position in which she will be able to speak with a powerful voice. We seek no territory, no material gain for our country. We seek only the safety of civilization and freedom, and the assurance of our own absolute independence and our right to live our own lives and settle our own problems in our own way. There is no territory by which we could be bribed or influenced; no trade advantage by which we could be tempted. There is no personal profit which can turn us from our one great object.

These were the words of wisdom uttered by the distinguished senior Senator from Massachusetts as late as the latter part of last summer. He seems to have changed his mind since the war has been won, and especially since the November election.

Mr. President, it is conceded by all thoughtful persons that the ensuing peace conference will be the most important gathering, the most epochal council of men that ever assembled together in the world's history. The result of this conference will either mean a permanent and an enduring world peace or it will be but the prelude and the incitement to other wars. If calm, deliberate, and disinterested counsel prevails, the world will never see again such a horrible cataclysm of war as it has witnessed since August, 1914. On the other hand, if doubt, if distrust, if national or international jealousies, or national or international greed, or a spirit of national or international injustice prevails, then, whatever the result of the council, it will be but a short time before the unavoidable happens and the nations will be at war again.

Mr. President, America must take the lead in bringing about a just peace and a righteous settlement of all the controversies in this war or which have grown out of this war, for the reasons that were so splendidly stated by Senator LODGE in that part of his August speech quoted above. I say America must lead not solely because I believe America is better than any other nation, though I do believe that, but more particularly because America is so situated that she can best take the lead. As Senator LODGE in August so well pointed out, but which views he now seems to have forgotten, she is virtually asking for nothing in this war; she is asking for no territory; she is asking for no indemnity; she is asking for nothing except the right to work out her own destiny in her own way, and that every other nation, great or small, shall have precisely the same right. Her attitude throughout this world war has been altruistic in the extreme. She entered the war with the most exalted of purposes. She entered the war in defense of her own rights on the seas and to prevent all Christian civilization, including her own, from being obliterated from the earth. Under these favorable circumstances, therefore, America is in a peculiar position that no other of the great nations is in. Each and every one of the other belligerents has selfish interests at stake. They are making demands for indemnity. They are asking restitution of territory. They are seeking larger rights, and therefore they are not in a position as America is to fight for these principles and ideals which caused America to go into the war and which have brought about the successful prosecution of the war.

WAR FOUGHT ON WILSON'S 14 PRINCIPLES.

Mr. President, these principles and ideals were expressed by our President in his message to the Congress on April 2, 1917, as a result of which the Congress declared war on Germany immediately. They were again expressed by him in an address to the Congress on January 8, 1918. This was the address in which the celebrated 14 points were set forth by the President amid the plaudits of the world. Again these principles were announced and elaborated in an address at Mount Vernon on July 4, 1918. They were further elaborated in an address at New York City September 27, 1918. At the time these various messages and speeches of the President were delivered, setting forth the great principles for which we were fighting, the war was in full blast. Each and every one of these pronouncements was immediately after its publication approved by every leading statesman in this country and by every leading statesman in Europe whose government was cooperating with us in this war. It was approved by the press of the world. Not one word of criticism, except by our enemies. Not one word of dissent, except in Germany and in Austria. Every word was a word of praise. Many Senators on both sides of this Chamber gave out newspaper statements indorsing each and every one of the pronouncements of our President above referred to. I may say right here that several of the men who have been loudest in their criticisms of the President since the war has ended and since the election in November were before that time strongest in their indorsement of every word that he uttered on the subject. Representatives of the British Government, of the French Government, of the Italian Government, all applauded these speeches of President Wilson. They were so just, so fair, so well put, so timely, that intelligent men everywhere on this side of the water and on the other side of the water immediately indorsed them, and even Germany, Austria, and Turkey, our enemies in this war, later came along and indorsed these principles and asked that the war be settled in accordance with them.

FIRST DISSENT HEARD IN AMERICA AND IN ENGLAND.

The first word of dissent, the first word of criticism, the first word of question, came after the war was ended. As I recall, it first came from certain English newspapers, and immediately opponents of the President in this Chamber came along and reuttered what those English papers and those English statesmen were saying. At first these dissents and criticisms were not open, but lately the two distinguished Senators that I have mentioned, both able and vigorous men of long service, both men of distinguished rank in the Senate—one of them a former Attorney General, former Secretary of State, and for a long time a Senator in this body, and one of the great lawyers of the country, and the other a former Congressman and a Senator for a quarter of a century nearly, and a writer that is second to none in this country, a master of the English language—these two have come forward at this time, not to uphold the principles which they formerly applauded, not to uphold and defend the head of our Government in his fight for a righteous and enduring peace, not to uphold the high ideals which our Nation has so gloriously stood for in this war, but to tear down, to disrupt, to postpone, and apparently to prevent, if possible, as it seems to me, the fulfillment of the high aims and principles for which this country went into this war.

THE KNOX RESOLUTION.

Mr. President, I desire to discuss the resolution and the speech of the Senator from Pennsylvania first. The resolution of the Senator from Pennsylvania sets up, in substance, that we went to war "to vindicate the ancient rights of navigation as established under international law and in order to remove forever the German menace to our peace"; that we are now entitled only to "restitution, reparation, and guaranties against the German menace." Note in both cases the Senator limits our purposes and our rights in the ensuing treaty to a disposition of the "German menace." Mr. President, if that is all that we fought for, if that is all that we went into this war for, we need not have representatives at the peace table at all. The collapse of Germany and the consequent armistice have already taken care of these things. We have already vindicated the ancient rights of navigation, and surely Germany is no longer a menace to our peace. With her navy in the hands of ourselves and allies, with her merchant marine largely in our hands, with her government in the hands of the Bolshevists, and almost in bankruptcy, with her armies worn out and defeated, with her Emperor and his son abdicated and in exile and his family scattered to the four winds, with large portions of German territory in the hands of the allies, with her entire country hemmed in and guarded by her victorious enemies, surely Senator KNOX or no one else believes that America need go to a peace conference to protect herself from the German menace. The armistice already signed guarantees everything that the Knox resolution demands except reparation, and it is well known that our Government will not ask for reparation, and even Senator KNOX argues against reparation. If we are to follow Senator KNOX's resolution, there is not only no necessity for America taking part in the conference, but she has no right to be there. She has done all that she proposed. It is true that he says we should set up new free States in "Mittel Europa" as guaranties against "a powerful nation such as Germany," and suggests that such new free States may need protection; but then again he immediately becomes hopeless of such a task and explains that we must "look for limits to the obligations which America could wisely share with Europe." How helpless and hopeless is America in her position at the peace table in the opinion of Senator KNOX.

SENATOR KNOX'S SPEECH.

The Senator, after setting forth his resolution and discussing our aims, then says:

Can we not perceive emerging from these facts a new American doctrine? I will state this great new doctrine in these words: If a situation should arise in which any power or combination of powers should,

directly or indirectly, menace the freedom and peace of Europe, the United States would regard such situation with grave concern as a menace to its own peace and freedom and would consult with other powers affected with a view to concerted action for the removal of such menace.

Further on in his speech he says:

If this had been the avowed and understood policy of the United States from July, 1914, it is in my judgment very improbable that the war would have occurred.

Again, he says:

Let us suppose, for example, that there should be proposed a permanent entente of the English-speaking peoples and of the French, Italians, and Japanese to enforce this peace; to consult together to maintain peace; to cooperate economically, each recognizing the other's leadership in its peculiar field, and to form a permanent committee for consultation on these subjects. The question could then arise as to whether the United States should for general purposes join in or remain outside such an entente. I think the day has gone by for the rejection on principle of our close association of this Government with governments of other countries. To dogmatize against any possible entente under any possible circumstances would be almost as unreasonable as to wish to rush headlong into some Utopian world league.

Mr. President, in these statements the learned Senator admits the necessity and the effectiveness of precisely what President Wilson is trying to do at the peace council, namely, to remove the cause of international disturbances and to prevent future wars. If the announcement of such a simple doctrine by the United States as that just stated by the Senator would have prevented the present war, the most destructive war in all history, how vastly more effective would be the same doctrine stated, ratified, and agreed upon with mutual covenants, not only by the United States alone but by all the great nations of the world. Apparently Senator KNOX not only believes in the efficacy of a world agreement to secure peace but he has a plan for it. He shows that he believes that the peace of the world can be maintained by a concert of the powers without the necessity of a world republic, which no one is advocating. The only difference between these statements and the statements believed in by the President seems to be that Mr. KNOX calls it an entente and the President calls it an association or league of nations.

SUPERREPUBLIC BUGABOO.

The Senator from Pennsylvania then sets up a superrepublic bugaboo, and by innuendo suggests that the President of the United States is negotiating for such a government to be called the league of nations, with a view to putting such a government over and above the United States of America. He points out several unconstitutional features of such a government.

Mr. President, of course we could not, under our Constitution, create such a government. Of course we could not devolve upon such other government the right that only the Congress has to declare war. Of course we could not impart to some other government the sovereignty that belongs to America, and everybody knows that the President and no one else in authority is attempting to provide such an unconstitutional league of nations. The Senator simply sets up a straw man and then proceeds to knock him down.

POSTPONEMENT PLEA.

After demolishing his straw man, after proving that we must not have an unconstitutional league of nations, which nobody is demanding, after showing that he believes in an entente of nations for the prevention of future wars, the real purpose and intention of his speech is set forth in its last paragraphs, which I here quote:

1. That the issues of the war were issues between the central powers and the allies and ourselves. The function of a peace treaty is to settle these issues.

2. The issues as to a league of nations and a revision of the laws of the seas are issues between the allies themselves and between them and each of them and all of the neutral powers.

3. I have shown conclusively that upon these latter issues there exists the widest diversity of opinion, and I have concluded that it is wise not to force upon a conference that must adjust the comparatively simple demands of the one the complexities and confusions of the other.

I am astounded at this logic of the Senator. I am one of his great admirers. I admire his mentality, his vigor, and his fairness on ordinary occasions. But it seems quite remarkable that the Senator is willing to say that the creation of a new Poland, or the establishment of a Czecho-Slav or a Jugo-Slav nation, or that the taking of territory from Germany and giving it to a neutral, or that the opening of private channels of commerce to all the world are "comparatively simple demands," while the revision of the laws of the seas or an agreement of nations to guard against wars in the future are so complicated that they ought not even to be considered. It is a strange logic, it is a strange contention, and, in my judgment, one wholly without merit. Before this peace conference is over it will be found that more time will be given, more diversity of opinion will arise about the creation of new States than can possibly arise from the consideration of any other question.

POSTPONEMENT IS WEAPON OF ENEMY DEFENSE.

Mr. President, the Senator from Pennsylvania is a great lawyer. He is familiar with every phase of legal pleading and practice. This war may be likened to a great lawsuit. The only difference is that in a lawsuit the parties apply to the arbitrament of the courts. In this war the parties have applied to the arbitrament of arms. This war is a military lawsuit between all the allied nations on the one side and the central powers on the other. It has been decided by the arbitrament of arms in favor of the allies. The pleadings are all in. The proof has all been taken. The decision has been reached. The case is ready for a decree. The only thing that is necessary in this great military lawsuit is for a final decree to be spread upon the minutes of the last court, which, in this case, is the ensuing peace conference. Can it be said that any one of these points pressed by the President is not within the pleadings of the evidence? Surely the distinguished Senator would not say that the freedom of the seas is not in issue in this war, when it was one of the basic reasons for America entering the war. Surely the Senator would not argue that the preservation of peace was not one of the basic grounds of our entering into the war and one of the leading issues in the pleadings. I do not believe that he would so contend for a moment, because not only these two points but every one of the points raised by President Wilson are not only within the pleadings as a matter of fact, but they were put there in so many words by the President himself in making up America's case, and then affirmed and confirmed not only by all the thoughtful men in this country but by all thoughtful men in all the civilized nations of the world. The pleadings were specific. The contentions were pronounced. The war has been won upon them. The whole world has had notice that these were the pleadings in the case, and to my mind the decree should be as full and complete as can be had under the terms of the pleadings, under the issues that have been made up, and under the proof that is now all in. But the Senator says:

The object of my resolution is not to condemn in advance any league of nations (and least of all the existing entente, or a permanent understanding of all the English-speaking peoples) of a kind that might in time commend itself to the considered judgment of the American people. The object of my resolution is simply to postpone the larger and very disputable question of some comprehensive league of nations for that separate and very deliberate consideration that its nature demands and that an act of Congress has already sanctioned. After all, why such hurry? If a league of nations is a good thing, surely its merit will be the better appreciated after careful study.

WHY POSTPONE?

Mr. President, I do not understand this reasoning of the Senator. I do not understand this demand for a postponement of the decree. What is the motive behind it? What is the reason for it? We have won the judgment. The issues have all been decided in our favor. Why not enter the decree of record? Why should we receive a part of the fruits of victory now and postpone the remainder until some other time? I can understand always why the lawyer for a defendant desires to enter a partial decree, but I can not understand why the representative of the complainant is unwilling to take a full decree after he has obtained a decision in his favor. It can not be explained by the statement that the relief sought is too complicated. If America was strong enough, was able enough to win the fight, she has got men strong enough and able enough to secure in a decree the objects and purposes for which she fought, and it is immaterial whether the fruition of these objects and purposes is to be called an entente, as named by the Senator from Pennsylvania, or a league of nations, as named by the President of the United States.

ADDRESS OF SENATOR LODGE.

And then comes the learned Senator from Massachusetts and coincides with the position taken by Senator KNOX and elaborates upon it and says he is willing for a judgment to be entered upon nine of the President's issues, but that he positively objects to a judgment upon the five main issues at this time. The issues which the learned Senator from Massachusetts objects to a judgment upon now are the following demands of President Wilson:

1. Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view.

2. Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

3. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

4. Adequate guaranties given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.

And then the fourteenth point, which is as follows:

A general association of nations must be formed under specific covenants for the purpose of affording mutual guaranties of political independence and territorial integrity to great and small States alike.

The learned Senator then proceeds to take these five points up and discuss them and declare that their consideration ought to be entirely postponed at this time.

By the way, I was very much amused this morning, as I suppose a number of you were who heard the distinguished Senator from Massachusetts, and as well the distinguished Senator from Pennsylvania. The burden of both their speeches was, "What do these points mean? We do not understand them; we can not understand them; why could they not have been given to us in plain everyday English?" But, lo and behold, no less a personage than ex-President Taft came out in an article, printed on the front page of the Washington Post this morning, trying to explain what the Senator from Massachusetts [Mr. LODGE] meant in his speech the other day. It looks as if somebody else is using language that needs explanation. According to ex-President Taft, Senator LODGE did not mean that he was opposed to a league of nations. His language surely intimated he was, but ex-President Taft construes the language and puts another interpretation on it. Somebody must have been hearing from over across the water lately. He did not mean what his language implied; he just meant a very gentle postponement of these important measures. What does a "gentle postponement" in this case mean? It means the defeat of these great principles for which our President has gone across the water. Everybody knows that in this case postponement means defeat. President Taft explaining what Senator LODGE means is indeed funny.

THE KIND OF PEACE SENATOR LODGE WANTS.

Ah, Mr. President, I wish now to quote Senator LODGE before the election as compared with the speech of Senator LODGE since the election. There is no man in this country, not even the President himself perhaps, as some of Senator LODGE's friends claimed at the time, who could have expressed the war aims of this country better than they were expressed by Senator LODGE on August 23 last. Here is what he said:

They include the restoration of Belgium, the return of Alsace-Lorraine to France, of the Italia Irrendenta to Italy, the establishment of a Jugo-Slav State, and of an independent State formed by the Czecho-Slovaks. They include also the security of Greece, the settlement of Albania and Montenegro, the restoration of Roumania, the consolidation of all the Roumanian people under one government, as well as the neutralization of the straits, the putting of Constantinople under international protection, with Greece perhaps as the mandatory of the powers to administer the affairs of the city, the independence of Armenia, the return of those portions of Asia Minor where Greeks are predominant to Greece, the protection of Syria and Palestine from the Turks, a large, powerful, and independent Polish State, the independence of Russia's Baltic Provinces, the return of Danish Schleswig to the Danes, and the neutralization of the Kiel Canal.

A splendid statement of the war aims of this country. Then, Mr. President, he goes on to say:

These physical guaranties which I have thus far suggested have but one object, and that is to hem Germany in so she can not attempt conquest in Russia or in the East, and that the Slavic populations, which she has mercilessly used in her wars, can never be used by her again.

He then says:

There must be heavy indemnities paid by Germany for the ruin she has wrought in Belgium and northern France and in Italy, and for her destruction of vessels, both neutral and belligerent, through the use of submarines.

He then suggests what disposition of German colonies shall be determined, affirming we can not shirk the world Russian question; that the Empire of China must be dealt with for our protection. Senator LODGE has changed his views since he made that August speech.

SUCH A PEACE WORTHLESS TO EVERYBODY.

There are the questions that the Senator from Massachusetts admits must be determined by the ensuing peace council. What a strange position. We must do all these things; we must readjust the maps of Europe and of Asia and of Africa, but we must take no united step to guarantee that the decree will be carried out. For instance, we must set apart a new Poland, but make no international guaranty that the new Poland will remain as we have ordained. We must make a Jugo-Slav State, but we must make no agreement to see that the Jugo-Slav nation is permitted to live and work out its own destiny. We must make a Czecho-Slovak State, but we must take no allied precaution to see that the Czecho-Slovak State might be permitted to work out its own destiny. We must mark out new boundaries for Roumania, but we must make no lasting agreement that will be binding alike upon all the nations to uphold the boundaries that we have made. We must even make a new Russia, but make no international agreement to uphold the new Russia to which we give life, and so on all down the line.

It is true that Senator LODGE says:

We are as much bound, not merely by interest and every consideration for a safe future but by honor and self-respect, to see that the terms of peace are carried out as we were to fulfill our great determination that the armies of Germany should be defeated in the field. We can not halt or turn back now. We must do our share to carry out the peace as we have done our share to win the war, of which the peace is an integral part.

We can not leave the Jugo-Slavs, the Czecho-Slovaks, and the Poles, the Lithuanians, and the other States which we hope to see formed and marching upon the path of progress and development unaided and alone.

The distinguished Senator says that we, the United States, must protect all of these States, that we must uphold them in their territorial boundaries, that we must see that they work out their destinies in their own way, but we must have no international agreement for this purpose. The other nations must not help us, we must make no contract with them to help us. How can we help them, how can we uphold them, how can we maintain them unless we enter into a formal agreement with the nations of the world setting forth the terms and the obligations thereof? It would take a standing army of 2,000,000 men.

If we follow out the doctrine of these two distinguished Senators, we give to these new nations a paper decree that anybody may break at will, for America by herself can not protect them all. We will be doing for them just what these Senators know has been done to many others—to Bulgaria, to Turkey, to Greece, to Serbia and Montenegro, and other small nations.

Referring again to my simile of the lawsuit:

If we follow the advice of Senator KNOX, we win on the pleadings and the decree, but we lose on the judgment. If we follow the additional advice of Senator LODGE, we win on the judgment, but we lose on the execution. In either event, we lose what we have been fighting for. Ah, Mr. President, if this peace council has a right to take up the various subjects of controversy that are set out by the Senator from Massachusetts, and no one questions that right, then it must follow as night follows day that some international arrangement must be made to enforce the decrees that we make in reference to these various States and as to these various questions. It will be utterly useless to write the decree unless we have the international force and power behind it to enforce it. The United States can not and should not do it alone.

THE LEAGUE OF NATIONS.

Mr. President, in my humble judgment the great mistake that is being made by these distinguished Senators, and by those who follow their lead, is that they are giving to the term "league of nations" a meaning that they should not give to it, a meaning that the President of the United States has never given to it, a meaning that no other representative of a great nation has ever given to it. Apparently they assume that a league of nations is to be a supergovernment established for the world, and that the various nations of the earth are to be merely subject States to that government. Apparently they regard a league of nations as a government with the power to tax, a government with the only army and navy on earth, and a government with jurisdiction over the earth and sea and air and over all other governments now in existence.

Mr. President, if it was desired by anybody to form such a supergovernment, I for one would never agree to it. I for one would never be willing to give up American sovereignty. I should never, for instance, be willing to give up the Monroe doctrine. I should never be willing to give up the power of America to exclude from her borders any persons whom she saw fit to exclude. I would not be willing to violate any provision of the American Constitution. In other words, I would not be willing to give up any part of American sovereignty as a nation. I would not have the right to do so under the Constitution. I have been sworn to uphold and protect and defend the Constitution of the United States. I would never besmirch that instrument or do aught against the terms of that instrument directly or indirectly.

Mr. President, there is no such purpose, as I believe, upon the part of anyone believing in a league of nations to secure peace; but what is desired is that this peace conference about to convene at Versailles shall, for the purposes of enforcing the results of this war, of bringing about a lasting peace, of securing to the peoples of each nation, great and small, the right to work out its own destiny in its own way, of securing for all nations the right to trade freely with each other and unmolested upon the high seas, of cutting down armaments to save taxes upon the people, of providing for open and aboveboard international agreements—these are the objects which we ask to be secured by this great peace conference. The whole question has been argued from time immemorial. The Senator from Pennsylvania says that all such great movements have been argued for many years prior to their accomplishment, and that is true; and so I will

say to the Senator this great movement has been argued for many years and there never was such a time for its accomplishment as right now.

All nations at the table will be willing to give up something in return for that which each may want most. All want to have the right to live in peace. Surely with the great ability that will be found in this conference an international arrangement can be made by which the rights of nations shall be protected along the lines suggested by our own great President. Senators say there should be no league of nations. My reply is there is a league of nations now. Both Senators aver that, and I agree with them on this point. There is indeed no technical league existing between the United States and the other allies, but in reality and truth we find Great Britain, the United States, France, Italy, Belgium, Serbia, Roumania, Japan, and a number of the South American countries, portions of Africa, portions of Asia, all acting together for the purpose of putting an end to the autocratic, military, and inhumane power of Germany, and at the same time prohibit any nation to act like Germany has acted recently. They are all parties to the lawsuit; there is no reason why a final decree should not be made as to the rights and interests of every one of them. The league that we have already is the beginning of a splendid league. It is wholly immaterial whether we invite Germany to come in or not, or Austria to come in or not, or Turkey to come in or not, or whether Bulgaria comes in or not. None of them will have any great influence. No league of nations ought to be created out of the whole cloth, as it were. It should be simply an orderly development of the present league, which has already been created by this world war, and for the present without regard to Germany, save to destroy forever her autocratic and ambitious power. It is idle to talk about not being willing to create a league of nations when the war has already brought forth an inchoate association, and all that is necessary to be done now is to give this league, which has been cooperating without specific agreement, a definite, fixed international agreement in writing by which its future acts can be measured and enforced in behalf of the peace of the world and the freedom of all nations, great and small. The scope, powers, and duties of this league must necessarily be left to the combined wisdom of the peace council creating it. No league of nations must be created say these distinguished Senators. My answer is that it has already been created in fact by the war, and all the President asks and all that the American people ask is that the terms upon which the league has already in fact been founded, and the purposes which have already been in fact agreed to, shall be promptly ratified by the peace council, and so amplified as to make future wars impossible.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Mississippi?

Mr. McKELLAR. I yield.

Mr. WILLIAMS. In that connection and in further reinforcement of what the Senator has just said, I want to call his attention to the existence and the significance of a precedent. There is the British Empire, although it had better be called a confederacy of British Commonwealths. There is no word of written agreement binding together Canada, Australia, New Zealand, and South Africa to the home country of Great Britain, and yet when this war broke out Canada, Australia, New Zealand, and South Africa came very near outdoing the mother country herself in furnishing men, money, and munitions. That is an instance of putting moral force behind the effort to prevent war. The moral force of the British confederacy, Commonwealths—not one but five great English-speaking peoples—was behind the desire of the British Empire to enforce the rights of small nationalities and to fight the war for civilization, and they fought it.

Now, I wish to call the attention of the Senator to a further fact. We speak of the United States, but it is not "this United States" but "these United States," composed of 48 States. We had no word of alliance, we had no political connection, but the minute we found that the rights of humanity and of the peace-loving peoples everywhere were being outraged we went with the forces of the English-speaking race and, together with them, we won this war. There is no doubt about that, because if we had left it to the continent of Europe, Germany would have run over the entire continent.

I wish to call the Senator's attention to the language of Mr. Wilson the other day when he referred to organizing the moral force of the world for the prevention of war and for the keeping of peace. Then I wish to call attention to our own history. When we began our existence we had just a loose confederacy of States.

Mr. McKELLAR. I will say to the Senator that I expect to dwell on that a little later.

Mr. WILLIAMS. However weak it might have been to preserve peace amongst ourselves—and we confessed that it was too weak for that—it was strong enough to unite us in opposition to foreign aggression, and always was, even prior to the adoption of the present Constitution.

Mr. McKELLAR. Mr. President, I thank the Senator for the statement which he makes. It is certainly a strong presentation and in furtherance of the very idea that I am trying to suggest to the Senate and to the country.

SHOULD THE LEAGUE OF NATIONS BE POSTPONED?

It is claimed that we ought to postpone the plan for a league of nations. Senator KNOX's resolution, if passed, would so declare. Senator KNOX, in his speech, earnestly favors postponement. Senator LODGE says to attempt to form a league now would only be to embarrass the peace that we ought to make at once with Germany, and he thinks, too, that it ought to be postponed.

Mr. President, there never was a better time for America to get results than in this peace conference now about to convene. Every nation represented in that council will want something and want it badly. England will want indemnities. She will want all the colonies she can get. She will want all the warships she can get. She will want all the merchant vessels she can get. She will want all the territory that she can get. France will want indemnities. She will want restoration of territory. She will want as many colonies as she can get. She likewise will want ships, merchant and war.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. In just a moment I will yield. I desire to finish this idea. Italy will want indemnities, colonies, ships, and restoration of territory. Serbia and Montenegro will want territory and access to the high seas and should have it. Roumania will want indemnities, restoration of territory, and future protection from her enemies. Belgium will want restoration of property destroyed and taken, indemnities, protection, and guaranties that will not be scraps of paper. Spain will want commercial arrangements. Japan will want many things, and so will China, Australia, and other eastern countries; and Sweden, Norway, Denmark, Holland, Russia, Siberia, and Poland will also want many things and should have them; and Poland and Czecho-Slovakia and Jugo-Slavonia and perhaps other new States will want to be upheld and protected in their new dominions. On the other hand, the United States will stand alone in wanting no material advantage of any kind, nature, or description. She will stand alone as wanting only a square deal for all. Take the United States and her fight for freedom of the seas, for equal justice to all nations, great and small, for open diplomacy, for disarmament, for a guaranty of future peace; if you take all these out of this conference, the conference will degenerate into a second treaty of Vienna, which was simply a disgraceful fight over the spoils of the Napoleonic wars. Indeed, war actually broke out again before the treaty was published. There never was such a time, Mr. President, for America to get an enduring peace and all else that she has so justly asked for, as at this time when all the other nations have selfish demands they are putting forward and when America desires nothing but the right. Postpone her demands for peace and right and justice until after the other nations have divided the spoils of war, and I doubt if enough interest could be aroused in Europe as to the President's five contentions to get a peace meeting, much less accomplish anything. No one knows that better than those who are opposing the President in his aims, both on this side of the ocean and the other.

I now yield to the Senator from Utah.

Mr. KING. What I was about to say is not quite germane to the last utterance of the Senator, and perhaps is not very important; but I think, in the interest of historic accuracy, we ought to say that England has disclaimed any desire for the German colonies and has besought the United States to take the colonies or at least to devise some plan by which they can be administered, and has expressly stated that she did not want one single foot of territory as the result of this war.

Mr. McKELLAR. I am glad to hear the Senator make that statement. I have not seen that publication from any official source. It is probably correct. I am glad to know that it is so; and, by the way——

Mr. WILLIAMS. It is absolutely correct, with this limitation: South Africa has insisted upon her retaining Southwest Africa, which was conquered from the German Empire, just as the American colonies forced Great Britain to retain Canada when we had partially conquered it ourselves.

Mr. McKELLAR. I accept the statements that are made about the intentions of England in this controversy. I am glad

to know that she has that kind of view, and I hope she will maintain it in the peace conference; and since the President's timely visit to England I believe she is going to live up to what she agreed to while the war was going on.

SECRET DIPLOMACY.

Every well-informed man knows what secret diplomacy means. Senators refer to it as if it was vague and indefinite. They even sneer at this proposal. Everyone knows that in Europe there were treaties of peace between the various nations that were generally known, and that other secret understandings as to the balance of power and various other international subjects were entered into secretly between the great nations. As an illustration of this: In 1911, I believe it was, during the Balkan wars Serbia and Montenegro won the war and won a sea front and then there was a treaty of peace, and the peace conference was held in accordance with a secret understanding between Germany and Austria and Great Britain and Italy and the peace treaty restored the status quo. In other words, to use my judicial simile again, Serbia and Montenegro won the war on the evidence and in the field of arms, but they lost on the judgment, and they failed to get that which they had fought for and won, and they still have no seacoast. Why? It was because of the secret understanding between the great powers, and this was what the President aimed at, and the only thing he aimed at, as I believe. The secret agreements constitute one of the most prolific causes of war. The doctrine is absolutely good. It should be upheld in this peace conference, and there should be no private, secret understandings, and I do not believe there will be, and I hope there is not a Senator on this floor that would vote against the coming treaty of peace because it had a provision in it patterned along the lines of President Wilson's first point upon the subject of secret diplomacy, regardless of what may be said in this debate. With all due respect, the taunting criticisms of Senator LODGE about the prevalence of secret diplomacy in this country under President Wilson's administration are wholly without foundation. No agreement has been made or even considered of which the American people and the world have not been fully advised.

The Senator from Massachusetts said, I believe, that the only secret agreements that he knew of were the secret agreements made by this administration. I am sure the Senator did not intend to suggest that secret diplomacy referred to the conduct of diplomacy in the United States. "Secret diplomacy," referred to by the President, does not mean any such thing as that; and besides Senator LODGE was in error as to the facts in this country, because under this administration there has been no secret agreement. There has been no agreement on the part of this Government that not only the American people but the people of all the world have not known; and I challenge the Senator to present a single concrete case where there has been a secret agreement made in this country.

Mr. WILLIAMS. Mr. President, I want to call the attention of the Senator from Tennessee to the fact that under American institutions and the American Constitution there can not be a secret agreement.

Mr. MCKELLAR. Why, of course, there can not be, and there never has been.

Mr. WILLIAMS. Because every treaty and every agreement entered into by the United States must be discussed in the Senate of the United States and ratified by the Senate of the United States.

Mr. MCKELLAR. Why, of course, and published to the world.

FREEDOM OF THE SEAS.

Senators LODGE and KNOX want no freedom of the seas now. It will be remembered, Senators, that Germany staked off a large portion of the seas in front of Europe and notified all nations, belligerents and neutrals, that if they sent their ships in those waters thus staked off that German submarines would sink them without warning. It was one of the very causes—indeed, the principal cause—for which America entered the war, namely, to protest against this unlawful use of the seas, and yet these distinguished Senators say that after having won the war we can not have a judgment and a guaranty that Germany shall not do so again and other nations shall not do in the future as Germany did in the past in this regard. If it was wrong for Germany to mark off these seas in defiance of neutral rights, it would be wrong for any other nation to mark off the seas in like manner. If we have a right in this decree to take charge of German U-boats and sink them, we have a right to say that no more U-boats shall be built in the future by any nation. If we have a right to say that Germany shall not stake off the seas in the future, then we have a right to say that no other nation shall hereafter stake off the seas, and we have a right to enforce that policy by this decree. It can only be done by common consent of the league which has already been inchontely formed and which needs only a constitution mutually agreed upon to keep it in effect for all time. But we must go further than that. Our own country is on the verge of becoming a great maritime nation. We should provide in this decree that not only shall the waters of the seas be free and that no other nation, great or small, shall have the right to interfere with our peaceful commerce, or the peaceful commerce of any other nation, wherever such commerce may go; that no nation shall have the right of search and seizure of neutral vessels on the high seas; that no nation shall have the right to require aught of our passenger and freight vessels as long as they are upon the high seas; and right here and now I believe that if President Wilson returns with a peace treaty providing for the freedom of the seas that there is not a Senator in this body that will vote against the treaty because of such provision.

ECONOMIC BARRIERS.

Now, Senators, it seems to me that such a provision on economic barriers in the peace terms as suggested by the President would come as a matter of course. Here are all the nations of the earth gathered together at the end of the greatest war in all history. The allies all agree. Their antagonists are all willing to agree. They can not keep from agreeing if they wanted to. It is a question of right and fair and square dealing between all of these nations that already have formed an informal league. Practically all of these nations have already associated themselves together to secure the peace of the world. We all know that in the past economic barriers have been the most prolific causes of war. There is no reason for this, and surely this great peace council, larger than ever gathered before, larger perhaps than will ever gather in the hereafter, will be the one of all councils to agree upon the removal, as far as possible, of all economic barriers to trade and commerce on the seas. This does not mean that a nation shall give up its right to place import duties or export duties. It does not interfere with the internal rights of any nation, but it merely means that an agreement shall be reached, in the words of the President, for "the removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions."

America is just beginning her career of a great maritime nation; she is just beginning to build the greatest merchant fleet that will probably ever exist in the history of the world. No other nation has more at stake; no other nation will profit more than she by the removal of economic barriers in the future. All nations should be treated exactly alike. When we send our ships on every sea, nothing will be more conducive to trade with us than for all economic barriers to be removed. I hope to live to see the day when America's trade on the ocean will be greater than that of any nation on the earth. We can only make it so by removing the trade barriers that have heretofore existed against us and take our chances with the rest of the world. What are we building this great merchant marine for if it is not to take advantage of the great opportunities that are to come to us to trade in the four corners of the earth? Surely no man who loves his country, who believes in its future, no man who votes to appropriate millions and even billions of our money to build up a merchant marine would dare to vote to put up economic barriers or permit other nations to put up economic barriers by which that trade can be done away with or even lessened.

DISARMAMENT.

Mr. President, the question of disarmament has been one that has troubled the world for years. The Czar of Russia, the Emperor of Germany, the King of England, the President of France, a Republican President of the United States, and many distinguished writers have from time to time submitted principles looking to international disarmament. It is a question that has been alive and been before the world public for a long time. The building of great navies by various nations, the maintenance of great navies by great nations, has been one of the things that has been looked upon with the greatest disfavor by thinkers of many ages. Thoughtful men of every country have desired to reduce these armaments and thereby reduce the taxes on the people of the various nations, because these armaments are expensive to a degree. The President, believing it was necessary to reduce the German armament which formerly existed and now to reduce all armaments for the benefit of the people, says that the people of all the nations should not be taxed in the future as in the past to maintain great navies, and therefore he puts this provision among the reasons why this country was at war. It was accepted then by all the nations, England as well as all the rest of them, but now this is one of the points that some people in England do not want to agree to. It is one of the points that certain Americans do not want to agree to, though Senator LODGE approved it only a short time ago.

Well, let us see, Mr. President, how it will work. Let us be fair and frank with one another. My forefathers on one side came from Scotland and the other from England. I have by inheritance not a drop of blood other than British blood in my veins. I am a great admirer of the British Nation and the British people. Blood of our blood, bone of our bone, flesh of our flesh. We all admire their genius for government, their love of right, their dogged tenacity of purpose, their lofty ideals, and their splendid ambitions. We admire the English for what they have done, for what they have accomplished in the world, for what they have stood for; and for these reasons it seems to me that at a time like this we should counsel fully and fairly one with the other. We should be frank. There is not the slightest doubt that whatever England and America agree upon will be done. Their agreement alone will furnish all the power necessary. We should have the manhood to speak our minds. The only nation, perhaps, that will object to disarmament is the English Nation. Why should she? She believes it will do her no good not to agree to disarm. It will be but natural for her to agree to a reasonable disarmament rather than to contend for the maintenance of an unreasonable armament. Why? The reason is simply this: That America is going to continue to build her Navy unless England reduces hers. It might as well be understood now as any other time. There is no use postponing that question. We would be unfair and unjust to our English friends and cousins and brethren if we did not tell them frankly and fairly what we propose to do. We propose to become their friendly rivals for trade wherever we can get it. We propose to protect that trade wherever it goes; and if England wishes to continue the burdensome taxation upon her people to keep up the great navy that she has, then America will be compelled to build her Navy larger to give her the protection she is entitled to. While the war was in progress her people and her press approved President Wilson's appeal for disarmament. They should stand by their admission made at that time. I believe they will do so. England is not the kind of a nation to go back on her agreement, expressed or implied. There is no conflict between the principle of disarmament and our Navy building at this time. We must take no chances.

On the subject of disarmament Senator LODGE is specifically estopped. On August 23, 1918, he said that the peace treaty ought to provide for disarmament. Why this change? A change of policy in four months is a pretty fast change.

IS A LEAGUE OF NATIONS POSSIBLE?

These gentlemen say that a league of nations is essentially impossible; that if such a league is formed and given the power to tax, the power to decide what nations shall be taken in, with an army and navy to enforce its decisions, then it will become either a world-dictating nation or it will be simply the more productive of wars. On the other hand, unless such a central authority is given full powers, it will be a meaningless organization like The Hague tribunal.

Mr. President I do not subscribe to this doctrine. I am one of those who believe that it is possible to form a league that will be effective and at the same time not put all other nations in a state of subserviency. I recognize its difficulties; I know that the task is great, but I have faith that this peace council, composed of the great statesmen from each nation of the world, will be able to accomplish it. There have always been wiseacres in the world, Mr. President, who have said that seemingly impossible things could not be done, and yet they have been done. In comparatively recent times it was thought that it was impossible ever to chain or use the lightning, and yet now it is one of the most perfect servants of man. Less than a hundred years ago it was thought impossible to send a message by lightning, and yet to-day the occurrence is so common that its difficulty is never even thought of. It was once thought to be impossible to hear out of hearing distance, and yet to-day, through the marvelous invention of the telephone, we can hear practically all over the world. Later on it was believed to be impossible for messages to be communicated without wires upon which to communicate them, and yet to-day we have not only wireless telegraph sending messages throughout the face of the earth, whether on land or sea, but we even have the wireless telephone by which we can communicate to airships thousands of feet in the air. It used to be thought that a heavier-than-air vehicle could never be invented. It was one of the impossible things, and yet to-day, through the ingenuity of man, men not only fly through the air, but they even fight in the air, and aircraft has become one of the greatest inventions of modern warfare. And so, Mr. President, I do not subscribe to the impossibility of a righteous league of peace being organized by which wars can be prevented in the future.

Let us change the illustration for just a moment. There were Tories in this country in the century before the last who said that we never could have an American Republic like the one that we have. Why, our forefathers along about 1770 first tried a Continental Congress, and it was wholly inefficacious. Later on they tried what was known as a Confederation, and that proved to be a rope of sand; and later on it took five years of bargain and compromise and arrangement and splendid ability to consummate the present Constitution that we have. Impossible? I say, look to your own Constitution, and you can see that nothing is impossible to men who have the ability and who believe and know that they stand for the right. So I say that when this peace conference assembles next month it will be found that it can work out a plan.

NO WILSON PLAN.

Great stress is laid by Senators LODGE and KNOX and the newspapers supporting them that the President has not disclosed his plans for a league of nations to preserve peace. Senator KNOX says:

> We must know what we are to agree to, and no one has yet thought it well to tell the people of the United States what they are to agree to when a league of nations is formed.

This is true, and it should be true. There should be no plan. Mr. Wilson's plan or no other single individual's plan should go through. No league of nations that is the plan of any single individual could possibly be of any worth to the world. What would have likely resulted had Washington attended the Constitutional Convention with a cut-and-dried plan? There would have probably been no Constitution. Washington was too wise for that. So is Wilson.

Mr. President, I am not the spokesman of the President. I am not even in his confidence on this subject. I have no knowledge whatsoever of his proposals save what is published in the papers. In these public statements all he asks is that the parties to this peace conference shall form a general association of nations under specific covenants and affording mutual guaranties that all nations, great and small, will have political independence and territorial integrity guaranteed to them. In his New York speech of September 27, 1918, he added:

> That indispensable instrumentality is a league of nations formed under covenants that will be efficacious.

He has asked for no supernation. He has asked for no republic of the world, which shall control all other republics and nations, nor will he do so, nor will any other sane man do so. All the President says is that one of the specific purposes of our entering the war was to secure an enduring peace. Every full-grown man in this country knows that this is so. The President does not want another war like this or any other war at all. He believes that civilized nations can covenant to prevent war. He knows that all the allied nations agreed to do this in advance when they accepted his proposals, and he is seeking to have them live up to that agreement. It seems to me it is fair to assume that he has offered no plan, because he wants to counsel with all on the most important question of all, namely, the saving of future destruction of life and property by reason of war. He has not yet reached a final conclusion on it and can not do so. Only the council itself can, by deliberation and debate and by yielding and compromise, bring about the much-desired arrangement by which this peace can be secured for all time. If the President had gone over to attend the council with a plan already mapped out, the first ones to have criticized him would have been those who are criticizing him now for not having any plans at all. They would have declared that it was indecent for a judge to have gone to the hearing of a case with an opinion on the case already prepared in his wallet. They would have called him a world dictator. They would have attributed to him ulterior and perhaps personally selfish motives. The allied nations, too, might well have misunderstood him had he done so. But now, when he presents no specific plan, but contents himself with the principles announced nearly a year ago and then approved and applauded by the whole civilized world and asking only that the peace conference shall itself counsel together and agree upon the specific covenants and agreements to carry out these plans already agreed upon, our friends his enemies over here, our friends with selfish interests on the other side, raise a great hue and cry about his failure to disclose plans which, perforce, because not disclosed, can only be deep, dark, and sinister. According to these gentlemen, he is damned if he does and damned if he does not. Be careful, gentlemen. Sometimes it is dangerous to damn Wilson too soon. He has a way of having a California secreted about his person that is sometimes disconcerting to his damners.

THREATEN TO DEFEAT TREATY.

Much has been said about the Senate's rights and obligations and duties in connection with the forthcoming treaty of peace. Some have thought that, inasmuch as the Senate has equal rights with the President in the making of treaties, the President ought to have selected one or more Senators as peace commissioners,

This could have been done, of course, but it was not essential. Indeed, in the history of this country of nearly 130 years no Senator has ever been appointed a peace commissioner except after the Spanish War of 1898, and when Senators were appointed President McKinley was charged with an ulterior purpose in appointing them. It was stated upon the floor of the Senate in executive session, as I am reliably informed, that President McKinley appointed these three Senators in order that he might get their votes and influence and thereby secure the ratification of the treaty that he was desirous of making. There is no doubt about the Senate's right to reject or amend a treaty. The Senate can reject or amend this treaty. But will it do so? My answer is that it will not. If President Wilson sends into this Senate a treaty embodying provisions covering the five points now objected to by Senators LODGE and KNOX, namely, secret diplomacy, disarmament of nations in whole or in part, no economic trade barriers, freedom of the seas, and a league of nations to enforce peace without violating American sovereignty, there is no more doubt that this Senate will confirm the treaty than there is about the existence of the United States itself.

Mr. President, when President Wilson last winter announced the policy for which he stood, known as the 14 points, 5 of which are now objected to by the two distinguished Senators, he was applauded by men everywhere within the confines of civilization. He was applauded by the Senators in this body on both sides of the Chamber; he was applauded by Representatives in the House on both sides of the Chamber; he was applauded by the English, by the French, and by the Italians; he was applauded everywhere, save in Germany, for enunciating these very principles which it is now said we must postpone or reject; and if the newspapers are correct—I do not know whether they are correct or not—the speeches of Senator LODGE and Senator KNOX were a threat that whatever treaty of peace was made by the President in Europe, if it contained these principles, these five points, was going to be rejected by a Republican Senate when it came into being. I wish to say that I hope that that is not correct, and I want to give a word of warning, not only to our own people, but to the people across the seas: Do not pay too much attention, gentlemen, to this threat to reject the treaty before President Wilson negotiates it. I do not believe that Senators LODGE and KNOX have expressed the sentiments and wishes of even any considerable number of the plain people of this country.

KALEIDOSCOPIC CHANGE OF POSITIONS.

Mr. President, there have been some kaleidoscopic changes of views since America turned the scale and won this war and since the November election. The President made his speech containing the 14 points on January 8, 1918. The Evening Star, a Republican paper, in its issue of January 9, 1918, said:

> The President's address was approved by the leaders of both parties in Congress.

That is, the 14 points, including the 5 that the two Senators are against.

There were interviews from Senators LODGE, WADSWORTH, SUTHERLAND, and former Speaker CANNON, Mr. LONGWORTH, and J. HAMPTON MOORE, and many other distinguished Republicans—some ex-Presidents were in the number, as I recall—everyone applauding these five points that they say now ought to be postponed.

Senator LODGE said:

> It was a very able message and a very concrete proposition.

Senator WADSWORTH said:

> It was splendid.

These statements were published in the Star of January 8 and in other papers throughout the country.

The Star, after publishing these expressions, said in its editorial on that date:

> Clear in its terms and wise in its time of deliverance, the President's address to Congress to-day states the principles upon which peace, acceptable to the allied powers, may be secured.

The Washington Post then took a similar view, but now is strong for postponement. It now stands by the Senator from Massachusetts and the Senator from Pennsylvania in their advocacy of postponement and says that all these questions should be relegated to the rear. We must have only the issues of this war settled by the peace conference. But on July 5, 1918, that paper again voiced the sentiments of the Republicans upon the President's propositions as amplified in his Mount Vernon speech of July 4. In an editorial of the 5th, the Post said:

> Mr. Wilson spoke not only for America but for the allied nations and for every nation that seeks only its own and is willing to be fair to its neighbors. The robbers among nations, the powers that prey, and the rulers that secretly plot against others are the only ones that will disagree with the statement of humanity's cause and aspirations as expressed by President Wilson.

Less than six months ago this now great Republican paper was saying that the only ones that disagreed with these five points of President Wilson were the robbers among the nations, the powers that prey, and the rulers that plot secretly. But now the paper sings a wholly different tune:

> He condenses the allied aim in one sentence—the reign of law based on the consent of the governed and sustained by the organized opinion of mankind. In order to achieve these aims predatory nations and rulers seeking to injure their neighbors must be destroyed or made powerless; settlements of all questions must be made with the acceptance of the nations concerned; and the nations must agree upon a system of mutual protection.

On August 23, as shown by the CONGRESSIONAL RECORD, Senator LODGE thus expressed our aims:

> We are fighting, and our allies are fighting with us, for security, for independence, for the right of nations great and small to govern themselves in their own way, for organized races and peoples to have the opportunity to govern themselves in independent States, for the sanctity and observance of treaties—

He rejects it now; but listen to this statement made as late as August—

> for the general disarmament of nations. How are these things to be secured? The details are really far more important than the general propositions, in which we all agree. (CONGRESSIONAL RECORD, Aug. 23, p. 9393.)

He was for "the general disarmament of nations" then, but now he wants to postpone the general disarmament of nations to a more convenient season.

This sounds much like Wilson's language and like Wilson's policies. Further along in his speech the Senator from Massachusetts discusses Lord Lansdowne's statement, and here is what he said about it:

> Lord Lansdowne, and he not alone, appears to think that this war can be ended by a peace formulated by eminent representatives of the nations in the old way. He does not seem to have gone beyond the methods of 1815 and the Congress of Vienna. As this war is utterly different from any war that the world has ever known, so must the peace which concludes it be utterly different from any peace which the world has ever known. It can not be a peace of bargain, of give and take, and of arrangement. (CONGRESSIONAL RECORD, Aug. 23, p. 9394.)

Less than four months ago the distinguished Senator from Massachusetts was telling the country in language that only he can use that this must not be a peace like that flowing from the treaty of Vienna, a treaty in the old way, but that new conditions had arisen. Indeed, Mr. President, in August, after this speech of Senator LODGE was delivered, many of his admirers thought his statement as to America's aims was a more perfect literary production than the President's statement, and the viewpoint of each was alleged to be identical.

And even as late as October 7, as shown by the CONGRESSIONAL RECORD, page 11160, Senator LODGE says:

> *Nobody else wants more war, and the world does not mean to have more war.*

Mr. President, as long as the war was being fought, as long as America was in danger, as long as the allied cause was in danger, the distinguished Senator from Massachusetts never dissented from all of the 14 points as expressed by President Wilson. Our Republican friends generally upheld them. It was understood all the time that Senator LODGE upheld them, but when the war is over, when the war has been won under the leadership of the President, we find one of the first of those to criticize the 14 points is the distinguished Senator from Massachusetts. But not only did our Republican friends in this country uphold Mr. Wilson's 14 points and applaud them but all the civilized nations of the world applauded them. On January 8, 1918, the Evening Star had an article entitled, "Held Magna Charta of future peace—President Wilson's war aims hailed by press of Britain," and citing the Westminster Gazette, the Evening News, and the Pall Mall Gazette. It then quotes the Westminster Gazette as follows:

> In such a world as that to which the President looks forward, with an association of nations, affording a guaranty of the political independence of all States, with open covenants, disarmament by mutual consent, and freedom as far as possible from economic barriers, this aspiration could have no terrors for the British.

And so similar views were expressed in England by Viscount Bryce and David Lloyd George and Premier Borden, of Canada, and also other leading English statesmen. The French papers took the same position. The Petit Parisien said:

> It is the finest piece of political literature of our times. It lays down the basis upon which the world, after being rid of the perpetual menace of armed conflicts, may be reconstructed.

Mr. President, what has come over the spirit of their dreams since the armistice was declared? There can be but one answer. The opposition to these views of the President came from selfish interests in Britain and in France. I do not believe they represent the real thought and mind and heart of Great Britain. I know they do not represent the real thought and mind and heart of France any more than they represent the real thought and heart and mind of this great country.

COL. ROOSEVELT'S ASTOUNDING PROPOSITION.

Mr. President, there is one other matter that I desire to call attention to—one other distinguished Republican whose views I wish to discuss for just a moment. I desire to have a word to say about Col. Roosevelt's astounding proposition.

On December 4, 1918, I read in the Washington Post an interview with Col. Roosevelt, a part of which is as follows:

"The British Empire imperatively needs the greatest navy in the world, and this we should instantly concede," said the colonel. "Our need for a great navy comes next to hers, and we should have the second navy in the world. * * * There must be no interpretation of the phrase that would prevent the English Navy, in the event of any future war, from repeating the tremendous service it has rendered in this war. * * * It is the British Navy and the French, British, and Italian Armies that have done the most to bring about the downfall of Germany, and therefore the safety of the United States. It is our business to stand by our allies."

In other words, as I interpret the statements of Col. Roosevelt, he means to say that we should concede to England the right to control the seas and agree in advance to any settlement of the war that she approves. He substantially gives to her the credit of winning the war and saving America, and some of us had been innocent enough to believe, until instructed otherwise by the colonel, that America had entered the war at the crucial moment and saved England and the other allies! And even England and France seem likewise to have so believed! What a poor opinion the colonel seems to have of the American soldiers in this war!

Mr. President, in concert with millions of Americans all over this land, I greatly admire and respect the distinguished ex-President, but, Mr. President, when he says that this great Nation of ours must take a subservient place in this world, and, in effect, look to the English Navy for aid and protection in any future war, he makes a statement to which I can never agree. It is an un-American statement; it is an unpatriotic statement; it is a statement of which he will ever be ashamed in the future, because no American, however great his former position, can assert that the American Nation should take a subservient place on land or sea to any nation on earth. The colonel is, I am afraid, allowing his hatred of the President to sour his nature and warp his judgment. Our English cousins give our soldiers the credit for winning the war. Our French friends say likewise. All the allies are generous enough to give the American soldiers the credit, but the colonel says it was the allies who saved America, and not America who saved the allies. This is a proposition which will be difficult for the colonel to prove. I say to you that American soldiers at Chateau-Thierry and at other subsequent great battles in France turned the tide and won the victory that the allies are now enjoying and which we are enjoying.

A PEOPLE'S WAR; A PEOPLE'S TREATY.

Much is being written in Europe and America just now about the rejection of the Wilson treaty before it is made. It is being argued by those who oppose Mr. Wilson that the speeches of Senators LODGE and KNOX foreshadow the defeat of the treaty in the Senate. I want to say a word of warning to our enemies about this. Do not lay too much store upon these stories. The Senate has not acted yet. The Knox resolution has not passed, and unless I am very greatly mistaken it will never pass. I doubt if the distinguished Senator from Pennsylvania ever intended it to pass. I doubt if he ever brings it up.

And then, too, there is another equation that has to be reckoned with. That equation is the American people. Under the Constitution Congress, indeed, has the right to declare war, and nominally it does it. But in reality it is only done by Congress when the American people unmistakably so decree. And so it will be with peace. The American people will pass upon it, and when they do so the Senate will register their will, speeches of opposing Senators to the contrary notwithstanding.

AMERICAN PEOPLE ARE WITH WILSON.

There is no doubt that the American people favor these five demands of President Wilson. They want no secret diplomacy. No public man in this country can stand for secret diplomatic agreements when the issue is raised and live politically. And the same is true about freedom of the seas. The people may not have studied the question, but they want no interference with their rights on the seas. They want their ships to carry passengers and goods wherever they please on the seas without let or hindrance in peace or in war. They want no repetition of the *Lusitania* catastrophe. They want no more marking off of a dead line on the seas, as Germany did, the crossing of which dead line means destruction of vessels and loss of innocent lives. They want no more murder by lying in wait by U-boats, and these are the things they believe Wilson means when he says that he is in favor of the freedom of the seas. They want no more trade barriers to their commerce. They have had too many trade barriers lately to suit them. They have had to ask for too many visés. They have had to submit to too many regulations. They have had to ask for too many permits. They expect to have a merchant marine of their own. They expect to use it to their own commercial advantage. They want trade with all the nations of the world on the terms of equal opportunity and equal justice to all. They may not understand fully the technical meaning of trade barriers, but they believe that their foreign trade will improve when a treaty is made removing such barriers whatever they are. And then they want disarmament. Big navies and big armies are expensive. They are likewise extremely dangerous. They are dangerous in principle and deadly in practice. The plain people of the country believe that there would have been no war if Germany had not built up in the past such a great army and such a great navy. They believe that if England or France or Italy or America keeps or maintains great armies and great navies that there will be other trouble to come that will cost other millions of lives and other billions of property and other billions of taxation for the present and future generations to pay. Finally, they believe that there should be an end of war. They believe that it can be prevented by a concert or agreement of the nations now, as has been suggested by President Wilson. They believe it ought to be done now, not at some undetermined future time, as Senators LODGE and KNOX want it done, if at all. They believe that this war was fought for the holy purpose of self-defense and out of a desire to prevent all wars in the future by mutual agreement. They gave their sons for this purpose. They gave generously of their wealth to secure it. They bought bonds without stint to guarantee it. They have toiled and endured and suffered to put an end to militarism and to autocracy and to murder by wholesale on land and on sea. If President Wilson, as the chief negotiator for America under our Constitution, shall secure these things in a peace treaty that treaty will be confirmed beyond the shadow of a doubt. The immortal spirits of 60,000 American dead, their lifeless bodies moldering on foreign soil, mute but glorious sacrifices to the lofty principles for which they fought and gave up their lives, demand that there should be an end to war. The voices of millions of American fathers rise in protest against any shackles being placed upon the President to secure a treaty by which future wars can not be waged. The mothers of these splendid sleeping heroes in France, the mothers of millions of others who have offered their lives in this war, are unanimously in favor of the President's proposals. The American people want no more wars, and they want the other nations to covenant and agree with them to that righteous end.

REPUBLICANS HAVE RAISED THE ISSUE.

Mr. President, in the speeches of Senators LODGE and KNOX, leaders of the Republicans in the Senate, that party has raised an issue for the next campaign from which it will be difficult for them to escape. To be consistent they must put in their platform in 1920 that they are not in favor, at this time, of any disarmament of nations; that they are not in favor of the freedom of the seas; that they are not in favor of eliminating economic trade barriers; that they are not in favor of open diplomacy; and that they are not in favor of any league of nations which will bring about a permanent and enduring peace of the world. They want all these questions postponed. However much they may squirm, however much they may talk, this is the inevitable logic of the position that they are taking here in this Senate to-day, and have taken heretofore. Upon these issues, Mr. President, the Democratic Party will meet them with confidence. Our party will welcome nothing more warmly than for our Republican opponents to put into their platform next year the demand for the postponement or defeat of these five great and righteous proposals of the best American President who ever adorned that office.

THE PRESIDENT'S VISIT TO EUROPE.

When the President announced his purpose of going across the ocean in person to negotiate this peace treaty he was criticized for so doing. There was no reason why he should not, under the Constitution. There was no law which prohibited him from going, and as it has turned out there was every reason why he should have gone. Indeed, Mr. President, it is perfectly apparent now that there was a little coterie of men in England not really representative of England and a coterie of men on this side not really representative of the American people that had made up their minds to prevent the enactment of these great measures into a permanent peace. The President saw it, and he has gone over and taken charge of it in person, and I believe he will make good. I believe that he will

have enacted into a treaty all these contentions—every one of them—and when he does he will have won a more lasting triumph than he has even won in his successful leadership of the greatest military undertaking that ever occurred in all history. Success could have only been obtained by his personal visit to Europe. In going over he may have disturbed a precedent, but he violated no law, and if he gets the peace that the American people want, as I believe he will, then he is to be commended for breaking another precedent.

PRE-ELECTION PROMISES.

Mr. President, the distinguished Senators from Pennsylvania and Massachusetts, and the distinguished ex-President, Col. Roosevelt, are justly conceded to be the leaders and the spokesmen for the Republican Party. Before the November election these leaders and the other leaders of that party throughout the land asserted on every stump and in every Republican newspaper that the Republican Party had been more steadfast in its devotion to the President, the Commander in Chief of the forces of the United States, in this war than had the Democrats. This was not true, but many people believed it. The Republicans promised the people that, if given power, they would not hamper or embarrass the President in his peace negotiations. They assured the country that they were going to uphold and stand by the President in his demands for a just and permanent settlement of the issues of the war, and yet, no sooner is the election over, than we hear in this Chamber, than we see in every Republican newspaper in the land, criticisms of the President and of his policy, which are in direct violation of the promises these gentlemen made to the American people when they were asking the people to give them power in the next Congress. Mr. President, this heckling of the President, this stabbing him in the back while he is away upon this peace mission, these attacks upon the acknowledged peace negotiator of our country while he is engaged in the country's most important business, show the insincerity of the Republican Party and show that it will merit the condemnation which that party must receive at the hands of the American people for the betrayal of the promises made by it prior to the election.

Mr. President, we challenge the Republican Party to go to the country upon the five peace proposals asked to be postponed by the two distinguished Senators, a postponement which, if secured, everybody knows will mean the defeat of those proposals.

Ah, Mr. President, the day of reckoning will come! The American people do not believe in any party violating its pledges. The Republican Party pledged itself to uphold the American Government in the peace conference and to maintain these things for which it had fought. Under the leadership of President Wilson we have won the war; and now, since we have won it, and the election is over, the Tories on this side of the water are plotting to work against America and prevent our country from getting that to which it is entitled.

Mr. President, I have already talked longer than I had intended. I have studied this question and have come to the conclusion that if we want to avoid war in the future we should stand as one man behind the President in securing for this country a league of nations, a concert of nations, of all nations, which will prevent wars in the days to come. Do not let us stab him in the back; do not let us harass him; do not let us hamper him. I appeal to all men, Democrats and Republicans, men and women all over the country, let us stand by the policies and ideals upon which we won the war. If they were good enough to win the war, they are good enough to stand by and uphold and maintain now that the war is over, so that a just and righteous and an enduring peace may come to all the world.

PROMOTIONS IN THE ARMY.

Mr. KING. Mr. President, I offer the following resolution, and ask its reference to the Committee on Military Affairs.

The PRESIDING OFFICER (Mr. STERLING in the chair). The resolution will be read.

The resolution (S. Res. 398) was read and referred to the Committee on Military Affairs, as follows:

Whereas prior to the signing of the armistice a large number of enlisted men in the Army had been recommended for commissions and many officers had been recommended for promotion, and such recommendations were pending in the War Department when said armistice was signed; and

Whereas an order was issued by the Secretary of War which resulted in no action being taken upon said recommendations, or either of them; and

Whereas officers and enlisted men who were so recommended are being discharged from the service without said recommendations being acted upon; and

Whereas no good and sufficient reason appears for failure to act upon said recommendations, and justice and good faith would seem to require affirmative action thereon: Therefore be it

Resolved, That the Secretary of War be directed to report to the Senate whether a modification or revocation of said order is contemplated, and, if not, what reasons exist for failing to act upon said recommendations.

THE ARMY.

Mr. KING. I submit a resolution, and ask that it be read and lie upon the table. I shall ask its consideration when there are more Senators present.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 400) as follows:

Whereas representatives of the United States and the allied governments will soon meet at Paris for the purpose of negotiating terms of peace between the said governments and the central powers; and

Whereas under the law providing for the present military forces of the United States, most of said forces within a short period after the terms of peace have been signed will automatically be released and discharged from military service; and

Whereas it may be necessary for the United States to maintain military forces in Europe for a considerable period after peace conditions have been agreed upon, not only for the purpose of procuring a fulfillment of the necessary guaranties exacted from the central powers, but for other proper, legitimate, and imperative reasons; and

Whereas the unsettled and confused conditions existing throughout the world require that provision be made for the safety and security of this Nation and its interests, and for such purpose in addition to the maintenance of a strong Navy an Army of sufficient strength and size should be organized: Therefore be it

Resolved, That in the opinion of the Senate legislation should be enacted authorizing the organization of an Army of 500,000 men.

Mr. PHELAN. Mr. President, may I ask the Senator a question? Do I understand that by the provisions of the draft law the period of four months is fixed within which there must be demobilization?

Mr. KING. My understanding of the draft law to which the Senator refers is that at the end of four months after the proclamation of the President shall have been issued proclaiming peace all of the soldiers, except those that enlisted regularly under the General Statutes, shall be demobilized.

Mr. PHELAN. Automatically?

Mr. KING. Automatically.

Mr. McKELLAR. Does the Senator know how many of those soldiers there are that have enlisted in the Regular Establishment?

Mr. KING. No; I do not.

Mr. McKELLAR. Does not the Senator think it would be wise to find out how many of those there are? Suppose there are 500,000?

Mr. KING. Mr. President, I have made some inquiries and understand that there will not be that number. I am not asking for the consideration of this resolution now. I ask that it lie on the table and I shall bring it up at a future time.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator yield?

Mr. KING. I yield, Mr. President.

Mr. SMOOT. I desire to state that the four-months' limitation applies only to the soldiers who are in a foreign country. The soldiers in the Army in continental America, I might say, or America, are to be demobilized immediately after peace is declared; and the four-months' period, as I state, has reference only to those who are serving in foreign lands.

Mr. KING. I understood that the inquiry of the Senator from California [Mr. PHELAN] was directed to those who were overseas.

Mr. PHELAN. It was clearly the intention of the legislature to provide for immediate demobilization, and the period of four months was given in which to transport them from overseas to continental America.

Mr. KING. That is the interpretation which I place upon the statute.

Mr. PHELAN. Then it is necessary, in the event of further trouble and a need for an army of occupation or policing, to pass new legislation?

Mr. KING. I think there is no question but that further legislation is required.

Mr. McKELLAR. May I interrupt to ask the Senator if he has considered the question, or has had it brought to his attention, concerning the National Guard of the various States?

Mr. KING. Yes.

Mr. McKELLAR. I do not recall just how many there are of the National Guard of the various States, but probably a number not far from what the Senator has mentioned.

Mr. KING. I think that is true; but, notwithstanding——

Mr. McKELLAR. Under a recent opinion of some subordinate officer of the Judge Advocate General's department—not by Gen. Crowder—an opinion has been delivered holding that the National Guard will be mustered out in exactly the same way that the National Army was, and that they would not be any longer members of the National Guard of their several States. I want to suggest to the Senator that I think that holding is absolutely without merit and will be overturned whenever presented to the proper authority, and that the matter of the National Guard should be considered in connection with

any legislation that may be brought up, whether the Senator's bill or some other bill.

Mr. KING. Mr. President, unquestionably there will be need for considerable legislation dealing with the entire subject of the military forces of the United States, and also dealing with the question of the National Guard of the various States, and the relation, if any, which they shall bear to the Government.

Mr. McKELLAR. Does the Senator think there is likely to be a proclamation of peace before the 1st of next September? Is there any reason why this matter can not go over to the next Congress?

Mr. KING. I am not asking, Mr. President, for immediate legislation. I do not think that could be had intelligently. I am merely expressing the opinion by this resolution that we ought to have and will soon require a standing Army of the proportions to which I have referred in the resolution.

CLAIMS AGAINST MEXICO.

Mr. KING. I ask that the following resolution be read and that it lie upon the table, and I will endeavor to call it up for consideration the next time the Senate shall convene.

The PRESIDING OFFICER. The Secretary will read the resolution.

The resolution (S. Res. 399) was read, as follows:

Whereas claims aggregating millions of dollars in compensation for damages to property and for personal outrages and destruction of life, suffered by American citizens in the Republic of Mexico, have been filed with the Department of State for presentation to the Government of Mexico; and

Whereas some years have already intervened between the commission of such damages and outrages and no progress is apparently being made toward the liquidation, settlement, and payment of such claims: Now therefore be it

Resolved, That the Secretary of State be, and he is hereby, directed to report to the Senate whether or not said claims have been presented to the Government of Mexico and what steps and measures are being taken to prosecute such claims and to liquidate and settle the same, and if said claims have not been presented, then to report to the Senate what steps and measures are contemplated to be taken with respect thereto and when the department will proceed with the same.

Mr. KING. Mr. President, I do not think there will be any objection whatever to the adoption of this resolution, but in view of the fact that there are so few Senators present I shall not ask for its consideration at this time.

The PRESIDING OFFICER. The resolution will lie on the table and be printed.

ADJOURNMENT.

Mr. MARTIN of Virginia. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate adjourned until Thursday, January 2, 1919, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, *December 30, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

The grace of the Lord Jesus Christ be upon us, O God, our heavenly Father, that we may solve the problems thrust upon us, in accordance with Thy will and good purposes. Especially guide the entente powers in solving the world-wide problems, calculated to make the world a safer place for Thy children to dwell in; and thus may the light of heaven guide us to purity, liberty, justice for all mankind. In His name. Amen.

The Journal of the proceedings of Friday, December 27, 1918, was read and approved.

THE REVENUE.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 12863, the revenue bill, and disagree to all the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 12863) to provide revenue, and for other purposes.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the revenue bill, disagree to all the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, there are several amendments which, in the opinion of a great many Members, ought to be considered by the House, so that the House may have an opportunity to agree to the amendments, such as the child-labor amendment, the amendment providing that the so-called Reed provision shall be in effect in the District of Columbia, and possibly two or three other amendments. What arrangement is the gentleman from North Carolina going to make with the House relating to those amendments?

Mr. KITCHIN. The amendments as to which it has been suggested that the House conferees accept them, or that we have a vote upon them in the House, are the child-labor amendment, the tax on contributions for political purposes, and the bone-dry law for the District of Columbia. They are the three that have been suggested in the House and by Members to me.

Mr. FOSTER. And the soldiers' monthly pay.

Mr. KITCHIN. The War Department says that ought to be amended considerably.

Mr. MADDEN. I may add, if the gentleman from North Carolina will permit, that many of the Members would like to have a separate vote on the postal-zone amendment.

Mr. KITCHIN. I will say to the gentleman candidly that, so far as I am concerned, I will not agree to the postal-zone Senate amendment under any circumstances, unless the House instructs me to do it, and I doubt whether the House will instruct me to do it.

On the other propositions I feel that the overwhelming sentiment of the House is in favor of the child-labor amendment and of the bone-dry law substantially as they are in the bill.

As to the tax on political contributions, I think the overwhelming majority of the House are in favor of that, with some modifications of it. As it exists in the bill, it applies to contributions heretofore made, which would be manifestly unjust; and, in my judgment, if we are going to have such a tax, it ought to be a little broader, it ought to apply to more organizations than it does apply to it as it stands in the bill.

Now, I will say as to the child-labor amendment and the bone-dry law, as the overwhelming sentiment of the House is in favor of them, I think the House can trust the conferees to agree to those amendments.

Mr. MANN. The bone-dry amendment, or whatever it is called——

Mr. SIMS. The Reed amendment.

Mr. MANN. The Reed amendment is No. 600, and the child-labor amendment is 546.

Mr. MADDEN. If my colleague will permit, I think there is sufficient justification for discussion on the tax on political contributions to require it to be brought back to the House.

Mr. KITCHIN. I will say that in any event it would certainly require several modifications.

Mr. MADDEN. It ought to be brought back.

Mr. KITCHIN. I will agree to that.

Mr. MANN. As to the first two amendments that I spoke of, will the gentleman state to the House that he will bring those amendments back in disagreement if the House conferees do not agree to the Senate amendments?

Mr. KITCHIN. Will I do what? Will I bring them back to the House?

Mr. MANN. Will the gentleman agree to bring those two amendments back to the House in disagreement——

Mr. KITCHIN. If we do not agree to them.

Mr. MANN. If the House conferees do not agree to the Senate amendments?

Mr. KITCHIN. As to those two, I will.

Mr. FOSTER. And what about the campaign contributions?

Mr. KITCHIN. As to the campaign contributions amendment, yes; I will bring that back.

Mr. MADDEN. I think that ought to come back. I think that is an iniquitous proposition, to tax a man for a campaign contribution.

Mr. FOSTER. There is a difference of opinion about that.

Mr. KITCHIN. I do not think there is a gentleman in the House who would want to agree to the proposition as it is in the bill, no matter how much he believes in the justice of a tax on political contributions. There are several amendments that are required to that amendment. I understand that even the real author of that amendment does not want it to become a law in its present form.

Mr. MANN. Of course, under that amendment as it stands, if a Member of the House, such as my colleague from Illinois, has contributed to a campaign committee, where he is not required by law to do so, over $500, he would have to duplicate that payment to the Government.

Mr. KITCHIN. Under that amendment if he contributed a thousand dollars in the last campaign, under the amendment as it now stands he would have to pay the Government $500, because he had contributed $500 in excess of the $500 permitted, and he must pay the Government 100 per cent on the excess. I do not think the gentleman from Illinois would want us to agree to that.

Mr. FOSTER. Some modifications ought to be made of that, and the provision could be made much stronger and better than

it is, and I think we ought to have an opportunity to perfect that amendment so as to put it into law.

Mr. KITCHIN. I will agree to bring that back.

Mr. CANNON. Will the gentleman allow me?

Mr. KITCHIN. I yield to the gentleman from Illinois.

Mr. CANNON. Touching the prohibition amendment, I suppose this is the only chance that I may have to voice my objection to it. If I had the power, now or hereafter, it would be submitted to a vote of the people of the District of Columbia. That is all that I want to say about that. My understanding is, in regard to the contribution, that a member of Congress can contribute $5,000—that is the law as it now is. Frankly, I contributed $1,400, as I recollect, to my various county central committees. If this Senate amendment was agreed to, what would I have to pay?

Mr. KITCHIN. The gentleman, being a candidate himself, contributing for his campaign, would not pay anything under this amendment.

Mr. MANN. If he had made the contribution as one contribution, under the Senate bill, he would be taxed.

Mr. FOSTER. He contributes that money within the limit of the law.

Mr. KITCHIN. In my judgment the proper way to construe that in a case like this is, suppose I am a candidate for Congress and contribute to my campaign and expend $3,000 or $4,000. I would not be taxed at all under this amendment, although it is in excess of $500. But if the gentleman from Illinois contributes to my campaign $3,000 he would be taxed 100 per cent of the amount in excess of $500. Now, if you have any tax at all on political contributions you ought to include the amounts which candidates contribute in excess of the amount authorized by law. If I am authorized by law to contribute to my campaign expenses $5,000 and I contribute $6,000, I ought to pay a tax on the excess if anybody is going to pay taxes on excess contributions.

Mr. FOSTER. If the law limits him, he would not have a right to contribute beyond that.

Mr. KITCHIN. Under existing law there is no penalty attached to it.

Mr. RUCKER. Yes, there is.

Mr. FOSTER. A year in jail and $5,000 fine.

Mr. MANN. The penalty, however, is in the statute book, but not imposed in practice.

Mr. KITCHIN. A man may run it up to $100,000.

Mr. BARNHART. The State law in some cases fixes the maximum amount that a candidate may contribute different from that fixed by the Federal Government; then, if, like the gentleman from Illinois, he contributes the maximum amount under his State law, as I did, would he be taxed for the amount over $500?

Mr. KITCHIN. I think he would not.

Mr. BARNHART. There would be a complication in these matters between the State and the Federal Government that ought to be cleared up.

Mr. KITCHIN. This amendment does not cover the contributions of candidates. There has always been a conflict in the Federal State provisions limiting the amount that may be contributed. Some States allow more than the Federal statute and the Federal statute in some cases more than the States.

Mr. BARNHART. If an Indiana candidate for Congress should contribute the amount allowed in the Federal statutes he would be in jail the next morning after election because he would exceed the amount allowed by the State law.

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from New Jersey.

Mr. PARKER of New Jersey. It is plain that a good many of these provisions are not for the purpose of raising money but are legislation under the guise of taxation. I wanted to ask the gentleman if it was not the sense of the committee that such a mode of legislating should not be permitted and that these amendments should be gotten rid of?

Mr. KITCHIN. If the gentleman wants my personal views, I say yes. I do not think we ought to hang on a revenue bill under the guise of taxation real affirmative legislation. If I had my way there would be a general rule in the House and Senate forbidding it. But since there is no rule forbidding it I will take the will of the House in the conference and act according to that. I am thankful that we did not get an amendment providing for Government ownership and woman suffrage.

Mr. PARKER of New Jersey. Does not the gentleman think it very dangerous to pass such legislation without the care that comes from the consideration of legislation in committee?

Mr. KITCHIN. I think, while I am in favor of the bone-dry law, that it ought not to be hung on a revenue bill. They have here an appropriation for discharged soldiers; that ought not to be put on a revenue bill. Those propositions should come from the proper Appropriations Committee. The bone-dry law should come from the proper committee and be considered alone on its merits. The child-labor proposition should also come from the proper committee and be considered by that committee, but we have no rule prohibiting that, and since there is a sentiment in the House overwhelmingly in favor of some of these propositions I would not go contrary to the will of the House.

Mr. PARKER of New Jersey. I have always objected to such amendments and have not been afraid to object.

Mr. AUSTIN. Will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. AUSTIN. In view of the statement the gentleman has just made, would he oppose as a member of the conference committee amendment 599 providing for a month's extra pay for officers and sailors honorably discharged since November 11, 1918?

Mr. KITCHIN. I would not object to that, but it ought to be amended as the gentleman will see if he analyzes it thoroughly. He will see that it requires amendment. I received a letter this morning from the Secretary of War saying that it requires an amendment, as it is not in proper form.

Mr. RUCKER. Will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. RUCKER. I want to ask the gentleman with reference to the tax in excess of $500 for campaign contributions. Who pays that tax?

Mr. KITCHIN. The man who contributes; he must give it in in the tax returns.

Mr. RUCKER. I do not understand that that is so.

Mr. KITCHIN. If the gentleman will read further, he will see that it says that he must return it in the taxable return.

Mr. RUCKER. I think the plain sense of it is that the party receiving it should pay the tax.

Mr. KITCHIN. If the gentleman will look at the bottom half of page 87 of the bill, he will find that every person required by "this title" to make a return shall state therein specifically each item, and the date of all gifts, contributions, and so forth.

Mr. RUCKER. Is there anything in the title that fixes definitely that where a man contributes more than he may contribute under the amendment hereafter to be adopted——

Mr. KITCHIN. Yes; this man must make his tax return, and in the tax return this item must be included.

Mr. RUCKER. I hope the gentleman is right, but I do not believe he is.

Mr. KITCHIN. That is the intention.

Mr. RUCKER. I think the gentleman is mistaken. I think, as a matter of fact, that the individual receiving the excess ought to be the one to make the return and to pay the tax on it.

Mr. KITCHIN. Also a political organization or political committee must make a return.

Mr. RUCKER. That is in the existing law. I came in while this colloquy was in progress. Is the House to express itself to-day upon this amendment?

Mr. KITCHIN. No. I have agreed to bring the three amendments back if we do not agree to them.

Mr. RUCKER. May I ask the gentleman whether he will receive some proposed amendments that I have drafted?

Mr. KITCHIN. Yes; I shall be very glad to receive them. I think the political-contribution proposition should not have been a tax proposition, but should have come from the committee of which the gentleman is chairman.

Mr. RUCKER. I think the gentleman is right about that as a matter of ethics and procedure, but those of us who have been trying to get legislation of this kind are glad to have it come from any source, and we shall make no question about that. The gentleman in the course of the discussion has expressed his admiration for proper procedure in legislation and also expressed some gratification that woman suffrage and public ownership have not been ingrafted on this bill. In that connection he also said the whisky amendment ought not to have been ingrafted on a revenue bill. Let me remind the gentleman that, in all probability, we would have to-day two saloons in this Capitol, as we did have for many years, if it had not been that the law which drove the whisky out of the Capitol was not brought in on a separate bill but was ingrafted as legislation upon an immigration bill, and, as a matter of fact, was voted for in derision by a good many gentlemen.

Mr. KITCHIN. It was put on as a sort of joke.

Mr. RUCKER. But it has stood there, and it has had a mighty good effect, as I know the gentleman will admit.

Mr. KITCHIN. Yes.

Mr. CANNON. Mr. Speaker, will the gentleman yield for a suggestion right there?

Mr. KITCHIN. Yes.

Mr. CANNON. My observation is that while they do not sell liquor down in the restaurant it is quite as easy to get liquor of any kind in the Capitol as it ever was.

Mr. RUCKER. I will say to the gentleman from Illinois that some Members of Congress would be glad if he would give them information respecting that, privately, and I want to see the gentleman myself and have a talk with him. [Laughter.]

Mr. KAHN. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. KAHN. Will the House have an opportunity to vote on the so-called bone-dry amendment?

Mr. KITCHIN. I just said to the gentleman from Illinois [Mr. MANN] that if the conferees on the part of the House disagreed or could not come to an agreement upon the bone-dry proposition, we would come back with it to the House.

Mr. KAHN. But suppose the conferees agree to the Senate amendments?

Mr. KITCHIN. Then there would not be any coming back.

Mr. KAHN. Will there be a possibility of getting a vote upon it before it goes to conference?

Mr. KITCHIN. Of course there is a possibility, because I am asking now for unanimous consent to go to conference without taking these votes.

Mr. KAHN. If the bill should go to conference and the conferees should agree to the Senate amendment, we would not be able to get a record vote upon it here?

Mr. KITCHIN. No.

Mr. KAHN. Then I shall object.

Mr. MANN. Will the gentleman from North Carolina agree to bring that amendment back to the House and give the House an opportunity to vote upon it separately?

Mr. KITCHIN. I will.

Mr. SIMS. Why not have a vote upon that before you go to conference?

Mr. MANN. Because we have made an agreement not to do any business to-day.

Mr. KITCHIN. And I would say further to the gentleman that the reason I do not want to vote upon it now is because we would have to wait until January 4 or 5 to get the membership here to vote upon the proposition.

Mr. SIMS. I do not object to that at all, but I want the gentleman to have the power to agree, not to go to a conference manacled and hog-tied.

Mr. MANN. But the gentleman from Tennessee would not give him the power to disagree to the amendment, would he?

Mr. SIMS. No; not with my vote.

Mr. LUNN. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. LUNN. I want to ask the gentleman if he will make the same provision he has just made in regard to the bone-dry amendment also in respect to Senate amendment No. 594, respecting the zone system?

Mr. KITCHIN. I have already said to the gentleman from Illinois that I would not agree to that.

Mr. LUNN. Then the House could not get a vote upon that amendment?

Mr. KITCHIN. They could not get a vote upon the amendment if the Senate should recede.

Mr. LUNN. I think we ought to get a vote upon that, because the situation is decidedly changed from what it was when the vote was first taken. The amendment proposed is much more favorable than what many Members voted upon.

Mr. KITCHIN. Very few of the Members voted against the House proposition on the record vote, and I think three-fourths of the House are against the Senate proposition.

Mr. RANDALL. The next regular meeting of the House will be on January 2.

Mr. KITCHIN. Yes.

Mr. RANDALL. Only two days will intervene between now and then, and one of those will be a holiday.

Mr. KITCHIN. Yes.

Mr. RANDALL. Is it likely the conference committee will do very much work between now and the regular meeting of the House on Thursday next?

Mr. KITCHIN. We are going to meet on the 2d, but we could not get a quorum until the 4th or 5th.

Mr. RANDALL. In view of the situation, and to relieve the gentleman of the embarrassment of having a bone-dry amendment on a revenue bill, I shall object.

Mr. FOSTER. The gentleman from North Carolina has agreed to bring back that amendment.

Mr. RANDALL. When will the gentleman bring it back? After the committee on conference has used it as a football, probably, for a week or two?

Mr. KITCHIN. Well, the Senate is strong for it and——

Mr. RANDALL. Mr. Speaker, the gentleman has just stated that no meeting of the conference committee will be held until the 2d. This House will have an opportunity to act upon this amendment on the 2d, and for that reason I object.

The SPEAKER. Is there objection?

Mr. KITCHIN. The gentleman will not have to object, because I have no idea there will be a quorum here until the 4th or——

Mr. FOSTER. The gentleman will be safe.

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry. I desire to know just what is the request of the gentleman from North Carolina?

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table this revenue bill, to disagree to all Senate amendments, and agree to the conference asked by the Senate.

Mr. KITCHIN. Now, I will say to the gentleman that before he came in I have agreed that if the House conferees do not agree with the Senate amendment on the child-labor proposition, in which the gentleman is very much interested, I will bring it back, but there is going to be no doubt about the conferees agreeing to it. If they do not, I agreed with the gentleman from Illinois at his request that I will bring that back and give a vote on it, so the gentleman will be perfectly safe.

Mr. COOPER of Wisconsin. Let me get that clearly in mind.

Mr. KITCHIN. That if the House conferees do not agree with the Senate on this amendment on the child-labor proposition, the House conferees will bring it back here for a vote on it.

Mr. PARKER of New Jersey. But suppose they do agree?

Mr. KITCHIN. Then the gentleman is satisfied.

Mr. PARKER of New Jersey. I thought the gentleman stated he would agree to bring it back anyhow.

Mr. KITCHIN. No.

Mr. PARKER of New Jersey. The gentleman said so.

Mr. KITCHIN. No; the gentleman from Illinois asked that if the House conferees did not agree on the child-labor amendment would we bring it back, and I said yes; but I can assure the gentleman——

Mr. COOPER of Wisconsin. Do I understand the proposition to be that if the House conferees do not agree with the Senate conferees as to the amendment the gentleman will bring it back, or that if the House conferees do not agree to the child-labor amendment as it is in the bill it will be brought back?

Mr. KITCHIN. Yes.

Mr. COOPER of Wisconsin. The last is the one?

Mr. KITCHIN. Yes.

The SPEAKER. Is there objection?

Mr. KEATING. Mr. Speaker, reserving the right to object, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. KEATING. With reference to the child-labor amendment, do I understand the gentleman to have agreed that in case the House conferees do not accept the Senate amendment as proposed in the bill without modification he will bring it back?

Mr. KITCHIN. Yes.

Mr. RANDALL. Mr. Speaker, will the gentleman yield?

The SPEAKER. Nobody knows what the question was or heard the answer.

Mr. KEATING. Mr. Speaker, I heard the answer. Just to make the point clear the question I asked the gentleman was, Would he accept the Senate amendment without modification, and in the event he could not accept it without modification would he bring it back to the House? And he said he would.

Mr. CAMPBELL of Kansas. What Senate amendment?

Mr. KEATING. The child-labor amendment.

The SPEAKER. Is there objection?

Mr. RANDALL. Mr. Speaker, I desire to ask the gentleman the same question in reference to the bone-dry amendment which the gentleman from Colorado asked about child labor. Will the gentleman bring it back to the House if there is a disagreement of any kind or any change whatever?

Mr. KITCHIN. I have agreed with the gentleman from California [Mr. KAHN] to bring it back, so as to have a vote, unless Mr. KAHN withdraws——

Mr. KAHN. I certainly do not.

Mr. KITCHIN. I knew he would not.

Mr. LUNN. Will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. LUNN. I desire to ask the gentleman if he will make the same agreement in reference to the postal zone system? It seems to me it is fair to make the same agreement in reference to Senate amendment 594, which is a very different proposition from the original one.

Mr. KITCHIN. I think there is a great deal of difference in it, but the House has gone squarely on record on the question and the Senate went squarely on record on it. It is now a law in full operation. This is a provision affirmatively repealing that law, that was put on the statute books by an overwhelming majority in the Senate and the House, and I hope the gentleman will not ask us to bring that back.

Mr. LUNN. The Senate has changed it.

Mr. KITCHIN. Of course the Senate has changed it. The Senate has made more than 500 changes in the bill.

Mr. LUNN. It is only fair that the gentleman should make the same agreement with regard to that amendment as with regard to these other amendments, or I will have to object.

Mr. KITCHIN. I will say to the gentleman that I will not make that agreement.

Mr. LUNN. Then I object.

The SPEAKER. The gentleman from New York objects.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn. Of course, the adjournment will be until Thursday.

The motion was agreed to; accordingly (at 12 o'clock and 34 minutes p. m.) the House adjourned until Thursday, January 2, 1919, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Smithsonian Institution submitting a supplemental estimate of appropriation for the expenses of international exchanges during the fiscal year 1920, additional to the estimate for this object submitted in the Book of Estimates for 1920, page 673 (H. Doc. No. 1622); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting estimate of appropriation, with the request that the same be included in the deficiency appropriation bill now pending in Congress (H. Doc. No. 1623); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TAYLOR of Colorado, from the Committee on the Public Lands, to which was referred the bill (S. 1847) to authorize the addition of certain lands to the Wyoming National Forest, reported the same without amendment, accompanied by a report (No. 881), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PHELAN: A bill (H. R. 13560) to amend sections 7, 10, 11, and 25 of the Federal reserve act and section 5172 Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. HERSEY: A bill (H. R. 13561) for the construction of a bridge across the St. John River between Medawaska, Me., and Edmunston, Province of New Brunswick, Canada; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORE of Pennsylvania: A bill (H. R. 13562) to amend an act approved March 3, 1891, to incorporate the National Conservatory of Music of America; to the Committee on the Judiciary.

By Mr. KAHN: A bill (H. R. 13563) authorizing the President to appoint Henry S. Kiersted, late a captain in the Medical Corps of the United States Army, a major in the Medical Corps on the retired list; to the Committee on Military Affairs.

By Mr. WELLING: A bill (H. R. 13564) for the relief of occupants and claimants of unsurveyed public lands in township 8 north of range 2 west of Salt Lake Meridian, Utah; to the Committee on the Public Lands.

Also, a bill (H. R. 13565) to supplement an act of Congress approved October 5, 1918 (Public, No. 220), and to authorize the Secretary of the Interior, from the funds appropriated by said act, to determine, adjust, and pay losses sustained by investments preparatory to production of war minerals mentioned in said act; to the Committee on Mines and Mining.

By Mr. HOLLINGSWORTH: A bill (H. R. 13566) authorizing the Secretary of War to donate to the town of St. Clairsville, Ohio, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13567) authorizing the Secretary of War to donate to the town of Carrollton, Ohio, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13568) authorizing the Secretary of War to donate to the town of Lisbon, Ohio, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13569) authorizing the Secretary of War to donate to the town of Cadiz, Ohio, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13570) authorizing the Secretary of War to donate to the city of Steubenville, Ohio, one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. DOOLITTLE: Resolution (H. Res. 486) expressing the will and desire of the House of Representatives that the allied armies shall occupy Berlin, to remain as long as the allied and United States military authorities shall deem proper; to the Committee on Foreign Affairs.

By Mr. POU: Resolution (H. Res. 487) for the consideration of House bill 13274; to the Committee on Rules.

By Mr. HOLLINGSWORTH: Joint resolution (H. J. Res. 375) requesting the Commission of Fine Arts to submit to the Congress certain suggestions; to the Committee on the Library.

By Mr. DENT: Joint resolution (H. J. Res. 376) extending the thanks of Congress and providing an appropriate medal to governors, adjutant generals, members of local and district boards, medical and legal advisory boards, and Government appeal agents, and for other purposes; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOOHER: A bill (H. R. 13571) granting an increase of pension to Edward M. Hayhurst; to the Committee on Invalid Pensions.

By Mr. ELSTON: A bill (H. R. 13572) granting an increase of pension to Margrethe Nelson; to the Committee on Pensions.

Also, a bill (H. R. 13573) granting an increase of pension to Frederick B. Clapp; to the Committee on Pensions.

Also, a bill (H. R. 13574) granting a pension to Charles B. Hopkins; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Rhode Island: A bill (H. R. 13575) granting a pension to Leonard A. Asquith; to the Committee on Pensions.

By Mr. McARTHUR: A bill (H. R. 13576) granting an increase of pension to June MacM. Ordway; to the Committee on Pensions.

By Mr. PURNELL: A bill (H. R. 13577) granting an increase of pension to Amanda C. Deal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13578) granting an increase of pension to Reinhard Anschutz; to the Committee on Pensions.

Also, a bill (H. R. 13579) granting a pension to Alice Duncan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Report of the grand jury of the District Court of the United States for the Southern District of Ohio, concerning violations of the espionage and sedition laws; to the Committee on the Judiciary.

By Mr. CARY: Resolutions by citizens in Fox River Valley, Wis., urging support of measure for league of nations; to the Committee on Foreign Affairs.

Also, resolutions by the retail division of the Milwaukee Association of Commerce, protesting against the inclusion of the proposed luxury clause in pending tax bill; to the Committee on Ways and Means.

Also, resolutions of Ed Schuster & Co., of Milwaukee, Wis., protesting against the passage of luxury taxes; to the Committee on Ways and Means.

Also, resolutions by Samuel Gompers, president of American Federation of Labor, requesting full support of Senate bill 4922; to the Committee on Education.

Also, resolution of county superintendents of Wisconsin, approving Senate bill 4987; to the Committee on Education.

Also, resolutions by the Common Council of the City of Milwaukee, urging legislation to effectively stop the dumping of sewage and trade waste into the Great Lakes; to the Committee on Rivers and Harbors.

By Mr. ESCH: Resolutions by Samuel Gompers, president of American Federation of Labor, requesting support of Senate bill 4922; to the Committee on Education.

By Mr. FULLER of Illinois: Resolutions of the Illinois Valley Manufacturers Club, of La Salle, Ill., concerning the merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. KETTNER: Resolutions from Leslie S. Everts, president of San Diego Rotary Club, indorsing November 11 as World's Liberty Day; to the Committee on the Library.

By Mr. LINTHICUM: Resolutions in behalf of self-determination for Ireland; to the Committee on Foreign Affairs.

By Mr. MOORE of Pennsylvania: Resolutions of Ancient Order of Hibernians, protesting against peace conference ignoring Ireland; to the Committee on Foreign Affairs.

Also, resolutions of the Philadelphia Chamber of Commerce, urging legislation to validate oral war contracts; to the Committee on Ways and Means.

By Mr. RAKER: Resolutions by the Ohio Commandery, indorsing the action of the Senate in passing Senate bill 130 and urging similar action by the House; to the Committee on Military Affairs.

By Mr. ROGERS: Resolutions by international mass meeting, Lowell, Mass., urging United States to withdraw armed forces from Russia and offer aid to the Soviet Government; to the Committee on Foreign Affairs.

By Mr. VARE: Resolutions of Jacob Reed's Sons (Inc.), of Philadelphia, Pa., in support of House bill 13274, relief for manufacturers; to the Committee on Military Affairs.

Also, resolutions of Henry F. Mitchell Co., of Philadelphia, Pa., regarding revision of postal rates; to the Committee on Ways and Means.

Also, resolutions of Quaker City Rubber Co., of Philadelphia, Pa., protesting against the adoption of the metric system in the United States; to the Committee on Coinage, Weights, and Measures.

Also, resolution of Alexander Bros., of Philadelphia, Pa., in support of House bill 13274, relief for manufacturers; to the Committee on Military Affairs.

SENATE.

THURSDAY, *January 2, 1919.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we stand reverently before Thee, and submit our thought and will to Thy will. We recognize Thy right to rule. Thou art our Sovereign, our King, our God. Thy power has gotten us the victory, and we turn to Thee for Thy grace, that as we pursue the great ideals, born out of the calamities of the present time, we may have the divine guidance and blessing upon us.

We pray that Thou wilt draw us together as a people and that Thou wilt draw the nations of the earth together that we may establish a right relationship between men, based upon the revelations of Thy will concerning us. Hear us in our prayer, and bless us in the discharge of the sacred duties of this hour. For Christ's sake. Amen.

HENRY F. HOLLIS, a Senator from the State of New Hampshire, appeared in his seat to-day.

The Secretary proceeded to read the Journal of the proceedings of Monday last, when, on motion of Mr. ASHURST and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

SENATOR FROM MONTANA.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of Hon. THOMAS J. WALSH, which will be read and placed on file.

The credentials were read and ordered to be filed, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 5th day of November, 1918, THOMAS J. WALSH was duly chosen by the qualified electors of the State of Montana a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1919.

Witness: His excellency our governor, S. V. Stewart, and our seal hereto affixed, at Helena, this the twenty-eighth day of December, in the year of our Lord one thousand nine hundred and eighteen.

S. V. STEWART,
Governor.

By the governor:
[SEAL.]
C. T. STEWART,
Secretary of State.

SENATOR FROM MAINE.

Mr. HALE. I present the certificate of election of my colleague, Hon. BERT M. FERNALD, which I ask to have read and placed on file.

The credentials were read and ordered to be filed, as follows:

STATE OF MAINE.

To all who shall see these presents, greeting:

Know ye, that BERT M. FERNALD, of Poland, in the County of Androscoggin, on the 9th day of September, in the year of our Lord 1918, was chosen by the electors of this State a United States Senator to represent the State of Maine in the United States Senate for the term of six years beginning on the 4th day of March, 1919.

In testimony whereof I have caused the seal of State to be hereunto affixed.

Given under my hand at Augusta, the 10th day of October, in the year of our Lord 1918 and in the one hundred and forty-third year of the independence of the United States of America.

CARL E. MILLIKEN,
Governor.

By the governor:
[SEAL.]
FRANK W. BALL,
Secretary of State.

PAYMENT TO INVALID SOLDIERS (H. DOC. NO. 1629).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War requesting the enactment of legislation to permit the War Department to make payment in full to enlisted men of the United States Army who are returning from overseas for treatment in the hospitals of the United States, which was referred to the Committee on Military Affairs and ordered to be printed.

TRAVEL OF EMPLOYEES IN WAR DEPARTMENT (H. DOC. NO. 1630).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, a statement of travel of officers and employees on official business from Washington to points outside the District of Columbia during the fiscal year 1918, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

EMPLOYEES IN ALASKA (H. DOC. NO. 1625).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement showing for the first four months of the current fiscal year the average number of employees under the governor of Alaska receiving increased compensation at the rate of $120 per annum, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

EMPLOYEES IN POST OFFICE DEPARTMENT (S. DOC. NO. 317).

The VICE PRESIDENT laid before the Senate a communication from the Postmaster General, transmitting, in response to a resolution of December 15, 1918, a report of the number of civil employees in the Post Office Department at Washington, D. C., on January 1, 1919, and the number separated during the previous two weeks, which was ordered to lie on the table and be printed.

WAR FINANCE CORPORATION (S. DOC. NO. 318).

The VICE PRESIDENT laid before the Senate a communication from the Managing Director of the War Finance Corporation, stating, in response to a resolution of the Senate, that the War Finance Corporation is a lending institution and at this time has no expenses chargeable to the war, which was ordered to lie on the table and be printed.

AFFAIRS IN RUSSIA.

Mr. JOHNSON of California. Mr. President, for the information of the Foreign Relations Committee, I read very briefly from this morning's newspaper, as follows:

YANKS DRIVE ON REDS—GAIN 14 MILES IN NORTH RUSSIA, FIGHTING STUBBORNLY—UFA FALLS TO BOLSHEVIKI—LENINISTS TAKE CAPITAL WEST OF URALS; GAIN NEAR BALTIC—RIGA TERROR STRICKEN AS BOLSHEVIK ARMY APPROACHES—RED NAVY EXPECTED TO DASH TO SEA FROM KRONSTADT—SWISS LEGATION PILLAGED IN RETALIATION FOR EXPULSION OF RUSSIAN ENVOYS BY SWITZERLAND.

ARCHANGEL, *Monday, December 30.*

An allied force composed of Americans, Russians, and Poles yesterday advanced 14 miles southward along the road bordering the Onega River. They met with considerable resistance from the bolsheviki, but captured more than a dozen villages and did not halt until they had taken the village of Gogoli.

Starting from the village of Kalovangi early Saturday morning, American forces took the village of Prilaki, where there is a large monastery. They continued the advance in hot fighting Sunday and had not yet been halted up to late Monday. Sleighs are being used to transport the allied soldiers.

RUSSIANS FIGHT WELL.

The advance, the first attempt of the winter, was carried out under semiarctic conditions and in the few hours of daylight which obtain in this region. The village of Gogoli is approximately 80 miles south of the town of Onega and about 40 miles west of the frozen swamp which forms the allied positions along the Vologda Railroad. The road along which the allies advanced leads in the general direction of Vologda and crosses the railway line at an important strategic center, from which the bolsheviki have been operating.

An important rôle in yesterday's fighting was taken by a Russian naval brigade, which had been trained by American and British naval officers. The Polish troops who participated distinguished themselves

in the early days of the fighting along the Dvina. The Poles and Russians are filled with hatred for the bolsheviki and neither ask nor give quarter in combat.

Subsequently another dispatch is as follows:

YANKS RETAKE KADISH.

ARCHANGEL, *Tuesday, December 31.*

American troops yesterday recaptured the village of Kadish, on the middle sector of the northern Russian front, and to-day pushed forward their lines a distance of 2 miles south of the village in the direction of Vologda.

This winter push, which was against strong resistance, was undertaken simultaneously with a movement southward by the allied troops along the Onega River. The Onega column rested to-day at the village of Gogoli.

The recapture of Kadish was marked by some heavy fighting, in which, however, the American casualties were light. This village, which is located about midway between the Vologda Railway and the Dvina River, was strongly defended, and the Bolsheviki there used the blockhouses built by the Americans and British when they occupied the town in November, prior to being driven out by large forces of Bolsheviki.

CLEAR BOLSHEVIK TRENCHES.

Beginning Monday morning with an artillery attack, the Americans advanced across the frozen Emtsa River, where their positions have for more than a month been located in icy dugouts on the bank of the stream, bordering the destroyed bridge at the crossing of the Petrograd Road. They crossed the stream and cleared the Bolshevik trenches and machine-gun emplacements on the opposite bank.

The Americans then pushed forward 2 miles to the village, fighting their way under the protection of Canadian artillery, which was able to place shells almost at will in Kadish. The fur-clad American flanking parties in the frozen swamps bordering on the road contributed materially to the American success.

To-day the Americans, Russians, and Poles on this sector are confining their efforts to strengthening their positions.

Then follows more of a like sort. I call this to the attention of the Foreign Relations Committee that they may see how widely at variance are the facts with the Government's statements when our troops were sent to Russia. I also call to their attention for their edification as well the correspondence of the representative of the New York Times, recently published in that paper, concerning his view of the situation after traveling all over Siberia. The ultimate conclusion that he reached was, in substance, that the choice must be made in dealing with Russia—at the present moment at least—between the Bolsheviki on the one side and the Omsk government of Kolchak on the other, the one representing the terror, the other representing the old autocratic tyranny.

Mr. President, I do not care whether Members of this body favor the Bolsheviki or favor the old autocratic tyranny of Russia, whether it be one or the other; but I do say that for either to shed American blood is a crime.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 12863) to provide revenue, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KITCHIN, Mr. HENRY T. RAINEY, Mr. DIXON, Mr. FORDNEY, and Mr. MOORE of Pennsylvania managers at the conference on the part of the House.

SALARIES OF POSTAL EMPLOYEES.

Mr. FLETCHER presented a petition of sundry railway postal clerks in the State of Florida, praying for a change in the present methods of payment of their salaries, which was referred to the Committee on Post Offices and Post Roads.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. UNDERWOOD:

A bill (S. 5255) to provide for the appointment of examiners in the United States Court of Claims, to regulate their duties and compensation, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Arizona:

A bill (S. 5256) authorizing the Secretary of War, in his discretion, to deliver to the city of Douglas, in the State of Arizona, one cannon with carriage captured in the war with Germany, together with a suitable number of shells;

A bill (S. 5257) authorizing the Secretary of War, in his discretion, to deliver to the city of Nogales, in the State of Arizona, one cannon with carriage captured in the war with Germany, together with a suitable number of shells; and

A bill (S. 5258) authorizing the Secretary of War, in his discretion, to deliver to the city of Tucson, in the State of Arizona, one cannon with carriage captured in the war with Germany, together with a suitable number of shells; to the Committee on Military Affairs.

By Mr. OVERMAN:

A bill (S. 5259) to donate two cannon to the city of Henderson, N. C.; to the Committee on Military Affairs.

A bill (S. 5260) for the relief of Stanley Mitchell (with accompanying paper); to the Committee on Claims.

By Mr. HITCHCOCK:

A bill (S. 5261) to legalize informal or defective orders for war supplies and materials, to provide for the cancellation of orders and contracts, for the reimbursement of contractors and manufacturers, for the adjustment of claims on canceled or partially filled contracts and orders, and to provide relief for contractors pending final determination; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 5262) to promote Lieut. Col. Joseph Y. Porter, Medical Corps, United States Army, retired, now on active military duty, under the provisions of the national draft act approved June 3, 1916, to be a colonel in the Medical Corps of the Army on the retired list; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 5263) donating captured cannon and cannon balls to the city of Beaumont, Tex.; and

A bill (S. 5264) donating captured cannon and cannon balls to the city of Tyler, Tex.; to the Committee on Military Affairs.

By Mr. KIRBY:

A bill (S. 5265) authorizing the Federal Trade Commission to accept and administer for the benefit of the public and the encouragement of industry, inventions, patents, and patent rights, and for other purposes; to the Committee on Patents.

By Mr. JONES of New Mexico:

A bill (S. 5266) for the payment of certain money to Albert H. Raynolds; to the Committee on Indian Affairs.

By Mr. DILLINGHAM:

A bill (S. 5267) to donate 25 cannon to the State of Vermont; to the Committee on Military Affairs.

A bill (S. 5268) granting a pension to Sarah C. Vaughan (with accompanying papers); to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 5269) granting an increase of pension to Joseph Clucas;

A bill (S. 5270) granting an increase of pension to John F. Farley;

A bill (S. 5271) granting an increase of pension to Emmett Fitzsimmons;

A bill (S. 5272) granting an increase of pension to James H. Johnston; and

A bill (S. 5273) granting an increase of pension to George A. White; to the Committee on Pensions.

By Mr. KENDRICK:

A bill (S. 5274) granting a pension to Nettie I. Moffatt (with accompanying papers); and

A bill (S. 5275) granting a pension to Thomas Fife; to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 5276) granting a pension to John F. Lichty; to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 5277) reappropriating and making immediately available the $42,500 appropriated for the construction of two bridges over the Little Colorado and Canyon Diablo Rivers, near the Leupp Agency, Ariz., by the act approved March 2, 1917; to the Committee on Indian Affairs.

CLAIMS AGAINST MEXICO.

Mr. ASHURST. I introduce a joint resolution, and ask that it be read and referred to the Committee on Military Affairs.

The joint resolution (S. J. Res. 206) directing the Secretary of War to investigate the claims of those citizens of the United States who since December 1, 1912, suffered damages to person or property by acts of violence committed by Mexican outlaw, revolutionary, insurgent, or Federal forces was read the first time by its title, the second time at length, and referred to the Committee on Military Affairs, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized and directed to make, or cause to be made under his direction, a full and thorough investigation of each and all claims of citizens of the United States (which may be called to his attention by claimants or their attorneys, heirs or personal representatives) for reimbursement and damages for injuries inflicted by Mexican outlaw, revolutionary, insurgent, or Federal forces since December 1, 1912, upon the person or to the property of such claimants.

For the purpose of such investigation the Secretary of War is authorized to appoint a commission of three officers of the Army, one of whom shall be an inspector general. Such commission shall have authority to subpœna witnesses, administer oaths, and to take evidence on oath relating to any such claim, and to compel the attendance of witnesses and the production of books and papers in any such proceeding by application to the district court of the United States for the district within which any session of the commission is held, which court is hereby empowered and directed to make all orders and issue all processes necessary for that purpose, and said commission shall have all the

powers conferred by law upon inspectors general of the United States Army in the performance of their duties. Such commission shall report to Congress, through the Secretary of War, as soon as practicable, its findings of fact upon each and all the claims presented to it and its conclusions as to the justice and equity thereof and as to the proper amount of compensation or indemnity thereupon.

GOVERNMENT CONTRACTS.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 13274) to provide relief where formal contracts have not been made in the manner required by law, which was referred to the Committee on Military Affairs and ordered to be printed.

AMENDMENT TO POST OFFICE APPROPRIATION BILL.

Mr. McKELLAR submitted an amendment providing that hereafter when clerks and special clerks in first and second class post offices, railway mail clerks assigned to terminal railway post offices, and letter carriers in the City Delivery Service are required to work in excess of eight hours a day they shall be paid for such additional services at the rate of 50 per cent higher than their salaries as fixed by law, intended to be proposed by him to the Post Office appropriation bill, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

MEMORIAL ADDRESSES ON THE LATE SENATOR JAMES.

Mr. BECKHAM. Mr. President, I ask unanimous consent that the Senate shall convene on Sunday, February 9, 1919, at 11 o'clock a. m., to consider resolutions in commemoration of the life, character, and public services of my late colleague, Hon. OLLIE M. JAMES.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAGUE OF NATIONS FOR PEACE.

Mr. McCUMBER. Mr. President, following the usual course in this Chamber, I wish to give notice that on Saturday, immediately after the routine morning business, or the first legislative day thereafter, if we are not in session on that day, I shall ask permission to submit some remarks in support of a league of nations to enforce the peace of the world and a simple and practicable method of securing such end.

COST OF EAGLE BOATS.

Mr. LODGE. Mr. President, I ask to have printed in the RECORD two articles from the Daily Iron Trade, which is published at Cleveland, Ohio, in regard to Eagle boats, and that they be referred to the Committee on Naval Affairs.

There being no objection, the articles were referred to the Committee on Naval Affairs and ordered to be printed in the RECORD, as follows:

[From the Daily Iron Trade and Metal Market Report, Dec. 27, 1918.]

NAVY DEPARTMENT ADVANCED MORE THAN $3,000,000 FOR HENRY FORD'S EXPERIMENTAL EAGLE PLANT—FORD'S STATEMENT HE HAS TO ACCEPT PROFITS BECAUSE ACTUAL COST COULD NOT BE DETERMINED BEFOREHAND FAILS TO JIBE WITH CONTRACT—TAKES 116 DAYS TO TEST "EAGLE-1."

[This is the second of a series of articles on Henry Ford's Eagle boats, of which the Navy Department insists 60 shall be built, at a minimum cost of $33,000,000, although Navy officials themselves admit they are not needed "until the next war" and are too expensive, as regards operation and maintenance, for auxiliary or gunboat service. The profit for Ford on these 60 alone will be $1,200,000. The first article appeared yesterday.]

SPEAKING OF HENRY FORD'S EAGLES, DID YOU KNOW—

That whistles for the entire original lot of 100 were among the first pieces of equipment to be completed?

That in asking Congress last spring to create more rear admirals Secretary of the Navy Daniels explained two would be needed to take charge of fleets of Eagle boats? On the basis of the number now in the Atlantic or on the way there, each rear admiral would have exactly three and one-half Eagles to command.

That Congress heard so much concerning *Eagle-1* and so little of the original remaining 99 Congressmen began referring to it as "the one great Eagle"?

—

Though checked, the German submarines still presented a very real menace in the fall and early winter of 1917. Of all the schemes and ideas naval officers at Washington pored over and sifted down, the one that ultimately took shape in the Eagle-boat project found the most favor. "Take the best qualities of our destroyers and combine them with the superior advantages of the 110-foot submarine chasers"—this was the formula the Navy Department evolved. The upshot was that a steel, turbine-propelled craft, about 200 feet long, 500 tons burden, with a speed of 18.5 knots, or 20 miles, and mounting two 4-inch and one 3-inch gun—the latter also to be used against aircraft—was planned. Thus were the Eagles conceived.

BUILDER MOST IMPORTANT.

Second in point of importance, but almost first in importance, was the selection of the builder. Speed, obviously, was required above all else. With only quarter-inch plates, an exceptional capacity for skillful riveting also was demanded. In these deductions civilian advice not only concurred but led. In casting over the country's industries for one that most nearly satisfied these fundamental requirements the civilian advisors hit upon the Pullman Co. The riveting on Pullman cars approached closely to that demanded on the Eagles, and the Pullman Co.'s organization was of high repute. The Pullman Co., in fact, is said to have been in a receptive mood for the contract, owing to the peculiar situation in the passenger-car industry at that time. Civilian advice is said to have been practically unanimous in favor of the car interest.

ENTERS HENRY FORD.

Just about this time Henry Ford stepped into the picture at Washington. Despite the *Oscar II*, the boys still were in the trenches, and Ford had learned that the force demanded to end the war must be much more substantial than conversation. This, briefly, was said to have been the situation: On the one hand was the Navy, strong in the belief it had found the ideal antidote for U-boats, seeking a man who could build its Eagle boats, build them good, and build them swiftly. On the other hand was this man from the Middle West, with a world-wide reputation for doing great things, marred only by his peace-ship error of judgment, with an organization known far and wide for its efficiency and adaptability, and with its guiding genius eager to make a material contribution to allied arms. The combination proved irresistible. Preliminary details were settled, and construction of the Eagle plant, on the River Rouge, in close proximity to the Ford blast-furnace site, was got under way immediately.

IS IN COMPANY'S NAME.

The contract is dated March 1, 1918, and, contrary to the general belief, is between the Navy Department and the Ford Motor Co. and not an especially incorporated subsidiary. For the Navy Franklin D. Roosevelt, Acting Secretary, was signatory; the Ford Co.'s agent was F. J. Klingensmith, a vice president. Edsel B. Ford was a witness. One hundred Eagles was the number specified, although it was tacitly understood the Navy might ask for more if the emergency required. In addition, 12 were to be built for the Italian Government. The hulls were to be built at the River Rouge plant, while at Highland Park much of the machinery and auxiliary equipment was to be made. Some of the boilers, for example, have been built by outside interests at Detroit under subcontract. Plans for the Eagles were the Navy's solely, it is understood, though in the course of construction Ford engineers, naturally interested, played an active part in changes and corrections.

GOVERNMENT ADVANCED ALL.

For the construction of the River Rouge plant the Navy advanced every penny. According to Rear Admiral David W. Taylor, Chief of the Bureau of Construction and Repair of the Navy, the total expenditure authorized was $3,500,000, and the sums advanced approximate that amount. The site already was owned by Ford. Some dredging had to be done, but this was accomplished largely at the expense of the Army. "River" flatters the Rouge; "creek" is the more correct designation. For sentimental reasons the River Rouge lies close to the heart of Henry Ford. The district was the one in which he was born and reared. There Mrs. Ford also was born and reared, and the Ford home at Dearborn is on the banks of the Rouge.

PLANT COMMENDED.

The main building of the Eagle plant has been highly praised. It is 1,700 feet long by 350 feet wide, glass inclosed. The method of construction experimented upon by the Ford Co.—entirely at the Government's expense—differs radically from the accepted methods of shipbuilding. The keels of the Eagles are laid upon platforms mounted upon railroad tracks. As one operation is completed, the platform is rolled down to the next gang of workmen, in much the same manner as Ford cars are built. This method of construction necessitates a novel form of launching. Completed, the Eagles are rolled out upon what in effect is a hydraulic elevator. On this they are let down into the water. This plan was believed by Henry Ford to be a great advance over the methods of shipbuilding "professionals" and is said to have been his own. The Eagle contract completed, he planned to construct canal barges, for it is, or was, firmly imbedded in Henry Ford's mind that the United States makes too little use of its waterways, and the pioneer in opening them up will meet with unlimited possibilities.

THAT FIRST LAUNCHING.

Approximately four and one-half months elapsed before the first Eagle took to the water. To Henry Ford's way of thinking, a milepost in American ship construction was passed at 6.55 o'clock on the evening of July 11, 1918. What great store was set by this, the hatching of the first Eagle and the supposed beginning of the end of submarine piracy, can be glimpsed from the account of the launching in one of the Detroit newspapers:

"Whistles blew, the crowd of workmen and some half a hundred invited spectators gave vent to a lusty cheer, and not one of them but felt at the bottom of his heart that history was in the making. * * * There was no christening of the *Eagle-1* nor any ceremony whatever, but what the occasion lacked in frills it made up in efficiency and dispatch which was, after all, more becoming to the serious business at hand. For the Eagles of the United States Navy, it is calculated, are not going to observe any special ceremony about sending Kaiser Bill's U-boats to Davy Jones's locker once they get going good, and Henry Ford promises an Eagle a day when he gets into his stride.

AUTO MAKER TURNED SHIPBUILDER.

"The auto maker turned shipbuilder, with Mrs. Ford and their son Edsel, attending the launching. * * * They all express pride in the new achievement; albeit they took it rather as a matter of course. * * * From the moment an Eagle starts from the construction building until she is floating free in the river, a third of a mile away, there is not one-tenth of the noise nor one one-hundredth of the excitement that was created on Woodward Avenue the day Henry Ford drove his first automobile down that thoroughfare. But the launching of the first Eagle was just as epoch making as that first auto drive of about a score of years ago."

HULL SHOWS UP FAULTY.

The first flight of *Eagle-1* from her nest in the River Rouge is said to have been as enlightening as it was disappointing. Unconfirmed rumor says she "leaked like a sieve" and had to be hurried back to her dock to keep it from sinking in the Detroit River. To put the best possible construction upon the matter, *Eagle-1* leaked badly, and spot welding had to be resorted to. The veriest tyro of a shipbuilder knows that a ship is not a ship without a tight hull, and this was something with which Henry Ford's shipbuilders had failed to endow *Eagle-1*.

Nor was this all. It developed then or on later trial trips that *Eagle-1* was top-heavy, for from water line to top of pilot house was 28 feet, and the draft of 8 feet was attained only when the fuel-oil tanks contained their 100 per cent quota of 45,000 gallons. Great difficulty was encountered in steering, for while *Eagle-1* responded swiftly to her helm, the compass was abnormally slow because of the extremely large percentage of iron and steel in the vessel. The arrangement of the pilot

house was found to be faulty and inconvenient. There was some doubt, too, whether the required speed of 18.5 knots could be met, though this fear was largely dissipated later. Unusual difficulty also is said to have been encountered in tuning up *Eagle-1's* turbine.

The summer was one long vacation for *Eagle 1* on the Detroit and St. Clair Rivers and Lakes St. Clair and Huron, whereas under the Ford contract she should have been hounding down U-boats on the other side of the Atlantic. The boasted one-a-day program dwindled and shrank to about one a month. Ford workmen found shipbuilding a much more difficult art than "flivver" building. Most serious of all was their inability to rivet. Theory and practice proved to be most dissimilar, and as the summer wore on only six more Eagles were dropped into the River Rouge.

SIX ARE RUSHED AWAY.

With winter coming on and the St. Lawrence threatening to freeze up any day, Navy engineers on the ground at Detroit finally sent the first seven away. *Eagle 1* left the River Rouge just one week previous to the signing of the armistice. She should have been chasing submarines in the east Atlantic a minimum of three months, according to the contract. Only *Eagle 1* received anything like passable trial trips and consequent corrections; *Eagles 2* to 7 were dispatched with most of their faults as they were launched. Under his contract Henry Ford should have delivered the first by August 1, 10 in August, 20 in September, and 25 in October. His accomplishment instead was a paltry seven.

As a shipbuilder Henry Ford seems to be a fair engine and machinery maker. The latest official statement of the Navy Department on the progress of the hulls is as of November 1. On that date *Eagles 1* to 7 had been launched; *Eagles 8* to *12*, inclusive, were 75 per cent completed; while *Eagles 13* to *31*, inclusive, were from 40 to 60 per cent completed. As to *Eagles 32* to *112* it noted: "Keels not laid, but material fabricated for about 90 boats and machinery in hand for a considerable number." This, of course, was before the program had been reduced from 100 to 60.

Concerning the machinery for these Eagles the statement of Admiral Robert S. Griffin, chief of the Bureau of Steam Engineering of the Navy, as of November 22 is as follows:

TURBINES AHEAD OF HULLS.

"Turbines and gears were completed for seven boats. For 28 other boats the turbines and gears were 50 per cent completed. Material for the remaining 13 was on hand and 10 per cent fabricated.

"Boilers had been completed for 22 boats. For 20½ other boats the boiler material was ready for assembly. Material was on hand for 05½ other boats and about 35 per cent fabricated.

"Auxiliaries had been completed for 67 boats. Material for the remaining 45 was on hand and about 75 per cent fabricated."

Thus it becomes readily apparent that, ferreting out the cause of delay as it lay within the Ford organization, Detroit's most famous automobile builder was able to build turbines and boilers and auxiliaries much more expeditiously than hulls. And by far the most important single item in hull construction is riveting. Here, apparently, was one task before which the highly efficient and adaptable Ford organization bowed. As Admiral Griffin has aptly commented: "Mr. Ford found the job a little more difficult than he anticipated."

Men in the Great Lakes district acquainted with shipbuilding and its allied interests level considerable criticism at the Navy Department for pushing the entire 112 boats on paper before knowing actually how they performed in water. Here was a new design type of vessel, a new design of turbine, and the infrequent use of watertube boilers for marine purposes, while the organization that was to build them had never before tried its hand at shipbuilding. Yet the Navy ordered the cloth cut for the entire lot of 112 boats before the first one was "tried on" to see how it would fit, is the way these men view the situation. Whether the acuteness of the submarine warfare warranted this is a matter of opinion, they hold, but they refuse to class it as good practice. In a financial way the plan is proving extremely costly, for the decision to build 60 instead of 100 leaves a good many turbines, boilers, and auxiliaries and many tons of plates, all rolled to size and punched, useful for nothing but remelting as scrap.

WHAT A DOLLAR BUYS.

To compare the cost of an Eagle with any other type of Navy craft is manifestly unfair by reason of the particular benefit to be derived from each type. In view of the Navy's intention of going through with 60, or $33,000,000 worth of Eagles, it is interesting, nevertheless, to compare the value thus to be received. The ordinary Great Lakes bulk freighter, a somewhat rough but most useful and efficient type of carrier, before the war cost approximately $40 a dead-weight ton to build. To turn out such a freighter to-day would cost from $60 to $65 a ton. The trim 3,000 to 3,500-ton ocean-going freighters of canal size being built by Great Lakes shipbuilders are costing from $190 to $200 a ton. Both the Government and private builders are putting out destroyers at from $1,000 to $1,200 a ton. Eagles, which Navy officials frankly admit will not be needed until the next war and are entirely too expensive for auxiliary duty in peace time, are costing slightly more than $800 a ton. This is what the buyer of Liberty bonds and war-savings stamps is getting for his money in the way of Eagles.

For Henry Ford the whole Eagle proposition has been one in which he has had everything to gain and nothing to lose—except reputation. The contract dated March 1, 1918, between the Navy and the Ford Motor Co. in unvarnished language calls for actual cost plus $20,000 profit if the cost of each Eagle is $275,000 or more, while of any saving effected under $275,000 the company is to receive one-quarter.

THEORY AND PRACTICE.

Over his name, in the September, 1918, The World's Work, Henry Ford declared flatly:

"I will not take a cent of war profit out of the war work I am doing. * * * Everything we are making for the Government will be made without profit; I will find some way to give those profits back to the Government, for I can not prevent the profits from accruing, since it is impossible to determine in advance just what the cost of everything will be, and the prices had to be fixed in advance."

Now, the Ford Motor Co.'s contract specifically says:

"The price to be paid for each vessel to be constructed and furnished in accordance with this contract, including authorized charges therein, shall be the actual cost plus a definite sum for profit. * * *"

And the contract in another section gives what shall be considered as items of cost, and goes fully into such charges as overhead, depreciation, elements capable of alternative treatment, royalty, allowances for scrap and waste, and the like. The actual cost of each vessel will be determined, for the money to be paid Henry Ford by the Navy will be twofold and separate—actual cost and agreed profit.

Still another angle to the profit hurdles Henry Ford has been jumping is the statement of Admiral Griffin to members of the House Committee on Naval Affairs at Washington that Henry Ford himself waived all profit; that he at first actually did offer to build them at cost, but that directors of the Ford Motor Co. would not agree to this. The Ford Motor Co. is understood popularly to be Henry Ford first, last, and always, and that the directors of the company should prevail against Ford himself, especially in a matter on which he has been so bold and outspoken, is almost unheard of.

In spite of all of Henry Ford's writings and his disclaiming any desire for profit, he is assured $1,200,000 net on the 60 Eagles with which the Navy is going through and 10 per cent profit on the uncompleted portions of the remaining 40. Probably $1,500,000 will be the minimum profit that will accrue to him. Just how he will return this to the Treasury Department at Washington is something Detroit is most anxious to learn. In the past the Federal Government has distinctly refused all offers of monetary gifts to the Treasury. As a matter of fact, there seems to be only one door open to those who would reimburse the Federal Government, and that is a contribution to the conscience fund.

—

[From the Daily Iron Trade and Metal Market Report, Dec. 26, 1918.]

NAVY TO STAND BY FORD EAGLE PROGRAM, THOUGH COST IS $50,000,000 AND RETURN IS NOTHING—FAILURE OF HENRY FORD TO TURN SHIPBUILDER BRING COVERED OVER—BOATS ARE LEAKY AND TOP-HEAVY—FORD MOTOR CO. PROFIT OVER $1,500,000—EAGLE-A-DAY SCHEDULE FIZZLE.

MAIN DIMENSIONS OF EAGLES, AND FORD CONTRACT.

Length, 204 feet.
Beam, 25½ feet.
Draft, 8 feet when fueled.
Tonnage, 500, dead-weight.
Boilers, 2 water tube, oil burning, 1,000 horsepower each.
Turbine, 1 steam, 2,000 horsepower, 4,700 revolutions per minute.
Screw, single, 3-bladed, 11 feet down.
Speed, 18½ knots.
Fuel capacity, 45,000 gallons of oil.
Crew, 7 officers and 68 men.
Armament, two 4-inch guns and one 3-inch, the latter also being used as an aerial gun.

Cost, originally placed at $275,000, or $550 a ton, without guns. Estimate now is $400,000, or $800 a ton. Ordnance comes at $112,000 a boat.

Contract agreement, Ford Motor Co. to be paid $20,000 over actual cost if cost of hull and machinery exceeds $275,000. Twenty-five per cent of saving under $275,000 to be paid Ford Co. in addition to $20,000.

Deliveries. "The contractor shall use every endeavor to deliver the first of said vessels within five months from the date of this contract (Mar. 1, 1918), 10 boats within one month thereafter, 20 boats within the next following month, and 25 boats a month thereafter."

—

HERE IS DEADLY PARALLEL IN FORD EAGLE CASE.

THEORY.	PRACTICE.
"I hate war. I am a pacifist * * * If there was no profit in war for anyone, there would be no war. It is because people can make money out of war that war occurs. I do not believe in killing men for money to get something that belongs to some one else, whether it is money or land or the right to live in liberty and peace. That is why I will not take a cent of profit out of the war work I am doing. Liberty motors, eagle boats, helmets, tractors, ambulances, trucks—everything we are making for the Government will be made without profit; I will find some way to give those profits back to the Government, for I can not prevent the profits from accruing, since it is impossible to determine in advance just what the cost of everything will be, and the prices had to be fixed in advance. But personally I am not going to touch a dollar of war profits. My share will be carried back into the United States Treasury, and I am hoping that other stockholders will do the same. I can not think of anything worse to accuse a man of than of being a war profiteer." Henry Ford in September, 1918, The World's Work.	"Should the actual cost of each vessel in the execution of the work reach or exceed the sum of $275,000, or such revised, estimated cost in lieu thereof as shall be determined on account of changes * * * the contractor shall be paid the fixed sum for profit of $20,000 for each vessel. Should the actual cost be less than the estimated cost revised as aforesaid for cost of changes, the contractor shall be paid as profit in addition to $20,000 for each vessel, one-fourth the amount by which the such actual cost on each vessel falls short of the estimated cost revised as aforesaid. * * * Should the department desire to terminate the work under this contract before the completion of all vessels * * * it shall give 30 days' notice. * * * The contractor shall be paid for all work on vessels the completion of which shall be abandoned the actual cost thereof plus 10 per cent profit * * * collective liability of contractor for breach of guaranties and agreements as to material, workmanship, and performance shall be limited to $1,000 on each vessel." Ford Motor Co. contract with Navy.

—

Millions of dollars—fifty at the very least—is the price the Navy is going to pay for refusing to confess publicly the failure of Henry Ford's Eagle-boat program and abandon it.

With the signing of the armistice and the interning of the enemy's U boats in British and Italian harbors, the primary objective of these $550,000 200-foot steel craft being built by Ford has been attained.

For patrol and gunboat duty in peace time they are next to impossible by reason of their excessive maintenance and operating charges. In fact, high officials of the Navy Department themselves have admitted they will not be needed "until the next war."

But the only concession the Navy has made so far, and the only one it flatly declares it will make, has been to pare the program from 60 Eagles to 40. On the face of it this is a generous reduction of 40 per cent, but considering that the turbines, boilers, and auxiliaries for the entire 100 have been built and practically all of the plates rolled and punched, the apparent reduction of 40 per cent shrinks to a bare 10. And the $33,000,000 the Navy is to pay for submarine chasers in peace time is only the start.

NEVER HAD A CHANCE.

Whether the Eagles which Ford undertook to construct with great flourish and blare of trumpets as his chief contribution to the winning of the war, are good or poor boats from the standpoint of design is still a matter of opinion. It is fact—not opinion—that the highly-touted Ford organization crumpled when it attempted the boats, and never gave them a chance to show.

Had the late candidate for the Senate lived up to his contract, 93 Eagles would have been completed and in commission by December 15. As a matter of fact, exactly seven had been completed by that date—three being in New London, Conn., and four somewhere between Detroit and New London—and of these seven, six were rushed to the coast leaking and generally incomplete to get them out before the freeze.

Entirely responsible for this astounding delay, after giving due consideration to the handicaps under which a Navy contractor works, and blotting out whatever defects there may have been in design, is the inability of Henry Ford's mechanics to turn themselves into successful shipbuilders. On one charge alone—that of riveting—they stand condemned. The first Eagle leaked badly, and not until she was electrically welded did she become water-tight. In turbines and auxiliaries Henry Ford showed some degree of skill, but in hulls none. And this at a time when the world's greatest need was for craft for combating the submarine menace!

IS WINNER EVERY WAY.

This failure, an outstanding one indeed, has not been at Henry Ford's expense. Not one penny has he lost, not one penny will he. No matter what the outcome of the Eagle-boat program, even be it wholly abandoned to-morrow, his profits stand to run up into the millions. On every Eagle that is completed the Navy is bound to pay him a minimum net profit of $20,000. In event any of the boats are not completed he is to receive actual cost plus 10 per cent. For the construction of the Eagle plant on the River Rouge, southwest of Detroit, on land owned by Ford, the Navy advanced every dollar—$3,500,000 in round numbers. And under his contract Ford ultimately will take over this magnificent $3,500,000 works at virtually his own figure for the construction of barges—provided his maritime ardor has not been sufficiently dampened—or possibly Fordson tractors. All this in the face of his voluntarily unequivocal declaration he would not accept one dollar in war profits!

All this, combined with the Navy's flat-footed refusal to cut short Eagle construction, looms up as the biggest industrial scandal of the war, Detroit's largest business and industrial interests firmly believe. Were the war still on and the Huns' submarine still polluting the seas, Ford's nonperformance would be accepted as one of the fortunes of war. But when the Navy insists upon adhering to a type of boat that is designed primarily for sweeping the seas of U boats—which now are no more—and that admittedly is too costly for auxiliary work, then and there objection arises to throwing $50,000,000 and more into a sink hole.

WHY? DETROIT ASKS.

As Detroit views it, the Navy can have only two reasons for continuing building Eagles now that they never will combat an enemy submarine. One is that they can be assigned to a peace-time service commensurate with their cost, type, and operating expense and the other, following the lead of other Government departments, to prevent the men employed on them from being thrown out of work and to ward off financial harm from the contractor. The former the Navy itself has disposed of; the latter Henry Ford's financial standing and his oft-expressed desire to resume full peace production of Fords and Fordson tractors render untenable.

That there will be a congressional investigation of the Ford Eagle matter, Detroit business and industrial interests are certain. Sustaining this belief is the cloak of mystery with which the Navy has shrouded the Ford Eagle plant on the River Rouge. So far as publicity is concerned, a veritable no-man's land has been set up around it. And when the Ford Motor Co. refuses to talk about what it has done or is planning, then here is proof positive of something wrong somewhere, says Detroit.

From the standpoint of construction, perhaps the most serious fault to be found in the Eagles is the wretched work done on the hulls. To cite one instance, *Eagle No. 1* was launched July 11, 1918, but could not start for the Atlantic coast until November 4. Most of these intervening 116 days—roughly, four months—were spent remedying the poor riveting and other defects in the hull.

STAND 28 FEET HIGH.

From the standpoint of design, critics point first to the topheaviness of the craft. From keel to top of pilot house is 36 feet, and when an Eagle's fuel-oil tanks are entirely filled her maximum draft is only 8 feet. The forward deck, on which is mounted a 4-inch gun, is not much lower than the pilot house. The 4-inch gun on the midship house is mounted equally high.

Now, while criticism of the Eagles, especially their construction or rather their nonconstruction, is widespread, it is not entirely personal. One captain of industry of the Great Lakes region, who can talk as authoritatively on ships as on other things and who has followed the Eagle matter closely, succinctly sums up the situation thus:

"The miscarriage of the Eagle-boat program is just what was to be expected; the project was foredoomed to failure. The combination of a new design of boat, new power plant, new builder, and new method of construction was unbeatable. In some ways the proposal of constructing the boats on tracks and launching them hydraulically was ideal, theoretically. In other ways, such as the attempt to do without a mold loft, it was absurd.

NO TIME TO EXPERIMENT.

"When the Eagles were proposed there was great need for an efficient means of combating the submarine. Obviously, with the peril so great the Navy should not have experimented with a new type, and above all with a new shipbuilder. The shipbuilding industry can not be revolutionized in one day or an efficient plant built, an organization created, and actual production attained in six months. In the period of the war the country was willing to stand for anything that gave even the slightest promise of being of help. But now that the U boats have been swept from the seas the only sound course the Navy can take is to stop all work on the Eagles, scrap the equipment already completed, and get out of the entire situation as quickly, financially, as it is possible. My chief concern, however, is for the men who will be ordered to sea in these Eagle boats."

Says the spokesman of another powerful Great Lakes interest:

"Henry Ford's Eagle plant will go down in shipbuilding history along with Hog Island, Bristol, and Newark Bay. Not one of these yards turned out a ship that carried one soldier or one pound of supplies to Europe while the war lasted. Ford's yard failed to turn out an Eagle that worried one submarine. All four yards were experiments, hastily conceived and illy carried out. The sooner the Eagle program is abandoned and the unused material sold the less the country's financial loss. We are willing to buy liberty bonds for the prosecution of the war, but not for such a venture as Henry Ford's Eagles."

NOTHING BUT MILLIONS.

Millions is the only financial term into which the Eagle boats can be translated. Originally estimated to cost only $275,000, or thereabouts, this figure now has been increased to $400,000. On top of this comes $112,000 each for armament and $20,000 for Henry Ford's profit. Thus the items of profit, cost of hull and machinery, and the outlay for ordnance mount up to $532,000. The changes that will have to be made on the Atlantic coast before the boats are really ready for service will easily bring the total up to $550,000 each, it is estimated. The 60 thus will stand the Navy Department $33,000,000. Bound to pay the Ford Motor Co. actual cost plus 10 per cent on all material and equipment already worked up and completed for the 40 canceled Eagles, the Navy faces another item that will run up into $10,000,000 or $15,000,000 it is believed. Maintenance of machinery alone will stand the Navy $9,000 a year an Eagle. In addition is the pay roll of the crews of 7 officers and 68 men. And the testimony of reputable Navy Department officials is that the Eagles are not needed "until the next war," and will make pretty expensive patrol boats!

AND HENRY WAS GOING TO SHOW UP THE PROFESSIONALS.

Mr. Ford has promised to roll an Eagle boat a day into the River Rouge; to the man who can make 3,000 automobiles a day this is easy.

Merely to catalogue Mr. Ford's activities in war enterprises makes an impressive showing. He is building new Eagle boats—has built an enormous plant and devised methods of turning out warcraft as fast almost as "flivvers" and by identically the same methods.

It is a far cry from the *Ocar II* to the Eagle boat.

He was an amateur when he started to build his first car; it was as an amateur that he tackled the problem of building warships at the rate of one a day—the Eagle boats. Professional statesmen and economists have failed to put an end to the war. Mr. Ford thinks it is time for the amateurs to step in and see what they can do.

When Mr. Ford took a contract from the Navy Department to build 200 two hundred-foot Eagle boats and get them all into the water in a year he tackled another job that all the professionals in that line said couldn't be done. * * * The whole scheme and method of construction, the plant and its equipment are exactly what some imaginative amateur striving for perfection of detail and efficiency might dream of, but which most business men would hesitate to undertake.—From Henry Ford, Amateur, by Frank Parker Stockbridge, in September, 1918, The World's Work.

THE POTASH INDUSTRY.

Mr. HITCHCOCK. Mr. President, I ask to have read from the desk a telegram regarding the condition of the potash industry.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read the telegram, as follows:

OMAHA, NEBR., *December 31, 1918.*

HON. G. M. HITCHCOCK,
United States Senator, Washington, D. C.:

The Omaha papers this morning carry an Associated Press dispatch from Paris saying that Hurley, of the United States Shipping Board, intends to load all returning United States ships with Alsace potash. This violates the understanding had with the War Trade Board, that no enemy potash would be imported until peace is declared. Hurley's plan would paralyze the Nebraska potash industry and mean the loss of millions of dollars invested here. We understand the Department of the Interior is preparing a bill to protect the American potash industry. Please do everything within your power immediately to shut off the foreign importation of potash as Hurley plans until the potash problem can be worked out along equitable and just lines. If the Hurley plan is given publicity in the South it means that no Nebraska potash can be sold, because the South will expect foreign importations. I expect to be in Washington within 10 days and to confer upon a program of action with you. Until then do everything within your power to see that no foreign potash comes in. Every Nebraska company is vitally interested in this matter. I appreciate what you have done, but desire to impress upon you the very great danger to Nebraska potash of the plan now suggested by Hurley.

GEORGE A. LEE.

Mr. HITCHCOCK. Mr. President, I desire to state, in order to clear up the matter somewhat, that there has been some misunderstanding; that Mr. Hurley evidently, when he made that statement to the Associated Press, was not aware of the fact that the War Trade Board had issued an order that no potash should be imported into this country from enemy territory until the peace treaty has been signed.

I presume that technically Alsace-Lorraine still comes within that category. Later on no doubt we shall import potash from Alsace-Lorraine. For the present, however, it is the intention of the War Trade Board not to allow the importation of potash until the peace treaty is signed, for the reason that the potash industry has been encouraged by Government agents during the war to go to an extraordinary expense in the development and production of potash, and a large supply of potash is now on hand. The fertilizer companies are refusing to buy this potash in the hope of being able to import potash from Europe to put into fertilizers during the present season. This is utterly impossible. During this season it is holding out a false hope to the agriculturists who are depending on fertilizers; potash can not be imported for months yet to come. The order of the War Trade Board still stands, and the War Trade Board has taken occasion to send to Mr. Hurley information that that order still

holds good. It would be, in effect, a breach of faith on the part of the Government, after encouraging the potash industry as a war measure to produce the potash at this time and at great expense, now to make it impossible for the companies to market their product. I think that the fertilizer companies which are depending upon securing potash from Europe at this season for their fertilizers will find that they are anticipating something that is impossible.

I wish to say in this connection, Mr. President, that I have introduced, and there is still upon the table of the Senate, a resolution which I may ask later to have considered, directing the Federal Trade Commission to inquire whether the fertilizer companies of this country have entered into a combination to refuse to buy this potash, whether those fertilizer companies have large interests in European potash mines, and whether or not European potash companies, notably those of Germany, have interests in the American fertilizer companies. I think that this is susceptible of some proof. There seems to be a combination at the present time of fertilizer companies to refuse to buy the American potash that has been produced at the urgent request and under the stimulation of the Government urging.

I merely make this statement at this time in connection with this telegram, because I think it should be known that the delay in the purchase of this potash and the delay of the fertilizer companies in putting it into their fertilizers is based on a false hope. The fertilizer companies may omit potash from their fertilizers and may attempt to substitute some other ingredient like phosphate. If they do so, they will injure the agricultural interests. They can not get European potash in time for this season. They can if they will buy American potash, which is now stored up in large quantities.

ARTICLE BY PROF. EDWIN M. BORCHARD.

Mr. FLETCHER. Mr. President, I have a very able article by Edwin M. Borchard, professor of law of Harvard University, on the subject of the declaratory judgment—a needed procedural reform. I ask that it be referred to the Committee on Printing with a view to having it printed as a public document.

The VICE PRESIDENT. Is there objection? The Chair hears none.

LANDS IN CALIFORNIA AND MEXICO.

Mr. ASHURST. I offer a resolution which I desire to have read.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 402) was read, as follows:

Resolved, That the President of the United States is hereby respectfully requested to open negotiations with the Republic of Mexico for the purchase of the peninsula of Lower California and for the purchase of that tract of land in the State of Sonora, Republic of Mexico, approximating in area 10,000 square miles and lying north of the parallel of 31° 20′ north latitude.

Mr. ASHURST. Mr. President, I simply wish to say that I should like to have the resolution lie upon the table for the present, and I give notice that I shall address the Senate upon the subject of the resolution as soon as I may be able to obtain the floor, either on Friday or on Saturday.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. ASHURST. Certainly.

Mr. BORAH. I simply suggest that, in all probability, if the Senator will defer his motion until the league of nations is organized, they may distribute that territory to the United States.

Mr. ASHURST. Oh, Mr. President, I am fearful that it may be given to Japan.

GOVERNMENT CONTROL OF CABLES.

Mr. KELLOGG. I offer the resolution which I send to the desk, and ask to have it read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read the resolution (S. Res. 401), as follows:

Resolved, That the Committee on Interstate Commerce be, and it is hereby, authorized and directed to investigate the subjects listed hereafter, and report to the Senate of the United States its findings and conclusions thereon, at the same time recommending such legislation as it may deem necessary or advisable:

1. Assumption by the Government of the supervision, possession, control, or operation of any or all of the telegraph, telephone, marine-cable, and radio systems.
2. The future ownership, supervision, possession, control, or operation of any or all of said systems by the Government.
3. The conditions under and the extent to which any or all of said systems should be permitted to consolidate and authority therefor.
4. Effect of the so-called Sherman Antitrust Act upon the consolidation of marine-cable systems extending to foreign countries and the advisability of modifying said act.
5. Necessity for the extension of marine-cable systems to foreign countries and effect thereof upon the commerce of the United States.
6. The sufficiency of the telegraph, telephone, marine-cable, and radio systems to meet the business requirements of the United States.
7. All other subjects pertinent to the general question of Government ownership, supervision, possession, control, and operation of any or all telegraph, telephone, marine-cable, and radio systems.

Said committee is authorized to subpœna witnesses and documents, administer oaths, and to do all acts and things necessary to the carrying out of the purposes of this resolution.

Mr. KELLOGG. Mr. President, I ask unanimous consent to submit a few remarks in explanation of the resolution I have offered and its object. I do not think I will take more than five minutes.

The VICE PRESIDENT. Is there any objection?

AMERICAN FORCES AT BREST, FRANCE.

Mr. NEW. Mr. President, will the Senator yield to me that I may submit a resolution?

Mr. KELLOGG. I yield.

Mr. NEW. I offer the resolution which I send to the desk, and ask that it be read.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 403) was read, as follows:

Whereas reports having reached the United States and having been given currency by publication in the columns of the newspapers to the effect that unwholesome, insanitary, and unnecessarily discomforting conditions exist in the camp occupied by the American Expeditionary Forces at Brest, France: Therefore be it

Resolved, That the Senate Committee on Military Affairs be authorized and directed to investigate the same and to report its conclusions to the Senate, together with such recommendations as it may see fit to make concerning the condition reported.

Mr. NEW. I ask unanimous consent for the immediate consideration of the resolution.

Mr. KELLOGG. Mr. President, I decline to yield, if I am entitled to the floor. I wish to ask unanimous consent to make a few remarks.

The VICE PRESIDENT. Then the resolution goes over under the rule. The Senator from Minnesota will proceed.

GOVERNMENT CONTROL OF CABLES.

Mr. KELLOGG. Mr. President, in explaining this resolution, I shall not take the time of the Senate for any extended remarks. I think the time has come for some real constructive legislation upon the question of our transportation facilities by rail, by water, as well as telephone and telegraph.

I have several times discussed the taking over of the telegraph, telephones, and cables. My object in introducing this resolution is purely to have the Congress informed as to what is necessary for the extension, development, and best operation of these facilities. I am not particularly interested in why these lines were taken over or when they were taken over. They have been taken over, and we should approach the subject of the future ownership, control, and operation in a broad-minded, business way. Nor am I going to discuss the relative advantages of Government ownership or control of telegraph and telephone land lines. It is a question, I suppose, which Congress must meet, and it should do so intelligently and act for the best interest of all of the people of the country. But one thing is sure, no one will pretend that the cable lines can be owned and operated by the Government.

Mr. Burleson will not insist on this as a permanent policy. He is too intelligent, in my opinion, and too well informed to make any such plans. Of course, I do not speak for Mr. Burleson, but that is my opinion. And there is a question of the most vital importance to the American people and to the development of our foreign commerce, and that is the extension of the cable lines. At some future time I shall present my views upon this question. For the present it is sufficient to say that those lines should be extended to Norway, Sweden, Denmark, Russia, Italy, and, most important of all, to Brazil and Argentina, in South America.

I suppose the Senate understands that the only lines we have extend through Mexico, down the western coast, connecting with other lines to Argentina and to Brazil. The British Government has lines directly to Argentina and to Brazil, and that Government is pushing its commerce and its cable business to these South American countries, and an extension of our cable facilities at the earliest possible moment is of surpassing importance to the development of our commerce and relations with these Republics to the south. Then there is a question of the manufacture of cables, which should be undertaken in this country. At present we are entirely dependent upon Great Britain for the same.

I have asked the Interstate Commerce Committee to make this investigation, because it is already investigating transportation by railway, and they run more or less along parallel

lines. Furthermore, it was the Interstate Commerce Committee which passed upon the resolution to authorize the taking over of the cable, telephone, and telegraph systems. It is a phase of interstate commerce of the most surpassing importance, and that seems to me to be the committee entitled to investigate it.

I may introduce a bill embodying my ideas upon this cable situation; but I think the most important thing at present is for the Congress to be fully informed of the situation and the necessities of the development and growth of this means of transportation.

There is another very important question, and that is to what extent the Government should permit the consolidation of telephones, telegraph, and cable systems. I am not going to discuss this at length, but manifestly some consolidation under Government control and supervision will be of advantage to the people. At least, it is a question which should be considered and settled. It is a serious question whether the duplication of telephone lines especially is wise, and there are questions of the consolidation of the cable lines, which I hope the committee will develop and which I shall take occasion to discuss at some future date.

What the Congress should do now is to consider this whole subject. It is of the greatest importance of any domestic question now pending for solution. It should be approached in a broad-minded, liberal manner, and a policy worked out which shall be for the best interests and meet the demands of this fast-developing country.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. The Senator from Indiana.

Mr. KELLOGG. I ask unanimous consent for the consideration of the resolution at this time.

Mr. UNDERWOOD. Mr. President, I desire to reserve the right to object until I can get the floor.

Mr. WATSON. I believe I have been recognized to ask the Senator a question.

Mr. KELLOGG. I yield to the Senator from Indiana.

Mr. WATSON. I have a resolution along the same lines, with the same purport, asking that this whole question be investigated; but I intended to ask that the resolution should be referred to the Post Office Committee. It occurs to me that that committee is the proper committee to investigate the question for these reasons:

First, the Interstate Commerce Committee has before it the railroad question, which it will begin to investigate to-morrow, and which, in all human probability, will take the remainder of this session, unless we speed up much more rapidly than committees generally do. A question that is so vast and complex as this railroad question must of necessity require great time for its consideration.

In the second place, the Postmaster General has assumed jurisdiction of the telegraph, telephone, and cable systems, now has them under his charge, and is to supervise them as their sole manager. Therefore it occurs to me that under all the conditions surrounding this particular case the Post Office Committee is the proper committee to investigate this question. I do not believe we could reach it before the Interstate Commerce Committee if the Senator's resolution were to be sent there.

That is my judgment about the matter, and I want the Senator's opinion.

Mr. KELLOGG. Mr. President, in reply to the Senator from Indiana, I wish to say this:

When the resolution came before the Senate to authorize the taking over of the telephone and telegraph and cable lines, it went to the Committee on Interstate Commerce, as a matter of course. That was the proper place for it to go; and that committee reported the resolution after declining an investigation. Now, the cables and telephones and telegraphs are not in the Post Office Department. The President was authorized to appoint some person to take charge, and he appointed Mr. Burleson. He did not appoint the Postmaster General, and they are not in the Post Office Department at all. They are still being operated by the companies, subject to the direction of Mr. Burleson.

Mr. UNDERWOOD. Mr. President——

Mr. KELLOGG. Now, Mr. President, these lines and the cables affect intimately the interstate commerce and the foreign commerce of this country. That foreign commerce is dependent to a great extent upon the extension of our cable systems is an indisputable fact, and nothing is more important, and it certainly falls within the province of the Interstate Commerce Committee.

As to the matter of time, the investigations of the questions pending before the Railroad Committee—Government ownership, Government operation, permanent or temporary, and many other questions—run parallel and are intimately connected with the control of the telegraph, the telephone, and the cable systems. It seems to me the resolution should go to the Committee on Interstate Commerce, and that that committee should be authorized to make the investigation.

Mr. UNDERWOOD. Mr. President, will the Senator yield to me for a question?

Mr. KELLOGG. Yes.

Mr. UNDERWOOD. I recognize what the Senator says with reference to the jurisdiction of this resolution. I think if there is any power in the Government to control this matter, it must be under the commerce clause of the Constitution, and therefore the Interstate Commerce Committee would have jurisdiction of it if we are going to investigate it at all; but the reason I wanted to ask the Senator to let the matter go by this morning is this:

In the first place, the Interstate Commerce Committee—as the Senator knows, being a member of the committee himself—will take up to-morrow the investigation of the railroad question. There are a hundred angles from which that question will be discussed before the committee. There probably will be several hundred witnesses who will desire to appear. It is going to take weeks, if not months, to conclude that investigation. The 4th of March, with the conclusion of this session of Congress, is only 50 days off. Probably when the 4th of March is past, before the assembling of Congress again, the treaty of peace will have been signed or nearing its final conclusion. When the treaty of peace is signed, so far as these telegraph and telephone lines are concerned, the question settles itself. They will go back permanently into private ownership.

I am rather inclined to believe that we will be able to face these questions and study them out, and especially the telegraph and telephone lines and cable systems, better from the standpoint of allowing them to go back to private ownership, and then consider what regulations are needed, than we will by attempting to solve the questions pending their going back.

Mr. WATSON. Mr. President, will the Senator yield to me?

Mr. KELLOGG. I will.

Mr. WATSON. Is not the Senator aware of the fact that the Postmaster General is so mixing up the interests and the business of the two telegraph systems of the United States and all their other interests that it will be almost impossible to unscramble them unless it be speedily done? Now, it may be a year before the treaty of peace is finally signed. Nobody knows.

Mr. UNDERWOOD. I will state that I am more optimistic. I think the treaty of peace will be signed in a few months.

Mr. WATSON. Nevertheless, at the present rate at which the business of these two enterprises is being intermingled it will be an almost impossible thing to do.

Mr. UNDERWOOD. What I was trying to point out is the impossibility of the Interstate Commerce Committee of the Senate considering this question and finding a verdict between now and the 4th of March.

Mr. WATSON. Precisely.

Mr. UNDERWOOD. There is no possibility of its accomplishment.

Mr. WATSON. There is no doubt about that at all. I think the Senator is entirely right.

Mr. UNDERWOOD. The railroad question is going to occupy the entire time of that committee; but as the question of investigation is of so much importance and the chairman of the committee is temporarily out of town and expects to be back to-morrow, I wanted to ask the Senator from Minnesota if he would not allow the resolution to go over until to-morrow?

Mr. KELLOGG. Of course, an objection, as I understand, will send the resolution over.

Mr. UNDERWOOD. I did not want to object.

Mr. KELLOGG. I have no objection to the Senator objecting. I am willing that the resolution should go over until to-morrow. I wish to say one word, however, if the Senate will permit me, about this particular investigation.

I do not think this investigation will take much time. I am not so much interested in investigating the past. I believe if Mr. Burleson and a few officers of the systems mentioned and people who are familiar with this subject would come before the committee and explain their views, the committee could readily come to a conclusion as to what it may be necessary to do.

I do not believe anybody in this Government for a moment considers that the Government should own and operate the cables, or that it can do it, or that it can ever get the consent of foreign Governments, or that it would be politic to try; but I do believe that something should be done at once to extend the cable lines, and I do not think it should wait for six months or a year.

So far as the telegraph and telephone lines are concerned, quite likely when they are returned the problem will somewhat

solve itself, although I do think the Interstate Commerce Commission's jurisdiction over telephone, telegraph, and cable systems should be extended to naming the conditions under which capital should be issued, stock and bonds, and the fixing of rates of cable lines, as well as the telephone and telegraph systems. Those subjects are going to be investigated, so far as the railways are concerned, by the Interstate Commerce Committee; and many of the questions are exactly the same, as they apply to the telephone, telegraph, and cable companies. But as the objection has been made, I ask that the resolution may go over until to-morrow.

Mr. WATSON. I wish to ask the Senator a question.

Mr. KELLOGG. I yield.

Mr. WATSON. Along the line of his last remark, does not the Senator recognize there are vast differences presented by the question? The railroads, for instance, we all know will not go back to private ownership as they were before they were taken over by the Government; but, on the other hand, cables and telegraphs and telephone systems require no legislation to be handed back and in all human probability ought to be given back just as they were before they were taken over. The two questions present entirely different angles for the consideration not only of the committee but of the Senate. I am on both committees, so far as that is concerned, and I do not particularly care. I believe that if the resolution goes to the Committee on Interstate Commerce it will not be acted upon, and I believe also that if it goes before the Post Office Committee it will be acted upon, and what I desire is action, because I think these lines should be turned back to private ownership at the earliest possible date.

Mr. KELLOGG. I ask that the resolution go over.

The VICE PRESIDENT. The resolution will lie over and be printed.

AMERICAN FORCES AT BREST, FRANCE.

Mr. NEW. Mr. President, I am going to indulge the hope that the Senator from Minnesota [Mr. KELLOGG] will withdraw his objection to the immediate consideration of the resolution which I offered a few minutes ago, as I would like to make a little statement about it.

Mr. KELLOGG. I withdraw the objection. I did not understand that I was objecting to the Senator's resolution. I objected to yielding the floor, and I certainly will withdraw the objection.

Mr. NEW. If the objection be withdrawn——

Mr. KING. Mr. President, I reserve the right to object, if that may be done under the rule, until I hear the explanation of the Senator from Indiana [Mr. NEW]. It seems to me there is no necessity for this resolution until we hear the report which will be submitted by the Secretary of War.

Mr. NEW. Mr. President, I have no knowledge concerning the truth of certain statements made in the newspapers concerning conditions existing in the camp occupied by the American troops at Brest, but they have been made on the personal responsibility of at least one correspondent of recognized standing and character, and it seems to me that they call for some investigation on the part of this body. If that condition is as reported, it affects the comfort and the health of every American soldier who occupies that camp. I am making no charges or insinuations or anything of the kind. I am simply offering this resolution in order that the Committee on Military Affairs may make an investigation of the conditions, and make such recommendations looking to the amelioration of these conditions as the investigation may seem to warrant. I think the Senator, understanding that, will have no objection at all to the resolution.

Mr. FLETCHER. May I interrupt the Senator?

Mr. NEW. I think the matter calls for immediate consideration.

Mr. FLETCHER. Has the Senator noted the comment of the Secretary of War appearing in this morning's Washington Post, showing that he has instigated by cable an inquiry into the facts there, and reciting the conditions as he saw them and as the Assistant Secretary of War saw them in this camp?

Mr. NEW. I did notice that; yes.

Mr. FLETCHER. I can not see any occasion for rushing an investigation by a committee 3,000 miles away when the information is being cabled for and will no doubt be here very shortly.

Mr. NEW. Mr. President, I confess that I can not see why objection should be offered to the consideration of this resolution and to an investigation being made by a committee of the Senate. It may be true that an investigation will be made also by other authorities. I can not see why the Senate should forego not only its right, but its duty, to investigate charges of that kind simply because some one else is going to do the same thing.

Mr. JONES of Washington. Mr. President, I have understood that the Committee on Military Affairs already has authority to make an investigation of this kind under a resolution heretofore adopted by the Senate. The Senator from Indiana is a member of that committee and will know better about it than I do. This war has not officially ceased, and that committee has been investigating, from a military standpoint, many different matters in connection with the conduct of the war. It seems to me that under the resolution under which it has been acting heretofore it could also act in this matter.

Mr. NEW. Mr. President, it is true that the Committee on Military Affairs has a sort of blanket authority which may cover this case. However, I do not know positively that it does cover it, and for fear it does not I think it well to have a specific resolution covering this question. For that reason I have offered the resolution.

The VICE PRESIDENT. There being objection, the resolution goes over under the rule.

WAR EXPENDITURES.

Mr. JONES of New Mexico. Mr. President, on the night of December 23, I believe it was, when the discussion was being concluded upon the revenue bill, the senior Senator from Wisconsin [Mr. LA FOLLETTE] delivered a very able and instructive address. During the delivery of the address a colloquy was entered into between the distinguished Senator and myself, and it developed that there was not a full understanding between us regarding certain expenditures of the Government. The figures as given to the RECORD at that time were so at variance and, to my mind, of such importance that I think it advisable some explanation should be made at this time.

The Senator from Wisconsin was discussing the expenditures of the past with respect to what would probably be the expenditures henceforth, and I know that I was greatly impressed with the figures he gave for the reason that they indicated that the expenditures would not materially decrease for some time to come, and that those expenditures were much larger than I had been led to believe they were. The Senator said—I quote from near the bottom of page 824 of the CONGRESSIONAL RECORD:

> In the fiscal year ending July 1, 1916, before we entered the war, the total disbursements were $1,040,261,082.73. In the fiscal year ending July 1, 1917, that would include some of the war expenses incurred from April 6, 1917, our total disbursements were $3,046,183,746.19; for the fiscal year ending July 1, 1918, the disbursements were $21,813,356,508.39.

Afterwards the Senator yielded to me, and I made the statement that I was not acquainted with the figures which the Senator had given, and he referred to the report of the Secretary of the Treasury as authority for the figures which he had given.

I stated at the time that the Secretary of the Treasury gave the actual expenditures for the fiscal year ending June 30, 1917, as a little over $2,000,000,000, and for June 30, 1918, as a little over $13,000,000,000. At the moment I was not able to recall anything in the report which might give rise to this discrepancy, but since that time I have thought it important to look the matter up, and on page 490 of the report of the Secretary of the Treasury I find that the figures given by the Senator from Wisconsin are correct, if emphasis be put upon the word "all"—"all disbursements of the Treasury Department." But the distinguished Senator failed to take into consideration the large expenditures concerning the public debt. We all know that the Treasury Department has been issuing from time to time certificates of indebtedness, short-term certificates, which in turn are being taken up and being paid off out of the Treasury. Of course, the receipts from that source, as well as the disbursements, will appear in the report at the page cited by the Senator from Wisconsin.

A rather complete explanation of this situation is given by the Secretary of the Treasury in his report, which appears in the same volume on page 4. Before making the statement the Secretary of the Treasury gave the receipts and the disbursements for those fiscal years, and the totals were those given by the Senator from Wisconsin; but in explanation of that statement the Secretary of the Treasury, on page 4 of his report, says:

> An analysis of the above table for the fiscal year 1917 shows that, exclusive of public-debt transactions, the receipts for the year amounted to $1,124,324,795.02 and expenditures for the year $2,026,678,446.74, including $885,000,000 on account of the purchase of obligations of foreign Governments. From this it will be noted that, exclusive of public-debt transactions, 55 per cent of the expenditures of the year were paid from revenue receipts. If the purchase of obligations of foreign Governments is deducted from the total ordinary and special expenditures—that is, expenditures exclusive of transactions in the public debt—the result is $1,141,678,446.74, and the above figures show that over 98.5 per cent of this amount was paid for from revenue receipts.

Mr. WEEKS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. WEEKS. I want to make inquiry about what subject we are now on.

The VICE PRESIDENT. We are on general resolutions now.

Mr. JONES of New Mexico. I will say to the Senator that I am going to conclude in just a minute.

Mr. WEEKS. If the Senator is going to bring up the entire discussion——

Mr. JONES of New Mexico. Oh, no; not at all. I simply want to get the RECORD straightened so far as it pertains to references to expenditures as made on the night of the previous discussion. I shall not require more than a minute or two longer.

Mr. WEEKS. Very well.

Mr. JONES of New Mexico. The statement of the Secretary of the Treasury continues:

A similar analysis of the table of revised receipts and expenditures for the fiscal year 1918 shows that, exclusive of transactions in the public debt, the receipts of the year were $4,180,425,155.99 and expenditures for the year $13,196,071,287.40.

That discloses the reason which brought about the discrepancy in the figures which the Senator from Wisconsin and I had in mind. I think it is wise at this juncture to call attention to the same state of affairs which will be disclosed upon an examination of those statistics with reference to the experience following the other wars referred to by the Senator from Wisconsin. The Senator gives exactly the total disbursements of the Treasury Department for those years, but he does not make any reference to the amount of disbursements which were made on account of debt transactions, and while, of course, the Senator was perfectly right, as I believe, in insisting that the war expenses did not all cease with the signing of the peace treaty, yet I am inclined to believe that sufficient emphasis was not given to the question of public-debt transactions.

I notice in these statistics—I did not read the figures—that following the Civil War, in 1866, about one-half of those total expenditures were on account of public-debt transactions; and so I think the real situation can not be understood without an analysis of the figures with reference to the public-debt transactions.

Mr. LA FOLLETTE. Mr. President, if I may be permitted, I desire to say just a word, interrupting the morning business only for a moment.

I shall be glad to take the criticism of the Senator from New Mexico of my figures and to make some further investigation, and when opportunity offers for a somewhat more extended reply than I could make at this time without interrupting the morning business I shall avail myself of such opportunity to make it.

Mr. JONES of New Mexico. Mr. President, I merely desire to remark that I have not made these statements for the purpose of criticizing the Senator from Wisconsin, for we all know that in our labors in the committees and here in the Chamber we can not keep everything in mind. The Senator, I think, was perfectly justified in taking the total of all disbursements in the way in which he did; but it seems to me that, by doing so, perhaps a wrong impression would be obtained. The Senator, of course, knows that I would not in a spirit of criticism refer to his address. I know that he is one of the most diligent, energetic, and able Senators we have in this body.

PROPOSED PURCHASE OF CANTONMENTS.

Mr. BORAH. Mr. President, I understand that the Senator from Massachusetts [Mr. WEEKS] and the Senator from Illinois [Mr. LEWIS] desire to address the Senate in a few minutes, and I shall detain the Senate but a moment.

I see by the public press that the able Secretary of War is disposed to purchase all of the cantonments, to enlarge the sites, and to extend the military program and maintain it, as it were, at the war standard. I do not desire to discuss that matter at this time, but I should like to ask the able chairman of the Committee on Appropriations, the Senator from Virginia [Mr. MARTIN], whether or not there are now any funds available to the Secretary of War out of which the purchase of these cantonments can be made, or will legislation be necessary before such funds can be provided?

Mr. MARTIN of Virginia. Mr. President, I feel very sure that legislation will be necessary before that can be done. I know positively that no legislation has been reported from the Committee on Appropriations making available any such fund.

Mr. SMOOT. Mr. President, I desire to call the attention of the Senator from Virginia to the fact that in an appropriation bill appropriating money for the War Department there was an authorization to use it for other purposes than for which it was appropriated, or, in other words, it was made transferable. There are some $7,000,000,000 appropriated more than will be used by that department for the present fiscal year, and the department could, if transferable, use a part of the money to purchase the cantonments.

Mr. MARTIN of Virginia. My contention is that such authorization would not go to that extent. I know it was not the intention of the committee to confer any such power as that, and I do not think a close reading of the act will disclose any such authority.

Mr. SMOOT. I was of the same opinion as is the Senator from Virginia, but when the question of appropriating came up before the Finance Committee as to the amount of contracts which could be annulled the Secretary of War, as well as Gen. Lord, made the statement that there was a provision in an appropriation bill authorizing the War Department to use the money that was appropriated for a specific purpose, if not expended for that purpose, to be transferred to the credit of another account within the department.

Mr. MARTIN of Virginia. But those were for war purposes; the war has ended, and it would be the grossest violation of good faith if the Secretary of War should take those moneys and expend them to the extent of $500,000,000 to buy these cantonments. I can not conceive it to be possible. I know nothing of the sort was intended, and I do not believe it could be legitimately done under any provision of law which has been reported from the Committee on Appropriations.

Mr. SMOOT. I hope the Senator's contention is correct, but I simply made the statement I did to the Senator from Idaho, because of what occurred in the Finance Committee and the statement that was there made in relation to any specific appropriation which had been made for the use of the War Department.

Mr. BORAH. Mr. President, I infer from the statement of the Secretary of War that he himself understands that legislation may be necessary, although that is simply an inference; it is not a statement clearly made on the part of the Secretary.

I am very glad, indeed, to have the vigorous and incisive statement of the Senator from Virginia [Mr. MARTIN] that no such authority, in his opinion, exists. I desire to say that if by any latitudinous construction such authority should be conferred, I trust the Secretary of War will permit Congress to pass upon that program before it is initiated. It is a matter of lasting and vital moment, and if any such authority has been given it has been given under the supposition that it would be used during the war and not after the war has ended. I hope Congress will be permitted to pass upon the program before its adoption.

Mr. KING. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. Yes.

Mr. KING. Does the Senator from Idaho know whether or not all of these cantonments have been erected upon private land? I was under the impression that most of the cantonments, if not all, had been erected upon land the title to which had been secured by the Government. It seems to me that if all these cantonments have been erected upon private land it was a very unwise and a very imprudent thing to do.

Mr. BORAH. I am unable to answer the question of the Senator from Utah.

Mr. JONES of Washington. Mr. President, I think I can answer the question of the Senator from Utah [Mr. KING]. My understanding is that there is only one cantonment which is located upon land which is owned by the Government, and that is at Camp Lewis, where the land was donated to the Government by Pierce County, in my State.

Mr. KIRBY. Mr. President, the Senator from Washington is certainly misinformed in regard to that proposition, for Camp Pike, in Arkansas, consisting of 3,000 acres of land, was donated to the Government for the location of a camp by the people of Arkansas, at a cost of $350,000.

So far as the other matter is concerned, I desire to say that I know as to some of the appropriations that have been made, and I do not think it is the purpose of the War Department to purchase $500,000,000 worth of cantonments without submitting the matter to Congress and without giving us a view of what the program is from now on as to what is and what shall be, and taking the judgment of Congress and getting authority to do the things that must necessarily be done.

The VICE PRESIDENT. If there be no further concurrent or other resolutions, the morning business is closed.

WAR CASUALTY LISTS.

Mr. WEEKS. Mr. President, the distinguished Senator from Illinois [Mr. LEWIS] had announced that he would address the

Senate after the close of morning business to-day, but he has courteously yielded to me to discuss briefly the casualty lists, or an investigation which was made of them by the Committee on Military Affairs. I wish to say to those who have come particularly to hear the Senator from Illinois discuss the great questions which he contemplates doing that my remarks will be brief and there will soon be an opportunity to hear him.

Mr. President, for several months there has been an increasing volume of complaints of the delay in publishing casualty lists. Not only the War Department but Senators and Representatives have been communicated with and appealed to in a great number of individual cases, many of which were of a most distressing character, and these complaints became so numerous that it seemed to be the duty of the Military Affairs Committee of the Senate to give the subject consideration. There is some difference of opinion as to the advisability of considering such matters at a time when practically very little practical result can accrue. It takes the nature of a post-mortem and requires the attention and time of Senators, who undoubtedly are fully occupied in other matters; and yet my own belief is that all such matters should be fully investigated not only to determine the justification for the complaints which have been made, but to demonstrate what should not be done in dealing with such problems in the event the country ever becomes engaged in another war.

The Committee on Military Affairs finally decided to take up this question, and held its first hearing on the 3d of December. There appeared before the committee the Secretary of War; the Chief of Staff; Hon. Frederick P. Keppel, Third Assistant Secretary of War; The Adjutant General, accompanied by Maj. Lemle; and Mr. W. R. Castle, jr., the director of the bureau of communication of the American Red Cross.

During the past summer and fall the members of the Military Affairs Committee of the Senate have been holding conferences with certain officers of the War Department Saturday mornings to discuss the various activities of the department, to be furnished with up-to-date information, and offer suggestions relative to the improvement of the service based on information which might come to them during the week. At several of these meetings inquiry was made by Senators in reference to the casualty-list situation, and we always received the same general reply; that is, that while the service was not satisfactory, every effort was being made to improve it; that delays were largely incident to the fact that our men were fighting with allied units, and frequently American wounded were taken to British or French hospitals; and that it was always desirable that accuracy should accompany the reports. Although these explanations seemed to be reasonable, they were not sufficient to excuse the frequent long delays which occurred in publishing American casualties. I think the officers of the War Department were thoroughly in accord with the conclusions of the Military Affairs Committee that better service should be obtained.

Of course, it is now too late to change the system which had been followed in reporting casualties, but the system has been so cumbersome and has led to such general delay in all cases, and most unreasonable delays in some, that I think it may be worth while to call to the attention of the Senate the methods used in handling the casualty situation. This general résumé of the system employed is taken from the testimony of Mr. Secretary Keppel, who went to Europe in the month of October to investigate this service and determine the causes for the unusual delays in reporting casualties.

In a word, the purpose of the system established on the other side was to keep a complete statistical record of every individual in the American Expeditionary Force. This necessarily developed a complex and involved condition. It was, in effect, a system of master cards plus finding lists, using the regiment as a unit. While the system did not completely break down during the summer months, after the 18th of July, when the casualties became heavy, it was unable to handle the situation with efficiency or expedition. However, it seemed to be too late to attempt to modify it, and that was the general plan followed in reporting casualties up to the signing of the armistice.

In answer to an inquiry, Mr. Keppel gave the following facts relative to the time required in reporting and forwarding casualties to this country: In the case of a man who died on the field of battle, it took an average of 9.68 days to start the report on its way to the central records office, located in Paris. These 9.68 days were consumed in making the company report and in investigating the correctness of that report. From the regimental headquarters the list would be started on its way to Paris; but on account of the difficulties in telegraphing American names over French lines the courier system was adopted for this purpose, and it required an average of 4.36 days for the lists to reach the central records office in Paris. There then took place another checking up of records, as a result of which the average time the name remained in the central records office was 7 days, or a total of 22 days from the time the casualty occurred to the time the name was put on the cable and sent to the United States.

In the case of wounded men, this time was materially reduced, because the man was immediately taken to a hospital and the time required to investigate his case was shortened; so that the average time required for transmitting all reports of casualties to the central office and their examination there—this including those killed on the field of battle, those who died in hospitals, and the injured in hospitals—aggregated 18¼ days before the name was cabled to the United States.

It seems to follow without argument that if there had not been delay in completing returns, by either the company or regimental officers taking time to check up every case that occurred during a battle, much greater expedition would have resulted. The natural course followed at the end of each day was for the company commander to at once report the number of casualties in his company, so that the divisional commander would know just how many men he needed as replacements for the following day. This report was immediately followed by the names of those killed and wounded. In most cases these reports could have been made in a very short time if delay had not occurred in trying to check up every individual doubtful case.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WEEKS. I yield.

Mr. OVERMAN. Does the Senator know the cause of the delay here in the office in Washington?

Mr. WEEKS. I am going on to describe that.

Mr. OVERMAN. I will cite the Senator to a case that I learned of this morning in my office. The father of a soldier had not heard from the boy since the 1st of October and made inquiry concerning the boy. The soldier's brother in France also made inquiry and ascertained that the boy had died of pneumonia in a hospital after coming out of a battle. In addition to that, he wrote immediately to his father that his brother had died, and then his father wrote me the letter which I received this morning. I telephoned to the department, and the reply was that the boy died on the 25th of October, and yet his father had not heard a word since the 1st of October from his boy. It seems to me there is some unnecessary delay in the office here.

Mr. WEEKS. I will say to the Senator from North Carolina that there are literally thousands of cases similar to the one which he has described. I thought it best to describe first the situation on the other side; but I am going to take up the situation in the department in Washington.

The testimony on this subject was furnished by Mr. Keppel and was largely corroborated by Mr. Castle, who brought to the attention of the committee the fact that while he thought the system was much more cumbersome than it should have been, it had another distinct weakness in that the work was done by men who had never had any experience in card-index systems; that, generally speaking, they had had no clerical experience, and that much of the delay was due to this fact. He stated further that recently the system has been temporarily operated by English women known as the Waacs, and that this change has expedited the reports very materially.

It is pretty difficult without having direct testimony to make a comparison between the time consumed in reporting the names of American casualties to the central office in Paris and that required by other allied nations. The French Government has not published lists of casualties. The British Government has done so. The testimony submitted by Secretary Keppel, who examined the British system while he was in Europe, was to the effect that while the system seemed more cumbersome than ours, it was, on the whole, simpler. The best evidence he could obtain indicated that the British lists were published in practically one-half the time it required us to transmit our lists to the central office in Paris.

The British Red Cross has from the beginning of the war been furnishing reports to the families of British killed and wounded.

I should like to ask Senators to note that the British Red Cross was furnishing information direct, because I am going to explain why our Red Cross did not follow the same course. While the time required to get an official notice to a family of

a casualty was not far from two weeks, the unofficial notice from the British Red Cross reached the family in a much shorter time.

As a further indication that there have been unreasonable delays in the machinery organized to get lists to the central office in Paris, Mr. Castle, of the American Red Cross, testified that whenever a man was reported missing the Red Cross immediately took up the matter through the International Red Cross Service in Switzerland and obtained from Germany a prisoners' list; that from the time a man was taken prisoner until a substantiated report was in the hands of the Red Cross in Washington averaged about a month, and that recently the Red Cross in Washington had been furnishing the War Department lists of American prisoners in Germany almost invariably before the men carried on the lists had been reported by the War Department as missing.

The work of the Red Cross has had a very direct bearing on this whole casualty question. It was not the original purpose of the Red Cross to take any action in the case of well men, and it was assumed that whatever action it took, except in the case of prisoners, would be supplementary to the work of the War Department. Gradually, however, the Red Cross extended its activities, and it might have been extremely helpful to the War Department if there had been proper cooperation.

When Mr. Castle returned from a trip to Europe in September, 1918, he found several hundred letters in the hands of the Red Cross written by boys confined in hospitals in France to their parents. Under a ruling of the War Department the Red Cross was not permitted to forward these letters to those to whom they were addressed until the department had made an official report of the casualty. This condition had existed earlier in the summer; indeed, as soon as the casualties commenced to come in, but it did not become acute in its effect until after the fighting at Chateau Thierry and the engagements which followed. On his return from Europe Mr. Castle again brought to the attention of the War Department—he having done so before he went to the other side—this condition, and finally, after the 27th of September, by permission of the War Department, these letters were promptly forwarded.

It was a natural impulse which led wounded boys confined in hospitals to send communications to those nearest them through the Red Cross, feeling, of course, that they would be promptly and certainly forwarded to their destination. It will be seen, however, that from early in May of 1917 until the 27th of September, 1918, there were at all times more or less letters in the hands of the Red Cross containing information about wounded or sick men, written by themselves or their nurses, which could not be forwarded to the persons to whom addressed because of this rule of the War Department, and in many cases these letters were held up for a very considerable time, as is completely demonstrated by the delays in publishing the names in individual cases.

The theory on which the order was issued, if I understand the testimony correctly, was that the department wished absolute accuracy, which, of course, was desirable; but it does not follow that such information passing through official channels, there being several different offices through which it must pass, would be any more accurate or as accurate as information obtained by the Red Cross through its individual representatives. This organization not only had representatives at American and British hospitals in France, but also traveling representatives, who were constantly visiting French hospitals. It was not practicable to have representatives at all French hospitals, there being some 5,000 of them, but the hospitals were thoroughly covered and prompt reports made to the Red Cross in this country. I shall wish to show later on how frequently its sources of information might have been used by the War Department in expediting individual reports if advantage had been taken of the Red Cross facilities.

Moreover, in such criticism as I may make of the office of The Adjutant General under the present head of that department, I do not think it can be charged that he was responsible for this failure to allow the Red Cross to send information to the parents of wounded soldiers until the official lists were published, because that order was put in operation by his predecessor and presumably with the official sanction of the department.

The fact is that the War Department's information has been frequently wrong, and as a result has caused much suffering. I shall give some specific instances later, but one example will indicate to what extent this condition has been true. During the month of August the Red Cross had in its possession the cases of over 200 men who had been reported by the War Department as missing and who had been found by the Red Cross in hospitals in France. They never had been missing and the reports to that effect were all errors. It is almost incomprehensible that this could be true when it is presumed that a complete weekly list of the inmates of all hospitals in France is furnished The Adjutant General's office, and that this has been done for many months. One of the most glaring errors shown in the lack of coordination between the War Department and the Red Cross service is found in the fact that these hospital lists were not until the latter part of November, 1918, although in the possession of the War Department, furnished to the Red Cross.

The day after I dictated what I am now communicating to the Senate I read cases which illustrate this lack of correctness of the War Department's reports in three different papers—one from New Bedford, Mass.—and these cases simply illustrate the general situation which I am trying to describe:

MARTIN GETS TELEGRAM TELLING HIM HE IS DEAD—AS MATTER OF FACT, NEW BEDFORD MAN NEVER GOT AS FAR AS FRANCE.

NEW BEDFORD, *December 29.*

When a telegram from the War Department was delivered at the home of Lieut. Robert Martin, 232 Arnold Street, recently, announcing his death in action in France, the telegram was received by Lieut. Martin himself.

Lieut. Martin, as a drafted man, went to Camp Devens, then to an officers' training camp in Virginia, and received his commission just before the armistice was signed; so he didn't go to France. How the War Department made the mistake has not been explained.

In the Washington Star, of the same date, I see this:

READS HE IS "WOUNDED"—MAJ. W. D. ALEXANDER, HERE MONTHS, FINDS NAME ON CASUALTY LIST.

Five months after receiving wounds in France, Maj. William D. Alexander, the son of Maj. Gen. Robert Alexander, commanding the Seventy-seventh Division, and Mrs. Robert Alexander, of Willard Courts, read in Thursday's casualty list that he had been "wounded, degree undetermined."

This is dated December 23:

Maj. Alexander was wounded on the western battle front on July 26. At that time he was a captain. In August he was ordered to return to the United States, and has been on duty in Washington since September 1.

Here is one of the same date from a far-away town in northern New Hampshire:

Pvt. Walter Sturtevant, of Colebrook, was also reported on Sunday as "severely wounded." Pvt. Sturtevant is the son of Mr. and Mrs. Melrose Sturtevant. He was wounded in the left arm during the summer and has been in a base hospital in this country for several months. He passed a Thanksgiving furlough with his parents. A part of a bone was removed from his leg and grafted onto an injured bone in the arm.

And yet he was reported wounded on December 19.

Another example will serve to show conclusively how inaccurate has been the work of the War Department in this particular. During the week ending December 14, 1918, the Red Cross received an average of 20 letters a day from parents who had been advised by the War Department that their sons had been killed on a specific date. In every one of those cases the parents wrote that they had received communications from their boys subsequent to the date given by the War Department. It seems almost miraculous that so many errors could have occurred in cases of this kind.

One of the very palpable reasons for cooperation between the two services is found in the suggestion made by Mr. Keppel that the American Army officers had no right of entry to French or British hospitals, but this right under international law is accorded the Red Cross. That is a fact well known, and it should have been at once assumed that the Red Cross would in such cases have evidence which would be of value to the War Department, and it should have been a sufficient reason for the closest cooperation between the two services.

Moreover, it should be noted that the War Department has not made a practice of reporting in the following cases: First, cases of gassing; second, cases of serious illness; third, cases of accident, unless the man is killed; fourth, cases of slightly wounded men. Many of these were brought to the attention of the Red Cross, because in such cases the men were in all probability confined—temporarily at least—in hospitals, and in many cases confined for a considerable length of time. In correspondence home his fellow soldiers report that he is wounded; no report has been furnished the family of his being wounded, and they naturally become greatly alarmed, and it has been so difficult to obtain information that this alarm frequently has continued for as many as 30 days, creating great distress and frequently disgust, which would seem to have been entirely unwarranted if the Red Cross had been permitted to have furnished this information to the families of men gassed or injured.

It should also be noted that The Adjutant General of the Army in Europe had no information of the order of the War Department prohibiting the furnishing of such information to families by the Red Cross before the official announcement of the casu-

alty until June of this year. At that time the adjutant general of the American Expeditionary Forces stated to Mr. Castle that it was supposed on the other side that all information which came to the Red Cross would be at once communicated to the families or it would not have been allowed to be sent over to the Red Cross, as all such reports were censored at the headquarters in Paris; so it follows that the wishes of the Army officials in Europe in this respect were not carried out on this side, but overruled by the order to which I have referred.

It is also worth noting that the War Department in sending reports of casualties to families simply state that the individual is killed or wounded without further explanation, and the department here, as far as I know, has no other information on that subject. That work has very properly been taken up by the Red Cross, and it is testified that in the neighborhood of 10,000 letters a week have been sent to the families of those killed or injured, giving the facts relating to the death or the condition of the injured man.

Another reason for delays in reporting casualties—and I nearly overlooked it—was the demand for technical accuracy which the War Department required. An example of this kind is the case of Hugh H. Blair, Company A, One hundred and fifty-sixth Regiment, who was reported missing. This name did not appear on the rolls, so it was sent back to France by the War Department for correction, necessarily requiring about a month, and this was done notwithstanding the fact that there was a "Hugh H. Blair, Company A, One hundred and fifty-sixth Regiment," who had not been reported missing, and who was the only man in that company whose name compared in any respect with that of "Blair."

According to the evidence before the committee—and it has been made public—there have been 264,000 casualties up to the time this hearing was given, December 4. There had been reported by The Adjutant General about 120,000, or—at the time this testimony was taken—total deaths of 50,928 and total wounded 69,841, showing a discrepancy with the Pershing cable reports of 7,550 deaths and 120,114 wounded.

I should like to call attention to the fact that this morning we learn that, according to the official statement made on the 26th of November by Gen. Pershing, there are yet 59,000 casualties of some kind which have not been reported to the public.

It has been repeatedly stated in the testimony given by the Secretary of War, Gen. March, and others that the names were given to the public as soon as they were received, and yet hospital lists, which must contain substantially all of the wounded, are sent to this country every week. Before the armistice was signed, November 11, the names were sent over by cable in code; that is, deaths and missing were sent in code, and it was necessary to take time enough to decipher them, but since that time they have been sent by their true names, and there has been no delay. If Gen. Pershing could report the total number of deaths on November 20, 1918, and the cables were free to send the names direct, it seems incomprehensible that now, on the 2d of January, there is contained in the newspapers every morning lists of a very considerable number of deaths. The death lists, except those which occurred as a result of wounds or disease since that time, should have reached this country as early as December 1, and should have been published within a day or two of that date. Moreover, the statement that all lists are published as soon as they are received in this country can not be accurate for the reasons I have stated, namely, that hospital lists, including wounded and sick men, are received every week, and that these lists are sent from Europe by courier.

One of the excuses made by The Adjutant General in referring to the giving out of these lists was that his force was much too small when he took charge of the bureau, there being but 100 persons in that office. That force has now been increased to 1,500 employees, and, while I may not understand the requirements in checking up lists, it will be noted that on no day has more than 7,500 names been published, which would necessarily mean that these 1,500 employees only examine and are ready to report out a maximum of five names each a day and on most days up to this time not more than two or three. One would think that 1,500 persons examining a list as it existed December 4 of about 130,000 names would have been able to have cleared up the entire roll as early as the 10th of December, or within a week's time. That would have only meant the checking up in every way necessary of about 88 names apiece a week, and I can not fail in this respect to call attention to the indirectness and the lack of what seems to be positive information on the part of The Adjutant General in giving his testimony. It should be said of course in his behalf that he was detailed to this very important and difficult position at a time when the office was overwhelmed with work, and it would necessarily require him a considerable time to become familiar with the details; yet presumably this work was organized, so that the system was in operation at the time, and it would only have been necessary for him to have changed those things which were not working satisfactorily. I can not believe, however, after hearing Gen. Harris's testimony, which was noticeable for its seeming failure to comprehend either in detail or in general what should be done to improve this service, that the change in that office during the activities of war was a businesslike or desirable step to have taken. It would seem that the former Adjutant General, who had in most respects performed his work satisfactorily, should have been continued in this important place.

Another criticism which will justly rest against the Office of The Adjutant General is the failure to answer correspondence in casualty cases promptly and frequently the failure to reply to it at all. In a great many of the individual cases I have been asked to investigate it has been stated that one or two or more telegrams or communications have been sent to The Adjutant General requesting information, and no reply has been received, and that is the testimony of other Senators.

While it is known to everyone that our local mail service has sadly deteriorated under its present management, although it has not yet sunk to the wretchedly inefficient condition of the mail service between this country and the American Expeditionary Force, it would not be possible to charge it with the responsibility for the great delays brought to the attention of the committee during the recent hearings by Senator NEW. He stated that it required about 12 days for a Senator to get a reply to a communication written The Adjutant General's Office, and to corroborate that statement he put in the RECORD these cases. He did it at the suggestion of the Secretary of War, who rather questioned the correctness of Senator NEW's statement:

A letter written by Senator NEW on November 18 in the case of Glenn L. Marshall was answered by The Adjutant General on November 30.

In the case of a letter written November 25 he received a reply dated December 2.

In the case of one written November 18 relating to one Basil Richardson he received a reply November 30.

In the case of Leroy Elson he wrote November 18 and the date of the reply was November 29.

In another case he wrote November 6 and received a reply dated November 25; and it is significant in this last case that The Adjutant General stated in his reply that "Pvt. Mark E. Dufendach, Company I, Eighteenth Infantry, is officially reported dead July 19 from wounds received in action." I call particular attention to that, because it was necessary for the relatives of this man to appeal to their Senator in November to learn about a soldier who had died on July 19. It required 19 days to get a reply from The Adjutant General. These instances, furnished the committee by Senator NEW, were not unusual, but indicative of a condition which has consistently prevailed.

There seems to have been a failure on the part of the War Department officials to discriminate between cable reports and courier reports, and in all of the questions asked, as, for example, of the Chief of Staff, the reply has been that names were published as soon as received and checked up on this side. Undoubtedly that is true of cable reports, but it is very far from being correct as applied to reports received by courier, as is evidenced by the testimony of Gen. Harris. He states in reply to an inquiry:

> The courier reports of death come under reports on changes and casualties. All changes that occur as to the status of an officer or enlisted man are reported in these daily reports, and until you examine each report you can not tell how many casualties there are.

He went on to state that his office was not very far behind with the courier reports, and when pressed as to how far behind the office was, he said:

> I should say, to-day, less than a month.

The following colloquy took place:

> Q. I do not grasp just what that means. You said less than a month. Do you mean you are a month behind in courier reports that have been sent to your office?—A. In some of the courier reports we have not verified all the names.
>
> Q. How many names, in your opinion, have you in your office from any source which have not been reported?—A. That is impossible to answer.
>
> Q. Have you 10,000 or 20,000 or 50,000?—A. As I stated before, the reports come in what is known as the reports of changes and casualties, and they come in by the thousands every day, and it is necessary to count each one of those to state how many are casualties and how many are ordinary changes of duty.
>
> Q. Have you not the slightest idea of the number of names of deaths or casualties you have in your office that have not been given to the public or to the families?—A. I could make an estimate by giving the number Gen. Pershing has announced.
>
> Q. Has he sent over all that have been killed or wounded?—A. How he reaches his totals of killed and wounded he has not told us, whether by special reports from the organizations or whether he counted the names on the daily reports and change of status; I do not know. I think he may probably get them from special reports.

Q. He has reported 265,000 casualties. Have you that entire number in your office?—A. I have not.

Q. Have you anywhere seen the total number?—A. We get every few days a large package of these courier reports. Gen. Pershing is now reporting all casualties.

If the answers given to these inquiries enlightens anyone they will serve a purpose they failed to do in the case of the committee. Evidently bunches of courier reports are coming in every few days, and yet, with 1,500 clerks, it is impossible so to check these up that The Adjutant General could guess whether there were ten or fifty thousand of those names not reported; but that there are a great many is quite clear from a statement made by Mr. Castle.

Mr. Castle stated in a letter to me that "Hospital reports dated from September 15 to October 12 were given me on November 26. I did not know whether it would be worth while to have the names carded, but, as an experiment, set some girls to work. In the first 1,660 names carded I found only 60 which had been officially reported. Naturally I did not take all the names on the list, but only those who had been wounded or were very seriously ill. The rest were not worth carding at all. Of the 60 reported, 43 were reported as dead, never having been reported as wounded at all." In other words, there were a large number of hospital reports, all dated between the middle of September and the middle of October, and evidently received within two weeks of that time, because the courier would require that time to bring them over, and only 4 per cent of them had been given to the public or to the families of those interested before November 26.

It is not practicable to include in the RECORD many of the hundreds of instances which have come to the attention of Senators relating to this maladministration, but I want to give a few as an indication that they really exist. There was published in the Boston Transcript of December 8 the case of Pvt. Frank W. Coppinger, who was wounded on July 18 and who had been at a base hospital in France. His family heard from him direct about the middle of November, although the information was not sent from the War Department until a day or two before the 8th of December. When asked about this case, Gen. Harris replied:

I suppose the report in that particular case was either misplaced or lost. That is the only explanation I could give.

Another case was instanced at the hearing of a man who died at a base hospital at Liverpool, England. Reports were received by the parents of the man's death direct from a member of his command about November 1, the information evidently going through two hands on the way, which caused some delay, and a Senator was asked to corroborate the information. He requested the facts from the War Department 10 days before our hearing commenced—December 3—but had received no reply from the department on that date. In other words, a man had died in a well-known hospital, certainly as early as the 1st of November, and in the early part of December the War Department was unable to furnish information relative to the case to an inquiring Senator within 10 days.

On December 8 the Washington Post published this case—and I am taking these cases out of a large number which have been furnished me—of Charles N. Fant, a resident of this city and a member of the One hundred and twenty-first Machine Gun Battalion. He had been reported missing in action since October 4, and it required more than two months to get that information to the family of the missing man. Literally hundreds of cases of that kind might be instanced.

December 12 I received an inquiry from Cicero, Ill., made by Mrs. Elizabeth Melchert, which I will not read—it is much too long for that—but which requested information about Sergt. Fred A. Dockendorf, Company K, Fifty-eighth Infantry, Fourth Division. She stated that he was wounded August 6, degree undetermined. Since that information was furnished the family nothing had been heard from the Government, although members of the family had written constantly making inquiries. I asked the Red Cross for information in this case and received the following reply:

Here is the history of the Dockendorf case, so far as I know it: On September 20 we received a letter from Mrs. Dockendorf saying that on August 31 she had received a telegram from the War Department that her husband had been wounded on August 6 and asked us to get details. We answered on September 21 that we would inquire in Paris, and wrote again on September 27 that as no further news had been received it was probable that Dockendorf was getting on all right. In October we received in our Paris mail a list of graves, and among them was that of Frederick Aloysius Dockendorf. We did not write his wife, because we had no other facts and because, in any case, we were not allowed to do so. We did inform The Adjutant General of those names that had not been officially reported and asked him to make the notices official. He did nothing about it. We had more correspondence with other members of the Dockendorf family, particularly the sister, Mrs. Melchert. She also wrote a pathetic letter to Mrs. Wilson, who had The Adjutant General telegraph. The answer came in the course of time, but was not given Mrs. Wilson until she asked to have another cable sent. As a matter of fact, an answer to this cable was returned to the War Department, and it had been lying there for 15 days when the request was made for further information.

The War Department then found the answer to the first cable, which said that Dockendorf was wounded on August 6. Mrs. Wilson's secretary then telephoned to me asking me to cable, and I told her that we had a record of the man's grave. We had already cabled, asking to have the death verified, but had received no answer to the cable. Mrs. Wilson's secretary said that I ought to write to Mrs. Melchert, rules or no rules, and I did so on November 21. I did not write the wife, as I thought the sister could tell her more kindly. For some reason the sister did not tell Mrs. Dockendorf, who wrote me again on December 3, and I then wrote her all the facts I had. My office in Paris has since confirmed the location of the grave, which is registered with the Graves Registration Bureau, and is endeavoring to get some details of death. The case is a characteristic one.

One of the saddest cases brought to my attention is that of a man in Pennsylvania, who telephoned me on the 1st day of December that his brother was wounded on the 8th of October and taken to a hospital in Paris—he named the hospital—and that he had died on the 11th of that month. This information came to him through a letter written by the man's nurse to his mother, the letter being written on the 14th of October and received November 11. My informant then wired The Adjutant General three times for information, but received no reply to any one of his three telegrams. He then asked his Congressman to make inquiries, which the latter did, and was informed by The Adjutant General's Office that it would take three weeks to get a reply. This statement was made notwithstanding the fact that in many instances the War Department has cabled for information for others and obtained an answer within a week's time. In this case, it will be noted that the man was wounded on the 8th of October, taken to a well-known hospital in Paris, where he died on the 11th of October, and yet his family could obtain no information from the War Department as late as the 6th of December. On the 16th of December I received a communication from this gentleman, who had called me on the telephone in reference to his brother, to say that his brother-in-law had not been heard from for nearly two months and that there had been great anxiety in the family over his case, and the young wife of this soldier was so tremendously upset by the failure to get information about her husband that on the day previous she had committed suicide. The following day, or the day this letter was written to me, information was received that this man had been killed in action two months before.

It may be claimed that the real duty of the War Department and of our Army was to win the war, and no one can successfully gainsay that statement. Moreover, our troops have conducted themselves in this first requirement in a manner quite equal to our fondest expectations; but, in addition to this requirement, it was the duty of the War Department to keep stimulated not only the morale of the Army but the morale of the people at home, especially of the families of those serving on the other side, and to prevent as far as possible unnecessary distress and apprehension. You can not read the papers, or the numerous letters, or the testimony given at the hearing of the Senate Committee on Military Affairs on this subject without coming to the conclusion that there has been a failure on the part of the War Department to meet this requirement. Every Senator will undoubtedly corroborate the correctness of this conclusion. I do not say this from a desire to be critical, but I do believe that, having made an examination of the conditions surrounding this activity, it is the duty of some one to put on record the result of that investigation and to call attention to the reasons for the failure of this branch of our military service, a failure which has caused unnecessary mental suffering and anxiety on the part of many of our people.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. KENDRICK in the chair). The Senator from Illinois.

Mr. CHAMBERLAIN. Mr. President——

Mr. LEWIS. I yield to the Senator from Oregon.

Mr. CHAMBERLAIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead.	Johnson, Cal.	McLean.	Smith, Ariz.
Beckham.	Johnson, S. Dak.	McNary.	Smith, Md.
Borah.	Jones, N. Mex.	Martin, Ky.	Spencer.
Calder.	Jones, Wash.	New.	Sterling.
Chamberlain.	Kellogg.	Norris.	Sutherland.
Culberson.	Kendrick.	Nugent.	Thomas.
Cummins.	Kenyon.	Overman.	Trammell.
Dillingham.	King.	Phelan.	Underwood.
Fletcher.	La Follette.	Poindexter.	Vardaman.
Frelinghuysen.	Lenroot.	Pomerene.	Watson.
Hale.	Lewis.	Ransdell.	Weeks.
Henderson.	Lodge.	Saulsbury.	
Hitchcock.	McCumber.	Shafroth.	
Hollis.	McKellar.	Sheppard.	

Mr. McKELLAR. I announce the absence of my colleague [Mr. SHIELDS] on account of illness.

Mr. SUTHERLAND. I announce the absence of my colleague [Mr. GOFF] on account of illness.

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, there is a quorum present.

LEAGUE OF NATIONS.

Mr. LEWIS addressed the Senate. After having spoken for about two hours, he said:

Mr. President, at this point, unless there is some reason that Senators have to the contrary, I should like to yield to the suggestion made to me by a Senator that there shall be an adjournment of the body. I should like to yield to such a suggestion, unless it conflicts with some other arrangement, and continue my presentation to-morrow.

Mr. THOMAS. Mr. President, I gave notice last week that I would address the Senate upon this subject to-morrow, assuming that the Senator from Illinois would finish to-day.

Mr. LEWIS. It will hardly take me 30 minutes to-morrow.

Mr. THOMAS. I am, however, willing to accede to the request of the Senator, with the understanding that my notice stands.

Mr. LEWIS. Mr. President, I want to say to the Senator that it is for the accommodation of other Senators that I yielded, knowing that the Senator would do likewise. The time I shall occupy to-morrow I think will be quite limited. I appreciate the courtesy of Senators.

ADJOURNMENT.

Mr. MARTIN of Virginia. I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 55 minutes p. m) the Senate adjourned until to-morrow, Friday, January 3, 1919, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *January 2, 1919.*

The House met at 12 o'clock noon.

The Rev. John Murray Atwood, D. D., dean of the Theological Department, St. Lawrence University, Canton, N. Y., offered the following prayer:

God of our fathers, Father of us and of all men, Thou who hast wondrously in the year that has just passed unified the diverse people of this great Nation with a new, finer, more intelligent spirit of loyalty, devotion, and generous service, who hast armed our armies with the might of conscious right to vanquish the tyrant oppressor in his power and pride, who hast enabled our soldier boys by their unconscious heroism, our citizens by their generous service, to enrich our national life with the new and yet ever old standards of patriotism and public spirit, with grateful hearts we would lift ourselves to that height, that Heaven, where Thou art always found, and make Thy strength and Thy spirit our own. In this year upon which we are entering, presenting grave problems, involving momentous issues, in which our every act as public servants is fraught with deep significance to the Nation and the world, may we remember that always upon these uplands of noble sentiment and high resolve there is power, Thy power, O God, available and free to all, not known upon the lower levels, so that none of us need be weak or play but other than a worthy part.

And as we take up our daily task may we rely upon Thy strength, may we take counsel by means of unselfish aid and large conception of public duty of Thy spirit, and so both faithfully and humbly do Thy will, to enable this great Nation to fulfill its mission both to its own people and to all mankind. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

The following leave of absence was granted by unanimous consent:

To Mr. CANDLER of Mississippi, until Monday, on account of important business.

To Mr. COOPER of West Virginia, for one week, beginning Thursday, January 2, on account of important business.

To Mr. BRAND, for five days, on account of illness.

To Mr. QUIN, indefinitely, on account of sickness in his family.

To Mr. BLACK, for five days, on account of illness.

To Mr. DOMINICK, for three days, on account of important business.

THE REVENUE.

Mr. GARRETT of Tennessee. Mr. Speaker, I present the following privileged report (No. 882) from the Committee on Rules.

The Clerk read as follows:

House resolution 488.

Resolved, That the bill (H. R. 12863) entitled "An act to provide revenue, and for other purposes," be, and hereby is, taken from the Speaker's table with the Senate amendments thereto, to the end that the said amendments be, and hereby are, disagreed to, and the conference requested by the Senate on the disagreeing votes on said amendments be, and hereby is, agreed to, and the Speaker shall immediately appoint the conferees.

Mr. GARRETT of Tennessee. Mr. Speaker, the purpose of this rule is to take from the Speaker's table the revenue bill and send it to conference. I think that all gentlemen appreciate the necessity of this bill entering upon this stage of its consideration at the earliest possible moment. The people of the country who are to pay the taxes that are to be raised by this bill are entitled to know at the very earliest moment precisely what they are to pay, and how they are to pay it. We all realize that this bill must eventually go to conference, and in justice to the taxpayers of this country it seems desirable that it should go to conference at the earliest possible moment. Therefore the Committee on Rules has unanimously agreed on the resolution which I have just presented.

Mr. MANN. Will the gentleman yield?

Mr. GARRETT of Tennessee. For a question.

Mr. MANN. On Monday last the gentleman from North Carolina [Mr. KITCHIN], asked unanimous consent to send this bill to conference, and he gave to the House certain assurances with reference to the child-labor amendment, No. 546; the prohibition amendment, No. 600; and the campaign-contribution amendment, No. 222. I respectfully ask the gentleman from Tennessee to yield to the gentleman from North Carolina to state whether the statement which he made on Monday last concerning the bill, if it goes to conference, as to these amendments, still holds good.

Mr. GARRETT of Tennessee. If the gentleman from North Carolina desires me to yield I will do so.

Mr. KITCHIN. I would like to say that I will make the same assurances. I discussed it on Monday with several gentlemen after we adjourned, and they said that if I made the same assurances they would be glad to support this rule.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. GARRETT of Tennessee. For a question.

Mr. CAMPBELL of Kansas. Does the gentleman intend to give time for the discussion of this rule?

Mr. GARRETT of Tennessee. I thought I had really said all that was necessary to be said on the subject, in connection with the remarks made by the gentleman from North Carolina; in other words, I thought I had exhausted the whole subject. [Laughter.] Still I will yield to the gentleman for a further question.

Mr. CAMPBELL of Kansas. I have a demand for time to discuss the rule.

Mr. MADDEN. Will the gentleman yield, and permit me to ask the gentleman from North Carolina a question?

Mr. GARRETT of Tennessee. Does the gentleman from North Carolina desire me to yield?

Mr. KITCHIN. I would not care if the gentleman from Tennessee refused because I do not know what the question of the gentleman from Illinois is.

Mr. MADDEN. The question I am going to ask the gentleman will not embarrass the situation.

Mr. GARRETT of Tennessee. I yield for a question, but not for debate.

Mr. MADDEN. I want to ask the gentleman from North Carolina if he has any views with respect to the attitude of the House conferees on the amendment of the Senate which strikes out the House provision imposing a tax on clothing, articles of utility, and household articles, where the price of the article is over $20.

Mr. KITCHIN. I do not know how the House conferees feel about it, but if I was going to make a guess I should think it would be very easy to convince the House conferees that that probably is a wise amendment.

Mr. MADDEN. That the Senate amendment is wise?

Mr. KITCHIN. Yes; but I could not give the gentleman any assurance of that.

Mr. RANDALL. Will the gentleman from Tennessee yield to the gentleman from North Carolina that I may ask him a question?

Mr. GARRETT of Tennessee. Does the gentleman from North Carolina desire me to yield?

Mr. KITCHIN. Yes; but I hope this will be the last one.

Mr. RANDALL. In view of the statement of the gentleman from North Carolina, notwithstanding the adoption of the rule, the conferees will not understand that it is the desire of the House for them to nonconcur in amendment 600?

Mr. KITCHIN. Oh, no.

Mr. GARRETT of Tennessee. Mr. Speaker, I move the previous question.

The question was taken, and the previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The Chair announced the following conferees: Mr. KITCHIN, Mr. HENRY T. RAINEY, Mr. DIXON, Mr. FORDNEY, and Mr. MOORE of Pennsylvania.

RIVER AND HARBOR APPROPRIATION BILL.

Mr. SMALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13462) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes. Pending that motion I ask the attention of the gentleman from Iowa [Mr. KENNEDY] to see if we can not have some agreement with respect to time of general debate.

Mr. KENNEDY of Iowa. Mr. Speaker, what does the gentleman suggest?

Mr. SMALL. On this side there are requests for an aggregate of only two hours. I do not know that that time will all be consumed. How would four hours do?

Mr. KENNEDY of Iowa. I have requests totaling 2 hours and 40 minutes.

Mr. MADDEN. Mr. Speaker, I will say to the gentleman from North Carolina, if I may inject myself into this matter, that I shall object to anything less than about eight hours. A lot of people here desire to talk about some matters, and I am going to insist that they have the opportunity.

Mr. SMALL. May I suggest to the gentleman from Illinois that if on this side we have requests for only 2 hours and on the other for 2 hours and 40 minutes, that we ought to be able to agree on a time not exceeding 4 hours and 40 minutes.

Mr. MADDEN. That would not do at all, as I understand it. I want some time on the bill, and the gentleman from Iowa [Mr. KENNEDY] has already committed himself to the disposition of all of the time that he has.

Mr. SMALL. How much time does the gentleman from Illinois desire?

Mr. MADDEN. Thirty minutes.

Mr. KENNEDY of Iowa. Mr. Speaker, permit me to suggest to the gentleman from North Carolina that we run along during the day with general debate, and that then we can probably come to some agreement in respect to closing it this evening.

Mr. SMALL. If we could agree upon it now, it would be much better. I would suggest not exceeding five hours.

Mr. KENNEDY of Iowa. That is satisfactory.

Mr. MADDEN. May I have 30 minutes of that?

Mr. SMALL. Yes.

The SPEAKER. The question is on the motion of the gentleman from North Carolina, that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13462, and pending that the gentleman asks unanimous consent that debate be confined to five hours.

Mr. SMALL. Unless general debate should be concluded earlier.

The SPEAKER. Unless general debate should be concluded earlier than that.

Mr. SMALL. The time to be equally divided between the gentleman from Iowa and myself.

The SPEAKER. The time to be equally divided.

Mr. COOPER of Wisconsin. Mr. Speaker, I desire to ask the gentleman a question, perhaps not germane, but important, nevertheless. Does the gentleman from North Carolina know whether the Committee on Rules has given up the idea of presenting a rule upon this matter of certain contracts made by the War Department?

Mr. SMALL. I am informed that, in any event, it will not be presented to-day.

Mr. COOPER of Wisconsin. Will the gentleman permit me to ask the chairman of the Committee on Rules a question?

Mr. SMALL. Certainly; the gentleman stands beside him.

Mr. COOPER of Wisconsin. This is a matter of exceeding importance to some constituents of mine. A very great wrong has been done them, and I am exceedingly interested in that rule in having a hearing before the House, so that these people can get some recompense for the wrong that has been done them.

Mr. POU. Mr. Speaker, I will state to the gentleman that there was a hearing had before the Committee on Rules which just came from the printer yesterday, which has been distributed very generally among the Members of the House. It was at first the intention of the Committee on Rules to present the rule to-day, but it was suggested that inasmuch as there were gentlemen who wanted to read the hearings and also probably the hearings before the Committee on Military Affairs it would be better to defer presenting the matter to the House until to-morrow.

Mr. COOPER of Wisconsin. Will the matter be presented to-morrow?

Mr. POU. I think so.

Mr. COOPER of Wisconsin. The gentleman is chairman of the Committee on Rules, and the committee has taken definite action on the rule. Is there no understanding as to when the rule will be presented?

Mr. POU. I had a talk with the gentleman from Kansas [Mr. CAMPBELL], who is the ranking Republican member of the Committee on Rules, and in so far as he and I can have any say in the matter the rule will be presented to the House to-morrow.

Mr. COOPER of Wisconsin. Mr. Speaker, I would say just one word more to the gentleman from North Carolina. Constituents of mine have had their land taken from them, land on which they did not even give an option, some of them. They were turned adrift and they went and made contracts for the purchase of other land. They have not received a cent for the land which was taken from them by the Government, and they have no way to meet their contract obligations. An exceedingly great wrong has been done them.

Mr. POU. The Committee on Rules certainly has no purpose to attempt to delay the matter, but it was thought by the gentleman from Kansas and myself that probably it would be better, in the interest of time, to give the Members an opportunity to read the hearings.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MANN. Did the gentleman's request provide for the control of the time?

Mr. SMALL. Yes. The time to be equally divided between the gentleman from Iowa [Mr. KENNEDY] and myself.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the motion that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the river and harbor appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the river and harbor appropriation bill, with Mr. BYRNS of Tennessee in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 13462) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SMALL. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. Under the order of the House the Chair understands that general debate has been limited to five hours, one half of the time to be controlled by the gentleman from North Carolina [Mr. SMALL] and one half by the gentleman from Iowa [Mr. KENNEDY]——

Mr. SMALL. Unless general debate shall have been concluded prior to that time.

The CHAIRMAN. Unless general debate shall have been concluded prior to that time. The gentleman from North Carolina.

[Mr. SMALL addressed the committee. See Appendix.]

Mr. KENNEDY of Iowa. Mr. Chairman, I yield one hour to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I desire to digress for a moment from the bill under consideration, in order to correct an erroneous statement taken from the New York Herald's account of the Security League probe.

Recently I addressed the House on the league's charges of disloyalty lodged against 300 Members of Congress, and then made certain specific countercharges against the officers of the league. A resolution of investigation of the league, then offered, was unanimously reported by the Rules Committee and immediately passed the House by unanimous vote. A com-

mittee was appointed and the probe was started before the holiday recess.

In the Herald article I read, "Representative FREAR charged the league spent more than $1,000,000 to defeat Members of Congress, which charge was denied by Col. Lydecker."

A brief reply is all I care to offer. I have never charged the league with spending any specific amount to defeat Congressmen, nor are the league books of much value in determining amounts so used, because large expenditures to defeat Representatives, instigated by the league, were made by other associated organizations throughout the country. I did charge, and again repeat, that "Security" League pamphlets contained a claim that the league's annual expenses reached $1,200,000. This fact has been put in evidence by the committee. Lydecker now says that his books show only about one-quarter million dollars expenses in 1918. That indicates league pamphlets sought to deceive the public as to the league's importance by grossly misrepresenting its proposed expenditure. This characteristic exaggeration reaches from 75 to 100 per cent falsehood as to estimated league finances, disloyalty charges against Congressmen, and many other subjects, even down to the borrowed title of its make-believe "colonel."

One important charge made against the league has been confirmed at the outset. According to the Herald article of December 20, Lydecker stated to the probe committee that $200,000 of admitted league subscriptions came from the Carnegie Corporation and from Rockefeller. The gift of $150,000 by Carnegie recalls the old armor-plate contracts made with this Government, that were a fitting prelude to the recent Hog Island contracts, and is a further reminder that United States Steel, a source of league supply, has profited hundreds of millions of dollars from this war. John D. Rockefeller's contribution to Lydecker's league of only $50,000 looks niggardly and probably represents less than one-quarter of 1 per cent of war profits wrung from the American people through boosting the price of gasoline alone. Guggenheim, Du Pont, Morgan, and 100 other Wall Street magnates have been disclosed to be financing this junker league. That is the source of poisoned gas and easy money, used to defeat blacklisted Congressmen in 1918.

No equal bunch of colossal egotists in or out of New York can be found anywhere compared with these corporation lip patriots, who assail people indiscriminately, announce their proposed changes to the Federal Constitution, who parade their promised changes in rules of Congress affecting committee chairmanships, who pompously promise to urge "just and careful" peace terms at Versailles, who denounce 300 Representatives and numerous Senators as disloyal, and in time of war widely published their undertaking to elect a "loyal" Congress in place of those on their blacklist.

Any irresponsible fool can set fire to a powder magazine and destroy all within reach. It has been demonstrated already that during inflammable times of war when the pointing of the finger of suspicion warranted conviction in some minds, this libelous league, though a mixture of culpable legislative ignorance, falsehood, colossal egotism, and love of notoriety, and under a hypocritical cover of patriotism, published to the world false libels that were used by political opponents to besmirch Representatives generally.

Now that the war is over and the influence of hysterical pronouncements has passed, this bunch of irresponsibles with its program affecting the peace of the world and "steadying the Nation by propaganda" is only ridiculous and no longer dangerous. The probe has made reasonably certain a prediction that within six months this New York corporation will be as dead as a mackerel, except on paper. Carnegie, Rockefeller, Root, and Parker are not likely to continue in active partnership with Lydecker, Orth, and McElroy much longer. Menken, the real brains, has been kicked out. Lydecker needs no further description; Orth's relations to the Mexican sisal trust is sufficient to show whence and why our questionnaires exist; and McNutt McElroy's $10,000 salary will dwindle 99.99 per cent, to use league mathematics, as soon as this educator who "deliberately insulted" the students of Wisconsin reaches his true value. Like Huns who ruthlessly destroyed the homes of Belgians, these maligners of men and destroyers of reputations in time of war can gloat over injuries inflicted on patriotic Representatives with honored names, more treasured than gold or worldly goods, names which have been dragged in the mire by these character assassins. My own election by over 15,000 majority shows such cowardly attacks were measured at their true value.

One further suggestion regarding the Herald article that says the "probe fails to disclose anything to besmirch the patriotism" of the Lydecker Security League. No organized German propaganda during the war gave more comfort and aid to the enemy than the so-called Security League's effort to create discord at home by besmirching our people generally or to encourage the foe abroad by charging the American Congress with disloyalty. This junker corporation outrivaling anything in Prussia is the last word in un-Americanism and has been everlastingly tarred with its own disloyalty stick.

Returning to the river and harbor bill under discussion, a further statement is due in addition to the brief minority report filed for opposing the bill.

Of the river and harbor bills presented during the past five years, I have supported only one, that of 1917, carrying about $20,000,000, which contained items requested in times of war by Secretary Baker for war purposes and could not be opposed. All other bills and the omnibus public-building bill have been opposed for reasons that apply to this bill. Some of them have been defeated, others have been greatly reduced, with a total saving to the Federal Treasury of over $100,000,000, and some of the worst features have been eliminated from recent bills, but as long as omnibus bills and committee members are selected with a purpose in view of securing liberal appropriations for certain home projects bills will be objectionable and deserve defeat.

The cure repeatedly urged lies in a high-class, constructive, nonpolitical board of public works, like the Interstate Commerce Commission, with powers similar to those possessed by boards and officials in certain European countries, where local contribution is enforced against the community especially benefited by the waterway and where governmental aid carries control of rail and water rates and reciprocal duties. That alone makes possible the use of such waterways, whereas in our country, apart from ship channels, not one inland waterway out of a hundred improved by the Government is or apparently ever will be a success or a reasonable businesslike investment for the Government.

The cost to the Government for furnishing a waterway for river commerce, per ton, is not definitely settled as to method of computation, and only approximate results can be reached because the amount properly chargeable to investment is variously estimated, although annual maintenance is sure and certain. Excluding ferriage, floatable timber, and sand hauled short distances, not affected by river "improvements," the following estimates, in 1916, on the several rivers and canals named are noted in former minority views:

	Per ton.
Ohio River (excluding coal $40 per ton)	$3.00
Ouachita	8.00
Warrior and Tombigbee	12.00
Upper Mississippi	12.00
Lower Mississippi	35.00
Arkansas	20.00
Hennepin	36.75
Missouri	40.00
Muscle Shoals, Tenn	40.00
Brazos	80.00
Red	100.00
Big Sandy, Ky	350.00

SEVENTY NEW PROJECTS TO BE STARTED NOW.

The pending river and harbor bill of practically $27,000,000 contains 125 old projects, cared for under the omnibus bill, and in order to revive the spirits of insistent communities this bill adds 70 new projects, generously scattered throughout the country, a few of which are immaterial, several of which are good, and many of which are disclosed by the engineers' reports to be neither necessary nor of value to navigation. So many wasteful new projects and big appropriations for useless old projects have been inserted that the bill ought to be defeated under ordinary conditions and is indefensible in the present state of the Treasury.

On the day before this bill was reported by the River and Harbor Committee the press contained a statement that the Public Building Committee by a tie vote of seven to seven "opposed an omnibus building bill, that they declared was purely pork," and a proposed public building bill was defeated in committee. If I declared the bill before us is a "pork barrel," indignant committee members, who never opposed an item or a bill in their lives and who support anything and everything offered, would bitterly resent as a personal affront such charge, so I will not make it. I do say in a modest Christian spirit that this bill could never pass Congress but for the fact that it contained over a hundred old projects and 70 new projects, with additional surveys scattered from Maine to Mexico and to the Pacific coast, all of which bring votes to the bill. Not one item out of three, presumably, would get through if presented to the House singly, but in an omnibus bill everything goes. How far would the bankrupt Chesapeake & Delaware 13-mile item of $3,000,000 in a $25,000,000 future project get without an omnibus bill? How far would nearly a half million dollars' appropriation in the bill for the indefensible Upper Cumberland canalization $4,500,000 scheme get without an omnibus bill to pull it through? After spending $7,000,000 on the Cumberland

its real commerce is not one-quarter what it was before one dollar was expended by the Government in "improvements."

How far would a round million dollars for two hopeless, insignificant North Carolina canals or waterways get without this omnibus bill to save it for such favored localities? How far would a $400,000 item get on the lower Missouri, which is used to protect private lands along the river, where commerce last year cost the Government over $50 a ton? How far would items get which cover a score of rivulets and streams that should first be insured against fire if the popular omnibus bill is abandoned?

WHAT WE PAY FOR THROUGH LIBERTY BOND SALES AND WAR TAXES.

When an existing national indebtedness, that has jumped seventeen times its prewar size within two years, with Congress about to impose a heavy direct $6,000,000,000 tax burden on the country, with a new liberty bond issue of $5,000,000,000 soon to be demanded of the American people on the plea of patriotism, while liberty bonds are selling on the New York stock market at 94 cents on the dollar, with this unprecedented financial problem confronting us the American people are asked to subscribe for more liberty bonds, with which we expect to pay $3,000,000 for a bankrupt canal, $1,000,000 for two insignificant North Carolina waterways, $340,000 for the hopeless Cumberland River project, $200,000 for the doubtful Mississippi sound project, $580,000 to divert silt from Los Angeles, $400,000 to revet private lands along the Missouri River, and through other bills several million dollars to protect private lands along the lower Mississippi, with many other projects in this bill of no greater value to real navigation.

When communities back home pound their Representatives on the back for local appropriations it is hard to resist the pounding, and when active lobbies camp in and around Washington determined to get local plums for their communities, Representatives who expect to come back to Congress are sometimes unable to act independently. This effort to get something for the locality reaches a high state of perfection when one State, that is nameless, secured a $100,000,000 nitrate plant to be built by the Government at Muscle Shoals, on the Tennessee River, and also about $12,000,000 of Government money for canalization of the Black Warrior River, which after that large expenditure is deserted and practically bare of commerce. Several million dollars more of Government funds are to be expended in buying Government boats for this deserted river. Limitless Government appropriations are also in prospect for local highways in this same State.

Such is the disposition of those who have secured enormous local Government appropriations in the past. I am using the illustration for such purpose alone. Other States and communities may be equally insistent, if not equally successful. Present legislative standards exalt those who aggressively demand Federal money for localities, until it becomes a standard for other communities, which demand generous helpings from the Federal Treasury as the price of continued public service by their Representatives.

All these weaknesses in our legislative system are encouraged by a loose Governmental financial policy. Both political parties have demanded a budget system in an effort to curtail waste, but Congress repudiates that pledge found in both party platforms. Every country of importance in the world excepting our own has adopted the budget system, yet we continue to invite enormous waste and extravagance through numerous appropriation committees that act independently, and may present omnibus bills for passage containing good, bad, and indifferent items, carrying in the aggregate all the Treasury and taxpayers will bear.

I do not care to discuss this recognized weakness in our legislative methods beyond a simple statement of fact, which is known to every Member. The war Congress has thus far placed four liberty loans with the people, aggregating $17,852,000,000. That money was secured after tremendous effort put forth by every known agency in the country, with the plea of patriotic duty, and nearly $18,000,000,000 was subscribed by the American people for war purposes.

The Secretary of the Treasury now advises us that another and fifth liberty loan is necessary to obtain $5,000,000,000 more to carry on our expenditures, while the rapidly growing revenue-tax bill must provide direct taxes of $6,000,000,000, covered by the pending revenue bill for the next fiscal year, which is in addition to the prospective loan. Our appropriations due to war in the Sixty-fifth Congress, second session, reached $36,119,536,082, and appropriations for the present fiscal year are estimated at $18,000,000,000. Such figures do not carry much significance to the average mind, and a few million dollars more or less in the pending river and harbor bill may seem of small importance.

The foregoing amounts include $8,223,540,702 loaned to foreign Governments, a considerable portion of which may be charged up to profit and loss. Hundreds of millions and presumably billions of dollars have been lost or wasted through mismanagement, inefficiency, or unnecessary expenditures from the moneys appropriated for war purposes, like the Hog Island and airmachine waste, but the American people recognize this as one of the accompaniments of war.

TIME TO RETRENCH.

Now that the war is over, a vigorous policy of retrenchment is necessary not alone as to amounts of expenditures but also as to their character. Why does the River and Harbor Committee break away from this policy of retrenchment? On July 1, 1918, the Engineer's office reported unexpended balances for waterway improvement amounting to about $55,000,000 in round numbers. By January 1, 1919, it was estimated the balance on hand would be reduced to about $45,000,000. In other words, only $10,000,000 will have been expended in the six months, with a balance in the hands of the Army Engineers of $45,000,000 at the time this bill comes before Congress. The Engineer's office presented an estimate to the committee prior to the signing of the armistice with which to make up the bill we are now considering. In these estimates $2,973,000 were for maintenance of all waterway projects during the coming fiscal year and $7,647,500 for improvements on old projects, reaching a total of $10,650,000, which, with the balance on hand and a lump sum for emergencies, cover all that the Engineers require for necessary waterway work at this time.

The Engineer's office asked for a $5,000,000 lump sum with which to meet emergencies and $250,000 covering surveys. Gen. Taylor, of that department, however, stated to the committee that the Engineer's office could safely get along with a lump sum of $1,000,000 instead of $5,000,000 contained in the Army Engineer's recommendation, which reduced that estimate $4,000,000, and also that $150,000 would be sufficient to cover surveys, which made an additional reduction of $100,000. In other words, the river and harbor bill on a war basis with these reductions would have reached only $11,770,500, an amount that would appeal to the taxpayers and those who are called upon to buy more liberty bonds at this time.

The bill before us demands $26,936,344, and, in my judgment, no possible justification can be offered under existing conditions of the Treasury for this enormous increase over the amount asked for by the Engineer's Department, and that department has always made generous requests not governed by business considerations. Under the pressure of local communities which force their Representatives to demand increased appropriations, and new projects not urged by the Engineers for war purposes, we are confronted with a bill that includes vigorous boosts in amount of old projects, some of which are of doubtful value; and about 70 new projects have been added, a few of which may be worthy and important, but which, without exception, could wait until we have adjusted our Government affairs to better meet the tremendous war obligations placed upon us. With Treasury burdens, which never before dimly approached present demands, and with $45,000,000 on hand for use in the hands of the Engineers for present construction, the committee, over protests, has adopted 70 new projects carrying $8,768,844 in initial expenditures and an aggregate of between $25,000,000 and $50,000,000 in eventual new obligations. Some of these new projects, in my humble judgment, are indefensible now or at any time in the future, and while it may be hopeless to protest against their insertion in the bill I can not remain silent at this time.

QUESTIONS TO BE ASKED OF AND BY CONSTITUENTS.

Needed projects are included in this bill, but under a reduced lump-sum appropriation Army Engineers will be responsible for expenditures, and 70 new projects may well await a careful separation of the good from the worthless.

Which one of you, my colleagues, will say to his constituents a continued tax on passenger, freight, express, and a hundred other necessities is to be used to help pay for another new $200,000 project on the deserted Government $12,000,000 Black Warrior "improvement" down in Alabama? Which one of my colleagues will go to the people of his State asking for a continuance of 3 cents postage on letters to help pay $400,000 in this bill for the deserted $20,000,000 Missouri River project, or $580,000 for Los Angeles's silt disposal? Will any of my colleagues ask his friends to support the needy Federal Treasury by investing in war stamps in order to dig out Deep Creek, or Scuppernong Creek, or Fishing, Swift, or Smiths North Carolina creeks, Murderskill, Mispillion, Raccoon, or Broad Creeks, or scores of other useless narrow creeks? Who among my colleagues, I now ask, will plead with his constituents to buy liberty bonds in order to give $1,000,000, contained in this bill, to North

Carolina's hopeless inland waterways, or $3,000,000, contained in this bill, for the bankrupt Chesapeake & Delaware 13-mile canal, which the Government first helped to build originally?

Who will dare tell their constituents that this bill saddles 70 new projects on to the Treasury pay roll, many of them indefensible expenditures that will reach from $25,000,000 to $50,000,000 before completion, and all to be paid by war taxes or liberty bonds? Who will say to their people back home we defeated the public-building pork barrel in committee this year by a tie vote, but with $45,000,000 on hand we surrendered to a $27,000,000 time-honored wasteful river and harbor bill when the Treasury was worse than empty? Every man must answer these questions to his constituents and to himself when voting for this bill.

We have appropriated for rivers and harbors in the past nearly a billion dollars, and the waste is notorious. Some estimates have reached over one-half of the total amount expended. Harbor improvements are generally of value, but contributions rarely are had from favored communities as in other countries. River expenditures, as a rule, have brought no commerce to deserted streams, which were covered with boats long before a dollar had been expended by the Government. We close our eyes to millions of dollars sunk in the rivers and harbors of the country, frequently for strictly local benefits, for land reclamation, for water powers, for private contractors who are primarily benefited, for drainage and silt-protection purposes, and sometimes just for money to spend under the plea that it keeps labor employed. All this is done under the pretense that general waterway commerce will be benefited.

REHABILITATING THE RAILROADS THAT HAVE DESTROYED INLAND-WATERWAY COMMERCE.

We silently watch millions of Government dollars go to rehabilitate run-down railway systems, golden streams of money taken from the pockets of taxpayers under the plea of war measures to build up rolling stock, terminals, and other necessary adjuncts of private railways; we silently accept unprecedented jumps in freight and passenger rates to unheard-of proportions, which have been imposed on the ground that more money must be squeezed out of the public to improve transportation needs in time of war.

We confront the fact that railways under private ownership have driven waterway commerce from all our inland streams and canals and that the unconscionable railway methods pursued have crushed out individual enterprise and ruined certain communities in order to build up others. But when the question of taking over railways by the Government is mooted, men in public life generally drop the subject like a red-hot poker. Our distinguished Commander in Chief, who commandeered all the railways and their employees with a brief sweep of the pen, now says he does not know what to say on the subject of Government ownership of railways—the first utterance of that kind which has emanated from that high source on any subject during the past six years of national affairs. Not to be outdone regarding the railways, the Director General of Railways, who took them over at one fell swoop, has now resigned, and in like manner leaves us stranded as to his own judgment in the matter, excepting to urge their retention for five years as a "test."

Men, in Congress and out, who first declared we will never let go of the railways, and are now urging their return, look askance at those who are not equally acrobatic in judgment. Meanwhile private railway interests are on the job 24 hours daily. They have employed the ablest counsel that could be furnished in or out of New York Security League's corporation lawyers, while the harmonious chorus of approvals through the press regarding private railway demands indicates that a propaganda for railway return to private control is becoming thoroughly organized. I am not assuming to discuss the merits of a question that presumably will be warmly debated in Congress before many months are past, nor do I assume to pass judgment in any way upon this large problem, which must be solved, but I do call attention to a phase of the subject that demands thoughtful consideration from us as legislators.

PRIVATE RAILWAY CONTROL HAS DESTROYED INLAND-WATERWAY TRAFFIC.

After long and bitter struggles with the old familiar railroad lobbyists, Congress and the States have taken from railway officials the right to impose secret rebates, or the watering of stocks, or power to ruin or reward individuals or communities, or to issue free passes or other special favors, or power to charge all the public will pay, with other familiar results of autocratic control. No longer do we stand in open-mouthed awe while locomotives whisk the private car of the fourth deputy assistant purchasing agent along the line, nor do we longer wait in the regular passenger car while the prima donna's special train is given the right of way. Safety appliances, larger wage, better equipment, and improved management have become general through strong State control; but competition, lower rates, or luxurious appointments not warranted by revenue is a thing of the past.

Whether any of these conditions will be bettered under Government ownership is not material to this discussion, but it is important to know what bearing the railway problem has on waterway transportation. No student of the subject can close his eyes to the bald fact that apart from ship channels the railways have driven commerce from our rivers by cut-throat rates, and no intelligible effort has been made up to the present time to remedy such conditions. On the contrary, the Government has placed hundreds of millions of dollars in our rivers and inland waterways with full knowledge that such waterways would not be utilized without important changes in our transportation problems. While the Government has been expending these hundreds of millions of dollars in digging channels and in canalizing useless rivers, creeks, and rivulets the railways simply wait until real competition is threatened, when the boat line is taken over by interested parties or driven out of business by cut-throat rates.

Every effort to compel railways to accept minimum rates is thwarted by the different communities that enjoy favored freight rates through a fictitious waterway competition that never exists. Every way to promote or preserve substantial waterway traffic has been throttled by private railway interests. Conceding that congestion has resulted on the railways and asserting that no fear is had of waterway competition, which is damned with faint praise, the railways have made sure that such competition would be destroyed. Confronted by this remarkable situation, our Government, under the advice of its Army Engineers and supported by a vigorous home local lobby, continually gives down a golden stream of coin to improve the Mississippi, Missouri, Ohio, Tennessee, Cumberland, Trinity, Arkansas, and a hundred other rivers, creeks, and rivulets that have little substantial commerce, present or prospective, and no traffic proportionate to the enormous expenditures we have made upon these waterways. Antiquated canals have been taken over by the Government long after bankruptcy has ensued, and the lock tender's dreams from one month's end to the other are not undisturbed excepting through the arrival of the monthly governmental check, which awakens him from sound slumbers.

Commerce can not be found on these streams outside of official Army engineers' reports, which in the past have been camouflaged with sand and gravel, used for river improvement, hauled short distances, whereby the average tonnage appears to be maintained, while millions of tons of logs floated long distances helps to maintain the length of haul. Due to repeated exposures in recent years this practice is being changed, but bankrupt canals and communities along the rivers and dry rivulets of the country are as hungry for Government gold and as insistent as ever before.

WASTED GOVERNMENT BOAT BUILDING AND RIVER IMPROVEMENTS.

Another remarkable fact appears when the Government, through its war bureaus, acting with little or no scrutiny or restriction, has bought boats and barges for the use of the Democratic State chairman—Goltra, of Missouri—at a cost of $3,600,000 practically for his exclusive use on the upper Mississippi, and also has built other boats for the lower Mississippi, Black Warrior, and other waterways to be rented out to Tom, Dick, and Harry at whatever terms can be had. No private capital would invest in boats for these deserted waterways nor could they profitably run if so, but a generous Government Treasury, with $18,000,000,000 in outstanding bonds, is used to finance the dreams and speculations of waterway associations and private interests, until Secretary McAdoo, on December 15, served public notice through the press that contracts executed by him for building such boats would probably be a dead loss to the Government unless Congress extends the period of Government control of railways for five years in which to test out the experiment.

All the millions spent for the improvement of these waterways and for the construction by the Government of boats for private use will be wasted, according to the Railroad Director General's opinion, unless a fair test of Government control can be had. Yet Congress and war boards, and even other Cabinet officers, in the face of this unbusinesslike proceeding, blindly continue the indefensible waste.

PRIVATE OR GOVERNMENT OWNERSHIP OF RAILWAYS AND WATERWAYS.

Our Government is the only Nation of importance that refuses to accept a businesslike financial budget, and in equally mysterious fashion it is practically the only Government in the world that tenaciously clings to private ownership of railways, notwithstanding that policy has resulted in the destruction of our inland waterway transportation. All important railway lines

are State owned in Germany, Austria, Hungary, Russia, Italy, Switzerland, Belgium, Holland, Denmark, Norway, Japan, South Africa, Australia, and other countries. Over one-half of the lines operated under the English flag, according to statistics, or about 53,400 miles against 33,292 miles, are State owned, and the remainder are rapidly being taken over by the Government. In France the Government operates only a limited number of its railways, but by operation of law all are to come into the possession of the Government in the course of time. This principle also is invoked by the South American and Central American Governments according to authorities that have compiled statistics on the subject. Irrespective of merits or demerits of the railway problem, Congress continually is asked to give down liberally for impossible waterways without contributions from localities, giving to the community having the longest or most powerful reach, irrespective of comparative commercial necessity or possible utility, and we are continually asked to look to Germany and other foreign Governments for justification of such course. Every student of the subject knows that local contributions are generally imposed in Europe with waterway improvements, and wherever appreciable waterway traffic exists in European countries it is generally due to exceptional conditions affecting coal or other low-grade freight that are easily distinguished from our own conditions and to a control of railway rates that is exercised abroad in favor of cheap traffic for the waterways.

INDEFENSIBLE OMNIBUS APPROPRIATION SYSTEM.

Yet we cling to antiquated omnibus appropriations where the strong pull is not ignored and where no intelligible system of public work or improvement is exercised now or is in prospect. Anyone who protests against present blind methods of giving money from the Public Treasury under the lack of system now employed is taken to task by waterway organizations that live in fanciful dreams and have their annual delightful outings and, more important than all else under the present system, are potent factors in influencing the complexion of our river and harbor bills. Puck's philosophical reflections of "what fools we mortals be" may have been inspired by a brief study of our waterway program as disclosed by river and harbor bills passed by Congress. In addition to this remarkable situation, we are now confronted by the fact that generally every dollar poured into these inland waterways is primarily for the benefit of local interests and is taken from the pockets of taxpayers through war-revenue bills or liberty loans.

Those who represent local committees are sure to feel that their project is an exception to the rule and ought to be made a charge upon the Public Treasury. But I submit that under present conditions, where no immediate necessity can be shown, it is a reckless and unjustified policy for Congress to put 70 new projects into the pending bill and thereby add nearly $9,000,000 in amount to the total, with a future burden which comes by their adoption, reaching $25,000,000 to possibly double that amount, depending on underestimates and eventual depths to be demanded.

This much I have said in a general way to call attention to the system or lack of system which is more reckless to-day than it was five years ago, when these wasteful measures were first opposed in Congress, because the Treasury burden is immeasurably greater. No Member cares to incur the ill will of his brother Member or to attack items which may have political bearing upon the Member's home constituency, and I have no purpose in criticism further than to demonstrate the weakness and wastefulness of a system or lack of system which is unlike that of any other nation on the face of the globe. The bill before us has earmarks that show to what extent our lack of waterway or public improvements will carry us. It is true that Army engineers are high-class men who have approved these projects, but a brief glance at impossible waterway projects approved in the past by Army engineers scattered all over the country illustrates their poor judgment or lack of independence when confronted or surrounded with influences that have been potent with them ever since the young cadet first received his appointment to West Point many years before. Nor is it fair or just to expect such officers, however independent or conscientious—and I do not question their high standards—to stand between hungry local communities represented by Congressmen and influential Senators on the one hand and by an unappreciative and often misguided public on the other.

The lack of a financial Government budget is sure to be a source of never-ending trouble until we get rid of a system that permits gathering together of scores of local appropriations in omnibus river and harbor and public-building bills. It is the system that is primarily at fault, and until that system is changed the only possible cure presented is by making small lump-sum appropriations, to be placed in the hands of Army engineers to meet present maintenance and pressing emergencies. With $45,000,000 in the hands of such engineers, it is submitted that the bill before us has no justification and should be defeated.

I will not discuss the items in detail, but will refer to several that to my mind call for the defeat of the proposed bill. And let me say in passing that while I do not intend to take up much of the time of the committee, I hope when some of the items are presented to discuss them in an effort to show that the Army engineers themselves do not claim they are important or necessary at this time.

Large harbor interests at New York and elsewhere can be protected by the engineers through a suitable lump-sum appropriation; and while it is not a satisfactory way of lessening the waste, it is far better than to place increased unjust burdens upon the backs of people who alone do not yet appreciate the weight of burdens already assumed.

A LUMP-SUM APPROPRIATION WILL REDUCE WASTEFUL EXPENDITURES.

I have offered a minority report which proposes a lump sum of from $12,000,000 to $15,000,000 to take care of any necessary existing waterway project for the next fiscal year, and is in addition to the $55,000,000 in the hands of the Army engineers on July 1, 1918, only $10,000,000 of which has since been expended, according to their statement. I confess feeling that we are between the devil and the deep sea in placing lump sums entirely in the hands of the Army engineers, because their recommendations are often indefensible, but at least it will have the merit of reducing expenditures far below the amount named in this bill by the committee.

Take two or three projects named by the committee as a sample of the judgment displayed by Army engineers, whose recommendations appear in the pending bill. Four hundred thousand dollars is asked for in this bill by the engineers for the Missouri River from Kansas City to the mouth, a distance of 400 miles. This sum is in addition to a balance of $1,207,750 for this stretch of river which was on hand available at the beginning of the last fiscal year. On page 2820, Engineers' Report for 1918, appears the statement that $16,194,249 has been spent on this 400-mile reach of the river. Estimated at 4 per cent annual interest, this makes an annual interest charge on the Government Treasury of about $650,000, apart from annual maintenance, that in turn becomes an interest charge. On page 2919 the commerce for 1917, after deducting sand and gravel hauled about 1 mile by owners, reached just 11,743 tons, or about 39 tons a day, much of which was hauled short distances, and at an average interest cost to the Government, after furnishing the waterway, of over $50 a ton. Ninety-five per cent of the $400,000 is used for diking and revetment along the river banks, which protects private lands back of the river, although these lands make no contribution toward the cost. No boat line exists on the river and none is in prospect. A miserable waste of millions of dollars, recommended by Army engineers, after being rejected by Col. Townsend, head of the Mississippi Committee, is now a standing monument of waterway waste which these officers seek to justify by fanciful dreams of interested localities.

Again, on page 2329, the engineers report $272,870 total expenditure in past years for a small waterway from Norfolk to sounds of North Carolina, with questionable commerce, excepting one item labeled "Miscellaneous." That comprises two-thirds of all carried on the waterway and may have been hauled from 1 to 10 miles, so far as facts indicated. Such statistics are valueless in character. After the present bill was reported to the committee from the Engineers' Department a new appropriation of $250,000 was added in the pending bill, or nearly as much as has been expended during all the years that this waterway has been used. No possible justification in these times of heavy taxation can warrant such extravagance. Again, the old familiar hopeless inland waterway from Norfolk to Beaufort, on which $3,744,400 has been wasted, with a balance on hand available for the fiscal year ending June 30, 1919, of $649,725, receives in addition $750,000 after it was submitted by the Engineers' office to the committee. The insignificant commerce on this waterway, about one-half of which is piling and logs, also indicates a further loss of nearly one-half, or 50 per cent, during the last four years, and a startling fact from the taxpayer's viewpoint is that the cost of dredging along this so-called waterway has increased 100 per cent on portions of the project within the past three years, yet the clang of the engineer's iron scoop rings merrily on as long as the scoop reaches the Federal Treasury.

Other old projects that have been continually opposed give testimony to the extravagant methods pursued under the exist-

ing system. It is impossible to remedy or curtail such expenditures materially as long as the omnibus method of appropriations continues.

EXTRAVAGANT NEW PROJECTS TO BE PAID BY LIBERTY BOND SALES.

To the burden placed upon the Treasury by large additions to old projects the committee in the pending bill has added about 70 new projects, including $3,000,000 for the bankrupt Chesapeake and Delaware 13-mile canal, that, like the Norfolk-Beaufort $5,000,000 canal, is used to take the sensickness out of the sea. This in addition to several million dollars in this bill appropriated for the Delaware and Schuylkill in the near neighborhood that have actual commerce and yearly make generous demands upon the Federal Treasury. A few hundred thousand dollars more is inserted in the bill to begin work on the hopeless canalization project on the upper Cumberland that will wipe out over $4,500,000 more from the Federal Treasury before completion, in addition to over $7,000,000 already spent upon this river with an insignificant commerce, present or prospective.

The ubiquitous Ouachita project of 360 miles of deserted river on which we have spent $3,350,150, with constantly increasing estimates of several millions, again confronts us in this bill. Three hundred thousand dollars is added for more locks under Document No. 7, Sixty-fifth Congress. Last year's report on this hopeless project shows 2,667 snags were pulled out of the stream, 428 stumps and branches were jarred from their moorings, and 1,141 other obstructions were rescued by all the engineers' force that could be spared from the European battle front. After deducting logs and timber rafted and barged, and sand and gravel, the "commerce" reached 23,689 tons, of which over 8,000 tons was marked "Miscellaneous." What further need of expert testimony is necessary to show the public the value of this project than the appearance of local legislators from both ends of the Capitol before the committee who urged its adoption? By way of commerce comparison, one joint harbor in Wisconsin and Minnesota that has had about double the expenditure given this river, alone showed over 50,000,000 tons commerce in 1917 or over 2,000 times as much.

Many similar illustrations could be furnished showing the hopeless canalization waste that is now going on all over the country through the recommendations of engineers and easy acquiescence of Congress.

The Black Warrior River, which has been ostensibly completed at a cost of over $10,000,000, with the picturesque Tombigbee gets a new $200,000 project in this bill in addition to over $200,000 annual expenditure already imposed for many locks, repairs, and salaries. But why go over the same list of old and new hopeless projects that will eternally bob up as long as omnibus river and harbor bills lead to the doors of the Federal Treasury? Among the smaller items the Mispillion Creek cut-offs on the short, "tortuous" stream are again inserted. The new appropriation carries an amount equal to all that has been spent on this stream during past years, and this is another evidence of unretrenched expenditures included in the bill. Then there is Deep Creek, that is noted for its shallow waters; New Begun Creek, which turns up again in the pending bill; Scuppernong Creek; Jones Creek; Pagan Creek; Mattuponi Creek; Raccoon Creek; Wicomico Creek; the familiar Oklawaha Creek, and shallow waters with pretentious names too numerous to mention, all of which find resting place in the pending bill and carry a total obligation reaching $25,482,534, which will presumably be doubled within the near future through increased depth of the various projects that invariably follow.

THE OMNIBUS BILL STANDS OR FALLS WITHOUT AMENDMENT.

A brief statement of the situation is offered without further argument, for I do not believe it is incumbent upon any Member to make continued protests and strenuous contests against such bills, when such opposition is resented by many different Members of the House who are interested in some particular project contained in the bill. All items will presumably remain, because it is impossible to strike out one without the collapse of all. It may be equally useless to try to defeat the bill on its merits where so many interested localities demand its passage, and it is significant that this bill with 70 new projects is being urged through the short session by our political friends who expect to surrender the legislative reins in the near future. It may be that with a short lease of political life the majority party cares little for the record made here at this time, and that record could not be made without acquiescence of others outside of the majority party, but I am content to register such opposition as may seem necessary in giving what I believe to be a brief exposition of a few indefensible items in the bill. It contains many such items, in my judgment, based on statistics furnished us by the engineers, and such items could only pass Congress through the omnibus system.

Let me conclude by saying that with $45,000,000 now in the hands of the Army engineers on January, 1919, it is a reckless legislative act to put through during this short session an appropriation bill for rivers and harbors that carries more than double the amount reported by liberal engineers as absolutely necessary.

The public-buildings bill committee, according to the public press, again refused to recommend a public building pork barrel at this session, and it was defeated in the committee by a tie vote. I will not refer to the pending river and harbor bill as a "pork-barrel" measure. I will not wound the tender sensibilities of my colleagues on the committee by using terms which seem popular in other committees and other legislative bodies, but I do say that without the omnibus feature, which permits the inclusion of many wasteful waterway projects from Maine to Mexico and on many deserted rivers and rivulets, it would be impossible to put through many of the items that are found in the pending bill. It is part of wisdom and public duty to defeat the bill and pass a substitute containing a small lump sum for present needs. For the reasons given in the minority report, at the proper time I expect to offer for passage a substitute lump-sum appropriation of $12,000,000 to $15,000,000 in place of the wasteful bill before us, which can be defeated only by such legislative action.

There is nothing further I care to say to the committee at this time, except at the proper time I desire, when projects are presented, to make some brief statements regarding a few of the projects which ought to be defeated, in my judgment, and I shall be content with that program. Heretofore, at times, I have taken a great deal of the time of the committee, and sometimes, possibly, unsuccessfully, but I have endeavored to disclose the views which I had of such bills without regard to the locality or whether they struck my own community. Let me say that the committee will bear me out in the statement that when a $2,000,000 appropriation for a project which flows past my district 150 miles I asked to cut it in two in the committee, and it was cut down to $1,200,000, and on the floor of the House I asked to have it reduced $600,000. This year this bill carries only $250,000 for 700 miles of the greatest river on the continent, and yet the waterway project on the North Carolina coast, a hopeless inland waterway, carries $1,000,000, and the Missouri River carries $400,000 at this time.

Mr. BOOHER. Will the gentleman yield?

Mr. FREAR. I yield to the gentleman from Missouri.

Mr. BOOHER. In stating what had been appropriated for the Missouri River the gentleman says that the Engineer's report showed $16,973,440.24.

Mr. FREAR. For this 200-mile section of the river.

Mr. BOOHER. For this project——

Mr. FREAR. I meant to say that after we have appropriated all that money, before and since this project was adopted, we have only secured 11,700 tons of actual commerce last year.

Mr. BOOHER. Would it not be fair to state in this connection that before the project that is now being carried on to improve the Missouri River there was no deepening of the channel, or snagging and dredging; that it was just simply keeping up and revetting the banks?

Mr. FREAR. The gentleman wants my judgment and that of men whom I have talked to who are familiar with the Missouri River, who have navigated that river in boats, and they say that all of this money that is being appropriated at this time is valueless for navigation purposes and will only help to serve for the revetment and redyking for private lands about 500,000 acres of land along the river. The best evidence of that fact, if the gentleman will permit, is this: After all these years during which we have spent this money, to-day not a single boat line is upon the river, and we have the best navigable facilities there we have ever had; and yet once that river was dotted with boats. On both sides of the river run railways, and you will never have a boat line until you compel the railways to permit it to live.

Mr. BOOHER. The gentleman ought to be fair enough in discussing the boat line to tell why the boat line has left the river from Kansas City to St. Louis.

Mr. FREAR. I will suggest one boat line was built there, and I understand they had hard work to exist, notwithstanding the stock of that boat line is owned by the men who get the benefit of it by shipping their own goods.

Mr. BOOHER. Now, the fact is those boats were commandeered by the Government and taken off the Missouri River at the beginning of the war and taken south on the Mississippi?

Mr. FREAR. Presumably true.

Mr. BOOHER. But was not a guaranty made between the War Department and the owners of the Kansas City line that the Kansas City line should be put back just as soon as possible at the close of the war?

Mr. FREAR. No; pardon me, if the gentleman will permit, I want to ask him a question there. Is it not a fact that when the question was put to that boat company—Mr. Dickey and others—that he refused to guarantee the boat line would be put back, and that point was raised in our committee, and that no boat line is in prospect?

Mr. BOOHER. The gentleman now tells what took place before the committee. Mr. Dickey, when before the committee, said he did not know what would be done; that he had been in the city of Washington on a war board since the declaration of war, and that he had not been back and did not know what the directors had done.

Mr. FREAR. There has been no effort by the gentleman who is now talking, or anyone else, to give the committee or give the House of Representatives a guaranty that the Missouri River boat line would be reestablished there, and $400,000 is in this bill without any hope of use of the waterway.

Mr. BOOHER. Does not the gentleman remember Mr. Dickey was before the committee, and when he was asked by the chairman of the committee what arrangement was made between the Government and the boat line he replied that the boat line——

Mr. FREAR. Oh, I accept just what the committee stated. I do not want to yield any further along this line. I want to be entirely courteous to the gentleman, because he is one of the most courteous members of the committee and has been very kind to me, but I do say this that if Kansas City was sincere in the idea of putting on a boat line they would have come with a guaranty. They have had all this time since the question was raised and they have not offered it. There has not been a single bushel of grain carried from Kansas City to St. Louis on this river, and that was the proposition originally for which the project was urged. All the traffic has come from St. Louis to help out Kansas City business men, who own the stock of the boat line, and yet they will not guarantee they will put that boat line back.

Mr. BOOHER. Does not the gentleman remember that the hearings show that the chairman of the committee, when Mr. Dickey was before it, asked him the question if it was not a fact that when the Government took over this boat line the Kansas City company guaranteed that they would put the boat line back on the river before the Secretary of War would permit the boats to be taken off?

Mr. FREAR. I can not say as to that. I know this, that there is no guaranty; that is, any offer that is tangible.

Mr. BOOHER. I do not know what the directors of the boat line have ever done toward restoring the boats.

Mr. FREAR. They have had notice of this situation right along.

Mr. BOOHER. Do you think they could build a line of boats since the armistice was signed?

Mr. FREAR. But they could bring back that line of boats. And what is more, the boats there are unsuitable for navigation. Notwithstanding the stockholders and the men who get the benefit of the transportation freights, they could not make it profitable.

Mr. BOOHER. But all the people get the benefit?

Mr. FREAR. But they were the ones most interested in furnishing commerce because the line carried their own goods.

Mr. BOOHER. They were the business men of Kansas City.

Mr. FREAR. Yes. I do not question their enterprise, but I do question the judgment they have exercised.

Mr. BOOHER. Would the gentleman be willing, if the directors of this boat-line company went to work now toward getting their boats built and put them on the river, to not oppose the passage of the bill?

Mr. FREAR. I would say, Mr. Chairman, unless Kansas City, or unless the State of Missouri, after we have expended $16,000,000 on this 400-mile strip of river, is willing to do something toward contributing, unless the money is not spent entirely for the reclamation of land and for revetment of this 500,000 acres, we ought to stop immediately except to maintain the channel.

Mr. BOOHER. Then, why keep the channel open?

Mr. FREAR. Providing any man is willing to take the chance of putting boats on there as they existed before a dollar was spent by the Government. And I would still keep the channel open and in better condition than it ever was before.

Mr. BOOHER. The gentleman knows the reason why there are no boats on the river now?

Mr. FREAR. Certainly. I think I can agree with the gentleman very largely.

Mr. BOOHER. When they had boats on the river there was no railroad up and down on either side.

Mr. FREAR. Yes, sir.

Mr. BOOHER. To carry out the idea presented by the chairman of the committee on his presentation this morning, the very reason they have been driven off is because there has been no freight rate between the river and the railroad.

Mr. FREAR. The gentleman will pardon me. I can not agree to that. The reason it has been driven off the Missouri, off of the Mississippi, off of the Arkansas, off the Cumberland, and off the Tennessee, and practically every river is that the railroads put down a rate that was not profitable to the railroads but drove the boats out of business.

Mr. BOOHER. Then the railroads are to blame?

Mr. FREAR. Certainly, largely. That is so, according to the judgment of the Army engineers and others who have studied the cause of waterway disuse.

Mr. BOOHER. Then the gentleman, or no other man that has opposed the rivers appropriation, has ever done anything to compel the railroads not to do those very things.

Mr. FREAR. How are you going to do it when the communities object to minimum rates? We will have that tested out when the bill comes up for the ownership of railroads. Then we will see who believes that the railroads ought to be returned to private hands, provided we want to maintain your water transportation.

Mr. BOOHER. And then the gentleman would not be opposed to the improvement of this river up to a standard, provided we had some railroad legislation?

Mr. FREAR. I would like to say that—as they do in Europe—I would want to have a waterway or public works committee carefully selected, of men who have a positive program to develop, and then I would want them to make a recommendation, and not have it come from gentlemen of this community or that community as it is to-day, asking that money be given to their community. That ought not to be the test. There ought to be an opportunity to pass upon this question without reference to the different communities affected, the utility and actual commercial use of the waterway.

Mr. BOOHER. Does the gentleman believe in water transportation, anyhow?

Mr. FREAR. I do not believe there can be any question of that. I have never opposed a reasonable appropriation for any harbor or anything that carries real water transportation. Here is $16,000,000 for this one project, and no traffic there. Does not the gentleman think the Government has done its full share and that it is time for the individuals or the State to take care of the situation?

Mr. BOOHER. Does not the gentleman know that there has been less than $7,000,000 appropriated on this project?

Mr. FREAR. I do not care about that particular project. I am speaking about a river that formerly had a fleet of boats on it before one dollar was spent and has none now.

Mr. BOOHER. You are speaking of a navigable river. In the last 20 years this river has been nonnavigable, and is full of sand bars and snags, and we are trying to confine it within its banks and keep it there.

Mr. FREAR. And incidentally reclaiming 500,000 acres of land that do not give one dollar to that work, according to the report of the engineers.

Mr. BOOHER. Does not the gentleman know that the men who live in the Missouri River bottom do their own levee work?

Mr. FREAR. But you are going to charge the people in the Mississippi River bottom lands one-third of the cost. Why not charge the people of the Missouri River bottom lands one-third where they get the same comparative benefit?

Mr. BOOHER. Why does not the gentleman introduce a provision of that kind?

Mr. FREAR. There would be no use. Would the gentleman vote for it? Would the gentleman vote to compel his constituents to pay one-third, as is done in the lower Mississippi?

Mr. BOOHER. We can not do it under our statute.

Mr. FREAR. Will you introduce a resolution in your legislature to have it done?

Mr. BOOHER. I am not a member of the legislature.

Mr. FREAR. Oh, I can not follow the gentleman in his changing positions. I think the evidence of good faith is shown right there.

Mr. BOOHER. The people of the South do not appropriate money for the improvement of the river. They are appropriating money for levee work.

Mr. FREAR. That is all that the Missouri River money is spent for. Over 95 per cent of the money spent last year, according to the engineer's report, was for revetment and diking, and not a dollar of that was for the dredging of the river.

Mr. BOOHER. That was absolutely necessary for the preservation of the banks of the river and to keep the river within the banks.

Mr. FREAR. Why do you insist that they shall contribute one-half in the expense on western harbors? Why not say to the State of Missouri, "You must pay an equal amount, an amount equal to what the people elsewhere pay for such improvements"?

Mr. BOOHER. We appropriate money to take care of the river and harbor.

I think the people of the West have been liberal in that regard, and I think the people of the South have been very liberal. Before the adoption of this project the people always contributed to the revetment, and in most cases one-half the cost.

Mr. FREAR. Yes. The gentleman will pardon me. He is taking up my time. He can have his own time.

Mr. BOOHER. The people of the South have been very liberal in their contributions.

Mr. FREAR. The gentleman is taking my time.

Mr. MADDEN. It is all right. It is very interesting.

Mr. BOOHER. The money raised by the people of the South is used for levee purposes.

Mr. FREAR. I know.

Mr. BOOHER. The Government does not levee.

Mr. FREAR. I agree to that. I have agreed to it twice.

Mr. BOOHER. Now, the Missouri River people have to do their own leveeing, and all they ask the Government to do is to keep the river cleared out after they have got the levees built.

Mr. FREAR. Mr. Chairman, I have only time to say that there are a number of projects in the bill that ought to be inquired into by the House, but from what appears to be the disposition of the House as to the items I do not hope that we can break into the bill. That can not be done in this body; but, nevertheless, I shall try to perform my duty as I see it, and I shall try to do that by giving a fair discussion to some of the items in the bill. I realize that this is an unpleasant duty. The members of the committee have been very generous to me in their treatment. They have been considerate and kind, and that is saying a good deal, because sometimes they have important projects involving a great deal at stake. But I do not see how a member of the committee can do his duty when put on a committee unless he expresses his convictions fairly and frankly.

Mr. MADDEN. I got the idea from the gentleman's remarks that it was a very pleasant duty that he is performing. At least it is a very valuable duty.

Mr. FREAR. I thank the gentleman.

Mr. SMALL. Mr. Chairman, I regret that I feel constrained to make a few comments at this moment which come to my mind after listening to the gentleman from Wisconsin [Mr. FREAR]. These comments will be critical of the gentleman. Every legislative body and every committee and every organization of any kind serving the public interests is benefited and helped by honest criticism. Criticism is valuable. All of us are human; we are all prone to err. None are infallible, and an honest mind, seeking the truth upon any public question, ought always to be willing to listen to criticism prompted by an honest mind with a desire to learn the truth. The Committee on Rivers and Harbors is nonpartisan in its activities. Since I have been a member of the committee I have never heard the question of politics raised. For eight years since I have been a member of the committee I have never heard sectionalism suggested in any way, pro or con, regarding any items in the bill. The gentleman from Wisconsin for several years has chosen to oppose river and harbor bills, and it has been his privilege and his right to do so. But, Mr. Chairman, a man who criticizes another, who criticizes the legislation or public acts of others, ought to be sure that he deals only with the truth, and that he criticizes honestly and fairly and justly. The criticism of the gentleman from Wisconsin—and I hesitate to say so, and I say so in no spirit of personal unfriendliness—did not confine itself to the truth. Mr. Chairman, the most dangerous falsehood is a half truth. You can take any legislative conclusion about a public proposition which is based upon various reports or sources of information, and you can cull from those detached statements and facts and then parade them as representing the consensus of truth about the matter, and yet the criticism may present a dangerous and wicked falsehood.

The gentleman from Wisconsin or any other Member can criticize items in this bill and do it as a man, do it truthfully and fairly and honestly and justly, and he owes it to himself and to the House to do so. But he ought to be very sure that he predicates his criticism on the eternal foundations of truth and fairness.

This bill is not infallible. No appropriation bill which is presented to this House is beyond the pale of criticism. It is not within the limits of a democracy to be perfect in its legislation.

The gentleman from Wisconsin refers to the activities of Members for the improvement of waterways and harbors in their States and districts and imputes selfish and sectional motives to them.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. SMALL. I can not be interrupted now.

The CHAIRMAN. Does the gentleman yield?

Mr. SMALL. I refuse to be interrupted.

The CHAIRMAN. The gentleman declines to yield.

Mr. SMALL. I will give you an opportunity later. The gentleman has made an indictment against the membership of the committee and the membership of this House; against the membership of the committee because he says they have brought in a bill containing appropriations for projects and improvements not in the public interest, which are wasteful, and can not be justified as an activity of the House of Representatives. He says this "wicked" bill is going to pass the House, carrying with it the indictment that the membership of this House will support a bill not in the public interest, involving a waste of the public money. It is an unfair, unjust, unjustifiable criticism of the committee and of the House. I make this expression immediately after the gentleman has concluded. I do not make it unkindly; but the gentleman has not made a criticism of this river and harbor bill creditable to a man seeking only the truth and desirous of doing only justice and fairness. I do not impute the slightest moral turpitude to the gentleman from Wisconsin. I have studied the gentleman from Wisconsin, trying to ascertain something about his mental methods. The only way I can account for them—because I do not impute the slightest lack of moral conception to his make-up—is that for some reason or other on river and harbor legislation the gentleman has great difficulty in being intellectually honest. In all truth and fairness I commend that criticism to the gentleman, with the hope that in good time he will reform.

Mr. FREAR. Will the gentleman yield now?

Mr. SMALL. In just a moment. During the Christmas holidays I went home to my district and took a ride out in the country. I came by the home of a reputable colored man. He is quite a huntsman, and I stopped and spoke to him and his family. I noticed a dog in the yard. I complimented the dog, and I said, "He must be a good coon dog." "Oh," he said, "that dog is worthless." I said, "How about possum?" "No good at all." I said, "How about rabbit?" "Why," he said, "it takes him 10 minutes to run a mile. He never can catch a rabbit." I said, "What is he good for?" He said, "He is a great barker. He used to frighten the folks in this neighborhood by barking all the time, but now nobody is afeared of him, and, d—n him, I am going to kill him." [Laughter.]

Mr. FREAR. Now will the gentleman yield?

Mr. SMALL. I will.

Mr. FREAR. That is the proper place to yield. I will ask the gentleman if he remembers, in 1916, how strenuously he supported that year's river and harbor bill, how he declared it was in every respect good, and could stand any criticism, and how at the same time he criticized me very severely, and yet how 133 Members of the House voted against the bill and 20 pairs were recorded against the bill, and when it went over to the Senate men, who like myself were, possibly from the gentleman's standpoint, intellectually dishonest, took the same position that I did and as they have for several years? Is it not true that the gentleman himself, due to these long years of training, believing that the idea is primarily to get something for the community, forgets that there is another viewpoint, that of the men all over the country who pay the taxes and who object to giving $1,000,000 in this bill to waterways in North Carolina, the Scuppernong, and Beaufort, and other projects down there unless they can see some traffic to justify them and some necessity for them? Is that intellectual dishonesty? Is that barking? If so, let me say to the gentleman from North Carolina, who so willingly criticizes me——

Mr. SMALL. What is the gentleman's question?

Mr. FREAR. That the gentleman at the same time is likely to make mistakes, is he not?

Mr. SMALL. What is the gentleman's question?

Mr. FREAR. The question is, Is not the gentleman liable to make some mistakes of judgment in this particular case?

Mr. SMALL. Undoubtedly.

Mr. FREAR. The other was simply a prelude to the question.

Mr. SMALL. But the gentleman is wrong as usual in his citation. It was not the 1916 bill of which the present chair-

man of the Committee on Rivers and Harbors challenged criticism. It was the bill which was approved August 8, 1917, and I recall to the membership of the House that there was not one Member of the House who succeeded in effectually assailing or criticizing an item in the 1917 bill.

Mr. FREAR. That was the last bill?

Mr. SMALL. Oh, no; the last bill was passed in June, 1918.

Mr. FREAR. That was the bill that I supported. Every other bill has been attacked, and the votes will show it. Does the gentleman say that the bill before the last one did not have more than 130 votes against it?

Mr. SMALL. I forget the number.

Mr. FREAR. I can cite the gentleman to the vote. Does the gentleman claim that those Members who voted against that bill were intellectually dishonest?

Mr. SMALL. I have never said that. The gentleman misquotes me.

Mr. FREAR. The gentleman attacks me and accuses me of being intellectually dishonest because I advocated the defeat of that bill.

Mr. SMALL. Is not the gentleman trying to get in good company without being able to qualify?

Mr. FREAR. The gentleman is in as good company as the chairman of the committee, but unfortunately does not see things the same as I do, and that, of course, is his privilege as a Member of Congress.

Mr. SMALL. So it is the gentleman's privilege. That is all I wish to say.

Mr. KENNEDY of Iowa. I yield 30 minutes to the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] is recognized for 30 minutes. [Applause.]

Mr. MANN. Mr. Chairman, if I may divert the attention of the House for a few moments from the subject which has been under discussion, I desire to call attention to the War Risk Insurance Bureau, and if I can get through with that quickly enough I desire then to call attention to a matter in connection with discharges from the Army.

I have received almost innumerable letters from all the country complaining about the payments of allotments by the War Risk Insurance Bureau and the payment of allotments made by soldiers out of their monthly pay. Here, for instance, is one letter written by the chairman of the local board for the county of Minnehaha, S. Dak.:

[War Department, local board for the county of Minnehaha, State of South Dakota.]

SIOUX FALLS, S. DAK.,
December 17, 1918.

Congressman MANN, of Illinois,
Washington, D. C.

DEAR SIR: The following are a few instances of nearly a hundred cases of similar kind that have come to the knowledge of the board. It appears to this board that the way these allotments have been handled is a disgrace to the American Nation, the memory of which will remain with the returned soldier as long as he lives.

A lady came into the board office carrying two children, ages 2 and 4 years. She asked the board to obtain her allotments and allowance for her, stating that her husband had been in the Army six months and she had received one check only from the War Risk Insurance Bureau. She had a few hens, and had traded a dozen eggs that day for a bottle of milk and a loaf of bread, and that was all they had to eat. Her children were both sick; one of the children had spasm the night before. She thought it would die, but did not have enough money to notify a physician.

The board, out of their own pockets, furnished her with some money to buy food and medicine, and sent her to a physician who prescribed free of charge. Her case was then referred to the Red Cross, and afterwards she was taken care of.

Another woman appeared before the board with four small children. Her husband had felt it his duty to enlist in the Army. He had been gone since last May. In July she had received one allotment, and had received no more up to the present time. Her husband had made arrangements so that with her allotment and with the money he left her, she would be able to support herself without any assistance.

Owing to the fact that her allotments did not come she had reached the point where she could not furnish food for her children or fuel to keep them warm, so she asked the board if we could not hasten her allotment. Her case was then turned over to the Red Cross and they furnished her support.

Another instance: A mother has three sons in the service and two small children. Each of her boys is making an allotment to her. She received one allotment of $25 several months ago and has never received another one. When she reported she was without coal, her children were suffering from the cold, both from lack of fuel and the lack of proper winter clothing. The Red Cross has furnished her with the necessities of life, awaiting the action of the War-Risk Insurance Bureau.

In another case the woman came to us, telling us that her husband had been in the war for months; that they had been able to accumulate sufficient furniture to make a home; that she had been obliged to go to a hospital for an operation. Due to this she was unable to work. Due to the operation at the hospital she would have to wear a cast for a year or more; so she had been obliged to eat up her furniture, until she had eaten up all except the bed, a small oil stove, and a few cheap dishes. When she reached the point where she had no more furniture she applied to the local board to see if they could not get her allotment for her.

These are a few cases which are typical of about one hundred cases which we have had brought to our attention in this county.

Yours, truly,

D. L. MCKINNEY,
Chairman Local Board, Minnehaha County.

You know there are local boards all over the Union. The chairman of this local board cites three or four cases out of nearly a hundred cases in that one county under that one local board.

Here is another letter:

2605 FOURTEENTH STREET NW.,
Washington, D. C., December 19, 1918.

Congressman MANN.

MY DEAR SIR: I note the talk in Congress of soldiers' pay and allotments.

Here is a case in our own family: Pvt. William A. Mason, Company E, Three hundred and eighth United States Infantry, American Expeditionary Forces, has been abroad nearly a year. He made an allotment to his mother-in-law, a poor woman, to take care of his baby not yet a year old. His wife died at its birth. This mother has never received a cent of the allotment, and we have been helping to take care of her and the baby, as she is very poor. I have another similar case, but have mislaid his name and address. Something should be done about this case. I know of several others.

Very sincerely,

MRS. JEWEL KENNEY.

That letter is from the mother of the widow of former Representative Brown, of West Virginia.

Here is another case:

DECEMBER 14, 1918.

Congressman MANN.

MY DEAR SIR: The inclosed is a copy of a postal card I received in August. My son had made a "home allowance" and was on his way to France when this came. How could he then attend to it? The Red Cross rooms here are full of people daily who want information about money due them which they don't get.

Yours, truly,

F. A. M. BURRELL.

This is the notice:

TREASURY DEPARTMENT, WASHINGTON,
BUREAU OF WAR RISK INSURANCE.

You will no longer receive checks from this bureau for the voluntary allotment which the bureau has previously sent you; but if the enlisted man, who has already been notified of this discontinuance, desires to continue this allotment, he will do so through the "Quartermaster General's Office, Washington, D. C.," if he is enlisted in the Army; the "Navy Allotment Office, Washington, D. C.," if he is enlisted in the Navy; the "Paymaster, United States Marine Corps Headquarters, Washington, D. C.," if he is enlisted in the Marine Corps, or the "Captain Commandant, Washington, D. C.," if he is enlisted in the Coast Guard.

If you correspond further in regard to this matter you should write to the enlisted man or to the office mentioned above, according to the service in which he is enlisted.

Do not write the Bureau of War Risk Insurance, as it no longer has charge of this particular case.

C. F. NESBIT, *Commissioner.*

It was a very natural inquiry to make where a soldier had signed his allotment, then after he had been sent to France and his parents notified that they could not receive the allotment unless the soldier signed a new allotment, with the mail in the condition it was going to the soldier! An appreciative Government is exemplified by these two departments.

Here is another case:

Hon. J. R. MANN,
Member of Congress, Second District of Illinois,
Washington, D. C.

DEAR MR. MANN: On the evening of March 12, 1918, my son Lawrence Jencks, in company with 500 other soldiers, left Chicago, Ill., on a special train for Kelly Field, South San Antonio, Tex. His address while there was Lawrence Jencks, First Training Brigade, Line 367, Section G, Kelly Field No. 1, South San Antonio, Tex. While there I received a letter from him stating that on April 5, 1918, he had applied for an allowance of $15 per month to be deducted from his monthly earnings and paid to me.

He was sent "oversea," arriving in France the first part of July, 1918. His address now is Pvt. Lawrence Jencks, 115 Field Hospital, One hundred and fourth Sanitary Training, Twenty-ninth Division, American Expeditionary Forces, American Post Office 765. He informs that $15 has been deducted from his monthly pay since April 1, 1918, and I have not received one cent of this voluntary allowance made by him. This money has been held up somewhere. He informed me by letter that September 10, 1918, the paper was again prepared in France and sent to Washington, D. C., stating that the first paper was either improperly filled out or it was claimed to be lost. His number is 1148514.

He has been over nine months in the service, of which time he has been in France over five months and part of the time in actual service on the firing line. The world's war has been fought and (thank God) won by the allies. Old empires have been torn asunder. New kingdoms have been formed, the Kaiser's crown is now waiting for the melting pot, great ships have been built and launched, billions of dollars have been spent, great enterprises have transacted enormous amounts of business, yet the War Risk Insurance Bureau fails to give me an accounting of where this soldier's dearly earned $15 each month deduction is and why it is not sent to me as requested by the one who earns it.

They claim the soldier failed to make any allowance to me nor any other person. If that is true, then why do they deduct $15 each month and not give an accounting of it to him?

I remain, very truly, yours, JOHN W. JENCKS.

They knew enough about it to deduct the amount from his pay, but not enough about it to pay it to his mother.

Here is another one:

Hon. JAMES R. MANN,
Republican Leader of the House,
Washington, D. C.

DEAR SIR: My son made me an allotment in September, 1917. I received one month only, which I was obliged to send back to the soldier because he was not getting any salary.

My son was discharged June 5, 1918, and sent home sick, after serving nine months at Camp Logan, Tex.

September 5 he was commanded to send back the uniform he had worn home (which was in rags and not worth 50 cents) under penalty of having kept Government property. Of course I returned it at once.

Soon after he returned, and I fully understood military rules and regulations, I was instructed to apply at the War Risk Insurance Bureau, operating at 1307 Stock Exchange Building, Chicago, and was informed by Mr. McGuire I would receive a check from Washington in a very few days for the amount of allotment.

That was last June, nine months after he enlisted, which makes over a year and three months, and still nothing; their latest instructions are that the case is closed so far as that office is concerned, and now I must apply to his commanding officer or the Paymaster General of the United States Army. I have written the Paymaster General at Washington, but no reply. What do you think of such treatment, and how many more who are worse off than we, no doubt, are receiving the same treatment? This may cause trouble when the boys are all demobilized. What would you advise further in my case?

Thanking you in advance for any interest you may take in our behalf,

Very respectfully, yours,

MRS. NELLIE HENNESSEY,
3847 Osgood Street, Chicago, Ill. (first apartment).

Very enterprising in requiring him to return a worn-out uniform, a request that was promptly complied with, but not very enterprising when it came to paying the mother of the boy returned home sick the compensation which Congress had provided she should receive.

Here is another letter which came to me. I do not guarantee the truthfulness of the statements which are made in it, although I have received information outside of the letter from what I may say were responsible parties, making similar statements:

WASHINGTON, D. C., *December 14, 1918.*

REPUBLICAN FLOOR LEADER MANN: You were correct in your statement on the floor of the House relative to the War Risk Bureau. If you wish to uncover a scandal, would suggest that an inquiry be made regarding the present method of "investigating" compensation, allotment, and allowance cases. The investigation has now been placed in the hands of the Hopper-Holmes (Inc.), New York City, who have agents throughout the United States. These agents receive a fee of $1 for each case "investigated," and their investigation leaves the family of the soldier helpless, for if in their report they suggest a cut-off the family is cut off from all allowance. This is a money-making scheme. The investigation has gradually been taken from the hands of prominent citizens in the different localities and preference is given to these agents. In some cities the Hopper-Holmes Co. make from $400 to $500 per week. It is most interesting to note that John King, vice president of the Hopper-Holmes Co., has been appointed Deputy Commissioner of the War Risk Bureau. He can retire a millionaire. It is also interesting to note that the compensation cases are also to be placed in the hands of these agents. It will be months before the soldiers will receive one cent for injuries received. The clique who expect to get rich from the investigation end of the bureau are King; his man Friday, Effner, "efficiency director"; and Jones, superintendent of agencies.

Thousands and thousands of soldiers' families would have starved were it not for the Red Cross—ask the Red Cross regarding this. The Red Cross knows, as well as the employees of the Investigating Bureau of the War Risk, the deplorable conditions now existing. The War Risk Bureau started out right, but has ended wrong. Mr. Eugene T. Lies, superintendent of the United Charities, Chicago, well versed in family needs, secured a competent corps of social investigators, but they were never appointed, as political debts had to be paid, and political hacks secured appointments as field investigators. Mr. Lies resigned in disgust. He was recommended by the Red Cross. The scheme was later concocted to place the work into the hands of the Hopper-Holmes Co., and thousands and thousands of cases were shelved awaiting an elaborate scheme of mail investigations by the Hopper-Holmes agents. As a consequence thousands of families are in need, allotments have been cut off unjustly, and there are nearly 600,000 compensation cases awaiting investigation by the Hopper-Holmes Co. while the above heads haggle over the wording of the inquiry blanks. Had competent field investigators been appointed months ago—a large force, irrespective of political pull—and sent out throughout the country the suffering would have been alleviated. An elaborate system of mail investigation by the Hopper-Holmes Co. and a few local men in the rural sections is now in the hands of the above "heads" and it will be months before the soldiers will receive a penny. In the meantime they are cut off of the $30 pay and discharged on the community to become beggars.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MANN. Yes.

Mr. GARRETT of Tennessee. Do I understand that there is a reference in that letter to official organizations as formed under the law?

Mr. MANN. It is about the War Risk Insurance Bureau.

Mr. GARRETT of Tennessee. Is there any person connected with the War Insurance Bureau, any agent or person mentioned in the letter?

Mr. MANN. It is so stated here. The statement is made here, I have not verified it—"John King, vice president of the Hopper-Holmes Co., has been appointed deputy commissioner of the War Risk Bureau." That statement was made to me the other day by a Member of the House, who said that he knew it.

Mr. ELSTON. If the gentleman will yield I would like to corroborate his statement. On my recent visit to California I received in my law office there a postal card from what I believe to be the War Risk Insurance Bureau—I am not so sure about that—in which the name of some applicant for allotment was noted and a request to investigate it was made, and an offer of $1 for investigation. It was returned by me with the statement that I could not undertake it. Later on two or three more postal cards arrived in the office, and I gave instructions to return them. I mention that to show that investigation of that kind was going on through some agency and not through official sources.

Mr. MANN. I thank the gentleman. I have another letter here.

UNITED STATES GENERAL HOSPITAL NO. 30,
Plattsburg, N. Y., December 11, 1918.

Representative MANN, *of Illinois:*

We soldiers who have been invalided home from France certainly do appreciate your earnest efforts to produce for us our long overdue back pay. This is the fifth month since I have received any pay but $20 casual, and many of the boys are a great deal worse off than I am, for some of them have from 8 to 10 months' pay coming to them. Have been on this side since October 24th, and that time intervening seems to me plenty to straighten out records and pay me what is due.

This is from a Chicago soldier.

Mr. SIEGEL. I want to say to the gentleman that I had a case last week where the soldier had received nothing for 11 months.

Mr. MANN. Every Member of the House has many of these cases. I am mentioning these, for I want to put them in the RECORD.

Here is a letter where the allowance had been made by the Government and the party was notified that it was taken away:

CHICAGO, ILL., *December 26, 1918.*

Mr. JAMES R. MANN,
Member of Congress, Second District of Illinois.

DEAR SIR: I beg a few moments of your most valuable time to explain a situation which has arisen which I deem is more than unfair and am in great hopes that you may be able to adjust this matter for me.

My son, Clarence Raymond Ballard, Seventy-sixth Field Artillery, Battery B, at present in the base hospital at Vichy, France, joined the colors as a volunteer in April, 1917, and in due course landed in France and fought in all the prominent battles in which our boys so gallantly gave their all for Old Glory, finally being gassed severely.

Now, I am a hard-working man, and my petty weekly income of $25 supports myself and ailing wife, who is continually under a physician's care and to which I can prove.

Being 54 years of age, and while we have about $500 in bank, which is all we have left of $1,000 which my wife received from an accident, you can easily see how it keeps me striving to pay doctor bills and live.

The point of my subject is this: I can't pay back this money that we are requested to do; I don't think it is at all right. We are in need. And, again, my boy (in a letter received to-day) says he hasn't been paid in six months. And then if his lungs are affected we want to help him; we must.

On the original papers we signed for this allotment the papers said the allotment to us was O. K. Now, about four weeks ago, along comes another paper asking how much we had in bank, and I did have about $700 then. It also asked if our boy was the sole support. I answered, "No; but he helped us wonderfully."

Can you picture my situation, Mr. MANN, with an invalid wife, me making $25 a week, our allotment stopped, and a wounded hero about to return, with Uncle Sam owing him six months' pay and threatening not to pay him unless we return this blood money?

I don't think this is justice to me or my boy. Do you?

I trust I am not boring you with my trouble, but my daughter suggested me to write to you, as you was a great admirer of her deceased husband, Mr. William Van Bergen, who used to live in Parkside.

Hoping you may enlighten me with fair news, I remain,

Yours, very truly,

MARK BALLARD,
5147 Lake Park Avenue, Chicago, Ill.

This is the notice inclosed:

TREASURY DEPARTMENT,
BUREAU OF WAR RISK INSURANCE,
Washington, December 16, 1918.

Mr. MARK BALLARD,
5147 Lake Park Avenue, Chicago, Ill.

SIR: You are advised that the award of $17.50 per month—$7.50 allotment, $10 allowance—effective December 1, 1917, granted you on the application of the above-named enlisted man, has been revised, giving you $7.50 per month, $7.50 allotment, $——— allowance, effective the same date.

Checks totaling $192.50 for the period December 1, 1917, to October 31, 1918, were issued to you under the original award. This resulted in an overpayment of $110 on October 31. After deducting $7.50, the amount due you for November, your account shows a balance of $102.50 due the United States on November 30.

This amount should be refunded by money order or draft drawn to the order of the Treasurer of the United States and mailed to the office of receipts and disbursements, Bureau of War Risk Insurance, Washington, D. C., with this letter or a copy thereof.

The regular remittance of $7.50 per month will then begin with the December payment, a check for which will be issued in January, 1919.

Respectfully,

BUREAU OF WAR RISK INSURANCE,
DEPUTY COMMISSIONER—ACCOUNTS,
By H. S. A.

In this case the man was asked, I suppose properly, whether he had any money in bank, and he replied that he had $700. His wife had recently met with an accident for which some one was responsible, and she had been paid $1,000 in settlement of

the claim on account of the accident, but she was required to be under the care of a physician, and because he had the $700 in bank, which was rapidly going out for physician's fees, the allowance which had been made to him was taken away. As his son is soon expected home, in the hope of getting his health back, it does seem rather hard not only to take the allowance away from him ,but then hold up the allotment of the soldier's pay until the allowance has been paid back.

Here is another letter, which is written at Camp Grant, dated December 22, 1918:

Hon. JAMES R. MANN.

SIR: I am taking the liberty of addressing you a letter, knowing that you have interested yourself in the soldier and his welfare. I was blown up by a high-explosive shell at Fismes, on the Vesle River, at the battle of the Marne, August 12. I brought with me from Orleans, France, a supplementary service record, showing that I had been paid July 2 to this day the sum of $20. I have been discharged from the hospital, returned to duty, and shipped to this camp without any records or papers. Men who have not been out of the country are being discharged by the hundreds daily.

Personally I have my position in the Cook County Board of Review waiting for me and would like to get out and at it. We are laying here doing nothing but eating and laying around, and there is no reason why we should not get a supplementary discharge until our papers are located and saved the trouble of laying here for possibly months, and I appeal to you, in behalf of my comrades and myself, to see what you can do in our behalf.

Mr. GARRETT of Tennessee. What does he mean by a "supplementary discharge"?

Mr. MANN. He means that the Government lost his papers while he was in the hospital, and because the Government lost his papers while he was in the hospital they now propose to hold him up until the Government finds the papers, and he means that they might give him supplementary papers enough to discharge him. Good God! He is there in the Army an enlisted man, and the stupid men up here in charge of the War Department who lost his papers propose to keep him idle and useless at Camp Grant until, through some long-winded process, they find where the papers are. Nothing could be more silly. Here they refuse to pay these men or fail to pay them the money that is due to them while they are in France or in the Army here. Our Government refuses or neglects to pay the allotments to the dependent parents. They lose the records of the men and then refuse to let them go back to their private work, where they have positions waiting for them, because the stupidity or carelessness of somebody connected with the Government service somewhere has caused the mislaying of some papers.

Here is another case dated December 11, 1918, a letter addressed to me at Washington:

I desire to ask whether it will be possible for you to do me the great favor of obtaining the immediate release by furlough or honorable discharge of Pvt. Hugo M. Goodman, Sixtieth Infantry, Headquarters Company, Signal Platoon, American Expeditionary Forces. If this is to be done at all, it must be done by cable at once. I personally will pay for the cabling and other expenses attached to same.

The boy's mother is gradually passing away from cancer, and the boy is her only son, and she is constantly craving for him. Please advise by wire at my expense if any other method can be quickly pursued to obtain his immediate release.

Thanking you in advance, I am,

Yours, truly,

D. HIRSCH (the soldier's uncle).

P. S.—If necessary, I will also pay his voyage expense.

Mr. Chairman, although I knew the War Department had no heart, and they had issued notice that they would consider no applications, personal, for discharge, I asked the War Department if they could not, in view of the fact that the war was over and the boy had done his service, and that his mother was dying from cancer and wanted to see her boy again—if the Government could not have the heart to let him out. And here is the cold-blooded answer I get from Gen. Harris, The Adjutant General:

Hon. JAMES R. MANN,
House of Representatives.

DEAR SIR: In response to your communication of December 21, 1918, relative to the discharge from the Army of Pvt. Hugo M. Goodman, Sixtieth Infantry, Headquarter's Company, Signal Platoon, American Expeditionary Forces, I beg to advise you as follows:

With respect to soldiers now overseas no definite policy with regard to their return to their home station has been formulated. When a state of order has been restored overseas and the military situation has improved to such an extent as to justify the withdrawal of American troops, the War Department will adopt the most effective and speedy means to hasten the return of all soldiers to the United States at the earliest practicable date, and the policy to be adopted in connection therewith will be published for the benefit of all concerned. Until then it will be impracticable to entertain requests for the discharge or return to the United States of individual soldiers.

Regretting that I am unable to advise you more favorably, I remain,

Very respectfully,

P. C. HARRIS,
The Adjutant General.

Mr. GARNER. What is the date of that letter?

Mr. MANN. December 27, 1918.

Mr. GORDON rose.

Mr. MANN. If the gentleman will pardon me, I have only a minute left. What is the matter? First, the War Department neglects to pay the soldiers, it neglects to pay the allotments, it loses the papers of the soldier, and then, when asked if it could not possibly, under the most distressing circumstances, let a man out of the Army who is no longer needed, we have the reply that they have not got the time to think about it—to go to the dickens! It is the most impertinent method and assumption that I know of in the Government service. They deserve a lashing, and every Member here ought to give it to them. Something is the matter. I do not know whether it is the Regular Army or some one connected with the Secretary's office, but I do know that these men, who risk their lives abroad, and their families want at home, who are willing to remain on the fighting line as long as may be necessary, ought to be treated with some sort of common decency. [Applause.]

If they would spend more time up there at the War Department doing things, instead of telling people that they could not do them, they would accomplish a great deal more than is being accomplished now. About half of these departments are putting in their time finding reasons for not doing something. Give me the man in any branch of the Government who finds a way to do something, instead of occupying his time in finding a way not to do it. Secretary Baker ought to take some of these men up there and wring their necks until they find out how to work. [Applause.]

Mr. SMALL. Mr. Chairman, I yield 30 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, I address myself to the two propositions pending before Congress having for their purpose doing something to alleviate the condition of discharged soldiers. I regard those measures as being wholly inadequate, outrageously inadequate, and I feel that the attention of the House and the country ought to be called to them. One of the measures has already been reported favorably to the House by the Committee on Military Affairs and is now awaiting action. The other is found in a Senate amendment to the revenue bill. The substance of each of them is to give to the men who are discharged a niggardly one month's pay as a gratuity, as a reward for the services which they have performed.

The war is over. We must now turn our attention from the problems of war to those of peace and reconstruction. The problem of war was simple; it was merely how to exert the greatest possible force. The problems of peace and reconstruction are complex and so difficult that they challenge the highest statesmanship.

It is now upon us to consider how we may restore our country and make good its awful losses in spiritual and economic values, in human life and suffering, and in lowered standards of liberty, freedom of speech, and action.

The first and most pressing need is to take care of our discharged soldiers, to restore them to civilian employment, and to make good, in some small way, the financial injury which they have sustained. It is now nearly 60 days since the armistice was signed; 4,000,000 men are to be returned to civil life; already over 500,000 have been discharged; yet no adequate plans to care for them have been brought forward. Statesmanship seems indifferent. Amazing as it may seem, these discharged soldiers are being sent to their homes penniless and with no provision for their future welfare. Something must be done at once.

Such measures as have been proposed are pitifully inadequate. The War Department seems content with a proposal to give each discharged soldier a month's pay. This proposal comes first to the House in a Senate rider amendment to the revenue bill, as follows:

That all officers and enlisted personnel of the Army, Navy, and Marine Corps serving the United States in the war against Germany who have been honorably discharged from the service since November 11, 1918, or who may hereafter be honorably discharged, shall be paid one month's salary in addition to the regular pay heretofore authorized.

The revenue bill including that amendment has been submitted to the committee of conference between the two bodies, and I venture the prediction that it will not become a law inside of 30 days, perhaps for 60 days, and there are Members who have regretfully come to the conclusion it may not become a law at all. While it is being considered by the conference committee, unless in the meantime the House shall pass some measure for the relief of the soldiers, they will be sent back home with nothing in their pockets except their little final pay, not enough to buy a second-hand suit of civilian clothes—back home to the old folks jobless, having made a great sacrifice for their country. In spite of this situation, this danger that the American people may show

themselves unappreciative in such an emergency, to this time we, the Representatives of the people in Congress, have done nothing and will do nothing unless we act on this bill.

The subject also comes up in the House in H. R. 13247, a bill favorably reported by the Committee on Military Affairs, in which it is proposed—

That every officer, Army field clerk, member of the Army Nurse Corps, and enlisted man who was serving in the Army of the United States on November 11, 1918, shall be paid a gratuity equal to one month's pay at the rate which his grade and length of service on that date entitled him. Payment of this gratuity shall be made to officers, field clerks, members of the Army Nurse Corps, and enlisted men of the Regular Army as soon after the approval of this act as practicable, and to all others entitled to it upon their honorable discharge.

Mr. LAZARO. Does not the gentleman believe the trouble is we are trying to legislate to-day by riders?

Mr. HUDDLESTON. I think that is a serious trouble. But I will say this—that by rider or otherwise immediate action should be taken; and if it can only be had by the rider, let us have the rider.

Mr. LAZARO. Does not the gentleman think we will gain time by considering these different propositions on their merits and should put the revenue bill through on its merits?

Mr. HUDDLESTON. I do not know, but it is better to do it by a rider than not at all.

The committee's report shows that this bill was sent down from the War Department. Presumably it came from the General Staff, for true to precedent it is liberal toward the officer class and niggardly toward the enlisted man. It gives to each officer and soldier a gratuity of one month's pay, which runs down the scale from the general, who would receive $833, to the humble private in the ranks, who will receive only $30. That ornament to Washington society, the swivel-chair major, will get $250, while the worn private who bared his breast in the Argonne will not get enough out of the bill to buy him a suit of civilian clothes. Among officers there is not only discrimination on account of rank but on the basis of "grade and length of service." There is discrimination among enlisted men based upon each petty stripe and step in the service. Officers and men who were overseas when the armistice was signed, although they never saw the battle line, are preferred over their equally worthy fellow soldiers at home. Even field clerks, who are civilians, will get $100, while the fighting private will get only $30. In short, the bill is a mass of arbitrary and unjust discriminations.

I can not imagine what principle is back of this discriminatory bill unless it be that its authors are trying to follow the text, "For he that hath to him shall be given, and to him that hath not, from him shall be taken even that which he hath." The bill is an insult to the private soldiers who have served their country. [Applause.] It were better to give them nothing at all than to discriminate against them in favor of their officers. A private soldier would be justified in casting back into the face of Congress the beggarly pittance offered him, as an affront to his pride and sense of justice. Congress will not win gratitude by such a measure. To the contrary, it will be received with contempt and in disgust.

A REPUDIATED PRINCIPLE.

Another measure of similarly discriminatory nature came before the House in the compensation—pension—bill in October, 1917. It was then proposed to compensate disabled officers and soldiers and the families of those who might lose their lives, upon the basis of the rate of pay they received. This vicious principle was repudiated by the House by a vote of 139 to 3. I had hoped that such a vote would show so clearly the sentiment of the House that no bill carrying this vicious principle would again be presented. But at the first opportunity up comes this bill. It seems that armies are built on lines of caste and inequality, and those in authority can not be made to comprehend that the American Army as now constituted is an army of equals and must be dealt with according to principles of justice and democracy. The General Staff must get out of its mind the conception of the soldier as a professional and comprehend once for all that ours is an Army of American citizens who have left civil pursuits not from choice but of necessity to give their services in defense of our country. The caste system is out of place in such an army. The social gulf between officer and man has no real existence. The idea that the *pay* that officers and men receive while in service is the fair measure of the Republic's debt of gratitude is false to its roots and must not be countenanced nor respected. The highest officer has made no greater sacrifice than the humblest soldier. He has no greater claim upon the Nation's gratitude. If a gratuity is to be given, it must be equal and given to all alike, else it would be an insult to our principles.

The amount which would be required to carry out the provisions of this bill is estimated at about $154,000,000, of which the officers will receive $38,500,000 and the enlisted men will receive about $113,000,000. This includes not only noncommissioned officers, who receive from $36 to $75, but the vast mass of privates, who will get only the flat sum of $30. If the same appropriation was equally divided among officers and men each would get about $47 as his share. This would be a mere trifle, but at least could be defended on the ground that an equal amount was given to all.

NO BASIS FOR DISCRIMINATION.

Upon what theory this bill proposes to discriminate in favor of officers and against enlisted men I can not understand. The officer has had the best of it all along the line, the best clothing and food, the most leisure, the greater opportunity to distinguish himself, more chance to get his name mentioned in the dispatches, and for promotions, social pleasure, and all that goes with military rank. The sweating and the digging, the night vigils, the cold, the exposure—this has been the lot of the private. The hardships of actual battle, of course, are fairly equal, and I would not to a hair's weight take away the credit that is due our officers for their splendid service, but in camp life—and always nine-tenths of service must be in camp—the officer has a fairly acceptable time of it. But the private bears the drudgery, monotony, and hardship—even when off duty he is not at ease, but must salute, and salute, and salute every little officer that he chances on. From the standpoint of a former soldier I want to say that the hardest thing of a soldier's life to endure is the sense of his social inferiority. I would rather be a major general on a private's pay than a private on a major general's pay.

The bill can not be defended on the theory that the earning capacity of the officer class and enlisted men was different in civil life. A multitude of officers were little better than boys when they went to the training schools. Many were just out of college and had no earning capacity. Many had never earned a dollar in their lives. The enlisted men, as a rule, are more mature. Many were taken from good jobs and paying positions. Many were skilled workmen or good farmers. So that in the vast majority of cases the enlisted man before entering the service had a greater earning capacity than the boy who became a second lieutenant and perhaps has now been advanced to captain.

Again, this bill gives the preference to the least needy class—the officers. They as a rule belong to the professions or are men of education and training, who will have the least trouble making a living after they are discharged. Many of them have relatives and friends of wealth and influence who will help them into paying positions. Many of them have technical training and their jobs are being held for them. On the other hand, a multitude of privates are unskilled or are mechanics, whose jobs at home have long since been filled and who have no rich or influential fathers to hold them up while they hunt work. They will be compelled to get jobs at once upon being discharged. They will have to take whatever kind of work they can get and be self-supporting from the start. They especially need help so as to relieve them of having to plead for work or to scramble for the job of some other worker. Officers, especially of higher rank, receive good pay. Their necessary expenses are not large, and many have been able to lay aside tidy sums out of their pay. The private has saved nothing—he has no reserves.

THE PROBLEM OF THE HOUR.

The discharged soldier needs help, and needs it now. It is the most pressing problem of the hour, and calls for immediate attention. Already 30,000 a day are being released, and soon the number will greatly increase. Realizing the urgency of the situation, on December 5, 1918, I introduced the following bill:

A bill (H. R. 13255) for the relief of discharged soldiers and sailors.

Be it enacted, etc., That there shall be paid to each honorably discharged enlisted man and officer of the Army and Navy who may have served not less than 60 days between April 6, 1917, and January 1, 1919, the sum of $180 in six equal monthly payments as a gratuity, the first of such payments to be made at the time of his discharge or within 30 days after the approval of this act where such enlisted man or officer has been heretofore discharged, payments to discharged soldiers to be made under the direction of the Secretary of War and to discharged men or officers of the Navy under the direction of the Secretary of the Navy; *Provided*, That a total of not exceeding $180 shall be paid to any discharged soldier or sailor irrespective of the number of times discharged.

SEC. 2. That all and such sums as shall be necessary to make the said payments be, and the same are hereby, appropriated out of any funds in the Treasury not otherwise appropriated.

This bill is now before the Committee on Military Affairs. I could hardly expect them to report my bill in preference to the bill which has been sent down to them from the General Staff.

The initiative of Congress is not yet sufficiently restored to admit of that, I think.

Mr. McKENZIE. I have listened to the gentleman's speech with a great deal of sympathy, and I think the gentleman has a pretty good idea about it, but I would like to ask how he comes to determine upon $180; by what process of reasoning did the gentleman arrive at the fact that he thinks we ought to pay $180?

Mr. HUDDLESTON. I do not stick to $180. I made it as much as I thought Congress would agree to, and as little as I thought it would be decent to give. I would give more. I fixed it at $30 a month for six months, which is the pay that a private soldier gets, intending to give discharged soldiers six months in which to hunt jobs. The idea was to give them an amount which would pay for some sort of board for six months; that is what I had in my mind.

Mr. GORDON. I was just going to ask this in reference to what the gentleman stated. As I understand, my colleague bases it upon six months' pay for a private soldier, making them all of equal amount?

Mr. HUDDLESTON. Putting all upon an equality.

Mr. BLANTON. Does the gentleman know how much that will amount to?

Mr. HUDDLESTON. Yes; it will amount to less than $600,000,000.

Mr. BLANTON. Does it make any difference what it amounts to if it is the right thing to do?

Mr. HUDDLESTON. It might make some difference to the taxpayers; but I will say to the gentleman from Texas that if we are to waste any money raised for the running of this war let us waste it on these boys who have gone into the war. [Applause.]

My bill would treat officers and men alike, and give to each $30 a month for six months after discharge. This, of course, is inadequate, but at least it is fair to all and will hold the soldier up until he is able to become self-supporting.

The necessity for relief for the discharged soldiers is universally recognized. Measures for that purpose are being adopted by many of the important countries of the world. Great Britain gives each discharged soldier one month's pay and rations, family allowances for one month, and one year's insurance against unemployment. I am informed that Italy gives a gratuity of from one to six months' pay, depending on length of service. France has appropriated a billion and a half francs to be divided among her discharged soldiers. Canada proposes to teach her discharged soldiers farming where they desire it and to place them on farms and to give them a start with a loan up to $2,500. Australia has appropriated $200,000,000 and, as I am informed, proposes to lend as much as $2,000 to start a soldier off as a farmer. In the United States vague plans for utilizing waste lands for soldiers have been mentioned, but nothing definite or adequate has been proposed. The proposal of the department's bill to give a gratuity of only one month's pay is the least adequate that has been offered by any country. In great America, richest and strongest of them all, it is proposed to do the least of all. It would be a shame to be so niggardly.

The subject of giving help to discharged soldiers has two sides—its sentimental side and the side of justice and sound common sense. As a mere testimonial of the Nation's gratitude to those who have defended American honor in the war a liberal gift to each discharged man would be proper. Every American is thrilled with pride by the splendid quality of our troops, by their patriotism, courage, and self-sacrifice. Nothing is too good for them. No soldier should be discharged with the fear that his sacrifices are not appreciated. The great warm heart of the Nation should be opened to him. He should be made to know that we value his nobility and will ever cherish and remember his heroism.

IMMEDIATE ACTION NECESSARY.

But, on the other hand, the side of this matter that most appeals to me is the stern necessity that something must be done. Few enlisted men save any money. Nearly all of them have made allotments and taken insurance. They have saved nothing, and will be discharged penniless. We will see them hunting work. Many of them will not find it at once. They will gather in the cities, and after a little while it may be that at the street corner some hero—a real hero of Chateau-Thierry or Belleau Woods—may stand in his ragged uniform and beg the passer-by for a meal. Such an instance would be a shame to America, and if it could be charged to Congress would be a disgrace to the legislative branch. Much suffering and destitution among women and children will inevitably occur unless our soldiers are given some money on discharge, for many of them have dependent families who have been living off their monthly allotments.

It is nothing but justice to give the soldier a substantial gratuity. Many of those who stayed at home have enjoyed great prosperity. Some have made immense fortunes. Wages as a rule were greatly increased. The soldier has lost the job he had before he went into service. He may have a hard time to get as good a one. There will be delay, and he will be idle until he finds work. We should do something to compensate him for his lost position and for the idleness which will follow on his discharge.

A SERIOUS LABOR SITUATION.

One of the most serious sides of the discharged-soldier problem is its effect upon labor conditions. With the 4,000,000 men now in service thrown on the labor market demoralization will follow. Unless the situation is carefully handled, a labor panic will result. There will follow great industrial and social unrest, with possibilities of disaster. We must bear in mind that several millions of men and women heretofore engaged in the production of war supplies and other war work are losing their positions. They will have to seek new work, and many are now unemployed. When the war work is finally stopped, as it must be during the next few weeks, there will be a surplus of labor even without the discharged soldiers. With all these added to the labor supply the condition will be most serious, perhaps critical.

Even without taking the discharged soldiers into account, a statement issued by the United States Employment Service on December 14 shows that the demand for labor is declining fast, and already a surplus is found in many places. The only thing that can prevent a disruption of labor conditions is the fact that our workers have accumulated some reserves and can wait a few weeks for employment without suffering. By their savings they are enabled to protect themselves from being forced to take whatever job they can get at any price that may be offered them. But the discharged soldier has no reserves. He will be thrown at once on the labor market. He will have to have work immediately. Turned loose penniless, many will soon be starving and will be compelled to take anybody's job that they can. A starving man can not demand fair wages and conditions. He is compelled to yield to the pressing necessity of the moment. The labor organizations of the country have not sufficient resources to enable them to hold up millions of discharged soldiers for longer than a few weeks. As I see it, if we are to prevent a complete disruption of the labor situation, attended with the greatest hardship and peril, Congress must make provision for the maintenance of soldiers for a reasonable time after their discharge. It thus becomes not a matter of sentiment, generosity, or gratitude but of stern economic necessity that we make provision for these men.

A REMEDY FOR DISCONTENT.

The whole world is warworn and exhausted. Europe is prostrate to a degree that few in America comprehend. Anarchy threatens nearly every nation of Europe. Our captains of industry understand this and they have fears for themselves. They are carrying on a vigorous propaganda against "bolshevism," as they call it. They seek to cry it down by mere words and to restrain it by the strong arm of the law. I think I can see a better way to deal with discontent than by preaching at it or calling a policeman. Bolshevism has causes—hunger and despair. We must remedy the causes instead of trying merely to suppress the delirious cries of those sick with the disease. It will test the stoutest patriotism of the soldier to be discharged penniless after having offered his life for his country, to find himself jobless and starving in spite of his best efforts to get work, and to look around and observe that while he was far away in the battle trench profiteers, war contractors, and captains of industry have heaped up their millions out of the opportunities that the war gave. The best remedy for the discontent that it is feared that a discharged soldier may feel is to help him back into a job and to care for him while he honestly looks for work—to restore, to make him whole economically, to make him understand the lively and lasting gratitude of his country. This purpose can not be achieved by turning the soldier loose penniless, nor even by giving him the pittance of a mere month's pay. He must have something substantial. He must be maintained for several months, so as to give him a fair opportunity to find his proper place in the labor world.

Work is yet being done on war contracts; it is said that they have not been stopped because of a desire not to do injury to contractors and to the labor employed. Many millions are being spent in this way. It is said also that soldiers will be held in service so as to keep them from flooding the labor

supply. Millions will be spent in their maintenance, equipment, and pay.

I am told it costs over $50 a month to keep a soldier going; that is, the upkeep and maintenance of all kinds. Why should we keep him in service, at a cost of $50 a month, when we might turn him loose and let him get at some useful work and identify himself with society?

Why not apply the millions that are being spent in these ways to the direct benefit of the soldiers? Why not discharge them now and give them their pay after discharge, just as though they were in service? It would be a fairer and more economical use of the money.

The American soldier has shown himself a hero. We come out of this war with a new confidence in our ability as a people to defend ourselves. Our citizen soldier has shown himself the full equal of the professional European soldier. Untrained boys from the farms and shops have mastered the famed Prussian Guard, and the luster of American arms will shine far into the future. We have made war on war, and we are the victors. Every humanitarian and patriot hopes there may never be another war. But as we indulge this hope, let us not forget the duties of the present hour, one of the first of which is to see that our discharged soldiers and sailors are properly cared for. [Applause.]

Mr. McKENZIE. This is not a very pertinent question and you may not want the answer to go into your speech. I am prompted to ask it from what you have said about the labor conditions following the war. What do you think of the wisdom of the recommendation of the Secretary of the Navy to employ those men in the construction of an enormous Navy, which will employ several hundred thousand men after we get the ships built to run it, and also the recommendation of the Secretary of War, as reported in the newspapers, that he favors the completion of all these Army cantonments, which would require the employment of thousands of men annually to keep up? Do you think that would be a wise thing?

Mr. HUDDLESTON. I want to try to give an answer that will be respectful to the Secretaries of the Navy and War. The gentleman may perhaps have observed me long enough in the House to realize what I mean when I say that I think the proposition for an enormous Navy is an "enormity." Statesmanship is bankrupt when it can plan no better use for men than putting them to doing something absolutely useless in order to keep them busy. The great problem of the world now is to produce food—food and clothing and the common necessaries of life sufficient for the suffering millions of mankind. It is a poor thing to do to take a man away from producing the necessaries of life in order to have him produce anything else. There is plenty of useful work that needs to be done; the great problem of the world for the next two years is to get food and clothing and the common necessaries of life. Every man who can work ought to be put to doing something useful in the production of these common necessaries of life. If I had control of the matter, instead of building fleets which will be "enormities" when built, instead of consuming valuable materials and the toil of men's hands in the construction of useless cantonments, I would put men to providing things that the people of the world are crying for, that would relieve hunger and suffering. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. Mr. Chairman, the Secretary of War recently stated before the Senate Military Affairs Committee that it was intended to keep 32 divisions, or over a million and a quarter of men in Europe notwithstanding the war is ended. The Chief of Staff also has recently made a statement to the effect that preparations had been made by the War Department for the discharge of only 824,000 men of the Army on this side. To say that the people at large were surprised and even astonished at these statements is putting it mildly. The country had been expecting that all not enlisted for a definite term would be discharged as soon as possible after peace became an established fact, even though it had not been officially proclaimed. It seems, however, that what might be called a joker crept into the selective-service bill, whereby instead of being enlisted for the duration of the war the soldiers were taken during the period of the "existing emergency." The "emergency" then "existing" is over, but the language permits the President to put any construction he desires upon it. Under it the men can be kept not only during the war but for an indefinite period after peace has been proclaimed, and apparently it is the intention of the officers in command to retain in the service some of the organizations which have been longest enlisted. The effect has been not only to fill with gloom the hearts of thousands of patriotic citizens who were the first to offer their services by volunteering or being in the National Guard, but to plunge into despondency thousands of others who thought that peace would bring the return of their loved ones and relief from the burdens of war.

I know it is claimed that a fair and reasonable construction of the words "existing emergency" would make them apply only to the duration of the war. Such I feel sure was the intent of Congress and under no fair construction could the words possibly be construed to cover a period beyond the declaration of peace. Whatever emergency may arise after that event, or has recently come into existence, it is not the one which existed at the time the selective-service act was passed. Clear and plain as this is, it is equally clear and plain that the War Department has no intention of so construing it. Every move now made shows that it is the intention to keep a great army in Europe for an indefinite period.

Mr. Chairman, this is simply conscription in time of peace, and I am utterly opposed to it in so far as any such army is made up of the drafted men. The War Department has the power, but it has no right to detain indefinitely these men. They were not drafted for the purpose of maintaining an army in Europe after peace has been declared, or even after it has been settled. Nor is the situation much less burdensome and oppressive on this side of the ocean. Many men are being held simply for ordinary work, although the administration refused to draft men for what is known as our war industries. The War Department is now using the drafted men in all sorts of occupations, from that of a common laborer and mechanic to that of a clerk, with no restrictions whatever upon the hours of labor, and paying the men not one-quarter what they would receive in the Government shipyards. The greatest complaint, however, arises from the detention of those who have nothing to do.

Mr. Chairman, for what purpose is this great Army to be kept in Europe? For any benefit to this Nation? No! We have over and over again disclaimed any intention of exacting either indemnity or territory. Is it to establish some position as a world power without any benefit? The name is not worth the price. Is it to gratify the personal ambition of some one who wishes to direct the world's affairs? Heaven forbid. Is it to enforce upon Germany the terms of peace? Germany lies helpless and prostrate. If its army has not surrendered it has passed under the yoke; given up its artillery, its aeroplanes, its machine guns; surrendered the iron ring of fortresses which protected the frontier; abandoned the greater part of its organization, except what is necessary to maintain order, if indeed it can maintain order. Its boasted navy came out of port only to raise the white flag and now lies idle under guard of our Navy and its associates. Its great organization, once a model of efficiency, has been shattered so that it can not be restored in a decade. Instead of having one united purpose its people would turn what arms they have left upon each other, and machine guns have begun their deadly rattle in Berlin itself. If Germany should attempt to resist, in a short time, without firing a shot, the blockade would starve her into whatever humiliating and abject submission the allies chose to demand.

It must be then that it is intended that the Army which is to be kept in Europe will be used for reconstruction and policing purposes, and some even say that it is the intention to police Russia. Mr. Chairman, to my mind no more dangerous folly could be attempted than to undertake to police a country which is 7,000 miles in extent from Petrograd to Vladivostok and 2,000 miles in extent from north to south. All the hosts of the allies could not do it. Every nationality resents foreign dictation. The best remedy for Bolshevikism is to let the people endure for a while the pangs of its poison. Nothing else will cure them. It may be that we owe something to our allies in the way of helping them to obtain the indemnity that is due from Germany. I have no objection to our furnishing a small force for that purpose, but I do object to our soldiers being used for reconstruction work in Europe. What would this mean? It would mean that our soldiers would be used in rebuilding roads, in restoring towns, in manual labor which could be better done by Chinese at $10 a month, whose subsistence would not cost half what is required for our Army. I protest as vigorously and firmly as I can against our farmers, our mechanics, our railroad men, our clerks, being used to wield the pick and shovel, or wheel a barrow, when this work can be done much cheaper by others, and if I mistake not will be sought by thousands from the famine-stricken regions of Europe. Is it men they want? They can get them in any number from all parts of a starving continent.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield for a short question?

Mr. GREEN of Iowa. Yes; I will yield to the gentleman for a short question.

Mr. McKENZIE. Has the gentleman from Iowa studied and looked into the powers under the Constitution of the United States that would enable the Commander in Chief or any other

authority in this country to conscript men into the Army and then send them into a country at peace with us?

Mr. GREEN of Iowa. That is a very important question, which I wish I had time to discuss. It merits a great deal of attention, which I regret to say I am unable to give to it in the time that has been allotted to me.

What is the situation on this side of the ocean? Every Member of this House has received many pitiful appeals from dependents who are suffering by reason of a soldier's absence. There are thousands of soldiers whose only hope of redeeming the business which they were compelled to leave on entering the Army is in an early discharge. There are hundreds of thousands idle and useless in the camps on this side for whom jobs are waiting at home. Some of these jobs must be filled at once, some can not be, but failure to fill them will cause far more loss than the amount of salary attached. Active, energetic, vigorous young men are burning their hearts out as they see their dependents suffering, their business ruined, their occupations gone, while they are merely handling a pick or a shovel for an hour or so a day or aiding in supplying food to others as idle as themselves, if indeed they do anything at all. It is not surprising that deserters are numerous. On the other hand, there are many who do not know what to do with themselves when discharged, and a large number that would be glad to continue in the Army service if they knew they were to be sent to Europe.

It is true that the War Department has issued orders that in cases where the soldier has dependents in distress and in some other special cases the soldier may be discharged upon application made through his superior officer; but in practice so many difficulties have been interposed that months will intervene before any action is taken and in many cases meritorious applications are curtly refused. Some lieutenant, even some sergeant, holds up the whole proceeding. It lies in some pigeonhole for months and nothing whatever is done.

Mr. FAIRFIELD. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. FAIRFIELD. I have had some difficulty of the kind the gentleman is suggesting. I would like to know what objection there can be to making it mandatory upon the subordinate officer, instead of giving him simply permission to discharge the man? I have had many cases of soldiers in which jobs are waiting; farms are going to rack and ruin, and yet I can not get the men discharged. What objection could there be to that?

Mr. GREEN of Iowa. None. I am going to advocate that in what I have to say further. It should be mandatory; but, instead, my understanding is that the order has gone forth not to discharge any man where he is of any use.

In the face of this situation we are informed, so far as we can get information from the War Department, that about a million men on this side and more than a million on the other side of the ocean are to be retained for an indefinite period, the duration of which, short or long, has apparently not been considered. In other words, of nearly 4,000,000 men that were in the Army at the close of the war, less than one-half are to be discharged. Much has been said with reference to the problems of reconstruction and the difficulties likely to be met in attempting to solve them. Elaborate plans have been offered with a view of determining what course should be taken in anticipation of conditions that it is believed will or may arise. I would not underrate the importance of these subjects or deny the necessity of their consideration, but the most vital question before Congress, and the one most pressing, most in need of immediate consideration, is the question of the discharge of our soldiers. You can not reconstruct until you get the soldiers back home.

The economic waste involved by the present situation is staggering. It cost the Government a thousand dollars per annum for every enlisted man before the war; since then his wages have been more than doubled; the cost of his subsistence and equipment must also be nearly double what it was in 1913. Capt. Daly, testifying before the Military Committee, said that while the war was going on the total cost of the Military Establishment was $6,000 per man annually. I think it is safe to say that the annual cost for soldiers, not commissioned, is now not less in this country than $2,000 per annum, and probably more. In Europe, I should judge it was nearer $3,000 per annum than $2,000. In my judgment, preparations ought to be made for the discharge of at least a million and a half more men than is now planned. I say preparations, because it requires time to perfect the system, and, as I shall undertake to show, the present system is utterly wrong. If we should still hold 2,000,000 men, the rate of expense will be little, if any, less than $5,000,000,000 a year. Gentlemen will say that this number of men will not be kept for a year. I answer that they will unless preparations are made at once for the discharge of those not needed. Bear in mind also that the loss of billions to the Government is probably equal, if not exceeded, by the loss to the men themselves, whose business or property is going to waste, or who might be producers instead of consumers.

Mr. FESS. Mr. Chairman, will the gentleman allow a question?

Mr. GREEN of Iowa. Yes.

Mr. FESS. Reverting to the idea that it might congest the labor situation, we have all heard that suggested, and therefore it is contended soldiers should not be discharged until after that matter was assured. Does my colleague think that the soldier who is in France, chosen as he was, and considering the rank that he occupied at home, would have any difficulty in being placed back in his own position without any interruption whatever to the labor situation?

Mr. GREEN of Iowa. I do not think so. I am sure it would not be the case in my district, and I do not think it would be in the gentleman's district.

Mr. FESS. It would not. And when you refer to those who are here, who have not gone over, those who came under the second man-power bill, which went down in age to 18, would not a large proportion of those be of school age, who would continue to go to school if they could secure their discharge so as to enter upon their schooling?

Mr. GREEN of Iowa. Yes; thousands are wanting to return to school.

Mr. FESS. That is one of the most distressing features of the situation, so far as my district is concerned. Those boys want to get out and return to school.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. With pleasure.

Mr. DOWELL. Is there not a general order also that prohibits the presentation of an application because of a desire to finish school work?

Mr. GREEN of Iowa. I could not say as to that. In the Navy that is not the rule. In the Army I believe it is, but can not speak positively.

Mr. DOWELL. In the Navy they are discharged for the purpose of attending school, but does not the reverse hold with respect to the Army?

Mr. GREEN of Iowa. Yes. I am informed that the Army adopts a different rule.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. With pleasure.

Mr. PLATT. The Army orders do not include discharge for purpose of education. That is one thing that, it seems to me, we ought to advocate.

Mr. GREEN of Iowa. Yes; and consequently they do not get discharged. The rule should be otherwise. I trust it will be changed.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HUDDLESTON. With reference to the question raised by the gentleman from Ohio [Mr. FESS], I will say to the gentleman that I have had recently reports from the United States Employment Service which show that there is already a surplus of labor in many parts of the country and that that surplus is gaining rapidly since the armistice was declared.

Mr. FESS. Mr. Chairman, will the gentleman yield again? Would the fact of a congested labor situation be a justification of keeping our soldiers in Europe away from their own jobs in order to keep men at home employed at abnormal wages?

Mr. GREEN of Iowa. I do not think it would produce such a situation, but, in any event, it would not justify keeping in Europe our soldiers, who have been doing the fighting, in order to employ some one at home. Our first consideration is for the men who have borne the brunt of battle and the burden of service.

Mr. MANN. Will the gentleman yield? I do not want to take the gentleman's time.

Mr. GREEN of Iowa. I might have it extended.

Mr. MANN. I do not think the gentleman's time can be extended.

Mr. GREEN of Iowa. I would like to yield to the gentleman, but I want to get to the solution of this question.

Many imagine that the wealth of the country has been increased by the reason of the inflation of the currency and consequent rise in prices, but the real wealth of the country can only be increased by the production of articles and commodities of value. The most of these men here, if discharged, could be now producers; as it is they are forced to be parasites on the country, and the economic loss runs up into millions every day.

It is said that the War Department is now discharging men as fast as possible. This may be true as to those it intends to discharge, but both method and practice are at fault. The system is wrong, and while it relieves conditions in some places, in others it is of no benefit, and in some cases it is positively damaging. Thousands are released who are perfectly willing to serve, thousands held who are nearly driven insane by a desire to get back to their families, their work, or their business. We know everywhere of enlisted men recently taken into the draft who have a great desire to go to Europe. The story is published, I know not how truly, that some of those who have been discharged in this city are still here, having carelessly spent their allowance for return to their homes, and that some of them have even solicited aid. While this is going on we know of others who have aged and dependent parents, sick and needy wives, opportunities that will soon be lost for entering business, and incomplete school years to be finished now, if finished at all, and other cases of the greatest hardship, which were willingly undergone as long as the Government needed the service of these men, but which now naturally raise a rebellious feeling in the minds of those who are unnecessarily and needlessly detained. The present system is nothing less than an outrage.

Unless action is taken at this session a million and a quarter men will be held across the ocean for an unknown period, extending, in all probability, through the year, according to the plans of the War Department. I grant that there must be an army of the allies to hold the principal German forts and towns until the indemnity is settled and other provisions of the treaty of peace complied with. This army necessarily must remain in Germany several years. I assume that this country will be expected to furnish, and will furnish, a portion of it. I shall not now discuss at length the number which we should provide, but I am opposed to our furnishing any great army for that purpose and believe the force should be made up largely of the Regular Army. If we kept even 500,000 men in Europe, it would cost over a billion annually. Of course, the armistice provided, and the peace treaty will probably provide, for the cost of the army of occupation being paid by the German Government, but the bills against Germany are mounting to ten times what it could pay if it had its peace organization, and while that country is disorganized, its workers demoralized and rebellious, and its business at a standstill the money or property can not be obtained from it for payment. Moreover, Belgium and France have a prior claim for tens of billions.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. I regret I can not.

Mr. STEVENSON. I just want to ask one question. I never interrupt you lengthily.

Mr. GREEN of Iowa. Very well, I will yield.

Mr. STEVENSON. My question is this: Is not the expense of occupation a preferred claim, and will not that be paid before they begin to pay the claims of the different Governments?

Mr. GREEN of Iowa. If the gentleman has kept track of the amount paid—one installment has already been paid—he will understand that it will not cover one-twentieth part of what the expense will be. The payment will be only for that small part of our forces which is actually in Germany.

Serious as is the financial burden which the present plans impose, a more serious and important matter is involved—that of justice to the soldier. The injustice done by the present haphazard method of discharge is so gross as to amount to actual oppression; yet the remedy is easy. A new army for operations abroad should be formed, called the "Army of Occupation." This army should be made up by voluntary enlistments from the Army as now constituted (except the Regular Army), or outside if others desired to volunteer. Instead of sending home those who want to stay in Europe or wish to go there from this side, a new army should be made up, which, in my judgment, should not exceed 500,000 men, with such of the Regulars as are available. This matter should not be permitted to drift along. If action was commenced now, it would be a month or more before a bill could be passed, and several months before it could be put in operation. I have, for the purpose of forming a basis of discussion, introduced a bill embodying the principles which I have set forth. I do not claim that it is perfect in its details. Doubtless the Committee on Military Affairs and the War Department aided by their superior experience would find details, and possibly essentials, that should be modified or defined. But what I seek, what all of us should seek, is action, and we should not sit idly here while unnecessary hardships are inflicted upon those who have done so much for their country.

We need, too, more systematic action at once on the part of the War Department for expediting the discharge of men who are specially needed at home. As the situation is now, all sorts of difficulties are liable to meet the private who desires to present his application. Orders should be posted in each camp, so that inferior officers will not prevent their making application or delay the submission of applications made. If such orders are not issued, Congress should take action at once.

There can be no defense of conscription in times of peace, but the keeping of men in Europe or on this side against their will at this time can be classed as nothing else. There is neither excuse nor necessity for it. It will not meet with the approval of the people, and any party that favors such a proposition is certain to hear of it again in the future. Why should there be any delay when each day means so much to the soldier and the country?

I know there are some that will say that the plan can not be carried out, that it will involve reorganization of the Army. It will not involve the reorganization of the Regulars or the Marines, which ought to constitute the great bulk of the force to remain in Europe. As to the remainder of the Army, it ought to be, and if any attention is paid to the desires of the people, it will be reorganized. I have no patience with that spirit which says that this work can not be done. It was done at the end of the War with Spain, when an Army of Occupation was organized to remain in the Philippines. Of course the number of soldiers retained was small compared to the number which may be kept now, but the number of officers and the means of doing the work were correspondingly small at that time. What is needed is action and resolution on the part of Congress. If we sit here waiting for plans to be prepared by the War Department, no one knows how long it will be before action is taken. The present burdensome, unnecessary, and grievous conditions will not be borne by the public. They ought to be and must be remedied by Congress, which should resume its proper functions and take the initiative in dealing with this great problem.

Mr. Chairman, it seems to me that after a war that has cost the world a total of $400,000,000,000, as generally estimated, and I know not how many millions of lives, because they are not all yet numbered—if that the end of this war, after a sacrifice of money and property that would have made a perfect paradise of the world; after the sacrifice of the best blood and lives of so many patriotic citizens, both of this country and of Europe; if at this time the end of it all is that we are to keep an army ten times, or twenty times, as large as we ever thought of before this war, then it is the greatest failure that ever occurred in the history of the world, notwithstanding the glories of our victories. The world has been horror-struck by the calamities, bloodshed, torments, and suffering of this dreadful war. I can not believe that any nation that has felt its full destructive power has any thought of ever entering into another such a one. Such a proposal at this time would produce a revolution that would hurl from power those who suggested it. And yet we seem to be proceeding as if the war was likely to commence over again within the next year.

I believe some blessings will come from this dreadful conflict. The greatest blessing that we would receive from it would be that the world might be delivered forever, as Lloyd George has advocated, from conscription in time of peace, from great armies, from the great burdens connected with them, and that hereafter the energy and the spirit of all nations might be devoted to restoring and upbuilding the world and promoting the happiness and comfort of mankind instead of to the instruments of death and destruction. [Applause.]

APPENDIX.

A bill (H. R. 13443) to provide for the organization of an army to be used abroad, known as the Army of Occupation, and the discharge of enlisted men in the military service not included in the Regular Army. (Introduced Dec. 19, 1918.)

Be it enacted, etc., That in view of the necessity growing out of the war with Germany of maintaining an armed force in Europe, that the President be, and he is hereby, authorized to raise and maintain by voluntary enlistment and to organize and equip a force of not exceeding 10 divisions and to officer such force in the manner provided in the third paragraph of section 1 of the selective-service act approved August 31, 1918, the organization thereof to be the same as that of a corresponding organization in the Regular Army, and that such force shall be known as the Army of Occupation.

SEC. 2. That enlistments in the army of occupation may be made by any enlisted man now in the military service of the United States, except those in the Regular Army, and when such enlistments are made the soldier so enlisting shall be discharged from the service for which he had theretofore been enlisted.

SEC. 3. That the period of enlistment shall be during the period of occupation by the armed forces of the United States of European territory, not exceeding three years, and only such men shall be enlisted as are eligible for enlistment in the Regular Army.

SEC. 4. That the army of occupation when organized shall be used for the purpose of occupying or holding such territory in Europe as the President may direct, and as soon as practicable after the ratification of a treaty of peace between the United States and the Government of Germany all other enlisted men not serving in the Regular Army shall be discharged, after having, in the case of those not in the United States, been first returned to this country.

Mr. SMALL. I yield 20 minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman, I have but 20 minutes, and in those 20 minutes I would like to cover the world.

The gentleman from Alabama [Mr. HUDDLESTON], who has addressed the House this afternoon, is one of the ablest and bravest men in the House. In his remarks he suggested that the Government pay to each discharged soldier six months' salary. His remarks have impelled me to direct what I have to say to the same subject, although I intended originally, when I asked for time, to speak of the international situation.

The gentleman from Alabama [Mr. HUDDLESTON] has made reference to Bolshevism, just as the distinguished gentleman from Iowa [Mr. GREEN], who mentioned Bolshevism. It seems that it is impossible to deliver an address now on any public question without using two words, "Bolshevism" and "reconstruction." Any fool proposition goes under reconstruction and any new idea is opposed as Bolshevism. The hypocrite, the sycophant, the coward, the man who follows the mob, the defender of selfish and unclean interests who would preserve everything that is vile in the present society, all of them dread every new thought and every new idea. They speak of Bolshevism as if they knew what it was, as if it represented the very incarnation of all that is evil, as if it was hell let loose; and whenever any new thought is advanced, whenever a suggestion is made urging that we learn something from the sacrifices of the last four years, immediately we are met with the retort, "Oh, you are advocating Bolshevism." When the President of the United States in one of his letters used the sententious phrase that the returning soldier will not tolerate industrial serfdom, one of the New York newspapers inquired editorially, "Where did the President get that Bolshevik phrase?" When the recently elected Democratic governor of New York, in a long and rather interesting message to the legislature of that State, suggested in somewhat vague terms a number of things that ought to be done in the direction of social legislation, a political opponent, as a sort of a reply to the message of the governor, said, "We should not cater to any Bolshevistic tendencies." He saw in the modest suggestion of the governor for minimum-wage legislation for women and children and health insurance the coming of the dreaded Bolshevism.

I have no time to take up the subject. I wish I had. It is a new word. It is a new bugaboo. It is something new to threaten people with; and since socialism has been recognized as a legitimate theory, and since the socialist movement has compelled statesmen and politicians to borrow its raiment, to borrow some of its thought, and some of its philosophy, those that are interested in combating the advance of socialist thought have conjured up a new horror—that of Bolshevism.

Now, to come down to the proposition to give each returning soldier $180, I would vote for it if nothing better could be had, but it would not satisfy me. It is not what we want. You can not acquit yourselves to this generation; you can not perform your full duty to the millions of men who have fought in Europe, notwithstanding the fact that Roosevelt says that the most of them did not understand anything at all about the 14 points of President Wilson—you can not acquit yourselves to these men by offering them a tip at the conclusion of their service, by giving them a gratuity, by giving them a couple of dollars. It will not do them any good; it will not do society as a whole any good. The war is supposed to have been fought that the world be made free; that nations may be made free democracies. There can be no such thing as a free nation or a free people or a great people or a great nation unless the individual man and the individual woman who compose the community are free to live a full life, are free to develop intellectually, physically, spiritually, unless the social structure of society gives them that opportunity. Every other form of democracy is a fraud. Every other form of government which does not give to the great majority of the people an opportunity to develop individually is not a democracy, no matter by what name you may call it. The great sacrifices that have been made by the world will be of no avail unless we realize this fundamental truth. The democratic elements of Europe are awakening to certain hopes. They have suffered more and they have learned more than we.

Let us not deceive ourselves. Although the war is over the fight for genuine democracy is by no means over. Even the feudal system is not yet dead.

But the hope is growing that as a result of this war the individual will be placed in a position where he will have a share in the control of the means essential to sustain the life of a civilized man. To give to the discharged soldier a few dollars as a donation, as a tip, as a gift, does not mean to make an effort in the direction of improving his economic condition or of securing him an opportunity to earn a livelihood. It certainly does not tend to make him more dependent upon himself or less dependent upon others. It does not help to make him more free. Long before we entered into the world war and ever since we have entered it I have insisted that we take up the problem of unemployment. Again and again have I asked that a study be made of the subject of social insurance.

I have been insistent in urging it; you have been insistent in disregarding it. There will be discontent. Do not make any mistake about it; you can not shout it down; you can not suppress it. A fool order against the red flag will not allay restlessness. Calling everything "Bolshevism" will not stop it. You may suppress the emblem but you can not suppress the discontent. You can not stifle the craving for a change, you can not suppress the desire on the part of those who have faced danger to get some genuine reward, not in the form of a humiliating gift but a reward in seeing the world around them get to be a better world.

You must take up the problem of the returning soldier as part of the problem to improve the economic condition of the masses. You must think not only of the soldier but of the now employed whose jobs the returning soldiers will take. Assume that all employers will be patriotic—I question their patriotism, for I know that every time the Washington profiteer doubled his rent he doubled the size of his flag—assume that every time a soldier will ask for his former job he will get it, what about the man or woman whose job the soldier will take? We could not trust the great magnates of industry in the time of war, when the call for sacrifice should have appealed to all, but the Government had to take hold of them, curb them, and control them. If we could not trust them in times of war, when the patriotic appeal is so strong, how can you trust them in time of peace? How can you permit them to go unchecked and unregulated by the public conscience?

The problem, then, is how to provide employment for all, how to use the governmental agencies which we used during the war for the purpose of promoting war industries, how to use the very same governmental agencies at least during the period of transition until society becomes normal again, if it ever will become normal, to prevent general unemployment. At least during this period of transformation, during this life of transition, let the governmental agencies, which exercised a curbing influence on capital in time of war, continue, so that we may provide unemployment insurance to the soldier and impose upon him the duty of getting employment, and if he can not get it from a private employer have the Government run various public works and even industries, if necessary, so that he may obtain employment. Let there be no giving of gifts, let there be no idleness and compensation for idleness, let the principle be embodied in life that he who does not work has no right to live. Unfortunately that principle does not apply on top of society to-day. Establish the system of unemployment insurance, provide for Government works, provide, if necessary, that the Government should run some of the industries now in private hands. Let the people learn how to run industries. I know that the Government running of industries to-day is not the most economic or efficient way of doing things, but the people must begin, the people must learn to control and own industries. See the failure of the policy of the Democratic Party to curb the trusts and to destroy the trusts. That has failed. You know that, and the Democrats were themselves compelled, at least so far as foreign exports are concerned, to permit the trustification of the foreign export branch of industry and commerce. You can not destroy a trust, you can not destroy a monopoly, because concentration and efficiency are laws of industry. Instead of breaking up large industries, which are in their nature monopolies, which are, in their very nature, of national scope, instead of breaking them up and destroying them and stimulating artificial competition, which can not exist, it is the duty of statesmen to teach the people to utilize every advantage of modern efficiency, to utilize every advantage of concentration, to utilize those advantages for the great masses of the people. Let the Government take up one industry after another, taking up first the most suitable industries, so that the worker will know that he owes a duty to society to work and to be useful, and that in return society owes him the duty of a wage which will enable him to live a man's life.

If we can not learn this in spite of the great sacrifices, I do not know whether we will ever learn anything. We have been fed with phrases, phrases, phrases—fighting for democracy, making the world safe for democracy, and what not—no indemnities, but reparation, self-determination of nations, but with the provision always that the little nations will not be permitted to determine their own life but that the big fellows will tell them how they shall exercise this right of self-determination,

how they shall be cramped in. Then we have been told that of course this is the last war; but we find that in order to make sure that it is the last war we are going to increase our fleet, also to make sure that all armaments have been done away with. [Laughter.] We are in sympathy with the democratic instincts of the great masses of Russia, we are told, but we are also told that we will keep an army there, Constitution or no Constitution, declaration of war or no declaration of war, and when the soldier gets back, then our Secretary of the Interior, we learn, will appoint a commission to investigate the problem of recovering swamp lands. The soldier will be taken directly from a French trench to a swamp in Arkansas. [Applause and laughter.]

Mr. SMALL. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. SHERWOOD].

Mr. SHERWOOD. Mr. Chairman, of course you have observed that the Ohio wets have employed a very able-bodied lawyer, who has instituted legal action to test the constitutionality of the prohibition amendment to our Federal Constitution, based upon the recognized fact that the joint resolution submitting the prohibition amendment to the States was not adopted by two-thirds of the entire membership of Congress. The prohibition amendment was adopted by two-thirds of the Members voting, or two-thirds of a quorum. This is a matter of deep interest to all the people of all the States, especially Pennsylvania.

The language of the Constitution on this question is as follows: "The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution," and so forth.—Article V.

Article II of the Constitution provides in case of the ratification of a treaty-making power of the President as follows:

"He shall have power, by and with the advice and consent of the Senate, provided two-thirds of the Senators present concur," and so forth.

In case of the election of a Speaker of the House, section 3 of the Constitution provides, "That a majority of a quorum can do the business of the House of Representatives." Under this section it was decided in 1808 and again in 1879 that the Speaker can be elected by a majority of a quorum.

The fact that the Federal Constitution contains one provision for doing the legislative business of Congress, and another provision applying only to the Senate for the ratification of a treaty, and still another provision for submitting a constitutional amendment indicates that the framers of the Constitution regarded these specified functions of Congress as vitally different. And students of the Constitution are now claiming with some show of reason that the framers of the Constitution regarded the submission of a constitutional amendment as the most important of all the functions of Congress. Hence it is provided that two-thirds of both Houses of Congress shall be required to submit an amendment to the States for ratification. This question, however, has never been decided by the Supreme Court. It is reported that the Supreme Court of Minnesota has decided that an amendment to the State constitution of that State was not legally adopted because it was submitted to the people by two-thirds of a quorum of the legislature and not by two-thirds of all members elected. And the language in the State constitution of Minnesota is of the same purport as in our Federal Constitution. It will be conceded that there is no function of Congress of more importance or moment than an amendment to the fundamental law. And the fact that the framers of the Constitution, after a full debate, made three distinct differences in language touching the jurisdiction and powers of Congress will be used by lawyers more or less critical and wise that when the Constitution provides that both Houses must have a two-thirds vote to submit an amendment to the Constitution it does not mean two-thirds of those present nor two-thirds of a quorum, but two-thirds of the whole membership elected by a majority vote of the whole American people. If two-thirds of a quorum could submit a constitutional amendment, let us see what might happen. The present House of Representatives contains 435 Members; a quorum is 218, and two-thirds of 218 is 146. This is 72 less than a majority of Members. Evidently the framers of the Federal Constitution never intended to frame a provision in the organic law that would allow 146 Congressmen, or 72 less than a majority of Members, to submit an amendment. It is a reasonable claim that this great body of the wisest and most experienced statesmen and scholars of that epoch framed a provision in the Constitution intended to include all the representatives of all the people of all the States.

THE SUPREME COURT CAN DECIDE EITHER WAY.

As all the people of the States are interested in this constitutional amendment, it will attract universal interest when this case goes to the Supreme Court for final judgment. While it was not intended by the framers of the Federal Constitution that there should be any power in the United States greater than the Constitution, experience has demonstrated that supreme power is lodged in the Supreme Court—jurists appointed for life. The power with final jurisdiction to either nullify or approve a law of Congress or a constitutional provision is greater than the Constitution.

The Constitution provides that all tariffs shall be universal throughout the United States, but we have now one tariff for the States, another for Porto Rico, and still another for the Philippine Islands, and the Supreme Court has decided these tariff laws as constitutional. Hence the conclusion is inevitable that this is a case where the Supreme Court may decide either way.

Mr. KENNEDY of Iowa. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman and gentlemen, the American people were greatly delighted when the wires flashed the news throughout the world that the war was over, that the armistice was signed. I happened to be in Chicago on that day, and witnessed a scene such as I never saw before, and such as probably no one will ever see again. There everyone in the city assembled within the space of a mile square, and they hugged and kissed each other, they blew horns, they climbed on top of street cars, the girls directed the cab drivers to go where they wanted to, they did not pay any fares, they entered the stores and took all of the noise-making instruments they could find, and everyone was full of joy because the war was over. Since that time everyone has been wondering why it is that we do not get our soldiers back home, and thousands of letters are received every day by Members of Congress, asking them to assist in bringing these boys back to the homes where they can help to provide for those who have deprived themselves of every necessity of life in order that they might prove their patriotism to the country in its hour of need. Every appeal that is made to the Army commanders, represented by the Secretary of War, or to the Navy commanders, represented by the Secretary of the Navy, for the release of the men tells that every obstacle with which it is possible to surround an application for discharge must be overcome, that every hurdle must be jumped, before the man can obtain his release. The first order purported to authorize the commanders in the camps to release the men upon their own applications. Then the order was modified to require three affidavits from prominent citizens in the neighborhood to certify to the need of the release either for industrial or for family reasons. Then comes the further edict that if this application, verified by these affidavits, is not considered favorably by the commander an appeal can be taken to the headquarters in Washington, and when Members of Congress appeal to the authorities and call their attention to the necessity and importance of releasing these men, they are told that Members of Congress need not apply, that they have no standing at court, that their word is of no avail.

I had a case this morning in the Navy in connection with which I applied for information caused by a letter coming from the mother of six children, five of them too young to work, she herself a widow, sick, unable to work herself, with a boy in the Navy, in connection with whose services an allotment was made nearly nine months ago, not one dollar of which has been paid to the widow whose five children at home are unable to assist in helping to maintain the family. The answer I received after giving all these facts in the case was that the man must apply to his commander and the commander himself would investigate the necessity and importance of letting the man out of the Navy. I requested to know whether or not the facts as stated by me, because they were stated by me, would be any prejudice in connection with the man's discharge, and the man to whom I talked said it would have no influence toward getting him discharged. I submit that this is an indignity that no Government official has the right to impose upon any family a member of which has volunteered to defend the flag. [Applause.] While all this is going on and our men are suffering as they are at Brest, France, waiting for transportation home, sleeping in the slimy gutter, eating in the slime of the slime, as reported by responsible newspaper men who have been there and seen the case, we are told that they have no rights, while officers of the Army are riding around in Government-owned automobiles everywhere throughout Washington, driven by men in uniform, paid by the American people whose sons are still sleeping in the slime of the sluiceways of France, otherwise known as detention camps or rest camps. It is an outrage upon justice, and these men ought to be called to account. I stood on the corner of California Street and Columbia Road this morning for 15 minutes waiting for a street car, directly opposite the Wyoming Apartment Building, and there lined up in front of the Wyoming Apartment Building at 10 o'clock, mind you, were five Govern-

ment-owned automobiles with five drivers in Army uniform waiting, I suppose, for the second lieutenants who are living at the Wyoming in order that they might take them to the important business which they have to transact in the department, but which was not sufficiently important to take them out of their nests before 10 o'clock in the morning. [Laughter.] And this is going on everywhere throughout this city, and I suppose throughout the Nation wherever we have Army officers. Why should the Government of the United States transport these men around in state while the other men who have given everything they have to the Government in its hour of need are compelled still to continue to serve and sleep in the gutter when they ought to be discharged? This is a shame; it is a disgrace; it is a crime for these men to be permitted to use Government property under such circumstances. We have spent $25,000,000,000, as I understand it, so far, actual expenditures. We have appropriated over $36,000,000,000.

How much of it has been appropriated for automobiles in order that these men may ride around in luxury I do not know, but there ought to be an investigation of it. The time has come when the American people are not going to sit idly by and permit it. The mere fact that a man is a commissioned officer in the Army gives him no more right than the ordinary man, and the ordinary man who pays the taxes when he understands the facts will not submit to that kind of iniquity. Oh, but the use of these automobiles is not confined to Army officers, for I have seen automobiles owned by the Government taking the wives of Army officers and their sisters, perhaps, maybe their mothers, out on calling trips. I saw one yesterday going to three different places picking up three different women, taking them around to call on their neighbors, and how many more were engaged in this kind of business I do not know, and each one of the automobiles that you find doing this sort of business is being driven by a soldier. Why do not these soldiers get their discharge? They want to be discharged. They have other occupations at home which they would like to fill, but of course it would not be as convenient for the officers whom these men drive around if the men were permitted to retire to private life, because they would be compelled to drive their own machines, and that would be an arduous job for an officer in the Army to perform, especially those officers in the Army who hold these swivel-chair jobs in Washington.

Is there a time coming when the American people through the Congress of the United States will dare to speak? That is what I want to know. If I have my way there will be a time, and this matter will be investigated with all other such methods; for I do not believe it was ever the intention of the Congress of the United States to appropriate money indefinitely, in lump sums, to be used for any such purpose or in any such way.

And then we have, for example, the Bureau of War Risk Insurance, which is a stench in the nostrils of every man that has anything to do with it. We have a new man recently appointed to the job. He starts out right. He wrote a letter to every Member of Congress, in which he said that he was going to do the best he could to clean it up and that he wants the cooperation of the Congress. God speed him on his way. I want to help him. [Applause.] I want to help any man who wishes to do the right thing.

I wrote him a letter and told him he was assuming a great task, a responsible job, and that he was taking something that had taint on it, but that I hoped he would be able to remove the taint. And the best way, I said to him in my reply, to remove the taint was to remove a lot of the people who were standing in each other's way down there and make room in the offices of the War Risk Bureau for those who were there to do work. There is no room for them in which to work now. That is the reason we do not get results.

Why, I have cases which I could enumerate if I wanted to go into details that would make your hair stand on end, cases where the families of soldiers who had been wounded, some with one leg off, some with both legs off, some with both arms off, some with both eyes out, who have not been able to get a dollar for 11 months, notwithstanding the fact that allotments have been made.

And the men themselves have not been paid. They have been wounded. They have been taken to the hospitals. They have been treated, and God knows how, in some cases. We whose families have given their blood to the Nation are going to insist upon decent treatment for those who yet remain. We can not afford to ignore the situation.

Why, a trainload of wounded soldiers came into Chicago the other night. There was no one there to meet them. They had to find their way to ambulances or conveyances of one kind and another the best they could in order to get to hospitals. The President of the United States said in a speech a short while ago at Chaumont, France, to the American soldiers, that the American people were waiting for an opportunity to acclaim the returning soldiers, whereas all the returning soldiers that have ever come have been obliged to do so unheralded and unacclaimed and transferred around every place where an opportunity might be had for the American people to see them and acclaim them to some camp somewhere, unseen and unheard—no acclaim, no plaudits, no encouragement. And of these men I talk about as landing in Chicago a week ago—five of whom, at least, I know—one was transferred to Camp Dodge, in Iowa; another was sent to French Lick Springs, in Indiana; another sent out to Fort Sheridan, Ill.; and another one sent somewhere in Kentucky, and so on, and each one of these five men was transferred six times in a week to different places in the country, though they were unfit to travel. They were men wounded almost to death, and still they were transferred from place to place and from pillar to post, with no consideration shown them anywhere.

Mr. LONDON. On what theory was that done?

Mr. MADDEN. I can not tell. But that is why it costs so much for transportation for the Army, why it costs so much to demobilize.

I saw a case of application for $12,000,000 made to the Naval Committee, and now being considered by it, for demobilizing men to be discharged from the Navy. They said it would take all the $12,000,000, perhaps more; because, they said, when they discharged men from the Navy they paid their way to the nearest station or to the station from which they were enlisted. But my experience is best illustrated by the case of a young chap named Conway, who enlisted in the Navy from Chicago. He enlisted to-day, say. He was sent to the Great Lakes Training Station. He sent me a telegram, and I sent him one in reply. Before my telegram reached him he was down at Newport. And by the time I got a telegram to him at Newport he was at some other place. He was at Pensacola, Fla., if there is a station down there, or to some other place there; and I could not send telegrams fast enough over the wire to reach him, because he was transferred so often and to places so far apart. And that is what they do with the money you give them. I got a telegram this morning from Chicago which was sent to me on the 31st day of December. To-day is the 2d of January. That was the 31st of December, one at about 9.30 in the morning and the other at 12.30 afternoon, and I got them this morning just before 11 o'clock. So I think we had best commence to send our telegrams by mail. [Laughter.]

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Surely.

Mr. SLOAN. Does the gentleman engage to say that the Burleson telegraph can not catch up with the McAdoo railroads? [Laughter.]

Mr. MADDEN. I can not tell how they manage it, but somehow or other since the Government took control of the telegraph lines it takes me on an average of three days to get a telegram from Chicago.

But I was speaking about the rate at which we move these young men from place to place. The next thing that happened was that the young man was sent over to Italy. I was informed that he was on his way to Italy. Now, you can not get much naval knowledge into the head of any man, no matter how smart he may be, if you are moving him around on trains day and night and taking the money out of the Treasury of the United States to pay his expenses.

When I called up to-day for somebody to see what could be done about getting a young chap out of the Navy who has all the responsibility of a great family on his hands when he is free to act, they said, "There is no chance on earth to get anybody out of the Navy. We are only letting the men out that we want to let out. We have decided to let 10 per cent of the men out; 70 per cent of them are asking to get out."

But we fought for "democracy," and now we have got it. [Laughter.] We fought for efficiency, and we have got the worst inefficiency that I ever saw. We fought in order that the world might be free, and yet we are trammeled as we never have been before; we are bucked and gagged. We can not get a reply from anybody in power anywhere.

I called up the Navy this morning. They shunted me off to eight different telephones before they could find a man who could speak to me about the thing I wanted to talk about. It took me two hours, and then they said he was not the man I wanted at all; it was the first man that I had got hold of. [Laughter.] How are you going to get efficiency out of such conditions? I hope the time will come when we are at peace. They say we are still at war. The Chief of Staff says he is not going to demobilize the Army in the American camps; that we are bound to keep 10 divisions of combat men in the American

camps; and when I ask them why, they say, "We do not know what is going to happen."

We have over on the other side about 1,900,000 men who have not been sent away. We have here still about 1,200,000 in the camps, and they say they are going to keep 450,000 of these men permanently, as far as we know. What right have they got to do that? Who authorizes it? Are we going to stand here and permit it? Are the American people going to be satisfied with that sort of thing? Are we forever to continue to heap loads of taxation on the backs of the American people to conduct this inefficient method of government?

That is what I ask. Does anyone reply? No one replies, not even those up at the other end of the Avenue. When I tell them that the American soldier is sleeping in the slime-filled camp at Brest, France, the Secretary of War says, "I will wire over and find out about it." When you want information here you can not get it. The papers are full of the social activities in Europe in which the President of the United States is engaged, but when I tried to get a cable about a man who had lost both legs over there I could not get the cable, and when we finally did get the cable message over there we could not get a reply. In God's name, is it more important to use the American cable to exploit the social activities of the people of Europe and the President of the United States than it is to find out the condition of men who have been crippled for life while fighting for freedom and so-called "democracy"? [Applause.]

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I yield to my colleague.

Mr. MANN. My colleague made a reference to the policy of the War Department about discharging soldiers, which is so very pat and interesting that I wish he would tell us a little bit more about that, if he can, and the great delay about getting men out who have jobs waiting for them.

Mr. MADDEN. What I did this morning was to call up the Chief of Staff, in response to several inquiries that I had. The Chief of Staff was busy in consultation with the Secretary of War and I did not get an opportunity to speak to him. Maj. Swing, the son-in-law of the Chief of Staff, his private aide, was put on the wire, and I asked him to give me the latest order that had been issued by the War Department connected with the discharge of soldiers. I said that I did not want him to act as he did before on an occasion when I went up there, when he said he would send the desired information down in two hours and did not send it down at all. [Laughter.] I waited for three weeks, and at the end of that time I went up and told him what I thought about him, and I said that if this had been an important military order it might have lost the war; but as it was, being a matter pertaining to an ordinary Member of Congress, it did not amount to much; but he must understand that he was a military man, obeying orders and filling requisitions, and that he must do it promptly. He said the determination of the department was not to discharge troops in America, but keep the men in the camps. I asked him how many divisions, and he said, "Ten divisions." That means 450,000 men. But they say they are discharging men at the rate of 30,000 a day. I do not know whom they are discharging, for everybody that I have applied for a discharge for has been turned down, and nobody in my neighborhood or anywhere in my district, so far as I have been able to discover, has been discharged. I do not know where they are discharged from or where they are to go after they have been discharged.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. LONGWORTH. Do I understand there is a naval regulation recently issued providing for the discharge of not to exceed 10 per cent?

Mr. MADDEN. That is so.

Mr. LONGWORTH. Can the gentleman state when that was issued?

Mr. MADDEN. I got this from the hearings of the Naval Committee only a few days ago. When the commander of the Bureau of Operations was before the committee they asked him the question, "Why are these men not discharged?" He said, "We need 350,000 men in the Navy. We have 500,000 men there now. Applications have been made by 70 per cent of the men for discharge. We have adopted the rule that not more than 10 per cent of the men can be discharged." If a man is in the radio service or some such thing as that, he can not be discharged at all.

Mr. BARKLEY. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BARKLEY. I know the gentleman wants to be fair.

Mr. MADDEN. Certainly. I want to tell the truth.

Mr. BARKLEY. The Navy has issued a regulation permitting commanding officers to discharge 20 per cent of those who enlisted for the war and 10 per cent of those who enlisted for four years, although their terms of enlistment have not expired.

Mr. MADDEN. I am only telling what I read in the hearings before the Naval Committee.

Mr. BARKLEY. The orders have been issued and copies of them have been sent broadcast. I suppose the gentleman received a copy. I know I did.

Mr. MADDEN. Twenty per cent of the men who volunteered for the period of the war?

Mr. BARKLEY. Yes. And their term of enlistment, when they volunteered, was for the period of the war and six months thereafter.

Mr. MADDEN. The testimony given by the commander of the Bureau of Operations before the Naval Committee will disclose that the men were rather led to believe, without having been told so, that they were only enlisted for the period of the war, but as a matter of fact they were enlisted for four years; and while the officer said they did not intend to convey to the men that they would be released at the end of the war, the men themselves understood that they would be released. That is what they said.

Mr. BARKLEY. And I am advised by the department that in all such cases they are being treated as if they had enlisted for the period of the war and are not being held.

Mr. MADDEN. Ten per cent of them.

Mr. BARKLEY. Twenty per cent.

Mr. MADDEN. No; I beg the gentleman's pardon.

Mr. BARKLEY. Does the gentleman think all these 70 per cent who have applied for discharge ought to be discharged?

Mr. MADDEN. I do not know how many ought to be discharged. I do not want to denude the Navy of the men it needs, but I think where a good case is made out the men ought to be discharged.

Mr. BARKLEY. I agree with the statement, but the Navy Department has left the decision of these cases to the commanding officers, who are in touch with the men.

Mr. MADDEN. Yes; I know they have, and at the same time have given them rigid orders not to permit more than a certain small percentage of the men to get out of the service.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Iowa.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. I should like to have about two minutes more.

Mr. SMALL. If the gentleman from Iowa [Mr. KENNEDY] has no more time, I have some left. How much does the gentleman want?

Mr. MADDEN. About three minutes.

Mr. SMALL. I yield to the gentleman three minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for three minutes.

Mr. MADDEN. I just want to add to what I have already said, that while we have been fighting for democracy, and while we are all happy that we won, and happy over the things that we hope democracy will obtain, I was wondering, when I read the story of the banquet given by King George to the President of the United States, with $13,000,000 worth of gold plate upon the table, with all the guests walking backward and waving their wands and kotowing to Mrs. Wilson and the President of the United States, whether that was the character of democracy for which we fought. [Applause.] I wish for the President of the United States the greatest possible success in his endeavor to accomplish the object for which he has gone to Europe, for, God knows, America wants peace. We are a peace-loving people, but I hope that while he is fighting for the simplicity of life, in which we know he believes, that he will not lead the American people to understand that he is likely to be led away with all the gold plate, while the eyeless, legless, armless men who have given everything they have in the world that we might be free and live the simple life that we have lived from the foundation of the Government, that he will not allow the false gods in European nations to tear the ideals away from that simplicity, and that we will continue to live under a democracy that means equality to every man whether high or low, rich or poor, powerful or humble. We won the fight for democracy; let us live democracy and not enter into the sacred precincts of any institution where they who surround us must pay obeisance and wave the magic wand in order to please our fancy before they leave the room. [Applause.]

Mr. SMALL. Mr. Chairman, I understood the gentleman from Iowa to say that he either had exhausted his time or that there were no further requests.

The CHAIRMAN. The gentleman from Iowa has used all his time.

Mr. SMALL. I have no further requests on this side, and I ask that the Clerk commence reading the bill.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the following sums of money be, and are hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available, and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the construction, completion, repair, and preservation of the public works hereinafter named:

Mr. SMALL. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BYRNS of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13462, the river and harbor bill, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. WELTY for three days on account of illness.

To Mr. IRELAND, at the request of Mr. MADDEN, leave of absence to the 15th of January, on account of important business.

EXTENSION OF REMARKS.

Mr. ROBBINS. I ask unanimous consent to insert in the RECORD a speech made by the Hon. WILLIAM S. VARE, a Member of the House, before the City Business Club of Philadelphia on the 9th of December, on business and political conditions.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RIVER AND HARBOR BILL.

Mr. SMALL. Mr. Speaker, I have had a number of inquiries in regard to the matter of proceeding with the river and harbor bill to-morrow. We are ready and anxious to proceed, but I understood that notice has been given of a contested-election case being taken up.

Mr. MANN. The Committee on Elections gave notice before the holidays that it would call up the contested-election case to-morrow. While I have not talked with any member of the committee to-day, I know it is the expectation of the people interested that the case would come up to-morrow.

Mr. SMALL. The gentleman from Illinois says he has information that it will be called up to-morrow.

Mr. MANN. No; I have not information that it will, but I have information that gentlemen interested in it expect it to be called up. The Delegate from Alaska expects it to be called up to-morrow.

Mr. SMALL. I am informed that if called up it would interrupt the river and harbor bill.

The SPEAKER. It would. It is of the highest privilege.

Mr. SMALL. If it is not called up, Mr. Speaker, we will proceed with the river and harbor bill. I move that the House do now adjourn.

ADJOURNMENT.

The motion was agreed to; accordingly (at 5 o'clock and 16 minutes p. m.) the House adjourned until to-morrow, Friday, January 3, 1919, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury transmitting the annual report of the operations of the Federal Farm Loan Board for the fiscal year ended November 30, 1918 (H. Doc. No. 1624); to the Committee on Banking and Currency and ordered to be printed.

2. A letter from the Secretary of the Interior transmitting the average number of employees under the governor of Alaska receiving increased compensation at the rate of $120 per annum (H. Doc. No. 1625); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Assistant Secretary of War transmitting annual report of typewriters, adding machines, and similar labor-saving devices exchanged during the fiscal year 1918 by the Quartermaster Corps (H. Doc. No. 1626); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of War transmitting a proposed bill authorizing the retirement of members of the Army Nurse Corps (female) (H. Doc. No. 1627); to the Committee on Military Affairs and ordered to be printed.

5. A letter from the chairman of the Committee on Public Information transmitting schedule of disbursements for the fiscal year 1919 (H. Doc. No. 1628); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Secretary of War transmitting item of proposed legislation authorizing the War Department to make payment in full to enlisted men returning from overseas for treatment in United States hospitals (H. Doc. No. 1629); to the Committee on Military Affairs and ordered to be printed.

7. A letter from the Secretary of War, transmitting a statement showing in detail what officers or employees who have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year ended June 30, 1918 (H. Doc. No. 1630); to the Committee on Expenditures in the War Department and ordered to be printed.

8. A letter from the Secretary of War, transmitting report of expenditures on account of appropriation, "Contingencies of the Army," during the fiscal year ended June 30, 1918 (H. Doc. No. 1631); to the Committee on Expenditures in the War Department and ordered to be printed.

9. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Houston Ship Channel, Tex., with a view to securing such increased depth as may be advisable by using the two dredges provided for this project or otherwise (H. Doc. No. 1632); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

10. A letter from the Assistant Secretary of War, transmitting report of a board appointed to ascertain and determine the amounts due on claims for damage to and loss of private property occasioned by the explosion and fire at the plant of the T. A. Gillespie Loading Co. at Morgan, N. J. (H. Doc. No. 1633); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 12770) to reserve as part of the Oregon and Siuslaw National Forests in Oregon certain lands that were revested in the United States pursuant to the decisions of the Supreme Court of the United States, reported the same with amendment, accompanied by a report (No. 883), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 13019) to authorize the purchase by the city of Myrtle Point, Oreg., of certain lands formerly embraced in the grant to the Oregon & California Railroad Co. and revested in the United States by the act approved June 9, 1916, reported the same with amendment, accompanied by a report (No. 884), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. DILLON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 13004) extending the time for commencing construction of bridge and for maintenance of pontoon and pile bridge by the Chicago, Milwaukee & St. Paul Railway Co. across the Missouri River at or near Chamberlain, S. Dak., and providing additional requirements for bridge to be constructed, reported the same with amendment, accompanied by a report (No. 885), which said bill and report were referred to the House Calendar.

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (S. 2784) to authorize the purchase by the city of McMinnville, Oreg., of certain lands formerly embraced in the grant to the Oregon & California Railroad Co. and revested in the United States by the act approved June 9, 1916, reported the same with amendment, accompanied by a report (No. 886), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. STEPHENS of Nebraska, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 13393) to extend the time for constructing a bridge across the Missouri River between the States of Nebraska and Iowa, reported the same with amendment, accompanied by a report (No. 887), which said bill and report were referred to the House Calendar.

Mr. WINSLOW, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 13369) granting the consent of Congress to the board of county commissioners of the county of Hampden, in the Commonwealth of

Massachusetts, to reconstruct a bridge across the Connecticut River between Springfield and West Springfield in said county and Commonwealth, reported the same with amendment, accompanied by a report (No. 888), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FRENCH: A bill (H. R. 13580) to pension the survivors of certain wars from January 1, 1858, to January 1, 1888, inclusive, and for other purposes; to the Committee on Pensions.

By Mr. BARKLEY: A bill (H. R. 13581) to provide for the enforcement of war prohibition; to the Committee on the Judiciary.

By Mr. FULLER of Illinois: A bill (H. R. 13582) to provide additional compensation to men who have served in the Army, Navy, or Marine Corps during the European war and who have been or may be honorably discharged from such service; to the Committee on Military Affairs.

By Mr. BANKHEAD: A bill (H. R. 13583) authorizing and directing the Secretary of War to grant an honorable discharge to drafted and enlisted men upon certain grounds, and for other purposes; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 13584) providing for the extension of the post office at Galesburg, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. HAMILTON of New York: A bill (H. R. 13585) to reimburse surviving Civil War prisoners; to the Committee on War Claims.

By Mr. KIESS of Pennsylvania: A bill (H. R. 13586) authorizing the Secretary of War to donate two captured cannon to the town of Renovo, Pa.; to the Committee on Military Affairs.

By Mr. MADDEN: A bill (H. R. 13587) to create a war-sales commission, to define its powers and duties, and for other purposes; to the Committee on the Judiciary.

By Mr. LINTHICUM: A bill (H. R. 13588) for the relief of the Baltimore Dry Docks & Shipbuilding Co., owner of a dry dock at Baltimore, Md.; to the Committee on Claims.

By Mr. KINKAID: A bill (H. R. 13589) to provide for the construction of a dam and reservoir in the North Platte River, near Guernsey, Wyo.; to the Committee on Appropriations.

Also, a bill (H. R. 13590) to provide for a canal and reservoirs in the counties of Dawson and Lincoln, in the State of Nebraska, for the purpose of diverting flood waters from the Platte River, conserving and utilizing the same for irrigation and other beneficial uses; to the Committee on Irrigation of Arid Lands.

Also, a bill (H. R. 13591) requiring that wife join with husband in relinquishment to homestead entry to make same effective; to the Committee on the Public Lands.

By Mr. LUNDEEN: A bill (H. R. 13592) to amend an act entitled "An act to create a department of labor" by providing for a bureau of the unemployed; to the Committee on Labor.

By Mr. LAZARO: Resolution (H. Res. 489) authorizing the Committee on Enrolled Bills to designate an assistant clerk during the third session of the Sixty-fifth Congress; to the Committee on Accounts.

By Mr. GARD: Joint resolution (H. J. Res. 377) extending the thanks of Congress to all members of the American Protective League for services rendered the Government during the war; to the Committee on Military Affairs.

Also, joint resolution (H. J. Res. 378) extending to members of local and district boards, Government appeal agents, and members of medical and legal advisory boards the thanks of Congress for their services rendered in the administration of the selective-service law; also, authorizing the President to appoint by brevet commissions the members of such local and district boards; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOOHER: A bill (H. R. 13593) granting an increase of pension to George M. Jacobs; to the Committee on Invalid Pensions.

By Mr. DRUKKER: A bill (H. R. 13594) granting a pension to William Anderson; to the Committee on Pensions.

By Mr. DOWELL: A bill (H. R. 13595) granting an increase of pension to Soren V. Kalesem; to the Committee on Invalid Pensions.

By Mr. FIELDS: A bill (H. R. 13596) granting an increase of pension to Henry J. Kegley; to the Committee on Pensions.

By Mr. GARD: A bill (H. R. 13597) granting a pension to Herbert L. Ellsworth; to the Committee on Pensions.

Also, a bill (H. R. 13598) granting an increase of pension to Charles S. Allen; to the Committee on Pensions.

By Mr. HULL of Iowa: A bill (H. R. 13599) granting an increase of pension to Seth Brooks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13600) granting an increase of pension to Daniel H. Woodruff; to the Committee on Invalid Pensions.

By Mr. KETTNER: A bill (H. R. 13601) granting a pension to Harriet E. Schwyhart; to the Committee on Invalid Pensions.

By Mr. MANN: A bill (H. R. 13602) granting an increase of pension to George P. Clayton; to the Committee on Invalid Pensions.

By Mr. McCULLOCH: A bill (H. R. 13603) granting an increase of pension to James Rowland; to the Committee on Invalid Pensions.

By Mr. McKINLEY: A bill (H. R. 13604) granting a pension to Porter G. Holleman; to the Committee on Pensions.

By Mr. TAYLOR of Arkansas: A bill (H. R. 13605) granting a pension to Thomas Samuel Garen; to the Committee on Pensions.

By Mr. WALDOW: A bill (H. R. 13606) granting an increase of pension to Herbert C. Purdy; to the Committee on Pensions.

By Mr. WINGO: A bill (H. R. 13607) granting an increase of pension to Eliza H. East; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of pupils of public schools of Porto Rico, humbly petitioning President and Congress of United States to honor the island of Porto Rico by bestowing its name upon one of the battleships of the Nation; to the Committee on Foreign Affairs.

Also, petition of members of Greek colony of Milwaukee, relating to rights of Greece; to the Committee on Foreign Affairs.

By Mr. CAREW: Resolutions of mass meeting of Boston citizens, pledging unqualified support of policy toward Russia announced by President of United States in address before Congress January 8, 1918, and adopted by the interallied conference at Versailles in November; to the Committee on Foreign Affairs.

By Mr. CLAYPOOL: Resolutions to initiate steps necessary to open opportunities for employment to all workers in the United States who face enforced idleness; to the Committee on Labor.

By Mr. COOPER of Wisconsin: Resolutions adopted by the common council of Milwaukee, Wis., petitioning Congress to pass legislation to prohibit the dumping of sewage, etc., in the Great Lakes; to the Committee on Rivers and Harbors.

Also, petition of residents of the Fox River Valley, Wis., urging Congress to do what it can to bring about the formation of a league of nations; to the Committee on Foreign Affairs.

Also, resolutions adopted at the forty-seventh annual meeting of the Wisconsin Dairymen's Association, held at Fort Atkinson, approving the purpose of the league to enforce peace; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Resolutions adopted by members of the parish of the Blessed Sacrament, Brooklyn, N. Y., urging a permanent peace; to the Committee on Foreign Affairs.

Also, petition of United Waist League of America urging that Senate bill 5205 and House bill 13419 become law; to the Committee on the Judiciary.

Also, petition of H. R. Lathrop & Co. (Inc.), of New York, urging extention of American commerce and protection of American business; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH: Petition of Koreans for self-determination; to the Committee on Foreign Affairs.

Also, resolutions by Iron Molders' Local Union No. 125, requesting indorsement of Senate bill 4637 and House bill 12352; to the Committee on Interstate and Foreign Commerce.

By Mr. LINTHICUM: Resolutions adopted by members of the parish of the Blessed Sacrament urging President to declare for self-determination of Ireland at peace conference; to the Committee on Foreign Affairs.

By Mr. LUNDEEN: Petition of Minneapolis and St. Louis Federated Trades of Machinists, Machinist Helpers, Boiler Makers and Helpers, Blacksmiths and Helpers, Electricians and Car Men, and Sheet Metal Workers and Helpers, N. E. Theis, president, C. N. Sandstrom, secretary and treasurer, favoring extending of Government control of railways for a period of five years and declaring private ownership a proved failure in peace as well as war; to the Committee on Interstate and Foreign Commerce.

Also, petition of Boiler Makers of the Minneapolis & St. Louis and Chicago, Milwaukee & St. Paul Railroad Co., Flour City Lodge No. 11 of Minneapolis, Minn., protesting against the action taken by Senator KELLOGG in regard to Government ownership of railroads and favoring Mr. McAdoo's five-year Government control; to the Committee on Interstate and Foreign Commerce.

Also, petition of Mr. William Chisholm, of Minneapolis, Minn., requesting the continuance of Government control and favoring Government ownership of railways; to the Committee on Interstate and Foreign Commerce.

Also, petition of Minnehaha Lodge, No. 827, J. F. Fritz, recording secretary; A. M. Hansan, financial secretary, of Minneapolis, Minn., protesting against the order of Hon. William McAdoo forbidding railroad employees aspiring to public office; to the Committee on Interstate and Foreign Commerce.

Also, petition of Custom Tailors' Union, Local No. 89, of Minneapolis, Minn., requesting modification of proposed luxury tax on clothing; to the Committee on Ways and Means.

Also, petition of theater owners of Minnesota, by John C. Sweet, attorney, protesting against increase of 10 per cent amusement tax; to the Committee on Ways and Means.

Also, petition of League of Minnesota Municipalities, protesting against the proposed direct and indirect tax on municipal bonds; to the Committee on Ways and Means.

Also, petition of carmen of the Chicago, Milwaukee & St. Paul Railroad at Minneapolis, consisting of 1,000 members, protesting unanimously against private ownership of railways, and asking Government ownership of all railroads for the good of the public service; to the Committee on Interstate and Foreign Commerce.

By Mr. NOLAN: Resolution by the San Francisco Labor Council, favoring public ownership of telegraph and telephone systems of the United States; to the Committee on the Post Office and Post Roads.

Also, resolution by the San Francisco Labor Council, favoring Government ownership of railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. OSBORNE: Memorial of Hon. Lean F. Moss, of Los Angeles, Cal., to the Members of the Congress of the United States in the matter of Government owned, controlled, and maintained paved highways; to the Committee on Roads.

By Mr. RAKER: Resolution by Albany (Oreg.) Commercial Club, indorsing the Poindexter-Raker military highway bill; to the Committee on Roads.

Also, petition of Central Labor Council of Vallejo, Cal., expressing disapproval of the admission of Chinese and Mexican laborers into California; to the Committee on Labor.

Also, resolutions by the Vallejo (Cal.) Trades and Labor Council, protesting against the return to private ownership of the railway systems of the United States; to the Committee on Interstate and Foreign Commerce.

Also, resolution by the city teachers of Sacramento, Cal., indorsing Senate bill 4987; to the Committee on Education.

By Mr. RANDALL: Petition of Central Labor Council of Los Angeles, Cal., favoring five years' extension of Government operation of the railroads; to the Committee on Interstate and Foreign Commerce.

Also, resolutions of the Friday Morning Club, of Los Angeles, Cal., favoring the McKellar-Keating civil-service bill and opposing the Pomerene amendment thereto; to the Committee on Reform in the Civil Service.

By Mr. TINKHAM: Resolutions by the County Galway Men's Benevolent Association of Greater Boston, relating to self-determination for Ireland; to the Committee on Foreign Affairs.

By Mr. VARE: Resolutions of the Philadelphia Chamber of Commerce, urging legislation to validate oral war contracts; to the Committee on Military Affairs.

Also, resolutions by Wanamaker & Brown, Philadelphia, relating to legalization of War Department contracts given verbally by officials of that department; to the Committee on Military Affairs.

Also, resolutions relating to the development and operation of the American merchant marine, adopted by the Philadelphia Maritime Exchange; to the Committee on the Merchant Marine and Fisheries.

By Mr. WARD: Petition of Rev. M. Freinberg and citizens of Hudson, N. Y., praying for international guaranties against any repetition of anti-Semitic outrages, and that Jews be given the rights of life, liberty, and pursuit of happiness; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *January 3, 1919.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek the light of Thy divine truth upon the problems that confront us this day. We have found from all our experiences that human wisdom is not sufficient for human life. Thou hast given to Thy children the revelation of Thyself. We pray that Thou, who didst command the light to shine out of the darkness, wilt manifest forth Thyself upon the path of human progress and lead us to accomplish the divine will. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

EMPLOYEES IN THE DEPARTMENT OF JUSTICE (S. DOC. NO. 319).

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, in response to a resolution of December 23, 1918, a list showing the number of civil employees in the department January 1, 1919, and the number discharged during the previous two weeks, which was ordered to lie on the table and be printed.

COST OF THE WAR (S. DOC. NO. 320).

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, in response to a resolution of December 23, 1918, certain information relative to the cost of the war, which was ordered to lie on the table and be printed.

MAINTENANCE OF ROADS (S. DOC. NO. 321).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual report of expenditures for the fiscal year 1918, out of the funds appropriated for the survey, construction, and maintenance of roads and trails within or only partly within the national forests, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

CABLE SERVICE.

Mr. SHERMAN. Mr. President, I desire to have printed in the RECORD, but not read, certain reports showing the cablegrams from abroad used by the news service, and I ask unanimous consent for about from three to five minutes' time to address the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. SHERMAN. Mr. President, I have those cablegrams, and will send them to the Secretary's desk. I have indicated by pencil the limited parts of them which I desire to have printed in the RECORD.

The VICE PRESIDENT. In the absence of objection, permission to do so will be granted. The Chair hears none.

The matter referred to is as follows:

[From the Washington Times.]

PRESIDENT TO STOP AT QUIRINAL PALACE.

ROME, *December 2, 1918.*

President Wilson will reside in the Quirinal Palace on his visit here, occupying the royal reception suite, it was announced to-day.

[From the Washington Times.]

MRS. WILSON WILL GET PARIS GOWNS.

NEW YORK, *December 1, 1918.*

Without departing from her "made in America" principles, Mrs. Woodrow Wilson is to have several new Paris gowns, it became known here to-day.

A Fifth Avenue dressmaker sailed for France on the steamer *Rochambeau*, taking with him trunks containing materials from which Mrs. Wilson's gown will be made.

[From the Washington Times.]

BIG PALACE OF PRINCE MURAT IS MADE READY FOR PRESIDENT—A CLOSET FOR 50 SUITS OF CLOTHES—BATHROOM 30 FEET SQUARE—DINING TABLE TO SEAT 35 PEOPLE—DINNER SERVICE OF PURE GOLD—TELEPHONES IN EVERY ROOM—FRENCH TROOPS TO STAND GUARD.

(By Henry G. Wales, I. N. S. staff correspondent.)

PARIS, *December 12.*

Final details of making the residence of Prince Murat ready for the occupancy of President and Mrs. Wilson were completed to-day. Telephones have been installed throughout the mansions, even in the dressing rooms and bathrooms, and the electric lighting system has been improved.

President and Mrs. Wilson will dine at an inlaid mahogany table large enough to accommodate 35 guests. The princess left behind the celebrated gold dinner service for the use of the presidential party.

A beautiful gondola-shape bed was set aside for the President.

Mrs. Wilson will sleep in a canopied bed of pink brocade with pink tapestries. Mrs. Wilson will have the services of Georgette, the personal maid to Princess Murat.

CAPACIOUS CLOSETS.

The dressing rooms in the President's suite have closets big enough to hold 50 suits of clothes and 100 pairs of shoes, not to mention the space for hats.

The commodious closets in Mrs. Wilson's dressing quarters will accommodate 100 gowns, 200 pairs of shoes and slippers, 50 parasols, 50 fans, and other accessories of the feminine toilet.

The carpets on the floors are nearly an inch thick. Especial care was taken with the lighting system. The lights do not shine direct from the bulbs, but are shaded with globes of soft tones.

In the parlors are great candelabras with myriads of crystals dangling from them.

LARGE BATHROOMS.

The bathrooms are 30 feet square, containing movable tubs.

There are more than 3,000 glasses in the pantries with which to serve upward of 60 different kinds of beverages.

Cooks and waiters for the presidential party were provided by the French ministry of foreign affairs.

The grounds around the mansion—a couple of acres in extent—will be heavily guarded by French troops. An electric lighting system has been established so that the guards can signal to each other. Sentries will patrol the vast lawns all the time.

All the wonderful paintings and priceless tapestries which were removed during the bombardment of Paris have now been restored. When the first lady of the land becomes the temporary chatelaine she will be surrounded by magnificent surroundings of the days of the Louis—with the added attractions of open plumbing.

PRIVATE APARTMENTS.

The private apartments of President and Mrs. Wilson are on the second floor. They are reached by an impressive white marble staircase from a white marble entrance hall. The walls along the stairway are of varicolored marble, except the top landing, which is a vast sheet of mirror.

Opening off the central hall comes, first, a small private study. It contains a charming inlaid desk, where the President may continue his work facing a wonderful painting of Cupid and Psyche, almost filling the entire wall above the bookcases.

Next comes a large library, decorated in crimson damask. In it are many paintings and busts of Napoleon.

Adjoining the library is the President's sleeping apartment, which is also filled with innumerable relics, engravings, and paintings of the famous Emperor. The most striking feature of this room is a wonderful empire bed. All the furniture consists of equisite examples of the empire period, though the charm necessarily is broken by the anachronism of a typical American desk telephone on the empire stand near the bed.

Scarcely perceptible panels in the walls of sage-green brocade at both ends of the bed lead with the old alluring secrecy and charm characteristic of all well-regulated French palaces into Mrs. Wilson's apartments where Mme. La Presidente will make herself at home in the midst of soft, French gray walls, gray satin hangings, brocaded cupids, and garlands of golden hue.

GOLD AND GRAY.

The colorings throughout are of gold and gray. The bed with its graceful gilt canopy, draped with gray and yellow brocade, has a panel of fairylike filet lace as a background to the canopy at the head.

Easy chairs and a chaise lounge of brocade invite relaxation from social strain. A perfectly appointed writing table stands between two long windows which overlook the rear of the beautiful park that surrounds the house to the extent of a city block. This is in the heart of Paris.

Off the presidential bedchambers are large dressing rooms and bathrooms. The President's is done in ivory, his wife's in French gray. These, happily, are all in the 1918 period of comfort, luxuriousness, and sanitation.

There are unique collections of porcelains, ivory, prints, and paintings in the charming boudoir.

Small family salons and a dining room are on the same floor. The general color scheme is crimson. The walls are of brocade and the carpets are velvet.

On the ground floor the formal apartments are ornate with crystal chandeliers, mirrors, tapestries, and paintings, among which are many Greuze heads. The ballroom, grand salon, huge state dining room, and kitchens are all of regal proportions.

The third floor is reserved for other members of the family suite. Besides bedchambers, it contains offices and various workrooms.

—

[From the Washington Post, Dec. 2, 1918.]

ALLIES REGRET WILSON COMES TO PARIS AS A DELEGATE.

It is impossible to deny that the unfavorable impression created by the action of the President in appointing himself to be one of the actual delegates of the United States to the peace conference at Versailles which has been created among his fellow countrymen, even among those who have been his warm admirers, is generally shared abroad, especially among those foreign friends of the United States who have shown the greatest enthusiasm about his visit to Europe.

That he should come to Europe as the President of the United States and as the Chief Magistrate of the American Nation; that he should accord to the people of France and of Great Britain the opportunity of paying signal honor to the people of the United States in the person of their elected ruler; that he should be enabled to see with his own eyes the scenes of hideous German devastation and outrage in France and in Belgium; that President Poincare, King George, King Albert, and King Victor Emmanuel, as well as their premiers and foreign ministers, should have the advantage of meeting him in person and of discussing all pending issues privately with him was one thing. But that he should attend the conference at Versailles as one of the mere delegates seems to them to be a derogation of the dignity and of the prestige of his lofty office.

EMBARRASSING TO ALLIES.

None of the three Kings just enumerated nor yet the President of the French Republic will be seated at the council table of the conference at Versailles, although they are to be in Paris throughout the duration of the congress. They will be represented at its board by their premiers, by their foreign ministers, and by their plenipotentiaries, and will not, therefore, be exposed to contradictions and even recriminations at the sessions of the congress, which could only prove injurious to their prestige and to the respect due to their illustrious office.

For President Wilson to insist upon a seat at the council table as a self-appointed delegate of the United States is extremely embarrassing to the Governments of France and Great Britain, whose one thought has been to accord to him sovereign honors, and in that way to honor the Nation which he represents and of which he is the chief. They foresee all sorts of contretemps, not the least among them the one that if he attempts to impose upon the congress at those of its sessions at which he is present some of the ideas and views upon which he is known to have set his head he is certain to meet with opposition so strenuous that sight may be lost of the fact that he is the President of the United States instead of its mere delegate to the congress.

FEAR DISPUTE MAY MAR VISIT.

Even the President's closest friends and adherents admit that he does not relish opposition to his projects and that he does not brook easily contradiction; is, in fact, disposed to resent it. It is therefore feared that all the efforts on the part of the entente governments and nations to render his visit a success and to overwhelm him with enthusiasm, with hospitality, and with honors will be frustrated by the acute differences which are likely to develop at the council table of the congress.

There is yet another matter. In all former international congresses of this kind the presiding officer has been the premier of the country in which the conference took place. Prince Bismarck was the president of the international congresses of Berlin in 1878 and 1884. Prince Clement Metternich was the president of the congress of Vienna in 1814–15. Premier Beernaert was the president of the international congress of Brussels, and at the international congress of Algeciras some 10 years ago, where former Ambassador Henry White represented the United States, the chair was taken by the then prime minister of Spain.

WILL HE YIELD CHAIRMANSHIP?

According to all precedent, therefore, the presidency of the peace conference at Versailles belongs to old Premier Clemenceau, since it is France on whose soil the congress is taking place and who is playing the rôle of hostess to the other nations of the entente in the matter. But how can Woodrow Wilson, who, in addition to being the principal delegate of the American Nation, is also the President of the United States, be content to yield the "pas," to accord the first place, and to submit to the rulings of one who is not, like himself, the ruler of a great nation, but only its prime minister?

—

[From the Washington Post, Dec. 14, 1918.]

EUROPE WILL EXPECT WILSON TO BE FREE WITH GRATUITIES.

President Wilson while abroad will be required to spend a considerable sum of money in gratuities.

In the first place, he will be expected to leave with the president of the municipal council of Paris, with the lord mayor or with the chairman of the county council of London, with Prince Colonna, the mayor of Rome, and, if he goes to Belgium, with the heroic Mayor Max, of Brussels, sums amounting to at least $10,000 each for the poor of their respective capitals.

The tips to the servants and to the people of that class at the Elysee Palace and at the Maison Murat in Paris, at Buckingham Palace in London, and at the Quirinal in Rome will also total up a pretty large sum.

The custom of the various Presidents of the French Republic when paying state visits to foreign rulers and of monarchs when returning these visits has been to intrust a lump sum to one of the principal dignitaries of the palace for the purpose. The sums vary, according to the importance and means of the ruler, and whereas Emperors of Russia have given as much as $20,000 and even $30,000 for a few days' stay, other monarchs have been content to donate $10,000 for the purpose.

If my memory serves me aright, President Poincare left with Gen. Count Freederics, the minister of the imperial household at Petrograd, a sum of $20,000 for distribution among the domestic servants on the occasion of his last visit to the court of Czar Nicholas II in the summer of 1914.

PRESENTS FOR DIGNITARIES.

Nor is this all. There are the dignitaries of the court in London and Rome and the officials of President Poincare's household and the Government officers more especially concerned with the visit of the Chief Magistrate of the United States to be remembered. These, in the case of the interchange of visits between European rulers, are usually satisfied by means of orders and decorations, of which there is always a great distribution on such occasions. But since President Wilson has nothing of the kind at his disposal for such purposes, he will be expected to give gold and silver cigar boxes, cigar cases, cigarette cases, pieces of jewelry in the shape of scarfpins, etc., and handsomely framed and autographed portraits of himself.

Until the last decade of her reign Queen Victoria would not permit the officials of her court to accept any foreign orders of knighthood, and the result was that continental rulers entertained by her at Buckingham Palace, Windsor, or Osborne were restricted to distributing gifts of jewelry among the court dignitaries or else pieces of statuary. The former were more highly prized, since they could be converted into cash.

KAISER GAVE BUSTS OF SELF.

The former Kaiser was wont when he went off on state visits to fellow monarchs to carry along with him huge cases of marble busts of himself, varying in size. He would distribute as many as two or three dozen of them on any one occasion of this kind, and to-day they must be a drug in the market by reason of their quality, their lack of artistic merit, and the execration in which the personage whose features they portray is everywhere held.

The United States is regarded abroad as the richest country in the world. Every American is supposed to be rolling in wealth, and assuredly the loans to the various foreign governments and the amounts subscribed on this side of the Atlantic to the many funds for the relief of suffering in Europe in connection with the war have gone far to strengthen this impression. Much will therefore be expected of President Wilson in what are, after all, nothing more nor less than tips.

—

[From the Washington Post, Jan. 1, 1919.]

70,000 YANKS AT BREST LIVE IN MUD SWAMPS WHILE AWAITING SHIPS—INADEQUATELY SHELTERED AND INSUFFICIENTLY NOURISHED—DISGRACE TO AMERICA—"PONTANEZEN," PLACE OF CONCENTRATION, IS CALLED A CRIME—MEN NEAR TO REBELLION—THEY PLEAD FOR REDRESS—CAMP A SEA OF MUD THIGH HIGH—RATIONS FROM GARBAGE CANS AND COFFEE FROM ASH RECEPTACLES—FOOD IMPOSSIBLE AND YET NOT ENOUGH TO GO AROUND—RESPONSIBILITY NOT WITH A. E. F., BUT MAY BE TRACED TO WASHINGTON—NOT VISITED BY PRESIDENT WILSON.

George Rothwell Brown, of the Washington Post staff, arrived in the United States on the *Mauretania* last Monday, after four months spent on the battle fronts and in the capitals of the allied nations. He has obtained, at first hand, a vast fund of information concerning the war,

which will be given to readers of the Post in a series of articles, the first of which, dealing with the condition of American soldiers in Camp Pontanezen, at Brest, appears below:

"WORST PLACE ON EARTH," GEN. BUTLER CALLS CAMP AT BREST HE COMMANDS.

An officer: "You ought to go out to Pontanezen—it's a crime."

A surgeon says: "Anything may break out in this camp; anything."

Brig. Gen. Butler, United States Marine Corps, commander of the camp: "It's the worst place I have ever seen anywhere on earth, and I have traveled all over the world."

(By George Rothwell Brown.)

Seventy thousand American soldiers are awaiting transportation home at Brest under living conditions of such intolerable wretchedness and misery that one marvels at the patience and discipline that keep them from breaking into open rebellion.

Insufficiently nourished and inadequately sheltered from the elements of a Breton winter, they are enduring with dumb fortitude a state of affairs that is a disgrace to the Government. Seventy thousand helpless sons of the Republic which they went across the seas to save are mutely pleading for redress of the great wrongs to which they are being subjected and under which they and their officers, who are suffering with them, are helpless in the face of a system that has broken down.

PERFORM HEAVY MANUAL LABOR.

Seventy thousand men, many of them concentrated near the seaport at this place, fresh from the battle fields, and the great majority of them the undeveloped youth of the Nation, are obliged to perform heavy manual labor beyond their strength at a time when a grateful people should be extending to them not merely cheers and laudations but the more substantial rewards of valor, comfort, and rest, and recreation.

The concentration camp where these splendid American boys are kept like wild beasts is 3 miles from Brest, over one of the bleakest roads in Brittany. It covers an area of about 1 square mile—between 600 and 700 acres of swamp. Some of the men are living in rude barracks buildings of wood, but by far the greater part are under canvas. Most of the tents are old and thin and poor in quality and leak continually under the pouring rain which falls steadily in Brittany at this season of the year. Out of 120 of the tents which I visited, less than 30 had board floors, and in those that did the boards were right on the ground and water soaked.

NOT A DRY SPOT IN CAMP.

None of these tents is ditched, and the splendid men whose exploits the people at home are complacently applauding are obliged to put their bedding rolls down in the mire on the bare ground that is continually flooded. There is not a dry spot in this camp—not one.

I have seen mud in the front-line trenches and thought I knew what mud was, but I realized that I had never known what mud was until I visited this miserable place of suffering. The mud in many parts of this camp is not merely knee high, it is thigh high. Every company street is a river of mud, which flows over into the tents, covering the men and the rude bed rolls in which they sleep with greasy black slime. The officers wear rubber boots that reach to the hips, and so do all the men who can obtain them.

TASK TOO HARD FOR MEN.

Walking through the company streets of the camp is in itself an arduous labor, for one becomes continually mired, and has to exert all his strength to pull a foot out of the ooze and set it down in another place. There are practically no "duckboards" in the camp, owing to the scarcity of lumber, and where there are "duckboards" they are out of sight, for the resistless mud has overflowed and covered them.

In an effort to bring some order out of the existing chaos the soldiers have been put to work like common laborers. It is a heart-breaking sight to see them struggling under tasks too hard for them to perform, carrying heavy timbers on their backs, patiently, as yet, but with the fires of a consuming wrath smoldering in their breasts, which burn with indignation and resentment.

RATIONS FROM GARBAGE CANS.

The men are fed in a number of rough cook sheds, marching in single file, each man carrying his own mess kit, into which the cooks ladle out portions of the rations from large zinc garbage cans. Each man carries his mess kit with him all the time, and must keep it clean himself. The floors of the cook sheds are slippery with mud that flows in from the outside and is tracked in by countless feet. There are enlightened States in this Union whose sanitary laws compel farmers to keep their hogs better than the United States Government is keeping its patriotic soldiers here.

With grim humor the Army calls this place a "rest camp." God save the mark! Its name is "Camp Pontanezen." That is a name that is going to be heard frequently in the future, for these men now suffering there are coming home some day, and mighty will be their wrath and loud their cry for justice upon the heads of those incompetents who are responsible for what they have endured.

RESPONSIBILITY NOT ON A. E. F.

I do not know who is to blame, but I think that the responsibility should not fairly be placed upon the "A. E. F." Some day I expect to see it traced straight back to Washington.

These 70,000 men—there will soon be 100,000 unless the thing is stopped—are the victims of incompetency and blunders. They were concentrated at Brest before any adequate plan for their reception had been worked out. There are German prison camps in France, that I have inspected, that are models of sanitation and cleanliness. There isn't a German prisoner in France who has been subjected to the conditions our own sons and brothers are here forced to endure.

To make this camp habitable 16,000,000 feet of lumber are needed immediately. It is not there. Nobody knows whether it ever will be there. Down at St. Nazaire are 6,000,000 feet, but though heaven and earth have been moved, the lumber hasn't.

HEALTH OF CAMP GOOD.

The health of the camp at present is good, for the men have come there from the front, or from other camps, where they have been toughened and hardened by a fine outdoor life. I spoke to one of the surgeons about this. He shook his head.

"The health of the men is good now," he said, "but I dread to think what may happen within a month."

"Do you mean an epidemic?" I asked.

"Anything may break out in this camp," he replied; "anything."

As I was going into this camp I stopped an officer. "What do you call this place?" I asked him.

CALLS THE PLACE A CRIME.

"I call it a crime," he answered, and passed on down the road.

An officer said to me at luncheon at the little Café Marine in Brest: "You ought to go out to Pontanezen, it's a crime."

A soldier on the boat in which I crossed stopped me on deck and ask: me if I had been to Pontanezen. I told him I had. "Isn't it a crime?" he asked, and I agreed with him. That is precisely what it is—a crime—and the men responsible for it should be dismissed from the service of the Government. If I had a brother who was responsible for Pontanezen I would disown him.

I spent a day at this place and am writing from first-hand information. Nobody told me—I saw. I ate there—or tried to. With two officers I took a mess kit and stood in line and marched through the slimy kitchen and obtained my portion of the "chow."

FED AS CATTLE MIGHT BE.

I received in my plate a piece of corned beef a little larger than my fist, some rice, some thick gravy, and a spoonful of boiled cabbage. As we passed out in a constantly moving line, the men being fed as cattle might be, I seized a piece of bread—white bread of good quality, but dry and without butter. Outside, in the open air, under the pouring rain, in a narrow alley between two kitchens, I stood knee-deep in the mud while my cup was filled with coffee from a large zinc ash can.

Provided then with food, the officers and I passed into the officers' mess room, a long room lined with rows of rough board tables. The soldiers eat their meals outdoors in the rain, standing up. We sat down on benches and began to eat. There was no table cloth on the table, no butter, no salt, nothing but the bare boards.

COULD NOT EAT THE MEAT.

I found that of my piece of corned beef a piece about the size of three fingers was fit to eat. The balance was unpalatable fat. I could not eat it, and I was hungrey, too, for I had gone without my breakfast to visit this camp. Neither could the officers eat their meat. They said that the cabbage was an innovation, a real treat, the first green vegetable of any kind that had been served for a week. We tried the cabbage and found it almost raw, but managed to eat most of it.

The rice was only half cooked, and we passed it up. I then tried the coffee and found it so nauseating that I could not drink it. Now, I have frequently eaten soldiers' rations at the front, where our men have been well fed. I can eat rough fare and enjoy it. But I could not eat the stuff they serve the men at Pontanezen and that they call "food."

NOT ENOUGH FOOD AT THAT.

After dinner, which was served in the middle of the day, each of us washed his own mess kit in a large can of water. By the time 50 men had washed their greasy pans in that can of water—well, they had to wash them there, that's all!

Not only is the food at Pontanezen poor in quality and badly cooked, but frequently there is not enough of it. One night, just before I left Brest, there was a sizable revolt at camp for this reason. The commanding officer was summoned, heard the complaints of the men, and ordered the cooks to prepare another meal—the evening meal—to be ready at 8.30 o'clock. This the hungry men ate in the rain, in the dark.

NOT VISITED BY WILSON.

Now, in order to have a chance to file past the cooks and receive their portion of this mess of food three times a day, the men, these same boys of ours who have been fighting our battles for us 3,000 miles away from home, and their officers, who are sticking by them, are obliged to stand knee-deep in mud, in the pouring rain that falls every day, for an hour or two hours and a half. No wonder they call it a crime.

There was never any plan for this concentration camp. They did not tackle the job in time. President Wilson did not visit this camp, and, so far as I know, did not learn of the plight our men are in. He was too busy with receptions when he was in Brest.

YANK'S BEST CHRISTMAS.

After four months in France, my second visit there this year, I sailed from Brest on the *Mauretania* on Christmas eve. The next morning on deck I sat down beside a wounded soldier. With a grin he wished me a "Merry Christmas," and I felt ashamed of myself, for I had forgotten what day it was.

"I'll tell you," he said, "this big old boat that is taking me home is the best Christmas present I have ever had, and this is the happiest Christmas I have known in all my life."

I glanced down from the golden wound stripe on his arm and saw that his right leg had been amputated above the knee, but the joy of a supreme happiness was shining in his eyes which sparkled like the sea.

"MAURETANIA" A CHEERFUL BOAT.

This ship was full of wounded, the badly wounded, the armless and legless, and there were boys in the wards downstairs with limbs intact who will never walk again, for they had been shot through the spine. But the *Mauretania* was a most cheerful place. There was never a word of complaint from the wounded boys who hobbled about the decks on their crutches, and in the wards below I never heard a moan or a sigh. They were homeward bound! They gamely accepted their fate as patriots and philosophers.

That is the kind of manhood we have sent to France to fight for us and our liberties. Are boys like these entitled to something better than this cesspool at Pontanezen, that the Government calls a "rest camp"? I'll say they are. And are the American people, who have poured out their billions with such generous hearts, entitled to more than this for the treasure they so lavishly spent? I'll say they are.

"WORST PLACE ON EARTH."

This camp at Pontanezen is commanded now by Brig. Gen. Butler, United States Marine Corps, a fighting soldier who in previous wars won two congressional medals of honor. He should have been with the fighting marines on the front in this war, where doubtless he would have won more honors, but that is another story—a Marine Corps story. He is a splendid type of efficient soldier, who recently took command of the camp and is working night and day to try to solve the problem that confronts him. I said to him:

"General, this camp at Pontanezen is the worst place I have seen anywhere in France."

"Mr. Brown," he replied, snapping his jaws, "it's the worst place I have seen anywhere on earth, and I have traveled all over the world."

[From the New York Times, Dec 28, 1918.]

GORGEOUS SCENE AT BANQUET—ALL ROYAL FORMALITIES OBSERVED AT KING'S DINNER TO WILSON—LAVISH DISPLAY OF PLATE—GOLD SERVICES WORTH $15,000,000 ARE BROUGHT FROM PALACE VAULTS FOR OCCASION—WORLD PEACE A KEYNOTE—KING EXPRESSES HOPE OF AVERTING MORE WARS—PRESIDENT POINTS TO DUTY OF NATIONS.

LONDON, *December 27.*

No more regal setting had ever been arranged in Buckingham Palace than that which greeted President Wilson and Mrs. Wilson when they were escorted into the banquet hall to-night for the state dinner.

Every royal formality which has attended epochal occasions at the palace for two or three hundred years was carried out before and during the banquet. President Wilson with Queen Mary led the procession into the dining hall, preceded by officials of the palace, splendidly costumed, bearing wands and walking backward and make obeisance to the guests.

Immediately behind the President and the Queen came King George and Mrs. Wilson. They were followed by members of the royal family.

At the head of the table 12 persons were seated, with King George in the middle. President Wilson sat at the King's right and Mrs. Wilson at his left. To the right of President Wilson was Queen Mary, and then the French ambassador, Princess Christian, the Spanish ambassador, and Princess Patricia, daughter of the Duke of Connaught. At Mrs. Wilson's left sat Princess Mary, the Italian ambassador, Princess Beatrice, and the Japanese ambassador, in the order named. The American ambassador, John W. Davis, had the first place at a side rectangular table on President Wilson's right.

Prior to the dinner President and Mrs. Wilson were escorted from their apartments to the great white drawing room, where the royal family had gathered with their other guests. These guests were presented to President and Mrs. Wilson, and the dinner party immediately proceeded to the dining hall.

BANQUET HALL A SCENE OF SPLENDOR.

The scene as the guests proceeded to the hall was one of splendor. In the dining salon was a great collection of solid gold plate and huge gold ornaments valued at $15,000,000. These had been brought from the vaults for the occasion. One of three buffets contained pieces of plate too large or otherwise too cumbersome for use. These included one piece of great size taken from the wreck of the Spanish Armada.

In color the gold-laden table blended with the decorations in the hall, which are white and gold, with crimson carpet and upholstering to match. The crimson effect was further carried out by the exclusive use of poinsettias as floral decorations. In the balcony at the end of the room was a military orchestra. It was not hidden from view by floral or other decorations. The attendants were in full state dress, which was heavy with gold lace.

The banquet hall, which is 200 feet long by 75 feet wide, was approached by the guests through a state hallway approximately a block long, richly furnished and decorated with paintings and porcelain. The banquet hall occasionally is used for banquets and other purposes and has a throne at one end.

The main table was arranged so that the backs of President Wilson and King George were toward the throne.

The permanent decorations seemed strikingly simple when compared with the regal table. The only art on the walls was one Cobelin tapestry. On each side six cut-glass chandeliers hung from the extremely high ceiling, but for the banquet to-night 128 candles in gold candelabra, each surmounted by a pink silk shade, were used. Other light was obtained from fancy wall fixtures.

HALBERDIERS IN ATTENDANCE.

The general body of the guests preceded the royal family and the presidential and ambassadorial guests into the banquet hall. They rose and remained standing while the main guests and the hosts entered in procession. Heading the procession was the lord chamberlain and the lord steward and other officials in state regalia. Yeomen of the guard in red Elizabethan costumes and with halberds were in attendance.

Queen Mary wore a cream-colored gown of silk with a long train and a tiara of diamonds and many other jewels. Mrs. Wilson's dress was black, with spangles, and was made at the White House. She wore very few jewels.

The military and naval officers were in service uniforms and wore their swords. The ambassadors were in full ambassadorial uniform. President Wilson and Ambassador Davis wore the usual formal American evening clothes. The British civilian guests wore court dress and the insignia of many orders.

In his address of welcome to the President and Mrs. Wilson, King George expressed the hope that some plan might be devised by which the risk of future wars might be averted.

The President in his reply said that he had consulted the spokesmen of the British Government and those of France and Italy and that he was glad to say that he had found them to be in accord with his views as to the duty of the nations.

Those at the banquet were:

King George.
Queen Mary.
President Wilson.
Mrs. Wilson.
Princess Mary.
Prince Henry.
Prince George.
Duke of Connaught.
Princess Christian.
Princess Beatrice.
Princess Patricia of Connaught.
Admiral Grayson.
Maj. Gen. Biddle.
Brig. Gen. Harts.
Lord Herschell.
Sir Charles Cust.
Paul Cambon, French ambassador.
Marquis Imperiali, Italian ambassador.
Marchioness Imperiali.
Alfonso Merry del Val, Spanish ambassador.
Viscount Chinda, Japanese ambassador.
Viscountess Chinda.
John W. Davis, American ambassador.
Mrs. Davis.
Vice Admiral Sims.
J. Butler Wright, counselor of the American Embassy.
Edward Bell, secretary American Embassy.
F. M. Gunther, secretary American Embassy.
R. E. Pennoyer, second secretary American Embassy.
E. C. Shoecraft, second secretary American Embassy.
David R. Francis, American ambassador to Russia.
R. B. Stevens, American Shipping Board.
Col. Endicott, American Red Cross.
Gordon Auchincloss.
Miss Benham, secretary to Mrs. Wilson.
Col. S. L. H. Slocum, military attaché of the American Embassy.
The Archbishop of Canterbury.
The Archbishop of York.
Lord Chancellor Finlay.
Premier Lloyd-George.
Earl Curzon.
The Marquis of Crewe.
The Earl of Reading, British ambassador to the United States.
The Earl of Crawford.
The Maharaja of Bikaner.
Viscount Milner.
Lord Haldane.
Viscount Bryce.
Field Marshal Viscount French.
Viscount Northcliffe.
Viscount Jellicoe.
Viscount Cave.
Lord Robert Cevil.
The Bishop of London.
Lord Rayleigh.
Lord Burnham.
Lord Harding.
Lord Weir.
Speaker Lowther.
A. J. Balfour.
Walter Hume Long.
H. H. Asquith.
Winston Spencer Churchill.
J. Austen Chamberlain.
Louis Botha, premier of the Union of South Africa.
Andrew Bonar Law.
Robert Borden, Premier of Canada.
George Nicoll Barnes, labor member of Parliament.
William Morris Hughes, premier of Australia.
Sir Joseph Paton Maclay, shipping controller.
Herbert A. L. Fisher, president of the board of education.
Lieut. Gen. Jan Christian Smuts.
Sir Eric Campbell Geddes, First Lord of the Admiralty.
Premier Lloyd of Newfoundland.
The Lord Mayor of London.
Sir Eric Drummond.
Field Marshal Sir Douglas Haig, commander in chief of the British Armies.
Vice Admiral Sir David Beatty, commander of the Grand Fleet.
Vice Admiral Sir Rosslyn Wemyss, First Sea Lord.
Gen. Sir William R. Robertson.
Gen. Sir Henry Wilson.
Gen. Sir Richard Turner.
Gen. John Monash.
Sir Satyendra Sinha.
Sir Joseph Thompson.
Gen. Goeffrey Fielding.
Gen. Frederick Sykes.
Sir William Wiseman.
Sir Maurice Hankey.
Prof. Gilbert Murray.
Montague James.
Dr. Norman Moore.
The Rev. J. H. Jowett.
John S. Sargent.
Rudyard Kipling.
J. A. Spender.
Sir Malcolm Murray.
Viscount Farquher, lord in waiting to the King.
Viscount Sandhurst, the lord chamberlain.
The Earl of Chesterfield, master of the horse.
Lord Stanmore, lord in waiting.
Sir Frederick Ponsonby, keeper of the privy purse.
Lord Stamfordham, private secretary to the King.
Sir Derek Keppel, master of the household.
Sir Douglas Dawson, the controller.
Sir William Charles Fitzwilliam, the Crown equerry.
Sir Arthur Walsh, master of the ceremonies.
Sir Harry Verney.
Lieut. Col. Clyde Wigram.
Maj. Reginald Seymour.
Henry J. Stonor.
The Duchess of Sutherland.
The Dowager Countess of Airlie.
The Earl of Shaftesbury, lord chamberlain to the Queen.
Col. Frank Dugdale, the Queen's equerry.

[From the New York Times, Dec. 15, 1918.]

TWO MILLION CHEER WILSON—ENTHUSIASM FOR PRESIDENT THE EXPRESSION OF GRATITUDE TO AMERICA—ACCLAMATION IS HEARTFELT—INTENSITY OF POPULAR DEMONSTRATIONS SURPASSES EVEN THOSE OF "ARMISTICE NIGHT"—FLOWERS STREW HIS PATH—RAIN OF ROSES AND VIOLETS UPON HIS CARRIAGE—ENTERTAINED AT A STATE LUNCHEON.

(By Charles A. Selden.)

PARIS, *December 14, 1918.*

President Wilson arrived in Paris this morning, and the inhabitants of the city, with hosts from outside, made the most of their long-awaited opportunity to give expression to their feelings of gratitude to and admiration for the first citizen of the United States.

There were no "ifs," "buts," or "ands" about the tumultuous and joyous reception accorded by the populace.

For a week the tone of the Paris press has been, "We are glad you are coming, Mr. President, but hope that you won't insist on our doing what we don't want to do at the peace conference."

There was none of that attitude in the public demonstration, no reservation whatever. On the contrary, Paris was madly enthusiastic in its greeting to the first President of the United States who ever came to Europe. They did not care for a moment what the peace ideas were in

the uncovered gray head which bowed its way through the famous thoroughfares of Paris, lined with tens of thousands of French troops holding back hundreds of thousands of French people.

To these Parisians the man whom they cheered and threw flowers at was simply the man who had sent the American troops which had saved this same Paris from capture by the Germans no longer ago than last July. So the reception was one of gratitude and affection, without a shade of political thought or significance.

There were neither Socialists nor Royalists in that crowd, only grateful Frenchmen and Frenchwomen, happy to see the one man on whom they could concentrate their devotion and thanks for what America had done since April, 1917. It was the same with the soldiers as with the civilians. Except for the guns and uniforms of the more than 50,000 poilus who lined the 5-mile route there was no difference between the fighters in the front and the men and women banked up behind them from the sidewalk level to the housetops and the tree tops.

French Army discipline is elastic enough to let the soldier express his human emotions even on duty, so these soldiers joined with the rest in cheering the Commander in Chief of the soldiers who fought at Chateau-Thierry and in the Argonne.

Everything was in the President's favor. Even the weather is worth mentioning, for the quality of it was almost rare for Paris at this time of year as is the visits of an American President. Not only did it not rain, but small patches of the sky were actually blue. Previously the only blues in Paris this winter have been horizon blue of the French uniform and the blues of the Americans who want to go home.

The presidential train reached the Bois de Boulogne station at exactly 10 o'clock. One could get the first emotional thrill out of the very slowness with which the locomotive, draped with an American flag, moved into the station to bring the door of the Wilson car to an exact halt at the red-carpeted platform, where President Poincare and Mrs. Poincare and Premier Clemenceau stood to greet the nation's guest.

The President was the first man out of the car, looking remarkably well and happy. The platform greetings were very brief and informal. Five minutes later the Presidents of the French and American Republics, sitting together in an open carriage drawn by two horses, began their drive, which will remain always as an historic and moving episode to the city of episodes and pageants.

Following them in the second carriage were Mrs. Wilson, Miss Wilson, Mme. Poincaré, and Mme. Jusserand. And after that were not more than a dozen other carriages, containing civil and military dignitaries of France and America. Ambassador Sharpe rode with Premier Clemenceau. Gen. Bliss was in a carriage ahead of Gen. Pershing. Secretary Lansing rode with M. Pichon, the French minister of foreign affairs.

At the station a young woman in the peasant costume of Alsace got through the lines, and carried a big bunch of roses to the President's carriage. A group of schoolboys did the same thing, and loaded Mrs. Wilson's carriage with violets.

Violets were the flowers of the day. The Champ Elysées was covered with bunches which were thrown at the Wilson carriage, but fell on the pavement.

The only break in the miles of French troops was a two-block stretch of sidewalk on Avenue de Bois de Boulogne, which was filled by wounded American soldiers from a near-by military hospital. Chairs and boxes had been placed for them.

These were the first men wearing American uniforms whom Wilson saw in Paris. Of course, no American troops were under arms or participated in any way in the reception.

But every American soldier off duty and every American civilian in Paris was somewhere in the line to cheer the chief of his or her own country. We knew how the British felt the other day when King George rode down the same avenue.

A detour was made from the Champ Elysées to cross the Seine over the Alexander III Bridge, which recalled another historic pageant when Paris outdid itself to honor an absolute ruler in the person of the Czar. Then the party came back across the river through the Place de la Concorde, by the Church of the Madeleine, and on to the palace of Prince Murat, who was there standing at the entrance to welcome the President to what is to be his home during his stay in Paris.

Paris simply can not and will not work on such occasions as these. It was so the other day for King George, and a little later for the King and Queen of the Belgians.

To-day and to-morrow have been officially declared fête days for the capital, and, without making comparisons, it is safe to assume that the city will break all its wonderful records in a tumult of hospitality.

Paris is more or less accustomed to kings and czars. The people of little more than middle age recall when France had an Emperor of her own, but this is the first time, of course, that Paris ever entertained an American President, and Paris loves a novelty as well as to greet the head of a friendly State.

—

[From the New York Times, Dec. 15, 1918.]

VICTORIES WOULD BE VAIN, POINCARE TELLS WILSON, IF GERMAN ATROCITIES WERE TO REMAIN UNPUNISHED.

PARIS, *December 14, 1918.*

Speaking at the luncheon to President Wilson given at the Elysée Palace to-day, President Poincare said:

"Mr. President, Paris and France awaited you with impatience. They were eager to acclaim in you the illustrious democrat whose words and deeds were inspired by exalted thought, the philosopher delighting in the solution of universal laws from particular events, the eminent statesman who had found a way to express the highest political and moral truths in formulas which bear the stamp of immortality.

"They had also a passionate desire to offer thanks, in your person, to the great Republic of which you are the chief for the invaluable assistance which had been given spontaneously, during this war, to the defenders of right and liberty.

"Even before America had resolved to intervene in the struggle she had shown to the wounded and to the orphans of France a solicitude and a generosity the memory of which will always be enshrined in our hearts. The liberality of your Red Cross, the countless gifts of your fellow citizens, the inspiring initiative of American women, anticipated your military and naval action, and showed the world to which side your sympathies inclined. And on the day when you flung yourselves into the battle, with what determination your great people and yourself prepared."

—

[From the Washington Bureau of the Evening Bulletin.]

LAW TO BAR PRESIDENT FROM PEACE CONFERENCE DISCOVERED.

WASHINGTON, *December 4, 1918.*

Widespread interest has been aroused at the Capital, especially in the two Houses of Congress, by the discovery or, rather, the resuscitation of a law on the statute books which reads as follows:

"Hereafter the Executive shall not extend or accept any invitation to participate in any international congress, conference, or like event without first having specific authority of law to do so."

This law was enacted March 4, 1913, and is certain to be invoked by those who are forming an indictment against President Wilson for having abandoned Washington and his constitutional duties while Congress is in session, to go as a self-appointed delegate to an international conference to which he was not formally invited and without the sanction or, indeed, the approval of Congress.

Mr. SHERMAN. Mr. President, the Senator from Massachusetts [Mr. WEEKS] yesterday referred to the very great difficulty of obtaining information from those in the military service. Hundreds of telegrams and letters come to me asking for tidings of members of the family in the military service. The Navy Department is the only place I have found human sympathy and prompt action, and I gladly testify to it. My communications with the Navy Department authorities have been satisfactory, so far as I have had any occasion to invoke their services. They have readily cabled and used every facility at their command to locate the members of the naval service who have been abroad, and have done so to the very limit of their ability.

It has been impossible to obtain the information of casualties or a word from long absent, unheard-of soldiers in the foreign service. Sleepless mothers pray for relief from their anxiety, and the careworn faces of despairing fathers haunt the days. Whether their sons are in the hospital sick or wounded or dead in a foreign grave, it is the highest duty of Government to end their suspense. Parents do not dread the death or wounds which they know are inevitable in war, but the delay by inefficiency and bureaucratic martinets is silently killing the mothers of the country. I am constantly told the cables are overworked with accumulated messages, and we must wait. So we do, but while we wait these parents, as well as Senators, read from 6 to 15 columns of cabled news minutely describing the President's reception in the various capitals of Europe. The cables inform us in great detail of the gowns and headgear of queens, princesses, and Mrs. President. The latest dress design known to Paris is worthy of a cable. Even it is noted that Mrs. Wilson wears an aigrette among other ornaments of the hat.

My recollection is that in the safety-to-birds act the one growing this desirable aigrette token is protected in our country by an act of Congress.

I have no objection to this news, but I do want first the mothers who are awake nights informed of whether their sons are dead or in a hospital with wounds or well, and then I am willing for the cables to be used for all news purposes afterwards.

The cable likewise describes the palace of Prince Murat. We are told in detail of closets for 50 suits of clothes, 30-foot square bathroom, a 35-seat dining-room table, dinner service of pure gold, telephones in every room, inlaid mahogany table, gondola-shaped bed, canopied with pink brocade and pink tapestries, the services of Georgette, the personal maid of Princess Murat, the ladies' closets large enough for 100 gowns, 200 pairs of shoes and slippers, 50 parasols, 50 fans, and other feminine accessories, delight the American people and give to anxious parents information so desired. More than 3,000 glasses, we are further informed, load the pantries of this palace, serving more than 60 different kinds of beverages.

I am reading this at the risk of being accused by my distinguished colleague [Mr. LEWIS] of doing it for political purposes. I wish the information for my next door neighbor's wife, whose three sons have not been heard of for months, before the cables groan with such messages.

The interior finish of the private apartment is cabled in full. I forbear to quote it all. The splendor is stunning to an unsophisticated American. The President's private study occupied in this palace contains a charming inlaid desk where the President may work facing a wonderful painting of Cupid and Psyche, filling almost the entire wall above the bookcases. The library is decorated in crimson damask. It contains many paintings and busts of Napoleon, with numerous relics of that deceased gentleman. An empire bed is described, tapestries, brocaded Cupids and panels of fairylike fillet lace, with unique collections of porcelains, ivory, with carpets on the floor nearly an inch thick. The servants' staff, with a guard of French soldiers, is described. So much for Paris.

In London the overloaded cables convey to us, while sorrowing anxious mothers wait, the regal splendor of the honors done the President. We are informed, with great particularity, December 27, 1918:

Every royal formality which has attended epochal occasions at the palace for two or three hundred years was carried out during the banquet. President Wilson with Queen Mary led the procession into the dining hall, preceded by officials of the palace, splendidly costumed, bearing wands and walking backward and making obeisance to the guests.

I want less obeisance and more information about the absent soldiers in the hospitals or in the field.

January 1, 1919, at Brest, France, an eyewitness says 70,000 American soldiers are awaiting transportation home under living conditions of such intolerable wretchedness and misery that one marvels at the patience and discipline that keep them from breaking into open rebellion. Insufficiently nourished and inadequately sheltered from the elements of a Breton winter, they are enduring with dumb fortitude a state of affairs that is a disgrace to the Government. Seventy thousand helpless sons of the Republic which they went across the seas to save are mutely pleading for redress of the great wrong to which they are being subjected and under which they and their officers are helpless in the face of a system that has broken down.

That is why the Senator from Oregon [Mr. CHAMBERLAIN], in his timely remarks a few days ago, indulged in a very needed criticism.

Correspondent Brown in the article quoted states that the mud in many parts of this camp is not merely knee high, it is thigh high. The men are fed from food ladled out of large zinc garbage cans. While no doubt they are clean, the mental suggestion connected with them is far from appetizing. The food is badly cooked and unpalatable. The sanitary conditions are threatening. A surgeon at the camp says, "Anything may break out in this camp."

The place is called a crime.

I wish to compare the zinc garbage cans, out of which the American soldier is fed, with the $15,000,000 solid-gold plate service and the inlaid mahogany table from which the President and Rear Admiral Grayson are feasting in London.

It was to prevent such scenes as this that Congress required the Executive's duties to be exercised at the seat of government by the act of 1790. By the act of March 4, 1913, it was further provided that the President should not extend or accept any invitation to participate in any international conference without first having specific authority of law to do so. Both of these essential acts have been violated in letter and spirit.

I am willing to hear explanations of Senators at any time, whether the President is absent as Commander in Chief of the Army and Navy or as the civil Chief Magistrate of this Republic, in which capacity, or both, he is now absent, in flat defiance of an act of Congress approved March 4, 1913, as well as the older act of 1790. Martial law has not been declared upon any of the soil of this Republic, the civil laws are still in force; no reason exists for suspending the laws of the land. Martial law can not be declared unless the facts justify it. One of such facts would be an invasion by a public enemy.

Mr. HITCHCOCK. Mr. President, what is the date of the act of Congress referred to by the Senator?

Mr. SHERMAN. The 4th of March, 1913. It is found in the legislative, executive, and judicial appropriation act approved on that date. Both of these essential acts have been violated in both letter and spirit.

The cables have been burdened with useless news. Sleepless mothers have been crowded off the wires in this foolish and cruel display of un-American adulation abroad.

We are further informed that the tips expected to be paid by the President at the several palaces where he is lodged and entertained in Paris, London, Rome, and Brussels will run from $10,000 to $30,000 each for the parasites who walk backward making obeisance to guests and other useless appendages of European pomp and circumstance. These tips would pay many cable messages to anxious mothers and be of some real service when drawn from the Public Treasury supplied by taxes.

Mr. THOMAS. Mr. President, before the Senator takes his seat I should like to inquire of him whether the information which has been published under the guise of cable dispatches describing the reception of the President, the character of the house which he occupies, and so forth, was really sent during the period of time that the President was there, or whether these dispatches are not written by correspondents, sent in advance, and then released under the guise of cable dispatches.

Mr. SHERMAN. They are reported as cable dispatches.

Mr. THOMAS. I know they are.

Mr. SHERMAN. I have no way of penetrating the secrets of the editorial room.

Mr. THOMAS. In the case of many papers, matter appearing as dispatches is composed in their editorial sanctums.

Mr. SHERMAN. The Associated Press is a reputable news-gathering organization; I have always found it to be reliable; and it reports these matters as cablegrams.

Mr. THOMAS. Yes; I do not dispute the fact; I am simply inquiring as to whether or not the Senator had verified the facts. Of course, the Associated Press is a reputable concern; but I am informed upon very good authority that a great deal of the stuff that we read in the newspapers as cable dispatches consists of communications of correspondents previously made and released upon the occasion.

Mr. SHERMAN. I know the date lines are those of Paris and London and the matter purports to be cabled. The Senator can, by communicating with the Associated Press or the International News Service, the Hearst Agency, find out whether these are bona fide cables or whether they are fabricated in the offices of the several newspapers. I think they are bona fide.

Mr. THOMAS. Oh, yes; of course, I can do that; but my purpose was to ascertain whether the Senator had done it.

Mr. SHERMAN. I have not investigated it in that particular. I have investigated in other particulars, Mr. President, matters in which I have been personally interested, especially in connection with information I have been trying to get as to wounded soldiers and sailors through proper avenues in the department, and at other times, at my own expense, paying for the cablegrams myself. I find ordinarily that the cables are reported accurately going to newspaper offices or these news-gathering agencies like the Associated Press. When I have failed in other particulars, I have found truthful reports in press agencies. This is corroborative evidence and ordinarily, in dealing with any established agency where they have told me the truth in other particulars, I take the date line and the subject matter and like matters of news gathering as being truthful. I take it that these reports, Mr. President, are worthy of credence, at least until they have been controverted and proven not to be so.

LORD BRYCE'S VIEWS OF A PEACE LEAGUE.

Mr. LODGE. Mr. President, I ask to have printed a brief extract, which I am going to take the liberty of reading, as it bears upon our debate. I hold in my hand the volume of Essays and Addresses in War Time, by Lord Bryce, as everyone knows, one of the most eminent statesmen, historians, and publicists now living. The last essay in the book is concerning a peace league, of which he is a very strong advocate, but he realizes that, while everyone desires the peace of the world, there are differences of methods. The whole essay is well worth reading, and I should be glad to have it all printed in the RECORD, but I do not want to interfere with the copyright. So I am going to ask leave to read his summing up, and I think that it gives a very good idea of what those who have thought about the league of nations mean and what they understand by it.

Lord Bryce says:

"It may be convenient to sum up in a few propositions the reasons for creating a peace league and the essential features which it ought to possess:

"1. The prevention of future wars will be, after this war has ended, one of the supreme needs of the world.

"2. War can be prevented only by substituting for it methods of arbitration and conciliation as the means of settling international disputes.

"3. Arbitration and conciliation can not succeed unless there is compulsive force behind them.

"4. Compulsive force can be secured only by the cooperation and combination of peace-loving nations, i. e., by a league to enforce peace.

"5. Every member of such a league must undertake to accept arbitration or conciliation in any controversy it may have with another member.

"6. The league shall undertake to defend any one of its members who may be attacked by any other State which has refused to accept arbitration or conciliation.

"7. The league will require four organs for its action: (a) A tribunal to arbitrate on justiciable controversies; (b) a council of conciliation to inquire into and apply mediation in non-justiciable controversies; (c) a representative conference or congress to amend, develop, and codify international law; and (d) an executive authority to decide on the time and methods of applying (and to supervise the application of) measures for compelling disputant States to submit to arbitration and to allow time for conciliation before resorting to hostilities.

"8. The methods of enforcement may be either the use of economic pressure or the use of armed force, or both, as the executive authority may determine.

"9. The league shall adopt any measures it finds to be practicable for bringing about a general reduction of military and naval armaments.

"These may be taken as the chief points on which most of those who have been advocating the project in Britain and America are agreed. Other points of importance, but on which some difference of opinion exists, are the following:"

These are the points of importance which those who favor the league are not agreed upon:

"(a) What shall be the principle regulating the admission of States to a peace league?

"(b) Shall all the members of the league (great and small) have equal powers and responsibilities, or, if not, how shall these be distributed?

"(c) How shall the persons to serve on the tribunal of arbitration and on the council of conciliation be chosen?

"(d) Shall the executive authority of the league consist of persons representing the governments of the States who are its members, or how otherwise?

"(e) Shall the council of conciliation have power to act when it sees dangers which threaten peace looming up, without being invoked by a disputant State?

"(f) Shall the league have a standing army and navy, or shall it obtain its necessary forces by summoning the contingents of the States (or of the greater States) when the need for military action arises?

"(g) Shall a decision to apply compulsion (economic or military) require the concurrence of all the States who are members of the league, or, if not, what majority shall be required?

"(h) Shall force (economic or military) be applied only to compel the acceptance by disputant States of arbitration or of conciliation (as the case may be), or also to compel such States to obey the judgment of the tribunal of arbitration, or the recommendations of the council of conciliation, as the case may be?

"(i) What methods are to be resorted to for securing a reduction of military and naval armaments?

"(j) To what extent may the diplomacy of the States composing the league continue to be conducted secretly?

"(k) Are the States composing the league to be at liberty to make separate treaties with one another?

"(l) Are tariff duties on imports and the fiscal relations generally of the States composing the league to fall to any; and if so, to what extent within the scope of the league's action? In particular, are preferential duties on imports to be deemed incompatible with the successful working of the league?

"Such a list as this, incomplete as it is, of problems to be solved in setting up some machinery for averting war shows how immensely difficult is the task."

And yet Lord Bryce has omitted one important point. There is one nation already that has said that one thing to be settled in the league must be that there shall be no race exclusion.

I merely desire to print these extracts, for I think, coming from such a source, they deserve the attention and examination of the Senate.

Mr. President, I also ask leave to have printed, without reading, two extracts which I have made from a book by Mr. H. G. Wells, the well-known and brilliant novelist, called "In the Fourth Year." The book is written in support of the league of nations, of which he is a very ardent advocate; and he is a man widely read and who always writes most interestingly. I will read only a single paragraph from it, because I think it is well for the Senate to consider some of these directions in which the league of nations goes, according to its supporters, when they logically carry it out.

Mr. Wells says:

"How far may the supreme court of the world attend to grievances between subject and sovereign?

"Such cases are highly probable, and no large, vague propositions about the 'self-determination' of peoples can meet all the cases. In Macedonia, for instance, there is a jumble of Albanian, Serbian, Bulgarian, Greek, and Roumanian villages always jostling one another and maintaining an intense irritation between the kindred nations close at hand. And quite a large number of areas and cities in the world, it has to be remembered, are not homogeneous at all. Will the great nations of the world have the self-abnegation to permit a scattered subject population to appeal against the treatment of its ruling power to the supreme court? This is a much more serious interference with sovereignty than intervention in an external quarrel. Could a Greek village in Bulgarian Macedonia plead in the supreme court? Could the Armenians in Constantinople, or the Jews in Roumania, or the Poles in West Prussia, or the negroes in Georgia, or the Indians in the Transvaal make such an appeal?

He goes on to argue in behalf of it, and I ask that those extracts may be printed. I think they deserve attention.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

"In the Fourth Year."

(By H. G. Wells.)

[Page 6, et seq.]

"That council of the league of nations will be a tie as strong, we hope—but certainly not so close and multiplex—as the early tie of the States at Washington. It will begin by having certain delegated powers and no others. It will be an "ad hoc" body. Later its powers may grow as mankind becomes accustomed to it. But at first it will have, directly or mediately, all the powers that seem necessary to restrain the world from war, and unless I know nothing of patriotic jealousies it will have not a scrap of power more. The danger is much more that its powers will be insufficient than that they will be excessive. Of that later. What I want to discuss here now is the constitution of this delegated body. I want to discuss that first in order to set aside out of the discussion certain fantastic notions that will otherwise get very seriously in our way. Fantastic as they are, they have played a large part in reducing The Hague tribunal to an ineffective squeak amidst the thunders of this war.

"A number of gentlemen scheming out world unity in studies have begun their proposals with the simple suggestion that each sovereign power should send one member to the projected parliament of mankind. This has a pleasant democratic air—one sovereign State, one vote. Now, let us run over a list of sovereign States and see to what this leads us. We find our list includes the British Empire, with a population of 400,000,000, of which probably half can read and write some language or other; Bogota, with a population of a million, mostly poets; Haiti, with a population of a million and a third, almost entirely illiterate and liable at any time to further political disruption; Andorra, with a population of four or five thousand souls. The mere suggestion of equal representation between such "powers" is enough to make the British Empire burst into a thousand (voting) fragments. A certain concession to population, one must admit, was made by the theorists. A State of over 3,000,000 got, if I remember rightly, two delegates, and if over twenty, three, and some of the small States were given a kind of intermittent appearance. They only came every other time, or something of that sort; but at The Hague things still remained in such a posture that three or four minute and backward States could outvote the British Empire or the United States. Therein lies the clue to the insignificance of The Hague. Such projects as these are idle projects, and we must put them out of our heads; they are against nature; the great nations will not suffer them for a moment.

"But when we dismiss this idea of representation by States, we are left with the problem of the proportion of representation and of relative weight in the council of the league on our hands. It is the sort of problem that appeals terribly to the ingenious. We can not solve it by making population a basis, because that will give a monstrous importance to the illiterate millions of India and China. Ingenious statistical schemes have been framed in which the number of university graduates and the steel output come in as multipliers, but for my own part I am not greatly impressed by statistical schemes. At the risk of seeming something of a Prussian, I would like to insist upon certain brute facts. The business of the league of nations is to keep the peace of the world and nothing else. No power will ever dare to break the peace of the world if the powers that are capable of making war under modern conditions say "No." And there are only four powers certainly capable at the present time of producing the men and materials needed for a modern war in sufficient abundance to go on fighting: Britain, France, Germany, and the United States. There are three others which are very doubtfully capable: Italy, Japan, and Austria. Russia I will mark—it is all that one can do with Russia just now—with a note of interrogation. Some day China may be war capable—I hope never, but it is a possibility. Personally, I do not think that any other power on earth would have a ghost of a chance to resist the will—if it could be an honestly united will—of the first-named four. All the rest fight by the sanction of and by association with these leaders. They can only fight because of the split will of the war-complete powers. Some are forced to fight by that very division."

[Page 28, et seq.]

"And now let us consider what are the powers that must be delegated to this proposed council of a league of free nations if that is really effectually to prevent war and to organize and establish and make peace permanent in the world.

"Firstly, then, it must be able to adjudicate upon all international disputes whatever. Its first function must clearly be that. Before a war can break out there must be the possibility of a world decision upon its rights and wrongs. The league, therefore, will have as its primary function to maintain a supreme court, whose decisions will be final, before which every sovereign power may appear as plaintiff against any other sovereign power or group of powers. The plea, I take it, will always be in the form that the defendant power or powers is engaged in the proceedings 'calculated to lead to a breach

of the peace,' and calling upon the league for an injunction against such proceedings. I suppose the proceedings that can be brought into court in this way fall under such headings as these that follow: Restraint of trade by injurious tariffs or such like differentiations, or by interference with through traffic, improper treatment of the subjects or their property (here I put a query) of the plaintiff nation in the defendant State, aggressive military or naval preparation, disorder spreading over the frontier, trespass (as, for instance, by airships), propaganda of disorder, espionage, permitting the organization of injurious activities, such as raids or piracy. Clearly all such actions must come within the purview of any world supreme court organized to prevent war. But in addition there is a more doubtful and delicate class of cases, arising out of the discontent of patches of one race or religion in the dominions of another. How far may the supreme court of the world attend to grievances between subject and sovereign?

"Such cases are highly probable, and no large, vague propositions about the 'self-determination' of peoples can meet all the cases. In Macedonia, for instance, there is a jumble of Albanian, Serbian, Bulgarian, Greek, and Roumanian villages always jostling one another and maintaining an intense irritation between the kindred nations close at hand. And quite a large number of areas and cities in the world, it has to be remembered, are not homogeneous at all. Will the great nations of the world have the self-abnegation to permit a scattered subject population to appeal against the treatment of its ruling power to the supreme court? This is a much more serious interference with sovereignty than intervention in an external quarrel. Could a Greek village in Bulgarian Macedonia plead in the supreme court? Could the Armenians in Constantinople, or the Jews in Roumania, or the Poles in West Prussia, or the negroes in Georgia, or the Indians in the Transvaal, make such an appeal? Could any Indian population in India appeal? Personally I should like to see the power of the supreme court extend as far as this. I do not see how we can possibly prevent a kindred nation pleading for the scattered people of its own race and culture, or any nation presenting a case on behalf of some otherwise unrepresented people—the United States, for example, presenting a case on behalf of the Armenians. But I doubt if many people have made up their minds yet to see the powers of the supreme court of the league of nations go so far as this. I doubt if, to begin with, it will be possible to provide for these cases. I would like to see it done, but I doubt if the majority of the sovereign peoples concerned will reconcile their national pride with the idea, at least so far as their own subject populations go.

"Here, you see, I do no more than ask a question. It is a difficult one, and it has to be answered before we can clear the way to the league of free nations."

Mr. LODGE. Mr. President, I wish to say a single word, if the Senate will permit me, before I take my seat.

I have introduced these extracts—the one from Lord Bryce's book deserves especial attention—because I wanted to call the attention of the Senate to the enormous difficulties involved in a league of nations. It is very easy to say "a league of nations," "a league to keep the peace of the world"; but what is that league to be? Nobody in authority has told us yet. They have been content to use the words "league of nations"; but if anyone will take the trouble to look over the passage I have read he will see what vast questions are opened up by the league of nations.

My friend from Illinois [Mr. LEWIS] and my friend from Tennessee [Mr. MCKELLAR] have found fault with the Senator from Pennsylvania [Mr. KNOX] and myself and said that we were engaged in making an attack on the President, in preventing unity, and in trying to make party capital. Incredible as it may seem, there is nothing of that kind in what I, for one, am trying to do, nor, I am sure, in what the other Senators are trying to do who are discussing this question.

Mr. President, the ambitions or the fate of Presidents or presidential candidates, the fate of political parties, are infinitely small compared to what is before the Senate as part of the treaty-making power. We are concerned here, not with the fate of men or parties; we are concerned here with the settlement of questions which involve the peace of the world. We ought to approach it in the most careful spirit, in the most solemn attitude of mind, for a mistake may lead to greater evils than those we seek to cure. My own belief is—and it is the one point I feel strongly about now—that these questions of the league of nations, or the freedom of the seas, or future international law, all of the utmost importance, should follow and not precede the peace with Germany.

The days are going by and nothing is done to make peace with Germany. No man can tell what will happen from day to day. The situation is perilous in the highest degree. I am no alarmist; but the fact is, the war is not over, and it will not be over until peace is made. Every day makes it more difficult to make such a peace as we ought to make with Germany in order to prevent her breaking out again upon the world. I feel that our first duty is to act in the living present, to bring peace to the world in the year 1919, before we undertake to make a peaceful world in the year 2000. That is the duty that seems to me imminent now, and the one that we ought to attend to first.

But, Mr. President, these questions are of such magnitude, of such importance to the whole of the world and to civilization, that I think we may well lay aside all talk of the trivial matters of personal ambitions or party fate. It makes very little difference who is President or what party wins in this country, compared with the fact that we have to deal to-day with a question that affects millions of human beings and in which the peace of the world is at stake.

Mr. LEWIS. Mr. President, will the Senator allow me to interrupt him?

Mr. LODGE. Certainly.

Mr. LEWIS. At this point I want to call the Senator's attention to the fact that the Senator now says that his whole contention was that we should have peace at once, and that in his presentation for postponement he merely meant to say, or I assume he meant to say, that these other questions which would occupy time should be postponed. I ask the Senator if, in the speech he made but a few days past, on December 21, 1918—the speech he now would vindicate against the assaults made upon it—the eminent Senator did not then say, referring to the peace that we are now trying to adjust—

> Physical guaranties which when taken would make signatures to treaties negligible can alone assure a durable peace with Germany. I do not need to rehearse what those physical guaranties should be, for I have stated my views upon them more than once to the Senate, and I think there is general agreement upon them not only in the Senate but among the American people.

And then did not the Senator say that this peace should involve the following:

> The restoration of Belgium, the return of Alsace-Lorraine to France, of the Italia Irredenta to Italy, the establishment of a Jugo-Slav State, and of an independent State formed by the Czecho-Slovaks. They include also the security of Greece, the settlement of Albania and Montenegro, the restoration of Roumania, the consolidation of all the Roumanian people under one government, as well as the neutralization of the straits, the putting of Constantinople under international protection, with Greece perhaps as the mandatory of the powers to administer the affairs of the city, the independence of Armenia, the return of those portions of Asia Minor where Greeks are predominant to Greece.

I ask the Senator if he feels that these matters which he presents, together with our entering into Russia, and giving it some consolation, if not sympathy—does the Senator assume that these matters that he urges should be entered upon now in this peace would take less time in their disposition, in view of the past conflict of 40 years over them, than the mere agreement among the people for a league to establish some form of peace?

Mr. LODGE. Mr. President, I have no desire to vindicate my speech. I did not know it had been assaulted, and I care very little whether it has been or not. That is exactly what I said. I pointed out the question that must be settled as part of this war in order to get peace and prevent Germany from breaking out again on the world. I said that those questions were enough, to begin with, to take all the ability and all the courage and all the strength that all the nations could bring to bear; that those were the questions that we must settle first; and that we ought not to take up questions not essential to the peace with Germany until we have made the peace with Germany.

I think the proposition is clear.

Mr. LEWIS. I merely wish to suggest to the able Senator, if he felt as he does this morning—that we should have immediate peace, or we know not what would break out, he has such apprehensions—that these suggestions that he presented then, as I respectfully contend, as a duty of the United States, would have involved a length of time so extending as to make impossible that immediateness which he feels now is so essential to prevent the breaking out of that which he says we know not. The Senator must see that, apparently, the length of time that would be taken in his proposition far exceeds that that could be possibly involved in the mere peace with Germany.

Mr. LODGE. That amounts to saying that we must not have a peace with Germany at all. The point I made was that there should be a peace made with Germany, and those are the points that will have to be dealt with in order to make peace with Germany, whether they take a short time or a long time. If you throw those points away, you make no peace with Germany.

The VICE PRESIDENT. Petitions and memorials are in order.

PETITIONS AND MEMORIALS.

Mr. LODGE. I present a petition from members of the faculty of Clark College, of Worcester, Mass., praying for the establishment of a league of nations. I move that the petition be referred to the Committee on Foreign Relations.

The motion was agreed to.

Mr. LODGE. I also present resolutions of the Worcester Branch of the League to Enforce Peace, of Massachusetts, signed by many of the leading men of that city, who are well known to me, favoring the entrance of the United States into a league of nations. I move that the resolutions be referred to the Committee on Foreign Relations.

The motion was agreed to.

Mr. LODGE. I also present a petition signed by Hon. Andrew J. Peters, mayor of Boston, Right Rev. William Lawrence, bishop of Massachusetts, and other citizens of Massachusetts, praying for the inclusion of the severed Provinces of Poland in a free and independent Polish state. I move that the petition be referred to the Committee on Foreign Relations.

The motion was agreed to.

Mr. LODGE. I present a telegram, including resolutions from citizens of the United States of Lithuanian origin, in regard to affairs in Lithuania, which I ask may be printed in the RECORD without reading and referred to the Committee on Foreign Relations.

There being no objection, the telegram was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

[Telegram.]

BOSTON, MASS, *January 3, 1919.*

Senator HENRY CABOT LODGE,
United States Senate, Washington, D. C.:

A protest resolution voted upon by the Lithuanians at a mass meeting, all parties being represented, held January 2, 1919, in Lithuanian Hall, on E Street, South Boston, Mass., we, the Lithuanians of South Boston and vicinity, hearing that the Polish Army threatens to take Vilna, the capital of Lithuania, met in Lithuanian Hall January 2, 1919, and decided that whereas Lithuania since prehistoric times embraces the Baltic coast as a separate country and nation, whose language and customs have nothing in common with those of Poland; whereas Lithuania having been for a long time an independent nationality and since 1772, when Russia and Germany enslaved her, Lithuanians have not ceased to fight for their rights; and whereas this war was waged for the freeing of enslaved nations, therefore a great wrong would be done to the people of Lithuania if some other foreign nation would be permitted to thrust itself into Lithuania. Protesting against the imperialistic steps of the Poles, we beseech the United States to use its influence so that this attempt of Lithuania's adversary be checked and the Lithuanians be permitted to have their own government. We further ask the United States Government, which so generously aids other war-suffering nations, to lend a hand in behalf of the starving people of Lithuania.

MIKUS PETRAUSKUS, *Chairman.*

Mr. LODGE. I also present a telegram embodying a resolution from the American Association of the Greek Community of Chicago, Ill., in regard to the admission of Greece to the congress of nations and the consideration of those things that interest Greece and the rights of small nations, which I ask may be printed in the RECORD without reading and referred to the Committee on Foreign Relations.

There being no objection, the telegram was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

[Telegram.]

CHICAGO, ILL., *January 2, 1919.*

Senator HENRY CABOT LODGE,
Washington, D. C.:

The following resolution was adopted by the American Association of the Greek Community of Chicago, composed of American citizens of Greek origin or descent, in mass meeting assembled the 27th day of December, 1918:

Whereas the rights of small nations are to be given consideration by the congress of nations; and

Whereas no nation has suffered more in the past than has Greece, in that many of her people have long suffered under the Turkish, Bulgarian, and Albanian rule and tyranny; and

Whereas portions of former undisputed Greek territory now under said Turkish, Bulgarian, and Albanian rule should be part of Greece for historical, racial, social, and ethnological reasons; and

Whereas the return of these unredeemed parts of Greece to her will forever settle one of the disturbing elements in the Balkans: Therefore be it

Resolved, That the Members of the House of Representatives and Senate be requested to do all in their power to bring the matter before the congress of nations, so that the ancient wrongs suffered by Greece may be righted.

AMERICAN ASSOCIATION OF THE GREEK COMMUNITY OF CHICAGO,
By PAUL DEMOS, *President, 105 West Monroe Street.*

Mr. TOWNSEND presented a petition of the Trades and Labor Council of Grand Rapids, Mich., praying that action be deferred on the prohibition amendment until after April 7, 1919, which was ordered to lie on the table.

He also presented a petition of Local Union No. 321, International Molders' Union, of Saginaw, Mich., and a petition of Local Union No. 244, International Molders' Union, of Detroit, Mich., praying for the passage of the so-called civil-service retirement bill, which were ordered to lie on the table.

He also presented petitions of the Rotary Club of Muskegon, of the Woman's Club of Mount Pleasant, of sundry citizens of White Pigeon, and of sundry teachers of the public schools of River Rouge, all in the State of Michigan, praying for the establishment of a department of education, which were referred to the Committee on Education and Labor.

He also presented petitions of Local Union No. 990, Brotherhood of Railway Carmen of America, of Ionia, of Custer Lodge, No. 958, Brotherhood of Railway Carmen of America, of Jackson, and of the Michigan State Grange, all in the State of Michigan, praying for the five-year extension of Government control of railroads, which were referred to the Committee on Interstate Commerce.

He also presented a petition of the Lumbermen's Association of Grand Rapids, Mich., praying for the return of the railroads to private ownership, which was referred to the Committee on Interstate Commerce.

Mr. CALDER. I present a resolution from the City Council of Buffalo, N. Y., which I ask to have printed in the RECORD and referred to the Committee on Post Offices and Post Roads.

There being no objection, the resolution was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

CITY CLERK'S OFFICE,
CITY AND COUNTY HALL,
Buffalo, December 14, 1918.

To whom it may concern:

I hereby certify that at a session of the council of the city of Buffalo, held in the city and county hall on the 11th day of December, 1918, a resolution was adopted, of which the following is a true copy:

FROM THE MAYOR.

No. 1. BUFFALO, *December 11, 1918.*

I am in receipt of a communication from the Aerial League of America in regard to plans now working out by the United States Post Office Department for the extension in the immediate future of the aerial mail service throughout the country. It is pointed out in this connection that six months of daily aerial mail service between New York and Washington have shown that aerial mail can be carried on schedule time, regardless of weather conditions, even with small, single-motored planes. It is further stated that when planes of two or more motors are used aerial mail lines can be operated day and night under any conditions.

It is desirable, of course, that Buffalo be included in any new system of aerial postal routes which may be put in operation by the Government, and in order that there may be no delay in making known the city's wishes I recommend that the city clerk be directed to communicate at once with Senators WADSWORTH and CALDER and Congressmen DEMPSEY, SMITH, and WALDOW, setting forth Buffalo's desires and the manifest advantages of including this city in the new service.

Received, filed, and recommendation adopted.

Ayes, Bagley, Buck, Heald, Kreinheder, Malone—5.

Noes, none.

And I further certify that said resolution was signed by his honor, the mayor of said city of Buffalo, on the 14th day of December, 1918.

Attest:
[SEAL.] D. J. SWEENEY, *City Clerk.*

WOMAN SUFFRAGE.

Mr. SHAFROTH. Mr. President, I desire to call the attention of the Senate to an article in the Washington Post of this morning which is significant:

[From the Washington Post, Jan. 3, 1919.]

SWEDEN EXTENDS SUFFRAGE—ALL MEN AND WOMEN GET BALLOT—PLURAL VOTING ABOLISHED.

Sweeping electoral reforms effected in Sweden, providing the "most extended universal suffrage for both men and women, irrespective of taxability," are described in a cable dispatch received yesterday by Swedish Minister Ekengren from the foreign minister at Stockholm.

The reforms are expected by legation officials to have far-reaching effect on the political complexion of the Swedish Diet, making probable a democratic majority of Videlicet liberals and labor-party members in both houses. It may also be effective, it is explained, in forestalling any tendency toward bolshevism.

Since 1909, in the lower house of the Diet, such a majority has existed, but in the upper house there has been a constant conservative majority. The majority in the lower house always has been almost entirely proally. Whatever pro-German tendencies that have existed in Sweden, it is said, have been confined largely to the conservatives.

The lower house has been based on direct and personal manhood suffrage, but the upper house was elected indirectly by provincial assemblies elected by communal suffrage, with plural voting by companies and associations.

The chief change now abolishes plural voting, the right to vote being purely personal.

Mr. President, I want to call the attention of the Senate to the fact that 12 countries have admitted women to suffrage during the year 1918.

The VICE PRESIDENT. This is not the regular order, which has been called for.

Mr. THOMAS. I should like to ask the Senator if they have any watch fires burning at the capital of Stockholm?

Mr. SHAFROTH. I do not think they have. I think that is a very poor policy; but, notwithstanding that fact, people

ought not to be deprived of their rights, ought not to be deprived of a proper exercise of what the Declaration of Independence says is the right of all mankind by reason of the fact that a few people do not adopt methods that are suitable or conducive to the passage of the measure.

Mr. KING. Will the Senator yield for a question?

Mr. THOMAS. Mr. President, I must insist on the regular order.

Mr. SHAFROTH. I do not think it is exactly fair that Senators should get up here and talk on matters contained in a petition and at the same time deprive others of a like opportunity.

The VICE PRESIDENT. The regular order is called for. Reports of committees are in order.

REPORTS OF COMMITTEES.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment:

H. R. 13035. An act to amend section 4 of chapter 5 of an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919," approved July 9, 1918, and to make said amendment retroactive; and

H. R. 13306. An act permitting any person who has served in the United States Army, Navy, or Marine Corps in the present war to retain his uniform and personal equipment, and to wear the same under certain conditions.

Mr. BECKHAM, from the Committee on Military Affairs, to which was referred the bill (S. 4773) for the relief of D. C. Darroch, reported it without amendment and submitted a report (No. 632) thereon.

He also, from the same committee, to which was referred the bill (S. 2418) for the relief of James Russell, reported adversely thereon, and the bill was postponed indefinitely.

Mr. WILLIAMS, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 202) requesting the Commission of Fine Arts to submit to the Congress certain suggestions, reported it without amendment.

Mr. NEW, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 205) permitting the loan of aircraft motors and aircraft material to educational institutions under certain conditions, reported it with an amendment and submitted a report (No. 631) thereon.

STANLEY MITCHELL.

Mr. OVERMAN. On yesterday I introduced the bill (S. 5260) for the relief of Stanley Mitchell, and inadvertantly it was referred to the Committee on Claims. I move that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Naval Affairs.

The motion was agreed to.

GOVERNMENT CONTRACTS.

Mr. HITCHCOCK. I am directed by the Committee on Military Affairs, to which was referred the bill (S. 5261) to legalize informal or defective orders for war supplies and materials, to provide for the cancellation of orders and contracts, for the reimbursement of contractors and manufacturers, for the adjustment of claims on canceled or partially filled contracts and orders, and to provide relief for contractors pending final determination, to report it with amendments.

Verbally, I should like to report that this bill differs materially from the bill which has already been reported in the House and raises an important issue which I shall at an early date bring before the Senate. The bill provides for the creation of a commission to hear and to determine, promptly and informally, claims of contractors and manufacturers for war supplies whose contracts have been or may be canceled by the Government. This commission is to be appointed by the President, and is to consist of one representative of the War Department, one representative of the Department of Justice, and one representative of the business interests of the country, who shall have no interest direct or indirect in war contracts. This commission is to promptly hear and consider claims based on these contracts and make awards as rapidly as possible, under rules which it shall provide. It is to be allowed to appoint regional boards of inquiry, which are also to be composed of three individuals, one representing the local business interests, one representing the Department of Justice, and one representing the War Department. When the commission, which is to sit in Washington, has passed upon a claim and has made an award, if it is accepted by the contractor, that is to be the final settlement of the case, and the money is then to be paid over. If the contractor declines to accept that award, he is to be privileged to withdraw 75 per cent of the amount of award, and then, within a limited time, prosecute his claim for the balance in the Court of Claims.

The object of this legislation is to settle as rapidly as possible the claims for damages which have arisen out of the making of several thousand contracts, which, unfortunately, in many cases have been made in violation of law, mere verbal orders in some cases, and in others written orders by officials not authorized to act. This legislation provides for the validation of all such contracts where they are made within the scope of the authority given by Congress, where they are made in good faith, and provides for the reimbursement of manufacturers who have gone to expense in changing the machinery in their factories in preparing to undertake Government work, even where Government work has actually not been delivered. I present this report and ask——

Mr. WEEKS. Mr. President——

Mr. HITCHCOCK. I yield to the Senator.

Mr. WEEKS. This bill is of vital importance, as has been stated by the Senator from Nebraska. A bill providing for a similar purpose but differing from this bill has passed the House. It will necessarily have to go to conference. The Senator from Nebraska has explained the purposes of the bill so clearly, which comes by unanimous report from the Committee on Military Affairs, that it occurred to me he might ask for the immediate consideration of the bill.

Mr. HITCHCOCK. I think, in view of what is on the program to-day, it might be a mistake to ask for the immediate consideration of the bill, but at an early day next week, after it has been printed, I shall ask for its consideration.

Mr. LODGE. Is it the Senator's intention to substitute this for the House bill?

Mr. HITCHCOCK. I was not aware the House had already passed a bill. I think that is a mistake. I think it has merely been favorably reported.

Mr. WEEKS. I was informed that the House has acted on the bill, though that may be a mistake.

Mr. HITCHCOCK. No; I think it has not.

Mr. LODGE. I think the House has acted favorably on the bill. I believe the matter is of great importance, and I hope that the Senator will press the bill at the earliest moment.

Mr. HITCHCOCK. I shall do so, but I think it ought to be printed first for the information of the Senate. I desire that the bill as reported by me now verbally be printed in the RECORD.

Mr. SHERMAN. Does the Senator expect to follow that up by early action?

Mr. HITCHCOCK. I shall, at the very earliest possible moment.

Mr. SHERMAN. Very many contractors are in the condition described by the Senator, and I earnestly hope the bill will be acted upon promptly and favorably. Many people in Chicago and elsewhere are in precisely the position described by the Senator. They have furnished merchandise and have carried out their contracts; but find through some informality or lack of authority upon the part of the officers of the Government they are unable to legally collect in the absence of some legislation.

The VICE PRESIDENT. If there is no objection, the bill could be passed in a few minutes.

Mr. HITCHCOCK. I am willing to make a request for the immediate consideration of the bill. I think, however, that it is important that it first be printed, and I shall ask for its consideration either to-morrow or early next week. I renew my request that the bill as reported by me be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill as reported is as follows:

A bill (S. 5261) to legalize informal or defective orders for war supplies and materials, to provide for the cancellation of orders and contracts, for the reimbursement of contractors and manufacturers, for the adjustment of claims on canceled or partially filled contracts and orders, and to provide relief for contractors pending final determination.

Be it enacted, etc., That where during the present war and prior to November 12, 1918, officers or agents acting under authority of the Secretary of War have placed orders or made contracts with manufacturers or contractors for war materials or supplies, the procurement of which has heretofore been authorized by Congress, and any of said orders or contracts has been partly or wholly performed, or expense has been incurred by the manufacturer or contractor prior to the 12th day of November, 1918, in preparation or partial execution of said contract or order, the fact that any such contract or order or agreement has not been made in the form or signed in the manner required by law shall not invalidate the same if it was entered into in good faith and lacked only the sanction of a contract in legal form. Nothing herein provided, however, shall be held to validate any contract, order, or agreement given or made by an officer or agent of the War Department not legally qualified or authorized to give a formal legal contract, nor to permit an officer to make such contract with any company, corporation, or firm in which he has, or had at the time, directly or indirectly, any interest.

SEC. 2. That in all cases as above included it shall be lawful to make payments under the terms of the agreements or orders so made or given to the extent that performance thereof has been made or supplies there-

under have heretofore been received and accepted by the United States, provided that payment in such cases shall not exceed the fair value of the supplies or materials delivered to and accepted by the United States.

SEC. 3. That in case of the cancellation, suspension, or annulment of any contract or agreement by the Secretary of War, or officers or agents acting by his authority, and in cases where no property or supplies have been delivered to and accepted by the United States, or where only partial delivery and acceptance has been made, contractors shall file with the Secretary of War within 60 days after the passage of this act any claim for remuneration arising out of the discontinuance, cancellation, or suspension of such contract, agreement, or order, property itemized and set forth. Said claims shall thereupon, together with such notations and information as the Secretary of War may cause to be attached to them, be promptly filed with the commission to be hereinafter created.

SEC. 4. That for the adjustment of all claims arising out of the cancellation of contracts, orders, and agreements for supplies or materials of war, as described in the foregoing paragraphs of this act, there is hereby created an adjustment commission to be composed of three members, to be appointed by the President and confirmed by the Senate, one representing the War Department, one representing the Department of Justice, and one representing the business interests of the country, none of whom shall be interested in any contracts with the Government or [having] *have* an interest in any firm or corporation having war contracts, who shall hold their offices for one year and receive as compensation a salary of $10,000 each. It shall be the duty of said commission [to] promptly *to* examine and pass upon all claims for compensation and reimbursement arising out of cases as set forth in this act for supplies furnished, expenses *necessarily* incurred, or materials purchased under faith of contracts in legal form or orders received from officers and agents of the Secretary of War as heretofore set forth.

SEC. 5. That in each case, as soon as the commission has made an award, the contractor shall be entitled to receive the same upon giving receipt in full of all demands against the United States arising out of the transaction, or if the contractor is not satisfied with the amount so awarded he shall be entitled to receive, and shall receive at once, 75 per cent of the amount that has been awarded him, and he shall thereupon be entitled to appeal the case to the Court of Claims, which is hereby given jurisdiction to hear the case and render final judgment in such sum as may be [necessary] *required* to reimburse the contractor for expenses *necessarily* incurred in good faith in the partial performance of the contract or order above referred to or in preparing for the same.

SEC. 6. That in no case, however, shall any award either by the commission or the Court of Claims include prospective or possible profits on any part of the contract beyond the goods and supplies received and actually delivered to the United States, and a remuneration for expenses *necessarily* incurred in preparing to perform said contract or order so canceled.

SEC. 7. That the purpose of this act being to secure prompt settlement of claims, the commission is authorized to make its own rules and regulations and to hear and determine the issues informally and promptly upon presentation of the case. The commission is authorized to appoint, under such rules and regulations as it shall prescribe, one or more regional boards of examiners to serve in such districts throughout the country as the commission shall fix and determine, to investigate and determine the facts concerning claims, legal or equitable, that may be presented as herein prescribed. The members of such board shall *be composed of one representative of the War Department, one representative of the Department of Justice, and one from the business interests of the region, none of whom shall have any interest in the contract, directly or indirectly, and* receive no compensation, save and except such per diem compensation as shall be fixed by the commission. Whenever the commission shall refer to any such regional board of examiners any claim, they shall proceed informally to hear the parties, take the proofs, and return the same promptly to the commission with their recommendation thereon.

SEC. 8. That the sum of $50,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the reasonable expenses of said commission, to be paid out upon the warrant of the chairman, who shall be chosen by the commission from among their own members, and approved by the secretary, who may be selected by the commission, and who shall receive a salary of not exceeding $5,000 for the period of one year, or so much thereof as may be necessary, to be determined by the commission.

Amend the title so as to read: "A bill to legalize informal or defective orders for war supplies and materials; to provide for the cancellation of orders and contracts, for the reimbursement of contractors and manufacturers, for the adjustment of claims on canceled contracts or orders, to provide for the partial payment of awards pending final determination, and for the creation of an adjustment commission.

IMPROVEMENT OF HIGHWAYS.

Mr. BANKHEAD. From the Committee on Post Offices and Post Roads I report back favorably, without amendment, the joint resolution (S. J. Res. 200) authorizing the Secretary of War to transfer to the Secretary of Agriculture certain war material suitable for improvement of highways, to be distributed among the several States, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. CHAMBERLAIN. Mr. President, I approve generally of the purposes of the joint resolution, but it seems to me that until a treaty of peace has been signed it would not be well to disturb the properties now in the custody of the War Department and which were essential to the proper prosecution of the war. In view of that, I think I shall have to object at this time.

Mr. BANKHEAD. I would like to state to the Senator that this resolution applies to certain materials delivered for road purposes, not now needed by the War Department, such as spades, picks, shovels, and other articles, for which the War Department can have no possible use; but I understand it is the purpose of the department to offer the material for sale, in which case, as everybody knows, it will be sacrificed. So I thought it would be the best possible disposition to transfer them to the Agricultural Department, where they might be used for the purposes of road construction. That is all the joint resolution provides for.

Mr. LODGE. Mr. President, it seems to me, with the proposition we have of spending $500,000,000 on cantonments and three great training fields, which, I understand, we have, of 125,000 acres each, that if we are going on with these things it is rather early to give away our road-making material.

Mr. BANKHEAD. Very well, then, if there is objection the joint resolution can go to the calendar.

Mr. LODGE. I do not object to the purpose of the joint resolution, but I think that we ought to have some knowledge about it.

The VICE PRESIDENT. The joint resolution will be placed on the calendar.

Mr. BANKHEAD. I want to ask unanimous consent in this connection to have printed in the RECORD a short statement which I have in support of this joint resolution, and also a short statement prepared by Gen. Coleman Dupont, who is one of the leading road engineers of this country.

The VICE PRESIDENT. Without objection, it is so ordered.

The statements referred to are as follows:

PLEA FOR ROADS AT HOME.

The war showed what the national strength could accomplish in the swift construction of rapid-transit highways and the use thereon of rapid-transit vehicles.

The Nation trained its Engineer Corps and sent them to Europe equipped for the quick construction of roads. The part which the United States took in the decisive campaign was rendered possible by the use of automobiles and motor trucks over rapid-transit highways.

Now that the war is over the question arises, Are not highways as vitally important for the conduct of peace as they were for the conduct of war? With half the world going to bed hungry every night and millions doomed to starvation, is not the swift construction of the highway to the acre that produces as urgent a necessity as were the roads in the battle zone? And if the need is as urgent should the Nation slacken its effort or permit its road-building equipment to be sold or dissipated? Should it not rather increase its efforts in this direction and proceed with the construction of highways at home on a scale commensurate with the importance and urgency of the need?

It is for the Congress of the United States to answer these questions. Measures are pending designed to meet the situation, three of which are as follows:

1. Joint resolution 200, authorizing the transfer from the War Department to the Department of Agriculture of all available dispensable and suitable war material for distribution to the highway departments of the several States for use on the highways.

2. Senate bill 5088 increasing the present unexpended appropriation of about $60,000,000 for road purposes by the addition of $125,000,000 for expenditures to June, 1920, and $100,000,000 a year thereafter for four years. It is also proposed to increase the appropriation for national-forest roads of $1,000,000 a year on the present 10-year road-building program by a sum sufficient to construct 17,000 miles of forest roads, which the Government has already planned and which are necessary in order to utilize the vast resources of the national forests. The estimated cost of these roads is $50,000,000. Amendments to the present road act freeing it from undesirable limitations are also planned, one of which will enable the Government to construct at its own cost links in important highways which could not otherwise be constructed.

3. House bill 13308 carries an appropriation of $1,000,000 for an extension of the motor-truck Parcel Post Service. This is an increase from the $300,000 provided in the last Post Office appropriation bill, which also authorized the War Department to transfer to the Post Office Department motor trucks for which it had no further use. Under last year's appropriation 27 motor-truck routes were established, all but one of which were operated east of the Mississippi River. The results, even in the initial stage, are such as to warrant an increase in the number of routes and their extension to the trans-Mississippi region, where rail and water facilities of transportation are altogether inadequate. The proposed transfer of 10,000 motor trucks from the War Department to the Post Office Department renders it possible to make a great extension of this service at a minimum cost. It is proposed to increase the appropriation for this service to $10,000,000. To store these trucks would cost $600,000 a year. To dump them on the market would be disastrous. To turn them loose to aid agriculture in the movement of farm products to the consumer would be statesmanship. To adopt such a policy would be but to follow historic precedent.

Why not turn loose every available bit of material no longer needed for war purposes to assist agriculture at this critical moment by the swift construction of roads and the speedy movement of farm products? There must be a vast amount of such material, for the Engineer Corps were sent abroad fully equipped and the war stopped so suddenly with the national effort at a maximum that much material must have been awaiting shipment in this country. There must be surveying instruments, tents, cots, blankets, mess outfits, dynamite, road machinery, horses, harness, wagons, autos, and fleets of trucks. Is it good business to sell these for a song when the Government is about to enter upon a greatly enlarged road-building program at home and must otherwise go into the market and purchase new equipment?

Senate bill 5088 has the approval of President Wilson and Secretaries Houston and Baker. The proposition not to lessen the national endeavor in road construction now that peace has come, but merely to transfer the scene of action from Europe to the homeland is but the response to a universal demand. The public rejoices to see the trophies of war now being brought back from Europe. Equally popular will be the sight of the machines that built the United States road to the Rhine at work building connecting highways from Canada to the southern boundary and from the Atlantic to the Pacific through every State in the Union.

[From Motor Life, June, 1918.]

THE HIGHWAY PROBLEM—CENTRALIZED AUTHORITY NECESSARY TO THE DEVELOPMENT OF NATIONAL HIGHWAYS.

[By Gen. Coleman Du Pont, chairman board of national councillors, National Highways Association; member State Highway Commission of Delaware.]

A nation is rich and successful and prosperous not in proportion to its natural resources, the timber in its forests, the agricultural land which can be cultivated, the minerals or oils in its mines or wells but in proportion to the amount of these resources which have been or can be developed.

Few countries are more blessed with natural resources than Mexico, yet Mexico is anything but prosperous.

The United States is often heralded as the richest country in the world. Had we developed all our natural resources to their fullest extent, we should be richer than all the other nations of the world combined.

The one underlying factor which affects all development of natural resources, which is at the bottom of all business, the foundation of credit, the pedestal of commerce, the rock on which prosperity stands, is transportation.

This country was hardly a nation until its East and West, its North and South were connected with railroads. It was the railroad which made southern reconstruction possible and which, 60 years after a war which left the South prostrate, has developed the Southland to its present prosperity.

The United States has run the gamut of encouraging, fostering, helping, neglecting, and hindering the railroads, and now, for a time, is owning and coddling them. But farseeing men are beginning to believe, as enthusiasts and dreamers have believed for years, that the future of transportation does not rest entirely with the road of steel, though it is important, but largely with the road of stone. The past decade has developed a new factor in transportation which has as yet received scant consideration from the Government. That factor is the motor truck, and it has taken a world war to make Uncle Sam, as an entity, recognize a need which hundreds and thousands of his citizens have been screaming at him for years.

That need is roads.

The United States has never had, and has not now, a road policy. It has dallied with the road question, thrown sops to road enthusiasts, played with the highway problem, and now, for the first time, is beginning to think seriously that it has other angles than local ones, other governmental uses than the provision of one more means of gaining votes. True, the United States maintains as a part of the Department of Agriculture an Office of Public Roads, which has done excellent work. There is also a Federal aid law in existence by which the National Government proposes to aid the various States build certain roads. Many States have been more farsighted than the parent Government, and have provided their citizens with good roads, well laid out, properly maintained, which have added greatly to the prosperity of their citizens.

But as a nation the United States has no road policy, recognizes no road question as such, and pays only desultory attention to constructing and maintaining its land highways, while devoting millions to waterways, and, in the past, millions to railways.

That this state of affairs must eventually come to an end is obvious to any who will follow to their logical conclusion the causes which have produced the small road mileage which the Nation possesses. The road question was first agitated when the bicycle came into popularity. But the bicycle was not a commercial factor of sufficient power to make any headway against the fact that a Nation-wide system of good roads would cost not millions but billions of dollars. The automobile came, small, weak, inefficient, and unable to negotiate rough roads, either with comfort to the owner or profit to the merchant, and the good-roads demand began to make itself heard. Then the motor truck was developed, and the demand for roads over which it can travel economically and efficiently is becoming louder and more insistent, with the result that many States have given heed, and such road systems as those of Massachusetts, Rhode Island, Connecticut, Maryland, and Ohio have resulted.

The Nation, as a Nation, has done nothing. Had the development of railroads been left to the individual States to foster, should we have a transcontinental line? It seems improbable. Had the States in this time of stress been left to work their legal will upon the carriers, had the railroads been left to continue competition as the primary moving force of their commercial life, would this country have solved its transportation problem of war materials and men?

If the Nation can grasp and solve one angle of its transportation problem, for the sake of war efficiency, is there any reason why it can not grasp and solve that other and equally vital question of roads and trucks?

From a military standpoint roads are sharply divided into two classes. First, the road which serves the Nation as an aid, a feeder, of its railroads, which takes the burden of the short haul from the steam train, which saves time and money and roundabout routes for the shipper. Second, the road which serves as a distinct military factor for the transportation of men, munitions, and supplies, primarily for mobilization, and possibly for actual combat in the—to-be-hoped unlikely—event of invasion of these shores.

At the present time the United States is concerned only with the first angle. Yet an invasion is always a possibility, though not a probability now. Three, even two, years ago it was a possibility, but not a probability that we should be drawn into the world war. We elected a President who had kept us out of war and barely six months later backed him to the utmost when he said we were at war. As roads can not be built in a day, and as mistakes in road planning are tremendously expensive to make, it is certain that, simply because the need of highways for defense purposes is not a present need, it would be foolish to ignore this possibility in any competent, well laid-out scheme of national road building.

Neglecting for the moment the creation of roads, or the improvement of existing roads, for purely defensive purposes, the pressing need of good roads for full utilization of motor trucks for war purposes is vital. The passenger car can negotiate bad roads if it must. The motor truck can not do so, with any degree of efficiency or profit. We have steel rails for cars simply to get a smooth passage for the wheels of freight and passenger vehicles. It is as impossible for a heavy motor truck to operate economically or efficiently over rough and bumpy roads as for a railroad to carry much freight over a poor roadbed.

We have borrowed heavily from England and France in war experience. It took England years to come to conscription—we did it in months. England and France developed their air resources slowly as the war progressed—we began a gigantic air program with the war less than three months old. We have taken our allies' experience in troop training, in officer making, in trench fighting, in ordnance and field equipment—but what have we done to equal their road and truck development?

Trucks—yes, in quantity. But trucks for French roads, trucks for foreign service. We even proposed to put our trucks on freight cars to carry them from the factories to the ships, because—well, because the roads of this country are such apologies for real highways that, in prewar days, no one thought of trying to deliver a motor vehicle over the roads on which it must be run.

The fact that we had not cars and engines enough and that every line of steel rails to the coast was almost hopelessly congested changed this. Our trucks are running over roads from factory to coast and, so far from being hurt by it, our drivers, at least, are gaining valuable experience. But, though the war trucks are standard and able to bear the most severe usage, they can not carry the load or make the speed here which they can do and will do upon the roads of France.

Years ago England and France solved the highway problem by the creation of national road systems. These roads were built by the nation and maintained by the nation for the use of the nation. Not all roads, by any means, but a comprehensive system of roads running through all important centers, gridironing the country with ready means of communication. To these main roads local communities and the smaller political units built feeders, exactly as in this country, in the "good-road States," counties and towns appropriate money and build feeder roads to connect their localities with the State system.

Had it not been for her system of roads France would have been at a great disadvantage in her war work. Possessing a solid foundation of many good roads at the beginning, France keeps them up and repairs them as they are damaged. The motor truck is as vital behind the lines to the French as the wonderful system of railroads to the German frontier—a system developed by military brains of keen and clever vision long before the motor truck came into existence—is to the Germans.

So far we have done absolutely nothing. Those who point to the fact that we have a highways transport committee of the Council of National Defense do so without any real knowledge of what that committee is or does. It has done all and more than it was expected to do. It has worked faithfully and well and produced results, but its function has never been a road-building function—it is not concerned with the laying out of a system of roads, nor the building of a single foot of highway.

It has developed plans and put into operation agencies, looking to the utilization of roads which already exist. It has routed the war trucks and encouraged State councils of defense to work for motor-truck development. It has educated chambers of commerce and boards of trade to the need for a load-clearance bureau in commercial centers that no motor truck moves "light" over the roads. But what can one small committee, no matter how able, of an organization which is purely advisory in character, such as the council of defense, do toward solving the road problem? As well say we need not have a Quartermaster Department to supply soldiers with clothes because women are knitting socks.

The road problem of this country, from any angle—commercial, economic, social, military, defense, political, agricultural—is not a local issue. It can not be solved by the States. If every State in the Union should have as good a State road system as Massachusetts, national roads would still be a problem. When a man builds a path in his garden he builds it to go where he wants to walk, not where his neighbors wish to walk. When a town builds a road it builds it where the town wants it, not where the next town is best served. When a county builds a road it runs from one end to the county seat, not to serve the next county. When a State builds a road system it connects its important cities and makes it easy for its own denizens, without much thought for the man across the State line. When the United States builds roads, as a Nation, it must solve its difficulties by building a system which considers the country as a whole, not as a collection of political units with voters who must be placated.

It is customary to consider the road question from a viewpoint from which one man can see the horizon. Most road propaganda begins and ends with one road. We hear much of the Lincoln or the National Old Trails Road or the National Defense Highway of California. Every one is a worthy road, a road which ought to be what it is not. But the road question as a road question is infinitely bigger than any State, any single road, any single association of people banded together to "get" a certain highway.

The motor truck is to do for commerce what rural free delivery did for the mail. It will make it possible for the farmer and the merchant readily to exchange their respective commodities. The motor truck is to do, in the coming half century, what the railroad did in the last half century. The steam train took a thousand isolated communities, loosely knit under one government, and made them one in fact. The motor truck is to take a million farms and bring them into close touch with the city; it is to take a million merchants and bring them customers which they never knew before. It is to cut down the high cost of food, by cutting the greatest item of that cost—transportation.

Just before the war it cost more to ship a ton of wheat from farm to railroad than to ship the same ton from New York to Liverpool. It cost more to deliver freight from station to farm than to ship it from factory to station. And roads or the lack of them was responsible.

The road question, the truck question, is a national question. It has two great subdivisions—(1) where, and (2) what kind?

Neither question can be answered in a hurry. But both can be answered and must be answered soon. If we are not to see the greatest boon which science and invention have given to transportation restricted and made of small account by a penny-wise, pound-foolish policy, a narrow-gauged, peanut-politic viewpoint which wants to spend public money only where local benefits will bring local applause.

"Where?" is not difficult to answer. Everywhere eventually, but in the beginning a national road system must consist first of one, then two, then three or more great transcontinental roads from east to west—then half a dozen north and south lines. Later must come connections and additions and interstate roads, until we have perhaps 50, perhaps 100,000 miles of first-class, high-grade roads running from State to State, not merely, as with our present 100,000 miles of good roads, in circles within States.

"What kind?" The road builder has answered in a dozen ways in years gone by and is still changing his conclusions. MacAdam was years ahead of his age and years behind this one. The builders of the Appian Way knew more about building a road for a motor truck than MacAdam, strange as it may appear. It is the general opinion among road builders—an opinion greatly quickened and altered by the war—that the light stone road, be it surfaced or oil treated in what way you will,

is not the road to build in the face of the avalanche of motor trucks that is coming in the next few years. The motor car brought oil to the road as a necessity. The water bond, which worked so well with iron tires and iron-shod hoofs, is useless against the suction of the pneumatic tire. But the oiled stone road that holds the 3,000-pound car with ease will not carry the 5-ton truck and last.

There is to be a great revolution in road-building methods. The railroad has found that for heavy traffic it pays to use the heaviest steel rails and finest wood for ties, the best of broken stone, and plenty of it, for ballast. No railroad stops at the price per mile nowadays. Once built and well maintained the road will earn dividends.

We still look upon a highway which costs $5,000 a mile as an expensive road, and $10,000 a mile as a boulevard for cities. Yet the road of the future, the road which the motor truck will use without hurting it, the roads which the National Government must build as a national system, will cost twenty, thirty, perhaps fifty thousand dollars a mile. If the latter, and a national highway system of 50,000 miles is contemplated in a 20-year building program, then the total cost reaches $2,500,000,000.

The cost of such a road program would be distributed over at least 20 years (all the engineers in the country could not build such a system in less time) and the roads would pay dividends as fast as built.

It is difficult to consider the subject and not drop to local angles.

If you see the problem as a national question, if your experience or your knowledge leads you to view the motor truck as the ultimate transportation means for all except long hauls, if you see in it a coming commercial revolution, then you, too, must enlist in the national road army. You must become one of those who believe that Uncle Sam can not afford for his own sake, as well as for the sake of us, his children, much longer to delay in taking up and solving, as only he can solve, the road question—the question which is greater than the railroads, infinitely greater than the Panama Canal, and which, the war disposed of, must be the most pressing economic problem which this country has to face.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 5279) to authorize the resumption of voluntary enlistments in the Regular Army, and for other purposes; and

A bill (S. 5280) authorizing retirement of members of the Army Nurse Corps (female); to the Committee on Military Affairs.

By Mr. OVERMAN:

A bill (S. 5281) to donate one German gun to the city of Morganton, N. C.; to the Committee on Military Affairs.

By Mr. CALDER:

A bill (S. 5282) to amend subdivision 8 of the act to amend the naturalization law approved May 9, 1918; to the Committee on Immigration.

A joint resolution (S. J. Res. 207) admitting into the United States 35 puncheons of Gordon's sloe gin, ordered by E. La Montagne's Sons, of New York, before the passage of the food-control act prohibiting the importation of distilled spirits, the delivery of which was delayed on account of war conditions until after that act went into effect; to the Committee on Finance.

PROMOTIONS IN THE ARMY.

Mr. CHAMBERLAIN. Mr. President, I desire to introduce a bill which comes to me from the War Department to appoint any officer who now holds, or during the existing emergency has held, the grade of general or lieutenant general for the period of the emergency only to the same grade in the Army without such limitation of tenure, and I ask that it be referred to the Committee on Military Affairs.

The bill (S. 5278) to appoint any officer who now holds, or during the existing emergency has held, the grade of general or lieutenant general for the period of the emergency only to the same grade in the Army without such limitation of tenure was read twice by its title and referred to the Committee on Military Affairs.

Mr. CHAMBERLAIN. In connection with the presentation of the bill I desire to have printed in the RECORD a letter from the Secretary of War, as I am introducing the bill at his request.

The VICE PRESIDENT. Without objection, that action will be taken.

The letter referred to is as follows:

WAR DEPARTMENT,
Washington, December 21, 1918.

MY DEAR SENATOR: Under the provisions of section 3 of the act of Congress approved October 6, 1917, the President has appointed, by and with the advice and consent of the Senate, certain officers of the Army to the grades of general and lieutenant general. These officers, in order of rank, are:

Gen. Peyton C. March, Chief of Staff of the Army.

Gen. John J. Pershing, commander of the American Expeditionary Force, France.

Gen. Tasker H. Bliss (retired), former Chief of Staff, now military representative of the United States at Versailles and a member of the Peace Commission; has the brevet rank of general.

Lieut. Gen. Hunter Liggett, commanding First Army, American Expeditionary Force.

Lieut. Gen. Robert L. Bullard, commanding Second Army, American Expeditionary Force.

These officers have performed tremendous tasks involving the greatest responsibility in a manner which reflects credit upon themselves and upon the country and entitles them to permanent recognition. I believe that the sentiment of the country is strongly in favor of such recognition. At present the commissions of these officers as general and lieutenant general, while in the Regular Army, are for the period of the emergency only. I recommend that their commissions be made permanent, with the proviso that when any one of these officers vacates his commission the office shall lapse. The Judge Advocate General has prepared a draft of a bill which will accomplish this purpose, and which I inclose for the consideration of your committee.

Sincerely, yours,

NEWTON D. BAKER,
Secretary of War.

Senator GEORGE E. CHAMBERLAIN,
Chairman Senate Military Committee,
United States Senate.

COST OF EAGLE BOATS.

Mr. LODGE submitted the following resolution (S. Res. 404), which was read and referred to the Committee on Naval Affairs:

Resolved, That the Committee on Naval Affairs be, and is hereby, directed to make an investigation of the so-called Eagle boats, of the contracts made for said boats with the Ford Motor Co., and of the character and construction of said boats.

COMMITTEE ON MANUFACTURES.

Mr. VARDAMAN submitted the following resolution (S. Res. 405), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate resolution 374, instructing the Committee on Manufactures to make inquiry into the coal situation, its production, transportation, and consumption, to require the attendance of necessary witnesses, the production of books, documents, papers, etc., be, and it hereby is, amended so as to authorize the employment of counsel to assist in the inquiry aforesaid.

ALLOTMENTS TO SOLDIERS' DEPENDENTS.

Mr. SPENCER. I offer a resolution requesting certain information, and, if there is no objection, I ask for its adoption at this time.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 406), as follows:

Resolved, That the Secretary of the Treasury be, and he is hereby, requested, if not inconsistent with public service, to inform the Senate as to whether allotments made by soldiers in accordance with the regulations for those dependent upon them and payable in the months of August, September, October, and November last, have been paid, and if not, how many remain unpaid, and how soon the amounts due in the month of December may be expected to be paid.

Mr. THOMAS. Let me ask the Senator who introduced the resolution whether it refers to allotments made from salaries of soldiers to their dependents or to the salaries of the soldiers themselves?

Mr. SPENCER. The resolution refers to allotments which have been made by soldiers out of their salaries for their dependents.

Mr. THOMAS. Then, I would suggest that the request should be made to the Secretary of the Treasury. I understand that the War Risk Bureau is under the jurisdiction of the Secretary of the Treasury.

Mr. LODGE. It is under the Treasury Department.

Mr. SPENCER. My information is that the War Risk Bureau is under the War Department.

Mr. THOMAS. No; the Senator is mistaken.

Mr. SPENCER. I may be wrong. I will amend the resolution in the way the Senator suggests.

Mr. THOMAS. I do not object to the consideration of the resolution, but I suggest that it be amended by inserting the words "Secretary of the Treasury" instead of "Secretary of War."

Mr. SPENCER. I accept the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

THE PRESIDENT'S GUILDHALL SPEECH.

Mr. WILLIAMS. Mr. President, I wish to call the attention of the Senator from Massachusetts [Mr. LODGE] to some remarks lately made by the President of the United States at the Guildhall in London, which I consider a complete and very noble answer to all that has been said by the Senator from Massachusetts on that subject. I ask unanimous consent to have this speech printed in the RECORD.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none. The matter referred to is as follows:

WILSON SAYS TASK OF NATIONS IS NOT YET COMPLETED; ANXIOUS FOR PEACE WORK TO BE STARTED—IN SPEECH AT GUILDHALL PRESIDENT WARNS THAT SOLDIERS FOUGHT TO END OLD ORDER—MUST MAKE VICTORY'S RESULTS PERMANENT.

LONDON, *December 28.*

The text of President Wilson's speech at the Guildhall this afternoon follows:

"Mr. Lord Mayor, we have come upon times when ceremonies like this have a new significance which most impresses me as I stand here. The address which I have just heard is most generously and graciously conceived, and the delightful accent of sincerity in it seems like a part of that voice of counsel which is now everywhere to be heard. I feel that a distinguished honor has been conferred upon me by this reception, and I beg to assure you, sir, and your associates of my very profound appreciation, but I know that I am only part of what I may call a great body of circumstances.

"I do not believe that it was fancy on my part that I heard in the voice of welcome uttered in the streets of this great city and in the streets of Paris something more than a personal welcome. It seemed to me that I heard the voice of one people speaking to another people, and it was a voice in which one could distinguish a singular combination of emotions.

TASK NOT YET FINISHED.

"There was surely there the deep gratefulness that the fighting was over. There was the pride that the fighting had had such a culmination. There was that sort of gratitude that the nations engaged had produced such men as the soldiers of Great Britain and of the United States and of France and of Italy—men whose prowess and achievements they had witnessed with rising admiration as they moved from culmination to culmination.

"But there was something more in it, the consciousness that the business is not yet done, the consciousness that it now rests upon others to see that those lives were not lost in vain.

"I have not yet been to the actual battle field, but I have been with many of the men who have fought the battles, and the other day I had the pleasure of being present at a session of the French Academy when they admitted Marshal Joffre to their membership.

MARSHAL JOFFRE'S WORDS.

"That sturdy, serene soldier stood and uttered not the words of triumph but the simple words of affection for his soldiers and the conviction which he summed up in a sentence which I will not try accurately to quote but reproduce in its spirit. It was that France must always remember that the small and the weak could never live free in the world unless the strong and the great always put their power and their strength in the service of right.

"That is the afterthought—the thought that something must be done now; not only to make the just settlements—that, of course—but to see that the settlements remained and were observed and that honor and justice prevails in the world. And as I have conversed with the soldiers I have been more and more aware that they fought for something that not all of them had defined, but which all of them recognized the moment you stated it to them.

FOUGHT AGAINST OLD ORDER.

"They fought to do away with an old order and to establish a new one, and the center and characteristic of the old order was that unstable thing which we used to call the 'balance of power,' a thing in which the balance was determined by the sword, which was thrown in on the one side or the other, a balance which was determined by the unstable equilibrium of competitive interests, a balance which was maintained by jealous watchfulness and an antagonism of interests which, though it was generally latent, was always deep-seated.

"The men who have fought in this war have been the men from the free nations, who are determined that that sort of thing should end now and forever. It is very interesting to me to observe how from every quarter, from every sort of mind, from every concert of counsel there comes the suggestion that there must now be not a balance of power, not one powerful group of nations set up against another, but a single overwhelming, powerful group of nations, who shall be the trustees of the peace of the world.

MUST MAINTAIN PEACE.

"It has been delightful in my conferences with the leaders of your Government to find how our minds moved along exactly the same line, and how our thought was always that the key to the peace was the guaranty of the peace, not the items of it; that the items would be worthless unless there stood back of them a permanent concert of power for their maintenance. That is the most reassuring thing that has ever happened in the world.

"When this war began the thought of a league of nations was indulgently considered as the interesting thought of closeted students. It was thought as one of those things that it was right to characterize by a name which, as a university man, I have always resented. It was said to be academic, as if that in itself were a condemnation—something that men could think about but never get. Now we find the practical leading minds of the world determined to get it.

EAGER TO GET TO WORK.

"No such sudden and potent union of purpose has ever been witnessed in the world before. Do you wonder, therefore, gentlemen, that in common with those who represent you I am eager to get at the business and write the sentences down? And that I am particularly happy that the ground is cleared and the foundations laid—for we have already accepted the same body of principles. Those principles are clearly and definitely enough stated to make their application a matter which should afford no fundamental difficulty.

"And back of us is that imperative yearning of the world to have all disturbing questions quieted, to have all threats against peace silenced, to have just men everywhere come together for a common object. The peoples of the world want peace, and they want it now, not merely by conquest of arms but by agreement of mind.

FORCED TO BREAK PRECEDENT.

"It was this incomparably great object that brought me overseas. It has never before been deemed excusable for a President of the United States to leave the territory of the United States; but I know that I have the support of the judgment of my colleagues in the Government of the United States in saying that it was my paramount duty to turn away even from the imperative tasks at home to lend such counsel and aid as I could to this great—may I not say final—enterprise of humanity."

AMERICAN FORCES AT BREST, FRANCE.

Mr. NEW. I ask for the consideration of the resolution which I offered on yesterday.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read the resolution (S. Res. 403), as follows:

Whereas reports having reached the United States and having been given currency by publication in the columns of the newspapers to the effect that unwholesome, insanitary, and unnecessarily discomforting conditions exist in the camp occupied by the American Expeditionary Forces at Brest, France: Therefore be it

Resolved, That the Senate Committee on Military Affairs be authorized and directed to investigate the same and to report its conclusions to the Senate, together with such recommendations as it may see fit to make concerning the condition reported.

Mr. THOMAS. Mr. President, I understand that the War Department is about to furnish some information with regard to the subject matter of the resolution of the Senator from Indiana. I think therefore that we can make time by postponing the consideration of the resolution until that information can be received. For that reason, and for that reason only, I object to the consideration of the resolution at this time.

The VICE PRESIDENT. The resolution is entitled to consideration. That is the present difficulty.

Mr. THOMAS. Then, Mr. President, I move that the resolution be referred to the Committee on Military Affairs.

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado, that the resolution be referred to the Committee on Military Affairs.

Mr. THOMAS. On that motion I ask for a division, Mr. President.

The question being put, on a division the motion of Mr. THOMAS was agreed to; and the resolution was referred to the Committee on Military Affairs.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

LEAGUE OF NATIONS FOR PEACE.

Mr. LEWIS. Mr. President, some days ago I announced in the Senate that on the first legislative day convenient I would submit some remarks replying to certain criticisms of the eminent Senator from Pennsylvania [Mr. KNOX], and particularly from the eminent Senator from Massachusetts [Mr. LODGE]. Had I been present when the Senators made the observations to which I shall address myself now, I would have made such reply as I felt they justified at that time. I was ill when one spoke, and happened to be at my home in Chicago when the other addressed the Senate.

Mr. President, these announcements that one Senator will reply to another Senator are merely given, as I understand, that the Senator to whom the reply is addressed may have notice, be present if he chooses, and pay heed by any form of opposition or contradiction he desires to indulge as against the views of the opposing speaker. It is oftentimes, I believe, regarded, however, something of a courtesy to the Senate that those interested in the particular subject to which that Senator shall address himself may be present if they so incline. Out of respect to that courtesy Senators have invariably yielded to those who have made the announcements. For this concession to me, I express my appreciation to those who do so in my behalf.

Of course, views expressed by Senators upon questions that are now prevailing are not generally, sir, in the direct and complete line of reply to all of the matter urged by any other Senator, such as applies to legal argument, or in the general discussions of economic subjects in forums or lyceums, or, indeed, upon the general hustings. There are always, apart from the general discussion, some few things to which men have addressed their soul's conviction. Wherever these are assailed, or even opposed, those who advocate them come to the defense for two purposes. One is that the subject itself may be clarified and understood from all the points that can be addressed to it. The other is that the advocate may vindicate his convictions by disclosing such matters as justify his previous expression, or that negative and dispose of the assaults made upon it. That, sir, is the particular office, so far as I assume at all, that I enter upon now.

Sir, it may be recalled that I addressed this body some weeks ago at some length when I opened the discussion—opened it in the sense that I merely preceded other Senators—covering the doctrine of a league of nations as an agency to establish peace in the world. I there, Mr. President, set forth—as you will recall, sir, having honored me at that time with your presence as Presiding Officer, as you are honoring me now—past history, as it came to my mind and as I had gleaned from industry, touching organizations of that nature as far back in point of time as I felt appropriate. I there went into the whole field of the proposal as I understood it. I set forth the plan as I felt it could be now devised and executed.

I anticipated certain objections which were then urged to the system, and some I replied to, particularly those which had been expressed by eminent Senators on the floor. This opposition being led on the Democratic side—led in the form of chief spokesman up to the present time—by the capable Senator from Missouri [Mr. REED] and led on the Republican side by the able Senator from Idaho [Mr. BORAH].

Mr. President, at this particular occasion I wish to make refutation, possibly not entertaining in the manner of their presentation because partaking of a legal phase, to the positions which have been taken by Senators on the floor by questioning the feasibility of the President's undertaking, the other charging it to be one in violation of the ethical duty the President owes the Senate, and accusing it as being undertaken by him in direct contravention of what the eminent Senators have said was a privilege which the Senate enjoyed, first, to have these matters submitted to it for advice and consent.

Then, sir, I wish to allude to the position taken by these eminent Senators, and to demonstrate what I here most respectfully insist that the very argument they offer as opposition, instead of disproving the practicability of the design assumed, demonstrate its feasibility and its necessity.

Mr. President, at the outset let this be understood: That I am not aware of any particular plan of conceit devised in the mind of the President or of his supporters to be presented in a proposal and executed in completeness, separate from some other one's views, in furtherance of the object. It is not methods specifically upon which the President, I fancy, has any pride of opinion; it is not specific systems of administration in arriving at a conclusion in which there is tenacity of intention that will not brook amendment from any friendly source that would tender it.

Then, sir, the object in view is the obtaining of some form of consent between nations who will contribute their service, their time, and their purpose to the principal object of procuring some kind of an agreement among these people upon which there can be based the assurance of peace among the civilized nations of the world, upon which there may be constructed some form of an arrangement or organization through which all disputes arising between intelligent men and Christian peoples might be heard and disposed of without being rudely submitted to the bloody arbitrament of war with its desolating results. Sir, for want of better description of the design it is designated as a league of nations to effect peace.

Then, sir, to achieve the object announced is the sole purpose of the President. To prevent the repetition of these unspeakable calamities, these indescribable horrors, these unnamable atrocities, to which civilization has at last descended, and in the name of Christianity perpetrates and endures, is alone the purpose to which the President bends his energies, and which, as I sincerely believe, the heart of his country indorses. Yet, sir, there arises opposition from this floor, as from other places, stimulated, as I am compelled to charge, by no motive of aiding the President, with no purpose of tendering some scheme or policy as a substitute to achieve the same end in view, but with the single object, as everyone must behold who views the transition of late, of serving petty political partisan purposes. These, to my judgment, sir, are too rude to have been intruded upon a discussion touching so solemn a subject as the universal peace of mankind. From Senators, such as the Senator from Missouri [Mr. REED] and the Senator from Idaho [Mr. BORAH], who constitutionally feel that the success of the enterprise, however far it may go, transcends a fundamental theory of government, which will work, as they insist, a greater evil to the country in its final results than the benefits to be enjoyed—there we can understand a basis of opposition. But for myself I can not understand, far less adopt as excusable, a basis which in itself has the sole purpose of confusing the undertaking that it might fail and embarrassing the purpose in order that it may be defeated, discrediting the President that he may stand humiliated before the world—all in order to capitalize the wreck of the project for political advantage in party contests; but, sir, I can no longer conceal to myself, nor could I be true to my emotions, if I did not express that such seems the intended object from every source disclosed. Sir, if I am correct in this conclusion, I denounce the purpose as unworthy of its authors as it is cruel to the project.

Sir, then, do we marvel that we find in the foreign papers touching, for instance, the speeches of the Senator from Pennsylvania [Mr. KNOX] and the Senator from Massachusetts [Mr. LODGE], something as follows:

> The Paris newspapers have published summaries of Mr. KNOX'S remarks, and much oral comment has been made on the obvious difference between President Wilson and his fellow commissioners on the one hand and leading American Senators or the other.
>
> * * * * * * *
>
> It is pointed out by those aware of the condition of mind of the American delegates that it is perhaps not appreciated in America what great stress is laid by European statesmen on differences of this character. By some the situation is regarded as placing the President in the light of not having the support of his own countrymen.
>
> The President is encouraged in his attitude by the knowledge that Lloyd George and other members of the British ministry heartily favor the league of nations as a method of preventing future wars.
>
> * * * * * * *
>
> In face of this, however, the fear exists that the course outlined by Mr. KNOX, which is construed as that of the Republican Party in the Senate, will encourage the opponents of the league.

Then, sir, in another able paper from abroad, we read this, referring to the speeches of the Senators to whom I have alluded:

> The manner in which this and similar news dispatches from America are "played up" by certain papers here is indicative of how closely French opinion is watching for the slightest sign of lack of support for President Wilson in his own country.
>
> It is impossible to overemphasize the fact that the President's delicate course in the next few weeks may be imperiled, if not actually wrecked, by unconsidered opposition along partisan lines or loose discussion of the alternatives of his outlines on world peace.

Mr. President, I do respectfully contend that the concurring assaults by certain leaders of the Republican side upon everything that President Wilson has attempted in Europe, and in refusing to approve anything undertaken, discloses a conspiracy to discredit him and to defeat any design he enters upon by giving the European negotiators to understand that the Senate is opposed to the President. That it objects to his measures and that it is speaking with the power to revise, reverse, and repudiate him. The object is to prevent the President from accomplishing anything. The purpose of this is that when these assailants have dishonored his errand and defeated his objects they may then cry to the American public: "The President is a failure—his mission is a failure—his failure has made America ridiculous, has lost for the United States all the fruits of the war, and made a mockery of the sacrifices of blood and lives of its children."

This would make the presidential issue, and this, I charge, is the political purpose of certain eminent leaders who assail with constancy of time and method everything the President is doing to secure peace and to bring forth full results from the victory obtained by the United States in her participation with the allies. Mr. President, I do not object to the Senator from Massachusetts [Mr. LODGE]—or Mr. KNOX, of Pennsylvania—qualifying for the

support of Col. Roosevelt and his following for the nomination for President by first catching the expression of opposition of the colonel, and then echoing "so say we all of us," but I do object to the country being deceived as to the design, and the President of the United States dishonored by false patriotic pretenses to accomplish the purpose.

Sir, I offer proof of this charge by calling to the attention of the American public that not one of these gentlemen who have criticized each course of the President and condemned each action and the omission of any action has ever approved any one thing the President has undertaken or expressed since he began his mission in Europe. Nothing he has said has received their indorsement. Not even a wish for a successful journey through which his life might be preserved from the perils of the sea has been voiced, nor speech or line of his addresses in praise of his own country, her history, or her noble sons, has ever received indorsement; nor one expression of gladness or pleasure for the welcome, the cheer, and the reception given him in behalf of America. Nothing he has attempted but is condemned; nothing he has spoken or entered upon has been praised or indorsed. Surely the American public will not be deceived as to the meaning of this remarkable spectacle. Surely they will recall that in no venture heretofore in the whole history of America, where our President has dealt with foreign representatives, whether upon foreign soil, in our own continent, or by negotiations, but what there has been some expression of encouragement and approval of something that particular President had undertaken in behalf of this country. The American public must reflect upon the reason of this remarkable exception that is presented in the record and conduct, actions and speeches of admitted leaders of the party called Republican in their attitude to this particular President and to the great and responsible undertaking he has assumed.

Mr. President, I now charge that the views of the distinguished Senators who made the assault upon the policies of the President, opposing what he is doing, and demanding him to do other things that he is not doing, are in direct opposition to the views that these same Senators have expressed upon similar subjects upon previous occasions. I now charge that the assault is for the purpose of convincing the European negotiators that if they accept the position presented by the President, the Senate will overthrow it. By this it is presumed that the European negotiators will take license to defeat the President in what he proposes, and can put their reasons for doing it on the ground that they are serving interests of the American people represented by the Senate which are opposed, as they will say—as shown by the views of the Senate—to what the President proposes—"mark the devious track of error's way."

Mr. President, this brings me, then, directly to the point of the first accusation. The Senator from Massachusetts [Mr. LODGE] by his criticism would have the country believe that the President of the United States had violated some established law that was a part of the organization and institutions of the Republic in not submitting to the Senate the different movements he was taking with a view of bringing about a league and the doctrines he was presenting. The Senator would have the country assume that the President was now violating acknowledged precedents and committing an offense against the dignity of this body and its rights. The Senator would have the Nation believe, and from his honored and experienced place he would instruct it to believe, that the failure of the President first to seek advice in consultation with the Senate in the entry upon the subject matters he has gone upon was an indication of a despotic nature, an indifference to the rights of the body compatible only with a dictator or a tyrant.

Mr. President, it is here, sir, that I wish to assert that no one knew better than the distinguished Senator from Massachusetts—and I trust he may conclude his lunch early, which he is taking in the room below, and do me the compliment of hearing some views that I shall address to his utterance, of which the learned Senator, I believe, has notice. Of course I am not complaining that my eminent friend cares to take that which is more stable than that which I could "feed out"—I was about to say—and let me follow consecutively—that none knew better than the able Senator that the position he took would mislead the people of his country and guide them to the belief that the President of the United States is violating his duty, and incite them to believe that the President was ignoring the people's representatives in a matter in which the law imposed on him a contrary obligation. No one knew more than the distinguished Senator that the effect of his charge was to invite Europe and the peace commissioners to believe that such was the course of the President and that for such in this body he was looked upon as visiting contumely upon the Senate.

No one knew more than the astute Senator that that would at once induce to the minds of the commissioners abroad to reflect that, with an attitude of mind on the part of the Senate produced by such conduct of the President, an opposition to whatever he attempted to do in the Senate was so certain as to assure its defeat. The whole policy of the distinguished opponents, barring a few, is to have the purpose, as I view it, of infusing into the minds of the negotiators in Europe the belief that whatever the President shall undertake will be defeated here; that he is discredited in his own country, and that his proposals if adopted will be repudiated by the Senate. Therefore, cui bono—what good—why do anything? But it did more, and its purpose went further. It was in its effect to license his opponents in every part of the world in any kind of opposition they would brood and authorize them to any form of contention it would be to their profit to present.

Then, sir, to this object or to this effect the Senator from Massachusetts in his speech proceeds to make the assertion that the President has violated some duty due to his Government in not bringing the Senate at once into consultation in connection with these diplomatic affairs he has initiated, and at every step and every utterance demanded communication with the Senate before he reaches a conclusion or presents one. The Senator in his speech proceeding to make this assertion as to the right of the Senate and the wrong of the President when interrupted by the alert Senator from Wisconsin [Mr. LA FOLLETTE], seeking information, and the following transpired:

Mr. LODGE. I yield to the Senator from Wisconsin if what he has is different.

Said the Senator from Massachusetts in his speech of December 21. Then the Senator from Wisconsin read a quotation that was then in his hand from the work on Constitutional Government in the United States by the President, as follows:

One of the greatest of the President's powers I have not yet spoken of at all—his control, which is very absolute, of the foreign relations of a nation. The initiative in foreign affairs, which the President possesses without any restriction whatever, is virtually the power to control them absolutely. The President can not conclude a treaty with a foreign power without the consent of the Senate, but he may guide every step of diplomacy; and to guide diplomacy is to determine what treaties must be made if the faith and prestige of the Government are to be maintained. He need disclose no step of negotiation until it is complete, and when in any critical matter it is completed the Government is virtually committed. Whatever its disinclination, the Senate may feel itself committed also.

Then it was that the Senator from Massachusetts, replying to the mere quotation which the Senator from Wisconsin read, said, in subtle satire—

Let timid souls then take courage and be cheerful.

Now, no one better knew than the Senator from Massachusetts—I except the Senator from Wisconsin, who has been very busy upon the committee to which the Senator from New Mexico [Mr. JONES] referred a moment ago, which must have occupied every minute of his time—no one, I say, knew better than the Senator from Massachusetts who insinuated the suggestion that there was something radically wrong and presumptuous in that assertion by the President in his earlier work as historian before he was President in describing the power of the President in international affairs—that the writer Wilson was absolutely correct. There is no better scholar to be found in government anywhere than my distinguished friend, the senior Senator from Massachusetts. No one could have known better than he that the part of that extract quoted was not Mr. Wilson's invention, but was a part of a quotation from John Marshall, uttered before he was Chief Justice of the Supreme Court of the United States. It is the centralized doctrines of government stated by Marshall, I must insist, that has ever been the key to the political progress of the distinguished senior Senator from Massachusetts [Mr. LODGE].

Sir, I regret that the senior Senator from Massachusetts remains absent from the floor. I should be glad if some one would call him from his solitary isolation behind the cloak-room doors and again let him know I would welcome him to hear me from the inside of the Chamber, rather than as a "peek a-boo" from the side room.

Mr. President, I now, sir, wish to say that I not only oppose the views of these eminent Senators, as voiced by the Senator from Massachusetts, but here I assert another doctrine, sir, omitted by them, but which I do not feel they will contest when it is mentioned. It is that as to matters upon which the President of the United States is now engaged the Senate has nothing whatever to do. The President is neither called on to communicate them nor to take their advice, to be guided by their judgment, or to be deterred by their threats of repudiation. The President of the United States as he is now situated still stands as the Commander in Chief of the Army. Until peace is abso-

lutely declared, the protocol agreed upon, and an understanding for the withdrawal of the Army is reached, he remains as Commander in Chief arranging the protocol of peace. In this he is neither subject to this body in the beginning of his arrangement nor at the end. It is not, sir, until he has made an agreement that reaches the dignity of a treaty and which puts obligations upon the United States in some form that he is called upon to submit his action or its result to this body at all. While he, sir, is negotiating as Commander in Chief he is serving in his sole province, and performs an office which he by law conducts according to his judgment and discretion as the circumstances of each case justify and call for.

Mr. President, referring for the moment, then, sir, to this quotation from the President, which is taken exception to by the distinguished Senator from Massachusetts—

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Does the Senator from Illinois yield to the Senator from Utah?

Mr. LEWIS. I should like to yield a little later if the Senator wishes to interpolate me on this point, when I reach the end of the citations in support of it.

Mr. KING. It was as to the point that the Senator had just discussed, and, if he has concluded it, I wish to ask a question, but if the Senator prefers, I will not do so.

Mr. LEWIS. I will yield to the Senator in a moment at a point where I think he can address his interrogatory without interfering with the consecutive order of the citations, and then from those probably there will be the light thrown upon the matter concerning which he expects to ask.

The Senator from Massachusetts, in his speech of condemnation of the President's course, proceeded to say, Mr. President:

In the present unparalleled situation the right of the Senate to advise as to a treaty becomes a solemn, an imperative duty.

The Senator refers to and then itemizes many treaties which have come before the Senate which the Senator says the Senate has refused to ratify, and has held without action. Many others have been vitally amended, he says.

The allies should not be kept in the dark as to the views of the Senate, nor should the Senate keep silent as to its own opinions or as to the wishes and demands of the American people.

Says the Senator:

I repeat that I should be glad if those debates could be supplemented by some definite resolutions expressing the views of the Senate tersely and simply on some of the most important points. Whether the Senate will take such action—although I know that we have very definite opinions—I can not tell, because there seems to be a feeling among some Senators that it is an act of intolerable audacity for the Senate even to suggest to the Executive that it has opinions which ought to be considered. Personally I do not share that view. It appears to me more becoming to an autocratic government or to a dictator than to the constitutionally representative democracy which has thus far made the Government of the United States so successful and which has raised the country to the peak of greatness to which it has attained. But if the Senate is not ready to take action as a body, which I earnestly hope they may determine to do, I desire at least to express my own views of the situation.

Mr. President, it is at this point that I wish likewise to express the view of the Senator from Massachusetts of the situation when this exact question as to whether Congress had the right to give its view to the President to be followed in diplomatic matters was before this body in January, 1917, upon a resolution presented by the Senator from Nebraska [Mr. HITCHCOCK]. The Senator from Massachusetts then opposed the position he now assumes. The resolution, sir, was to approve the President for his message, and to tender the President the advice and approval of the Senate upon it. The peace message, presented in many forms, many doctrines—now urged by the President—among which was the suggestion of a league, the establishment of small nations aspiring to individual existence, and the general theory of a democracy as it should apply to those lands when resuscitated from war.

The Senator from Massachusetts opposed that resolution, and in his opposition the Senator said that which the President of the United States had quoted in his book—part of it—from John Marshall. Here is what the Senator from Massachusetts then said, when the resolution was presented by a Democratic Senator on this side to approve Wilson, and to give him instructions preparatory to the confirmation of whatever might happen in that peace arrangement for which we had tendered our good offices. The Senator from Massachusetts—I read from page 833 of volume 54 of the CONGRESSIONAL RECORD of January 4, 1917—says:

My objection to this resolution, Mr. President, is that there is no occasion whatever for it. The President is intrusted with the care of our foreign relations. Negotiations are in his hands. He is conducting them. When he needs our cooperation and assistance he should lay before us all the facts which have guided him.

Well, sir, who should better know when he needs it than the President himself? Who, sir, is the one to feel that need but the President himself? And to whom, sir, shall it be left to say when that need arises but the President himself?

Then says the Senator from Massachusetts:

But until that time comes the Congress of the United States ought not to project itself into the field of negotiations and thrust itself forward into the dangerous field of European politics.

Mr. President, when that time comes; yes. Therefore we must assume that when that time comes—that is, when the President needs the counsel of the Congress or when in his judgment it is necessary; when it is appropriate—he will submit his request; but, as the Senator from Massachusetts so wisely then said, until that time comes the Congress should not project itself upon his foreign negotiations. Yet the able Senator from Massachusetts will now have the country understand that because the President of the United States, in January, 1919, in Europe, is following his advice given in January, 1917, at Washington, he commits a great offense to the decencies of the situation, to the amenities of this body, and to the rights of the country. Mr. President, I do not demand of men that they be consistent with their expressions; I only demand they be consistent with their sincerity.

Mr. President, the Senator from Massachusetts is well sustained in his view as in 1917 he expressed it. In support of my doctrine I may be pardoned for imposing upon the Senate a few citations. I call attention to Crandall's Compilation upon Treaties, referring to John Marshall's speech in the House of Representatives March 7, 1800:

To the President is intrusted the exclusive power of communication with foreign States. "The President"—

Mark the words, sir—the President's expression in his book, which the distinguished Senator from Massachusetts would have assumed to have regarded as wholly original as an assumption of Wilson—

The President is the sole organ of the Nation in its external relations, and its sole representative with foreign nations.

Mr. President, then, sir, I call attention to the following:

"Agreements involving the military power of the President": The executive power is by the Constitution vested in the President. He is also the Commander in Chief of the Army and Navy of the United States. As incident and necessary to the exercise of these powers, as also of the power of negotiation, temporary arrangements and administrative agreements are frequently made by the President with foreign governments, which are not submitted to the Senate for its approval.

Then quoting John C. Spooner, a former eminent and learned Senator of this body:

It—

The conduct of foreign relations—

involves intercourse, oral and written, conferences, administrative agreements and understandings, not included in the generic word "treaty," as used in the Constitution. All treaties are agreements, but all international agreements and understandings are not "treaties."

Now, Mr. President, we turn for a second, sir, to Willoughby upon the Constitution, volume 1, reading a short passage from section 198 upon the distinction that I present to the body:

This power, then, of the President to enter into international arrangements free from the necessity of obtaining the subsequent approval of the Senate may be treated under the following heads:

1. His power inherent in him as the Chief Executive and Commander in Chief of the Army and Navy.

* * * * * * * *

The term "protocol," as used in international law, has ascribed to it several meanings. * * *

1. As describing the records of the meetings of commissioners for the negotiation of a treaty. These records, though, of course, not parts of the treaty finally entered into, are often of value. * * *

2. As describing an agreement reached between the foreign offices of two countries, which has been reduced to definite written statement. * * *

The most common use to which protocols in this sense are put is in fixing the general terms in which a final treaty—especially a treaty of peace—is to be negotiated. A recent example of this is the protocol of 1898 providing for the appointment of a commission to negotiate the treaty of peace with Spain.

The constitutional authority of the President without consulting the Senate to enter into protocols of agreement as the basis for treaties to be negotiated is beyond question and has repeatedly been exercised without demur from the Senate.

Mr. President, it is this point to which I now wish to call attention:

The able Senator from Massachusetts alluded to an article he himself had written—and if I recall that article, as I think I do, it was in September, 1902—contributing, as he often does, the fecundity of his pen, if we may so speak, to Scribner's Magazine. The article was to designate the articles or treaty upon which the Senate of the United States had a right to be heard and had been consulted upon. The able Senator included this article in his address the other morning, and presented it as a record of the conduct and doings of the Senate of the United States, and would, if it were left alone, have presented to the country that there were no exceptions to that which the Senator from Massachusetts presented. It would have left the

country to deduce from the document printed and to be further printed, because the junior Senator from Minnesota [Mr. KELLOGG], I see from the RECORD, moved the privilege of having more copies of the document printed for the use of the Senate—that the rule there set forth was universal and uniform, without exception, and that anything to the contrary—conduct of any President dealing in international matters—was a violation of the fundamental law of our land.

What were they? They were the references to different treaties that have been negotiated from time to time and submitted to the Senate ultimately for its confirmation. But, Mr. President, the notable exceptions, applicable specifically to the case in hand, were omitted by the distinguished Senator in his discussion here on the floor. It is these, sir, which I respectfully bring to the attention of the Senate, that their application may now, sir, be understood.

Mr. President, I ask now to impose upon the Senate the specific instances occurring in our Government exactly parallel to the one in hand. I mean as literal precedents established for the guidance of Presidents—under our laws and Constitution—and by which President Wilson is guided, and under which he acts and is vindicated.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Connecticut?

Mr. McLEAN. While the Senator is on that subject, may I interrupt him for a moment?

Mr. LEWIS. Yes; I yield. I owe it to the Senator from Utah [Mr. KING] to yield to him, but I yield to the Senator from Connecticut.

Mr. McLEAN. May I interrupt the Senator long enough to call his attention to the fact that the President of the United States has expressed himself very freely upon this subject. He has anticipated precisely the situation which now seems to trouble the Senator from Illinois and his colleagues.

Mr. LEWIS. Nothing troubles the Senator from Illinois as to this matter, I may add.

Mr. McLEAN. And he has prescribed a method by which the Senate may defend itself against the encroachments of a too self-sufficient Executive.

I call the Senator's attention to Mr. Wilson's work on Congressional Government, not Constitutional Government, and I read from page 232:

> The greatest consultative privilege of the Senate—the greatest in dignity, at least, if not in effect upon the interests of the country—is its right to a ruling voice in the ratification of treaties with foreign powers.

And on page 233 he continues and says:

> His only power—

That is, the only power of the President—

> of compelling compliance on the part of the Senate lies in his initiative in negotiations, which affords him a chance—

And I should like the Senator from Illinois to mark this language—

> affords him a chance to get the country into such scrapes, so pledged in the view of the world to certain courses of action, that the Senate hesitates to bring about the appearance of dishonor which would follow its refusal to ratify the rash promises or to support the indiscreet threats of the Department of State.

And again,

> The Secretary of State may confer with its chairman—

That is, the chairman of the Committee on Foreign Relations—

> Or with its more influential members. But such a mode of conference is manifestly much less than a voice in the deliberations of the Senate itself, much less than meeting that body face to face in free consultation and equal debate.

And here we have the remedy prescribed by the President himself:

> There seems to have been at one time a tendency toward a better practice—

That is the practice which I have quoted and which has been condemned by the President.

> In 1913 the Senate sought to revive the early custom, in accordance with which the President delivered his messages in person, by requesting the attendance of the President to consult upon foreign affairs.

I think, Mr. President, we may safely assume that the President will adhere to this view, this advice which he gave when his intellectual processes, I may say, were unencumbered with millenial visions or world-wide political aspirations, and that all in due time he will indicate that an invitation from the Committee on Foreign Relations to appear before that committee and disclose his purposes and intentions before he commits this country will certainly be most agreeable to him and that he will not think of speaking for this country or committing it to any terms of peace or league of nations until he has at least given the Senate an opportunity to review his position.

Mr. LEWIS. Mr. President, I trust that other Senators may indulge the same confidence in the President of the United States being both sensible and consistent as does the Senator from Connecticut. I would only hope, sir, that with the belief in such a view some of them would have avoided the exhibitions of other attitudes that so debase, as I see it, sir, the patriotism of men.

Mr. WATSON. Mr. President, in that connection will the Senator yield?

Mr. LEWIS. I yield to the Senator from Indiana.

Mr. WATSON. Of course, we all understand that by the provisions of the Constitution the President has the power, by and with the advice and consent of the Senate, to make treaties. I should like, in order to get the Senator's views, to have him state to the Senate when the right of advice on the part of the Senate begins. That is to say, is the treaty to be completely formulated without the Senate having any right to advise with the President with regard to it?

Mr. LEWIS. I say here to the Senator, the right of the Senate to advise is a privilege. I have no doubt that any President would be glad to have it. But the meaning of the Constitution is that when a treaty has actually been made by the President in the discharge of his privilege in the control of our foreign relations, then, and only then, is he obligated by law to submit it to this body, for the reason, as the Senator must readily realize, that the Constitution invests in this body the privilege to advise and consent to a finished thing—the treaty.

If it were called on to advise and consent as to each given moving particle, we never would reach a conclusion of anything, because the different steps would be intercepted without the knowledge of the other thing that may be in the mind of those participating, and which, when done, might have removed the very objection which the Senate might have urged against that part that alone was presented for its consideration.

If the Senator will endure with me for a while, I will quote himself as evidence fortifying this position I take.

But I now ask the Senator's attention to the history, sir, which, as I said, the able Senator from Massachusetts had omitted; that as Commander in Chief the distinction is, in the negotiation of peace from that which applies as President of the United States in the ordinary treaty, in the civil undertakings of our country.

> On January 20, 1905, there was signed at Santo Domingo City, by Commander A. C. Dillingham, United States Navy, and Mr. Dawson, the American minister, on the one part, and by the Dominican minister of foreign affairs on the other, a protocol under which the United States was to guarantee the integrity of the Dominican territory, undertake the adjustment of foreign claims, administer the finances on certain lines, and assist in maintaining order. As it was stipulated that the arrangement should take effect February 1, the inference was widely drawn that there existed an intention to treat the protocol as a perfected international agreement without submitting it to the Senate. Such an intention was soon afterwards disclaimed by the administration; but the incident resulted in the raising of the broad question as to the power of the President to enter into international agreements of any kind without the advice and consent of the Senate; and the discussion was soon found to involve the second article of the arbitration treaties. By this article, as we have seen, it was provided that the President should in each individual case, before appealing to the permanent court of arbitration, conclude a "special agreement," defining the matter in dispute and the scope of the arbitrators' powers, and fixing the periods for the formation of the arbitral tribunal and the several stages of the procedure. As announced in the press, the position was taken by Senators that the "special agreement" required in each case must be in the form of a treaty, duly submitted to the Senate for its advice and consent.
>
> The President, on the other hand, took the ground that the arbitration treaties, if approved by the Senate and afterwards ratified, would in themselves constitute complete legislative acts, which it would be within his powers as Executive to carry into effect as occasion might arise; and that, if a new treaty were required in each particular case, the general treaties would fail to accomplish their primary purpose and would in reality constitute a step backward rather than a step forward in the development of the practice of international arbitration by the United States. These views the President embodied in a letter to Senator Cullom, which was in the nature of a protest against the position which Senators were understood to have taken. On receiving this letter, the Senate, with only seven dissenting votes, immediately amended the treaties by striking out of the second article the word "agreement" and substituting for it the word "treaty," so that it would be necessary in each individual case before proceeding to arbitration to conclude a special "treaty," defining the matter in dispute and the scope of the arbitrators' powers, as well as fixing the periods for the formation of the tribunal and the several stages of the procedure. When the treaties as thus amended were returned to the President it was announced that he would not submit them in their amended form to the other governments concerned, but would consider the action of the Senate as constituting in principle a disapproval of them.
>
> As the record stands, issue was thus joined on the broad question whether it is within the power of the President to conclude any "agreement" or, at any rate, any arbitral agreement, with a foreign power without the advice and consent of the Senate. As regards this question, the President appears upon the affirmative side and the Senate apparently upon the negative. No doubt, if the subject had been further discussed, the issue might have been brought within narrower limits. It will not be pretended by anyone that the President can

make any and every kind of an international agreement without the cooperation of the Senate, for the Constitution expressly requires that "treaties" shall be made by him "by and with the advice and consent" of that body, signified by the approving vote of two-thirds of the Senators present. On the other hand, it can easily be demonstrated that the word "treaties," as used in the constitutional law of the United States, does not embrace any and every kind of international agreement.

Now, for a moment I wish to bring the illustration to hand. I invite the attention of the Senate to the instance of the agreement of 1817 for the limitation of naval armaments on the Great Lakes. I ask the privilege of incorporating in my address, sir, the full description of that agreement and its related companion instances.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

The agreement of 1817, for the limitation of naval armaments on the Great Lakes, was made and carried into effect by the Executive, though it was afterwards submitted to the Senate. By a protocol signed at London December 9, 1850, by Abbott Lawrence, American minister, on the part of the United States, and by Viscount Palmerston, on the part of Great Britain, it was agreed that the British Crown should cede to the United States Horseshoe Reef, in Lake Erie, and that the United States should accept it, on the conditions of erecting a lighthouse there and maintaining no fortifications. On receipt of the protocol Mr. Webster, as Secretary of State, on January 7, 1851, instructed Mr. Lawrence to acquaint the British Government that the arrangement was "approved" by the Government of the United States. This Mr. Lawrence did on the 17th of the succeeding month. Congress made appropriations for the erection of the lighthouse, which was built in 1856. The validity of the title thus gained will hardly be disputed. The cession, which the Executive had arranged, having been adopted by Congress, the territory came completely within the jurisdiction and control of the United States without any "treaty." We hold the Hawaiian Islands by no better tenure. Two successive attempts to annex them by treaty having failed, they were acquired under a joint resolution of Congress. Texas also was annexed by a joint resolution, but as it was at the same time admitted as a State, it stands in a legal category distinguishable from that of Hawaii.

In 1882 an arrangement was effected between the United States and Mexico, by means of an exchange of notes, for the reciprocal passage of troops of the two countries across the border when in pursuit of hostile Indians. On June 25, 1890, an agreement, in the form of a protocol, was entered into on the same subject, and this agreement was from time to time renewed with amendments. The Federal troops of the two countries were permitted to cross the international boundary in pursuit of certain hostile Indians in the uninhabited and desert part of the line, which were defined as "all points that are at least 10 kilometers distant from any encampment or town of either country." It was expressly stipulated that no such crossing should take place between two certain specified points. There were various other provisions requiring notice of crossing to be given, if possible, and permitting the chastisement of other hostiles whom the troops might chance to meet.

Mr. LEWIS. Mr. President, I now ask the Senate's attention as approving the position of the President and as justifying his course in precedent. My recital of late history—political, military, and diplomatic—exactly fitting in parallel the circumstances now applying to the President's action now proceeding in Europe.

One of the most important agreements ever made by the Executive without submission to the Senate was the peace protocol with Spain of August 12, 1898. By this protocol provision was made for a general armistice between the two countries. This stipulation was no doubt within the powers of the President as Commander in Chief of the Army in time of war, but there were other provisions of a different nature and of far-reaching importance. Not only did the protocol stipulate that Spain should relinquish all claim of sovereignty over the title to Cuba, and should cede to the United States Porto Rico and other islands under Spanish sovereignty in the West Indies, and an island in the Ladrones to be selected by the United States, but it also provided that Spain should "immediately evacuate" Cuba, Porto Rico, and other Spanish islands in the West Indies, and to this end within 10 days should appoint commissioners, who within 30 days were to meet commissioners of the United States at Havana, in Cuba, and San Juan, in Porto Rico, respectively, for the purpose of arranging and carrying out the details of the evacuation of Cuba and the adjacent islands. Commissioners to negotiate the definitive peace were to meet at Paris not later than October 1, 1898. They met accordingly, and, pending the negotiations which resulted in the signature of the treaty of peace on December 10, 1898, Porto Rico was evacuated and the preparations for the evacuation of Cuba were proceeding. It may be said that the evacuation of Cuba was clearly within the scope of the joint resolution under which the President was directed to intervene in Cuba, but this could not be said with regard to the anticipatory evacuation of Porto Rico and other Spanish islands in the West Indies, which was clearly an incident of the cession.

Mr. President, another remarkable exercise by the President alone of the power to make agreements with foreign countries is found in the protocol concluded at Peking on September 7, 1901, between China and the allied powers who had cooperated in the march to Peking for the relief of the foreign legations. This protocol was signed on the part of the United States by Mr. W. W. Rockhill, now minister to China, who was then acting as a special commissioner to China by Executive appointment alone. It embraced numerous topics, including reparation by China for the murder of the German minister at Peking, the infliction of punishment of the principal authors of the outrages and crimes committed against foreign governments and their nationals, the prohibition by China of the importation of arms and ammunition as well as of the materials exclusively used for their manufacture, the payment to the allies of an indemnity of 450,000,000 taels, the constitution of an extraterritorial quarter for the use of the foreign legations in Peking, the temporary occupation by the powers of certain points in order to keep open the communication between the capital and the sea, and undertakings on the part of China to negotiate amendments to her existing treaties, to improve the navigability of the Peiho River, and to transform her office of foreign affairs into a ministry of foreign affairs, which was to take precedence over the six ministries of state.

Mr. President, I invite attention to the fact, sir, that neither of those was referred to by the eminent Senator from Massachusetts in his impeachment of the course of the President. Not one of those was alluded to by the Senator in the arraignment that he presented in his late speech nor in the catalogue and schedule that he gave the Senate of the instances in this Government wherein the President consulted the Senate. These, the only instances which paralleled the exact conditions now, sir, as Commander in Chief, were omitted completely. Surely the distinguished Senator from Massachusetts was not ignorant of these. He was a Member of the body when they transpired, and he raised not a voice then against these distinguished Executives executing the project and carrying out the design as Commander in Chief, because his eminent ability submitted to his own judgment that they were right, wholly within their province, and justified by precedent and the law of their country. He could not bring himself to give the President the benefit of their weight, though he was too honest with history to dispute the existence of the acknowledged authority.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Iowa?

Mr. LEWIS. I yield to the Senator from Iowa.

Mr. CUMMINS. I am not approaching the subject in a disputatious or argumentative spirit at all; but one view expressed by the Senator from Illinois very greatly interests me, and I should like him to elaborate it a little further. The question is this:

On the 6th day of April, 1917, Congress declared that a state of war existed between the United States and the Imperial Government of Germany. Could the President the following day have declared the war at an end without consultation with Congress, or any action upon the part of either the Senate or both Houses of Congress?

Mr. LEWIS. I answer the Senator, yes; the President as Commander in Chief could have declared the war at an end, and then he could have submitted to the body, if he cared—as he should—whatever conclusion he arrived at upon the facts before him. The body could have repudiated his conclusions. There, sir, I say, answering the able Senator, the power of the Senate would begin after the President had announced his conclusion.

Now, Mr. President, the learned Senator from Massachusetts recognized this exact situation when, in a speech on January 3, 1917, the Senator referred to the course of President Roosevelt in seeking to bring together the nations of Japan and Russia for the purpose of peace. The Senator from Indiana [Mr. WATSON] then rose and interpellated the Senator from Massachusetts, and asked if there was any resolution introduced in this body concerning the conduct of President Roosevelt, and the Senator from Massachusetts, so anxious to have it understood that under no circumstances had the body any right to intrude itself with its advice, much less to hope that the proposal would be sent to it for confirmation, said:

Mr. WATSON. May I ask the Senator a question?

Mr. LODGE. Certainly.

Mr. WATSON. I ask the Senator if, in the case of President Roosevelt's note, any resolution was introduced into the Senate for a confirmation of his proposal?

Mr. LODGE. I do not remember that any resolution was passed by either House of Congress indorsing and approving the action of the President. The President was acting wholly within his right as Chief Executive, as the present Executive is acting, and it was not sought by him certainly to project the Congress of the United States into the negotiations, if you choose to call them so, or with the good offices he had offered in hopes of bringing the belligerents together.

And, Mr. President, I can answer the direct question of the Senator from Indiana, made to me a few moments ago, by quoting the Senator from Massachusetts in his reply to the Senator. It is this I meant when I said, in reply to the Senator from Indiana, I would quote him in reply to his query to me. The Senator from Massachusetts continued then to say:

The Senate, in my judgment, has no right—and I have thought so for a long time—to try to force itself into the conduct of a diplomatic negotiation, and when it asks for diplomatic papers its request is always accompanied with the statement that the papers be sent "if not incompatible with the public interest"; in other words, it is recognized that the whole conduct of the negotiation is in the President's hands. Now, if the President has in his possession the terms proposed by the central powers, it is entirely within his discretion to deal with them; but if we are summoned to indorse in the dark everything that he is doing, then before action we are entitled to know the grounds of the action; in other words, when our cooperation is invited we are entitled to have the same information as that which the President has.

It must be very apparent then, Senators, that the viewpoint of the able Senator from Massachusetts in his last address here in this body is in opposition to that which he uttered here in January, 1917, on the same subject. It is equally obvious the change of position has an object. If then, in 1917, he sought to deprive the Democratic side of the credit of offering its cooperation and instruction to the President in his effort to attain peace, upon the ground that we had no right to offer our advice or consultation until the President had demanded it, may I not ask, What right has the eminent Senator now to say the President commits a wrong in not waiting for that advice of the Senate before he acts and before he demands it? Why should the able Senator for that charge him with committing an infraction of the constitutional law of the land and of the fundamental doctrines of the Government? No one knew better than the senior Senator from Massachusetts that he had fully presented the very opposite view and had maintained it. There can be but one construction to this conflict of conclusion on the same state of facts—politics.

It is the one I deplore. It is one that follows the conditions outlined—the desire to obtain the political advantage to be had by holding out to the people of America, who generally do not understand the course of these questions, that the President was assuming, in a despotic manner, as a dictator, as an imperial potentate, to ignore the people by refusing to do that which under the law was his duty, as the able Senator would have the country understand; and that the President was violating the fundamental doctrines of our whole theory of government—and only because it was his privilege to do so—by ignoring this body and showing contempt for its prerogative.

Mr. President, of course you have seen, all of you, newspaper items over the country teeming with burning utterances accusing the President of this great offense to the Senate, of the violation of his obligation to the people, by in no wise conferring with their representatives, the Senate; and these put their accusing judgment on the speech of the Senator from Massachusetts. It was this purpose, I assert, the Senator from Massachusetts artfully had; and here upon the record, as is evident to all mankind, a more unjustified accusation on the part of the able Senator was never made by man of high position, in high place, against the Executive of his own country.

Mr. President, I insist that the object is clear; the Senator hears my voice. It is to make the negotiators in Europe believe that the President has violated the laws of his land and is a fugitive from the justice of the Senate, taking refuge in their midst; that while he is being entertained by them he is as one discredited by his correlative body, the Senate, and that his conduct has been such that he only awaits the repudiation of his American mankind.

And why, sir, is all this? It is that these who unjustly accuse may defeat the very purpose for which the man has gone abroad as the representative of his Nation, and that when defeated they can cry out to America, "Behold what a failure this man was; see how he has brought upon the land this regrettable spectacle of disgrace," showing the world how all the pouring out of blood and sacrifice of life has been of no avail, as they will charge; how, as they will cry out, he was accompanied abroad by Mr. Creel and his retinue; and how he presented himself to the kings and potentates, feasted from golden plates in Buckingham Palace, and came home with a zero to the credit of his office and a disdain of his countrymen to his name and fame.

These condemning Senators hope that their whole design, acutely executed, audaciously conceived, shall accomplish that result. Then they will go before the country and say: "There is but one thing to do; defeat this detestable Democracy, that has brought upon you so contemptible a result. Summon your Republican forces at once and demand a special session of Congress, that you shall on March 4 have a Republican Senate called to right your wrongs." Then, sir, that new Congress, summoned under the call of patriotism, under the guidance of that same leadership, will proceed to turn the railroads back to their masters' possession, without regard to the rights of our people. Then we will have another orgy, where certain railroad manipulators polluted every legislature possible, purchased judges to violate the law, and debauched the Government whenever private profit could follow their crime. Then, too, will follow the telegraph and cable lines to be restored to their private owners to continue their monopoly and outrage upon the people, yet both to be the flowing fount of corrupt political campaign funds.

The distinguished Senator from Massachusetts [Mr. WEEKS] may now know something of the truth of the matter he referred to this morning, that with all efforts of this Government to get the reports about our dead boys on the fields of France, to be communicated home, the cables were so choked by messages that paid from 60 cents a word up to $6 that it was impossible to get a message over here to a weeping mother or waiting father with all the power of the Federal Government. The Senator's criticism was just, that these delays seemed to be inhuman, that they must awaken a revolt in the heart of anyone who has to suffer the experience.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from Massachusetts?

Mr. LEWIS. Yes.

Mr. WEEKS. I do not like to interrupt the Senator, but he should remember the casualty lists came from Europe at a time when the cables were under private control, every week bringing to the War Department the hospital lists—at least it was so reported to the Committee on Military Affairs—so that the choking of the cables could not have interfered in any way with disseminating the information for the lack of which I have criticized the department this morning.

Mr. LEWIS. I must advise the able Senator, since he has alluded to that, so careful was this Government to make an arrangement by which it took no money from the cables and left the officials and operators in charge of the cable companies' affairs, continued its managers and superintendents, that when the opportunity came for one of these lines to profit financially upon the distress of a Nation in the way to which I have alluded, they not only did not fail to accept it, but rushed to do so, and thought that they did so in secrecy. The eminent Senator is right in assuming the Government was in control of the war messages, so far as their contents were supervised at that time, but upon the facts being disclosed he will discover the real reason of the delay in getting reports from Europe as to sickness, casualties, and deaths of soldiers.

For many other reasons the Government has been compelled to lay its strong hand upon these agencies that this continuation of wrong and this unnamable infliction upon the mothers of this country shall not longer continue by private enterprise that is now being championed in this Chamber and elsewhere as "legitimate private business."

Mr. WEEKS. Mr. President——

Mr. LEWIS. I yield to the Senator from Massachusetts.

Mr. WEEKS. I beg the Senator's pardon for interrupting his line of thought. I had no intention of doing so, but I wished to inject this comment, in view of what he has just said, that there has been no complaint on the part of the War Department or by any official of it that there was delay on the part of the cables in sending the names of the casualties from the other side.

Mr. LEWIS. It may be the Senator, Mr. President, has not had the War Department use that excuse. I pray the War Department and no other department of this Government will attempt to shove off, as it were, from its own responsibility by attempting to put the blame upon any other source. Nevertheless, I inform the Senator that at a little later time, in an official report which is now on its way to this body, he will have such different information of the real reason that neither he nor the country need go astray. At a later time I will enter upon that subject more in detail, when not altogether foreign to my discussion.

Then, sir, to proceed, these views I have described of the President's critics go out, flashed at once abroad, and the impression, so unjust of our land and our people, in relation to the President and his country finally succeeds. Then we have the commissioners representing the European countries misled, misguided, and deceived. We have every land abroad advised each morning that the man whom they have received in their halls of hospitality is unwelcome in his own country. Upon those false premises this form of indictment is presented to the world. What do you say, Mr. President of the Senate? What will you say, Senators to my left and you to my right, of the situation I am presenting to you, that here is a citizen from America—I care nothing about his political cognomen—who is President of the United States? With the dignity of this country in his keeping he goes abroad to serve humanity. He is welcomed by every land as the apostle of liberty, received by every country as the distributor of justice, homage paid to him from the doors of the humblest homes, millions of the poor trooping to the highways to see him, that they may see what represents democracy in a humble, simple human being of America.

All over the world every ear is turned to hearken to his least utterance, the earth gives audience to his every declaration. Everywhere benighted civilization and oppressed mankind confide to his justice and trust his promise. These everywhere pray to be delivered by him and are content that he will but

remember them. Sir, only here in his own land, only in the Congress of the United States, of all the world, is he reviled and misrepresented, to such low plane of political uses have some patriots of our land fallen. America, we may not ask, Is this your land—are such as these your sons?

Mr. HITCHCOCK. Prophets.

Mr. LEWIS. The Senator from Nebraska [Mr. HITCHCOCK] interpolates "prophets." Prophets! These eminent leaders—I am pleased that I can never bring the charge, fitting to some, against their party or its patriotic followers, for they can not be indicted—but those who wrap themselves in a cloak and brand it "Republican," besmirch the garment and stain the character of a noble party name by their ignoble conduct.

Prophets! So far as I am concerned, I will say to the Senator from Nebraska they shall hereafter be known as "the soviets of the Senate."

Mr. President, since we have seen the object of the thing I oppose, I have but this to say—and then I conclude this branch of the discussion—that when men with motives such as I charge, eminent leaders though they may be, shall have ceased their defamation of this man; when they have ended their misrepresentation, finished their false drama, and have gone into the obloquy which awaits them, and in the calm reflection of a just American public, shall have been driven from public place by that contempt which ever follows deliberate injustice on the part of any man—the President of the United States of America, this man Woodrow Wilson, will rise as a figure illumined on the pages of history, reflecting glory upon this Republic for generations yet unborn. And mankind recalling his labors for good and his sacrifices for man, will ever recall him as one spoken of by Cato in "Pharsalia";

> Charum et venerabile nomen
> Gentibus, et multum nostrae quod proderat-urbi.

(A man illustrious and revered by nations and rich in blessings for our country's good.)

I come now to analysis of the compliance to the demand that the President take advice of the Senators as to the peace treaty. I ask your attention, Senators, who do me the compliment of listening to me, to this thought: The Senator from Massachusetts and other Senators say the President will not take the consultation of the Senate. As a mere matter of les amusant pour le moment—"amusement for the moment"—as the French would have it, in Victor Hugo's The Man Who Laughs, may I submit to you this thought? I now bring in the President; I summon him and say, "The distinguished Senators say you should consult them and take their advice." We imagine him, in his usual genial accommodation, replying, "I shall be happy to do so. I want the Senate's advice." But I as Senator now ask, What advice will the President take? Will he take the advice of the distinguished Republican Senator from Idaho [Mr. BORAH], and that of the distinguished Democratic Senator from Missouri [Mr. REED], who oppose our entering into any form of alliance upon the ground that it violates the traditional principles of our Government and runs counter to the direction of George Washington? Will he follow that advice and keep off altogether, or will he take the advice of the Senator from Pennsylvania [Mr. KNOX], who says, "Yes; we should enter into ententes and alliances in Europe or anywhere, but with a limited number of countries only and with defined responsibilities"; or will he take the advice of the Senator from Massachusetts [Mr. LODGE] and enter into a general understanding with all European little factions by which he pledges our land behind all these foreign divisions to establish any purpose or policy which any of them desires, however much force it may take?

Which advice shall the President follow? Shall he follow the suggestion of the eminent Senator from Massachusetts in saying "This war was a war for civilization," or that of the Senator from Pennsylvania, who says it was one to establish ancient rights on the sea, and we should not enter into the affairs generally of Europe or Asia, but, after stating peace terms, obtain the main principles and get out of the affairs of the world? Or, pardon me for again asking on another phase. Will the President follow the advice of the humane Senator from California [Mr. JOHNSON] and withdraw all the troops we now have in Russia at once, though we have them there as a necessary protection of American interests? Or shall he follow the advice of the kindly souled and industrious Senator from Michigan [Mr. TOWNSEND], and, instead of withdrawing them, obey his demand and at once put more soldiers in there? Finally, Mr. President, as between the protesting voices of the Senators from Pennsylvania and Massachusetts, shall the President take the proposition of the Senator from Massachusetts and sit at the peace table, demanding that all of these nations be divided up into different political divisions, to be established in government and entrenched in power and held there by American force, or the advice of the Senator from Pennsylvania, who says we shall lay down such propositions of general policy for which we fought this war, and "then come home" and have nothing to do with these internal policies of any of the warring lands or their factions?

What advice shall the President take of the Senate? Surely, poor man, in such event—when he comes to get that advice and to follow it—he would have to quote in his soul the passage from Milton's Paradise Lost, where the individual, beholding himself surrounded by such confusion of counsels, persecuting him with insistence that he worship in every direction, cries out, "Wretched me, whither shall I fly? If to one, consumed by the gods; if to the other, destroyed by the demons."—Pluto, "rather to thy bosom be my refuge."

Sirs, I mention all this that the country may see how utterly impossible is the attitude of the eminent Senators who make this opposition, and I present it that the country may see, upon reflection, how impossible it would be for the President ever to take his consultation from the viewpoint as expressed by the eminent Senators, however in their sincerity, because of the lack of any concrete judgment on the part of the opposition or any concrete and established policy on the part of any six—or indeed of any two of those opposing this policy—or of any two or more proposing any other policy of any kind or of any nature for the purpose of avoiding war, the devastation of lands, the murder of children, the destruction of civilization.

The Senators may say, as they do, that they will not vote to ratify a treaty or to confirm an agreement made in the manner that they indicate, as drawn from the reports in the public press. Mr. President, I would have no Senator vote for any policy that did not meet his conscience; I would have no Senator give his approval to that which he felt was not for the welfare of this country; but I have this to say:

Now, sir, I am brought to the demands of the Senator that Wilson postpone his ordered work. Says the Senator, "There should be postponement of the freedom of the seas." What postponement? Postponement of an expression of our rights on the sea. Pay tribute to the forceful deliverance of the Senator from Tennessee [Mr. MCKELLAR] on this point and envy its convincing arraignment as an expression of my own. Where is my friend, the senior Senator from Massachusetts? Will he hear me from the recesses of his self-effacement in the lobby? Where is the man sitting here that did not hear that distinguished Senator time and time again inveigh against us because we would resign to Germany the freedom of the seas? Where is the speech of my eminent friend which he made in Massachusetts in the political campaign of 1916 and his eloquent and able address made on this floor in condemnation of the President because he would resign, as the Senator set forth, our rights in the matter of the freedom of the seas? Nor, as he charged, ever prescribe and assert it. Now, it is to be postponed. Why? What is his reason, sir, that it should be postponed now? Now, that the battles have been fought and victory won, the representatives are around the peace table for what? They are assembled there that they may incorporate a definition of the results.

What are the results for which we fought? Among others, the freedom of the seas. Postpone it? Postpone the recognition of it? Postpone the statement of it? Postpone the assertion of it? Postpone the demand for it? Then, the only thought I have to reply is, Why did we fight and for what did this Nation go to war? If Germany had not violated our rights on the seas, shattered our ships into splinters, submerged our cargoes, murdered our fellow citizens, defenseless, and without cause, we would have been following to-day the advice of such eminent Senators as these to whom I am referring by "keeping our hands out of European politics." Avoiding every conflict, we would to-day not have one soldier boy lying stretched upon the plains of France bathed in the dew of his own blood, while his mother waits at home for but a sign of where her angel boy sleeps. There are those who were driven to this necessity of sacrifice of our children because of the denial to our country of the freedom of the seas. And this distinguished Senator contributed to this body a discussion that can be used, indeed, as a model anywhere of our right to the seas and the necessity for claiming it, aye, through war. Then, indeed, sir, shall we hastily and without preparation postpone it? Why is it asked? What for? Hear me; I will tell you.

There is no abler historian in this body than the senior Senator from Massachusetts. He can tell you how in 1812 and 1814, when we had concluded war with England, made for our rights, known as the rights of the sea, and then in peace negotiated a treaty, we permitted ourselves to be juggled into omitting any definition of our rights on the sea. It was left out and postponed; all assertion of our rights to the sea abandoned.

We withdrew it completely that we might not have a further discussion or embarrassment upon the subject. Yet, sir, when Henry Clay, as commissioner, came home and made this confession to the American people they defeated him for the Presidency. All over America, even in our weak years, went the echo: Why the war, why the death, why the desolation, if for all that for which we suffered we get not even a word establishing our rights? The eminent Senator from Massachusetts is not blind in his astuteness to the fact that if you can but duplicate that history, you can in 1920 go all over America and cry, "Behold the Nation, with twenty billions of its money gone, with its homes desolated of children, with a cloud of misery on every threshold and in every home, and yet for all this, what? Nothing!"

Should the demand of the Senator and his allies prevail, then to-morrow, if Germany is rehabilitated, she is just as she was yesterday, without a warning by America of any right of ours whatever on the seas. Britain, France, Italy, Japan, and Austria, indeed every nation at the peace table, has not a line from us insisting on our rights, nor is there recorded in any compact a single demand for the security of America on the seas for the to-morrows. Ah, then, the distinguished Senator and his colleagues will cry: "Out with those who did such cowardice, out with them, send them into outer darkness, where there shall be weeping and gnashing of teeth, postpone!" Postpone?

Mr. President, I regret my learned friend from Pennsylvania [Mr. KNOX] is not here. I wish to speak of that able Senator's position. In his speech the Senator from Pennsylvania tendered a resolution. Behold, sir, it reads in its preamble:

Whereas the United States of America entered the war with Germany and Austria-Hungary in order to vindicate the ancient rights of navigation as established under international law—

The Senator from Pennsylvania says we entered the war to vindicate our ancient rights, and the Senator from Massachusetts says, "We shall postpone the vindication." If we entered the war to vindicate them, then why postpone it? What is the purpose of the eminent Senator from Massachusetts?

Mr. President, here we will recall that likewise the Senator from Pennsylvania demands that we postpone the league of nations. I pray you watch this little game. Political ping-pong was never played with more astuteness nor more amusingly. First, the Senator from Massachusetts demands that we shall postpone the freedom of the seas; he makes his declaration and declamation with all the anathema of accusation and condemnation. Then arises the eminent ex-Secretary of State, the Senator from Pennsylvania, for whom all have an affection, and demands postponement of the establishment of a league of nations. Now, in the language of the Gilbert and Sullivan opera, "there's a howdy-do." Postponement! Why? Did we not go to war for complete vindication of all we were fighting for? Are we now to forego any of these necessary guaranties? Might I not put a query here to the Senator from Massachusetts and to the Senator from Pennsylvania?

I read from a report of 1898. When the peace arrangements were being proposed between this country and Spain and the proposition was made that we take the Philippine Islands, yonder in New England there arose a great protest of those who called themselves "anti-imperialists" against the taking of the Philippine Islands. There arose also from these and elsewhere a demand to abandon that question then and there. Senators who do me the honor to hear me remember the cry was, you will recall, "Let us have immediate peace that we may stop the fighting in the Philippines," which at that time was going on, as you recall, between Aguinaldo and the United States. It was these distinguished Senators, if I err not and call upon them to bring forth facts to the contrary, if I am in error or my report in error, who, in their wisdom, protested against the postponement of any of the terms necessary to a complete peace. To use the words of one of them, "It would be a piecemeal peace," and the country would not know for what they had fought or what they had obtained.

This was sensible. It was what America demanded!

Why ask us now to postpone? What is the theory of saying to us, "Let us postpone," when they realize postponement means a wrong to the Nation and a wrong to the purpose for which we fought and for which our Nation's children died? We know what postponement means. We are not all in the dark as to what is in mind by demanding postponement. The distinguished Senator from Massachusetts will have us postpone freedom of the seas. The eminent Senator from Pennsylvania will have us postpone the league of nations. In other words, "Mr. Wilson, please postpone yourself and postpone the Democratic Party and postpone any achievement and postpone any result, as we desire to postpone you politically perpetually." [Laughter.]

Mr. President, if the distinguished Senators had advanced a reason founded in any of the past history of our land or in the suggestions of accommodation to any claim of justice for these propositions and these demands, they would receive at my hands a dignified and considerate treatment. But, sir, as I will point out, and trust I have, there is not one suggestion of conduct made by the eminent Senators but directly contradicts that which they have made before under similar circumstances during other administrations. It is but evident that the purpose is to serve partisan opportunity that might be born of confusion of a people and a misconception of the duties of the President and misrepresentation of his constitutional rights. It is to be deplored that for the consolation of each Senator that each could not have known how to anticipate the antithesis of policies they bear to each other and harmonize on one sure principle of obstruction. That result might promise some hope of advantage.

But we who love them both and wish them well can for the consolation of their hearts dismiss all consciousness of inconsistency of theme, action, or time of performance and cry forth, "Ye gods, annihilate but space and time and make two lovers happy."

Mr. President, we come now, sir, seriously to the situation which the Senator from Massachusetts and the Senator from Pennsylvania would leave us in. I am not without consciousness of the seriousness of an observation I make here. I have stated before—In agreement with what the Senator from Alabama [Mr. UNDERWOOD] this morning said—that this treaty will be before us in some form before this short session closes. All the more ought I to be careful of any utterance I make here touching any viewpoint I have. Mr. President, I say to the country that if the influence of distinguished Senators in this body or of any others anywhere else shall succeed in postponing any arrangement whatever for the creation of some tribunal to which disputes of small nationalities and contentions of European peoples shall be submitted, there will be war resumed, and to this country there will be no exemption. This feared war will break in Europe exactly and for the same apparent beginnings as this great world war broke before. Hear me in my reasoning, sir. We now behold Italy contending for territory a part of which the Jugo-Slavs insist is theirs; again is Italy contending for a territory part of which Greece demands. Greece demands that which Bulgaria claims. We see that as to one of these, as to Greece, her leader, Venizelos says, touching Bulgaria and the claims of Italy—announces—I read from the foreign journal quoting Venizelos:

Bulgaria sets up territorial claims in the Near East, which, Mr. Venizelos says, will lay the foundation for another war in the immediate future if Mr. Wilson allows himself to be misled.

Sir, we recur then to note another expression, far away geographically. Italy is making certain claims to certain territory, and the Jugo-Slavs, on the other hand, are making counter claims to the same territory. Now, it is said by the leader of the Jugo-Slavs. I read:

It is impossible in the terms of this armistice to avoid seeing again the effect of the Baron Sonnino's reactionary policy.

If this policy is allowed to prosper unchecked, if its attempt to lay hands on as many pawns as possible, is not frustrated, there is a definite danger of permanent armed conflict between the two shores of the Adriatic, and such a conflict would have the immediate effect of weakening the Agram Government, and most likely of opening the floodgates of bolshevism.

Mr. President, is this all we need fear? No. Let us pause and contemplate. There is Japan. Japan says, "I claim as the fruit of war the islands heretofore held by Germany in China." She contends that the Provinces which have been wrested by her from Germany, Kiaochow, shall be hers. China replies that these were hers—ever hers—and that they should be returned to her, because first taken by Germany by force from her.

In the meantime, as to the Manchurian border, a part of which was once Russian and a part China's, China is asking to have that returned to her from Russia, while Japan is asking to have Manchuria placed in her hands, as she has been administering it after capturing it from Russia, who had taken it from China.

Do you not realize that each of these will begin their contention—force their claims against each other—if we have not a tribunal such as President Wilson is seeking to create? These conflicts can find but one court of arbitration. This will be where the advocate is the sword, where the judges are cannon, and where the decrees are writ in blood. Let no man beguile himself. They have nowhere else to go. When we have refused after we have promised, or when we have defaulted after we have undertaken, and when their hopes have been dissipated, and only disappointment and despair is their inheritance,

what else, they will argue, can they do but fight? It is all they were taught by the Old World, and fight they will. So all of the losses which the world now endures and all the sufferings which mankind has borne as the result of the breaking out of the fires in the Balkans will be again renewed in all their horror and desolation. It will be the United States bringing—

> Cæsar's spirit, ranging for revenge,
> With Ate by his side come hot from hell,
> Shall in these confines with a monarch's voice
> Cry "Havoc," and let slip the dogs of war.

Sir, once the flames light again, with armies resting on arms, no man can picture the universal devastation, nor how the new anarchy and war aroused in the Orient and Russia will rush like leaping flames to our possessions in the Pacific, and approaching us from the Pacific Ocean envelop our west coast in its fires and descend with riot and civil anarchy on us in every center of America. I warn you of the day you bring on yourself.

[Mr. LEWIS yielded the floor at 4 o'clock Thursday.]

Friday, January 3, 1919.

Mr. LEWIS. Mr. President, I would not resume the floor this morning had I not laid down specific propositions and stated that I would amplify them by proofs from the RECORD. I appreciate the generosity the Senate has extended me, and I certainly shall not abuse it. The Senator from Colorado [Mr. THOMAS], the Senator from Idaho [Mr. BORAH], and the Senator from Iowa [Mr. CUMMINS] desire to address the Senate after 2 o'clock on the pending question. I certainly anticipate that nothing I may continue to say will stand in the way of that program.

Mr. President, the Senator from Massachusetts [Mr. LODGE] this morning had read into the RECORD some views of Viscount Bryce as to the difficulties that would attend the formation of this league of nations, and the eminent Senator would have us understand that, because of those projected difficulties, the embarrassment is regarded by some as insuperable, and for that reason we should not enter upon the undertaking.

Mr. President, no one could have heard those views read without recalling how literally they were the forms of objections which were urged to the confederation of States in the United States of America. They were almost in form literally the things that were constantly said as to how that confederation could never be successful and the Union never permanent. Of course, Mr. President, there are objections to be urged from many viewpoints, there are difficulties apparent; but if we are to shrink from an undertaking merely because we are confronted with a difficulty we shall never enter upon any solution of any question. The mere fact that there are these indications as to difficulties that might arise only serves to warn what things are to solve, what difficulties are to meet, and what obstructions to overcome. Thus I do not regard the mere suggestions of Lord Bryce, or from any other source indeed, pointing out difficulties as obstacles insurmountable to the purpose in view, nor do I recognize them as excuses for failing to enter upon the principal design that is in contemplation. As to the contributions tendered by the Senator from Wells, the novelist, I had adverted to those in the speech of weeks past, and the Senator from Montana [Mr. WALSH] read the extracts in the RECORD. They point nothing new of objection and give much of hope from new quarter. They were offered by the Senator to dispel the impression he fancied I had awakened, that he alone had presented objections to the plan as proposed and to the project as designed. Alas, for both of us, in all thoughts we can not claim originality.

But when I closed yesterday afternoon, Mr. President, I had reached a point where I was about to enter upon the analysis of the counter propositions suggested by the two Senators—the able Senator from Pennsylvania [Mr. KNOX] and the equally able Senator from Massachusetts [Mr. LODGE]. I had stated that the propositions presented by those Senators as counter propositions carried with them the very same suggestion of difficulty that they themselves conjured as against the proposition for the league of nations, and that every one of the burdens which they said would fall upon the nations in the event of attempting a league of nations, would, I charge, inevitably grow out of either plan suggested by either of these two able Senators in the view which they proposed. If this be true such clearly conducts to the mind the conclusion that the league of nations as proposed has less evils in its prospect than the propositions presented by the Senators as their counter propositions have in their inheritance. Let me prove that.

The Senator from Pennsylvania tenders the proposition that we postpone the suggestion of a league of nations, and in its place—and I will quote the Senator's speech literally from the RECORD—he proposes an entente of nations. The Senator would have the larger nations—he named Italy, Japan, France, and the United States, to illustrate—have an understanding that in the event there is anything that looks like the prospect of a conflict, those nations then are to get together and say to the particular nation that threatens that they will use their combined strength to avoid the conflict by whatever means is at their hands or to defeat it.

Now, I ask the question, How could such an entente ever be created to execute these purposes without an understanding between them that they were to use their army and navy? If there be no understanding to use any army and navy, then their mere assertion of a request would be as idle as a whisper. If the purpose be, as the Senator says, and clearly discloses, that where the nation that threatens shall not abjure and desist, then we shall use the combined forces of these, the entente. There, Mr. President, have we not then that force of army and navy invoked by combination of the entente, and have we not the exact situation which Senators conjure up as the evil that they fear to follow and the consequence which they claim make disastrous the adoption of a league of nations?

And, Mr. President, the distinction between the proposition of the Senator from Pennsylvania and that of the league of nations is this: In the proposition of the Senator from Pennsylvania you would have a few select nations banding themselves together because they are large and assuming to say to all those whom they have kept out, "You shall obey the theories of life as we prescribe them; you shall be under the jurisdiction of ourselves, as we have combined; you shall have no voice in the understanding; you shall have no representative in the agreement, but what we determine you shall obey." Fancy how long, Mr. President, that would be successful.

And, Mr. President, how would it be executed? Let us pause a minute. Do you assume that under that agreement—may I ask the Senator from Pennsylvania when he has time to consider the matter—Italy, with so many thousands of her nationals in Argentina, would agree to abide by whatever agreement these other three or four nations might make as against South America in any design that might arise there? or let us imagine some grievance that they might have from there. Certainly not. Could you imagine, sir, that France, with the interests that she would have in Argentina, could you imagine that Spain would stand silent when Chile was being made the subject of some assault? Could you assume that Britain, with her interests in nitrates in that country, would be content to sit silent and allow other nations anywhere to dispose of Chile? You can readily see, Mr. President, that the suggestion by the eminent Senator is a mere escape from the bigger question. From less than the Senator we would characterize it as a subterfuge. It is filled with every conceivable objection; there is no virtue from it compared to the virtues in an agreement of all nations that can be tendered as an offset, much less as a counter-proposition, to that of a league of nations.

Mr. President, what is it, therefore, the Senator contends for it? Here we are interested in this thought: The able Senator from Pennsylvania would have this entente of nations and have an agreement on their part to carry out the design of frustrating any nation that attempted to make war if it did not settle according to the terms of these four. Then the Senator is wholly at variance with the objection urged by the Senator from Missouri [Mr. REED] and the Senator from Idaho [Mr. BORAH]. They contend that it would be against the policy of George Washington that we should have any alliance with any foreign countries of any nature that might involve us in any complications of the sort which the Senator from Pennsylvania would prevent. The Senator from Pennsylvania presents St. Paul's theory, as expressed to the Corinthians, "all the old things are changed and only the new have come upon us," when the Senator says that George Washington referred to our isolated state, to our separate and distant condition, and, says the Senator from Pennsylvania, "I will not concur and I do not adopt the theory that there should not be some entente arrangement with foreign nations to accomplish purposes of this kind." Then, Mr. President, we see at once that in this opposition to the President we have such a variance between these leaders of the opposition that there is no concrete form which they present that could possibly be executed as either a party policy on the one hand or a unanimous one from the opponents of, as nonpartisan, on the other.

Let us see, sir. There is a thought to be brought to our attention: The eminent Senator from Pennsylvania would have the country understand that, as he says, had we been wise enough to have adopted a suggestion of this kind in 1914 there would have been no war, and I have never a doubt that the distinguished Senator will present before the country how this splen-

did plan, had it been conceived and executed, would have avoided war. Why, Senators, the eminent Senator is possibly for the moment unconscious of the fact that had the proposition been available, had it been practical at that time—Germany was at peace—we had no reason to suspect, we had no proof at that time that she was establishing a conspiracy. So she would have been one of the nations brought in by him, and then, within the counsels of this select entente in its privilege of monopoly, Germany, with all of her secreted power of 40 years, would have been the dominant figure with the secrets of the power of the other nations in the big entente.

Mr. WILLIAMS. Just as she was at The Hague tribunal.

Mr. LEWIS. The Senator from Mississippi injects appropriately, as Germany was at The Hague tribunal.

I bring to your attention this to demonstrate how impracticable, and may I say, sir, how thoughtless, are these suggestions, grandiose in their sound, presented by these eminent Senators that the country may see, as they would have the country believe, that they are not indifferent to some form of league; that they have one quite complete in itself and concrete sufficiently to accomplish the purpose as a reply when they have defeated the one that is now before us for consideration.

Mr. McKELLAR. Mr. President——

Mr. LEWIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. If a simple announcement of that doctrine by America in 1914 would have prevented the late disastrous war, the most disastrous of all wars, how much stronger and how much more effective would be the announcement by all of the nations instead of by the United States alone. And does not the argument of the Senator from Pennsylvania show beyond controversy that, if it be a good doctrine if applied by the United States, it would be a far better doctrine if applied by all of the nations instead of just one of the nations?

Mr. LEWIS. Mr. President, I must concur in the statement of the Senator from Tennessee, for, as usual, he contributes a potent thought and one effective in its suggestion.

Mr. President, it is interesting, however, at this point to recognize what view is held of the position of these eminent Senators by those outside, and more interesting, when we contemplate the Senator from Pennsylvania, to note that from his own home city of Pittsburgh, from the Pittsburgh Press, there comes comment. That is evidently not a party paper that can be called Democratic; it can not be said to be distinctively favorable to Woodrow Wilson; it attempts to give the credit for a league of nations to ex-President Taft, from whom we wish to take no just credit. But, sir, the editorial, referring to this league of nations, says:

> It is properly no party matter. The league of nations is favored by Republicans as much as by Democrats. * * * To attempt by Senate or national committee action to discredit the idea for which the league stands would be not only to misrepresent and outrage the convictions of the vast majority of Republican voters but would be to commit a colossal political blunder.
>
> It is to be hoped that Mr. Taft will fight to a finish against the folly of the handful of blind though powerful Republican reactionaries who are working to give the Democratic Party the immense benefit of a Republican miscue on this tremendously important issue.

Mr. President, it must be plain that the attitude of these Senators, as I have pointed it out, is not only inconsistent with practical execution, but is merely tendered for its smoothing effect. Sir, Edmund Burke had occasion to observe that deceit and sometimes hidden design ever delight to speculate in grand presentation. As it has no intention of going any further, says he, than to speculate, it can do so grandly.

Therefore, sir, we see when we examine the position of the Senator from Pennsylvania that it presents no counterproposition, except one that would involve the country in every conceivable form of difficulty, which they conjure up as against the league, with none of the league's compensations.

Now, I take the last suggestion that the Senator presents. The Senator concludes his able speech by saying that he would never consent nor vote to ratify any treaty that would enable our country to be called into action by any foreign power. Why, Senators, how would the distinguished Senator, with this wonderful entente that is sent over the world, flattering these particular nations that, could this policy of Wilson be beaten, they would alone be brought into the secret consultation chamber of the favored, as an inducement to them to do what they can to frustrate the plan now put forth, that they might be favored in the ultimate design presented—how, sir, could they succeed in the realization of the theory of the eminent Senator, except, sir, that it would involve our Navy and our Army, invoke it whenever necessary to carry out the plan of that particular entente against any others outside of it and obstructing or antagonizing it?

And when they did do that, sir, would not that be calling in our Nation by the foreign power, either one of them, two of them, three of them, or the four? Can not the able Senator see to what a reductio ad absurdam the conclusion of his view ultimately leads; will he not see how absolutely it refutes the policy suggested by them as the foundation of their objection—that our Nation could be called into action by foreign powers under the league? Yet the Senator's plan confesses thereby that only a few foreign powers, and those the favored ones, shall have the right to do so.

Mr. President, it seems to me the attempted distinction is so small, and rests on so small a basis, that the object for tendering it is the one I have charged; and, notwithstanding the somewhat indignant and warm, if not impulsive, refutation on the part of the Senator from Massachusetts this morning, saying that he did not know the speeches attacking the league were assailed, and if they were, he was not trying to vindicate them—it must be quite apparent, sir, and there are those in this body who are conscious now, upon examination and reflection, that these attacks can not escape the conclusion that the purpose they had was to frustrate the designs of the President, that he might be discredited and dishonored abroad, and the country defeated at home.

You remember, Mr. President, that one of Hamlet's observations was:

> Rightly to be great
> Is not to stir without great argument,
> But greatly to find quarrel in a straw
> When honor's at the stake. How stand I then?

Now, Mr. President, we come to the last subject, the matter that I referred to this morning in discussion with the Senator from Massachusetts. We see now the counterproposition of the Senator from Massachusetts for but a moment.

The Senator from Massachusetts tells the country that he opposes the league for two reasons. He offers those which the Senator from Pennsylvania [Mr. KNOX] offers, only in a different way—in a different expression, I might say, sir. Says the Senator from Massachusetts, he will oppose any league that has among its possibilities the country being called to put its Army and Navy at the disposal of a foreign nation; and, second, he will oppose it upon the ground, among other things, that we enter into the affairs of Europe by our alliance. At the same time the Senator from Massachusetts rises on this floor and, as he says this morning, declares that to which I turn in order that I may verify his speech; and I commend now to the country's serious consideration the fact that the coming leader of foreign affairs tells the Nation that he now insists—as he will in his position as chairman of the Foreign Relations Committee, what?

As the counterproposition, that we abandon the consideration of the league of nations now; that we proceed with the peace table; and, to use the language of the esteemed Senator, he says:

> I think there is general agreement upon them not only in the Senate but among the American people.

For what?

> The restoration of Belgium—

As to that humane design, we all know too well how much blood was shed for it.

> The return of Alsace-Lorraine to France, of the Italia Irredenta to Italy.

Surely the Senator does not mean the latter in entirety. The Italia Irredenta, Mr. President, if I am not wrong in my recollection of history, was an arrangement made in 1878 by a party in Italy called the Irredentists. Their theory was to have returned to Italy all the country of the Italian-speaking tongue; and Italia Irredenta then and now in itself includes Nice to be taken from France and Malta to be taken from Britain.

Does the Senator want to flatter the Italians who are in America, when they shall read this, into the belief that the Senator from Massachusetts demanded of the United States and her people that they pledge themselves to give to Italy the Italia Irredenta? Every humble little Italian, remembering the days of 1878, knows that that included Nice from France; that it likewise included Malta from Britain. Does the Senator assume here now to state that that was his purpose? Will he say, from his place on the floor, that it is his intention to demand that the American people shall take Nice from France? Will he say that he will demand that the American people shall take Malta from Britain? And yet that is the Italia Irredenta. Does the Senator wish to have the Italians all over this country, and particularly in Massachusetts, where their number is large and at the ballot box most potent, assume that this was his offer, to tender the American people as an indorser and guarantor of that?

Of course, the Senator here will insist that what he meant was merely the Trentino and Dalmatia, that land along the border; but that, Mr. President, is also under discussion, and just

now serious dissension, Greece claiming a part, but the Jugo-Slavs a greater part.

Yet the Senator will have us not only guarantee to Italy that which we would love to do, even with the blood of our children—that she shall have all her boundaries as prescribed by nature—but the Senator practically says on the floor by his statement he would have the American people agree with the allies to enter and put her in position to hold these people there, if we correctly construe his speech. He does not mean it, of course; but he will have the Italians understand there and in America from their Italian papers that that is his promise. He would have these worthy people flatter their soul with the consolation that with himself and his political party in power that will be done. It is artfully urged, of course, but not altogether blurred in the vision of those who reflect, that the purpose of the Senator was to give the Italians to understand that the Wilson administration ought to police their Government and assure the possession of all disputed boundaries by American Army and Navy. Yet the Senator will not say he would do it.

Then says the Senator:

The establishment of a Jugo-Slav State—

How shall we establish a State, and where shall we establish it? We love to recognize the Jugo-Slav people as a people for independent nationality; but shall we take the American people and make them guarantee the establishment of a State? And how shall we do it, if we could do it at all, when objected to by Italy, which claims the border, unless we take from Italy what the Senator says she should have? Then we would have to do either by the only force in the world that we have to do it—the Army and Navy. And yet, says the Senator, he is opposed to any league or arrangement that would involve our Army and Navy to execute any design!

Ah, but we have merely entered upon this suggestion of glorious promise on the part of the Senator. Says he, also, that we shall guarantee "the security of Greece, the settlement of Albania."

Albania? The security of Greece? Greece is contending for Albania. Turkey is contending for Albania. How can we give security to Greece and also give Albania to Greece, and a portion of Albania to Albania? Yet it is very suggestive, of course, to the Greeks.

Mr. WILLIAMS. And Albania is contending for herself.

Mr. LEWIS. And Albania, as the Senator from Mississippi correctly says, is contending for a separate government. Indeed, we removed the minister to Greece—if a suggestion for his resignation can be regarded as removal—Mr. George Fred Williams, appointed from the Senator's own State of Massachusetts. He was invited to resign because he left his post in Greece in order to advocate the cause of Albania among the Greeks, as the Senator must recognize, on the ground not that we did not respect Albania's rights but that a minister sent to Greece should not interfere with its local affairs any more than an ambassador sent here by Greece should interfere with our local affairs.

Mr. President, I merely call attention to these positions of the Senator that reflection can disclose how impossible is his plan. Then, says he, there should be brought about—

the consolidation of all the Roumanian people under one government, as well as the neutralization of the Straits, the putting of Constantinople under international protection, with Greece, perhaps, as the mandatory of the powers to administer the affairs of the city.

Mr. President, what will Britain do if there is an attempt on the part of the United States to put Greece in control of the Dardanelles and Constantinople? Why, she fought the Crimean War to prevent that, even when Turkey offered to Greece to govern Constantinople as a combination between the two. And yet the Senator will have the people of the United States put behind the proposition of guaranteeing to Greece that she shall have Constantinople.

What will France do? What will all of these nations do that are interested in the problem of Christianity? The Senator well knows the proposition is impossible; that however much we would love to have Constantinople free, and the Christian religion dominant, you never could get the American people to agree that they shall enter into the purely municipal or State affairs, the purely political affairs of Europe, to establish that city under the control of any one separate country, and to do that in the only way we could, sir, by force, by the Army and by the Navy.

Mr. President, one other reference to this matter, and that will conclude me on this basis as the tests of the Senator's practicability or sincerity of counterproposition.

Says the Senator:

Such in outline are the necessary steps demanded by exact justice, upon which, I think, the United States and the allies are substantially agreed in order to make a lasting peace with Germany.

Mr. President, here I pause to call to your attention an important phase.

When the Senator from Nebraska [Mr. HITCHCOCK], in January, 1917, tendered a resolution on this floor to support the message known as the peace message of the President, it brought into consideration at that time, sir, what was the peace message. Mr. President, we turn for a moment to consider that the Senator from Massachusetts opposed the resolution of the Senator from Nebraska upon the ground, among other things, that it approved that feature of the President's peace message that, as he said, guaranteed to the particular lands, to which I have just referred, their protection. Remember, sir, the full extent to which the President's peace message went was merely to offer the cooperation of the spirit of our country to secure them recognition as nationalities. In no wise, sir, to enter into their country and administer it by the only force that could administer it, the Army and Navy. Then the Senator from New Hampshire [Mr. GALLINGER] tenders, sir, the New York Sun's criticism of the President's message, as follows:

In this passage, as the World justly remarks, "the President pledges the cooperation of the United States in the enforcement of future guaranties of the peace of the world and the integrity of the small and weak nations of Europe. It can not be made too clear that whether this is or is not a desirable departure from past policy, it is a departure involving not only our participation in the control of the destinies of Belgium and Serbia and Roumania, but also participation of Great Britain and Germany and Russia and France and Italy in the control of the destinies of Mexico, of the Central American States, of Venezuela; why not even of Cuba?"

Then the Senator from Massachusetts, after that had been read, says:

Now we come to the second request, and that is the measures to be taken for the preservation of the future peace of the world after the war has concluded.

The Senator says, quoting the President's note:

In the measures to be taken to secure the future peace of the world the people and Government of the United States are as vitally and as directly interested as the Governments now at war. Their interest, moreover, in the means to be adopted to relieve the smaller and weaker peoples of the world of the peril of wrong and violence is as quick and ardent as that of any other people or government. They stand ready, and even eager, to cooperate in the accomplishment of these ends when the war is over with every influence and resource at their command.

Hear the Senator from Massachusetts—how the distinguished Senator denounced this!

Mr. President, we were then not at war, but tendering our services as a neutral; and as one intervening for peace it was our privilege, by every doctrine of humanity and international law, to tender any suggestion that could mollify or harmonize. Now that we have gone into the war, the limit is this: We are limited, so far as our demands are concerned, in the nature of things, to the purposes which we gave the world as those for which we entered the war as a belligerent. But, sir, when we were not in the war, with none of the obligations that are imposed upon us as a result of having been a belligerent and merely tendering our good offices to the extent that a national soul of cooperation could be justified, hear the Senator from Massachusetts raise his voice in denunciation against even that by saying:

Mr. President, I present these articles simply as showing what outside judges who have given attention to this point regard as involved in this committal by this note of the administration, and of the United States by implication, to the doctrine of general cooperation with the powers of Europe. I do not wish to enter into further details, which might be extended indefinitely, because I think it must be apparent to every one that when we abandon our traditional policy of separation from the politics and affairs of Europe we take a very momentous step, and one which should not be taken without the most thorough knowledge of what is intended and of the distance to which we are to be invited to go. An approval of the note in this general form carries approval, of course, and without limitation, of the principle of general cooperation with European powers in the affairs not only of Europe but of America.

Yet, Mr. President, the able Senator now tenders a program going further, indeed, in its effect than was ever contemplated by the President's message, and in effect urges that the American people shall now become the guarantors of the politics of Europe—first, it shall establish States; next, it shall take possession of cities; third, it shall guarantee the administration of them—when, sir, the very policy presented by the Senator, which he would have the country understand he sponsors—that it might flatter the hopes of the subjects of these different countries in this land who vote at the coming election—he had denounced as a thing outside of our province, and one which, if we dare enter upon, no one could see the end of in its bewilderment and destruction for our institutions.

I mention this to show you, sir, that when the eminent Senator from Massachusetts presents his counter proposition it is not one that he believed in; it is not one to execute; it is not one that he will dare offer at any time his country to execute or ever command his countrymen to follow—that we, the Ameri-

can people, should put our Army and Navy behind the undertakings of politics by choosing one faction, one division, and, sponsoring them, place all the power of our Government behind them to bring about success for them in their prospect, their project, their hope of racial divisions and political contests.

Mr. President, why did the Senator make that proposition? No one knew better than the Senator that it was an impossible design; but, Mr. President, it was read all over America. It was read by these nations yonder in Europe. There is not one of them that has not a great hope tendered by the Senator from Massachusetts, the future chairman of the Committee on Foreign Relations, that he is for giving them, and that particular branch of them, the full control that they ask of anything they hope and of their former subjects here a great voting consideration.

Mr. President, we see from the press that one of the highest European authorities now in attendance upon this conference in France is asked the question, What significance lay in the unofficial Belgian announcement that Emile Vanderveide, the Belgian Socialist leader, will be one of the peace delegates? He said:

None. When the conference begins, it will concern only nations—not parties within the nations. There must be no appearance of party politics in so grave an undertaking.

Mr. President, then you must see clearly two things: First, if the policy of the Senator from Massachusetts were invoked, it calls for the participation of America in every form of European politics, in every country of Europe, in every division of that country, in every faction of that land, and in, sir, the affairs of every people of dialects, as well as those of languages. It surely fulfilled the greatest material hope held out anywhere in scripture. It gave all things to all men, and everything to everyone.

But if the Senator will put the United States behind the aspiration of every faction and division of every nationality and land he names, why omit Ireland? Why should she be forsaken, not even mentioned in the distribution of liberties and self-government? She was first among the first asking our offices of support and the world's recognition of a free land for a free people. Am I cruel to suggest that the fact that most Irishmen in the United States are presumed to be Democrats is responsible for my friend dropping them as unworthy of consideration?

When the eminent Senator would have it understood that he guarantees from his own viewpoint that it is the thing to do for the United States to enter into this design, does he not present to the world the clear interrogation, how can these men be put into possession of these countries by us but through force? How shall we administer this separate government if we have not entered into their politics? Only by force. How shall we keep them there continuously in power against those internally opposing them? Only by force. What force have we? The Army and Navy. Then how can the eminent Senator contend he is opposed to the league because it may involve all nations and at the same time the Army and Navy of the United States, when the proposition he tenders can only be executed in any way whatever by occupation by the Army or the Navy, or both—a perennial army of occupation—and the constant attendance of our flotillas in the waters surrounding those lands, showing very clearly that the eminent Senator in presenting his objection to the league does not found it upon the thing that he really has as his objection, because he tenders that same thing as a necessary corollary to the only proposition that he presents.

Let us have an understanding. We do not mind the position that these Senators take, but we would like to know their purpose. The Senator now says he will oppose a navy the size of Britain's; that he will oppose the policy of a large navy for us. He follows Col. Roosevelt in that. Hear me, then, sir: He will have no league of nations that shall preserve the peace. That is the position of the Senator and his supporters; and yet he will have no navy to preserve the peace after we have refused to have a league that could preserve it by harmony; he will have no peaceful peace by peaceful arrangement, and will make no preparation for a war to maintain peace by force for his country.

An interesting dilemma, it must be confessed, upon the part of a statesman whose views are supposed to be leading and to be honored.

Mr. President, the Homeric god cried out: "Ye may slay us; but, if ye do, let it be in the light."

The eminent Senator constantly quoted the Senator from Idaho [Mr. BORAH] in his observations in reply to the Senator from Mississippi [Mr. WILLIAMS], when the Senator from Idaho remarked, "Let us be candid with the American people; let the administration be candid; and let those who advocate the league be candid." Thus says the Senator from Massachusetts. That is what I say—be candid. I say to the Senator from Massachusetts, as he sits in the cloak room catching the sound of my voice through the crack of the door: "Physician, heal thyself." I would have the eminent leader candid. What is the subterranean design if we are to have no league to preserve peace by peaceful and Christian methods, and then we are to have no Navy large enough to enforce it by military methods, if necessary? What is the plan of protection or policy of action the Senator and his followers secretly husband to put on the law? Surely he will not "leave us naked to our enemies."

Where are we? What is involved in this hidden mystery? I will give it to you, sir, if I may be so bold as to tender a key to solve this apparent riddle. When we have in this short session, with a majority favorable to the administration, failed in the naval bill and failed in the league, then will come the command from the eminent leaders on the other side to the country to let this new Congress, called Republican, remedy this "unspeakable wrong," this "cowardly betrayal" on the part of this Democratic administration! What is the meaning suggested, sir? That Britain should have a navy so large as she may desire, but that we shall not have a Navy equal to it. Shall it be that the eminent Senator from Massachusetts will join with the distinguished ex-President in making the United States a dependency of Britain?

We are glad to have friendships, and we trust nothing shall ever dissolve them, not only with Britain, but with every other nation. But what shall be said if the time shall come when we shall exact from Britain the use of her navy for our defense anywhere; that Britain will not have the right then, under the form of reciprocity, to the use of our Army and Navy in her behalf everywhere? Then the Senator has the league again, only we say the league should be universal with all nations, while he would have us put in a position that only Britain could exact, by the doctrine of reciprocity, the contribution of our Army and Navy in her conflicts in return for giving us the protection of her navy.

Surely we can not understand this mystery. We only see that it exists, and strangely so; and we are compelled but to one conclusion, that the eminent Senators present no counter proposition which by test or analysis in anywise controverts the policy upon which a league of nations is presented or of the just and humane doctrines which the President of the United States urges in its behalf, and to the preservation of the peace of the world.

Senators say they will not vote to ratify the treaty if made by Wilson as now proposed. I would have no Senator vote against his conscience or against the interests of his constituents, but I now promise to you—and pledge the future to the fact—that when Woodrow Wilson, President of the United States, returns to this land and tells the American people of the reception his policy was given; how the Government of Britain, under Lloyd George, approved his doctrine and gave it the hearty support of a Christian and generous people; how France, in her magnanimity and sad grandeur, gave it her indorsement and put behind it the noble spirit that has been so often vindicated in many, many conflicts on the field of battle, in letters and in science—but above all in the soul of her liberty. When he shall tell how Italy received him as one who brought her preservation, secured her liberties; and then shall speak to his people further of how there was not a nation in the world whose representatives sat about him that was not glad that he opened the era of a peace that could be had through Christianity of men and justice of nations, and then tell our people how our great America, for the first time in all her history as the first of the nations of the world, was the first voice in civilization on earth crying make way along the path prescribed by the great Master, for "peace on earth and good will to men," think you, then, what these distinguished Senators will do?

I answer they will hear from the great American people, their masters; and, as Wilson has ever gone to the people with every prospect and every project and has ever received upon his measures ever and ever their approval, the distinguished Senators will be found doing what they have ever done—yielding their amiable indorsement and unanimously being behind him, suddenly finding out that to be otherwise is to be self-destroying. Then we will have another repetition of their action growing out of their condemnation of his Mexican policy, the only other instance to parallel the present threat. When Wilson went to the people with his policy the only States in America that bordered on Mexico and knew the truth decided that they would reverse their party political policy of 20 years to stand

behind Wilson, and after that election never a creak from those Senators who were to destroy as in the Senate the Wilson policy as to peace in Mexico.

Senators, we will have a repetition of the same policy of abnegation, surrender, and submission as to this forthcoming world treaty of peace, because it will be the voice of America which will speak to them and bid them obey.

Mr. President, there arises to my mind a picture which I leave the Senate to contemplate. We who have traveled in Pompeii remember that there is to be seen a monument of encrusted lava. It resembles a human being. As we nearer approach it, it takes on the form and visage of a man.

The stranger, asking what it means, is informed that in the eruption of Vesuvius, when the lava poured upon the earth and the flames consumed mankind, when the fiery smoke stifled children to death and women fell fainting, when it seemed hopeless that a human being could escape, one man, the keeper of the gate, rushing through the burning lava, contending against the whirling sparks, blistering his face, and the burning smoke that choked him breathless, reached the outer gate, unbarred it, opened it wide that the children could find fresh air and live, that the fainting women could be rescued and survive, that mankind, such as were left, could look up in hope to God and breathe the fresh air of rescue and preservation. For this is preserved his monument—yet at the gates. In this hour am I too bold to say that when the flames of war are still burning and civilization is still encrusted with the lava that belched from the mouth of the cannon, and children are yet writhing in suffering and agony to which they were exposed and driven in this conflict, when civilization is choking and crying for escape, the one courier of all of the world who rushes through the lanes of fire to open the gate to give to mankind and future humanity peace and life is America, through her faithful watchman, Woodrow Wilson. What hand shall be lifted now to stay, to block his way.

So I appeal to both Senators, to all Senators, as I do to their aids and their supporters—is there not a patriotism which serves country and that rises higher than politics which serve party? At this time is it not the policy that politics stop at the water's edge? That while the President is on foreign soil contesting for the supremacy of the United States he receive the unanimous cooperation of the United States Senate. That they hold high his hands, encourage and inspire his heart, and by their cooperation and indorsement impress upon the minds of every negotiator who shall confront the President that the principal thing which he seeks is the thing which this Nation demands. That in his every voice, his every contention, his every plea, his every demand there is the response and echo from the Congress of the United States to the world, saying, "We are with him—America is behind him—he is our President and as against foreign competitors and in foreign fields of conflict for the supremacy and dignity of the United States, we have one prayer—God speed him—one purpose—victory to his every undertaking!"

Mr. THOMAS obtained the floor.

Mr. SHAFROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HENDERSON in the chair). The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	King	Overman	Spencer
Culberson	La Follette	Phelan	Sterling
Curtis	Lenroot	Poindexter	Sutherland
Dillingham	Lewis	Pomerene	Swanson
Hale	McCumber	Saulsbury	Thomas
Henderson	McKellar	Shafroth	Townsend
Hollis	McNary	Sheppard	Underwood
Johnson, Cal.	Martin, Ky.	Sherman	Vardaman
Johnson, S. Dak.	Martin, Va.	Smith, Ariz.	Weeks
Jones, N. Mex.	New	Smith, Md.	Williams
Jones, Wash.	Norris	Smith, S. C.	
Kendrick	Nugent	Smoot	

Mr. McKELLAR. The senior Senator from Tennessee [Mr. SHIELDS] is detained from the Senate by illness.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF], is absent on account of illness.

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of the absent Senators, and Mr. MYERS responded to his name when called.

Mr. BORAH, Mr. REED, Mr. KENYON, Mr. HITCHCOCK, Mr. RANSDELL, Mr. CHAMBERLAIN, Mr. CALDER, Mr. TRAMMELL, Mr. FERNALD, and Mr. GRONNA entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. There is a quorum present.

Mr. THOMAS obtained the floor.

Mr. POMERENE. Will the Senator from Colorado yield to me for just a moment?

Mr. THOMAS. Certainly.

RATES ON SECOND-CLASS MAIL MATTER.

Mr. POMERENE. Mr. President, if I may have the attention of the Senator from Utah [Mr. SMOOT] for just a moment, I desire to say that the other day, while we were discussing the proposed second-class mail matter legislation, the Senator from Utah made certain statements with regard to Mr. John A. Penton, of the Penton Publishing Co., and his publication. The information which the Senator from Utah had in regard to that matter was not accurate; it wholly misrepresented Mr. Penton's position and the size and the character of his publication. I have before me a letter written by Mr. Penton, in answer to the suggestions of the Senator from Utah, bearing date December 31, 1918. There are two sentences in the letter which are of the same character as some of the utterances by the Senator from Utah with regard to Mr. Penton, but I am going to eliminate them, and I have inclosed them in brackets. I do not desire to trespass upon the time of the Senator from Colorado, but I ask that the letter may be printed in the RECORD for the information of Senators.

The PRESIDING OFFICER. Is there objection.

Mr. SMOOT. Mr. President, of course I have no knowledge of what is contained in the letter of Mr. Penton, but I do say that the Senator from Utah has not referred disrespectfully in any way to Mr. Penton. My statement regarding him is in the RECORD, and anyone who is desirous of looking at it may see it. I did say that the information relative to the magazine published by him I received from a gentleman in whom I had absolute confidence. I had his publication here in the Senate at the time I made the statement. He does not publish the Iron Age, as stated by the Senator from Ohio and also by the Senator from Georgia. He is not the publisher of the Iron Age. His paper is published in Cleveland, Ohio, in the center of the Iron district, as I stated the other day. Of course, the circulation being largely in the iron district, it comes within the first or second zones, while the Iron Age is published in New York, and in order to reach the center of the iron district must pay an additional rate by the zone system. I am perfectly willing that the letter shall go into the RECORD, even without my knowing what is in it, and the Senator need not eliminate any part of it, as far as I am concerned.

I do not know Mr. Penton; I have never met him in my life; I never have cast any reflection on his honesty or his integrity, and I do not do so now. I do not care what he states to the contrary in his letter.

Mr. POMERENE. Mr. President, if the Senator from Colorado will pardon me for just one word further, I desire to say that the statement which the Senator from Utah has just made is inaccurate when he indicates that the circulation was merely about Cleveland.

Mr. THOMAS. Mr. President, I do not want to yield for the purposes of a controversy here.

Mr. POMERENE. I am very sorry that I brought this matter up at this time, because I do not care to trespass upon the time of the Senator from Colorado.

I may say, however, that the circulation of a number of these publications is given in this letter and the number of copies which has circulated in each of the several zones. If the Senator from Utah had known the facts he would not have said that the circulation was limited to the first and second zones.

Mr. SMOOT. I did not say that the circulation was limited to the first and second zones, Mr. President. I said that most of the circulation was in the first and second zones.

Mr. POMERENE. But, Mr. President, that statement is not correct, if the statements which are contained in this letter are correct.

Mr. SMOOT. Well, I received my information from a man who is a very close observer and whose business it is to know the circulation of nearly every magazine in the United States.

Mr. POMERENE. I do not care what the source of the information is; suffice it to say that the man who gave the information is one of the men who is being benefited by low-class rates on second-class postal matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio that the letter be printed in the RECORD? The Chair hears none, and it is so ordered.

The letter referred to is as follows:

THE PENTON PUBLISHING CO.,
Cleveland, December 31, 1918.

HON. ATLEE POMERENE,
Senate Office Building, Washington, D. C.

MY DEAR SIR: The writer has had brought to his attention a statement appearing in the CONGRESSIONAL RECORD of December 23, on page 833, in which Senator SMOOT, while discussing pending legislation in connection with the rate to be charged on second-class matter, has made the following statement:

Referring to me he says, "Mr. Penton does publish a little magazine in Cleveland, Ohio, whose circulation is in the iron industry around Cleveland, and it hardly goes out of the first zone. Of course, under the proposition he would prefer very greatly to have the rate provided in the present law apply to his magazine rather than to have it apply to first-class mail matter." This and several other statements made by Senator SMOOT certainly would not have been made by a gentleman of his standing and position were he at all familiar with the facts, and it is to be regretted that he has depended for his information in all probability on those who know much better but who have willfully misrepresented the facts to him and by thus doing have placed him in a rather embarrassing position.

The statement as made by Senator SMOOT, of course, is absolutely false in every respect. Re attempt to belittle the Iron Trade Review and cast a serious reflection on what is probably the leading iron and steel publication in this country, we cheerfully refer him to anyone engaged in the industry for confirmation of that statement.

Of the current issue of the Iron Trade Review 9,671 copies were distributed to regular list, namely, paid-in-advance subscribers, and this circulation is distributed among the various zones as follows:

	Per cent.
First and second zones	27.82
Third zone	20.54
Fourth zone	37.53
Fifth zone	8.56
Sixth zone	1.30
Seventh zone	.44
Eighth zone	3.81

We would call your attention to the fact that over one-third of this circulation is in the fourth zone, which covers a territory from 300 to 600 miles from this office.

We have another very large and important publication, the only one of its kind in the world, with a circulation of 10,000, namely, the Foundry, whose distribution, according to zones, is as follows:

	Per cent.
First and second zones	19.75
Third zone	20.99
Fourth zone	46.48
Fifth zone	4.99
Sixth zone	2.50
Seventh zone	.64
Eighth zone	4.65

We would call your attention to the fact that nearly half of this circulation is in the fourth zone, from 300 to 600 miles from this office.

We have another publication of very large circulation, namely, Power Boating, whose distribution is as follows:

	Per cent.
First and second zones	16.94
Third zone	11.31
Fourth zone	59.83
Fifth zone	7.87
Sixth zone	1.06
Seventh zone	.23
Eighth zone	2.76

This shows that more than half of the entire circulation is in the fourth zone.

We have another very important paper known as the Marine Review with a very large circulation, whose distribution is as per the following schedule:

	Per cent.
First and second zones	31.48
Third zone	15.05
Fourth zone	36.88
Fifth zone	6.50
Sixth zone	1.94
Seventh zone	1.05
Eighth zone	8.10

We also include the distribution of the Daily Iron Trade and Metal Market Report, which is the only paper of its kind in this country. You will see likewise that one-fourth of the circulation is in the fourth zone:

	Per cent.
First and second zones	31.42
Third zone	23.45
Fourth zone	34.63
Fifth zone	5.79
Sixth zone	1.26
Seventh zone	.20
Eighth zone	2.94

We sincerely trust you may be able to draw Senator SMOOT's attention to the erroneous character of his statement, because as the matter stands it reflects as little credit upon him as it does upon anybody else.

We may say that these statements are the figures on which we pay postage at the Cleveland post office.

Yours, most sincerely, JOHN PENTON,
President.

LEAGUE OF NATIONS.

Mr. THOMAS. Mr. President, every war must pass through the two phases of armed conflict and peace negotiation. If the first is the more exciting and spectacular, the last is equally serious and may prove the more important. Especially may this be so when, as in this great war, the combat is not that of one nation against another but between groups of nations and world embracing in its character. For the triumphant allies must not only determine the conditions of the peace to be imposed upon their vanquished antagonists but solve grave problems affecting themselves and the new nations now springing from the ashes of Teutonic conflagrations, and finally settle their relations and duties with and toward each other.

The task is virtually without a precedent. Its nearest approach was the congress of Vienna, in which France was treated as an ally and an equal, whose objects were the readjustment of boundaries and the final suppression of democracy, and the congress of Berlin, whose final terms of peace carried the seeds which ripened into the war just ending. In the congress about to assemble the four defeated nations have no voice. The victors' chief concern is to deal with them and also with each other to the end that wars may if possible be avoided altogether.

The task of the allies is immediate and insistent. They must crystallize into concrete form the interests which compelled their entry into the war and endeavor to translate the purposes underlying their action into a permanent code of international law.

The task is threefold in character. It involves the imposition of peace terms upon Germany and her satellites, the recognition and delimitation of the newborn peoples in Europe and Asia, and the establishment if possible of safeguards against the recurrence of international warfare. Having entered the war to vindicate her rights and rid the world of militarism, America's part in this great conference must be a prominent, possibly a controlling, one.

Until then we had carefully observed the counsels of Washington. By inclination also we had held ourselves aloof from Old-World complications. President Monroe fortified our attitude in 1823 by the announcement of his famous doctrine, which instantly commanded, as it has since received, the undivided indorsement of our people. Until in an evil hour in 1900 we acquired the Philippines, our adherence to this doctrine was steadfast and unbroken. We accepted the determinations of The Hague convention, expressly reserving our right to remain free from trans-Atlantic differences.

It was therefore inevitable that we would take part in the war only when the murder of our citizens, the destruction of our vessels, and the persistent violation of our fundamental rights as a neutral nation in disregard of our solemn and repeated warnings made such action unavoidable.

Our justification for war, announced to the world with our declaration of it, was very appropriately followed in due season by an outline of terms for a just and lasting peace. Great Britain had done this, and France as well. The President on January 8, 1918, clearly and felicitously announced the American view to the listening nations. He prefaced his terms by declaring that "What we demand in this war, therefore, is nothing peculiar to ourselves. It is that the world be fit and safe to live in, and particularly that it be made safe for every peace-loving nation which, like our own, wishes to live its own life, determine its own institutions, be assured of justice and fair dealing by the other peoples of the world as against force and selfish aggression. All the peoples of the world are in effect partners in this interest, and for our own part, we see very clearly that unless justice be done to others it will not be done to us. The program of the world's peace is therefore our program."

He then announced the celebrated 14 propositions, not as a national but as a world program for peace. Doubtless before doing this he had conferred and therefore spoke with the sanction of our allies. At home his pronouncement was indorsed and welcomed with singular unanimity. No protest was voiced against it. Even former President Roosevelt for the time punctuated his rôle of chronic opposition to every Executive utterance by keeping the peace. Only from the enemy in arms came dissent and criticism. To this there was one exception.

The third point, relating to the removal of all possible economic barriers to trade conditions, aroused the apprehensions of some of those who regard trade barriers as trade blessings and tariff wars as trade developments. But these were neither vociferous nor widespread.

When the distinguished Senator from Massachusetts was invested with the leadership of his party in August last he signalized the occasion by announcing a peace program, differing principally from that of the President in its proposed treatment of Turkey and her subject peoples, the independence of Poland and the Slavic peoples, the repudiation of the Russian and Roumanian treaties, and the restoration of the Russian Provinces. And the President's reply to the Austrian plea for peace in September carried an abandonment of his announcements regarding the dual and Turkish monarchies. For in the interval

Turkey had collapsed and Austria was in the throes of impending dissolution.

When the Senator from Massachusetts delivered that address the beginning of the end of the war was above the horizon. Very naturally and appropriately, therefore, post-bellum conditions were of immediate importance, and the Senator's illuminating discussion of peace terms attracted and merited national consideration.

Even at that late day but little emphasis was laid upon presidential propositions relating to trade conditions, open diplomacy, freedom of the seas, and a league of nations, now so seemingly important as to dominate all the others. Opposition to them appears to have been quickened into life since the acceptance of the program by enemy nations and the execution of the armistice upon the 11th of last November. Whether this was cause or coincidence is perhaps immaterial, since if the objections to these or any features of the program be sound they should be respected. I think, nevertheless, that much difficulty and misunderstanding might have been obviated by their earlier criticism or disapproval here, since other nations were justified under the circumstances in concluding that the President's announcement of a world program for a permanent peace had behind it the approval of his own countrymen. The belated assurance to the contrary can not be otherwise than disturbing, and may, but I trust will not, impair the prestige or detract from America's influence in the congress of nations.

I speak not wholly as a Pharisee, because I have long entertained serious misgivings regarding the application of the terms "freedom of the seas" and "league of nations" to a concrete international understanding. I have sought enlightenment from more experienced and intelligent sources of information for some time past, both as to their definition and the method of their application to a world's affairs. If they are indispensable to permanent peace, they must be accepted; and, to be accepted, they must be understood. To understand and apply them, if that can be done, is in my humble judgment far more insistent and important than discussions about the power of the Senate to participate in the making of treaties or the duty of the President to seek senatorial counsel in advance of treaty negotiation.

But since this subject has become a burning one, as it always does when an important international situation arises, I shall burden the Senate with my views concerning it, promising at the outset to present nothing either startling or original for your consideration. Every phase of it has been argued by the ablest intellects of the country, and all one has to do at this late day is to accept those conclusions of former statesmen which appeal most strongly to one's judgment and reflection.

In harmony with this suggestion, my opinion is that, being executive in its character, the Senate may exercise the treaty-making power only as expressly authorized by the Constitution to do so. It can neither initiate nor negotiate a treaty. Its advice may be proffered to the Executive, who may or may not regard it. Its advice may be asked by the Executive, who may or may not be governed by it. The Senate may amend or strike out parts of a treaty after its receipt from the Executive. Its ratification is essential to a treaty, but the President may, after such ratification, decline, as he sometimes has, to accept or enforce it, notwithstanding such ratification. The power of the Senate over treaties is remotely analogous to the veto power of the President. The President originates; the Senate accepts, changes, or rejects it. The President is the author; the Senate the reviewer. The President erects the structure; the Senate takes it over with the power to alter the plan as it may desire or throw it into the discard if preferred. With the utmost respect for opposing opinions, I affirm that dissent from this view springs from an undue regard for senatorial authority or a reluctance to clothe the Executive with unlimited control over foreign affairs.

It will be noticed that the treaty-making power is grouped in the Constitution among executive, not legislative, powers. Article II declares that the executive power shall be vested in the President. This is restricted only by the express restriction immediately succeeding and embodied in the words: "He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers, and consuls." His power here is limited only by the consent of the Senate to his treaties, for that consent is the ultimate act and depends not at all upon the element of advice, since the latter may not be asked and since the Senate can consent whether its advice is accepted or ignored.

President Washington's proclamation of neutrality in 1793 was extremely distasteful to certain French sympathizers in America, who attacked it as an exercise of unauthorized power. Mr. Hamilton came to the defense of the President in a series of letters to the Gazette of the United States, in which he considered this entire subject with his usual exhaustive ability. In the first of them he demonstrated that the executive power is vested in the President, subject only to expressed exceptions and qualifications which, being in derogation of such authority, must be strictly construed. I quote briefly from it:

> The legislative department is not the organ of intercourse between the United States and foreign nations. It is charged neither with making nor interpreting treaties.

Again:

> It is to be remarked that as the participation of the Senate in the making of treaties and the power of the legislature to declare war are exceptions out of the general "executive power" vested in the President, they are to be construed strictly, and ought to be extended no further than is essential to their execution.

Mr. Jefferson, although he incited Mr. Madison to reply to Mr. Hamilton's contentions, wrote, at the President's request, an "Opinion on the powers of the Senate," in which he said:

> The transaction of business with foreign nations is executive altogether. It belongs, then, to the head of that department, except to such portions of it as are especially submitted to the Senate. Exceptions are to be construed strictly.

The Senate considers the draft of a treaty submitted to it as it considers a bill upon its calendar. It does not confer with the representatives of the nation with which the treaty is proposed. It neither bargains nor contends with the adversary party. It may not retain the document should the President determine, as he sometimes does, to withdraw it for change or abandonment altogether.

The Senator from Massachusetts has cited many instances in which the Executive has invoked the counsel of the Senate regarding proposed treaties in advance of their negotiation and of covenants or clauses under consideration between this Government and another. This is entirely proper—perhaps highly desirable in all cases—since opportunity is thus given the Senate to commit itself to or against the President's view, thus encouraging or dissuading him in advance of final Executive action. But no number of such instances can establish a right in the Senate to be thus consulted nor estop the President from ignoring the practice at his discretion. That method of procedure commends itself to me as highly desirable at all times, since it would largely expedite ratifications and tend to create a more cordial relation between Senate and Executive and smooth the way for their more speedy cooperation. Senators, like humbler men, are human, and therefore appreciate due recognition by the Executive of their official attributes.

Due to Mr. Roosevelt's cheerful assertion that "it was not only his right but his duty to do anything that the needs of the Nation demanded unless such action was forbidden by the Constitution and the laws," and the shaping of his official conduct to that standard by intervening in Panama and Santo Domingo, the criticism of Congress was aroused on more than one occasion. Very naturally the treaty-making power of the Senate became involved in the President's activities.

This culminated in 1906 in a spirited debate upon the subject between Senators Spooner and Bacon, wherein the Wisconsin Senator in his trenchant fashion asserted and successfully maintained the right of the Executive to control and direct all our foreign relations. This debate possesses an added interest at this time because the Senator from Massachusetts took occasion to say that he did not think it was possible for anybody to make any addition to the masterly statement of the Senator from Wisconsin in regard to the powers of the President in treaty making. The debate will be found in the RECORD of the Fifty-ninth Congress, pages 1417–1421 and pages 2125–2148, and can be read with profit by every Member of this body.

In the course of his discussion Senator Spooner said:

> The Senate has nothing whatever to do with the negotiation of treaties or the conduct of our foreign intercourse and relations, save the exercise of the one constitutional function of advice and consent, which the Constitution requires as a precedent condition to the making of a treaty. Except as to the participation in the treaty-making power, the Senate, under the Constitution, has obviously neither responsibilities nor power. From the foundation of the Government it has been conceded in practice and in theory that the Constitution vests the power of negotiation and the various phases—and they are multifarious—of the conduct of our foreign relations exclusively with the President. And he does not exercise that constitutional power, nor can he be made to do it under the tutelage or guardianship of the Senate or of the House or of the Senate and the House combined. The words "advice and consent of the Senate" are used in the Constitution with reference to the Senate's participation in the making of a treaty, and are well translated by the word "ratification," popularly used in this connection. The President negotiates the treaty to begin with. He may employ such agencies as he chooses to negotiate the proposed treaty. He may employ the ambassador, if there be one, or a minister, or a chargé d'affaires, or he may use a person in private life whom he thinks by his skill or knowledge of the language or people of the country with which he is about to deal is best fitted to negotiate the treaty. He may issue to the agent chosen by him—and

neither Congress nor the Senate has any concern as to whom he chooses—such instructions as seem to him wise. That is his concern. The Senate has no right to demand that he shall unfold to the world or to it, even in executive session, his instructions or the prospect or progress of the negotiation. I said "right." I use that word advisedly in order to illustrate what all men who have studied the subject are willing to concede—that under the Constitution the absolute power of negotiation is in the President and the means of negotiation subject wholly to his will and his judgment.

When he shall have negotiated and sent his proposed treaty to the Senate the jurisdiction of this body attaches and its power begins. It may advise and consent or it may refuse. And in the exercise of this function it is as independent of the Executive as he is independent of it in the matter of negotiation. I do not deny the power of the Senate, either in legislative session or in executive session—that is a question of propriety—to pass a resolution expressive of its opinion as to matters of foreign policy. But if it is passed by the Senate or by the House or by both Houses it is beyond any possible question purely advisory and not in the slightest degree binding in law or in conscience upon the President. The President is so supreme under the Constitution in the matter of treaties, excluding only the Senate's ratification, that he may negotiate a treaty, he may send it to the Senate, it may receive by way of "advice and consent" the unanimous judgment of the Senate that it is in the highest degree for the public interest, and yet the President is as free, when it is sent back to the White House with resolution of ratification attached, to put it in his desk never again to see the light of day as he was free to determine in the first instance whether he would or would not negotiate it. That power is not expressly given to the President by the Constitution, but it inheres in the executive power which inheres in him as the sole organ under the Constitution through whom our foreign relations and diplomatic intercourse are conducted. Out of public necessity the President should be permitted to pocket a treaty no matter if every Member of the Senate thought he ought to exchange the ratification. Why? Because the President, through the ambassadors, ministers, consuls, and all the agencies of the Government, explores sources of information everywhere; it is his business to know whether anything has occurred since the Senate acted upon the treaty which would render it for the public interest that the ratification be not exchanged. The President may negotiate and sign a proposed treaty and not send it to the Senate. In such case what would be thought of a resolution asking him to inform the Senate whether he had negotiated such a proposed treaty and why he had not sent it to the Senate?

Mr. Wilson has been condemned for not selecting peace commissioners from the Members of the Senate, as did President McKinley in 1898. Such a commission would be a most competent one if composed of the senior members of the Foreign Relations Committee. But Senators so selected would not represent the Senate upon the commission nor discharge a Senator's duties while serving in that capacity. They would represent and become a component part of the executive department as completely as other members of the commission. The duties of the commission having been discharged, they might, as Senators, feel bound to ratify the treaty they had helped to negotiate as commissioners, yet they would be entirely free as Senators to vote for its rejection. Although foreign to the discussion, I might observe that the President by commissioning Senators to negotiate treaties would doubtless expedite their ratification. The practice might be highly desirable for that practical reason. Delays in ratification by the Senate are the rule and not the exception. Mr. Henry Adams, in his delightful autobiography, quotes Mr. Hay upon this feature of senatorial treaty making:

> A treaty of peace in any normal state of things ought to be ratified with unanimity in 24 hours. They wasted six weeks in wrangling over this one and ratified it with one vote to spare. We have five or six matters now demanding settlement. I can settle them all honorably and advantageously on our side, and I am assured by leading men in the Senate that not one of these treaties, if negotiated, will pass the Senate. I should have a majority in every case, but a malcontent third would certainly dish every one of them. To such monstrous shape has the original mistake of the Constitution grown in the evolution of our politics. You must understand it is not merely my solution the Senate will reject. They will reject, for instance, any treaty whatever, on any subject, with England. I doubt if they would accept any treaty of consequence with Russia or Germany. The recalcitrant third would be differently composed, but it would be on hand. So that the real duties of a Secretary of State seem to be three—to fight claims made upon us by other States; to press more or less fraudulent claims of our own citizens upon other countries; to find offices for the friends of Senators when there are none. Is it worth while—for me—to keep up this useless labor?

Mr. Adams adds to this very just reproach of a very capable minister that he had seen a dozen acquaintances struggling with the same enemies; that he had said all there was to say about it in volumes relating to the politics of a hundred years; that the interference of the German and Russian legations and of the Clan-na-Gael with the press and the Senate was innocently disguised; and that the three forces acting with the regular opposition and the natural obstructionists could always stop action in the Senate.

All this, if true—and it is true—condemns the wisdom of the fathers in clothing the Senate with any voice in the ratification of treaties. Its power conjointly with the House to enact legislation in abrogation of treaties would have been and is an ample check upon undue or improper Executive treaty action. Senator Sumner's animosity toward President Johnson prevented our acquisition of the Virgin Islands in 1867 for five or six millions of dollars. This enabled Germany to intrigue against their acquisition for half a century, although their importance as a safeguard to the Panama Canal is obvious to everyone. Similar situations are apt to arise again, if, indeed, they do not directly confront us. Division of Executive authority is never desirable. It frequently proves dangerous. It must prove embarrassing when it is to be shared between one man and a collective body of men of whom two-thirds must agree if it is to be made effective. Such a disposition of power is indefensible. We may defend it here, but we have by our conduct condemned it as intolerable elsewhere. In 1903 the Colombian Senate rejected the canal treaty. Its right to do so was beyond question, but the American Government expressed its disapprobation by conniving at an insurrection in one of the Colombian States, prevented its suppression by the Colombian Government, recognized the insurgent committee within 48 hours of its creation, accepted the telegraphic appointment of a minister plenipotentiary, and summarily negotiated a previously prepared treaty with him, which the American Senate ratified, thus recording its official disapprobation of a system its membership so stoutly champions upon its own account.

It is far from my purpose to criticize or condemn Senators who differ from me regarding this important subject and who have felt impelled by a sense of public duty to record their disagreement with the Executive's outline of peace conditions in advance of their submission to the Congress. I regret that they have done so, but I recognize that their action is in accord with their convictions of senatorial responsibility. Having done so, however, it is incumbent upon those of us who believe otherwise to make public expression of our views, lest it be gathered from our silence that announcements hitherto recorded embody the common sentiment of the American Senate. I shall therefore burden the RECORD with a brief outline of my own opinions regarding some features of a treaty of peace.

I am heartily in favor of open covenants of peace if that expression means that the treaty must contain the whole agreement between the treaty-making powers. There must be no more secret understandings between nations, as there never was with our own. Upon this proposition there can be no room for discussion. But I do not agree that all negotiations for these covenants should be open to the public. In peace congresses and in treaty making nations deal with each other as individuals. They must do so in the very nature of things, for treaties are merely national agreements. Nations are but aggregates of individuals; they must conduct their conferences by contact and interchange of views. Unlimited publicity would breed wholesale dissension, provoke controversy, embarrass official delegations, invoke protest, and confound understanding.

Moreover, it is practically impossible. The self-interest of some, if not all, of the participating countries impels in large degree the withholding from public knowledge of their ultimate objectives. This places the candid country at a disadvantage. Suspicion of sincerity is inevitable, and suspicion breeds dissension. A county convention of a political party, harmoniously chosen and harmoniously conducted, may nominate a ticket with unanimity, but behind the scenes and under the surface are many doubts and differences, perhaps dissatisfaction, born of defeated ambitions or thwarted plans. Every politician urging harmony knows this or he would not urge it. And every such gathering carefully safeguards its plans from the adversary, however worthy and altruistic their external structure may appear to be. What is a peace congress but a political convention of the nations or an international legislative body composed of delegates from sovereign powers, each depending upon its own representatives to promote and protect its own peculiar interests? This may be very material and barren of idealism, but it is everlastingly true. An open congress, as to all subjects, is therefore impossible; and being impossible, it would be most improvident to proclaim it as such, for the reaction would come with the grim realization of its Utopian character. Let the proposed treaty be complete and unequivocal, but do not strive to make it so by a process that is foredoomed to failure. The congress will do well, therefore, to conduct its proceedings so that it may reach ultimate conclusions, deliberating publicly only where it can be done with impunity and success.

I am reluctant to speak of economic barriers and trade relations, for in the last analysis that is the real obstacle to an all-embracing entente. Ours is an industrial and commercial age. Every manufacturing nation is prone to safeguard its own markets while invading others. Extension of foreign commerce, the securing of new markets, and the control of raw materials arouse competition, inspire jealousies, create dissensions, and provoke retaliations. The germs of war infest every foreign-trade propaganda. Restrictions and discrimi-

nations collide with each other. The friction always engenders heat, sometimes flaming into conflagration. The great conflict just ended was in large measure a trade war. Germany was fast conquering the markets of the world; she designed by military aggression to secure French and Belgian Channel ports, French and British colonies and dependencies, control of raw materials, world-wide commercial supremacy, and freedom from international competition. The allies and ourselves, so cordial and harmonious, are now watching each other askance, and commercially united chiefly in the common determination to permit no serious German trade competition. Already the air is charged with rumors of British trade ambitions, of French, Italian, and Japanese advantages, of America's need for a new tariff, a high tariff, a Chinese-wall tariff, scalable from within outward, but externally impenetrable. In the lexicon of international commerce equality of trade means only the right to sell without restriction. To my mind the only possible alternative to this entirely human but trouble-breeding situation is the removal of all economic barriers. But that is beyond human power while selfishness constitutes the mainspring of man's policies and progress. I cordially indorse the President's demand for "the removal as far as possible of economic barriers," but I am not overconfident of the possibilities involved in the equation. I agree that this is a bad old world, but I am also conscious that it is a tough old world, bent upon pursuing its lines of least resistance and exemplifying most of the weaknesses while paying tribute to all the virtues of its discordant populations. If it were possible to obliterate economic barriers and establish a true equality of trade relations, this and all other peace programs would reach a speedy solution. Their objects would for the most part establish themselves automatically, and the peace of the world would be disturbed only by domestic wars and internecine conflicts. I shall willingly give my support to any policy regarding this preponderant subject which the peace congress may be able to recommend, however skeptical I may remain regarding the probability of its practical operation.

Freedom of the seas is a vague and indefinable term. Like the peace of God it passeth understanding. It may have as many meanings as differing shades of national or local interests may assert. It is noticeable that the President does not use the term. He declares for "absolute freedom of navigation upon the seas outside territorial waters, alike in peace and in war." This phrase is none too specific, yet perhaps as much so as the subject permits. I understand him to mean that the right of navigation of the high seas, admittedly free in times of peace, shall be equally so in times of war, except as it may be restricted by international action for the enforcement of international covenants; that is to say, of international law. This condition does not apply to territorial waters where the warring nations are supreme and within whose boundaries international action can not become operative.

It may be that effectiveness can not be given to such a proposal without materially transforming the rights and liabilities of neutrals, but since the advent of the submarine these must be changed or the submarine suppressed. But the submarine, as a weapon of naval warfare, has come to stay, and international regulation for its use is imperative. Hence the unavoidable necessity for securing freedom of navigation in times of war under laws which belligerents must be made to respect. This seems to me entirely feasible without placing limitations on Britain's sea power and without at all affecting prevalent rights of navigation. The territorial boundary of waters should for obvious reasons be extended. The 3-mile limit was imposed when it was assumed to be the extreme range of distance for artillery. Hence, it represented the margin of safety from naval projectiles. Measured by the modern standard, this distance should be extended to 30 miles, a margin justified also by the need for protective measures against other modern methods of marine offensive warfare. A new code of international law adaptable to twentieth century conditions, made essential by the experiences of the past four years and designed for the protection of neutral rights, is not only demanded by every consideration of justice but is entirely compatible with any reasonable conception of freedom of the seas.

The naval power of Great Britain has never disturbed the peace of the world. Her supremacy of the sea has been attended by the most liberal commercial policies. All nations have had the same access to foreign ports everywhere, the same freedom of trade, the same markets which her own people enjoyed. Indeed, when we consider German purpose and ambition as disclosed by the events of the war, it may be truly said that the British navy has for years guaranteed the freedom of the seas to all the nations. For us it has been a bulwark for the Monroe doctrine, as it was a warning to Admiral Diederichs at Manila. Without it Germany would have devastated the seven seas after August, 1914, if, indeed, she had not destroyed the commerce of the world. Potentially, British sea power may menace the common enjoyment of ocean traffic; actually, England is too wise and too conscious of the inevitable reaction of the nations to convert her navy into an instrument of injustice in times of peace. Moreover, all navies are in process of evolution. The development of the submarine, the small and swift torpedo craft, and the hydroplane are even now correcting undue preponderance in battle fleets and affording to each of the great powers a fair start on other and better lines. I am far more concerned with supremacy in the air than with surface control of the sea. There is the new and boundless field for the agencies of war, of commerce, and of navigation. There America may compete in generous rivalry with all lands, there her victories will benefit herself not alone but all peoples everywhere. Then "absolute freedom of navigation" can be secured and made effective by force, if need be, albeit the peace congress should adjourn with its task unaccomplished or but partly performed.

The President's conception of "a general association of nations to be formed under special covenants to afford mutual guaranties of political independence and territorial integrity" was recently described by him as a league "that shall operate as the organized moral force of men throughout the world, and that whenever or wherever wrong or aggression are planned or contemplated this searching light of conscience will be turned upon them and men everywhere will ask: What are your purposes that you hold in your heart against the fortunes of the world?"

At the same time, Viscount Grey said that "it is not necessary for the peace conference to create a league of nations. The conference will itself be a vital beginning of such a league. All that is absolutely necessary is that it should not commit suicide but keep itself alive by adjourning and leaving a permanent organization instead of dissolving itself and destroying its machinery. This is not all that is desirable but all that is essential. A beginning that has in it vitality and power of growth is better than a more complete and more attractive creation that has no life. One is a living thing, while the other is a piece of furniture."

If an organized moral force be what is meant by a league of nations, its formation can not be very difficult, since all men are one in the longing for an effective and enduring peace. But moral forces are not apt to be persuasive with a great nation determined upon war, unless it be sustained by the sanction of actual force. Public opinion rightly directed is organized moral force. Public opinion is the offspring of democracy. A league of democratic nations might therefore generate a moral force sufficiently strong in itself to dissuade belligerents from breaches of the peace.

But moral forces seldom move all the masses in the same direction. Before America's entry into the war our people were divided as to the end toward which our duties pointed. Many good people opposed, while others equally good advocated, our intervention. The application of German force was required for a decision. And the moral viewpoint of a nation is more likely to be influenced by its interest than by any other consideration. There are times, too, when it is very properly aroused for war, when it regards peace as humiliating and disastrous.

Morality is a static element in human affairs, which neither grows nor diminishes. The observance of its essentials may be more active in one age or country than in another, but its quality is essentially unchangeable. Buckle demonstrated that man's progress in civilization was achieved through the development of science and the industries, through the investigation of nature's mysteries and the conversion of her infinite resources to the welfare of mankind. Throughout this marvelous era of expansion morals, like the law of gravitation, have remained the same. During the Middle Ages when the world stood still, while man contemplated this life merely as a state of preparation for a better and a higher one, morals were confounded with religion. They were exalted, but they were not transformed.

If it be true, and I think it is, that man advances and his social condition improves with his extending grasp and domination of material things, and that his happiness and comfort are the outgrowth of the same forces which breed strife and conflict, then it must be true that their peaceful adjustment can not depend with safety upon the possible concentration of static elements upon them. For man is a fighting animal, and life even in the most orderly communities is a continuing contest. We speak of our ambitions, our difficulties, our accomplishments, and our affections in terms of conflict. We practice self-restraint with indifferent success and transfer our battles wherever possible from the field to the forum. This does not change the nature of man, but only his methods of waging

wars. Morality is an invaluable ally of peace and of war when its precepts are duly observed by all. But if depended upon as a controlling influence in international affairs, it is apt, like a poorly tempered sword, to break in the hands at the moment of its greatest need.

The career of The Hague conventions affords some proof of this. They are easily the greatest advance of the nations toward harmony of understanding, for the mitigation of human strife. But their sanction was a moral one. Their structure, carefully and earnestly builded, collapsed like a house of cards with the first breath of the tempest. Their simple and attractive proportions had no rugged strength within and around them. The outline remains and may become the model for a wiser and sadder generation. But the world needs something more heroic, if nations are to be restrained within bounds and compelled to keep the peace.

Enthusiasts like William Ladd have dreamed for years of leagues for peace and formulated basic plans for their creation. Practically all of them recognized the need for a sanction behind them sufficiently adequate to make their decrees effective. The judgments of every court in Christendom, however peaceful and law-abiding the people, depend upon the power of the judges to summon if need be the armed strength of the Government for their vindication. All men respect the visible presence of actual power; many men in every country have no respect for anything else, and it is because of them that power must rest behind governments, whatever their character. "Liberty," said Robert Toombs, "is the blood of the brave. No people can long preserve it who are not ready at all times to die for it."

Confucius preached morality to China 500 years before the birth of Christ. He has since been its patron saint. Her defenseless and chaotic masses follow his precepts and respect his example. No man can question the beauty and worth of his philosophy, nor doubt the unwisdom of relying upon it as a sustaining force in political affairs. Indeed, it may be affirmed that if organized moral force can preserve the peace of the world, the hour of the millennium has struck, and man has reached the zenith of his material and intellectual advancement. I wish I could believe it possible.

I am much more impressed with Viscount Grey's suggestion. Let the victorious league now in force be continued. It is amply competent to keep the peace of the world and adjust all differences between its members. It is welded by a common sacrifice and consecrated to greater service by the achievement of a triumph to which they all contributed. Such an alliance commands respect by the strength it enjoys and inspires confidence by the cause it espoused and vindicated. It may admit other nations to its association as time and experience shall determine. The same sure guides will unfold the needs and suggest the methods for its policies and their enforcement, discover obstacles and difficulties with the way to overcome or avoid them. Indeed, Mr. President, I devoutly believe that an entente between the two great English-speaking nations, whose unhappy differences have, I trust, forever disappeared in the presence of a common danger, and whose friendship has been forged in the fires and sanctified upon the altars of a victory attained by a common sacrifice of blood and treasure, would be the harbinger of an era of peace for all the nations. Their hegemony in world affairs would lead away from strife, promote the administration of justice, respect the rights, the religion, and the aspirations of other and smaller peoples, encourage education, the development of art, science, and all the peaceful pursuits of man. The magnitude of their vast responsibilities and the majesty of their strength would guarantee their continued association, and the influence of their example would be compelling with every people.

Because an alliance actually exists, there is groundwork for its growth into a league. And I think in the nature of things a league must be a growth. It can only find its rudiments in conventions. The difficulties to be considered and reconciled are many. The Senators from Massachusetts, Missouri, and Pennsylvania have emphasized some of them. Others are as readily foreseen. I need only mention the financial burden and its method of distribution, its inclusion of the vanquished nations, of Bolshevist Russia, and the Vatican. For every advocate of the plan assumes the necessity of comprehending all nations within its confines. We can not include Germany until her repentance and reformation have transformed her. We can not include Russia until the hideous nightmare of her Bolshevist delirium shall have passed away. And Italy confronts the Vatican.

Shall the league be an indissoluble one? Should a dissatisfied nation determine to secede, are the batteries of the league to be turned upon it? If so, must it not by the union surrender an important element of its sovereignty? If not, may it not be dissolved at the pleasure of one or more of its constituents? And if it is permanent, indissoluble, and sovereign will it be a league or the successor of all nations? Questions like these can not be avoided nor is their solution easily attainable.

I do not say these difficulties are insuperable, but I feel sure that only time and experience can surmount them. They will tax the patience and the wisdom of the entente, whose immediate and compelling work is the dictation of peace to Germany and the organization of the nations now springing from the ashes of Turkey and Austria.

With this task the neutral nations are not directly concerned. It is exclusively that of our allies and of ourselves. Germany has but the semblance of a government with which the allies can deal. The nation is in flux and may at any time turn to quicksilver in their grasp. Peace conditions can not be imposed upon a people without a government to accept and obey them. We are now safeguarding the Rhineland border; we may soon be compelled to police Berlin and the confines of Poland. Indemnities are of no avail if there be no authority to collect and deliver them. The winning of a war is fruitless if the enemy melts away under the dissolving agencies of disaster. Let us therefore deal with Germany as summarily as justice will permit. We are not yet at peace. The world is still in revolt, and the burden of the war has not been taken from its shoulders. Until it shall have ended, it can not again settle down and adjust itself to the ancient ways, and it can not end until Germany knows what her sentence is to be. We must have peace before we can enforce it. The treaty must precede everything else, the league included.

Mr. President, I trust that events will justify those who believe in the possibility of securing permanent peace through the establishment of a world's tribunal. And I fervently hope that this great war may mark the close of strife among men. But I apprehend that until human nature shall have profoundly altered, until selfishness and greed, until the passions, the ambitions, and the emotions of men shall have been tempered by the altruism of a brotherhood we have never yet attained, the world will be troubled by wars and rumors of war. A French antiquarian recently announced that he had unearthed more than 3,000 treaties of peace since organized society began, all of them expressly designed to establish permanent peace on earth. The Congress of Vienna wrought to that end and rashly proclaimed its consummation, yet its every signatory was at war within half a century afterwards. The terrific cost and the terrible weapons of modern warfare will be greater deterrents to war than all the programs for its prevention which man's genius can evolve or his industry construct.

"The fate of nations," said Gov. Black, "is still decided by their wars. You may talk of orderly tribunals and learned referees; you may sing in your schools the gentle phrases of the quiet life; you may strike from your books the last note of every martial anthem, and yet out in the smoke and thunder will always be the tramp of horses and the silent, rigid, upturned face. Men may prophesy and women pray, but peace will come here to abide forever on this earth only when the dreams of childhood are accepted charts to guide the destinies of men. Events are numberless and mighty, and no man can tell which wire runs around the world. The nation basking to-day in the quiet of contentment and repose may still be in the deadly circuit and to-morrow writhing in the toils of war."

Mr. President, I am not apprehensive of any great international war until the horrors and desolation of this one shall have been forgotten in the excitements of some great upheaval. But I am concerned with the prospect of internal strife arising from the social, economic, and political unrest everywhere observable. I need go into no detail regarding Russia. But the chaos there prevalent seems infectious. The seeds of the bloody disorder blown westward by the winds of heaven are lodging and taking root in other soils. It can not be that we have overthrown autocracy only to prepare the world for Bolshevism. If that be so, we have made it worse than it ever was. A recent writer has described autocracy as organized hell and Bolshevism as hell broke loose. It is a despotism of murder, arson, and robbery enthroned, more deadly than Romanoff absolutism, more destructive than Teutonic warfare. It surpasses the barbarism of the savage. It must be stamped out as a nest of vipers, or its consuming fires may envelop the world in universal conflagration.

Mr. President, the glowing tributes to the heroic virtues and to the sentimental elements of human nature now so prevalent are timely and attractive. But I am unable to perceive that these qualities have been stimulated into universal activity. They are not apparent in the recent pronouncements of labor, in the aspirations of capital. The nations are girding their loins for the approaching economic struggle. Tariffs, protective and

punitive, combinations to restrain and promote trade, the struggle for existence seem quite as aggressive as in the ante-bellum period. The advocate of the torch and the bomb, as the drastic but essential remedies for every social disorder, is plying his trade as though it had not been interrupted. The golden rule still yields to the rule of gold and men applaud the announcement of doctrines whose precepts, though beautiful, give no promise of material return.

Some of the peoples just freed from Teutonic oppression are signalizing their deliverance by the slaughter of aliens within their midst. Class appeals to violence in some of the allied countries mingle their voices in the general acclaim of victory. In free America the I. W. W. preach and practice the gospel of destruction; anarchy disseminates its poison among the discontented; wealth has not fully learned its lesson from the experiences of the recent past; strike breakers are dynamited and negroes lynched as they were in our era of peace and prosperity. The foremost advocates of a league for peace clamor for armies far outnumbering the establishments of the old order that has passed and for navies that shall overspread the seven seas. These conditions can not endure forever. They are not within the purview of leagues for peace. What shall it profit the nations if in securing peace between themselves they shall be torn to pieces by their own embittered populations? These are the dangers just ahead. Let us not overlook them by looking to the sky line beyond them. Let us see to it that they are avoided.

Mr. President, I entertain very decided opinions upon armaments and the economic policies of the great powers toward each other and the lesser peoples. But I shall not express them now. When the Navy bill reaches the Senate I shall probably do so. For the present I need only add that I recognize the Executive as the depositary of the treaty-making power. He should be free to exercise it as to him seems best for the country. His is the immediate responsibility. I have every confidence in the loftiness of his purposes, the integrity of his aims, and the measure of his ability at this crisis in our diplomatic history. Reserving my judgment upon the finished work of the commission when it comes to the Senate for approval, I confidently predict that President Wilson will acquit himself well before the nations and to the ultimate satisfaction of his countrymen.

Mr. BORAH. Mr. President, before the Senator takes his seat I desire to ask a question. The Senator, speaking of the first principle of the 14 points, with reference to secret diplomacy, was of the opinion that negotiations should be in secret, as I understood him.

Mr. THOMAS. Except where the negotiations may be public without in any wise affecting or being dangerous to the ultimate purpose of the conference.

Mr. BORAH. The thought that occurred to me—leaving out for the present the general principle of secret or open diplomacy—is what reason can there be for maintaining any secrecy at all with reference to a treaty which is to be imposed upon or submitted to the conquered nations? They are not present, and publicity could not arouse any feelings such as the Senator speaks of. We are simply meeting there as friends and allies to impose upon the conquered nations certain conditions. What reason can there be for having secrecy about anything of that kind?

Mr. THOMAS. It is impossible, Mr. President, for me to forecast the situation as it is bound to unfold itself in that conference from day to day. On the other hand, it is impossible for me to conceive of a conference whose purposes are so numerous and so mighty as that which is about to assemble, without assuming the presence of questions which, to be settled peaceably, must be settled among themselves, and which, if given world-wide immediate publicity, will tend to destroy rather than to promote the purposes of the conference.

Mr. BORAH. Mr. President, the Senator leaves out of the conference, it seems to me, a body which ought to be taken into consideration, and that is the great mass of the people who really fought and won the war and who are to be bound by the treaty. Why should not they be informed as to what these conditions are prior to the time they are bound by them?

Mr. THOMAS. If those who fought the war, the armies, are to be informed of everything preceding the treaty, then they should make it and not their accredited delegates. I have not said, at least I am not conscious of having said, that the framework of the treaty and the basis of it should not be submitted to everybody before its ratification. If I have created that sort of an impression, I have been unfortunate in my use of language.

Mr. BORAH. The Senator is never unfortunate in that respect.

Mr. THOMAS. I do not mean that the treaty should be completed by the conference in the sense that it is not to be submitted to the people of the various nations concerned after it has been virtually ratified.

Mr. BORAH. The Senator would not be in favor, for instance, of a completed instrument which should be brought here and ratified in secret session before the people were informed of its details?

Mr. THOMAS. Oh, no; not at all. I would be perfectly willing, in considering a treaty of this kind, to cast my vote, unless I change my mind, for open sessions for its consideration by the Senate, but then we have to act upon it as it has been framed and submitted to us for our consideration.

Mr. BORAH. Does not the Senator think that any substantial terms of the treaty, any substantial provisions, ought to be made public before the treaty is finally agreed upon?

Mr. THOMAS. Absolutely. It is the negotiations leading up to that conclusion, which may not be permanent, which in the public interests, in my judgment, in nine cases out of ten should be discussed privately.

THE MEAT-PACKING INDUSTRY.

Mr. HITCHCOCK obtained the floor.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HITCHCOCK. I yield.

Mr. KENYON. Mr. President, I wish, if the Senator will permit me, to ask unanimous consent to have the Committee on Interstate Commerce discharged from the further consideration of a bill introduced by me, being Senate bill 5248, and have the bill referred to the Committee on Agriculture. I will say, if the Senator will pardon me, that I introduced this bill by request, being the same bill that is now in the House, with reference to the control of packing houses. I felt that it should go to the Committee on Interstate Commerce. The purpose of introducing the bill, however, was to have hearings in the Senate at the same time that they are being conducted in the House. That can not be done if the bill stays with the Interstate Commerce Committee of the Senate. I have consulted the chairman of that committee, the Senator from South Carolina [Mr. SMITH], and the ranking minority member of the committee, the Senator from Iowa [Mr. CUMMINS], and both are agreed that these hearings could not take place before that committee for a month. It can just as well be done by the Agricultural Committee. Witnesses are to be here from some 1,500 miles who would otherwise have to be brought back. That is my reason for making this request.

The PRESIDING OFFICER. Is there objection?

Mr. SMOOT. I should like to ask the Senator from Iowa if he will not withdraw that request for the present and bring it up to-morrow when there is a fuller attendance of the Senate?

Mr. KENYON. Yes; if there is any objection to it to-day.

Mr. SMOOT. I ask that it go over until to-morrow.

Mr. KENYON. I will withdraw the request at this time and renew it to-morrow.

CLAIMS AGAINST MEXICO.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. HITCHCOCK] has the floor.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. HITCHCOCK. I yield.

Mr. KING. Mr. President, I submitted a day or two ago Senate resolution No. 399, which is now upon the table. I move that it be taken from the table, and that the Senate proceed to its consideration.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah, that the Senate proceed to the consideration of Senate resolution 399.

Mr. THOMAS. Let the resolution be read.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution, as follows:

Whereas claims aggregating millions of dollars in compensation for damages to property and for personal outrages and destruction of life, suffered by American citizens in the Republic of Mexico, have been filed with the Department of State for presentation to the Government of Mexico; and

Whereas some years have already intervened between the commission of such damages and outrages and no progress is apparently being made toward the liquidation, settlement, and payment of such claims; Now, therefore, be it

Resolved, That the Secretary of State be, and he is hereby, directed to report to the Senate whether or not said claims have been presented to the Government of Mexico, and what steps and measures are being taken to prosecute such claims and to liquidate and settle the same, and if said claims have not been presented, then to report to the Senate what steps and measures are contemplated to be taken with respect thereto and when the department will proceed with the same.

Mr. HITCHCOCK. I suggest that is a matter which properly should go to the Committee on Foreign Relations for action.

Mr. KING. Mr. President, I believe the time has come when this Government can, with propriety and, indeed, with justice, request the Republic of Mexico to make just compensation for the injuries inflicted upon American citizens who were rightfully in Mexico, as well as for damages to property which American citizens owned within the territorial limits of Mexico. This resolution challenges attention to this matter and may be regarded as preliminary to a pressing of claims which, under international law, the Republic of Mexico should meet. Not only millions and tens of millions of dollars in value of American property have been confiscated and destroyed by Mexicans, and in many instances by the military forces of the Government of Mexico, but many Americans have been subjected to physical violence and indignities at the hands of Mexican citizens, and a considerable number have been killed. American citizens who have been the victims of wrongs and injustices in Mexico have filed with the State Department in this city claims against the Government of Mexico amounting to several hundred millions of dollars. As the resolution recites, years have intervened between the commission of the wrongs and outrages which offer the basis for claims for damages, and no progress has been made toward the liquidation, settlement, or payment of the same. In my opinion, the United States has been generous in her treatment of the Mexican Republic. Our Government has exhibited the utmost patience and forbearance in her dealings with our neighbor Republic and the Mexican people. President Wilson has been the true friend of Mexico. He desired the welfare of the Republic and the happiness and the prosperity and liberty of the Mexican people. In every possible way he sought to prove the disinterested friendship that this Republic had for the Mexican people. Evidences are not wanting that the patience and friendship exhibited by President Wilson and by the American people have not brought forth a response from Mexico and her people that would be indicative of a reciprocal feeling upon the part of the latter. In the great world conflict through which we have just passed, Mexico evinced no friendship for the allied cause and no appreciation for the great work which was performed by this Nation. Indeed, I think the evidences are manifest that Carranza and his Government were pro-German rather than proally or neutral.

One would have thought that in view of the great principles for which the allies were fighting, and in view of the sincere regard which this Republic, particularly under Mr. Wilson's administration, had exhibited in behalf of Mexico and her people, that in the hour when the lines were drawn between the forces of liberty and freedom and those of autocracy our sister Republic and her people would have enthusiastically raised their voices in support of the forces contending against the central empires. Not only would this course have been just and humane but it would have been some compensation for the kindness and favors and friendship bestowed by the United States upon Mexico. During the war, and particularly after the United States entered the conflict, the present Government of Mexico not only failed to show sympathy with the allies and their aims but opposition was clearly manifested, and to our Government there was, I was about to say, open hostility—indeed, I shall not change the word—shown toward our Government.

How different was the course of Brazil and other Republics in South and Central America. The people of the United States will ever remember with deep appreciation and gratitude the fact that Cuba, Brazil, and other Republics to the south of us showed their abhorrence to the practices, policies, and contentions of the central powers and their approval of the aims and purposes of the allied nations. They became, as it were, partners with those nations that were carrying the standard of civilization and seeking to uphold the cause of freedom in all the world. Mexico chose a different course. She sought an inglorious and unenviable isolation.

Mr. President, the time has come when Mexico must meet the just demands of American citizens. The injuries and damages which they have sustained at the hands of Mexico and her people must be paid for. The hand of death is claiming many of those who have thus suffered. As time goes by the proof of the damages sustained becomes more difficult to secure. Compensation should be made to those who have suffered before the payment would be too late to be of advantage to them. International law and treaties have been violated and American rights have been trampled upon. This resolution should be promptly passed, and when the State Department has furnished the information sought, if it appears that further steps should be taken in order to enforce the rights of the American people, then I feel sure there would be no hesitation in proceeding along the lines of justice with vigor and promptitude.

Mr. HITCHCOCK. I hope the Senator will not press this matter this afternoon. I rose to move an executive session. I am very sure he would not be able to get his resolution through this afternoon. I will say if he will have it referred to the Committee on Foreign Relations, I will secure for it consideration next week, at the next session of that committee, and I believe it will be expedited. It is a little better to consult the Secretary of State before asking him to reveal here the relations that may be in existence between the State Department and the Mexican Government.

Mr. KING. I appreciate that certain formalities are sometimes required and indulged in with respect to resolutions calling for information from or action on the part of some governmental department, and particularly that department which has to do with our foreign relations; but I can not conceive of any objection to the passage of this resolution. I am frank to confess, however, that I know what the information will be. I have had a number of conferences with officials of the State Department. I will not disclose, of course, the information conveyed or the matters under discussion. I shall be equally frank in stating that I shall attempt to secure some action which it is quite likely this resolution will not secure in order to compel the Mexican Government to meet the just claims of American citizens. I am perfectly willing, however, to follow the suggestions of the chairman of the Committee on Foreign Relations and will, therefore, not object to the resolution being referred with the understanding that the committee act upon the same at the earliest possible moment.

Mr. SMITH of Arizona. Mr. President, I am extremely anxious to see the resolution, which has just been read, passed as early as possible. I was hoping that the Senator would let it lie on the table for the present and that by our efforts we might get it up to-morrow or at some very early date. The committee meets next Wednesday, as I am informed by the chairman. Inasmuch as the reference of the resolution seems to have been consented to I shall not take the time of the Senate now to give a little history of our relations with Mexico since these outrages first occurred.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and the resolution is referred to the Committee on Foreign Relations.

PROMOTIONS IN THE ARMY.

Mr. KING. Mr. President, a day or two ago I submitted Senate resolution No. 398 and asked its reference to the Committee on Military Affairs. I have spoken to the chairman of that committee and he has no objection to the committee being discharged from the further consideration of the resolution and having it adopted by the Senate. Therefore, I move that the Committee on Military Affairs be discharged from the further consideration of the resolution and that the Senate proceed to its consideration. It will only take a minute.

Mr. SMOOT. Will not my colleague divide that motion and first have the committee discharged from the further consideration of the resolution?

Mr. KING. Yes. I move, first, that the Committee on Military Affairs be discharged from further consideration of the resolution.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah that the Committee on Military Affairs be discharged from further consideration of Senate resolution No. 398.

Mr. JONES of Washington. Mr. President, let the resolution be read.

Mr. NEW. I should like to have the resolution read.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution, as follows:

Whereas prior to the signing of the armistice a large number of enlisted men in the Army had been recommended for commissions and many officers had been recommended for promotion, and such recommendations were pending in the War Department when said armistice was signed; and

Whereas no order was issued by the Secretary of War which resulted in no action being taken upon said recommendations, or either of them; and

Whereas officers and enlisted men who were so recommended are being discharged from the service without said recommendations being acted upon; and

Whereas no good and sufficient reason appears for failure to act upon said recommendations, and justice and good faith would seem to require affirmative action thereon: Therefore be it

Resolved, That the Secretary of War be directed to report to the Senate whether a modification or revocation of said order is contemplated, and if not, what reasons exist for failing to act upon said recommendations.

Mr. HITCHCOCK. Mr. President, I see no objection to the adoption of this resolution, but I will say to the Senator, for his information, that the Committee on Military Affairs had

up this morning the question involved, and sent to the department for consideration and report several bills and resolutions having the same purpose. We expect to have the information in the committee from the War Department within a few days as to the number of men involved and other facts connected with the matter. However, there is no objection to the adoption of this resolution, if the Senator desires to press it.

Mr. PHELAN. As a matter of information, the Secretary of War is reported as having said the men recommended for promotion after they have been disenrolled are still eligible to the promotion recommended in the reserves. Is the Senator informed on that subject?

Mr. HITCHCOCK. That is a somewhat different question. The committee desired to get information as to how many men had been recommended for promotion and by whom the recommendations were made. The captain of a company may recommend a man for promotion, but the colonel of the regiment may not approve it; and that would hardly be such a recommendation as would be entitled to full consideration. The committee is seeking to get from the War Department full information on that matter.

Mr. PHELAN. My information was that Gen. Pershing had made many recommendations which were cut off by the signing of the armistice.

Mr. HITCHCOCK. That is undoubtedly true.

Mr. PHELAN. But that he did not exercise that privilege in the matter of the Medical Corps; that the Secretary when abroad instructed him to include the Medical Corps; and in answer to an interrogatory the Secretary said that such officers would receive their promotion in the reserves after their disenrollment.

Mr. SMOOT. The statement made by the Senator is correct; but many of the men who had been recommended for promotion in the Army before November 11 have no desire whatever to remain in the Reserve Corps. They have earned their promotion, but the order issued by the Secretary of War prevents the promotion being granted. There is no question that the statement made by the Senator is correct; but the subject we are discussing now relates to the men who have earned their promotions and were recommended before November 11.

Mr. PHELAN. Mr. President, I am strongly in favor of the adoption of the resolution, because I think the recognition should be granted, and it will involve no expense to the Government.

Mr. KING. Mr. President, a large number of men have risen from the ranks to the position where by their valiant service they have been recommended for promotion and were about to be promoted when this blanket order of November 11 prohibited further action. Many officers who likewise have rendered excellent service have been recommended for promotion, and they, too, by the operation of this order were prohibited from receiving their promotions. It seems to me that a blanket order of that character is rather unfortunate. This resolution inquires into the purpose of it, whether there is a probability of its revocation, and asks for general information upon the subject. I think there can be no objection to the passage of the resolution.

Mr. JONES of Washington. Mr. President, may I ask the Senator whether or not he would have any objection to having included in the resolution an inquiry of the Secretary of War as to how many men would be affected? I understand that the committee has made inquiry about that.

Mr. THOMAS. The Committee on Military Affairs expects to have that information in a very few days.

The PRESIDING OFFICER. The Chair will state that the matter of amending the resolution will come up after the main motion has been disposed of.

Mr. JONES of Washington. I understand that; but I wanted to know from the Senator whether he would have any objection to having included in the resolution an inquiry as to the number of men who would be affected by it?

Mr. KING. I have no objection to that.

Mr. LENROOT. Mr. President, will the Senator yield to me?

Mr. KING. I yield to the Senator.

Mr. LENROOT. I should like to ask the Senator his view as to whether the language of this resolution would include those men who had entered officers' training camps, but had not received commissions prior to the signing of the armistice?

Mr. HITCHCOCK. They are not involved.

Mr. LENROOT. But are they not?

Mr. HITCHCOCK. No; they will get their commissions when they have earned them.

Mr. KING. That is my information.

Mr. SMOOT. I will say to the Senator that if they complete their course they get their commissions; there is no doubt about that at all.

Mr. HITCHCOCK. It is up to them.

Mr. SMOOT. But it is up to them as to whether they want to get their commissions. If they desire commissions, they must complete their course; but if they leave before completing the course, then they do not get commissions.

Mr. LENROOT. I will say that what prompted me to make the inquiry was this: I have only this morning had one letter from an enlisted man who had entered a training school in France. He has been recommended for a commission.

Mr. THOMAS. If he has been recommended, then the bill which I introduced would cover his case.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah that the Committee on Military Affairs be discharged from the further consideration of Senate resolution No. 398.

The motion was agreed to.

Mr. KING. I move that the Senate proceed to the consideration of the resolution.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah.

The motion was agreed to, and the Senate proceeded to consider the resolution.

Mr. JONES of Washington. As I understand from the Senator from Nebraska, the Committee on Military Affairs has inquired of the Secretary of War for information as to how many men will be affected by the order referred to in the resolution.

Mr. HITCHCOCK. I so understand.

Mr. JONES of Washington. Then I will not ask to have the resolution amended.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

EXECUTIVE SESSION.

Mr. HITCHCOCK. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened.

ADJOURNMENT TO MONDAY.

Mr. HITCHCOCK. I move that when the Senate adjourns today, it adjourn to meet on Monday next at 12 o'clock noon.

The motion was agreed to.

ADJOURNMENT.

Mr. HITCHCOCK. I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 40 minutes p. m.) the Senate adjourned until Monday, January 6, 1919, at 12 o'clock meridian.

NOMINATIONS.

Executive nomination received by the Senate January 3, 1919.

UNITED STATES DISTRICT JUDGE.

R. L. Williams, of Durant, Okla., to be United States district judge, eastern district of Oklahoma, vice R. E. Campbell, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 3, 1919.

BOARD OF GENERAL APPRAISERS.

George E. Weller to be a member of the Board of General Appraisers of Merchandise at New York.

POSTMASTERS.

NORTH DAKOTA.

Arthur L. Young, Bowman.
Pearl C. Forslof, Warwick.

HOUSE OF REPRESENTATIVES.

FRIDAY, *January 3, 1919.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, our Heavenly Father, out of the issues of whose great loving heart come all the rich and varied blessings of life, temporal and spiritual, which, if assimilated and made dominant in the soul of man would transform the world into a veritable paradise, help us, we beseech Thee, to overcome the evils which doth so easily beset us—selfishness, greed, covetousness, envy, jealousy, hatred, revenge, egotism, and all that makes for evil—that we may be strong, pure, noble, holy. In the Spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. FARR, temporarily, on account of illness in his family.

To Mr. FAIRFIELD (at the request of Mr. WOOD of Indiana), for one week on account of illness.

THE LATE REPRESENTATIVE J. FREDERICK C. TALBOTT.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent that Sunday, February 9, 1919, be set aside for addresses on the life, character, and public services of the Hon. J. FREDERICK C. TALBOTT, late a Representative from the State of Maryland.

The SPEAKER. The gentleman from Maryland asks unanimous consent that Sunday, February 9, 1919, be set aside to memorialize the late Representative TALBOTT. Is there objection?

There was no objection.

CONTESTED ELECTION CASE—WICKERSHAM AGAINST SULZER.

Mr. WILSON of Louisiana. Mr. Speaker, I call up the contested election case of Wickersham against Sulzer, and ask that the Clerk report the resolutions.

The SPEAKER. The Clerk will report the resolutions.

The Clerk read as follows:

House resolution 492.

Contested-election case—Wickersham v. Sulzer.

Resolved,

1. That Charles A. Sulzer was not elected a Delegate to the House of Representatives from the Territory of Alaska in this Congress and is not entitled to retain a seat herein.

2. That James Wickersham was duly elected a Delegate to the House of Representatives from the Territory of Alaska in this Congress and is entitled to a seat therein.

Mr. WILSON of Louisiana. Mr. Speaker, my understanding of the rule is that if we proceed without fixing a time for debate we proceed under the rules of the House, and that any Member who secures recognition will be entitled to have an hour.

The SPEAKER. That is correct.

Mr. MANN. Mr. Speaker, will the gentleman from Louisiana yield?

Mr. WILSON of Louisiana. Yes.

Mr. MANN. Would it not be better, if practicable, to fix the time for debate in this case?

Mr. WILSON of Louisiana. I do not know. I do not imagine that it will take up any more time to proceed under the rules of the House.

Mr. GARRETT of Tennessee. Is this a unanimous report? There is no minority report filed.

Mr. WILSON of Louisiana. Yes; it is a unanimous decision of the committee.

Mr. MANN. I understand that the Delegate from Alaska [Mr. SULZER] and possibly others desire to be heard in opposition to the report of the committee.

Mr. WILSON of Louisiana. That is true.

Mr. MANN. It would be a matter of great convenience to the House if they could tell something about when the vote would be had upon the resolution.

Mr. WILSON of Louisiana. It would be the intention to have the vote some time to-day. I do not think there is any doubt about that. It is hard to tell how much time will be necessary.

The SPEAKER. Has the gentleman from Louisiana any time limit to suggest?

Mr. POU. Mr. Speaker, will not the gentleman prefer a request for unanimous consent to fix the time? There is no minority report filed in this case, and, as the gentleman is well aware, there is another matter of very great importance that is desired by a great many Members to have disposed of to-day, if possible. I suggest to the gentleman the advisability of making a request and fixing the time.

Mr. WILSON of Louisiana. I would not like to make a request that would shut anybody off who desires to be heard. I am not advised as to how much time is desired.

Mr. WALSH. Mr. Speaker, this is a matter of great importance, and we ought not to undertake the consideration of it with a handful of Members here. I make a point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present. The Chair will count. [After counting.] Ninety-six Members present, not a quorum.

Mr. WILSON of Louisiana. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

Anthony	Eagan	Juul	Rogers
Ashbrook	Emerson	Kahn	Rowland
Benson	Essen	Kearns	Russell
Black	Estopinal	Kennedy, R. I.	Sabath
Blackmon	Fairchild, B. L.	Key, Ohio	Sanders, La.
Borland	Fairchild, G. W.	Kiess, Pa.	Sanders, N. Y.
Brand	Fairfield	Kitchin	Sanford
Brodbeck	Farr	Kreider	Saunders, Va.
Brumbaugh	Ferris	Lampert	Scott, Iowa
Burroughs	Fields	Langley	Scott, Pa.
Byrnes, S. C.	Flynn	Lehlbach	Scully
Caldwell	Focht	Lunn	Sells
Candler, Miss.	Francis	McClintic	Shackleford
Carew	Fuller, Mass.	McCulloch	Shallenberger
Carter, Mass.	Gallagher	McFadden	Sherley
Carter, Okla.	Gallivan	McKenzie	Shouse
Cary	Garland	McKinley	Slemp
Church	Goodall	McLaughlin, Pa.	Smith, Mich.
Clark, Fla.	Graham, Ill.	Maher	Smith, C. B.
Clark, Pa.	Graham, Pa.	Martin	Snell
Connally, Tex.	Gray, N. J.	Mason	Snyder
Cooper, Ohio	Greene, Vt.	Miller, Minn.	Stafford
Cooper, W. Va.	Gregg	Moon	Sterling
Copley	Griest	Morin	Sullivan
Costello	Griffin	Mott	Sumners
Crago	Hamill	Mudd	Swift
Currie, Mich.	Hamilton, N. Y.	Nelson, A. P.	Switzer
Curry, Cal.	Harrison, Va.	Nelson, J. M.	Tague
Dale, Vt.	Hayes	Nichols, Mich.	Temple
Davis	Heaton	Norton	Templeton
Decker	Heflin	Oliver, N. Y.	Thomas
Delaney	Heintz	Olney	Tilson
Dent	Helm	O'Shaunessy	Tinkham
Dewalt	Helvering	Park	Van Dyke
Dominick	Hood	Parker, N. Y.	Waldow
Donovan	Houston	Pratt	Welty
Dooling	Hull, Iowa	Price	Whaley
Doughton	Humphreys	Purnell	Williams
Drane	Husted	Quin	Wilson, Ill.
Drukker	Hutchinson	Ragsdale	Winslow
Dunn	Ireland	Rainey, J. W.	Wise
Dupré	Jacoway	Riordan	Wright
Dyer	Johnson, S. Dak.	Roberts	Young, N. Dak.

The SPEAKER. On this vote 260 Members answered to their names, a quorum.

Mr. WILSON of Louisiana. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

CHANGE OF REFERENCE.

Mr. GARD. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. GARD. Mr. Speaker, I ask for a change of reference of House joint resolution 377, introduced by me on yesterday and referred to the Committee on Military Affairs. I ask to have it referred to the Committee on the Judiciary.

The SPEAKER. What is it about?

Mr. GARD. The joint resolution has for its purpose the extending of the thanks of Congress to members of the American Protective League, an organization auxiliary to the Department of Justice.

The SPEAKER. Without objection, the bill will be so referred.

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Colorado rise?

Mr. TAYLOR of Colorado. I want to call attention to the reference of another bill, which, I think, has been wrongly referred. It is in the RECORD of December 30, page 930. It is Senate bill 1847, referred to the House Calendar, and it should have been referred to the Union Calendar.

The SPEAKER. What is it about?

Mr. TAYLOR of Colorado. It is granting a large quantity of land to one of the forest reserves in the State of Wyoming. It pertains to the public domain, and really ought to be on the Union Calendar. I think it has been inadvertently referred, for such bills heretofore have gone to the Union Calendar.

The SPEAKER. The Chair does not fix the calendar.

Mr. TAYLOR of Colorado. I do not know how to get at it, but I think it ought to be referred from the House Calendar to the Union Calendar.

The SPEAKER. What is the number of it?

Mr. TAYLOR of Colorado. Senate bill 1847.

The SPEAKER. The gentleman from Colorado asks that Senate bill 1847 be referred to the Committee on Public Lands——

Mr. TAYLOR of Colorado. No; to the Union Calendar of the House. It is now on the House Calendar.

The SPEAKER. Be referred from the House Calendar to the Union Calendar. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object—I do not think I shall object to referring any bill to the House calendar, but I would like to know what the bill is.

Mr. TAYLOR of Colorado. It is a bill incorporating quite a large territory in the State of Wyoming into one of the national forest reserves. It has the approval of both the Interior Department and the Agricultural Department. I reported the bill from the Committee on Public Lands, and the bill belongs to the Wyoming Senator and Representative.

Mr. MANN. It is a matter of change of reference for the Speaker whether unanimous consent is given or not; but I think nobody has any objection.

The SPEAKER. Well, let it go, then. The gentleman from Louisiana.

CONTESTED-ELECTION CASE—WICKERSHAM AGAINST SULZER.

Mr. WILSON of Louisiana. Mr. Speaker and gentlemen of the House, I am very glad for an opportunity to transfer the responsibility of this complicated contested-election case to the House. The committee have given rather unusual consideration to this case. We felt the responsibility of deciding the case according to the law and the evidence and of making a correct report to the House of Representatives for what action it might deem necessary or fit to take in the premises. This contest arose in Alaska out of the election of November 7, 1916. When the returns were all in and canvassed there was a majority in favor of the contestant, Wickersham, of 31 votes. The matter of canvassing the election in Alaska is different from that of any State or any other country so far as I know. The act of Congress providing for the election of a Delegate from Alaska created a canvassing board consisting of the governor, the collector of customs, and the surveyor general. To this board was to be sent the complete returns from the various precincts of the Territory. To this canvassing board, under the act of Congress providing for the election of a Delegate from Alaska, was to be sent from the various precincts the election returns. This board, in my opinion, has rather unusual powers, because the law directing that it meet and canvass these returns does not fix any time limit upon how long this canvass may continue. In fact, the canvass in this case appeared to extend over several months, due to the fact that the election returns were very much delayed and reported very slowly. The law further provides that the board after canvassing the returns in the various precincts shall issue a certificate of election to the candidate having the greater number of the votes. Well, upon the completion of this canvass of this election some time about the 1st of March, 1917, the board was prepared to issue certificate to Mr. Wickersham, as the returns showed that he had a majority of 31 votes. Then a proceeding was taken in the United States district court by Mr. Sulzer, asking that a writ of mandamus be directed to this canvassing board commanding them to reject the returns at seven precincts and to issue a certificate of election to the contestee, Mr. Sulzer. To this writ the members of the board answered, and their answer is set out fully in the report of the committee, and upon this answer some time—I think about the 23d of March—the judge of the district court for the first division—I think it was—of Alaska issued a writ of mandamus directed to the canvassing board commanding them—of course the preliminary writ had that command—but ordering them to make a return. Then the writ was made peremptory, directing the canvassing board in the canvass and tabulation of the vote to reject the returns of six precincts and not count them and issue a certificate of election to the contestee, Mr. Sulzer. That was done and upon that order of the court the certificate was issued, and Mr. Sulzer was sworn in as a Member of Congress as a Delegate from Alaska.

Then the contest began in which the proceedings before the court were involved, and a number of other questions which are discussed in the report. Now, the question that was before the court there chiefly was what construction should be placed upon the election laws of Alaska. Before the committee there were a number of questions raised by Mr. Wickersham which the committee thought not necessary to pass upon. In the first place, he complained that this case was decided, that this certificate which the election board was about to issue to him was withheld and issued to Mr. Sulzer, without his being made a party to the proceedings. The committee found it unnecessary to pass upon that question on account of the peculiar jurisdiction that Congress has in these cases. In construing an election case, Congress sits not only as a court of appeal, but with power to try a case either de novo or on appeal. If you take the view that Congress is sitting as a court, that we are sitting as judges and trying the rights to an office, which in a sense we are, then we are a court of very peculiar jurisdiction, because we can try a case either on appeal or de novo, or both at the same time. For that reason the committee found it unnecessary to pass upon the question of whether Mr. Wickersham should have been made a party to the proceedings in Alaska. He made another contention, that quite a portion of the record is devoted to, that the Territorial legislature had exceeded its authority in passing the election statute which changed the form of ballot prescribed by the act of Congress in 1912. The committee found it unnecessary to pass upon that, because it raised a constitutional question. The act of Congress incorporating Alaska and providing for the election of a Delegate is held, I suppose, to be the constitution of Alaska. That act provided for the election, and that the electors might use either a printed or written ballot. And so the contention was that in changing that to the Australian ballot the legislature had exceeded its authority. We found it unnecessary to enter into a discussion of the question, because Congress has never undertaken in passing upon election cases to decide constitutional questions arising in a State. Of course, my opinion is that the legislature had authority to pass that law.

Now, the chief question there, I say, was the correct construction of the Alaska election law. This law provided for an official ballot under the Australian ballot system, or practically as we have it in the States. On account of conditions prevailing in Alaska—that is, the extent of the Territory and the uncertainty of communication—it was deemed advisable for the legislature to write an exception in the law to the use of official ballots.

No doubt, and it is conceded in the hearings, that this grew out of past experiences there; that it was probable that in many portions of the Territory the official ballots could not be delivered in time, so that if the voters everywhere throughout the Territory were given an opportunity to have a voice in their elections and to vote there should be some proviso to this Australian ballot system authorizing the voters to use other ballots than those that were official. So in order to meet that the legislature wrote into this election law a proviso which is known as section 21, and which reads as follows:

That in any precinct where the election has been legally called and no official ballots have been received the voters are permitted to write or print their ballots—

Now, that is just what the congressional act says, and that these ballots might be prepared by the voters—

but the judges of election shall in this event certify to the facts which prevented the use of the official ballots, which certificate must accompany and be made a part of the election returns.

Now, it so happened that at a number of precincts, so far as they became involved in the case, as it appeared before the committee—some eight of them, I think—in some outlying sections of the Territory the official ballots were not delivered. In some of these precincts there was a certificate, or maybe just a line, by the election officers, stating that no official ballots had been received. With other precincts—three, I believe, in number, maybe four—in sending in the returns there was no certificate attached to the returns making any explanation on account of the absence of these official ballots.

Now, when the matter came before the court, of course there was no hearing except as to the matter set forth in the pleadings, and the court held that this proviso in the statute was absolutely mandatory, and ordered the canvassing board to reject the votes at those precincts and in another precinct for reasons that I will take up later. This established a majority of 19 in favor of Mr. Sulzer, and the court authorized a certificate of election to be issued to him.

The question came up in the main sense as to the mandatory or directory character of this clause in the statute. There does not seem to be any dispute anywhere about the reasons or moving causes which induced the legislature to write that provision in there. It was written in there in the interest of and for the protection of the voters in the outlying, isolated, and remote sections of Alaska, where, in all probability, it was not practical to deliver the ballots or the election supplies.

Now, in order to get at the construction of mandatory and directory statutes as applied to elections, as I understand it and as the courts hold, it is necessary to understand this: That in holding an election and applying the law as to whether or not certain provisions of a statute or certain portions of a statute are mandatory or directory, you divide the question of holding the election, you might say, into two divisions. One of those divisions is composed of those things that are done, acts performed, up to the time that the poll is complete, and the other division relates to those things done and acts performed after the poll is closed, and relate to the canvass, tabulation, and return of the vote.

Now, all the courts and all the authorities, so far as I am able to find, make that distinction. And the reason for it is this, that there are certain things pertaining to the election with which the voter is charged, a knowledge of certain things in connection with which he acts upon his own responsibility and assumes the risk of not comply with the law. For instance, the statutes say

that the election must be on a certain day. Every voter knows that, the officers know it; the officers and voters are charged with knowledge alike. And the statute says that a voter must vote in the precinct of which he is a resident.

Now, in a number of cases the House of Representatives, as well as the courts, has held that that provision of the statute is mandatory, because the voter knows where he lives; he is charged with knowledge of the law, and he must vote in the precinct of his residence, the precinct of which he is an inhabitant. If he does not do that, he assumes the risk of having his vote rejected. It says that the voting shall be by ballot. The voter is charged with a knowledge of that law. It says, for instance, that the votes must go into the ballot box. The voter is charged with a knowledge of that, and those statutes relating to the qualification of voters in many States provide that before a man can vote he must be registered a certain number of days before the election. The voter is charged with a knowledge of that, or that he shall pay a poll tax. So that all those things that relate to the election up to the time the poll is closed and the verdict is made up are construed to be mandatory by the courts, because there the voter is charged with the knowledge of those things, and he assumes the responsibility in not so acting as the law provides.

But when the vote is complete there comes the second division, where all the courts and all the authorities make the distinction and construe the provisions of the statute as directory, especially as to the voter, because when the poll is closed and he has cast his ballot the courts have universally placed around him protection, and they protect him in the security of his right to have his vote counted as cast, and have refused in all cases, I might say, to permit negligence on the part of the officers making up and returning that vote to deprive the citizen of his right to have his vote counted as cast.

Now, in this case this certificate related entirely to the return of the vote. There is absolutely in this whole record no proof of fraud against any precinct thrown out, in the judgment of the court. The proviso in the statute says that the voter, in the event the official ballots are not received, is permitted to write or print his ballot. Now, the voter, when he writes or prints that ballot in the absence of an official ballot furnished to him, does exactly what the law permits him to do and what the law stated he might do under those conditions, and then it imposes upon the judges of election a duty. That is the first part of it. It authorizes the voter in those sections of the Territory where the ballot was not received to write or print his ballot. Then it imposes upon the judges of election the duty of making an explanation about the absence of this official ballot. That relates absolutely to the return of the vote as it is cast. It relates absolutely and solely to the duty imposed upon the officers, and under the construction of those statutes, as they have been construed time and time again by this House and the courts, that provision is directory, because it is after the closing of the polls, after the voter's ballot is in the ballot box, and he is no longer protected against the willful conduct or the negligence of those officers, unless it be by placing that kind of construction on the statute, and that is the underlying reason for all of it.

That is the main point relative to the decision of the court as to holding that provision of the statute is mandatory and ordering these votes not counted and ordering the certificate to be issued to Mr. Sulzer on account of the fact that it changed the result of the vote there. And it goes further than that, as I understand it. Of course, that opinion, if you will read it, might be construed to mean a great many things, but it goes so far as to hold that this provision of the statute is mandatory to the extent that it vitiates this return, that it nullifies the return, and that the man who is entitled to the office that would be secured by that vote would have no power to go into a court and have the evidence adduced to show whether or not these ballots might be there and have them counted. Of course, I say that is the effect of it.

Now, we were unable to agree with that construction of that statute, especially without any line or word of proof of any fraud.

Mr. RAKER. Mr. Speaker, will the gentleman yield for a question right there?

Mr. WILSON of Louisiana. Yes.

Mr. RAKER. Supposing under the election laws of Congress applicable to Alaska and this Australian ballot law, passed by the Territorial Legislature of Alaska, a voter appeared at the election booth, went into the booth, and then came up and delivered to the officers of election a ballot that was not official. Would he be guilty of any offense by offering or attempting to cast that vote?

Mr. WILSON of Louisiana. Of course, to answer that I will have to state a little more about the law.

Mr. RAKER. Assuming, now, that all the election returns and the ballots are at the polls.

Mr. WILSON of Louisiana. I will answer that in this way: Under this statute it is made the duty of the judges of election to receive the official ballots. It is made the duty of the judges of election to have those at the polls and deliver them to each voter as he appears to vote. Then, under that condition, if the official ballot is there and the voter declined to use it and used a nonofficial ballot, of course he would be acting entirely outside the law and would assume all the responsibility of having his vote not counted or of being prosecuted.

Mr. RAKER. I want to get the attitude of the voter. Suppose he goes to the election booth and gets a ballot and then comes out and hands to the judge of election a ballot that is not official, assuming, now, that all the paraphernalia—the ballots and tally sheets of election—were there. Would that voter be guilty of any offense?

Mr. WILSON of Louisiana. If the official ballots were there in the manner that the law contemplates and were supplied to the voter?

Mr. RAKER. Yes.

Mr. WILSON of Louisiana. I think he would be outside of the law and would violate the law to cast that vote.

Mr. RAKER. Now, one other question. Suppose the judges of election, with all the paraphernalia—ballots, and otherwise—at the election booth should receive a ballot that is not an official ballot under the Alaskan statute. Would they be guilty of any offense by receiving it—the judges of election themselves?

Mr. WILSON of Louisiana. If they had the official ballots?

Mr. RAKER. Yes.

Mr. WILSON of Louisiana. There would not be any question about that at all. If the official ballots were there and in the possession of the judges, the law imposes upon them the duty of supplying the voters with them, and if they fail to do that they have not complied with the law.

Mr. RAKER. I know; but the judges of election, if they opened that ballot to see whether it was official or not, would be guilty of a felony, would they not, under the Alaskan statute?

Mr. WILSON of Louisiana. I have never known of any Australian ballot which, when it was folded, did not notify the judges of election that it was an official ballot, so that it would not be necessary to open it.

Mr. RAKER. Then the point is that in this particular law the official ballot is designated by printing to show that it is an official ballot.

Mr. WILSON of Louisiana. Yes. I am sure that is true.

Now, I want to get back to a discussion of this legal proposition.

On the question of when you can construe election statutes as directory and when you must construe them as mandatory there are a number of cases cited in this report of the committee. The general citation which I have quoted is from McCrary on Elections. Then, there is a case cited from Missouri (Horsefall v. School District, 143 Mo., 542) which upholds exactly what the committee found in this case. It says this:

> The decisions of the supreme court in this State have not been altogether harmonious as to the effect of irregularities upon the result of an election, and we shall not attempt to review these cases, but we think that it may now be said to be the established rule in this State, as it is generally in other jurisdictions, that when a statute expressly declares any particular act to be essential to the validity of an election, then the act must be performed in the manner provided or the election will be void.

Now, you will notice this exception in the Alaska statute. It does not say that the want of this certificate shall void the vote. The legislature did not place any penalty upon the voter there at all. Practically all of the statutes relative to the Australian ballot prescribe that a ballot not in a certain form shall not be received and shall not be counted. Now, the courts have usually construed that portion of the statute to be mandatory. This decision continues:

> Also, if the statute provides specifically that a ballot not in prescribed form shall not be counted, then the provision is mandatory and the courts will enforce it; but if the statute merely provides that certain things shall be done and does not prescribe what results shall follow if these things are not done, then the provision is directory merely—

That fits in exactly with the Alaska situation—

> and the final test as to the legality of either the election or the ballot is whether or not the voters have been given an opportunity to express, and have fairly expressed, their will. If they have, the election will be upheld or the ballot counted, as the case may be.

Now, there is a very interesting case on that doctrine, and the law of this case, found in Sixty-eighth Texas, page 30, Fowler against The State, which involves questions very much like the one involved in this case. The complaint there was

relative to making up a faulty return. For instance, it was charged that no tally sheets or poll lists were kept and returned as required by law. The statute required that the tally sheets and poll lists be kept and made a part of the return.

It was also charged that the ballot box was sent to the county judge by mail instead of by the officer designated by law, and that the returns were not made in triplicate, as required by law.

Now, Chief Justice Willie, of the State of Texas, a judge whose decisions, I understand, are held in very high regard by the Texas bar, discusses and states this situation more clearly than almost any other decision I have seen. He says:

Without separately considering each of the objections raised to the manner of holding the election at precinct No. 3 and of returning its result, all such objections, including those we have already passed upon, may be disposed of on the ground that the requirements of the election law not obeyed by the managers were not mandatory but directory. The statute does not say that a failure to pursue the course pointed out by it in these respects shall vitiate the election, nor is there anything in the nature of these provisions which requires us to give them that effect. The object of every popular election for officers is to ascertain the will of the people as to what persons shall serve them as such in the various positions to be filled. A free, fair, and full expression of the public will is sought, and certain means are prescribed by law as the most certain to bring about the desired result. Some of these, from their very nature, or from the manner in which they are prescribed, are deemed absolutely essential to the accomplishment of the desired result. Among these may be named the requirement that the voting shall be by ballot; that it shall take place on a certain day and within certain precincts, etc. These are prescribed to insure perfect freedom of choice to the citizen, to serve his convenience in getting to the polls, and to bring out a full vote at the election.

Then there are other requirements, such as those which have been neglected in this case, that are merely formal in their character. The law deems that it is proper that they should be pursued in order to prevent frauds in the election and tampering with the votes and returns. If strictly followed, they furnish the best evidence that the election has been fairly conducted, and the burden of proof to show that it was not, either wholly or in part, rests upon the party attacking the returns. But these requirements are always treated as directory unless the law, either expressly or in effect, makes them essential to the validity of the election. Electors must not be deprived of their votes on account of any technical objection to the manner in which the election has been held, or for any misconduct on the part of its presiding officers, if these have not affected the true result of the election. (Cooley's Constitutional Limitations, 617, 618; Prince v. Skillin, 71 Maine, 361.) This would be to deprive the citizen of a great constitutional privilege for a mere informality; to place it within the power of a few persons to defeat the right of suffrage altogether. The very means provided to insure a fair and proper election might become an instrument of fraud and dishonesty.

Mr. McKEOWN. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. McKEOWN. What are the requirements of the Alaska law in reference to the returns to be made to the canvassing board? In other words, is anything more required than the usual return, and this certificate that you state is required to be made, as to their not having received the official ballots? What other things, if any, are required?

Mr. WILSON of Louisiana. The only other thing except the usual return is that when the polls close the judges of election are to make up the certificates and return one set to the clerk of the United States district court for that division and another set, with the ballots, to the canvassing board.

Mr. McKEOWN. Will the gentleman yield further?

Mr. WILSON of Louisiana. Yes.

Mr. McKEOWN. I want to know if, for the precincts where those certificates were not received, there were ballots received?

Mr. WILSON of Louisiana. Yes.

Mr. McKEOWN. Does the law of Alaska provide for receiving the ballots in addition to the returns?

Mr. WILSON of Louisiana. Yes. Here is what it says. I will read section 402.

Mr. BURNETT. I understand that the judges must make an official statement that the official ballots were not there, and that that was the reason why the official ballots were not used and other ballots were used.

Mr. WILSON of Louisiana. The law says that the judges shall make a certificate showing why the official ballots were not used and make that a part of the return, yes.

In answer to the gentleman from Oklahoma, here is what the statute provides:

The election board at each polling place as soon as the polls are closed shall immediately publicly proceed to open the ballot box and count and canvass the votes cast, and they shall thereupon, under their hands and seals, make out in duplicate a certificate of the result of said election, specifying the number of votes, in words and figures, cast for each candidate, and they shall then immediately carefully and securely seal up in one envelope one of said duplicate certificates and one of the registers of voters, all the ballots cast, and all affidavits made, and mail such envelope, with said papers inclosed, at the nearest post office by registered mail, if possible, duly addressed to the governor of Alaska at his place of residence, with the postage prepaid thereon.

The other duplicate certificate and register of voters, with the oaths of the judges of election, the judges of election shall at once seal up in an envelope addressed to the clerk of the district court for the division in which the precinct is situate, at his place of residence, with the postage thereon prepaid, and deposit the same in the nearest post office by registered mail, if possible. And the said clerk shall, as soon as he receives the said duplicate certificate, at once make out and duly mail to the governor of Alaska a certified copy of such certificate.

Mr. McKEOWN. Will the gentleman yield?

Mr. WILSON of Louisiana. I will.

Mr. McKEOWN. Whether or not these returns contain anything except the ballots?

Mr. WILSON of Louisiana. Yes; the register and poll book were there.

Mr. McKEOWN. Had they been received by the election officials?

Mr. WILSON of Louisiana. I think so.

Mr. McKEOWN. Was there any testimony as to why they were received and the ballots not received?

Mr. WILSON of Louisiana. No. In reference to the duty of the canvassing board, the act further says:

The said canvassing board shall commence the performance of its duties at the office of the governor within 10 days after the third Tuesday of October of each year in which an election is held under and by virtue of this act, and shall continue with such work from day to day until the same is completed, and said canvass shall be publicly made.

As to why the votes should be sent the statute is silent.

Upholding the doctrine I have stated there will be found a case in the Forty-fourth of Alabama, Montgomery against Henry, which upholds the same doctrine as laid down by the Texas court and the Missouri court. Also in the Thirty-fourth of Nebraska will be found a very interesting case on that question, and which adopts the dissenting opinion of Justice Peckham in the famous New York case, which has been quoted very largely in the briefs in this case.

Mr. RAKER. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. RAKER. Having to vote on this matter, I would like the benefit of the chairman's views. Speaking of the question of the mandatory provision of the act and whether or not it is directory and that only those provisions which really relate to the returns of the election officers are directory, is there anything in the Alaskan statute which requires the voter to know whether or not there are legal ballots at the election precincts before he votes?

Mr. WILSON of Louisiana. The law provides that it is the duty of the officers, judges of election—and I think that would be true not only in Alaska but in every other place—the law makes it the duty of the clerk of the district court to prepare the ballots and send them to the various commissioners in the district, and they distribute them to the various precincts and election officers. So under the statute it is the duty of the judges of election to receive the ballots and have them at the precincts and supply the voters with the ballots as they appear to vote. So I would take it that if the voter appeared and he was unable to secure an official ballot from the judges of the election, or if they did not furnish him with it, he would come within the statute and have the right to prepare his own ballot.

Mr. RAKER. The gentleman says whether or not the ballots were there. Suppose the ballots had been delivered to the election officers, but were not actually furnished to the voter, could he then use a ballot made by himself?

Mr. WILSON of Louisiana. I do not think that would be a case that the Territorial legislature had in mind in writing this provision, because that would be a case of fraud on the part of the officers. The object of the legislature in enacting this provision of the statute was to secure to the people the right to vote in that portion of the Territory where no ballots could be delivered. They knew from past experience that that would be true. It is possible to imagine a case where the officers join in a fraud in order to withhold the ballots, but what the object would be I do not know. I do not think the legislature had in mind any such case.

Mr. RAKER. Suppose a case of this kind: Ballots had been received by the election officers and the election was conducted on a nonofficial ballot, would that election be legal in that precinct under the gentleman's view of the Australian ballot law?

Mr. WILSON of Louisiana. It is possible to imagine that case. I do not think it would. When you are construing a proviso it is construed in the sense that you are not to include any cases not contemplated by the legislature. A proviso is a limitation on the enactment. I think that it is certain that the legislature in enacting that clause to give these people the right to vote did not have in contemplation an imaginary case such as the gentleman from California has stated, where the officers would form a conspiracy to commit fraud and then fail to include the certificate.

Mr. RAKER. May I ask the gentleman another question?

Mr. WILSON of Louisiana. Certainly.

Mr. RAKER. If the voter applies to the judges for his ballot, is it the gentleman's view that they then advise him whether or not the official ballots are there and whether others can be used?

Mr. WILSON of Louisiana. It is presumed that the officers will perform the duties imposed on them by the plain terms of the statute. Of course, if the official ballots were there, there would be no advice necessary; but if they are not there it is the duty of the presiding officer of the election to so advise the man when he appears to vote. The gentleman has stated an imaginary case where the officers form a conspiracy to withhold the ballots, and I suppose he assumes, in order to protect themselves, that they would withhold or decline to make a certificate. But I think that is stretching the imagination to quite a long limit, because I think the gentleman from California knows that when officers go out to violate the law about the first thing they do is to look up the law and come as near as possible to complying with the letter of it.

Mr. RAKER. If the gentleman will pardon me, I am only seeking information. In this contest, while the record is voluminous, I doubt whether any Members have had the opportunity to read it. Did any of the election officers in those precincts and contests testify, or were their affidavits taken, relative to the presence or nonpresence of the official ballots at election?

Mr. WILSON of Louisiana. No. I shall come to the discussion of that part a little later. We have been cited to a number of cases, to which I understand Members of the House have been cited, as being contrary to the conclusion reached by the committee in construing this statute as directory. The main case in that respect is in the One hundred and thirty-eighth Northwestern Reporter. That is a South Dakota case, but I have read that case very carefully, and if the Members feel sufficiently interested I think they will find it exactly upholds the contentions of the committee in this case. There was no clause in the statute saying that certain kinds of ballots should not be counted, but the statute required that in voting upon the liquor question ballots should be separate from all other ballots, and it made the duty of the county auditor to prepare these ballots and display them in his office three days before the election, and there where the voters had used ballots in cases where city ordinances and other things were submitted at the same time the court rejected them. There is nothing in that contrary to the findings of the committee. The voter was charged with the knowledge of the law as to what kind of ballot he should use. That is true under the Australian ballot in general, and if that ballot is not counted he has no complaint to make. So that case does not interfere. I submit this proposition. I do not believe a case can be cited in the books or in the decisions and proceedings of this House where, under a statute relating to the making of a return in an election case, after the ballot has passed without the hands of the voter, and he has no means of protecting himself and is not charged with any knowledge, that he is held to have cast an illegal ballot on account of some act of the officers. I submit that there is not a case that would sustain a proposition holding that statute directory and throwing those ballots out.

The New York case is probably the strongest that can be found upon that proposition, but in that statute it is directly stated that a ballot with a distinguishing mark of any kind upon it shall not be counted, and, because the ballots in a certain number of precincts were the ballots that were numbered for another precinct, it was held that was a distinguishing mark. In other words, ballots for precinct No. 10 could not be voted in precinct No. 5, because of the prohibitory words of the statute, but Chief Justice Peckham dissented in that case, and I think you will find that the dissenting opinion, right in the face of the statute, has been cited more in controlling election cases than the majority opinion of the court.

Mr. BURNETT. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. BURNETT. Did the committee have proof aliunde of the authenticity of these ballots which the committee thought should be counted?

Mr. WILSON of Louisiana. Yes; that is discussed in the report.

Mr. BURNETT. I have not read the report. It is a fact that the committee had that proof?

Mr. WILSON of Louisiana. Yes. I shall get to that directly.

Mr. BURNETT. I thought it germane to that question as to the certification by the judges.

Mr. WILSON of Louisiana. Yes.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. McKEOWN. Is there any provision in the law of Alaska that the canvassing board may go behind the returns as they come in to them?

Mr. WILSON of Louisiana. There is nothing in the statute on that subject, in my judgment. This Alaska board has very peculiar powers. Of course, you know there are two different views about going behind returns of the election by the canvassing board.

Mr. McKEOWN. Usually they can not.

Mr. WILSON of Louisiana. They can not, except for one purpose. They are authorized to do it to complete the returns for the purpose of supplying deficiencies in returns, for the purpose of giving effect to the returns.

Mr. McKEOWN. I wanted to know if there is any provision of that kind why they did not go back and get certificates.

Mr. WILSON of Louisiana. If the gentleman would read the hearings——

Mr. McKEOWN. I have read the hearings and the testimony.

Mr. WILSON of Louisiana. The question came up, and according to the contentions made to the committee under the decisions of the court it did not make any difference whether they went back and got them.

Mr. McKEOWN. That was the decision of the court?

Mr. WILSON of Louisiana. Yes; and though the proof might be ever so conclusive, still that vote was nullified and vitiated by the fact that they were not made immediately and then closed with the returns.

Mr. McKEOWN. That decision of the court was before they would have had time to go back and get them?

Mr. WILSON of Louisiana. I would not like to make a statement on that, because it is hard to tell when you would ever go back and get returns from certain portions of Alaska.

Mr. RAKER. Mr. Speaker, before the gentleman leaves the legal feature would he submit to a question?

Mr. WILSON of Louisiana. Yes. In my view it was the duty of this election board, composed of the governor and these other officials, sitting there with unlimited time, returns then having been coming in for several months, to complete those returns if they could and ascertain the will of the people, but under the decisions of this court and the contentions made to this committee it did not make any difference. You might show there were no ballots within 500 miles of the precinct, and yet you would not be permitted to make that proof and establish your case in court, and that is the main part that the committee could not attempt to do.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. I promised to first yield to the gentleman from California [Mr. RAKER].

Mr. RAKER. I will gladly yield to the gentleman from Georgia.

Mr. HOWARD. As I understand it, this is a unanimous report of the committee.

Mr. WILSON of Louisiana. Yes; but I would say that I do not think Mr. POLK ever agreed to our construction of the law as to the directory character of the statute.

Mr. HOWARD. It occurs to me that this is a very serious situation. The sitting Member has drawn $4,500 of mileage, and the committee brings in here, just a few days before the adjournment of the regular session of Congress, a report unseating this sitting Member and seating another Member for just a few days. As I understand it, the courts of Alaska passed upon the legality of this election and decided in favor of the sitting Member. Is that true?

Mr. WILSON of Louisiana. No. I would not say that they passed on the legality of this election.

Mr. HOWARD. In other words, it was adjudicated by the judicial machinery of Alaska.

Mr. WILSON of Louisiana. Not the merits of the case.

Mr. HOWARD. How could the court determine that the sitting Member was entitled to his seat unless they had some facts before it on which to act?

Mr. WILSON of Louisiana. Well, now, if the gentleman had read the proceedings there he would have that information.

Mr. HOWARD. But——

Mr. WILSON of Louisiana. Or had he heard my preliminary statement about it.

Mr. HOWARD. Now, there are some other questions I want to ask. As I understand it, since this contest has been filed, which was filed with the committee—when?

Mr. SULZER. This contest was placed before the committee in March.

Mr. HOWARD. Of what year, this year or last year?

Mr. WILSON of Louisiana. Last year. The gentleman knows it takes a year to count the votes.

Mr. HOWARD. Of course the gentleman means March, 1917.

Mr. WILSON of Louisiana. No; I mean March, 1918.

Mr. HOWARD. I meant 1918. Now, why is it the committee has taken nearly a year to act on this case? What was the trouble?

Mr. WILSON of Louisiana. I wish to say to the gentleman from Georgia I am not going to make any apology for the action of the committee on this case——

Mr. HOWARD. I understand, and I am not making any criticism; I am trying to get the facts.

Mr. WILSON of Louisiana. Any more than were made for cases of like character. Of course, I think the gentleman is entitled to an explanation, and that is what he is asking for, I understand.

Mr. HOWARD. Yes, sir.

Mr. WILSON of Louisiana. Of course, that is not an uncommon occurrence here in contested-election cases.

Mr. HOWARD. I know it.

Mr. WILSON of Louisiana. The committee has given very unusual consideration to this case. We have had other election cases to pass on, and I suppose the gentleman knows enough about the duties of a Congressman to know that he can not spend all his time investigating and going into these records. As a further explanation I would say that after the committee had once reached a conclusion about this case upon the application of Mr. Sulzer's attorney we reopened the case and reconsidered it.

Mr. HOWARD. Now, they have held another election in Alaska since this contest has been pending when the sitting Member, Sulzer, has been elected again by just about the majority he was elected to the Sixty-fifth Congress, and another contest is on as between the two parties, Wickersham and Sulzer; is not that true?

Mr. WILSON of Louisiana. I do not know anything about that.

Mr. HOWARD. Now, the committee propose in this report to unseat Sulzer and seat Wickersham for 40 days before the expiration of the last session of this Congress to which he was elected, and then the Government—the taxpayers—pay Sulzer $19,500, as the sitting Member, and they turn around and pay Wickersham $19,500, making it cost the taxpayers on the committee's action practically $40,000.

Mr. WILSON of Louisiana. I wish to say to the gentleman I would be ashamed to be a Member of this House if I thought it took into consideration the question of dollars and cents in passing upon a judicial question. [Applause on the Republican side.]

Mr. HOWARD. There is more in that than this—I understand some gentlemen on the other side—but there is more in this than dollars and cents, and this thing can be carried on in Alaska——

Mr. WILSON of Louisiana. I have not any interest in that.

Mr. HOWARD. Indefinitely, and I look upon it with great suspicion, and I will give my reasons when I get a little time directly.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. WILSON of Louisiana. I want to make a statement with respect to what was said by the gentleman from Georgia, and that is that the committee has not taken into consideration anything except to reach a correct conclusion on this case. It has taken its time to consider the case and to make an investigation of the case, and to make a correct report to this House, and I think it would be an act of reflection upon a committee of Congress or a court to inquire if it took into consideration the question of dollars and cents in reaching a correct conclusion in any lawsuit. So I have no apology to make for the action of the committee in this case. The facts are in the record and the report sets them out, I think, correctly.

Mr. HOWARD. Just one other question I would like to go in the record in this connection, if the gentleman will yield. A man named Strong was appointed governor of Alaska?

Mr. WILSON of Louisiana. I would rather the gentleman——

Mr. HOWARD. He took the side of Wickersham, the contestant in this election case, and the administration, after putting into operation all of its machinery and making a most thorough and sifting investigation, unseated Strong as governor of Alaska, giving as the reason his connection with this case. Is not that true?

Mr. WILSON of Louisiana. I understand the governor of Alaska is appointed by the President. [Applause.]

Mr. HOWARD. I understand that is not true, that there is some form of election.

Mr. WILSON of Louisiana. That is not in any way connected with this case.

Mr. HOWARD. I was informed here by some Republican Member.

Mr. WILSON of Louisiana. I now yield to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. I would like to ask the gentleman from Louisiana if the people of Alaska elect their governor?

Mr. WILSON of Louisiana. No; I just stated it.

Mr. HOWARD. I was informed by one of my Republican friends that such a thing was true.

Mr. COOPER of Wisconsin. I do not know where he got that information.

Mr. HOWARD. I viewed it with a great deal of suspicion, but I thought I would put it in.

Mr. COOPER of Wisconsin. Was there any charge made by the contestee or by anybody for him that in those precincts named on page 2 of the committee's report, the votes are not given correctly? For example, Wickersham 25, Sulzer 3; in another, Wickersham 10, Sulzer 6; in another, Wickersham 7, Sulzer 3; in another, Wickersham 10, Sulzer 3; in another, Wickersham 13, Sulzer 4; in another, Wickersham 3, Sulzer 1; in another, Wickersham 8, Sulzer 2.

Mr. WILSON of Louisiana. No.

Mr. COOPER of Wisconsin. So, then, it is true, as claimed by the contestant and admitted by the contestee, that the voters in those districts cast a majority, as herein indicated, for Wickersham?

Mr. WILSON of Louisiana. There has been no question raised as to whether the votes were cast or not.

Mr. COOPER of Wisconsin. Then, as the House has the sole authority under the Constitution to determine who shall be Members of this body, the question before us is whether we shall disfranchise these voters who admittedly cast a majority of their votes for Wickersham because some of the election officers in that Territory failed to do their sworn duty. That is the question before us, is it not?

Mr. WILSON of Louisiana. The gentleman may construe it that way. It is largely true.

Mr. WINGO. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. WINGO. I have read the report. Am I correct in this conclusion from that report, that the decision in this case turns on a legal proposition?

Mr. WILSON of Louisiana. Not entirely; no. Relative to these votes at these particular precincts we have been discussing, it does.

Mr. WINGO. There are two batches of votes. One is in these precincts where there is irregularity on account of either the ballots used or the certificates. The other is the soldier vote. Are there any other cases of voters?

Mr. WILSON of Louisiana. There is a question as to Indian votes.

Mr. WINGO. Those are the three?

Mr. WILSON of Louisiana. But this is the question before the court——

Mr. WINGO. I gather from the gentleman's report, which I have read, that the question the House is going to have to determine is a legal question. There is not a question of fraud; there is not a question of how the voters voted, but a question of whether or not we will permit certain votes to be counted and will determine that by the determination of a legal question?

Mr. WILSON of Louisiana. That is largely true.

Mr. WINGO. Is this legal question involved—I could not gather it from the report—the question is whether or not the act of Congress will control out there or whether the act of the Legislature of the Territory of Alaska?

Mr. WILSON of Louisiana. No. The question was raised, but the committee decided it was not necessary to pass upon it.

Mr. WINGO. I see in the hearings in the Senate committee, in the impeachment charges concerning the Federal judge, that the grounds of that impeachment, or the principal ground, was that he undertook to base his decision upon an act of the Territory of Alaska instead of upon an act of Congress.

Mr. WILSON of Louisiana. That was not considered by the committee at all, because it raised a constitutional question, and a committee in Congress in passing upon these questions never deals with constitutional questions.

Mr. WINGO. In passing upon this legal question, does the gentleman base his conclusion upon the act of Congress controlling the election out there or the act of the legislature?

Mr. WILSON of Louisiana. On the act of the territorial legislature.

Mr. WINGO. Does the gentleman base his conclusion upon the acts of the Territorial legislature out there?

Mr. WILSON of Louisiana. Yes.

Mr. WINGO. Does the Territorial legislative act determine the legal question that is involved here?

Mr. WILSON of Louisiana. It arises on account of certain provisions in this Territorial act; yes.

Mr. WINGO. Those provisions do not seem to be as strange as the committee's report indicates. There are provisions in different States as to the certificate, the character of ballots used, and what the voter may do. Now, what have the courts of the different States decided on the question of whether you should throw out a box in its entirety? Or will you purge it and undertake to poll each of the voters and ascertain how each one voted? Has the gentleman set out the decisions of the States on that question?

Mr. WILSON of Louisiana. That question is not involved here at all.

Mr. WINGO. I take it from the gentleman's own statement that it is involved. It may not be involved if the gentleman decides the single legal proposition, but the House may differ with him on one legal proposition and agree on another. Has the committee furnished the House a decision on this question: If you find the ballots have not been cast in accordance with the law and you want to arrive at the true intent of the voters, have you undertaken to take up and determine whether or not all these ballots were legally cast or that some were and some were not?

Mr. WILSON of Louisiana. That is not a question at issue in the case.

Mr. WINGO. From the gentleman's statement in the report I think it is.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. FOSTER. How much time does the gentleman desire?

Mr. WILSON of Louisiana. I would like to complete my statement.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 30 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the time of the gentleman from Louisiana be extended 30 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. WILSON of Louisiana. That is not an issue in the case.

Mr. WINGO. It is to my mind, from the fact that the committee has so reported. The committee has not undertaken to furnish the House the decisions of the court on that feature. Here is the point: Say that the direction with reference to using official ballots is purely directory. All right. Is there no question at all but that each and every one of these ballots was clear and unequivocal?

Mr. WILSON of Louisiana. No. That is not involved.

Mr. WINGO. And that the only technicality that is involved was the question of whether or not the ballots had been furnished by the proper authority? Is that the only question?

Mr. WILSON of Louisiana. That is the only question. The question hinges upon the decision relative to these precincts, the decision of the judge ordering them to be thrown out for failure of that certificate to be placed in there by the judges of election. Now, nobody offered any proof to show that the votes were not cast or that there was not any error in the action of the judge, and the committee did not undertake to consider that question.

Mr. WINGO. It was not considered an issue in the case?

Mr. WILSON of Louisiana. No; it was not an issue in the case.

Mr. DENISON. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Certainly.

Mr. DENISON. The committee does not take up any question that the parties themselves did not raise?

Mr. WILSON of Louisiana. No. That is the point.

Mr. WINGO. But the House sitting as a court can take up a question, even though neither of the parties does. We are here determining not so much the merits of this single case, but a principle, a ruled action as a basis to determine not only this case, but others of similar character. We want to reach a correct conclusion on the principles involved, regardless of the fact that this is from Alaska or anywhere else.

Mr. WILSON of Louisiana. I hope everybody takes that view.

Mr. WINGO. The gentleman has a unanimous report from the committee?

Mr. WILSON of Louisiana. Yes.

Mr. WINGO. How many Members were present at the meeting of the committee at the time the committee made that report?

Mr. WILSON of Louisiana. It was under consideration twice. This report has been submitted to every member of the committee.

Mr. WINGO. How many Members were present at the time you acted on it?

Mr. WILSON of Louisiana. I do not recollect; but there was a quorum, and those who were not there at the first meeting were present at the subsequent meeting of the committee.

Mr. WINGO. Were there more than six there?

Mr. WILSON of Louisiana. I say we never acted without a quorum.

Mr. WINGO. Does the gentleman say that all members of the committee approve this?

Mr. MOORES of Indiana. There were seven.

Mr. WINGO. I say, does the gentleman say all the members of the committee approve this report?

Mr. WILSON of Louisiana. That is my understanding.

Mr. WINGO. I have been informed otherwise by a member of the committee.

Mr. GARD. Mr. Speaker, will the gentleman yield for a question?

Mr. WILSON of Louisiana. Yes.

Mr. GARD. I want to ask the gentleman a question in regard to this court that made the finding upon which the claim of Delegate Sulzer is based. Is that a court of final jurisdiction?

Mr. WILSON of Louisiana. It is the United States District Court of Alaska, and then there is a court of appeals.

Mr. GARD. Was the case ever appealed to a higher court?

Mr. WILSON of Louisiana. No. The case came to the House of Representatives after the decision was given to Mr. SULZER.

Mr. GARD. By the district court, without appeal to any other court?

Mr. WILSON of Louisiana. Yes.

Mr. MOORES of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. MOORES of Indiana. Was Mr. Wickersham a party to that suit?

Mr. WILSON of Louisiana. No. I have stated that.

Mr. BURNETT. May I ask the gentleman a question?

Mr. WILSON of Louisiana. Yes.

Mr. BURNETT. As I understood the answer that the gentleman gave to the gentleman from Arkansas [Mr. WINGO], after you had passed upon that question of the certificate being directory or mandatory, then you did not go further and inquire into the legality of the ballots that were claimed to be cast?

Mr. WILSON of Louisiana. No.

Mr. BURNETT. Would not the burden be upon the contestant, who wanted the ballots cast in his favor, to show that these were legal ballots that had been cast by somebody, and did you take into consideraion any such evidence as that?

Mr. WILSON of Louisiana. No. Judge Jennings, the court, held that if the statute were directory the certificate should be issued to Mr. Wickersham, and that would have shifted the burden of proof.

Mr. BURNETT. You wanted proof as to who was elected. You wanted a basis upon which to decide who was elected. How can you do that when you have not taken any testimony to show the validity of these very ballots on which it appears to hinge?

Mr. WILSON of Louisiana. If the official ballots were not there, there is no question about it.

Mr. BURNETT. Does not the contestant make the question himself, and is not the burden of proof on him to show that these ballots were cast, and cast for him?

Mr. WILSON of Louisiana. In canvassing the returns made to this board it was the duty of this board to issue the certificate of election under that law to the man having a majority of those votes. Then the board would have thrown on the man contesting the burden of showing a majority under that return. But there is no question like that involved here.

Mr. HAMILTON of Michigan. Mr. Speaker, I think the gentleman ought to be permitted to proceed, so that we can get some idea of this case.

Mr. WINGO. With all due respect to the gentleman from Michigan, that was the object of my question.

Mr. HAMILTON of Michigan. The questions which the gentleman asked were very interesting.

Mr. WINGO. I may be wrong in the conclusion that I have in mind, but I want to ask the gentleman this question: Was that canvassing board acting in a ministerial capacity?

Mr. WILSON of Louisiana. You would have to get that from a reading of the statute. It says that the canvassing board——

Mr. WINGO. I have not looked it up lately, but what have the courts decided on that? Is that a ministerial act?

Mr. WILSON of Louisiana. Purely ministerial.

Mr. WINGO. In other words, they have to take what comes to them?

Mr. WILSON of Louisiana. That was the position taken. The law says that they shall canvass the return certificate and issue the certificate to the one having the majority of votes; and they were attempting to do that, and they would have done that but for the order of the court to withhold the certificate from Mr. Wickersham and issue it to Mr. Sulzer.

Mr. WINGO. But it hinges upon the question as to whether the statute was mandatory or not, so that the legal question——

Mr. WILSON of Louisiana. We discussed other questions, but that is the only thing involved here.

Mr. WINGO. The gentleman is sure that the canvassing boards have acted purely in a ministerial capacity?

Mr. WILSON of Louisiana. That was the construction.

Mr. ROSE. Mr. Speaker, will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. ROSE. Does the gentleman mean that the canvassing board itself took that position, that it was acting in a purely ministerial capacity and not as a judicial body?

Mr. WINGO. The only body that has undertaken to pass upon the judicial question was the Federal judge. The canvassing board construed that they were a ministerial body?

Mr. WILSON of Louisiana. Yes.

There was one other precinct that was ordered thrown out where the official ballots were used. I want to call the attention of the House to that. The position has been taken here that it would be wrong for the Congress or a committee of Congress to overrule the decision of the judge in ordering these ballots to be cast out.

Another precinct was known as Vault. At this precinct the official ballots were used. The register and certificate of election that came from the judges of election were not signed. The law provides that a duplicate certificate shall be made, that that duplicate certificate shall be sent to the clerk of the United States court, and that a copy shall be made and sent to the governor of Alaska for the use of this board. In that precinct the certified copy made by the clerk of the district court showed that the certificate was properly signed. This was a return provided for in the law, made by the officer who was the legal custodian of the document. Yet the court ordered that precinct thrown out. Now, I respectfully submit that it is impossible to follow the decision of the judge in a matter like that. I do not believe there is a lawyer in this House or a man in this House who can sanction the action of the judge in throwing out the ballots of a precinct where the statute specifically provides that the certificate shall be made in duplicate, that it shall go to the clerk of the district court, and that he shall immediately make a copy and send it to the canvassing board. That return was made, and it showed that the duplicate sent to the clerk was properly signed. Yet that precinct was ordered thrown out.

Mr. STEVENSON. What was the ground on which the judge ordered it thrown out? Did he assign any reason for it?

Mr. WILSON of Louisiana. On the ground that it was their duty to consider the certificate coming from the judges of election, and that that one was defective. Yet, in order to provide against that very thing, the statute provided that the clerk of the court should make a copy and send it to the canvassing board, and that copy showed the proper signatures.

Mr. GARD. Why was it that no appeal was taken from the decision of the court?

Mr. WILSON of Louisiana. Of course, I can not answer that question, because as soon as Mr. Sulzer was sworn in the matter was shifted to the House, and a contest started here.

Mr. GARD. There is no evidence to show why an appeal was not taken?

Mr. WILSON of Louisiana. No. Mr. Wickersham was not a party to the suit, and I suppose when a man has a choice of tribunals he has a right to choose the tribunal to try his case. Just what reasons actuated him I do not know.

Now, the committee found itself absolutely unable to agree with the court, and I do not believe that any man could read that decision and agree with the action of the court in throwing out the ballots in the Vault precinct.

The question comes up as to whether or not the official ballots were at the various precincts involved in this election. A portion of these precincts were out on Bristol Bay, some 500 or 600 miles from Valdez. The three precincts involved there are Choggiung, Nushagak, and Bonafield. The record plainly showed that there was not a single official ballot received in that section of the Territory, on Bristol Bay. At Naknek, another precinct in that district, they had the official register and tally book. I want you to follow this to see why the committee reached the conclusion that it was not necessary to take any more evidence to find that the official ballots were not there. At Naknek they had the official register and tally book, and they used what are known as party workers' ballots, on which the name of Mr. Sulzer was printed. At that precinct the vote was 9 for Sulzer and none for Wickersham. With the return from that precinct there is a certificate stating that they did not receive the official ballots.

Now, over at Nushagak, in that same district on Bristol Bay, the same election supplies were used. The tickets had Mr. Sulzer's name on them, and opposite that there was a blank, and the voters there wrote the name of Mr. Wickersham in the blank, and at that precinct there were 10 ballots for Mr. Wickersham and 3 for Mr. Sulzer. In that particular precinct the certificate as to the absence of the official ballots was not inclosed; but at the other precinct of Naknek, where they cast the 9 votes solidly for Mr. Sulzer, they used this very same ballot and had this same portion of the election supplies. There in this same division, out on this bay, they had exactly the same election supplies as at the other precinct. At Choggiung, the other precinct on Bristol Bay, they used the same register and tally book, and there the voters made their ballots with a typewriter. At the remaining precinct of Koggiung on Bristol Bay, there was no election held. There was a notice that the voters would appear and vote at one of the other precincts.

Now, the committee found, from an examination of those returns and those ballots, that in this section of the Territory, in the Bristol Bay district, there was not a single official ballot used. It was the duty of the judges of election to supply the voters with the official ballots if they had them, and I do not think it is reasonable or possible that in all this section of the Territory every voter would have been permitted to use non-official ballots if they had had the official ballots. The same conditions existed at the precincts where they voted for Sulzer as where they voted for Wickersham, and I consider that the facts established by those returns and those circumstances are really just as strong proof of the fact that there were no official ballots there as though some one had inclosed a certificate.

Now, the other two precincts involved are Utica and Deering. While the canvassing board were in session the clerk of the district court notified the canvassing board that he had received a certificate signed by the judges of election, and that the certificate was on its way to the canvassing board. That certificate showed that the form of the ballot used at those two precincts, Utica and Deering, had been telephoned from another precinct where they did have the official ballots. The judge did not wait for this certificate, and the canvassing board did not have it; but upon examining the returns for those two precincts it was seen that at one precinct the ballot was made exactly in the form of the official ballot, containing exactly the same information as that on the official ballot, and it was quite lengthy. Over at Utica the ballots were made with a typewriter, and contained exactly the same information. This telegram stated that they had the information phoned to them, and the certificate was made long before the contest was started. There was no controversy at that time, and when the returns were examined they exactly dovetailed in with the facts set forth in the certificate. So the information in the record was absolutely convincing to the committee that this was a case that the Territorial legislature had in mind when the statute was enacted to give the people at the outlying precincts a right to vote in case the official ballot did not arrive.

It is contended here that it would be a great calamity if Congress should find itself in opposition and overruling the findings of Judge Jennings. I think Judge Jennings contemplated that Congress might do that. I want to read a portion of the opinion of Judge Jennings. He was directing his opinion to the canvassing board, and this will answer a number of questions asked by the gentleman from Alabama. This is a quotation from his opinion:

> Again, the action of the canvassing board neither enfranchises nor disfranchises any voter. It acts merely to determine to whom to issue a certificate of election. This certificate of election is not final. The House of Representatives is the tribunal before which the contest of election comes. In its wisdom it may say, if it chooses, "It is true that the certificate of the judges of election does not state that no official ballots were received at Choggiung, but it is possible—probable, even—that none were received, and that that is the reason the judges allowed these otherwise prohibited ballots to be cast, and by inadvertence or neglect they omitted to say that was the reason; at any rate, we will investigate the matter; we will hear oral testimony; we will consider affidavits or get at the very truth of the matter in some other way."

The judge, I think, anticipated that Congress would investigate to get at the truth of the matter and give a correct decision, because he did no claim to be passing on the merits of the case.

Now, of course, gentlemen, there are other matters in this case upon which, I presume, I can be heard later. I do not want to tire the House, but, as I stated before, the question as to the legality of votes at any precinct is not involved in this case. No such contention was made before the committee,

The question as to these votes in these precincts is whether or not you are going to construe the provisions of the statute to be mandatory or directory.

Mr. BURNETT. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. BURNETT. Does not the contestant claim in his notice of contest that he was elected by a legal vote, and does not that raise the question?

Mr. WILSON of Louisiana. Yes; he claims these are legal votes and that they should be counted.

Mr. BURNETT. But no proof was offered to the committee.

Mr. WILSON of Louisiana. I stated that it was entirely satisfactory to the committee that the ballots were not there. I do not think the gentleman from Alabama or anyone else will agree to the action of the court in throwing out the Vault precinct, because, as I have stated, the certificate made by the clerk of the court was there, and the statute says that the certificate may be considered for that purpose. So, if the decision of the committee is correct and the other questions involved in the report are correct at Vault, you may adopt the decision of the judge in throwing out the other precincts and still Mr. Wickersham has a majority. You may eliminate the question of the want of a certificate, but adopt the views of the committee as to the Vault precinct, where the official ballots were used and correct as to their contention, and the case then would be in favor of Wickersham and he would have a majority.

Mr. GARD. Of how much?

Mr. WILSON of Louisiana. Three. We went into that question because I do not believe the House should go on record as penalizing the voters in any locality in Alaska, or anywhere else, where they have furnished the ballots authorized by statute, on account of the willful neglect or even the fraudulent action of officers in making the returns. Congress has never done it and the courts have never done it. I can not give my consent even in this case, much as I regret to do so, and hold in face of the law, what I conceive to be the law and what the committee conceives to be the law, that any such rule ought to be adopted.

Then, if you adopt the decisions of the court at these precincts and the decision of the committee as to the Vault precinct and the other matters in the case, Mr. Wickersham would still have a majority of votes.

Mr. STEVENSON. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. STEVENSON. I want to get it clear about the Vault precinct. I understand the managers made a certificate of election which was sent to the board of canvassers by the governor and which was signed by them. Is that the fact?

Mr. WILSON of Louisiana. Yes; but they did not sign it.

Mr. STEVENSON. But there was a duplicate filled out by the clerk of court.

Mr. WILSON of Louisiana. Yes.

Mr. STEVENSON. And the law provides that they can use the certified copy in case the other was not there?

Mr. WILSON of Louisiana. Yes; the statute provides for the clerk to make and send a copy.

Mr. STEVENSON. So the committee considered it as though they got none direct from the board of canvassers, but they had got one from the clerk of court upon which they could act.

Mr. WILSON of Louisiana. Yes.

Mr. SULZER. Will the gentleman yield?

Mr. WILSON of Louisiana. Yes.

Mr. SULZER. I do not know what information the committee had about the Vault precinct, but the information before the court was a telegram to the effect that the clerk of the district court at Fairbanks had received a certificate from the clerk of the election at the Vault precinct bearing the names of the election judges. Now, that statement does not say "signed by the election judges"; it simply says "bearing the names." It is possible that the clerk of that election board made up that statement on his own initiative and sent it in to the clerk of the court at Fairbanks.

Mr. WILSON of Louisiana. I think the gentleman is mistaken. Here are the pleadings filed in the court. It is the answer of the canvassing board to the court:

In the case of the Vault voting precinct, the election judges did not sign the certificate of result form in the back of the election register and tally book, but the canvassing board received from the clerk of the United States District Court for the Fourth Judicial Division, in which said precinct is located, the "certificate of the clerk of election returns," bearing the names of the election judges for said voting precinct, and duly certified by the clerk of the court as a full, true, and correct copy of the original on file in his office.

Mr. SULZER. The statement says, "bearing the names of the judges of election." It does not say that the judges of election signed the certificate.

Mr. WILSON of Louisiana. Of course, a man might go off on an imaginary case.

Mr. SULZER. There is nothing imaginary about that. If the judges did not sign it and send it to the canvassing board, is it to be presumed they signed something sent to the clerk of the court at Fairbanks?

Mr. WILSON of Louisiana. This is the certificate the law provided for.

Mr. BURNETT. Did you have the certificate before the committee?

Mr. WILSON of Louisiana. I think it is printed in the record.

Mr. BURNETT. Was it introduced before the committee?

Mr. WILSON of Louisiana. It is in a printed record, yes; and it was before the canvassing board, so the canvassing board certified to the governor.

Probably some other members of the committee desire to discuss this matter, and I do not care to take up any further time. [Applause.]

Mr. ROSE. Mr. Speaker, the matter now under consideration was given a full and fair hearing by the committee to which it was assigned. The principals themselves made their respective statements to the committee, and one of them was represented by counsel.

Every phase of the matter was fully and ably presented to the committee. It is well to say at the outstart that both sides to the controversy admitted, of record, that no charge of fraud or mistake upon the part of the voters at any of the precincts had or would be made, which will appear by reference to the testimony given before the committee.

In my opinion, this admission greatly reduced the labors of the committee so that the contest was narrowed down to the action and conduct of various court officials, election officers, the decisions of the canvassing board, the law governing elections in Alaska, and the decision of the court upon petition for mandamus.

One of the outstanding features in the hearings before the committee was the total absence of partisanship, and I am pleased to say that the findings of your committee were based upon their conception of the facts and the law, without regard to party affiliations, a course that I hope may be followed hereafter in all contested cases.

The entire proceedings are fully and forcefully presented by the able chairman of the committee in the report which he has filed for your consideration, and I might say that the recommendations offered have the support of the entire committee and therefore there is but little more to be said in support of the reasons and law assigned in support of the conclusions announced by the chairman.

I fully agree with his interpretation of the law governing the case and desire to add that the findings of the committee follow the well-established precedents of the House in cases involving like questions.

However, I want to add a few observations which are very interesting to me and may throw a few sidelights which, in a small measure, may be helpful.

The canvassing board for the Territory of Alaska consisted of the governor, the surveyor general, and the collector of customs. The duty of this board was to canvass the votes as returned for the election held in the Territory of Alaska on November 7, 1916, and we find on page 56 of the report with reference to the voting precinct of Utica, inter alia, the following:

GOVERNOR. We received no certificate. However, I have here a telegram from the clerk of the court from the second judicial division under date of December 18, 1916, reading: "Utica made returns without certificate. Returns to you may have certificate. For reasons unknown, election blanks and ballots failed to reach Utica and Deering. Utica election no doubt legal, but returns probably defective."

Then, on January 11, I received this telegram from the clerk of the court: "Second set election returns Utica precinct, including certificate, register of oaths of judges, and pay roll received this office to-day. All in due form and properly signed."

It will be noticed that the clerk of the court above mentioned makes known the fact that he has the certificate required in his possession.

Quoting further from the record, page 70, wherein it is shown that the canvassing board had concluded to issue the certificate to those having the greater number of votes, before the motion was put, Mr. Grigsby, attorney general, makes the following suggestion:

Mr. GRIGSBY. Before you put the motion, Mr. Chairman, I would like the privilege of notifying those who are acting for Mr. Sulzer that they may take such action as is necessary before a certificate is issued. I would like to ask if the character of this motion, if carried, would be final before proceedings could be taken. There might be proceedings for injunction, enjoining the count of what I consider illegal ballots, and if I could have it intimated to me what the intended act of the board is, I could very shortly notify the board.

The time for the issuing of the certificates to the successful candidates was then fixed at 10 o'clock on the morning of March 2, 1917.

The board met pursuant to adjournment, when the announcement was made that it had been served with an alternative writ of mandamus upon the relation of Charles A. Sulzer.

I merely call your attention to the above part of the record—and ask that you read the entire record of the various meetings of the canvassing board—not to impute inside knowledge to any official, but to show that partisan feeling ran high throughout the contest. It may not be at all strange that bright and early the next morning the following announcement was made by the governor:

The board has been served with an alternative writ of mandamus in the case of the Territory of Alaska on the relation of Charles A. Sulzer.

One of the board made answer thereto, admitting all of the allegations in the petition filed to support the rule, which was issued as a matter of course.

The remaining members of the canvassing board made answer to the rule, claiming, inter alia, that the board was ministerial and without judicial power and that nothing knowingly had been done contrary to the provisions of any law governing elections in Alaska and making known the fact that they are ready at all times to follow the ruling of the court.

Setting aside the fact that it is claimed that other districts than those attacked did not use official ballots and that no certificates accompanied the returns, as required by section 21 of the law governing elections in Alaska, the court very properly considered only those districts directly attacked, concluding that section 21 of the law is mandatory, and absolutely disqualified the voters in the districts named and thus brought about the defeat of the expressed will of the voters. The section referred to is as follows:

That in any precinct where the election has been legally called and no official ballots have been received the voters are permitted to write or print their ballots, but the judges of election shall in this event certify to the facts which prevented the use of the official ballots, which certificate must accompany and be made a part of the election returns.

The whole question must rest upon whether or not the section quoted is mandatory or directory. If mandatory, the decision of the court should be sustained; if directory, it must be set aside.

The jurisdiction of the court was attacked in a supplemental brief filed by John Rustgard, Esq., amicus curiæ, but the reasons were set aside by the court.

It might be well to say that John Rustgard, Esq., appeared at the suggestion of the court, and there is no part of the record that shows he appeared in the interest of Mr. Wickersham, the contestant, but he presented a brief to the court, claiming that the court was without jurisdiction in the premises, and the reasons and decisions supporting his contention are fully set forth.

From Pepper and Lewis Digest of Decisions of Pennsylvania Law, volume 11, column 19488, I quote the following:

Where a person or body is clothed with judicial, deliberative, or discretionary powers, and has exercised those powers according to the discretion, mandamus will not lie to compel a revision or modification of the resulting decision, though in fact it may have been wrong. The court can not control the discretion where it has been exercised in good faith and has not been abused. The party may be ordered by mandamus to proceed to do his duty by deciding and acting according to the best of his judgment, but the court will not direct him in what manner to decide, in case of his refusal to act at all; it may compel him to act or to enter on the duty, but can not compel him to adopt the judgment of the court in preference to his own.

In Black on Interpretations of Laws, page 338, is found the following:

There is no absolute formal test for determining whether a statutory provision is to be considered mandatory or directory. The meaning and intention of the legislature must govern and those are to be ascertained, not only from the phraseology of the provision, but also by considering its nature, its design, and the consequences which would follow from construing it in the one way or the other.

To construe section 21, as above set forth, as mandatory would do injustice to innocent persons, nor would such construction enable those guilty of neglect to gain any advantage, and it is unthinkable that such purpose should be attributed to the Legislature of Alaska or the legislature of any State in the Union. The Supreme Court of the United States has well said:

There are undoubtedly many statutory requisitions intended for the guidance of officers in the conduct of business devolved upon them, which do not limit their power or render its exercise in disregard of the requisitions ineffectual, and by a disregard of which the rights of parties interested can not be injuriously affected.

Provisions of this character are not usually regarded as mandatory unless accompanied by negative words importing that the acts required shall not be done in any other manner or time than that designated.

The citations given by the chairman in his able report show a practical uniformity in the decisions of the courts and the House of Representatives, and I only need to add that in my judgment they are sound in every particular.

It is well settled in Pennsylvania that "may" in a statute is equivalent to "shall" or "must," when the public interests or rights are concerned; but in the case at hand the public is interested only in seeing equal and exact justice done, and are not injured in any sense by the failure or refusal of election officers to add a certificate showing the reason why a certain kind of ballot was not used at an election.

The section of the statute under which the court declared the ballots invalid carried with it no penalties of any kind, and the very last thing that should be done under the circumstances is to make the voters responsible for the misconduct of election officers who are presumed to perform their respective duties under the law.

Owing to the peculiar conditions obtaining in Alaska, its enormous area, its meager transportation facilities, the Legislature of Alaska was not, nor would not be, willing to deprive the voters of their sacred right of voting and having the same officially counted in the returns, and then open wide the door for fraud, and through which misconduct upon the part of the election officials might so easily and would so surely enter.

Under all the conditions governing the election in the Territory of Alaska, in November, 1916, and fully covered by the proceedings in the present case before your committee, I have no hesitation in making the statement that James Wickersham received the greater number of legal ballots cast at said election and is therefore entitled to a seat in the present Congress.

I would like to have the Members of the House, if they find the time, examine the voluminous record furnished to us in this case. I have read the opinion of the court and I have read the proceedings before the canvassing board, and have been struck by a number of sentences in that long opinion of the court. I think it is well to say just here that there was no question raised anywhere that the returns of the canvassing board were not precisely those that were presented to the court. No objection was made before the committee at any time by either contestant or contestee that the number of votes returned from precincts attacked were not exactly as is shown in the record returned here, and this committee, as I understand its province, was not required at any time to make an investigation of the election held in Alaska in 1916. I would say now from my limited knowledge of the powers of the committee, and in the absence of misconduct upon the part of voters, that I would never agree that the people of the United States should be required to expend the enormous amount of money that would be necessary to make an investigation of the election in Alaska in 1916. In my judgment it was the duty of the men who were vitally, personally interested to satisfy this committee whether or not the votes returned were fraudulent. But it is the fact that at no time during the proceedings, either before the court or before this committee, has any person at any time in any manner, directly or indirectly, made any allegations that there was any fraud or misconduct on the part of the voters, and I do not believe the legislature in any State or Territory of the Union would agree to allow election officers to disfranchise men who were admitted to be citizens, who admittedly paid their taxes, and had a perfect right to vote. In this report you will find that there was a number of soldiers who voted. The committee took up that question, and I doubt very much if any attorney in this House would care to say that any soldier by moving his domicile or residence or habitation from one State to another while in the Army of the United States can transfer his residence from one State to another, from Pennsylvania to Ohio or to New York, while in the Army or Navy of the United States. I am glad to know that the law seems to be clear upon that subject, and that no voter is a resident of any State to which he may be forced to go. I can change my residence, of course. I can live in any State in the United States, but if I should be drafted into the Army and be obliged to go from one State to another, I surely can not make my residence in that State, even providing I live there for one year or more, as the case may be. I am sure all of us will recall that nearly every State in the Union provided for the taking of the soldier votes during the present war. It cost the State of Pennsylvania a pretty penny to take the soldier votes during the last election, and I think the statistics will show the cost was exceedingly high; but every soldier, as well as every civilian, has a right to vote at all elections when legally qualified, and I approve of the action of the Commonwealth of Pennsylvania in making it possible for our brave soldiers to vote. This committee considered everything that was brought before it. It has been intimated here, possibly not as fully as I may have conceived from the language used, that the members of the committee were not in

attendance upon all the meetings of the committee. I was present at every meeting of that committee to which my attention was directed, with one exception, and at that time I was absent owing to the death of a relative.

With one exception there was a rather full attendance of the committee at every meeting called and which I attended. My understanding is that one member of the committee is not convinced that section 21, which I have heretofore quoted, is directory, but I am satisfied that, with one exception, the committee has concluded unanimously that the section is not mandatory, at least where it makes no reference to the conduct of the voter and there being no charge of fraud or misconduct upon the part of the voter.

It is clear after the many decisions stated in the report of the chairman that section 21 of the election law of Alaska is directory and not mandatory.

To my way of thinking, section 21 of the Alaska election law is the most remarkable section in any election law of any Territory or State of the Union; it is in a class by itself. It will be noticed that it provides no penalty for its neglect upon the part of election officers, nor does it make any provision concerning the conduct of voters with respect to a certificate, and I am unable to see why the voters may not be disfranchised for any misconduct whatever upon the part of election officers for the same reason.

Surely no law would attempt to punish those who are innocent, who have nothing whatever to do with the failure of election officers to do their sworn duty, and I can not bring myself to believe that the Legislature of Alaska ever intended an act to disfranchise voters because of misconduct of election officers.

For the above reasons, and many others which will be apparent by the examination of the record, I am firmly convinced, without regard to politics in any sense, that the greater number of legal votes in the election held in Alaska in November, 1916, for a Delegate to Congress were cast for James Wickersham, and therefore I have voted to sustain the report. [Applause.]

Mr. SULZER. Mr. Speaker, I should like to be recognized.

The SPEAKER. The gentleman from Alaska.

Mr. SULZER. Mr. Speaker and gentlemen of the House——

Mr. FIELDS. Mr. Speaker, will the gentleman yield?

Mr. SULZER. I do.

Mr. FIELDS. Mr. Speaker, in view of the fact that a full attendance heard the presentation of the committee report, I feel that it is only fair that a full attendance should hear the presentation of the case of the gentleman from Alaska, and therefore I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Kentucky makes the point of order that there is no quorum present, and evidently there is not.

Mr. CRISP. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Dominick	Heflin	Mason
Anthony	Donovan	Heintz	Mondell
Ashbrook	Dooling	Helm	Moon
Black	Doughton	Helvering	Morin
Bland, Ind.	Drane	Hood	Mott
Borland	Drukker	Houston	Mudd
Brand	Dunn	Humphreys	Neely
Brodbeck	Dyer	Husted	Nelson, A. P.
Brumbaugh	Emerson	Hutchinson	Nelson, John M.
Burroughs	Essen	Ireland	Nichols, Mich.
Byrnes, S. C.	Estopinal	Jacoway	Norton
Caldwell	Fairchild, Geo. W.	Johnson, S. Dak.	Oliver, N. Y.
Candler, Miss.	Fairfield	Juul	O'Shaunessy
Cantrill	Farr	Kearns	Park
Carew	Ferris	Kennedy, R. I.	Parker, N. Y.
Carter, Mass.	Flood	Kiess, Pa.	Pratt
Carter, Okla.	Flynn	Kincheloe	Price
Cary	Francis	King	Purnell
Church	Fuller, Mass.	Kitchin	Quin
Clark, Fla.	Gallivan	Kreider	Ragsdale
Clark, Pa.	Gandy	Lampert	Rainey, H. T.
Connally, Tex.	Garland	Langley	Rainey, J. W.
Cooper, Ohio	Garrett, Tex.	Lazaro	Riordan
Cooper, W. Va.	Goodall	Lee, Ga.	Robbins
Copley	Graham, Ill.	Lehlbach	Roberts
Costello	Graham, Pa.	Lesher	Rogers
Crago	Gray, N. J.	Lever	Rouse
Cramton	Greene, Vt.	Lunn	Rowland
Currie, Mich.	Gregg	McClintic	Russell
Dale, N. Y.	Griest	McCulloch	Sabath
Dale, Vt.	Hamill	McFadden	Sanders, La.
Decker	Hamilton, N. Y.	McKinley	Sanders, N. Y.
Delaney	Harrison, Va.	McLaughlin, Mich.	Saunders, Va.
Dent	Haugen	McLaughlin, Pa.	Scott, Iowa
Dewalt	Hayes	Maher	Scott, Pa.
Dies	Heaton	Martin	Scully
Sears	Snell	Thomas	Williams
Sells	Snyder	Thompson	Wilson, Ill.
Shackleford	Stafford	Tilson	Winslow
Sherley	Sterling	Tinkham	Wise
Sherwood	Sullivan	Van Dyke	Woods, Iowa
Shouse	Swift	Venable	Wright
Sinnott	Switzer	Walsh	Young, N. Dak.
Slemp	Tague	Wason	
Smith, Mich.	Temple	Welty	
Smith, Chas. B.	Templeton	Whaley	

The SPEAKER. On this roll call 251 Members answered to their names.

Mr. FIELDS. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

EULOGIES ON THE LATE REPRESENTATIVE WILLIAM A. JONES.

Mr. MONTAGUE. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Virginia rise?

Mr. MONTAGUE. Mr. Speaker, I rise to ask unanimous consent that Sunday, the 16th of February, be set aside for memorial exercises on the life, character, and public services of the late Representative WILLIAM A. JONES.

The SPEAKER. The gentleman from Virginia [Mr. MONTAGUE] asks unanimous consent that Sunday, February 16, be set aside for memorial services for the late Representative JONES. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

By unanimous consent, on the request of Mr. RODENBERG, leave of absence was granted indefinitely to the Hon. J. K. KALANIANAOLE, on account of illness.

CONTESTED-ELECTION CASE—WICKERSHAM AGAINST SULZER.

The SPEAKER. The gentleman from Alaska.

Mr. SULZER. Mr. Speaker and gentlemen of the House, I fully realize that the House very rarely declines to accept a report of one of its committees, especially when the committee makes a unanimous report, as some Members have understood, but I think that is somewhat of a mistake. It is my understanding that when this contest was originally taken up it was referred to a subcommittee of three and that one member of that subcommittee did not agree with the finding of the committee as to the law and the facts in this case. When the report was voted upon there were only six members of the committee present and of that number five voted for the report and one did not. Now, I think that the Members of the House will fully realize that the conditions have been very unusual during the past two years. Members have been extremely busy with war matters. This is a very voluminous and complicated record, especially to those who are not familiar with conditions in Alaska, and it can easily be presumed that members of the committee have not had an opportunity or had time to go fully into the case. I think that the conditions pertaining in Alaska are so unusual, so different from what they are in most parts of the United States that there is reason for going more fully into this case and discussing it. There are some very important matters involved in this case. If it were but a question as to the personal fortunes of two men, if it were only a question as to whether the contestant or myself should be seated as a Member of this House, I would not be very much disposed to discuss this case so fully and oppose a committee report of this kind, but, Mr. Speaker and gentlemen of the House, there are very much more important matters involved than that. The sanctity of the Australian ballot is at stake in this decision; the question of whether we are going to have a secret ballot in Alaska or whether we are going to have a ballot that is fraudulent is at stake in this question, and therefore I feel that the Members of the House ought to give the matter careful consideration. I have no criticism to make of the committee. I believe that they have conscientiously performed their duty as they saw it, but nevertheless after carefully reading their report a number of times I am more convinced than ever that I was the legally elected Delegate from Alaska to this Congress. I believe that the committee have overlooked many important points, important facts in this case.

I believe that the committee, those of them who have read the record and have paid particular attention to the case, and particularly the distinguished gentleman from Louisiana [Mr. WILSON], the chairman of the committee, have been misled, that they have been confused by this record. And that is true because the contestant in this case, although he was a lawyer and a man who has sat upon the Federal bench, has filled this record with immaterial, incompetent, and irrelevant testimony. I say that the contestant in this case, although he was a lawyer and knew what the legal procedure was, has thrown the ethics of the law

to the four winds and has violated the methods of legal procedure in the way that he took the testimony and introduced it in this case. The contestant had 40 days' time to take his evidence in chief, and then I had 40 days' time to take my evidence. Then the contestant had 10 days' time to take evidence in rebuttal. Now, I am not a lawyer; I am a plain business man; but it is my understanding that evidence in rebuttal should be evidence to refute the evidence that I took in this case. But instead of the contestant taking any evidence, or practically any evidence, to refute the evidence which I had put into the record, he consumed practically all of his 10-day period in taking rebuttal testimony by placing in the record evidence in chief, evidence that he should have taken during his time, his proper time, for taking evidence in chief. Now, what is the result? Mr. Speaker and gentlemen of this House, I have had no opportunity to introduce any evidence into this record to refute the evidence that the contestant took during his rebuttal period. What opportunity has been granted me? There was no way by which I could get into the record. My time had closed, and therefore I say the contestant has taken undue advantage; that he knowingly took undue advantage, because he was a lawyer, and he was a Member of this House for eight years and knew thoroughly what the procedure was in these matters.

The contestant has made every conceivable sort of a charge against me and against my friends, against the officials of the United States Government in Alaska, against the entire press of Alaska, against the officers of the Army, and he has introduced no evidence whatever to substantiate any of his charges. He had every opportunity in the world to take legal evidence, to place officials upon the witness stand, to interrogate them, to take their depositions, but he failed to do it, and he simply placed a lot of ex parte material in the record and his own bald, bare statements of these things at a time and in such a manner as precluded absolutely any refutation of them on my part.

Now, I say that this is the situation, which I feel justifies me and justifies the Members of this House in looking into this case to consider the evidence, and by evidence I mean sworn testimony. I do not mean letters written by political henchmen or political friends. I do not mean telegrams. I mean sworn depositions, where the opposing side has an opportunity to interrogate the witnesses and to bring out the facts. And that is the part of the record that I wish to confine myself to and to explain to the membership of this House.

And before proceeding with these details, anticipating that possibly this may be the last day that I will have the honor to sit as a Member of this Congress, and fearing that possibly before I conclude I may overlook it, I wish to take this opportunity to extend my thanks to the membership for the courtesies that have been extended to me during the period that I have been here. I wish to extend my thanks and appreciation to the Members of this Congress for the kindly interest that they have taken and displayed and manifested in the Territory of Alaska. We are a great, large empire, and we need the assistance of Congress; and it has been very gratifying to me that there has been so much interest displayed in Alaska even though during a time when we were involved in the great war. I hope and anticipate that I may have the pleasure of serving in this House at the following Congress.

Now, Mr. Speaker and gentlemen of the House, one of the principal issues involved in this case is the sanctity of the Australian ballot, the secrecy of the ballot. And in order to arrive at the particular conditions in Alaska, in order to arrive at a proper conclusion as to how this Australian ballot law of ours should be interpreted, I wish to call attention to another very important part of this record, in my judgment possibly the most important part of it, a part that the committee have quite ignored, and that is the question of Indians voting in the Territory. The committee say that the record is indefinite, confusing, and unsatisfactory in regard to the Indian vote, and therefore they take no cognizance of it, or practically none, and make no decision in regard to it. Now, what is the result of that opinion? The result is simply this, that in the Territory of Alaska to-day we have a population of 28,000 Indians, according to the Bureau of Education. We have in that Territory, according to the estimate of the governor, less than 20,000 white people. Now, the committee say this, in practically so many words, that every Indian in Alaska, man or woman—because we have woman suffrage there—is entitled to cast a vote at every election that we hold there. He or she is entitled to cast a vote whether or not he or she is living in tribal relationship, whether or not he or she know anything about the English language, whether they know any candidate who is running or not, and whether they have the slightest conception or not of what the election is for. The committee report says in black and white, in so many words, "All you Indians in Alaska, regardless of your qualifications, regardless of what you may know, regardless of whether you have severed your tribal relationship or not, as required by the United States statutes, can go into the election booth, and you can void a ballot that is cast by the governor of Alaska or any of its most intelligent citizens."

What is the result if that is the law? What are we going to do in our future elections in Alaska? Are we going to have to submit to political henchmen who fraudulently vote these Indians by wholesale, regardless of what the facts may be, and disfranchise practically all the white people of Alaska? The chairman of the committee and the committee, in its report, have been very solicitous about disfranchising voters. That has been the principal bone of contention in their consideration of this case. That is the reason why they have hesitated to declare our Australian ballot law as mandatory. Why? Because they said that that would disfranchise some voters. I propose to show you, gentlemen, just the kind of voter it was that the committee claimed the court of Alaska, which knows the conditions there, disfranchised. And I want to do it by quoting from the record. I do not want to make a single statement that is not here in legal evidence, taken in a legal manner, and properly and under the regular procedure, because I took no evidence except in that way. I make this charge, that in the precincts of Afognak and Seldovia, which I locate right here in this southwestern portion of Alaska [pointing to map], very close to these Bristol Bay precincts, which the chairman has discussed quite fully—I make this charge, that practically nine-tenths of the voters in those precincts were Indians, living in tribal relationship; that they were living there at the time of this election the same as they had lived there 50 years or more ago; that they knew absolutely nothing about what they were doing; and that as a matter of fact they did not vote themselves, but that they were voted by the political henchmen of the contestant, and they were voted for him. In those two precincts the contestant received 100 votes and I received 28. In those two precincts the record shows that there were not to exceed 28 white people.

Now, I say that those Indians were not qualified. They were not qualified because they were living in tribal relationships.

Mr. SHERWOOD. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. SHERWOOD. You say there were 20,000 white people in Alaska and 25,000 Indians?

Mr. SULZER. Twenty-eight thousand Indians.

Mr. SHERWOOD. How many tribes are there, and do they speak the English language?

Mr. SULZER. Well, there are a great many different tribes, a different tribe in almost every locality, and they have their tribal languages.

Mr. SHERWOOD. Do you mean to say there are only 20,000 white people in the whole Territory of Alaska?

Mr. SULZER. That is all we have there at the present time, according to the very best estimates.

Mr. SHERWOOD. Then there are more Indian voters than there are white voters?

Mr. SULZER. I do not think so, because I think that the vast majority of these Indians are not legal voters. But the report of the committee practically makes them voters, and I think that that is a very important matter to be considered.

These Indians are living in tribal relationship and under the United States laws. Under United States statutes, because we have no Territorial law upon the subject, any Indian, in order to become a citizen of the United States, must sever his tribal relationship and adopt the habits of civilized life. Manifestly, if they have not done that, they are not citizens. The committee agree that that is the law, and I do not think that that proposition will be seriously doubted.

Now, let us see if these people are living in tribal relationships or not. We knew or we believed they were, and so we took testimony in these precincts. We placed the chief of the tribe on the witness stand. I want to read to you his testimony. This occurred at Afognak:

TESTIMONY BY GREGORI YAKANAK.

Cecil R. King, first duly sworn as interpreter, and the witnesses were thereupon interrogated through said interpreter.

Direct examination by Mr. DONOHOE:

Q. State your name.—A. Gregori Yakanak.
Q. Where do you live?—A. At Afognak.
Q. What part of town do you live in?—A. In the Aleut village.
Q. Are you the chief of the Aleut village of Afognak?—A. Yes, sir; I am.
Q. Did you vote at the election held at Afognak on the 7th day of November, 1916, at which there was a Delegate to Congress voted for?—A. Yes, sir.
Q. Can you read or write the English language?—A. No.
Q. Can you read or write the Russian language?—A. No.
Q. Can you speak the Russian language?—A. No.

Q. Can you speak the English language?—A. No.
Q. The only language you do speak and understand is the Aleut language, is it not?—A. That is all.

Now, the Aleut language is like nearly all the tribal languages of Alaska. It is not a recorded language; it is not a written language. There is no way in which you can write it. It is a guttural language, and it is very nearly impossible for anyone who has arrived at maturity to learn a language of that sort. It must be learned from childhood. That is the only language that this man knew anything about. It was the only language that he could speak or understand. I read:

Q. Whom did you vote for——

Mr. SHERWOOD. Mr. Speaker, I would like to ask the gentleman a question.

Mr. SULZER. Very well.

Mr. SHERWOOD. You have a Territorial legislature?

Mr. SULZER. Yes.

Mr. SHERWOOD. How many Indians have you in that Territorial legislature?

Mr. SULZER. Absolutely none. I read:

Q. Whom did you vote for on the 7th day of November, 1916, at which a Delegate to Congress was elected?—A. I don't know; I have forgotten.
Q. What did you do when you came to the place where they were holding the election?—A. I had somebody to write it for me and I then put it in the box.
Q. Did you tell any person who wrote it for you who you wanted to vote for for Delegate to Congress?—A. I have forgotten.
Q. Did John Taushivak write your ballot for you?—A. I have forgotten.
Q. Did you tell the person who wrote on your ballot who you wanted to vote for for Delegate?—A. I have forgotten whose name I told him to put on the ballot.
Q. Who told you to come up to the place where they were holding the election and vote?—A. No one. Everybody came up, and I came along.
Q. Did Mr. Petrilin fix your ballot for you which you put in the box?—A. I don't know, but I think not.
Q. Do you know any person that you voted for at that election?—A. I do not.

Now, there were a great many other candidates running for offices at this election besides the candidates for Delegate to Congress. There was an attorney general to be elected. There were members of the senate and members of the house of the Territorial legislature. There were road commissioners. There was the question whether the Territory of Alaska should be wet or dry to be voted on. There was the question of whether the Territory of Alaska should have an eight-hour law or otherwise, and various other matters. I read:

Q. Do you know any person you voted for at that election?—A. I do not.
Q. For whom did you vote for attorney general?—A. The interpreter says he can not interpret this in the Aleut language.

Observe that the interpreter says that he can not interpret this in the Aleut language. I read further:

Q. For whom did you vote for senator?—A. The interpreter says he can not interpret this in the Aleut language.

Now, those are the kind of people that the committee are so solicitous about disfranchising. Those are the kind of people that men who wish to indulge in election frauds do not want to have to use an official ballot that is numbered in duplicate and that must be used according to law in a specified manner, that must be obtained from the election judges, when one number is taken off and the voter directed to go immediately to the booth and prepare his ballot and bring it back and hand it to the election judges.

Mr. SHERWOOD. Does the ballot law passed by your legislature require any educational qualifications for an elector?

Mr. SULZER. Only the educational qualifications which will enable him intelligently to use the ballot. That is all. Now, when he gets into that booth he must go in there alone. He must mark that ballot. How can a man do it if it is impossible even to interpret the words describing the title of the candidate into his language, the only language he knows anything about? How is it possible for that man to cast a legal vote? When we pass a law in order that we may have a secret ballot and clean and pure elections, is it any crime if incidentally we disfranchise a man of that kind? Is he of more importance than all the other intelligent voters of the Territory of Alaska?

Mr. CHANDLER of New York. Will the gentleman yield?

Mr. SULZER. Yes.

Mr. CHANDLER of New York. Is it your claim that all the illiterate voters voted for the contestant and all the others for the contestee?

Mr. SULZER. I will say to the gentleman from New York that in this record it appears that everyone who was placed upon the witness stand, where it was determined how he voted, swore that he voted for the contestant. The total vote of these two precincts shows that the voters voted largely for the contestant.

Mr. CHANDLER of New York. Did the gentleman, in making his canvass for the position of Delegate from Alaska, solicit the votes of those illiterates?

Mr. SULZER. I did not. [Applause.]

Mr. CARAWAY. They naturally voted for the other party, did they not? [Laughter.]

Mr. SULZER. Now, Mr. Speaker and gentlemen, I want to tell you a few things that happened in these precincts at some previous elections. I want to show why it became necessary for us to do something to purify our elections in Alaska. I want to show you why we adopted the Australian ballot system. In the election at Afognak some years previous to the election that we are considering, the election judges voted scores of Indians who were not within miles of the precinct at all on election day. The election judges were convicted of that offense, and it is in the record. They voted them without their being present at all. It was not a question of using official ballots, but they voted people who were miles away from that precinct on that election day.

What happened at the precinct of Seldovia in the election of 1914, when the contestant in this case received every single vote in that precinct and his opponent received not one vote? There were something like 100 votes cast in that precinct at that election. What happened there? Why, this is what happened. During the dinner hour, when two of the judges went to dinner, the third judge opened the ballot box, took out all the ballots that were cast for the opponent of the contestant, and replaced them with ballots for the contestant; and when the election judges counted the votes of that precinct every one was for the contestant. It was unanimous. [Laughter.] Now, those are the kind of elections that we have been having in Alaska. That is the sort of thing that those who are in favor of decent, clean elections have been trying to overcome. That is the reason why we passed this Australian ballot law. I was a member of the legislature that passed that law. I was a member of the senate, and I went there knowing that my constituency and the constituency of practically every other member of that legislature insisted that something be done to stop these fraudulent practices which were going on almost wholesale in these out-of-the-way precincts.

Mr. GOODWIN of Arkansas. Is what the gentleman is now stating a matter of public record?

Mr. SULZER. The matter that occurred in Afognak is a matter of official record, in this record.

Mr. GOODWIN of Arkansas. I do not question the gentleman's statement at all, but will he incorporate that in his speech?

Mr. SULZER. The statement as to what happened at Afognak is found in the testimony of the watcher of the contestant, Mr. Ernest Stricker, who testifies at considerable length in this record.

Mr. GOODWIN of Arkansas. There is no controversy about the truthfulness of that statement, is there?

Mr. SULZER. I do not think so. In regard to what happened at Seldovia, I will say that that is not in the record, and there is no official record of it, but it is a matter of common knowledge in Alaska. The gentleman who performed this feat boasted about it at various times in the Territory, and it is a matter of common knowledge in that section.

Mr. Speaker and gentlemen of the House, you can readily understand that where there is no official ballot, where any kind of a ballot can be used, where you can write a ballot on a shingle or on a deerskin, outside of the polls, and make it legal, all sorts of frauds can be perpetrated. There is no question about that. I think it will be readily admitted that that is the reason why the Australian ballot law has been universally adopted. It can be readily understood that in these remote precincts in Alaska, where there are possibly one or two white men running a little store, or doing something else, and the balance are helpless, illiterate natives, any sort of an illegal, fraudulent practice can be pursued unless there are some safeguards thrown around the election and unless there is an election law that will give some protection to the legitimate, legal voters of the Territory. That is exactly the reason why we passed this law, and that is precisely the reason why I am so sincerely and intensely interested and concerned in upholding it. I am very much more concerned about that, gentlemen of the House, than I am about serving here for two months longer.

Mr. KINCHELOE. Will the gentleman yield?

Mr. SULZER. I will.

Mr. KINCHELOE. Under the law of your territory, are Indians living in tribal relations entitled to vote?

Mr. SULZER. No, sir.

Mr. KINCHELOE. Was there any evidence introduced by the contestant undertaking to show who were the beneficiaries of any of these votes?

Mr. SULZER. No, sir.

Mr. MOORES of Indiana. Will the gentleman yield?

Mr. SULZER. Yes.

Mr. MOORES of Indiana. How about the 28 Indians residing on the Hydaburg Reservation who voted at Sulzer?

Mr. SULZER. I will say that there was not an Indian voted at Sulzer. I will say to the gentleman that the contestant has not introduced a single bit of evidence to show that an Indian voted at Sulzer. He made a lot of allegations and introduced some evidence.

Mr. MOORES of Indiana. Does the gentleman know the voters at Sulzer?

Mr. SULZER. I do know them all. I will say that that is the very thing I endeavored to explain at the beginning of my remarks—that instead of the contestant taking any evidence at Afognak or Seldovia during his period of rebuttal, instead of putting evidence into the record to refute the statement that the Indians were living in tribal relations and not qualified, what does he do? He takes the time for rebuttal and makes allegations and introduces one witness about voting at Sulzer, and has not proven a single thing by it. He did it under an illegal procedure, because he gave me no opportunity whatever to introduce any evidence showing that there was not an Indian that voted at Sulzer. I could have done it; I could go to the United States Bureau of Education in the city of Washington; I could go to the Department of Commerce in the city of Washington and put the officials of those departments on the witness stand and prove that every one of those people who voted at Sulzer was a citizen of the United States and not an Indian, because the law of the United States says what an Indian is in Alaska. It says that a citizen is one who has severed his tribal relations and adopted the habits of civilized life.

That is the case of every man who voted at Sulzer. I could have proved it conclusively if the contestant had given me any opportunity to do so, but he gave me no opportunity to introduce any evidence to prove it. He subpœnaed five witnesses in the city of Juneau, and the first one was the Rev. David Waggoner, and when he put him on the stand the testimony that he elicited from the Rev. David Waggoner was so unsatisfactory to him that he did not interrogate another one of those five witnesses that had been subpœnaed. That is the record, and I will prove it before I get through with this case if I have the time.

I want to say that the contestant made a trip from Seattle to Craig, Alaska, where I had given notice that I was going to take testimony. On that trip he passed through the town of Sulzer. On that trip he was entertained at the home of the contestee in this case. He spent several days at that place. He was taken in the launch of the contestee in this case a distance of 60 miles to Craig and return, and he passed the village of Hydaburg on both occasions. He learned all the ins and outs of the conditions existing in that section of Alaska.

Now, why did he not take some testimony? Why did he not put some witnesses on the stand to prove that any Indians who had not severed tribal relations voted at Sulzer, if there was a possibility or chance to do it. No; he absolutely ignored the whole thing, and then had one of his attorneys in Juneau call some witnesses, endeavoring to prove it during his rebuttal time.

Mr. MOORES of Indiana. Will the gentleman yield?

Mr. SULZER. Yes.

Mr. MOORES of Indiana. How did the Indians vote at St. Michael No. 1?

Mr. SULZER. I do not know that there are any Indians there.

Mr. MOORES of Indiana. How far is St. Michael No. 1 from St. Michael No. 2?

Mr. SULZER. About 60 miles.

Mr. MOORES of Indiana. Does the gentleman know that part of the country?

Mr. SULZER. Yes; I spent three weeks at St. Michael in my campaign, because I could not get a boat up the river.

Mr. MOORES of Indiana. The gentleman does not know that there are any Indians in St. Michael No. 1?

Mr. SULZER. No, sir. Now, the contestant endeavored to befuddle and confuse this committee. I took testimony to show that Indians voted in St. Michael No. 2, and he has attempted to befuddle and confuse the committee by making a charge that Indians voted in St. Michael No. 1. He has endeavored to leave the impression that St. Michael No. 1 and St. Michael No. 2 were precincts of the same town, as anyone ordinarily would presume who did not know the facts and did not know the difference. But there is a wide difference. He took an unfair advantage of the members of the committee when he did that. There is no connection between St. Michael No. 1 and St. Michael No. 2. St. Michael No. 1 is the town of St. Michael, near the mouth of the Yukon River, the headquarters of vessels operating on the Yukon River.

Mr. MOORES of Indiana. Is it not a long ways from the mouth of the Yukon?

Mr. SULZER. I will show you gentlemen on the map. Vessels have to come out a little way from the mouth and pass through Norton Sound.

Mr. MOORES of Indiana. How far from the Yukon River is it—100 miles?

Mr. SULZER. No; I do not think so.

Mr. MOORES of Indiana. Eighty miles?

Mr. SULZER. No; about 60 miles. St. Michael is an old-established point in Alaska. It is the headquarters for commercial companies operating on the Yukon River.

It has large stores, and all of the vessels that ply on that river start from St. Michael, and they go around Norton Sound, it is true, and enter the river, because it is impossible to build a town at the mouth of the river—that is all. I do not know that there are any Indians at St. Michael. Certainly I do not know that any voted there. What is the truth about St. Michael No. 2? St. Michael No. 2 is the Indian village of Unalakleet. It is not St. Michael at all. It has no relation with St. Michael. Here is St. Michael on the map and here is Unalakleet—about 50 miles farther up the bay from it. There are scarcely any but Indians at Unalakleet, and because the commissioner happened to designate Unalakleet precinct as St. Michael No. 2 the contestant endeavors to have the committee understand that the same conditions exist in St. Michael No. 1 as exist in St. Michael No. 2, and he simply made charges in his brief against St. Michael No. 1 because he wanted to take some unfair advantage. That is exactly what the situation is.

Mr. Speaker, let me read a little more of this record. I only read you the testimony of Chief Gregori Yakanak, chief of the Aleuts. I think that fact in itself proves that these Indians were living in tribal relations, because if they were not they would not have a chief, and when we put the chief on the stand and he swears that he is the chief, that proves it conclusively. But let me read a little more. I want to read from the testimony of John Taushwak, on page 272. John Taushwak was one of these Indians who has progressed a little beyond the others and who had a little more intelligence than they had. He was the acting henchman of the contestant in this particular election to round up the Indians and vote them. This is the testimony found on page 272 of the official record:

TESTIMONY OF JOHN TAUSHWAK.

Q. State your name.—A. John Taushwak.
Q. Where do you live?—A. Afognak.
Q. Whereabouts in Afognak?—A. In the Aleut village.
Q. Did you vote at the election held November 7, 1916, at which said election a Delegate to Congress was voted for?—A. I did.
Q. For whom did you vote for Delegate to Congress?—A. I voted for Wickersham.
Q. You helped seven or eight?—A. Yes; they could not read.

Now, John Taushwak was not a judge of election at Afognak. He was not an official of any kind, he swears that he voted for Mr. Wickersham, and the record abundantly shows that he was the man who was looking after the contestant's interests among these helpless Indians. He swears on the witness stand that he helped seven or eight of these Indians to vote. I say that beyond the fact that these Indians were living in tribal relationship, and therefore not entitled to vote, that they were voted fraudulently, because others went into the election booths and prepared their ballots, and they did not do it at all, and those ballots are absolutely fraudulent. Still the committee say there has been no charges of fraud in this case.

Mr. DILLON. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. DILLON. The gentleman says that they were fraudulent votes. Does the gentleman make any specific charge in his answer as to wherein they are fraudulent?

Mr. SULZER. Yes.

Mr. DILLON. What part of the answer?

Mr. SULZER. It is in the answer.

Mr. RUCKER. Let him read the answer.

Mr. SULZER. Yes; the gentleman will have to read the answer; I could not place my hand on that at this moment. But there is no question about that. The committee say there have been no charges of fraud in this election. The committee say that there has not been any evidence of fraud produced. Mr. Speaker and Members of this House, we certainly made allegations of fraud in these precincts. That was our particular answer. We certainly took testimony—sworn testi-

mony, depositions. There are 133 pages, one-third of this record, which consist of depositions of Indians—bright as day, no contradiction about it at all—that show conclusively there was fraud practiced in these precincts.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. RAKER. What are the names of the two precincts that the gentleman last referred to, where there were one hundred and some odd Indian votes and 28 white votes?

Mr. SULZER. Afognak and Seldovia.

Mr. RAKER. Does the gentleman recollect the number of votes cast in those two precincts?

Mr. SULZER. One hundred votes cast for the contestant and 28 votes for the contestee.

Mr. RAKER. How many white men voted at that election? They say you took depositions.

Mr. SULZER. It is impossible for me to say. All I can say is that the sworn testimony shows that there were not to exceed 15 white people on Afognak Island at the time of this election—the contestant's own watcher at the polls—and he swears that he was appointed as a watcher for the contestant and swears that there were not to exceed 15 white people on this whole island.

Mr. RAKER. Is it the gentleman's contention that the Indian voters there voted, or that the people who voted as Indians belonged to the Indian tribe and were still under tribal relations?

Mr. SULZER. Absolutely.

Mr. RAKER. And had not been released and were not living as white people?

Mr. SULZER. They had not.

Mr. RAKER. Does the record show approximately the number of Indians thus situated that voted at those two election precincts?

Mr. SULZER. I think it does. I think the record shows it quite clearly.

Mr. RAKER. And about what is the estimate of Indians thus situated who voted as compared with the white people who voted?

Mr. SULZER. I think it is about 100 to 28.

Mr. RAKER. One other question and then I am through. What was the final disposition of the committee as to those two precincts?

Mr. SULZER. The committee said that while there undoubtedly had been some illegal votes cast, still the evidence was so indefinite, so confusing, and so unsatisfactory that they could arrive at no conclusion about it, and simply ignored it.

Mr. RAKER. What does that ignoring mean?

Mr. SULZER. That they came to no decision about it at all, and they let those votes stand, and I interpret that to mean that they think those votes were all right.

Mr. RAKER. They must have acted affirmatively or negatively. They accepted the vote in those precincts?

Mr. SULZER. They accepted it, certainly. I will read from the report of the committee to show, the gentleman. On page 15 of the committee's report, about the fourth line from the top, this is what they say:

> The evidence fails to disclose any intention or attempt to commit fraud at either of the precincts in question and where the Indians voted.

That is what the committee say, that the evidence fails to disclose any intention to commit fraud. I want to show, by reading some of this record, there was a very decided intention. I think the testimony of John Taushwak shows that he voted seven or eight Indians instead of their voting for themselves, and is manifestly fraud on its face, yet the committee say they can not find any evidence of attempt to commit fraud. The committee further says:

> The election officers have particular knowledge of the conditions and the people in the localities surrounding precincts where they reside, and it is their duty to know that each voter is duly qualified before permitting him to deposit a ballot. These officers are presumed to have performed this duty.

In other words, the committee ignored absolutely the sworn depositions which we placed in the record at great trouble, difficulty, and expense, and they simply base their action on the assumption that election officers would not fail to perform their duty.

Mr. RAKER. Both parties appeared at those two election precincts named with witnesses before a notary when the depositions were taken?

Mr. SULZER. Yes, sir.

Mr. RAKER. Now, approximately how many witnesses testified in those two precincts when the testimony was taken before a notary?

Mr. SULZER. I think there were about 20. There are 133 pages of the record. I did not count them so as to know how many witnesses there were, but I think there were about 20 persons placed upon the witness stand whose depositions were taken very fully, some of the depositions consisting of four or five pages of the record.

Mr. RAKER. That is set out in the record; but, in the gentleman's recollection, what is the epitome of the testimony of those witnesses as to whether or not those Indians were living in tribal relations and therefore not qualified to vote, or had abandoned their tribal relations and were living a civilized life?

Mr. SULZER. The testimony is absolutely conclusive that they were living in tribal relationship.

Mr. DALLINGER. Will the gentleman yield?

Mr. SULZER. I will.

Mr. DALLINGER. I would like to ask the Delegate from Alaska who appoints election officers at those precincts of which he speaks.

Mr. SULZER. Oh, I know the contestant has made all sorts of charges against me; that I was in control of all the election machinery in Alaska, that I control the court, and that the election officials were all against him, and all sorts of rubbish of that kind. I know he has filled the record with that sort of stuff. I know he has told you that the canvassing board consisted of three Democrats who were appointed by the President, that the judges were all appointed by the President, and they in turn appointed all the commissioners; that they in turn appointed the election judges, and so forth. He has endeavored to convince you that he was not given a fair deal in the selection. He has not put any evidence whatever in the record to prove anything. He had the opportunity to take the testimony of every official in Alaska that he wanted to take, and he did not take any, and he did not make any attempt to put any evidence or depositions in the record, but simply endeavored to make his proof by a bald statement. What is the truth about the matter? The truth about the matter is this, that as far as the canvassing board was concerned they were ostensibly Democrats. They were appointed by the President of the United States, but they were not friendly to me. Two of them were not, one of them was, or so held, the other two were antagonistic, unfriendly, and opposed to me, and they were friendly to the contestant. And, moreover, the chairman of that canvassing board—the man whom the contestant says endeavored to give him the certificate—was an illegal voter himself in this very election. He cast an illegal vote and then he sat as chairman of this canvassing board to decide on illegal votes and decide on our election laws and say whether those votes coming before him were legal or not, and he himself was an illegal voter, and he knew he was an illegal voter. Why was he an illegal voter? Why, because he was not a citizen of the United States. That is the sort of a man who was at the head of this canvassing board holding the high office of governor of the Territory of Alaska for nearly five years when all the time he knew it was totally illegal, that he was not a citizen——

Mr. DALLINGER. May I ask who it was who appointed this man?

Mr. SULZER. I said that the President appointed him. I will say further that the Democrats of Alaska recommended him and he obtained his appointment upon their recommendation, but that does not prove anything. [Laughter on the Republican side.] The Democrats can make mistakes as well as anybody else and they made a bad mistake in that instance. They acted in perfectly good faith but they did not know the sort of man he was and nobody else did until the facts were later developed on investigation by the Interior Department. But that sort of man was passing judgment on whether I should have a certificate to this House or not. Now, when you come to the election judges there is an entirely different condition existing there from what the contestant has endeavored to make the committee believe existed. In the first place in all incorporated municipalities of Alaska the commissioners have absolutely nothing to do with elections——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WILSON of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman from Alaska be permitted to proceed until he concludes his statement.

The SPEAKER pro tempore. The gentleman from Louisiana asks unanimous consent that the gentleman from Alaska be permitted to conclude his statement. Is there objection? [After a pause.] The Chair hears none.

Mr. SULZER. Now, the election judges——

Mr. NORTON. Mr. Speaker, was that request granted? I was going to suggest if it would not be well to limit the time

and not have it unlimited. But, however, give the gentleman reasonable time.

Mr. SULZER. I will conclude as quickly as I can, I will say to the gentleman.

The election judges in these municipalities are appointed by the town councils, and they are not partisan at all, and the commissioners have absolutely nothing to do with it.

I would like to have the attention of the gentleman from Massachusetts [Mr. DALLINGER]. He interrupted me and wanted this explanation, and I am endeavoring to give him the facts. As far as the commissioners outside of the municipalities are concerned, they are very seldom changed. Many of them have been there for years. They are the only persons available in many of these small places, and the only persons equipped to act and serve as commissioners; and it is not a partisan question at all. The record abundantly shows in a great many instances the officials were the friends of the contestant rather than friends of mine.

Now, let me read a little further from this interesting record. I want to read you from the testimony of Mr. Mafrey Agick, on page 273 of the record. Cecil R. King was first duly sworn as an interpreter, and the witness was thereupon interrogated through said interpreter.

The testimony reads:

Q. State your name.—A. Mafrey Agick.
Q. Where do you live?—A. Afognak.
Q. Do you live in the Aleut village of Afognak?—A. I do.
Q. Did you vote in Afognak at the election held there on the 7th day of November, 1916?—A. Yes.
Q. Whom did you vote for for Delegate to Congress from Alaska?

And the answer is.

He voted for the new man.

Now, I want to call your attention to another little deception which the contestant has practiced in this case. In his printed brief he set forth how these Indians voted and he showed that most of them voted for him. Some of them said they did not know, but the record shows that those who did not know did not vote; that someone else voted for them; and the record shows conclusively who those people voted for. But he says one of these Indians voted for me, and that it was this Mafrey Agick. He endeavors to have the committee believe that one of these Indians in Afognak voted for me, and he so states it in his brief. I want to show you just how truthful he is about that. Here is the testimony of Mafrey Agick:

Q. Who did you vote for for Delegate to Congress from Alaska?—A. He voted for the new man.

The contestant put that in his brief. He says "new man" and follows it with "Sulzer," so the impression is that the evidence shows that this man voted for me. Let us read a little further in the record:

Q. Who took him to the polls?—A. He says everybody went to the polls alone.
Q. Who marked your ballot?—A. My relative, John Taushwak.

He says "my relative, John Taushwak," marked his ballot.

Now, John Taushwak, as we have seen on the opposite page, voted for Wickersham, and the record abundantly proves he was Wickersham's henchman there and was getting all these Indians to vote for him.

Q. Who marked your ballot?—A. My relative, John Taushwak.

Do you believe this relative, this worker for Wickersham, John Taushwak, was so good as to vote for me? No; he did not.

What is the next question? It is:

Q. How do you know you voted for the new man?—A. The people said so.

That is how he knew. The people said so.

Q. As a matter of fact, don't you know you don't know for whom you voted?

Now, here is the answer:

A. I don't know for whom I voted.

Of course he did not know for whom he voted. None of them knew for whom they voted, outside of John Taushwak. He is the only one that knew anything at all about the election there.

Mr. HASTINGS. Will the gentleman yield?

Mr. SULZER. I will.

Mr. HASTINGS. Are the Indians in Alaska under the supervision of the Department of the Interior?

Mr. SULZER. No, sir.

Mr. HASTINGS. It has nothing to do with them?

Mr. SULZER. Except the Department of the Interior maintains some schools for them.

Mr. HASTINGS. I want to say that in the United States proper the decisions of all the courts are to the effect that the question of tribal relations is a political question and only for the department to determine. That is the reason I asked the question. If they were under the Interior Department there it was a question of their tribal relations being recognized or not recognized by the Interior Department. You say they are not under the Interior Department?

Mr. SULZER. The Indians there have been treated somewhat differently than the Indians in the States. They are not wards of the Government, and the only thing the Government has done for them is to maintain schools in some of these places and endeavor to give the children an education. It has on other occasions extended relief in cases of sickness and distress, and to prevent or control epidemics and things of that sort, but beyond that the United States Government has never done anything for the Indians in Alaska.

Now, the test as to whether they are citizens or not comes under the interpretation of the law as to whether they have severed their tribal relationship. If they have not, then they are not citizens.

Mr. WILSON of Louisiana. Will the gentleman yield? I wanted to ask a question.

Mr. SULZER. I yield to the chairman of the committee.

Mr. WILSON of Louisiana. I have read every word of this testimony about the Indians, and do I understand the gentleman to state that John Taushwak stated that he voted the ticket that his people referred to in his testimony?

Mr. SULZER. Yes.

Mr. WILSON of Louisiana. Now, his testimony, if you read the cross-examination, stated that each one of those men fixed his own ticket. Now, I read this testimony very carefully to find out about these Indians, because I was very much impressed with the charges against places where Indians voted in the Territory. I think it would have been best if none of them had voted.

If I had the authority or the opportunity to make a choice, I think it would be best to take the opinion of the one who voted. But I was unable to find, in reading the testimony, where they did not mark their tickets. Many of them, I think, had been pasted on the outside. They got their tickets from the commissioners. John Taushwak states that he did not fix these tickets. He states that in his cross-examination. I wanted to say that in the interest of correctly informing the House.

Mr. ALEXANDER. If the witness himself says he had it fixed for him, why not take his word for it?

Mr. MONTAGUE. If they could not read or write, how could they fix their tickets?

Mr. WILSON of Louisiana. They could not. I have read this testimony carefully to find what kind of a system they used, and I do not think it is in the testimony of this man that he marked the tickets.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. HARDY. It seems to me that the gentleman read from the testimony of this man who voted for the new man, and that man said John Taushwak made out his ticket for him.

Mr. WILSON of Louisiana. No. My question was whether Taushwak marked the ticket for him.

Mr. HARDY. No. He said this other witness said John Taushwak made out the tickets for them.

Mr. SULZER. Mr. Speaker, I would say to the gentleman from Louisiana that in the direct testimony of John Taushwak he swears that he helped seven or eight. Take the testimony of Mafrey Agick. He does not know whom he voted for, but he swears that Taushwak marked his ballot. I know that the contestant had a very astute lawyer at the hearing, and this lawyer endeavored to try out these rather helpless witnesses in the attempt to disprove the testimony that we had taken.

But those are mere technicalities. The record is clear and conclusive and abundantly shows that all of these Indians are living in tribal relationship. And that is the test. They are not qualified voters, and those who used them knew they were not qualified. Moreover, I think the record shows conclusively that they were fraudulently voted, and I think that if any fair-minded person will thoroughly consider this record, he will say that these two precincts were fraudulent and that they should be thrown out.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. HASTINGS. At how many precincts did the Indians vote? At more than the two precints named?

Mr. SULZER. As far as the record discloses, there are only three that we have in the record.

Mr. HASTINGS. About how many Indians voted at the three precincts?

Mr. SULZER. Well, there were somewhere around 175, I should think. Oh, I beg the gentleman's pardon; I will have to stand corrected on that, because the record shows conclu-

sively that in these precincts where these official ballots were not used, where they were thrown out by the court, they were largely Indians of this same type and character.

I am going to show that in a little while. That is the reason why I am elaborating somewhat on this Indian vote, in order to show the Members of this House that the conditions existing in Afognak and Seldovia were practically the same conditions that existed in these other precincts, where they not only went into the booths and marked the ballot, where they used the official ballot, but where they went still further, because they were a little more isolated and they thought they could get away with it, and undoubtedly they threw away the official ballots altogether, because they were a nuisance to them.

Mr. HASTINGS. Do the Indians understand the English language?

Mr. SULZER. Some of them understand a little about it.

Mr. HASTINGS. What percentage of those who voted speak or understand the English language?

Mr. SULZER. I think very few of them. I will develop that by reading a little more of the record.

Mr. WILSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. WILSON of Texas. I want to understand if this board first denied you the election certificate, and then the court, upon passing on the matter, taking the testimony and going into it fully, awarded a certificate favorable to you?

Mr. SULZER. Yes; that is substantially correct.

Mr. WILSON of Texas. What court was it?

Mr. SULZER. The United States district court. I will explain it fully to the gentleman. What happened was precisely this: The canvassing board, consisting of the governor, the surveyor general, and the collector of customs of Alaska, met and considered these facts. They had a great many questions coming up in regard to the legality and illegality of various votes. As a final proposition, they eventually submitted all these questions to the attorney general of Alaska, and they asked his written legal opinion on 22 different questions.

The attorney general considered those questions in two separate opinions. In the first opinion he answered 19 questions regarding various irregularities in the returns, and said that in all these cases the ballots should be counted. In the other opinion he considered the other three questions, which were in regard to this official Australian ballot, and he stated that five precincts must be rejected, because the official ballots were dispensed with without any explanation, and because the law in this regard was mandatory.

The chairman of the committee in his report has conveyed just the opposite impression. He quotes a conversation that was had between the canvassing board and the attorney general on the 20th day of January, 1917. The canvassing board did not meet until the 19th of January. This conversation took place on the next day, and it was a mere conversation. They were just talking over the matter in general terms, and the attorney general was asked whether these ballots should be counted or not, and he did not give a decisive opinion about it. He was asked whether the fact that the official ballots were not used was not prima facie evidence that they were not there, and he said, "Well, the chances are that that might be so." The chairman of the committee has thus conveyed the impression that the attorney general advised the canvassing board that these precincts should be counted, but the facts are that subsequently, nearly a month later, after a consideration of this case for weeks, the attorney general wrote an opinion—a very able one, in my opinion—and it is in accordance with the law, stating conclusively that this law is mandatory.

Now, after the canvassing board had received that opinion from the attorney general—and he was the legal adviser of the board—and after they had followed his advice in every other instance, they refused to follow him in this instance. Why? Because if they followed him the certificate would issue to me, and if they did not follow him the certificate would issue to the contestant. When that happened, my friends said, "Sulzer, you are being taken advantage of. Moreover, the Australian ballot act that you did so much to get through the legislature will be practically destroyed, and we say you ought to fight this case and you ought to go to court with it." I did so, and the court considered the matter for weeks, and finally rendered an opinion upholding the opinion of the attorney general and instructing the canvassing board to issue the certificate to me. Then the certificate was issued to me, and the extra session of Congress had been called and I hurried to Washington as soon as I could and I was sworn in here on the 3d day of April, 1917.

Mr. McKEOWN. Will the gentleman yield?

Mr. SULZER. I yield to the gentleman from Oklahoma.

Mr. McKEOWN. I want to ask the gentleman about the Eskimos. Do they vote in Alaska?

Mr. SULZER. They did in this precinct of Unalakleet.

Mr. McKEOWN. Are they classed as Indians?

Mr. SULZER. Yes; they are all classed as Indians, and the committee agreed to that.

Mr. McKEOWN. Do they live in tribal relations or not?

Mr. SULZER. I think so. We were unable to go to Unalakleet; at least those who were handling the matter in that particular section did not go there. They took a lot of testimony in Nome, and while it shows conclusively that practically the same conditions existed in Unalakleet as existed in Afognak and Seldovia, still the record is not so conclusive in that particular precinct, and I am not making very much contention about Unalakleet, because the record is not nearly so conclusive as it is concerning Afognak and Seldovia. And if this House thoroughly considers this one question and determines that these two precincts conducted a fraudulent election and that those votes are fraudulent and that the vote of Gregori Yakanak should not be permitted to destroy my vote or to destroy the vote of an intelligent white person in Alaska—if you determine that, then you will vote to seat me in this House, and the other questions will not be at all pertinent, because they will not be controlling in any event.

Mr. GORDON. Will the gentleman yield for a question?

Mr. SULZER. I yield to the gentleman from Ohio.

Mr. GORDON. What evidence of fraud is there in the record?

Mr. SULZER. I have just been reading some of it, and I will continue to read some more.

Mr. GORDON. I mean, what evidence is there as to a fraudulent election, aside from the fact that the judges failed to comply with the statute and certify the reasons for permitting the use of unofficial ballots? Have you any evidence of fraud in the record aside from that?

Mr. SULZER. I have just been discussing it for an hour and showing that these Indians have been fraudulently voted. I have been showing you that these Indians were not citizens, that they were living in tribal relations, that they and everybody else admits—not only the Indians but the white people there admit it—that they are living in tribal relations. We put the chief himself on the stand, and he admitted that he was the chief of the tribe.

Mr. MONTAGUE. Will the gentleman yield?

Mr. SULZER. I yield to the gentleman from Virginia.

Mr. MONTAGUE. Assuming the gentleman's contention to be correct, those votes do not appear to me to be fraudulent, but rather illegal. Does the gentleman draw a distinction between a fraudulent vote and an illegal vote?

Mr. SULZER. Oh, yes. As far as these Indians living in tribal relations and not being qualified voters by reason of the fact that they are not citizens, I will say that they cast illegal votes; but when the record shows that men like John Taushwak went into the polling booth after obtaining ballots from the judges, went in with the Indians and marked their ballots for them, they were practicing a fraud, and the judges of election knew that they were practicing a fraud when they permitted it.

I will read from the record where the judges of election were placed on the stand and admitted that they did that, admitted that they permitted it—admitted that others marked the ballots for these Indians—and that there was no certification on the ballot that such a thing was done. Now, the law on the subject is this, that no one can mark a ballot for a voter except the judges of election. If the voter is illiterate, if he is unable to prepare the ballot himself, he must ask the judges of election to mark the ballot as he directs, and the judges of election must mark it there in public—that is, before the three of them—and they must certify on the back of that ballot that the ballot was so marked by the judges of election. They did not do that. There is no certification on these ballots that they were marked by the judges of election and no certification that they were marked by John Taushwak and these other people. Therefore I say that the whole thing was a fraud from start to finish, and there is no question about it.

Mr. RAKER. Will the gentleman yield there?

Mr. SULZER. I yield to the gentleman from California.

Mr. RAKER. What does the record show as to how these ballots in these two precincts were marked for the voters?

Mr. SULZER. I have not seen the ballots. I can not answer that for the gentleman. I do not know.

Mr. RAKER. I think the gentleman does not understand my question. What does the record before the committee show as to who marked the ballots? Did the judges of election do it or did some outsider do it?

Mr. SULZER. I have just read here that John Taushwak admits that he marked eight ballots, and Mafrey Agik says that his relative, John Taushwak, marked his ballot.

Mr. RAKER. Now, is that disputed by John Taushwak and the election board?

Mr. SULZER. No; it is not, except as the chairman of the committee disputed it.

Mr. RAKER. What page is that on? I want to ask another question, but I want to be specific.

Mr. SULZER. This is on pages 272 and 273.

Mr. RAKER. If John Taushwak did enter the booth and mark the ballots of the Indian voters, was he guilty of a felony?

Mr. SULZER. I think so; I think the judges of election would be guilty of a felony in permitting him to do it.

Mr. RAKER. Under the statutes the judges of election would be guilty of a felony.

Mr. SULZER. Yes. Now I will read a little from the testimony of Ivan Alhoon, on page 266 of the record. He testified through the same interpreter:

TESTIMONY OF IVAN ALHOON.

Cecil R. King, duly and regularly sworn as interpreter.
Q. What is your name?—A. Ivan Alhoon.
Q. Where do you live?—A. In Afognak, Alaska.
Q. Do you live in that part of town known as Aleut town?—A. Yes, sir.
Q. Did you live there on the 7th day of November, 1916?—A. I guess so.
Q. Do you speak the English language?—A. No.
Q. Can you write the English language?—A. No; I can't write.
Q. You do not know for whom you voted for Delegate to Congress?—A. The fellow I asked to write for me; I don't know whose name he voted for.

Now, that is a sworn deposition. This is legal evidence that the committee says is indefinite and unsatisfactory. Why, I could show conclusively, if I had the time to thoroughly discuss this case, that this evidence is all infinitely more definite and conclusive than a lot of other evidence that the committee has considered and presumed was correct which was not in my favor. Alhoon says, "The fellow I asked to write for me; I don't know whose name he voted for." Is not that conclusive?

Now, let me read from page 284 the testimony of Anton Dolchak:

TESTIMONY OF ANTON DOLCHAK.

Q. How came you to go to Shorty Stoffer's cabin on the morning of election?—A. The fellows told me to go down there and he would show me how to vote for Wickersham.
Q. You, then, were down at Shorty Stoffer's cabin?—A. Yes.
Q. What did Shorty do?—A. He showed me how to vote for Wickersham.
Q. Did he give you anything at the time—I mean any coffee and cake?—A. Yes; he gave me coffee and cake.
Q. Where did you go after you left the polls?—A. I went back to Shorty Stoffer's cabin and had some more coffee and cake.
Q. Did Shorty tell you to come back?—A. Yes.
Q. And you went up and voted for Wickersham?—A. Yes.

Now, that is very interesting. This is what happened at Seldovia. Shorty was an astute white man who lived in Seldovia. He, acting through this man Anton Dolchak, a sort of leader of these Indians, rounded up all the Indians on election day, marched them down to Shorty Stoffer's cabin and fed them up on cake and coffee. The record shows that they had never been there before, that they never had been given any coffee and cake before, and I want to say to the gentlemen of the House that on an occasion of that kind coffee and cake to the helpless Indians in that country is exactly the same as dollars and cents would be in your congressional district. Oh, yes; they were marched down to Shorty Stoffer's cabin and fed on coffee and cake and were instructed how to vote for Wickersham, and then they were marched up to the polls and voted.

Let me read the testimony of Gregory Foxy, on page 287. This is a sworn deposition. The gentleman has a very illuminating name. He gives his testimony through an interpreter, Mrs. Annie Christianson:

TESTIMONY OF GREGORY FOXY.

Mrs. Annie Christianson, first duly sworn as interpreter, and the witness was thereupon interpreted through said interpreter.
Q. What did Mike Dolchok tell you about who to vote for?—A. He told me to put in ballot like he marked.
Q. Did he tell you to vote for Wickersham?—A. Yes.
Q. Did you vote that day?—A. Yes.
Q. Did Mike Dolchok go with you to the polls where they were voting?—A. Yes; Mike went with me over there.
Q. Did Mike mark your ballot?—A. Mike showed me where to vote.
Q. Did you vote for James Wickersham for Delegate to Congress?—A. Yes.
Q. Shorty Stoffer is not a native, is he?—A. No; he is a white man.
Q. You never had visited Shorty Stoffer's house before election day, had you?—A. No.
Q. Did you on the morning of the election of the 7th day of November, 1916, go to Shorty Stoffer's cabin?—A. Yes.
Q. Who told you to go up there?—A. Mike Dolchok.
Q. What did Mike Dolchok tell you to do?—A. He told me I must come up here to the election and vote.
Q. Are you a native?—A. Yes.
Q. What did you do on the morning of election when you reached Shorty Stoffer's cabin?—A. I didn't do anything.
Q. Did you have coffee and cake at Shorty Stoffer's cabin?—A. Yes.
Q. What did Shorty Stoffer say to you about voting?—A. He told me to have some coffee.
Q. Did he show you how to vote and who to vote for?—A. No; Mike Dolchok showed me.
Q. What did Mike Dolchok tell you about who to vote for?—A. He told me to put in ballot like he marked.
Q. Did he tell you to vote for Wickersham?—A. Yes.
Q. Did you vote that day?—A. Yes.
Q. Did Mike Dolchok go with you to the polls, where they were voting?—A. Yes; Mike went with me over there.
Q. Did Mike mark your ballot?—A. Mike showed me where to vote.
Q. I again repeat, did you vote for James Wickersham for Delegate to Congress?—A. Yes.

These people knew nothing about elections, they knew nothing about candidates, it was simply a fraudulent affair rounding these people up and voting for the contestant. I maintain that where a close election is held in the Territory of Alaska it should not be decided by votes of this character. If that is going to be the case then you are never going to have a decent, clean, and pure election in the Territory of Alaska, because if the politicians who will stoop to that sort of work know that they can pursue those practices with impunity, and that if the laws are not mandatory that they do not have to comply with them, that they can do as they please, they are going to do it. They are going to round up these helpless people, vote them in mass, and our elections will be absolutely a farce and disgrace, very much as they were before we had any Australian ballot system in Alaska.

Now let me read a few lines from the testimony of Sam Mercuroff:

Q. Did you vote at the election held November 7, 1916?—A. I did.
Q. Did Mike Dolchok come to you on the morning of election and tell you to go down to Shorty Stoffer's cabin?—A. Yes, sir.
Q. Did you see Shorty Stoffer when you got down to the cabin?—A. He was home.
Q. Did Shorty Stoffer give you some coffee and cake before you went up to vote?—A. I had two little cookies and a cup of coffee.
Q. Did Mike Dolchok or Shorty Stoffer tell you who to vote for for Delegate to Congress?
Mr. RUSTGARD. I make the same objection as I did at the beginning of Mr. Doyle's testimony.
A. Shorty Stoffer never said anything to me.
Q. Did Mike Dolchok tell you how to vote?—A. Yes.
Q. Who did he tell you to vote for?—A. Mike Dolchok gave me a piece of paper and told me to vote it the way it was marked.
Q. Did Mike go with you to the polls?—A. No; I went alone.
Q. Did you vote for James Wickersham for Delegate to Congress?—A. When I came down to the voting precinct they gave me a white piece of paper and it was marked like the yellow one.
Q. You don't know, then, who you voted for?—A. No; I couldn't read the paper.
Q. You don't know the name of anyone whom you voted for on that ticket?—A. No.
Q. Mike gave you a yellow piece of paper down at Shorty Stoffer's cabin and told you to mark the ticket you got from the judges in the same way?—A. Yes.
Q. And you didn't know at the time whom you voted for?—A. No.
Q. You mean you don't know the name of a single person you voted for?—A. No.
Q. Do you read or write the English language?—A. No.
Q. Do you read or write the Russian language?—A. No.
Q. Do you read or write any language?—A. No.
Q. Do you speak the English language?—A. No; I don't.

Now, gentlemen, do you want any more conclusive evidence or proof than that? He was given a white ballot, and swore it was marked the same as the ballot Shorty Stoffer had given him, and when he was asked if he knew whom he voted for he said no; he did not, because he could not read the paper, could not read the ballot.

Mr. TILLMAN. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. TILLMAN. Was that vote counted by the committee?

Mr. SULZER. Every one of these votes was counted by the committee, and yet the committee say there were no charges of fraud. When I had my opportunity to appear before the committee in this case—and I was only given 40 minutes' time, for that was all that I could get—I told the committee all of these facts. I made the same argument very much then that I am making now.

Mr. FIELDS. Does the gentleman say to this House that the committee gave him only 40 minutes—he, the contestee—in which to present his case?

Mr. SULZER. The committee decided each side should have two hours' time. I had an attorney who took an hour and twenty minutes, I believe, and therefore I had only 40 minutes at my own disposal.

Mr. WILSON of Louisiana. Mr. Speaker, I wish to say that under the rules of the committee each side was allowed one hour and a half. It was agreed to give them such time as they chose to take, and they agreed on two hours on a side. So that it was by consent of the parties appearing before the committee. The committee would have been glad to give them six hours or

eight hours. So that is a very unfair statement for the gentleman to make.

Mr. SULZER. In that connection I want to appeal to the Members of this House to hear this case and to look into and consider it. I do not want to make a single criticism of the committee. I cast no reflection on the committee at all. I said at the beginning of my remarks that I believe the committee has been misled; that is all. But I say this: That from the time that the contestant started to put in all of this irrelevant testimony of his as rebuttal testimony I have had absolutely no opportunity to present my case until this moment, except these 40 minutes I had before the committee, and a great deal of those 40 minutes, I will say to the gentleman, was taken up by questions asked by members of the committee.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. RAKER. The gentleman has made a very strong statement, and, for one, before I vote on the matter I would like to know wherein the truth lies. The gentleman stated that he had only 40 minutes before the committee, he had no time to present his evidence after the contestant had concluded in the 10 days of the introduction of rebuttal testimony, and that entirely new matter was introduced on rebuttal. Does the gentleman state to the House that he made an application before the committee to have further time in which to introduce testimony before the committee, or did he let it go by default?

Mr. SULZER. I do not recall making any request of the committee for further time. I will say to the gentleman that I was guided very much in this case by the advice of my attorney, and he conducted the case. I was very busy attending to the affairs and wants of my constituents, and did the very best I could for them and have done so since I came here. I thought this case was so conclusive that there was no necessity for me to devote any attention to it; that the facts were so clear, that the decisions of the Attorney General and the courts were so overwhelmingly in my favor, that there was no possibility of the committee holding against me, and what things were done, what action taken, were done by my attorney; but I will say to the gentleman that I do not think there was any opportunity presented under the rules of the House and under the law whereby I could get in any further additional evidence. I certainly told my attorney that I wanted to do that, and I collected a good deal of evidence from the departments of the Government here in Washington, but I could not find any way at all to get it in.

Mr. RAKER. While it may not be material, while it may not be really proper to consider, yet the gentleman has made that statement a couple of times, and for one I want to know the situation. Does the gentleman tell the House that he has gathered material evidence that he understands will rebut the evidence that was placed in the record by the contestant upon the close of his testimony, which evidence was not introduced before the committee at any time?

Mr. SULZER. Oh, yes.

Mr. RAKER. Would it affect the question of the result in this election contest if that evidence were presented to the House?

Mr. SULZER. I think it would, absolutely.

Mr. RAKER. On what particular issue; just in a general way?

Mr. SULZER. Well, there is a considerable amount on this very question of Indians being permitted to vote.

Mr. RAKER. To what extent and to what purport?

Mr. SULZER. The principal evidence that I have in mind right now is evidence along the lines of the answer which I gave to the gentleman from Indiana [Mr. MOORES], who is a member of the committee, in regard to the charge that the contestant made that Indians voted for me at some other precincts in the Territory of Alaska, and that, therefore, it was an even break, that because these Indians voted for him in Afognak and Seldovia, likewise there were Indians who voted for me in other precincts, and that therefore I should not get any benefit from that. He put that all in as rebuttal testimony. I had no opportunity to overcome it. If I had, I would have and could have proved conclusively that his contentions are absolutely erroneous, because there were no Indians who voted for me at these other precincts. They were not Indians.

Mr. RAKER. What as to the status of these Indians that voted at the two precincts named? Had you put in all your case originally?

Mr. SULZER. Yes; we had put it all in. I have just been reading that now.

Mr. RAKER. Is that the only thing that the gentleman was not permitted to present to the committee because of the time limitation?

Mr. SULZER. Oh, no; practically all——

Mr. RAKER. Mr. Wickersham had completed the rebuttal testimony?

Mr. SULZER. Oh, no; practically all the evidence that they took at the city of Seattle during his rebuttal testimony was all evidence in chief and it all reflected upon my character and reputation; it all reflected upon the officials of Alaska. Why, he stated at that time that a campaign fund of $10,000 was raised by the Democratic Party in Alaska and that all the press was subsidized, was purchased and bought to support me and to defeat him, but he never took a word of evidence in regard to that. He could have put the owners, the editors of those newspapers, on the stand if there was anything he could prove about that, but he could not do it. Why, it was all a malicious lie. That's what it was. Every word he said about there being any fraudulent practices in my election was a lie. Every word that he said about my having any advantage from a campaign fund raised by the corporations or that the press was subsidized was a lie. If he had any evidence he should have taken it and put it in the record. That is the sort of stuff that he got in, and he got page after page of it in, and I submit this record is very confusing and nobody can read the record without becoming confused.

Now, I say these things advisedly. And why? Simply because of this fact, that one of the members of this committee told me this. He said, "I did not give any attention to the decision of the court; I did not pay any attention to it; I did not think it should be given any consideration." I said, "Why, I thought it was a very able decision, a decision of the highest court we have in Alaska; why should it not have consideration?" "Well," he said, "because I thought and believed that it was prejudiced." I said, "Why do you think it was prejudiced?" "Simply because," he said, "no man can sit upon the bench as a judge of the court in Alaska who is your brother-in-law and who is deciding your case who will not be influenced in his decision." I said, "What do you mean?" He said, "The judge is your brother-in-law, is he not?" I said, "No; he is not my brother-in-law; he is absolutely no relation to me." I had never had any dealings with him of any kind, had never been in his court until this case was taken there, and in fact had never been in any court, and I hope I will never get in any more. But that gentleman had read this record rather hurriedly. He had read all this rubbish, these incompetent, irrelevant, and immaterial charges that the contestant had made in wholesale, and he gained the wholly erroneous and false impression by it that this judge who decided this case was my brother-in-law.

Mr. WILSON of Louisiana. Before passing, because I am a little bit particular about the proceedings of the committee, I want to make a statement to the gentleman from California [Mr. RAKER], and that is that there was no application made to the committee for offering additional testimony. Mr. SULZER has reference, I think, to the rules of the House with regard to the time for taking rebuttal testimony, which was taken in Alaska before the case was submitted to the committee, but no application was ever made to the committee, and the time limit for rebuttal testimony has no reference——

Mr. RAKER. Was not discussed at all.

Mr. WILSON of Louisiana. Was not discussed at all. As to the procedure under the rules of the House, the testimony was taken in Alaska long before the case came to Washington at all, and if an application had been submitted to the committee, and I think Mr. SULZER will concede the committee has been exceedingly indulgent in granting time for the consideration of his case, I have no doubt it would have been granted.

Mr. GORDON. If the gentleman will yield. Was there any objection made to these matters which were given in rebuttal which were not contained in the contestee's testimony in chief—was there any objection made to the testimony upon that ground before the committee?

Mr. WILSON of Louisiana. No; that was not taken before the committee. The gentleman understands that when a contest comes before Congress——

Mr. GORDON. I understand that, but in the argument of counsel was it contended that any testimony ought not to be considered because it was not strictly rebuttal testimony?

Mr. WILSON of Louisiana. Yes; there was complaint of some testimony, that in relation to some matters. It was not considered.

Mr. GORDON. The committee did not consider it?

Mr. WILSON of Louisiana. Yes. Probably I will take that up later. I merely rose to the question of setting the committee straight on the question of rebuttal testimony and request for time.

Mr. MOORES of Indiana. Will the gentleman yield?

Mr. SULZER. I will yield for a question.

Mr. MOORES of Indiana. Does the gentleman from Alaska know whether or not his counsel, Mr. Lloyd, filed two briefs, quite extensive ones, with the committee since our decision was announced, and one long after the argument, and before it was announced?

Mr. SULZER. Why, as I understand that question, I will say that after the oral arguments were made the attorneys were given permission to submit a brief citing the authorities on that one particular point as to whether this Alaskan law was mandatory or directory.

Mr. MOORES of Indiana. Do not those three briefs, that were filed since the argument, discuss the whole record?

Mr. SULZER. Not at all. They do not discuss anything but that one point of the mandatory and directory provisions of this Australian law.

Mr. MOORES of Indiana. Has the gentleman read the brief?

Mr. SULZER. Absolutely. I have read everything in the case.

Mr. FOCHT. I understood the gentleman to state that you have in Alaska an official ballot prescribed by the law, and that the election boards there accept any sort of a ballot, with a name written on a shingle, or on a piece of bark, or on a piece of paper. Is that the fact?

Mr. SULZER. They did in five of these precincts.

Mr. FOCHT. I was wondering whether that generally prevailed in Alaska and whether that was the sort of government they have up there under the supervision of the United States. I will say that you are progressing too rapidly if that is the case.

Mr. SULZER. I said that condition did exist until they provided for the Australian ballot law. Since the time of the passage of the Australian ballot law things have been very much better, and the contestant has found it has been very much more difficult to get elected to Congress.

Now, I have read quite extensively from the record in regard to these Indians. I want to read you the testimony of a few of the white people who were put upon the stand in these places. I think that the Indians testified very clearly; but let us see what the white people there say. I will read just a few lines from the testimony of Ernest Strickler, found on page 243, as follows:

Q. Were you a watchman for Judge Wickersham in that election?—A. I was.

Now, this gentleman is the watcher—the watchman—at the polls for the contestant. Manifestly, he is not friendly to me. In fact, there was hardly anyone in that section that was friendly to my cause. These witnesses, you must remember and consider, were nearly all hostile witnesses. They did not want to divulge anything more about these conditions than they absolutely had to divulge. They wanted to make it appear as reasonable as possible. They were endeavoring to defend the case of the contestant. Now, here is the watchman of the contestant testifying:

Q. Did you see anybody mark any of the ballots of these Aleuts other than the members of the election board?

Now, remember the watchman of this contestant in this precinct, the Afognak, is now testifying under oath on the witness stand. He is asked:

Q. Did you see anybody mark any of the ballots of these Aleuts other than the members of the election board?—A. I think John Taushwak marked some.

Q. Did he go into the booths and mark these ballots for a number that could not read or write?—A. Yes; three or four.

He was the watchman there in the polls. He saw this man John Taushwak go into the booth and mark these ballots for these helpless Indians. Is there any doubt in the mind of any Member of this House that that election in that precinct was fraudulent, and that I received the worst of it? Now——

Mr. HARDY. Will the gentleman state how many votes he received in that precinct and how many the contestant received?

Mr. SULZER. Yes, sir; I can state that. I received 15 votes in Afognak and the contestant received 45. I received 13 votes in Seldovia and the contestant received 55.

Now:

Q. Did he go into the booths and mark these ballots for a number that could not read or write?—A. Yes; three or four.

Q. He was not a member of the election board?—A. No.

Now, that is very conclusive. On page 247 the same witness continues:

Q. Who is the chief of the Aleuts?—A. Gregori Yakanak.

Here is the contestant's watchman, who swears that the Aleuts have a chief and that the chief is Gregori Yakanak. He confirms the chief's own testimony on the witness stand. Can there be any doubt in the mind of any Member of this House that these Indians were living in tribal relationship? And is there any question but that if they are in tribal relationship they are not citizens, and therefore they can not vote, and that these men knew that that was the case and fraudulently voted them?

Q. Out of a population of about 400 people living on Afognak Island and in the town of Afognak on the date of the last election there were about a dozen of them white people, then?—A. Yes; between a dozen and fifteen.

That is all the white people there were on that island according to the sworn statement of the watchman of the contestant.

Now, let me read just a few lines from the testimony of Father N. P. Kashevarof, found on page 248 of the hearing.

Now, this is a gentleman who has been a priest of the Greek Church in that section of the Territory practically all his life. He has been there since 1878. He knows these people thoroughly. He understands all the conditions, and he is placed upon the witness stand, and this is his testimony. First, he goes on to identify these various voters as Aleut Indians. I will not enumerate them all, but his testimony is found on page 248. Then his evidence proceeds:

Q. Do you know whether the Aleuts residing in the Aleut village of Afognak have a chief?—A. They do.

Q. What is the name of their chief?—A. Gregori Yakanak.

Q. Do they live there in tribal relations—that is, does the chief have control of them?—A. The chief acts as their representative in any needs that they may have for him, especially when they are in need or destitute. When the fur laws have been passed, they look to him to advise them when they can hunt and when the season is opened and when it is closed.

Q. Now, do all the members of the tribe of Aleuts obey their chief?—A. Yes, sir.

Q. That has been the case for many years gone by, has it not?—A. It has.

Q. They are living now in the same tribal relations as they did 25 years ago?—A. Yes; only a good deal better now.

Q. So far as their obeying the chief it is the same now as then and always has been?—A. Yes, sir.

Q. You know that most of these parties whose names have been testified to by you as being Aleuts voted at the election held last November 7, 1916?—A. Yes, sir.

Q. Aside from your church records you know that they are Aleuts?—A. Yes, sir.

Now, I would like to read just a few lines from the testimony of Martin Larsen, which is found on page 257 of the record. I read:

Q. Do you know whether John Taushwak, at the election held on November 7, 1917, induced any of the natives to go up and vote?—A. I don't remember.

Q. Did you see him bring any of the Aleuts to the polls?—A. No.

Q. Did you see him write out a ticket for some of the voters?—A. Yes.

Q. Were those tickets for the Aleuts?—A. Yes.

Q. What did he write on those tickets?—A. I don't know.

Q. Did he go into the booths with them?—A. I don't know.

Q. You saw him fix up the tickets?—A. Yes, sir.

Q. He wasn't a judge of election, was he?—A. No.

Q. Now, this John Taushwak is the man that you saw preparing ballots last fall on election day?—A. Yes.

Q. He is the Aleut, then, that can read and write?—A. Yes, sir.

Q. He is the man you saw preparing the ballots at the election?—A. Yes, sir.

Q. You know all of these Aleuts personally yourself?—A. Yes.

Q. And you have known them for years?—A. Yes.

That is very conclusive evidence when testified by white people who are placed upon the witness stand and make their sworn depositions. Now let us read from page 261, from the testimony of E. Petellen:

Q. How long have you resided in Afognak?—A. Since the fall of 1907.

Q. You were one of the judges of election at the election held the 7th day of November, 1916, at Afognak, Alaska?—A. I was.

Q. As one of the judges of election do you recall keeping a registration book of the voters at that election?—A. Yes.

Q. I now hand you the registration book for the November 7, 1916, election at which a Delegate to the United States Congress was voted for, and ask you if this is the registration book that was kept at that election at Afognak?—A. I believe it is.

Q. I will ask you to state what is meant by the "crosses" in ink on the right-hand side of the various names which appear in that registration book?—A. Well, as near as I remember, these crosses were put in for the people who were unable to write and who asked the judges to assist them.

Q. Wherever there is crosses in ink on the right-hand side of the names it is to indicate that the parties were unable to write their own names, then?—A. No; not unnecessary to write his own name, but as near as I can remember some might not be able to write their own names, but as to number I can not state positively.

Q. Is not every name that appears upon this registry book which has a cross at the right-hand side of it written in your own handwriting?—A. I believe they are.

Q. Out of 62 voters who cast their ballots at the Afognak precinct at the election held on the 7th day of November, 1916, there were 21 for whom you made these crosses that were unable to write their own names?—A. They might not be able to write them in English.

Q. Did anybody other than the judges of election at the election held on the 7th day of November, 1916, for the election of a Delegate to Congress assist the illiterate voters in preparing their ballots?—A. Yes; I believe there was.

Q. State who that was.—A. As near as I can remember, believe it was John Taushwak.

Q. How many ballots did John Taushwak prepare for illiterate voters?—A. That I don't remember.
Q. John Taushwak is an Aleut, is he not?—A. Well, he is a native of this country.
Q. He lives in the Aleut village, does he not?—A. Yes.
Q. Mr. Petellin, previous to the last election you were working for Wickersham, were you not? I mean by that you were a strong partisan of Mr. Wickersham's and were advocating his election?—A. You mean the election previous to this one?
Q. No; I mean previous to the election last fall, during the latter summer months, and right up until election day.—A. I might have said a few words in his behalf. I always believe people have a right to vote for whom they please. I didn't want to mix up in politics at all.
Q. Where did John Taushwak prepare these ballots?—A. He prepared them in the voting place.

These people absolutely disregarded the law. On page 265 the same witness proceeds:

Q. John Taushwak was not a judge of the election, was he?—A. No.
Q. Did he sign his name on the back of any of the ballots which he prepared for some of those who could not read or write?—A. I don't remember.
Q. Were you the judge of election that prepared all the ballots for the voters who could not read or write?—A. That I can't remember positively.
Q. Do you recall at this time of any of the other two judges preparing any ballots for the voters who could not read or write?—A. I meant to say that the three judges assisted those who requested it.
Q. Did all three judges sign on the back of the ballot the fact that those particular ballots had been prepared for those voters who could not read or write?—A. As near as I can remember.
Q. None of the judges signed the ballots that John Taushwak had?—A. Not that I know of.
Q. Did you in your election returns to the governor of the Territory of Alaska make any note of the fact that John Taushwak prepared any of the ballots for the voters who could not read or write?—A. I don't remember.
Q. You would remember if such a report had been made?—A. I don't remember such a report being made.

I read further from the testimony of the same witness:

Q. Is it not a fact that on the 7th day of November, 1916, the Aleut village had their own chief and the Creole village had its own chief?—A. I think they did have.
Q. Then you say even the Aleuts had a chief last fall at election day, and the Creoles also had a chief; is that correct?—A. I think it is.
Q. You know it, do you not?—A. Yes.

Now, I do not think there is any question, gentlemen of this House, that these two precincts of Afognak and Seldovia conducted an illegal and fraudulent election. I do not think that the committee is justified in permitting those votes to be counted. I think that these two precincts should have been rejected in their entirety, because the evidence shows conclusively on its face that the votes there were illegal and fraudulent, and even though the committee did not see fit to throw out the votes of these precincts entirely, why did they not reject the votes that the evidence shows conclusively were illegal? Why did they not reject a certain number of these votes? Why, they say in their report that there was no way to determine whom these Indians voted for and no way to segregate their vote from the white folks. Well, the record shows conclusively how 21 of these Indians voted. It shows absolutely that they voted for Wickersham, and it shows that they were all frauds. There is not a single word to show that one of them voted for me. Why could not those 21 be rejected?

Now, in regard to the balance, why is it that the committee in this Indian proposition could not follow the same rule that they followed in two precincts where some soldiers voted? They say the soldiers cast illegal ballots, and it was not determined how these soldiers voted or how most of them voted. It was only determined how eight of them voted, and the committee deducted the balance pro rata from both of the candidates. They did that under a rule of law found in McCready on Elections. It was perfectly easy for them to do it in the case of certain soldiers who voted in certain precincts in Alaska. Why could it not be done in these precincts when the votes were absolutely more illegal in every sense of the word than where these soldiers voted? Because the soldiers were certainly citizens of the United States, and they were intelligent people, and knew how to cast an intelligent vote, and the only question there was a technical question as to whether they were legally residents of Alaska. But here is absolutely a different proposition, a question of tribal Indians living in tribal relations; Indians who knew absolutely nothing about the election, and who can not by any manner of means, under any circumstances, cast a legal ballot. And yet the committee say there is no way in which they can take any action in that case.

Mr. BURNETT. May I ask the gentleman how many Indians voted at that place?

Mr. SULZER. Well, Ernest Strickler, who was a watchman for the contestant, and who was very fully interrogated on the witness stand, identifies 19 of them as Aleut Indians.

Mr. BURNETT. And it could not be ascertained for whom any of them voted?

Mr. SULZER. Oh, yes; 21 of them were identified.

Mr. BURNETT. Not out of the 19?

Mr. SULZER. No; 21 out of the entire number who voted there. I was just starting to give the gentleman a statement of how many had been identified. Strickler identifies 19; Father Kashevarof identifies 15; Cecil R. King identifies 17; Martin Larsen identifies 14. They are nearly all identified as Indians, but there were only 21 whom we could get on the witness stand to prove how they voted.

Mr. BURNETT. How many in all voted?

Mr. SULZER. There were 72 Indians in these two precincts.

Mr. BURNETT. How many votes did the contestee get?

Mr. SULZER. He got 28 votes.

Mr. LONDON. Out of the 72?

Mr. SULZER. No; out of the 100.

Mr. DILLON. Will the gentleman yield?

Mr. SULZER. I yield to the gentleman from South Dakota.

Mr. DILLON. I understand the gentleman to say that there were 21 of these Indian voters who went on the witness stand.

Mr. SULZER. Yes; they either went on the witness stand and swore that they voted for Wickersham, or they swore that John Taushwak, or somebody whom the record thoroughly identifies as voting for Wickersham, voted for them, so that the record conclusively proves that 21 of these Indians voted for contestant.

Mr. DILLON. Assuming that that is true, and that those 21 votes should be taken away from the Wickersham total, Mr. Wickersham would still be ahead 23 votes, would he not, according to the findings of this committee?

Mr. SULZER. Oh, yes; he would, but I do not agree with the findings of the committee in other respects, and I am going to discuss that phase of it.

Mr. DILLON. Therefore that in itself would be immaterial, because it would not change the result.

Mr. SULZER. It would if the findings of the committee are not upheld in other respects.

Mr. DILLON. Does the gentleman maintain that all the votes in these precincts where the Indians voted ought to be thrown out and not counted at all?

Mr. SULZER. I do.

Mr. DILLON. The gentleman does not think it is the duty of this committee to separate the good votes from the bad votes?

Mr. SULZER. I do not think so, for the simple reason that the record shows that the whole election was fraudulent, and the election judges knew it was fraudulent, and they winked at the fraud. It certainly would not be any injury to those who voted for me to throw out the entire vote of those precincts. No one who cast a vote there for me would have any objection to the committee rejecting the entire vote of those precincts, because I received so few votes that it would not affect my result at all.

Now, let us see what happened in another precinct, the precinct of Craig. The record shows conclusively that the followers of the contestant voted these helpless Indians fraudulently at these two precincts of Afognak and Seldovia, and it shows very much the same in regard to the Unalakleet precinct. On the other hand, at the precinct of Craig, in southeastern Alaska, a thousand miles from these other precincts, where the conditions are entirely different, where the Bureau of Education of the United States Government has been laboring for years to elevate and educate those natives, where the various church organizations of the country have been operating for years in an endeavor to elevate these people, where the conditions are as different from the conditions at Seldovia and Afognak as the poles are wide apart, at that place there were 30 intelligent men and women who had severed all tribal relationships years before, who had been living the same as all the rest of us, who had been recognized by the United States Government as citizens, in that they had been made masters of documented vessels and were owners of documented vessels of the United States, who had been in the Army and Navy of the United States and had served their country, who had been educated in various large institutions of the United States—there, in that precinct, the followers of the contestant in this case prevented those 30 people from voting, prevented them absolutely and forcibly, against all law, drove them away from the polls, and prevented them from voting because they were going to vote for me, and the followers of the contestant knew it.

Mr. BURNETT. Does the record show that?

Mr. SULZER. The record shows it very clearly. I will read from the testimony of Mr. C. E. Hibbs, found on page 334 of the record:

Q. Have they severed tribal relations?—A. Yes; they have. Since I have been in the village of Klawock there has been no semblance of any tribal relationship in a village of 300.

Klawock is about 10 miles from Craig, and they travel by boat altogether.

Q. Are they living a civilized life, same as white people?—A. They are.

Q. Were those people here at last election, November 7, 1916?—A. We all came up on the same boat.

Q. Did they vote at that election here at Craig?—A. They did not.

Q. Why didn't they vote?—A. They were told by the judge that they would not be allowed to vote.

Q. Did they offer themselves to vote?—A. Not all of them. There were three or four that went into the polls to vote, and they were told that they could not vote, so the others did not go in.

Q. What reasons were they given that they could not vote?—A. Because they were Indians.

Mr. MOORES of Indiana. Will the gentleman yield for a question?

Mr. SULZER. Yes.

Mr. MOORES of Indiana. Were not two men who offered to vote at that election, who were Indians living on the reservation at Craig and who were told that they could not vote, were not their votes counted by this committee, one of them the son of an Austrian beach comber and the other a full-blooded Indian? Were not their votes counted by the committee and given to you, and was there anyone else at all who offered to vote in that precinct who was rejected?

Mr. SULZER. I know these people very well. I have known them for years, and they are very intelligent people.

Mr. MOORES of Indiana. Were not the two men, one George Demmert and the other a half-breed son of a beach comber, whose father was not an American citizen, and were not those two votes counted?

Mr. SULZER. Yes; the committee allowed 2 votes and disallowed 28.

Mr. MOORES of Indiana. Were not they the only ones who offered to vote?

Mr. SULZER. No; they were all there and would have voted.

Mr. MOORES of Indiana. Does not the record show that they were the only ones who offered to vote?

Mr. SULZER. I think not; but I am going to read the record and show all about that:

What reasons were given that they could not vote?—A. Because they were Indians.

Now, they were not Indians, because they had severed their tribal relations. There is no question about that?

Mr. MOORES of Indiana. Did they not live on the reservation?

Mr. SULZER. No; they did not. The gentleman has been misled; there are no Indian reservations in Alaska—absolutely none. They were not living on the reservation any more than I was. Practically everybody in Alaska lives on ground reserved for some purpose or other. The whole southeastern part of Alaska is a forest reservation. I am living on it and all other white people are living on it, and most of the southwestern part of Alaska is in a forest reserve. You can hardly find a spot in Alaska inhabited by anybody that is not reserved for some purpose or other. That has nothing to do with citizenship. They are not Indian reservations in the sense that Indian reservations have been created in the States.

Mr. MOORES of Indiana. I want to ask the gentleman if the order of President Wilson, April 21, 1914, does not set aside this Indian place in the village of Klawock for natives indigenous to Alaska who may there reside, and was it not specifically set aside and described by President Wilson as an Indian reservation? Was not that done under Executive order of April 21, 1914? I want also to ask the gentleman if Hydaburg is not by Executive order of President Taft, which was never rescinded, set apart for the same purpose under an order of June 19, 1912, as an Indian reservation?

Mr. SULZER. I will say to the gentleman from Indiana that strips of land have been set aside by the President of the United States for the use and benefit of the Bureau of Education of the United States Government, which is doing all it can to elevate the people, and has been doing it for years, and it has made good citizens of them. They are not Indian reservations at all. Indians are not put on these lands with the injunction that they must stay there and do as they are told or ordered to do.

They are free agents absolutely, and they are not placed upon any reservation in the sense that a soldier is placed on a military reservation or an Indian on an Indian reservation in the States, where he is not a free agent. They can go and come as they please, and they do so. They are not on any reservation whatever. The simple truth of the matter is that a certain amount of land has been set aside for the benefit and purposes of the Bureau of Education. The contestant has endeavored to confuse the committee in that respect. He has misrepresented the facts, and he knows it. As I told the gentleman and told the Members of the House before, he put this all in in rebuttal. If I had had any opportunity in the world to introduce any evidence to the contrary, I would have disproved it absolutely.

I will read from the hearings of this election case, and what do we find? Dr. Claxton, the head of the Bureau of Education, was asked in regard to this question, and he should be a pretty good authority, an authority that the Members of this House ought to be willing to accept. What does he say? On page 62 he says this:

The natives of Hydaburg and Klawock are not living in any tribal relationship. As said before, they are free and independent individuals.

They are not wards of the Government. There is not an Indian in Alaska that is a ward of the Government or that ever has been. There never have been any Indian reservations created there. They have never been treated as wards, and the gentleman ought to know that. To read further from what Dr. Claxton says:

4. The Hydahs are, most decidedly, living a civilized life. This is demonstrated by the success of the Hydaburg colony. In 1911 the villages of Klinquan and Howkan migrated to the site, hitherto unoccupied, selected on account of its advantages with regard to hunting and fishing, where they founded a village named Hydaburg. Under the supervision of the teacher of the United States public school a cooperative company of the natives was organized to transact the mercantile business of the settlement and to operate a sawmill, the machinery for which was sent them by the Bureau of Education at a cost of $2,200. The Hydaburg people have turned a dense forest into a thriving town with a busy wharf, a sawmill that turns out good lumber for them at a cost of $10 a thousand, neat, single-family homes, instead of the communal houses of their old villages, a long, boarded street, of which they are proud as the finest in Alaska, and a cooperative store, which the first year made a clear profit of 125 per cent, paying a cash dividend of 50 per cent and adding 75 per cent to the capital stock. The cooperative company was started with a capital of about $2,000, and within four years it has distributed $12,727.53 in dividends. The Hydaburg people have been able to keep their money in the village, which is prosperous and independent. The cooperative company has repaid to the Government $2,200, the cost of the machinery in the sawmill, which has been covered into the United States Treasury.

The natives inhabiting the village of Klawock are also civilized and prosperous. In his report for 1916 the teacher of the United States public school, who supervises the commercial undertakings of the natives, makes the following statement regarding the cooperative store owned and operated by them:

"During the year we increased our stock of goods more than $3,000, which almost doubled it. We have done some improving on the building and increased our fixtures. When our books were balanced in January they showed a net gain of almost 29 per cent."

5. There is at hand in this office no authoritative information regarding the origin of the Hydahs. The earliest official reference to the Hydahs that we have been able to find is the statement in the census report, 1880, that the Hydah Tribe existed in Alaska in 1839, when the Hudson Bay Co. leased what is now southeastern Alaska from Russia.

Cordially, yours,

P. P. CLAXTON, *Commissioner.*

Mr. RANDALL. Those are the Indians that were denied the privilege of voting?

Mr. SULZER. Yes. Let me continue the testimony of Mr. Hibbs, who is the Government school-teacher at this point, and who is thoroughly familiar with all of the facts in this case, and who knows these people.

Q. What reasons were given that they could not vote?—A. Because they were Indians.

Q. Do you know whether they ever voted before?—A. I think all of them have. Two years ago practically all those who were able to read and write in the village came up with me and voted.

Q. What kind of business are these people engaged in?—A. Do you want me to give the business of each one individually or generally?

Q. Where you can, you can group the business.—A. C. W. Demmert is a former merchant, at present in the fishing industry, having bought the buildings and old cannery equipment at Kuim Islands. Emma (his wife), Spencer Williams, Jack Perotovich, James Perotovich, William Jones, John Darrow, George Roberts, George Fields, Peter Wilson, Roy Williams, Richard Dullands, Sam Gunyah, Arthur James, William Gunyah, Albert Thomas, James Rowen, Peter Scott, Jimmy Jackson, Donald Kathlean are all fishermen. George Demmert is clerk and manager of the Klawock Commercial Co. R. J. Perotovich, proprietor of general store and moving-picture establishment. J. S. Johnson, boat builder. Henry Roberts, gas-boat engineer. J. K. Williams, carpenter. John Skan, seine maker. Andrew Thomas, boat builder and a minister. Maxfield Daklin, proprietor of a pool hall. P. Lee Anneskit, gas-boat engineer. Fred Williams has just received an honorable discharge from the United States Navy and at present is fishing.

Those are the kind of people that the contestant conspires to deprive of their citizenship and to prevent fraudulently from casting their votes. Those names sound very different from the names in those other precincts, and their occupations are very different. I know them all. I have known them for years, because I spent 16 years in the precinct of Sulzer. I have been United States commissioner for many years at that precinct. I have become intimately acquainted with these people. I have been deputy collector of customs at the town of Sulzer, the precinct of Sulzer, and I know that most of these people enumerated there are recognized as citizens of the United States, because I have myself signed the documents of their vessels, stating on their face that so and so, "a citizen of the United States," is "the owner and master of this vessel." There is no question about that, absolutely none, and the contestant could not introduce any evidence to refute it. He could not introduce

a single bit of evidence to prove that any of these people were not citizens, and when they are citizens of the United States they are not Indians. They cease to be Indians in a legal sense; from a legal point of view they are not Indians, they are Americans, they are citizens, recognized as citizens by the United States, and they were fraudulently prevented from exercising their franchises.

Now, that is the sort of work that has been going on up in Alaska. The committee have been solicitous about disfranchising the voter, and no one is more solicitous about disfranchising a voter than I am, and I certainly do not want to see any voter disfranchised. That is the last thing in the world I want to do; but, my friends, we have got to have decent elections, we have got to have a clean ballot, we have got to maintain the secrecy of the ballot, and we have got to be fair in our elections. It is very much more important that an intelligent majority be considered, that the interests of six thousand five hundred and odd legal voters who voted for me should have some consideration rather than a few illegal voters should be given the great consideration of having their votes counted when they were absolutely disregarding the law in every respect. Let me read a little further from Mr. Hibbs's testimony:

Q. If you know, state how they intended to vote on the Delegate question.—A. Not all of them have discussed or talked to me, but all who have were favorable to Mr. Sulzer.

Q. Can you take this list and say how many, without naming them, would vote for Mr. Sulzer?—A. I am positive that more than 20 would have voted for Mr. Sulzer.

On page 328 the witness is being cross-examined by the contestant when he gave this testimony. The contestant was there and attended this hearing and cross-examined this witness and is cross-examining him now. This is found on page 328 of the record:

Q. You mention that six or eight of these named by you are half-breeds. Do you know whether their fathers were citizens or not?—A. Personally I know that one of them was. The father of C. W. Demmert, who offered to vote, was a veteran of the Civil War. He just died in the State of Washington in a veteran's home, and the papers were sent up and are now in an attorney's hands giving his property and the pension due to C. W. Demmert.

Now, gentlemen of this House, here is a picture of Charles W. Demmert and his family. Here is a man whose father was a veteran of the Civil War. Here is a man whom the contestant's henchman fraudulently prevented from voting and said he was not a citizen of the United States and drove him out of the polling place, when they did everything in their power to have scores upon scores of absolutely helpless Indians vote in the Afognak and Seldovia precincts because they knew they could vote them for contestant. Now, why should C. W. Demmert be prevented from voting? Why is it fair to count all of these Indian votes in one precinct and reject the vote of this citizen of the United States in another precinct?

Mr. MOORES of Indiana. Did not the committee count that vote; does not the testimony show that Mr. Demmert's vote and the other Indian were counted?

Mr. SULZER. No; it does not. It shows the vote of George Demmert, who is an entirely different person, was allowed and counted by the committee, but it does not show a thing about C. W. Demmert, who is a different man altogether. That is the trouble with this whole case. The gentlemen of the committee, or some of them, have become confused and have gotten the facts and the evidence of the case mixed, and they do not understand the principal points involved. It is not surprising that it should be confusing. It is not surprising that the number of cases and conditions I have mentioned are rather complicated and confusing, and it is necessary to go to the bottom of these things. Here are several other pictures. Here are two pictures of the organizations of these people, one a ladies' organization and the other a men's organization. This shows the kind and type of those people. You can study those pictures and see that those are intelligent men and women. Now, if you do not draw some distinction between those people, if you do not say that the man or the woman in Alaska who has received the benefit of the Bureau of Education's work, of the various beneficent and benevolent organizations that have been working to uplift them for many years, is not in a different class from those other helpless and illiterate people out in this far remote country, why what is all the work of the Bureau of Education going to amount to? What encouragement is there for these people to develop and progress and to become citizens of the United States if you say indiscriminately, "You are all upon the same basis; you can all vote."

Here were the most helpless people in the world, who could not vote intelligently at all, who knew nothing about what they were doing, and they were permitted to vote, and did vote, and their votes were counted for the contestant. Here are some eminently civilized people, in every respect qualified citizens, people who are developed in every sense of the word, people who know what they are doing, who can cast an intelligent ballot, who can go in the booths themselves and know their own minds, who are interested in the country, who have large investments there, yet they were fraudulently prevented from voting at all. Why? Simply because they were going to vote for me.

Let me read a little more:

Q. Who challenged Demmert's vote on November 7 last?—A. Mr. Hal Gould, I think, was the one that told him that he could not vote. Mr. Fred Butler and J. P. Smith were the ones who did the arguing.

Now, Mr. Fred Butler and Mr. J. P. Smith are known intimately and well to me. I have known them for years and they are absolutely political opponents of mine. They were the friends and party workers of the contestant, and they conspired—and I say the word advisedly—they conspired to bulldoze and browbeat that election board and those people who came from Klawock to vote and who had voted in previous elections, and they drove them out of the polls because they were going to vote for me. And the record shows conclusively that they would have voted for me.

I say, Is that right? Is it fair? Is it fair that I should be deprived of these 30 votes in the precinct of Craig when the contestant can not produce a single bit of evidence to prove they were not legal voters in every sense of the word or were not citizens of the United States, and then have the votes of these other people counted in the other precincts, where they were absolutely fraudulent? I do not think the House, if it wants to be fair, will say it is a fair proposition.

Mr. Hibbs, on page 329, is asked this question. He is the teacher of the Government school at that place, which is operated by the Bureau of Education, and Mr. Hibbs knows each one of these people intimately and well. He is working as hard and as assiduously as he can to help to benefit them and has been doing it for years. He is a splendid gentleman in all respects, notwithstanding he has been denounced by the contestant. He is asked by the contestant:

Q. Do you know of any of the witnesses named by you who would have voted for me?—A. I do not.

Now, the testimony of Mrs. C. E. Hibbs; the Rev. E. E. Bromley, who was the minister of the Presbyterian Church at Klawock; the testimony of C. D. Calhoun, who was the United States marshal at that point; the testimony of R. J. Peratovich; the testimony of George Demmert, is all set forth very fully in the record, and it all corroborates and proves everything that I have said. And there is no evidence of any kind given to refute it. I have not the time to read all of that. But I think I have read sufficient to prove just what happened in that particular precinct.

Now, the contestant has made a great point that all the election officials were in my control. Here is a little evidence, and the record is full of evidence all the way through, that that is not the case, and in regard to the statement made a little while ago to the gentleman from Indiana [Mr. MOORES] I will read a few lines from the testimony of C. D. Calhoun, on page 337:

Q. Is Charles Fox, commissioner of this precinct, also a Democrat?—A. He is; but had absolutely nothing to do with the election.

Q. Well, but what I want to know is, if the matter of the appointment of the election officers in Craig at that election was not under the control of the Democrats?—A. It was not.

Q. And that commissioner supported Mr. Sulzer, did he not?—A. He did not, if I have been rightly informed.

Q. I would like to ask, Mr. Calhoun, if Judge Stackpole was not a Republican, and that he appointed this election board without the influence of Judge Jennings?—A. There was no influence brought to bear to my knowledge, and Judge Stackpole is a Republican.

Now, the contestant has made a number of statements in the record which are not correct. Not all the commissioners in Alaska appoint election judges. In fact, the great majority of them have nothing whatever to do with elections. The election judges in precincts outside of incorporated towns and municipalities can only be appointed by the commissioners who are recorders, and there are not a great number who are recorders. Now, Mr. Fox, who was the commissioner at Craig, was a Democrat. He was not a recorder, and he had absolutely nothing to do with appointing the officials there; had absolutely nothing to do with the election. The judges of election at Craig were appointed by the United States commissioner at Ketchikan.

Mr. MANN. Will the gentleman yield?

Mr. SULZER. I will yield to the gentleman.

Mr. MANN. Who generally appoints the election officials in Alaska?

Mr. SULZER. The election officials in the incorporated towns and municipalities are appointed by the city councils. The election officials outside of incorporated towns and munici-

palities are appointed by the United States commissioners who are recorders of that particular district.

Mr. MANN. And who appoints the United States commissioners?

Mr. SULZER. The United States commissioners are appointed by the judges of the district courts.

Mr. MANN. And who are those judges appointed by?

Mr. SULZER. Well, the judges at this particular time are all appointed by President Wilson.

Mr. MANN. It could not very well be charged that there was a Republican conspiracy on the part of election officials, as the gentleman seems to intimate, when it takes the President and the judges and the commissioners into the conspiracy.

Mr. SULZER. I would not think for a moment of making any such charge. In fact, the record shows conclusively that the contestant was not running in Alaska as a Republican.

Mr. MANN. I do not see what that has to do with it. The intimation that the gentleman is making, as I gathered it—and I listened to the gentleman carefully—was that the election officials were conspiring to deprive the gentleman of votes. Certainly it was not a Republican conspiracy, although the gentleman just said with great emphasis that some election official or somebody connected with it was a Republican, charging fraud at that place.

Mr. SULZER. Oh, no. I did not have any purpose of making any such intimation.

Mr. MANN. That was the intimation, as I gathered it.

Mr. SULZER. I certainly did not intend to convey any such intimation. I intended to convey this impression, that the contention of the contestant that all the election machinery and the officials in the Territory of Alaska were in my control was not the truth.

Mr. MANN. I do not have any idea that the gentleman had full control over the President or anybody of that sort, or that anybody else has control over all this machinery; but the gentleman was a Democratic candidate?

Mr. SULZER. Yes, sir.

Mr. MANN. He certainly ought to give proof, instead of making mere charges, that election officials appointed by Democrats, whatever their politics may have been, were in a conspiracy to prevent a Democrat from receiving votes.

Mr. HAMLIN. Mr. Speaker, if I understood the gentleman from Alaska aright in regard to the conspiracy, he charged that certain partisans of the contestant at Craig had entered into a conspiracy to prevent these people who came up on the boat from voting. That is the conspiracy he referred to and spoke about.

Mr. MANN. He charged that certain men were not permitted to vote, and the only ones who could keep them from voting were election officers.

Mr. HAMLIN. And he said he charged conspiracy against a man named——

Mr. SULZER. Butler and Smith.

Mr. HAMLIN. Yes; that Butler and Smith had conspired to influence and bulldoze the officers there so as to prevent these people from voting. That was the statement he made, as I understood him.

Mr. SULZER. That was the statement I made, or the statement I intended to make.

Mr. MANN. This will be a very interesting statement to our southern friends.

Mr. MOORES of Indiana. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes; I yield for a question.

Mr. MOORES of Indiana. You said that outside of the incorporated cities and towns the election officers were all appointed by the United States commissioners, who are in turn appointed by the Federal judges. How many incorporated cities and towns have you in Alaska—as many as six?

Mr. SULZER. Oh, yes; a great many more.

Mr. MOORES of Indiana. There are really five?

Mr. SULZER. Five?

Mr. MOORES of Indiana. Yes.

Mr. SULZER. Oh, no; there are dozens.

Mr. MOORES of Indiana. Is there any voting place over which there is any dispute in this election case in an incorporated city or town?

Mr. SULZER. Yes; I think so.

Mr. MOORES of Indiana. What voting place?

Mr. SULZER. I think that Fairbanks is an incorporated town.

Mr. MOORES of Indiana. There is no dispute in the Fairbanks vote at all.

Mr. SULZER. I think the gentleman is mistaken about that. I do not know about Gibbon being an incorporated town, but I am under the impression that it is.

Mr. MOORES of Indiana. There is no contest over the Fairbanks vote.

Mr. SULZER. I think there is. I think I will be able to show that later, if the gentleman will permit.

Mr. MOORES of Indiana. There is nothing in the record about it.

Mr. SULZER. I think the town of Gibbon is incorporated, but I would not be sure about that.

However, that is not the matter at issue. I am simply saying that the great majority of votes cast were in the incorporated towns and municipalities, and there the officials were elected by the common councils.

Now, I would like to read a few lines from the testimony of the Rev. David Waggoner, which is found on page 226 of the record; and the Members of the House should remember that this testimony was taken in rebuttal. Manifestly it was to rebut something that I had put in the record, and the testimony is about the Sulzer precinct. I put in absolutely nothing in the record about the Sulzer precinct, and I took no testimony about it, so that this should not be considered at all. The committee should not consider any votes that were cast at Sulzer, because there is nothing in the record as evidence in chief that there were any illegal votes cast there, and the committee should not consider this evidence that was put in in rebuttal, because I had no opportunity to put in any evidence to refute it.

Now, on page 226 it is shown that the contestant subpœnaed these witnesses: Charles W. Hawksworth, David Waggoner, Mabel Le Roy, Esther Gibson, and J. W. Bell, before H. R. Le Fevre, a notary public, at his office in the Seward Building, in the town of Juneau, Alaska. He subpœnaed those five witnesses, and only interrogated one, David Waggoner; and I think that any Member who will read the record will see that Mr. Waggoner's testimony is so disappointing to the contestant that he did not think it was advisable for him to place any other witnesses on the stand. On page 228 Mr. Waggoner makes this statement:

> The men are the residents of Hydaburg, because they have definitely severed their relations with the old customs of the Hydas at the old villages. That was the reason for the founding of the Hydaburg village.

Now, that is the truth. The very fact that these people are living at Hydaburg is proof conclusive that they are not living in tribal relationships, because that was one of the objects of founding this village. That was one of the rules that they had to agree to among themselves before they went there, that they had severed all tribal relationships and that they had adopted the habits of civilized life, and that village was founded years ago. There is not a word of claim that these people were not citizens. Now, this testimony continues:

> Q. Is it not a fact, Mr. Waggoner, that the inhabitants at Hydaburg and Klawock are intelligent fishermen and mechanics?—A. Yes, sir.
> Q. And carry on their vocation in the same manner that white men do under similar circumstances?—A. Yes, sir.
> Q. Is it not a fact that some of these men are highly skilled mechanics?—A. Yes, sir.
> Q. On gas boats as well as otherwise?—A. Yes; and some are boat builders.
> Q. Carpenters?—A. Yes.
> Q. Machinists?—A. Yes; some to a degree—the result of their training.
> Q. They received their training that you mention in the Indian schools?—A. Yes.

Mr. FIELDS. Will the gentleman yield?

Mr. SULZER. Yes.

Mr. FIELDS. In view of the lateness of the hour, I desire to inquire of the gentleman if it would be agreeable to him to conclude his remarks to-morrow morning and let the House adjourn now?

Mr. SULZER. That would be satisfactory to me, if I may have the time then.

Mr. FIELDS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FIELDS. If the House should adjourn now, would the gentleman from Alaska be entitled to the floor when the matter is taken up again?

The SPEAKER. Yes.

Mr. WALSH. Will the gentleman yield?

Mr. SULZER. I yield to the gentleman from Massachusetts.

Mr. WALSH. How much longer does the gentleman anticipate he will need in order to conclude his remarks?

Mr. SULZER. I am about to conclude as far as this Indian question is concerned, but I should like very much to debate the Australian ballot law and the soldiers' voting.

Mr. WALSH. How long does the gentleman think it will take?

Mr. SULZER. I have not any idea. It is impossible to say. It depends on how many questions are asked me and what different lines of argument develop, and how far away I am drawn from the argument I have in mind.

Mr. WALSH. Could not the gentleman conclude his remarks this evening in the course of 30 or 40 minutes?

Mr. SULZER. I could not be certain about that.

Mr. GARNER. The gentleman must realize that we have got to get through with this business some time.

Mr. WILSON of Louisiana. Mr. Speaker, if the House should adjourn now, it is understood that Mr. SULZER can conclude his statement in the morning?

The SPEAKER. Yes.

Mr. WILSON of Louisiana. That would be the order of business, then, would it not?

The SPEAKER. Yes.

Mr. CANNON. When will we have to come back to vote?

Mr. WALSH. Will the gentleman yield for a parliamentary inquiry?

Mr. SULZER. I yield to the gentleman.

Mr. WALSH. Will the Chair state how much time the gentleman will be entitled to occupy to-morrow?

The SPEAKER. It happens that the Speaker was not in the chair when the time of the gentleman was extended. If it turns out that it was extended indefinitely, and I am informed that it was, then the gentleman will be entitled to all the time he wants.

Mr. WILSON of Louisiana. I asked unanimous consent that the gentleman from Alaska be permitted to continue until he concluded his statement, and that consent was given.

The SPEAKER. Then, after the small business on the Speaker's table is disposed of to-morrow the gentleman will be entitled to the floor until he gets through.

Mr. GARNER. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. If the House concludes to remain in session until the gentleman from Alaska concludes his remarks, then he will not have unlimited time to-morrow?

The SPEAKER. Of course not.

Mr. GARNER. But if he did start in to-morrow after the business on the Speaker's table was disposed of, he might hold the floor until 6 o'clock to-morrow evening.

The SPEAKER. That is absolutely true, and he might hold it the next day also.

Mr. GARNER. I think this thing ought to come to a conclusion.

Mr. CROSSER. And the gentleman from Alaska ought to have an opportunity to make his statement, too.

The SPEAKER. The question of the right of a Member to his seat is the very highest privilege known to the House.

Mr. SULZER. I will say to the gentleman from Texas that it will all depend as to the interest displayed by the Members of the House as to how much time I will take. If the Members of the House do not show much interest and do not want to get at the merits of the case, I am willing to conclude at a much earlier time.

Mr. GARNER. May I ask the gentleman a question?

Mr. SULZER. Certainly.

Mr. GARNER. Can the gentleman assure the House that he can get through in an hour and a half longer?

Mr. SULZER. It is impossible to say, because I do not know what the membership of the House is going to do when I resume. It will all depend on the membership of the House.

Mr. CANNON. The Committee on Rules could report a rule as a matter of privilege that to-morrow at 6 o'clock the House will take a vote.

Mr. GARNER. I was trying to get at the matter so that we could arrive at a conclusion in this case to-morrow.

Mr. MOORE of Pennsylvania. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MOORE of Pennsylvania. I would like to know whether the war contract bill has the right of way immediately after this contested-election case?

The SPEAKER. The Chair understands that the Committee on Rules has a rule making that bill in order.

Mr. MOORE of Pennsylvania. Will the gentleman from Alaska yield?

Mr. SULZER. Yes.

Mr. MOORE of Pennsylvania. A number of gentlemen are interested in the bill which is to follow—the war contract bill—and the question is whether they shall remain here to-morrow afternoon. If the war contract bill followed the contested-election case they may not be required to remain. I am endeavoring to ascertain how much longer the gentleman will retain the floor so that they may make some estimate as to whether they will have to stay here over to-morrow.

Mr. SULZER. I will say to the gentleman from Pennsylvania that I appreciate thoroughly the courtesy extended me by the House and I have no disposition whatever to delay or take up the time. My sole object is to take a sufficient amount of time to explain this case to the membership of the House as they may wish to have it explained. I do not think it is going to take much longer, but I can not tell just how long or how many questions will develop. I have no disposition to delay any matter, and I am willing to make any arrangement which will expedite the business of the House.

Mr. MOORE of Pennsylvania. I have no desire to curtail the gentleman's statement. I think he is entitled to make a full and free statement of his position; but the Speaker having stated that the war contract bill under the rule would have the right of way following the contested-election case, it is a fair assumption that the river and harbor bill will not be taken up to-morrow.

Mr. MANN. Let me say that I understand there are three or four other speeches in this contested-election case.

Mr. MOORE of Pennsylvania. Then it is a fair assumption that the river and harbor bill will not be taken up to-morrow.

Mr. WILSON of Louisiana. Mr. Speaker, I suggest that the gentleman from Alaska have time to conclude his statement. I do not think it is possible to conclude to-night, and, with the understanding that the gentleman is to resume to-morrow, I move that the House adjourn.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. If the gentleman from Louisiana will withhold his motion——

Mr. WILSON of Louisiana. I withhold it.

Mr. MANN. The gentleman from Alaska having been given the right to conclude his remarks, and having taken the floor for an hour's time under the rules of the House, can he now yield the floor to the gentleman from Louisiana to make a motion to adjourn, that gentleman not being able to make the motion unless the gentleman from Alaska yields the floor?

The SPEAKER. The gentleman from Alaska yields the floor by compulsion.

Mr. MANN. He is only speaking by grace of the House to an unlimited extent. Has not the House the right to assume when the request is made that the gentleman must occupy the floor until he concludes his remarks and not be able to yield to some other Member to move to adjourn or to ask unanimous consent, or perhaps for the consideration of a bill? Is it not his duty under the unanimous-consent agreement given him to conclude his remarks but not yield the floor?

The SPEAKER. The Chair does not think so.

Mr. MANN. I am perfectly willing that the gentleman from Alaska should have more time.

ADJOURNMENT.

The SPEAKER. The gentleman from Louisiana moves that the House adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p. m.) the House adjourned until to-morrow, Saturday, January 4, 1919, at 12 o'clock noon.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 12862) granting a pension to Nancy Robinson, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MOORE of Pennsylvania: A bill (H. R. 13608) providing for the honorable discharge of officers or soldiers of the United States in certain cases; to the Committee on Military Affairs.

By Mr. GOULD: A bill (H. R. 13609) authorizing the Secretary of War to donate to the village of Port Byron, N. Y., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13610) authorizing the Secretary of War to donate to the village of Sodus, N. Y., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13611) authorizing the Secretary of War to donate to the city of Geneva, N. Y., two German cannons or fieldpieces; to the Committee on Military Affairs.

By Mr. ESCH: A bill (H. R. 13612) authorizing the Secretary of War to donate to the city of Sparta, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. GOULD: A bill (H. R. 13613) authorizing the Secretary of War to donate to the town of Aurora, N. Y., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13614) authorizing the Secretary of War to donate to the town of Newark, N. Y., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. ESCH: A bill (H. R. 13615) authorizing the Secretary of War to donate to the city of Tomah, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13616) authorizing the Secretary of War to donate to the city of Black River Falls, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13617) authorizing the Secretary of War to donate to the city of Mauston, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13618) authorizing the Secretary of War to donate to the city of Neillsville, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13619) authorizing the Secretary of War to donate to the city of Viroqua, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13620) authorizing the Secretary of War to donate to the city of Reedsburg, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13621) authorizing the Secretary of War to donate to the city of Baraboo, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13622) authorizing the Secretary of War to donate to the city of Elroy, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 13623) authorizing the Secretary of War to donate to the city of La Crosse, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. ROBBINS: A bill (H. R. 13624) to provide for the erection of a public building at Jeannette, Pa.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13625) to provide for the erection of a public building at New Kensington, Pa.; to the Committee on Public Building and Grounds.

Also, a bill (H. R. 13626) to provide for the erection of a public building at Latrobe, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. SCULLY: A bill (H. R. 13627) granting a gratuity to members of the United States Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 13628) granting a gratuity to members of the United States Army; to the Committee on Military Affairs.

By Mr. SUMNERS: A bill (H. R. 13629) to provide for the appointment of an additional district judge in and for the northern judicial district of the State of Texas; to the Committee on the Judiciary.

By Mr. HAYES: A bill (H. R. 13630) for the relief of the estate of Christian Hoffman; to the Committee on the Public Lands.

By Mr. Gould: A resolution (H. Res. 490) as to creation of Committee on Aeronautics; to the Committee on Rules.

By Mr. JOHNSON of Kentucky (by request): A resolution (H. Res. 491) authorizing the Clerk of the House to pay to Mary C. Carpenter, mother of John M. Carpenter, late an employee of the House of Representatives, six months' salary; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 13631) granting a pension to Daisy Manore; to the Committee on Invalid Pensions.

By Mr. ANTHONY: A bill (H. R. 13632) granting an increase of pension to Emelia Branner; to the Committee on Invalid Pensions.

By Mr. BOOHER: A bill (H. R. 13633) granting an increase of pension to William O. Fraser; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 13634) granting a pension to Frank E. Crum; to the Committee on Pensions.

Also, a bill (H. R. 13635) granting an increase of pension to Jacob M. Conner; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 13636) for the relief of Kentuck Corbett; to the Committee on Claims.

By Mr. HADLEY: A bill (H. R. 13637) granting a pension to Caroline Deibert; to the Committee on Invalid Pensions.

By Mr. RANDALL: A bill (H. R. 13638) granting an increase of pension to Matthew M. Eshelman; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 13639) granting a pension to Anna E. Cooke; to the Committee on Invalid Pensions.

By Mr. CHARLES B. SMITH: A bill (H. R. 13640) granting a pension to George C. Foose; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13641) granting a pension to Stephen Harder; to the Committee on Pensions.

By Mr. THOMAS F. SMITH: A bill (H. R. 13642) to authorize the President of the United States to restore Milo O. Frank and William H. Fort first lieutenants in the National Army; to the Committee on Military Affairs.

By Mr. WALTON: A bill (H. R. 13643) granting an increase of pension to Daniel C. Bruce; to the Committee on Pensions.

By Mr. WELTY: A bill (H. R. 13644) granting an increase of pension to Jane Shumaker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Petition of members of Local Board No. 1, of Milwaukee, asking recognition of services rendered by local board members in the execution of selective-service law; to the Committee on Military Affairs.

Also, petition of J. J. Blumenfeld, president Espenheim Dry Goods Co., Milwaukee, Wis., protesting against luxury tax bill; to the Committee on Ways and Means.

Also, resolutions by Iron Molders' Local Union, No. 125, indorsing Senate bill 4637 and House bill 12352; to the Committee on Interstate and Foreign Commerce.

By Mr. CURRY of California: Resolutions of board of supervisors of San Joaquin County, Cal., in favor of Senate bill 4637, providing for retirement of classified civil-service employees; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE of New York: Petition of International Molders' Union of North America, requesting the favoring of the original McKellar-Keating retirement bill (S. 4637 and H. R. 12352) and opposing the Pomerene amendment; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH: Petition of pupils of public schools of Porto Rico petitioning the President and Congress to honor the island of Porto Rico by bestowing its name upon one of the battleships of the Nation; to the Committee on Naval Affairs.

Also, petition of people of Porto Rico, praying the Congress of the United States for aid for the victims of the earthquakes; to the Committee on Insular Affairs.

By Mr. GALLIVAN: Petition of Leon F. Moss, relating to the matter of Government owned, controlled, and maintained paved highways; to the Committee on Roads.

By Mr. KAHN: Petition of electrical class, Polytechnic High School, San Francisco, Cal., asking that provision be made for amateur radio operators in legislation affecting radiotelegraph stations; to the Committee on Education.

Also, resolutions of the Rotary Club of San Francisco, calling for the deportation of persons found guilty of utterances and treasonable acts against the United States during the war; to the Committee on Military Affairs.

By Mr. KETTNER: Petition of George C. Cousin, S. H. Burton, and Charles W. Howard, of local board for division No. 2, Riverside, for recognition of services to all members of several district and local boards created under selective-service law; to the Committee on Military Affairs.

Also, resolutions of the City Teachers' Club of San Bernardino, Cal., indorsing the movement for November 11 being made a day of thanksgiving, and a suitable monument being erected at Chateau-Thierry, France; to the Committee on the Library.

By Mr. KINKAID: Petition of citizens of the city of North Platte, Nebr., requesting that the school of chiropractic be placed on an equal footing with medical schools; to the Committee on Military Affairs.

Also, petition of citizens of the city of Broken Bow, Nebr., requesting that the school of chiropractic be placed on an equal footing with medical schools; to the Committee on Military Affairs.

By Mr. RAKER: Petition of school children of Porto Rico, asking that the name of the nation be bestowed on one of the battleships of the United States; to the Committee on Naval Affairs.

By Mr. VARE: Petition of furriers of the city of Philadelphia, protesting against the retention of the excise tax on furs in the proposed revenue bill; to the Committee on Ways and Means.

Also, resolutions of the fur industry of the United States, relative to revenue derived from taxation of furs; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES.

SATURDAY, *January 4, 1919.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who openest Thine hand and satisfiest the desire of every living thing, we recognize in Thee the source of every noble impulse, every high and holy aspiration. Be Thou our strength in the duties of this day, purify our hearts, direct our thoughts, encourage every good endeavor, that Thy kingdom may come and Thy will be done in all our hearts, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

CONTESTED-ELECTION CASE—WICKERSHAM AGAINST SULZER.

The SPEAKER. When the House adjourned yesterday the gentleman from Alaska [Mr. SULZER] had the floor in his own right.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman from Alaska yield to me for a moment?

Mr. SULZER. I yield to the gentleman.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the resolutions in the Sulzer against Wickersham contested-election case be rereferred to the Committee on Elections No. 1.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the resolutions in the case of Wickersham against Sulzer be recommitted to the Committee on Elections No. 1. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, of course that would be the ending of the case for this Congress. There is a unanimous report from the committee, which, I assume, and have no doubt the assumption is correct, was made after very careful consideration and investigation by the committee. I served on the Elections Committee No. 1 for 12 years, and I know that they do good work. It does not seem to me that the House ought, offhand, to dispose of an election contest in this way. The gentleman knows that if this was recommitted to the Elections Committee No. 1 it would not be considered very promptly by the House, and in all probability not be considered by the House again during the present session of Congress, because the last days of the Congress will be very fully occupied during the day and even at night. What is the reason for casting this reflection upon the Committee on Elections No. 1?

Mr. GARRETT of Tennessee. Mr. Speaker, the gentleman from Alaska [Mr. SULZER], in his remarks yesterday, suggested certain matters that he could have proved if he had had the opportunity of proving them. Whether that is correct or not, and I do not undertake to say anything about it or pass upon it, it does seem that the Committee on Elections No. 1 might again convene and give to him an opportunity which he says he was denied.

Mr. MANN. Mr. Speaker, the gentleman from Tennessee will readily admit that if either the contestant or the contestee, or the committee itself by direction of the House, proposes to take additional testimony, that means that the case certainly will not even be reported, much less considered by the House, at this session of Congress. Of course, that would be true beyond peradventure if the testimony were to be taken in Alaska. My observation and experience on the Committee on Elections No. 1 for 12 years lead me to believe that everyone, contestant or contestee, who did not win his case before the committee always claimed that he could put in something else if he had the opportunity which would win it. I think that is true of my experience as a lawyer, while I was a lawyer practicing law, in respect to both my own clients when they were defeated and the clients on the other side when they were defeated. They always claimed that if they had had an opportunity to put in new testimony they would win. The gentleman from Alaska yesterday kept introducing testimony of his own which is not in the record. He was represented by very able counsel. I read carefully the brief of Mr. Lloyd, his counsel. Mr. Lloyd is a very able lawyer and he knows something about election cases. Now, upon a mere idle statement, the gentleman from Tennessee [Mr. GARRETT] proposes to cast a serious reflection upon both the committee and the counsel of the contestee.

Mr. BARNHART. Mr. Speaker, will the gentleman from Illinois yield?

Mr. MANN. I think the gentleman from Tennessee has the floor.

Mr. GARRETT of Tennessee. Mr. Speaker, I yield for a question.

Mr. BARNHART. Mr. Speaker, I wish to make a suggestion to the gentleman from Illinois, not as a lawyer, which he knows I am not, but I have paid particular attention to this election-contest case and I heard all of the presentation yesterday. I heard my colleague from Indiana [Mr. MOORES], a very able lawyer and conscientious man, interrogate the gentleman from Alaska repeatedly, and in each instance, with all due respect to my colleague, he showed to the House that he did not have the understanding of the case as the gentleman from Alaska showed it and seemed to prove it. For instance, in reference to the two precincts which he, the gentleman from Indiana, evidently thought were adjoining it was shown that they are really 60 miles apart.

Mr. MANN. And still adjoining.

Mr. BARNHART. And in another instance he was referring to a man in the controversy that he was considering whom the gentleman from Alaska clearly demonstrated was not that man at all.

Mr. MANN. He asserted it.

Mr. BARNHART. He showed it by a photograph; he proved it that far, at least.

Mr. MANN. Oh, no; he did not show it by a photograph. He exhibited a photograph, which was not in the record, by the way.

Mr. MOORES of Indiana. And then read——

The SPEAKER. The gentleman from Tennessee has the floor.

Mr. GARRETT of Tennessee. I am asking unanimous consent, and the gentleman from Illinois [Mr. MANN] has reserved the right to object. If I have the floor, I yield.

Mr. MOORES of Indiana. Mr. Speaker, reserving the right to object, I will state that there was but one Demmert who voted at this election. He was George Demmert. The contestee in his speech later on read from the deposition of George Demmert, as to whom the committee decided he had a right to vote and counted his vote. The photograph was marked "C. W. Demmert," but it was undoubtedly the photograph of George Demmert, 33 years old, described in the depositions.

Mr. GARRETT of Tennessee. Mr. Speaker, if we are going to get into an argument about the facts that have been gone into, I think we would better have the suggestion made.

Mr. TOWNER. Mr. Speaker, will the gentleman yield for a question?

Mr. GARRETT of Tennessee. Yes.

Mr. TOWNER. As I understand it, the contestant was allowed 40 days for filing his testimony and the contestee 40 days to file his opposing testimony. Then 10 days were granted the contestant for filing additional testimony. In his statement all the way through, as I understand it, the contestee has claimed that this evidence introduced during the last 10 days was new evidence, which he had not right to meet.

Mr. GARRETT of Tennessee. I thought the gentleman was going to ask me a question.

Mr. TOWNER. Well, it is a question. Was the contestee claiming all the time that this new evidence was introduced by the contestant during those last 10 days? Is not that the understanding of the gentleman from Tennessee?

Mr. GARRETT of Tennessee. I do not know.

Mr. TOWNER. That is my understanding and, of course, that occurs in every contested-election case. It is not a new proposition by any means, as the gentleman from Tennessee seems to believe.

Mr. MANN. Mr. Speaker, after all, here is an unusual case where a committee, composed of a majority of Democrats in the House, two-thirds majority in the committee, has reported unanimously against a sitting Democrat. A contest arises in the House. I have wondered all the time whether the Democratic Members of the House would be politically honest enough to stand by the report of their committee. Now, here is an effort—I will not say the gentleman from Tennessee has resorted to a subterfuge, because I do not think he ever does that—but the result of it will be to deprive the House of any opportunity to vote upon the contest, a direct reflection upon the committee which was honest enough to disregard political considerations and make an honest report to the House. It remains to see whether the House will be politically honest enough to disregard politics, and I object. [Applause on the Republican side.]

The SPEAKER. The gentleman objects, and that is the end of it.

Mr. GARRETT of Tennessee. Mr. Speaker, I want to make a motion, but I would like to make a statement in advance.

Mr. MANN. The gentleman can not make a motion while the gentleman from Alaska has the floor.

Mr. GARRETT of Tennessee. Mr. Speaker, I move——

Mr. MANN. I make the point of order, Mr. Speaker, that the gentleman from Alaska has the floor unless he yields the floor.

Mr. GARRETT of Tennessee. He did when he yielded to me.

Mr. MANN. He can not yield to the gentleman to make a motion to recommit the case unless he yields the floor.

The SPEAKER. The gentleman's last contention is right, that after he takes the floor if he yields to somebody to make a motion, unless the House be very charitable about it he loses the floor.

Mr. WILSON of Louisiana. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. WILSON of Louisiana. I just desire a minute to make a statement.

The SPEAKER. The gentleman asks unanimous consent to proceed for a minute. Is there objection? [After a pause.] The Chair hears none.

Mr. WILSON of Louisiana. Mr. Speaker, the motion from the gentleman from Tennessee arises out of statements which were made by the Delegate from Alaska in his speech on yesterday relative to the fact that he was denied the opportunity to produce important evidence. Now, the statements of the gentleman from Alaska, of course, were surprising to the members of the committee. The committee heard every request that was made of the committee, and a statement was made yesterday which was probably misleading to the House. As far as taking the testimony is concerned and the time given for taking rebuttal testimony, the committee has nothing to do with it. The House of Representatives might extend that or give opportunity to take and consider additional testimony if it felt it ought to do that. But it was also stated that in the argument the time was shut off. Of course, that was very unfair to the committee, because the gentlemen appearing before the committee arranged the time for themselves, and the Delegate from Alaska in his statement stated that if he had an opportunity, of course, he had collected important information or testimony, which was in the city of Washington, that would throw a great deal of light on many phases of this case, but, of course, the committee know nothing about that. I simply feel just this way about it: With the evidence before the committee, we have considered it and reached a conclusion, but if the House of Representatives feel that on account of anything that occurred in any statement that has been made that there is available testimony, that it wants to hear that testimony or secure that testimony, why I simply submit that matter to the House to proceed with according to its own judgment.

The SPEAKER. The gentleman from Alaska.

Mr. SULZER. Mr. Speaker and gentlemen of the House, yesterday I discussed quite fully the Indian portion of this testimony, and it is not my purpose further to delay the House on that particular subject, but I wish to say that this testimony in regard to these Indians has developed two important points. First, that in the two precincts of Afognak and Seldovia the elections were fraudulent on their face, and the committee have taken no action in regard to them. I feel that those two precincts should be rejected by the House. The other point is that the testimony in regard to these Indians clearly indicates that like conditions prevailed in those precincts which were rejected by the court, and in that connection I want to call the attention of the House to the register of the voters from the precinct of Koggiung, on page 392 of the record. Now, Koggiung was one of the precincts that was rejected by the court. Koggiung cast 28 votes. Twenty-five of those votes were for the contestant and three of those votes were for the contestee. Let me read to you a few of the names on this official register of voters from the Koggiung precinct:

Ivan (his × mark) Ungak.
Balanka (his × mark) Larson.
Ballasora (his × mark) Gland.
Ivan (his × mark) Cheronkok.
Brokojsi (his × mark) Iwkak.
Simion (his × mark) Anmuksok.
Wassilli (his × mark) Cooktune.
Simion (his × mark) Tretiakoff.
Wassilli (his × mark) Vetok.

Now, those are the sort of people who voted in this precinct of Choggiung, where the official ballots were not used and where the committee is so solicitous that some one has been disfranchised. That record shows conclusively on its face, gentlemen of this House, that the same conditions existed in these Bristol Bay precincts that existed at Afognak and Seldovia. The chairman in his report inquires:

Should these ballots be rejected, what reason could there be for the judges of election and the people of those precincts not to use official ballots?

Why, the reason is seemingly that these people could not use official ballots. Apparently it was impossible for them to use them, just as it was impossible at Afognak, where another had to vote for the Indians, and therefore they wanted to use the ballot that was prepared by themselves, made up on the outside of the election polling place.

The contestant, in his briefs and in his argument before the committee, has made the assertion that these people are Russians and that they were guaranteed citizenship by the treaty of cession whereby Alaska was acquired by the United States. This is so much rubbish, dwelt upon at length by the contestant to confuse and mislead the committee. Such contentions are mere subterfuges. The treaty with Russia made in 1867 provided that the inhabitants of Alaska reserving their natural allegiance might return to Russia within three years, but if they elected to remain in Alaska they, with the exception of the native tribes, should be admitted to the rights of citizenship. These tribes of Aleuts never made allegiance to Russia. When the treaty provided for the return of the Russians to Russia it did not include native Aleut tribes who had never seen Russia and did not know such a country was in existence. The treaty provided that the native tribes should be subject to such laws as the United States might adopt in regard to the aboriginal tribes. Now, what is the statute of the United States defining what an Indian is in Alaska? It is this (sec. 2022, ch. 8, Compiled Laws of Alaska):

That the term "Indian" in this act shall be construed to include the aboriginal races inhabiting Alaska when annexed to the United States, and their descendants of the whole or half blood, who have not become citizens of the United States.

These people that the record describes were voted at Afognak have not become citizens, because they are still living in tribal relationship, and the statute says an Indian to become a citizen must "sever all tribal relationship and adopt the habits of a civilized life."

Again, the contestant pretends that because they are enrolled in a church that therefore they are citizens. If that were true, then every Indian in Alaska is a citizen, because they are all enrolled in a church of one denomination or another.

Again, it is not only a question of noncitizenship but a very serious question of fraud, because the record shows conclusively that even granting these Aleuts were citizens, they nevertheless cast illegal ballots, because they did not prepare their ballots, but some one not an official of the election prepared the ballots in violation of law for these Indians who knew not what they were doing. The election officials connived at and permitted this sort of thing that is absolutely contrary to the statute, and, therefore, I say the whole thing was a fraud on its face. Why did not the contestant place some witnesses on the stand to disprove the astounding evidence of fraud at Afognak and Seldovia that I placed in the record? He made no effort whatever to do so, but contents himself during his time for taking rebuttal evidence in attacking another precinct where no issue has been raised and then can produce no evidence to substantiate his charges. The same condition is true throughout the record, contestant relying entirely on private letters, telegrams, and ex parte affidavit and his own adroit and clever statements.

Mr. HARDY. Will the gentleman yield right there?

Mr. SULZER. I will yield to the gentleman from Texas.

Mr. HARDY. Was there any evidence before the committee as to why the official ballots were not used at these eight precincts?

Mr. SULZER. I do not quite understand the question.

Mr. HARDY. Was there any evidence before the Elections Committee as to why the official ballots were not used?

Mr. SULZER. No.

Mr. HARDY. Then there was no evidence to take the place of the legally required certificate as to why they should not be used?

Mr. SULZER. No, sir; there was no evidence. The contestant put in the record a letter purporting to be from some of his friends as to one precinct and an ex parte affidavit dated three months after election as to what happened in another precinct, but no witnesses were examined.

In the precinct of Afognak we placed Gregory Yakanak, chief of the Aleuts, upon the witness stand, and we proved conclusively by his own deposition and by the deposition of everyone placed on the stand that he was the chief. And Gregory Yakanak took his ballot and mechanically put it in the box. And when he did that he voided the ballot which I put in the ballot box. He disfranchised me, because his vote destroyed my vote. Any man who is a mechanical genius could readily make a tin man that would wind up with a steel spring and go and mechanically drop a piece of paper in a box, as Gregory Yakanak did. And that is all he knew about it.

These names that I have read here from the record of the voters in the precinct of Choggiung, disfranchised an equal number of the leading business men and professional men of the capital city of Juneau. That is what the House should consider as far as the disfranchisement argument is concerned.

Mr. RAKER. Will the gentleman yield?

Mr. SULZER. I yield to the gentleman from California.

Mr. RAKER. In looking over the record, on page 119, referring to the Bonafield precinct, is there any evidence in the record of the register of voters that voted at that precinct?

Mr. SULZER. I do not think so. I have not seen the list of the Bonafield precinct.

Mr. RAKER. Was that one of the precincts wherein there were unofficial ballots used?

Mr. SULZER. Yes, sir.

Mr. RAKER. How many officers of election are there?

Mr. SULZER. How many officers?

Mr. RAKER. Yes. In Alaska.

Mr. SULZER. I do not quite get the gentleman's question.

Mr. RAKER. How many officers of election should there be at each precinct?

Mr. SULZER. There are three judges of election, and there is the clerk of the election board. I do not know of any others.

Mr. RAKER. A clerk or two clerks? Are there not two clerks?

Mr. SULZER. I think there are.

Mr. RAKER. Does not the statute provide for the appointment by the commissioner of three judges of election?

Mr. SULZER. I am sure about that.

Mr. RAKER. The three judges of election, upon the calling of the election in the precinct that day, appoint and swear in two clerks?

Mr. SULZER. Yes, sir.

Mr. RAKER. Was there any evidence in the record showing whether or not the official ballots were received at this Bonafield precinct?

Mr. SULZER. There is evidence in the record that the clerk of the court forwarded the official ballots. There is evidence in the record that the clerks of the three courts in the three divisions where these precincts were located all forwarded the official ballots.

Mr. RAKER. I have not got down to the crux of my inquiry yet. The question now is, Is there any evidence in the record that the official ballots were not received by the judges of election in that Bonafield precinct?

Mr. SULZER. No; there is no evidence that they were not received; absolutely none.

Mr. RAKER. But there were unofficial ballots cast in that precinct?

Mr. SULZER. Yes, sir.

Mr. RAKER. Now, what strikes me peculiarly is that there were only 4 votes cast, and if there were only 4 votes cast, and the law requires five election officers, I wonder what became of the official ballots if they were received or were not received, or what became of the question of the certificate under section 21.

Mr. SULZER. There is no evidence in the record about it.

Mr. RAKER. Well, would it be your theory that the voters at the election would or would not know whether or not the ballots were received in that precinct, if there were only 4 votes cast and it required five officers to hold the election?

Mr. SULZER. I do not know what the gentleman intends to convey by that.

Mr. RAKER. I will leave the others to follow.

Mr. SULZER. Mr. Speaker and gentlemen of the House, to show that the committee have not grasped the points in this case, I want to call attention to a few statements that they have made. I want to particularly call the attention of the chairman of the Elections Committee to this. On page 9 of his report he states:

> Three of the precincts from which the vote was rejected in the court decree are Koggiung, Nushagak, and Bonafield. These are out on Bristol Bay, some five or six hundred miles from Valdez.

The committee has not learned where these points are in Alaska. Bonafield is not on Bristol Bay at all. Bonafield is hundreds of miles from Bristol Bay. It is here [pointing to map]. It is not in the same division that Nushagak and Koggiung are in. It is in an entirely different division—division No. 4—where the court is at Fairbanks. Koggiung and Nushagak are in the third division, where the court is located at Valdez, Alaska. There is no connection between the two; and yet the chairman of the committee uses Bonafield as an illustration of the fact that no official ballots arrived in the Bristol Bay section. The record shows where Bonafield is, and the statement of the clerk of the court of that judicial division states that the official ballots were sent to Bonafield. Then, on the next page, the chairman gives as an illustration the case of Koggiung, manifestly having the idea that no election was held at Koggiung, because there were no official ballots or election supplies there.

What does the record say about Koggiung? You will find it on page 64 of the record, giving the official proceedings of the canvassing board:

KOGGIUNG.

> At the time of appointing judges of election there was only one man recorded, and he is not a resident, consequently there was no election held.

That is the reason why there was no election held in Koggiung. Note the distinction between Koggiung and Choggiung. One starts with a "K" and the other with "Ch." They were two different precincts. But the reason why there was no election held at Koggiung was because there was no one there to appoint as judges, and consequently the commissioner appointed no one, and no supplies were sent there, and no election was held. That should not be used as evidence to prove that because nothing arrived at Koggiung, therefore nothing arrived at Choggiung and Nushagak.

Mr. WILSON of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. WILSON of Louisiana. Does the report show that that is the reason why no election was held? It says simply, "No election was held."

Mr. SULZER. I read from the record:

> At the time of appointing judges of election there was only one man recorded, and he is not a resident, consequently there was no election held.

That is signed "Wm. Nielson, United States commissioner."

Mr. WILSON of Louisiana. I was asking about the report of the committee.

Mr. SULZER. The report states, on page 10, that at Koggiung no election was held.

Mr. WILSON of Louisiana. That is a fact, is it not?

Mr. SULZER. It is a fact.

Mr. WILSON of Louisiana. It does not state, as the gentleman has told the House, that the reason it was not held was that there were no official ballots?

Mr. SULZER. It says, on page 9:

> These are out on Bristol Bay, some five or six hundred miles from Valdez. There are also in this locality two other precincts—Koggiung and Naknek—while not involved in the court proceedings are discussed in the printed record and are important in reaching a conclusion as to whether or not there were any official ballots at the other three precincts.

The chairman must have considered that in deciding this case. The fact that there was not any election held at Koggiung must have had an influence on his mind when he makes a statement of that kind, and he must have concluded just as I have stated.

Now, what is the truth about Bonafield? We find it on page 63 of the record. The chairman of the committee has assumed that Bonafield was in the Bristol Bay section. Here are the official records of the canvassing board, on page 63, "Bonafield":

> At Bonafield sample ballots were used, but there were no affidavits from the judges as to why they were used, but a letter from the clerk of the court says that they sent official ballots, but sample ballots were used instead.

Now, that is clear and conclusive. The canvassing board——

Mr. MOORES of Indiana. Mr. Speaker, will the gentleman yield?

Mr. SULZER. I will yield for a question.

Mr. MOORES of Indiana. The statement is that they sent official ballots. Is there any evidence in the record that official ballots were ever received in that precinct?

Mr. SULZER. No; there is not.

Mr. MOORES of Indiana. Or in any other precinct from which these ballots were returned?

Mr. SULZER. There is not. But this is what the report of the committee says.

Mr. HARDY. Mr. Speaker, will the gentleman yield right there?

Mr. SULZER. Yes.

Mr. HARDY. Was there any evidence that they were not received?

Mr. SULZER. None whatever. We took the position from the very start that the fact that the judges of election failed to make any certificate that they were not there was presumptive evidence that they were there; otherwise they would have made a certificate in accordance with the law.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield there?

Mr. SULZER. I yield.

Mr. McKEOWN. I will ask the gentleman if they did not receive or acknowledge receipt of the other necessary papers in the election?

Mr. SULZER. Yes; they did. I will come to that in a moment. I want to call the attention of the gentleman from Indiana to the report of the committee on page 10, where it says there is no testimony in the record that such ballots were sent to or received at these precincts.

He says there is no testimony in the record that official ballots were sent to any of these precincts. I have just read

to you the record in regard to the fact that the clerk of the court says he sent the official ballots to Bonafield. Now, what is true regarding Choggiung and Nushagak? Let us read from the testimony of the clerk of the court at Valdez, on page 238. This is very important. On page 238 Mr. Arthur Lang, the clerk of that court—and the clerk of the District Court of Alaska is a very important position—is asked this question:

Did you, as said clerk of the district court, cause to be prepared necessary election supplies to be furnished to judges of election in the various precincts throughout the third judicial division, Territory of Alaska, for the election to be held on the 7th day of November, 1916?—A. I did.

I want to particularly call the attention of the gentleman from Indiana [Mr. MOORES] to this testimony. I read further:

Q. What did these election supplies consist of?—A. Two election register and tally books and one registration book; instructions to judges of election; pay rolls; two official envelopes with registry stamp on each, one of which envelopes was addressed to the clerk of the court, Valdez, Alaska, and the other to the governor, Juneau, Alaska; a copy of the wet and dry law for or against the sale of intoxicating liquor in the Territory of Alaska after December 31, 1917; and the official ballots.

Those were the supplies that the clerk of the court prepared and sealed up for each precinct in his division and sent out.

Mr. MOORES of Indiana. Where does it say he sent them out?

Mr. SULZER. I will read it to you. It is on page 239. The gentleman has read the record, and the chairman of the committee has read the record, but they have overlooked the main point altogether in this connection.

Now here it is, on page 239, a little below the center of the page:

Q. Were these election supplies, as testified to by you, sent to the various precincts throughout your division to be used at the election to be held on the 7th day of November, 1916?—A. They were.

Is not that evidence? The chairman of the committee says there is no evidence that these ballots were sent. There it is in the record. Now, I am not quoting anything outside of the record. I am not making any charges about anything that is not there, in legal evidence. I showed you that the clerk of the court at Fairbanks says he sent the official ballots to Bonafield, and I show you here now clearly that the clerk of the court at Valdez swears on oath, on the witness stand, that he sent the official ballots to Choggiung and Nushagak.

Now let us read a little further:

Q. How were they sent to the election precincts?—A. The supplies were put up one for each election precinct throughout the division and forwarded to the United States commissioners of each district, who placed them in the hands of the judges of election.

Now, why were they sent in that manner? Because the clerks of the court under the law were instructed to send twice as many official ballots as there were votes cast in the previous election, and the clerk is bound by law to send all these supplies for each precinct, and he sends them to the commissioners because he does not know who the election judges are. The commissioners appoint these election judges. But the clerks of the court know how many precincts there are. They know what supplies they have got to send out, and they prepare them all and put them in these envelopes as I have described and seal them up and send them to the commissioners, and the commissioners send them to the election judges. Now, that is perfectly clear.

What does Mr. Lang state further?

Q. Do you know that the judges of election in the precincts of Choggiung and Nushagak, in the Bristol Bay recording district, third division, Territory of Alaska, received the election register and tally book which had inclosed in it the instructions to judges of election, a copy of which is marked "Contestee's Exhibit No. 1," and made a part of this deposition?—A. I do.

Q. How do you know?—A. Because they went out with the supplies. I received the election register and tally book back in this office again after the election.

He knows it.

Q. How do you know?—A. Because they went out with the supplies. I received the election register and tally book back in this office again after the election.

Mr. SHERWOOD. Did these go out by mail or by special messenger?

Mr. SULZER. Presumably they went by mail where there is a mail service. Otherwise, I presume they would go by messenger. I presume they were sent by mail in these cases, because there is mail service to all these places.

Now, these supplies went out together. We know they got all the supplies except the official ballots, because the record proves it. What became of the official ballots?

Mr. MOORES of Indiana. Are ballots named in the list of supplies that were sent out?

Mr. SULZER. I have just read it to the gentleman, and if the gentleman knows this record, as he says he knows it, he ought to know that.

Mr. MOORES of Indiana. What the gentleman has just read does not say anything about the official ballots.

Mr. SULZER. Let the Clerk read it and see if it is there. I have read it once.

The Clerk read as follows:

Q. Did you, as said clerk of said district court, cause to be prepared necessary election supplies to be furnished the judges of election in the various precincts throughout the third judicial division, Territory of Alaska, for the election to be held on the 7th day of November, 1916?—A. I did.

Q. What did those election supplies consist of?—A. Two election register and tally books and one registration book; instructions to judges of election; pay rolls; two official envelopes with registry stamp on each, one of which envelopes was addressed to the clerk of the court, Valdez, Alaska, and the other to the governor, Juneau, Alaska; a copy of the wet and dry law for or against the sale of intoxicating liquor in the Territory of Alaska after December 31, 1917; and the official ballots.

[Applause.]

Mr. HOWARD. That shows how ignorant they are of their own case.

Mr. RUCKER. Let them go on, and maybe they will learn.

Mr. SULZER. Now, gentlemen of this House, I submit that it is not fair for members of this committee to throw me out of this House when they do not know what this record is. [Applause.] I submit that I ought to have an opportunity to show them what is in the record, because I think I have proved to you conclusively that they do not know what is in that record.

Mr. LINTHICUM. Does not the gentleman think they ought to have a new trial?

Mr. SULZER. I certainly do.

Mr. RUCKER. Would it not be satisfactory to have the committee make a new report, now that they have been informed as to what the record contains?

Mr. SULZER. I certainly think so.

Now, my time is going, and I agreed that I would not take up any more time than is absolutely necessary, and I hope gentlemen will not interrupt me any more than is necessary.

Mr. Adams, the clerk of the court at Nome, shows, on page 56 of the record, that the official ballots were sent to Utica and Deering, the other two precincts involved. It is not quite as direct testimony, but it is indirect testimony, because he states as follows:

For reasons unknown, ballots failed to reach Utica and Deering.

He says "for reasons unknown." He is the clerk of the court. He prepared these supplies—prepared these ballots. He does not know of any reason why they did not get there; consequently he must know that he sent them, and they were sent to every one of these precincts, as the record conclusively proves. If they were not sent there, I say to the gentlemen of this House, why did not the contestant put these clerks of the court and these officials in Alaska on the witness stand and prove that they did not perform their duty? He had every opportunity in the world to take legal evidence. He had every chance to put these clerks on the witness stand. Why did he not do it? He never took a word of evidence about it. Is not that presumtive proof that he knew that the evidence that he might take in that matter would be against him, and he did not avail himself of the opportunity? Is not that clear? If the contestant believed that the decision of this United States district court in Alaska was wrong, and if he believed that these official ballots were never sent or received at these precincts, would not the very first thing he would do, after he filed a contest to unseat me here, be this, to call the officials who knew something about these facts and place them on the witness stand and take their depositions and prove his contention?

No; he does not do a thing; and what did the committee do? The committee placed all the burden on me, and said I should have taken all this evidence. Why, I had no reason to take evidence on this particular subject. I was perfectly satisfied with the situation. I accepted the decree of the courts. I was seated in the House of Representatives. I had no complaint. It was the contestant who was complaining. Why did he not produce some evidence, then, to show that these facts which are in the record are not true? The committee have simply taken part of Mr. Lang's testimony, and they do not see the purport or the meaning of it. They simply take the part at the bottom of page 239, which states that Mr. Lang knows that the official tally book and register were received at this place; and why? Because he received them back again after the election! Why was that put in the record? It was put in the record to prove that if these supplies got there, then the conclusion must be reached that the official ballots got there also. Further, that particular part of the testimony was put in there to show that the election judges of these precincts were officially instructed and informed about what to do and what the law was. I have

a copy here of the election law and the instructions to judges. These instructions were printed in the registers and the tally books, and in addition they were sent to be posted, and they show exactly what the judges are required to do. It is all conclusively proven in the record. What does the committee report say? It says, on page 10, and I call the attention of the chairman to it particularly, and of the gentleman from Indiana [Mr. MOORES]:

If the testimony clearly indicated that all the election supplies, among which are the register and tally books and official ballots, had been sent to these precincts, and a portion returned after the election, ordinarily the inference would be that all such supplies were received at those precincts.

Just think of that, gentlemen. Just consider it. They say that if the testimony clearly indicated such was the case, the inference would be that the official ballots were there, while the record absolutely not only clearly indicates it, but it absolutely and positively proves by sworn deposition, which I have just read to you, and I would like to ask the gentleman from Louisiana, the chairman of the committee, if he has thoroughly grasped that particular point?

Mr. WILSON of Louisiana. Mr. Speaker, I will state to the gentleman that I think I have. Of course, I do not care to take the time of the gentleman to make a speech now, but that statement follows in the report, and I do not care to take the gentleman's time to explain it.

Mr. SULZER. And you go on in this report to say:

He does not testify definitely that he sent the ballots.

Does the gentleman think that is a correct statement?

Mr. WILSON of Louisiana. That is a correct statement; that he did not state that he sent the ballots to the precincts, because it is not part of his duty to do that under the law. The ballots are not distributed to the precincts under the Alaska statutes by the clerk of the court.

Mr. SULZER. I think it is very clear and conclusive. The gentleman from Louisiana in his report says he does not testify definitely he sent the ballots. I think he does testify definitely, and the gentleman from Indiana [Mr. MOORES] said I could not prove it in the record, and the clerk read from the record that the official ballots were part of the supplies.

Mr. WILSON of Louisiana. I do not think that there is any question that the gentleman is correct as to the testimony about sending them to the commissioners, but the committee was discussing the question of sending them to the precincts.

Mr. SULZER. Does the gentleman think that the commissioners tore open these official envelopes and stole the ballots?

Mr. WILSON of Louisiana. I do not think anything of the kind. The gentleman asked me a question, and his argument is misleading, for the reason that he said that the clerk of the court sent the ballots to the precincts, when that is not the duty of the clerk at all under the law.

Mr. HOWARD. He sent them the same way that he sent all the other supplies?

Mr. SULZER. Certainly. Mr. Speaker, we now arrive at the proposition whether this law of ours in Alaska is mandatory or directory. That has been one of the principal issues in this case, and I am going to take up a very short time to discuss it. I do not think there is any question that it is mandatory, for this reason: If it is not mandatory, if it is construed to be not mandatory, then we have no law at all, because if the judges of election or the voters in any precincts in Alaska can disregard the use of the official ballot with impunity, without making any explanation of any kind as to why they do it, then we have no official ballot, we have no Australian ballot, and I think gentlemen can readily see that. That is the true test of the law. The true test of an election law as to whether it is mandatory or not is this, that if it were construed to be not mandatory, it would then have the force of destroying the act, destroying the purpose that the legislature had in creating the act; then it must be construed to be mandatory. If you say the use of these official ballots, these Australian ballots, is not mandatory, then you destroy the very purpose of the legislature in enacting that law.

I want to read just a few short extracts from the opinion of the attorney general of Alaska on this proposition. The report of the committee conveys the impression that the attorney general of Alaska ruled against me in this matter, but that is not so, and I shall show by quoting from his opinion. He states on page 81:

All authorities are agreed that the controlling purpose of the Australian ballot law is to secure a secret ballot, to the end that the voter may fully and freely vote for his choice of candidates uninfluenced by threats or intimidation, and that the corruption of his vote may be prevented.

The attorney general goes on to quote the Horsefall case, which the committee used as an illustration as to why this law is directory, and he sets out the opinion of the Horsefall case in full, but I shall not take the time to read that. I read further now from the opinion of the attorney general:

The foregoing rule has been applied in many cases where the ballots provided by those whose duty it was to prepare them did not strictly conform to the statutory provisions. In some of the cases the ballots were only slightly irregular, and there is a hopeless confusion of authorities as to what departures from the statutory requirements are and what are not fatal to the validity of the ballots.

I have been unable to find any case, however, holding the votes legal where the use of official ballots was entirely dispensed with.

That is the truth, and no gentleman can find anywhere in the books any decision that holds that a law is not mandatory, where an entire absence of the official ballot occurs, where they dispensed with them absolutely.

Mr. Speaker, what does the committee do? They start out in their report at the very beginning of it and apparently cite as their strongest case an authority found in McCrary on Elections, and say this:

This doctrine was approved by the House in the case of Arnold against Lee, Twenty-first Congress.

Now, those are the authorities that the chairman of the committee has been stating, decisions which were made in the Twenty-first Congress. The Twenty-first Congress, gentlemen of this House, was held 42 years after the foundation of this Government. There was no Australian ballot known or dreamed of at that time. How could a decision made in the Twenty-first Congress have any force or effect whatsoever upon an Australian ballot law? They did not know what an Australian ballot law was. It is a development of very recent years, and it is not fair, it is not just, it is not reasonable or sensible, to unseat me from this House, to destroy the official secret ballot of Alaska and our Australian ballot law, on some decision that was rendered by the House of Representatives in the Twenty-first Congress. Election laws have progressed since that time; election laws and elections have been hedged about by all sorts of safeguards that were not in force 42 years after the foundation of this Government, and yet the committee overlooks that entirely and endeavors to decide my case on something that happened 60 years or more ago probably——

Mr. ROMJUE. One hundred years.

Mr. SULZER. One hundred years ago. Now, that is not a fair proposition. What does the attorney general say further? He says:

The effect of applying the rule announced in Horsefall against School District to the case before this board, where no official ballots were used at all, would be to establish a precedent encouraging an absolute disregard by both voters and officials of the provisions of the law as to the form of the ballot.

That is exactly what it would do; it would encourage absolute disregard of this law, especially in those precincts where there are these helpless Indians who can not intelligently vote an official ballot, so that a few people there who want to indulge in corrupt election practices can have already prepared for the voters, before they go near the voting booth, ballots marked so all they have to do is to go into the election booth and put it in the box. That is the whole thing in a nutshell.

Mr. BLANTON. Will the gentleman yield?

Mr. SULZER. I will.

Mr. BLANTON. If the gentleman were given the legal presumption that these ballots were sent to each precinct where there was no evidence to the contrary, just how many precincts would that leave involved—that is, if the gentleman were given the benefit of the legal presumption?

Mr. SULZER. That would be upholding the court's decision.

Mr. BLANTON. Would there be any precinct involved where there was evidence directly showing that the ballots had not been sent?

Mr. SULZER. Absolutely none. Now, what does the attorney general say further:

The Horsefall case, however, is not supported by the best authorities. Considering the purpose of the Australian ballot law, it is claimed that its object would be defeated if the direction as to the preparation and form of the ballot were not regarded as mandatory. The employment of express words is not always necessary to give a law a mandatory character.

Now, he quotes the decisions to back up his opinion, and these are the decisions he quotes, some of them. I have not time to read them all, but here is the Supreme Court of Appeals of Virginia in the case of Pearson *v.* Brunswick County (91 Va., 322; 21 S. E., 483). What do they say about it? This is what they say:

Thus it is seen that the general scheme of the system is to secure the independence of the voter by requiring him to cast his vote in secret.

That is the system, "secrecy."

Secrecy is the fundamental underlying primary essential of the system, and is the one element and condition which, paramount to all others, can not be destroyed without destroying the reform intended and reestablishing the evils it was designed to correct.

Now, that is the proposition exactly.

Statutes which make, even incidentally, for its preservation and inviolability are seldom directory, and without exception, where the language will admit of it, are held to be mandatory.

Without exception where the language will admit they are held to be mandatory, and what does our section 21 of the Alaska statute say? It says that the judges of election must make out a certificate and that certificate must accompany the returns. Will not that language admit a mandatory construction? Will not that language convince anybody that this law is mandatory? I think so. I do not think there is any question about that. Now, the attorney general quotes the case of Tuntland v. Noble (138 N. W., 292), and in that case the court disapproved the opinion in the Horsefall case, and condenses what seems to be the weight of authority, as follows:

What seems to us to be the true rule is laid down in the following from the opinion of the court in the case of Perty v. Hackney (90 N. W., 485). The statute under consideration is, then, not in terms mandatory——

Our statute is not in terms mandatory, but it does not have to be mandatory in its terms, in the express terms; if it is mandatory by implication it is just as mandatory as though it expressly said so, and that is what the court says in this opinion:

The statute under consideration is, then, not in terms mandatory, but it is well settled that the employment of express words is not always necessary to give it that character. Where the aim and purpose of the lawmaking power would be plainly defeated if the command to do the thing in a particular manner did not imply an inhibition to do it in any other, no doubt can be maintained as to the mandatory character of the statute.

Now, is not that perfectly clear and plain? Let me read that again:

Where the aim and purpose of the lawmaking power would be plainly defeated if the command to do the thing in a particular manner did not imply an inhibition to do it in any other, no doubt can be maintained as to the mandatory character of the statute.

"The aim and purpose of the lawmaking power." Now, what was the aim and purpose of the lawmaking power? I know what it was. I was elected to that legislature that made the law. I was a member of the senate, and I know exactly what the sentiments of the legislature were, and I know exactly what happened there. We went to that legislature determined to improve our election system. We went there determined to pass an act that would purify our elections, and we spent a lot of our time preparing and enacting this law. What did we do? We enacted an Australian ballot law, the heart and core of which, the essence of which, was the official ballot. Now, does any gentleman of this House think for one moment that we would sit there for nearly two months, using the money of the people, to pass an act for pure elections, to pass an act which the committee admit is mandatory as far as the official ballot is concerned—do you think we would do that and then that we would deliberately turn around and put a proviso in that law, that we would deliberately put in section 21, that would have the force and effect of destroying the very purpose of the law, of nullifying everything that we had done if it were interpreted in any way but mandatory? Could it be possible? It seems to me the contention is ridiculous, absolutely ridiculous, that we would go there and enact a law of this kind for the purpose we had in view, and then deliberately nullify it by putting in a proviso which would make it merely directory. It can not possibly be so. And there is no more question than that I am standing here that this law is absolutely mandatory, and the attorney general of Alaska and the United States district court of Alaska are absolutely correct in their interpretation of the law.

What does Judge Jennings in his decision say about this law? I will read on page 102. He quotes from Thirty-sixth Cyclopedia, page 1157, and the cyclopedia says this:

Whether a particular statute is mandatory or directory does not depend upon its form, but upon the intention of the legislature, to be ascertained from a consideration of the entire act, its nature, its object, and the consequences that would result from construing it one way or the other.

Now, what are the consequences that are going to result if this committee report stands and this law is construed as only directory? I say, what are the consequences? I say that they are simply this, that in any election precinct in Alaska at any subsequent election anybody can do what they please with the official ballots. They can throw them in the fire. They can use any sort of ballot they want; they can write it on a deerskin, and they need make no explanation as to what they do. They need certify in no manner anything at all about it. They need not prove that there were no official ballots at hand. They can simply do as they please, and make our law as sounding brass and a tinkling cymbal.

Now, are you going to do that after we struggled for years to get this law in the statute books, after we have gotten to the point where we have some safeguards around our elections? Are you going to say, "Gentlemen of Alaska, we are going to wipe this thing all out and put you right back where you were before you enacted this law?"

Now, this decision further says:

When a fair interpretation of a statute which directs acts or proceedings to be done in a certain way shows that the legislature intended a compliance with such provision to be essential to the validity of the act or proceeding, * * * then the statute must be regarded as mandatory.

Now, it is absolutely essential. This goes to the essence of the law, and when it does there is no question that the statute must be regarded as mandatory.

What do we find in the case of Hope against Hengate (41 N. W., 1002); Apollo against Clepper (44 Pa. Sup. Ct., 396)? The court says this:

Where the provision of a statute is of the very essence of the thing to be done it is mandatory.

Is not that clear?

What does the court say in the case of Offield against Davis (41 S. E., 910)? It says:

When the terms of a statute are such that they can not be made effective to the extent of giving each and all of them some reasonable operation without interpreting the statute as mandatory, then such interpretation should be given to it.

Is not that the case exactly? Can any reasonable effect be given to this act unless it is construed as mandatory? Why, no. The act would be void. It would be no act at all.

Mr. HOWARD. Will the gentleman yield?

Mr. SULZER. I will.

Mr. HOWARD. Would the gentleman mind putting in the RECORD the very clear-cut opinion of the judge here on page 104, as to the Australian ballot statute, and his opinion construing the act down at the bottom of page 104?

Mr. SULZER. Does the gentleman wish me to read all that?

Mr. HOWARD. No. I just ask you to put it in the RECORD in connection with that statement.

Mr. SULZER. Mr. Speaker, I ask unanimous consent to incorporate the matter referred to in the RECORD.

The SPEAKER. The gentleman asks unanimous consent to incorporate certain matter in the RECORD, to which he has referred.

Mr. WALSH. What is that?

Mr. SULZER. Two paragraphs.

Mr. WALSH. Is not the judge's opinion already put in the RECORD?

Mr. HOWARD. It is just the interpretation that the courts have put on the mandatory part of the law.

Mr. WALSH. As part of the remarks he is now making?

Mr. HOWARD. Yes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The part of Judge Jennings's decision referred to follows:

ALASKA'S AUSTRALIAN BALLOT STATUTE.

Now, the same considerations which have led to the adoption elsewhere of the Australian system prevailed in Alaska and led the legislature of 1915 to pass the act of that year. There was beginning to work here the sinister influences which led to the downfall of the old system there. Owing to the fact that many men in remote localities in Alaska were markedly in the power of single influences, there was abundant opportunity for the stifling of a free expression of the opinion of the electorate. And, too, the political manipulator was already abroad in the land; the employer exerted pressure; men had been sent to jail by courts for election frauds; "the poison of the serpent was just entering the Garden of Eden." The legislature saw those evils, and to its credit determined to remedy them. That legislature was the second legislature to convene after Alaska had been given the small measure of home rule which it now enjoys, and the very fact that an Australian ballot was provided at so early a period is evidence of the enormity of the evil, of the imperativeness of a change, and of the efficacy of the Australian official ballot to effect that change. Accordingly the legislature enacted the law (session laws, 1915, ch. 25), and it received the approval of the governor. How is it to be construed?

OUR ACT, HOW CONSTRUED.

Now, having in mind the former evil, the desirability of extirpating that evil and the means adopted to extirpate it, let us examine that statute in detail with a view of ascertaining the legislative intent.

By its first section a complete change is to be wrought in a thing which is of the very essence. Prior to the enactment every person voting prepared, or had some private person prepare for him, the ballot which he was to use at the election. Now the change. Says the statute:

"After the passage of this act, for all elections in the Territory of Alaska * * * the clerk of the district court * * * shall prepare ballots for use in their respective divisions * * *."

Prepare ballots for use; not prepare them as playthings to look at, but prepare them "for use." I can not see that that can have any other meaning than this: "No other person shall prepare ballots" for use at the election. It seems to me that this construction is required not only by a consideration of the former evil but also by the context, to which allusion will be made later on in this opinion.

Section 2 provides that the ballot which the clerk is to prepare for use at all elections shall be printed upon white paper; that it shall contain the names of all candidates nominated and blank spaces to write in other names. We shall see later on that no one can write in any such names, however, except the voter himself or some of the officers for him in case of his disability.

Mr. SULZER. Now, here is the strongest case of them all, in my judgment. It is in 36 Cyclopedia, supra, and it says this. The court says it is mandatory—

If from a consideration of the entire act, its nature and its object, the consequences which would result from not construing it as mandatory would defeat the very objects of the legislature.

Then it must be considered as mandatory. That is perfectly clear. If from a consideration of the entire act, its nature and the consequences which would follow if it were not construed as mandatory it would defeat the very object of the legislation, then it must be considered mandatory, and that is exactly what this case does. If this law is not held to be mandatory, then the very object of the legislation is defeated, and must be defeated, because the very object of the legislation is the official secret ballot, and when you say that that can be dispensed with with impunity, then you have defeated absolutely the very object of the legislation, and that legislature which enacted it sat in vain and spent its time for nothing, and we have no guaranty of decency in our elections in the future. Now, what does the judge say on page 110 of his decision? I read:

If the canvassing board can indulge in any presumption at all, it would seem that it must be the presumption that no such facts existed, else the certificate would have stated them.

That is what the judge says. But the committee say just the opposite. They take the presumption that because the judges did not certify as to the facts, as the law provided and directed them to do, therefore the official ballots were not there. That is an absolutely wrong presumption. The presumption should be just the opposite. If the committee are going to determine the law and the facts in this case upon presumption—and they seem to have done so almost from start to finish—I say, if they are going to do that, they ought to adopt a reasonable presumption, and the reasonable presumption is this, that they could not make that certificate conscientiously, because they would be telling an untruth, they would be perjuring themselves, they would be subjecting themselves to liability to punishment for felony, because the official ballots being there, it was impossible for them to certify that they were not there.

Now, what becomes of that presumption? Why is it not good evidence in this case? What becomes of this fact, that if the contestant really believed that the official ballots had not been received in these precincts why did he not make some effort to prove it?

I recognize, gentlemen of the House, that the House is not required to decide this case upon a point of law, or to decide it upon any other matter than they may wish to do. They may seat whomsoever they please or see fit to seat. But I say this, that if the contestant would not make any effort to take any testimony to show the facts in the case, then the presumption must be that he was not satisfied that any facts he might develop would be favorable to him. And I say this, that if the contestant had proved by any evidence in the record that these elections in these disputed precincts were fair and fairly conducted and that there was not any wrong practice, then the House might be justified in overruling the opinion of the attorney general of Alaska and the United States courts of Alaska. The House might be justified in seating him if the House really could learn from legal evidence that these elections were absolutely fair. But the contestant has not made any effort to prove that they were fair. He has left it all in the air. Is not the presumption, then, that he could not make such proof? Because if he could that is the first thing he would have done.

What does the court say in 15 Cyclopedia? This is the case of Oglesby *v.* Segman, 58 Miss., 502, cited in People *v.* Board, 14 L. R. A., 630 (N. Y.). I read:

Elections are a contrivance of government which prescribes who are electors and how they may express their will, and it is a legitimate exercise of power to prescribe the description of the ballot which shall be used.

It does not say that everybody may be an elector. "Elections are a contrivance of government which prescribes who are electors." Election laws are made in the interest of the common good and the vast majority, and it throws every possible safeguard around the secrecy and the sanctity of the ballot, and it is not a question at all of disfranchising anybody. There is not any such question, in my judgment, involved in this case at all. Reading further:

We would still be obliged to hold that it would be far better that their votes should be deemed ineffectual than that the fundamental purpose of an important public statute should be subverted.

We are not disfranchising anybody, we are not taking citizenship away from anybody, we are saying that these illegal votes shall be ineffectual. Why? Because—

It would be far better that their votes should be deemed ineffectual than that the fundamental purpose of important public statutes should be subverted, and, in the struggle to save those votes by judicial construction, the door should be thrown open for evasions of the statute which might revive evils far more dangerous to the public welfare than can possibly follow the exclusion of a few hundred votes in a single county.

That is the law. I wish I had time, gentlemen of the House, to go fully into the details regarding each one of these precincts, but I have not the time. I must hurry along. I may say, merely in passing, that in the precincts of Deering and Utica the same thing happened. There was no reason why they should not have received the official ballots, and these precincts involved here are not the most remote precincts at all. The mail must go there before Candle gets its mail, and yet the statement is made that they obtained by telephone news from Candle as to what the ballot was. Official ballots were used in precincts that were infinitely more remote than Deering and Utica. Why should they not have received them at Deering and Utica?

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. SULZER. I yield to the gentleman from Massachusetts.

Mr. WALSH. I understand that the gentleman makes the contention that the Alaskan elections are provided with the Australian ballot system of voting?

Mr. SULZER. Yes, sir.

Mr. WALSH. Is there any law in Alaska to compel a voter to divulge for whom he voted?

Mr. SULZER. None that I know of.

Mr. WALSH. Yet there is testimony taken before some official as to how certain of these Indians voted.

Mr. SULZER. Yes; and as to how certain soldiers voted.

Mr. WALSH. Were they compelled to divulge for whom they voted?

Mr. SULZER. I do not think so.

Mr. WALSH. Were they notified or advised at the time of the proceeding that they need not disclose for whom they voted if they did not care to do so?

Mr. SULZER. I am not advised as to that. I can not state.

Mr. WALSH. One further question: Does the gentleman make any distinction between a situation which might arise and lead to the conclusion that the party who received the certificate of election was the wrong party and a case in which, from the circumstances in connection with the election proceedings, it might appear that neither party should be seated?

Mr. SULZER. I do not believe I grasp the point the gentleman is making.

Mr. WALSH. Does the gentleman think the law is the same in a case where, as you contend, you have been rightfully seated in the House and have properly received your certificate—does the gentleman think the same treatment should be accorded that sort of a contest as would be accorded in a case where from the circumstances and happenings it might appear that neither party should be seated?

Mr. SULZER. I would not think so.

Mr. WALSH. Does the gentleman contend that in this case the only question is to decide whether or not he was rightfully seated as a Member of the House?

Mr. SULZER. I think so.

Mr. WALSH. And that none of the irregular acts connected with the election are of sufficient irregularity or invalidity to avoid the entire election and compel a new election to be held?

Mr. SULZER. I would hardly like to state anything in regard to that. It is a question to which I have never given any thought.

Mr. WALSH. I wanted the gentleman's opinion on it. Of course, if he has not considered it, it would be unfair to press the question.

Mr. SULZER. Mr. Speaker and gentlemen of the House, there is other evidence in this record to show that everything was not just as it should be in this election. There is in the record the case of Louis Klopsch, who voted in the Sour Dough precinct. And the committee have given me credit for that. This man was shown to have voted for Wickersham, and his vote has not been allowed, because he was not a resident of that division in which he voted. But I call attention to this fact, that every voter in that precinct voted for Wickersham. Louis Klopsch was the editor and proprietor of a newspaper in Fairbanks, which had gone defunct during the campaign. He was well known in all that country. Everyone in Sour Dough precinct knew him, and when he came along and voted in a precinct that was not in his division, those election officers knew he was not entitled to vote. They knew he was not a resident of that precinct or of that division, and yet they permitted him to vote. That was fraudulent. And there are other cases in the record of the same sort.

Mr. WILSON of Louisiana. The gentleman states that the committee rejected the vote of that man who voted out of his precinct.

Mr. SULZER. I have stated that the committee rejected the vote of that man. I am not complaining about that at all. I am simply citing that case to show that they violate the rules of elections in Alaska and that it is necessary for us to surround our elections and our election laws with every safeguard that we can.

Now, there was another vote rejected by the committee—that of a man named Julius Forsman, in the precinct of Afognak—that I have discussed pretty fully here. His vote was rejected because he was not a citizen of the United States. Yet he went and voted. The election judges undoubtedly knew of the fact, yet they permitted him to vote.

Now, the same thing happened in Cordova, but the committee have given no attention to it. The record shows that a man who was not a citizen voted at Cordova. The facts about that are stated on page 240 of the record, yet the committee have taken no cognizance of it, and Cordova cast a majority for the contestant. If the committee had taken any action on the matter, I would have received the benefit of it. It might have been only a fraction, but it would have been of some benefit to me. I simply call attention to it to show that the committee have overlooked certain things in the record.

The contestant has complained in his briefs because he was not made a party to the court proceedings. The facts are set out fully in the statement made by the court, found on page 99 of the record:

STATEMENT BY JUDGE JENNINGS OF THE UNITED STATES DISTRICT COURT OF ALASKA.

All the defendants appeared without counsel. Mr. Davidson, besides filing his joint answer aforesaid, appeared in person.

The plaintiff moved for judgment on the pleadings, but the court refused to consider the matter on such motion, deeming it better to take it up on demurrer to the answers; whereupon plaintiff demurred ore tenus to the answers. The court advised the canvassing board to secure counsel, whereupon Mr. Davidson made the following statement:

"Your honor, we have no interest in it any more than we would like the law point decided, and we have made our answer the best we could, and we have no other interest any more than to obey the orders of the court, whatever they may be."

The court thereupon inquired if Judge Wickersham was represented at this hearing and being answered in the negative stated that it would hear the oral argument of plaintiff in favor of the demurrer and would be glad to consider any argument that any friend of Judge Wickersham might wish to make or any brief he might choose to file at that time or at a later date.

It is to be regretted that Judge Wickersham has not intervened herein. He is a proper party, but probably not a necessary party. At present, as the court is informed, he is absent from the Territory, and the date of his return thereto is problematical. Owing to the near approach of the extra session of Congress a situation is presented necessitating action by the court without too long delay. I believe, however, that his interests have been looked after by Mr. Rustgrad, who has filed a brief herein in which, although the author expressly disclaims any authority from Judge Wickersham, the points against the demurrer are presented with great force and clearness; and I can not see how Judge Wickersham's interests could be any better presented were he a formal party and here protesting against the sustaining of the demurrer.

When the argument was made before the committee, I made the following statement:

Mr. Chairman, just to briefly refer to the argument of Mr. Wickersham in regard to the matters before the canvassing board, the contestant complains that he was not made a party to the suit. He was not a necessary party to the suit, but I think I was well within my rights as a candidate before the board to appeal this matter to the courts. The contestant claims that he was not advised in the matter; that he was here in Washington at the time; and that he was the Delegate from Alaska sitting in Congress.

The Legislature of Alaska was about to convene, and the leading men of the Territory, who were most familiar with political conditions—many of them the most intimate friends of Mr. Wickersham—were there in Juneau. They kept him thoroughly advised. He was thoroughly advised of every move. He sent telegrams to the governor of Alaska before the board convened and during its sessions, advising the governor what to do and how the canvass should be conducted. Some of those telegrams are in the record. He was advised of every possible move made and was in thorough touch with the situation at all times. He had many legal friends in Juneau who could have represented him at every stage of the proceedings if he had so desired. When the matter was first brought before the court, the judge of that court asked if Mr. Wickersham was represented, and when no one replied—and the court room was crowded with the leading citizens of Juneau and the Territory of Alaska—he stated openly (which is also in the record) that anyone, any lawyer, or anyone there present, might have the opportunity to represent Judge Wickersham and that he would be very pleased if that were done. Mr. Davidson, a member of the canvassing board, was present at that time, although Judge Wickersham states he was not. He was present, and the record will show it; and the question was directed to him by the court if the canvassing board had any further answer to make, and Mr. Davidson said they had not; that, so far as they were concerned, they were finished with the case.

Another thing that might be considered in this connection: Several months after the court decision of this case the contestant viciously attacked the confirmation of Judge Jennings before the Senate Judiciary Committee in May, 1917, basing his objections entirely on this contest decision, and alleging the action of the court was improper and incorrect, but the Senate committee overruled every objection he made and determined the action of Judge Jennings was entirely proper and correct, and his renomination was duly confirmed by the Senate.

Mr. LONGWORTH. Will the gentleman yield?

Mr. SULZER. I yield to the gentleman from Ohio.

Mr. LONGWORTH. I was somewhat struck by a remark I understood the gentleman to make yesterday, and I have refreshed my recollection of it by reading the gentleman's remarks in the RECORD. The gentleman stated that the contestant was not running as a Republican in Alaska. Will the gentleman state just what he meant by that?

Mr. SULZER. I will call the attention of the gentleman and of the House to the record on page 49. This is the deposition of the contestant, taken in the city of Washington before Capt. Mull in the House Office Building. At the bottom of page 49 we find the following:

Mr. LLOYD. You do not charge that the election judges who would pass upon these matters were not divided as the law directs?

Mr. WICKERSHAM. No; I think they were. But you must remember that I was not nominated as a Republican from Alaska at all. I never have been. The Republican organization up there, headed by Mr. Shackleford, always opposed me, and they did this time. They supported Mr. Sulzer.

Mr. BUTLER. Under what designation did he run?

Mr. SULZER. He ran——

Mr. BUTLER. As Wickersham?

Mr. RUCKER. As an Indian?

Mr. SULZER. By different designations in different sections of the Territory. [Laughter.]

Mr. LONGWORTH. What was the difference between the form of the contestant's nomination and that of the contestee?

Mr. SULZER. I was nominated by the regular Democratic convention, called at the city of Juneau, and very largely attended by delegates from all sections of the Territory. I was unanimously nominated, without any opposition, and ran as the Democratic candidate. [Applause.] I never have been anything but a Democratic. While I have received many Republican votes in the Territory of Alaska, I have never pretended to be anything except a Democrat.

Now, I spent five months in that campaign, and campaigned the Territory of Alaska thoroughly. I know everything that occurred and happened there, and I know that my opponent was running in one division in Alaska as a Republican. He was running in a second division of Alaska as a Democrat. He was running in a third division of Alaska as a Progressive Democrat. He was running in a fourth division of Alaska as an independent.

Mr. FIELDS. Is that all?

Mr. SULZER. That is all as far as the politics of it is concerned in these districts. It is a question of who was legally elected.

Mr. BUTLER. Mr. Speaker, I have not had the advantage of hearing the gentleman's speech; I have been busy in committee. Will the gentleman tell me what sort of a ballot they have up there; how was it designated? Do they have separate ballots, or does each election district print its own ballots?

Mr. SULZER. No; the clerk of the court prints the ballots.

Mr. BUTLER. Is it not necessary for a man to designate the party to which he belongs?

Mr. SULZER. No; I have an official ballot here for the third judicial district of Alaska. It is certified on the back as an official ballot. It says there that the election judges can help the voter, but they must sign on the back of every ballot that they assist. That was not done in the precincts of Afognak and Seldovia, where outsiders who were workers for the contestant went in the booths and marked the ballots for the Indians.

Mr. BUTLER. The gentleman himself is not designated on this ballot as a Democrat?

Mr. SULZER. No; but I did not hide my light under a bushel; I spread it broadcast. [Laughter.]

Mr. BUTLER. But the gentleman did not bring the candle down here with him. [Laughter.]

Mr. SULZER. Mr. Speaker and gentlemen of the House, I will conclude as quickly as possible. There is one other question involved in the case that I wish to refer to, and that is that some soldiers voted in the Territory of Alaska. The committee report says that 36 soldiers voted in the precincts of Gibbon and Eagle. The committee report says that 7 of these soldiers voted for me and 1 voted for Wickersham, and that is correct. The committee rejects them all and deducts from each of us the pro rata in accordance with the total vote.

Let me tell you a few things which the committee overlooked in disposing of the soldier vote. I do not dispute the law as laid down by the committee. I think that is correct; I have no contention to make about the law on the subject. The committee say the law is that no soldier in the military service can change his domicile; that his domicile remains where it was at the time he entered the military service. I think that is correct. They say that he does not necessarily lose his citizenship or his vote because he is in the military service, but he can not change it from the original domicile at the time he entered the service.

Now, here is one point I want to call to the attention of the gentleman from Louisiana [Mr. WILSON], as to the testimony of Orville Jones, found on page 192 of the record. He declares that he did not vote for me. Each one of the soldiers was asked

this question: "Did you vote for Charles A. Sulzer for Delegate to Congress?" They did not ask them who they voted for, but they asked if they voted for me. Jones declares that he did not vote for me. Now, shall I suffer because this man declares he did not vote for me and therefore I receive no benefit from it? I say, should I suffer? I have suffered by the report of the committee, for it makes no allowance for that vote. The man did not vote for me. Another point: Why should I have deduction made from my total on the ground that the contestant and myself were the only candidates running for Delegate? There was a third candidate running for Delegate. There were three candidates. How does the chairman of the committee, or how does the committee, know but what some of these votes that were indefinite were not cast for the third candidate? Why should I suffer for votes cast for the third candidate?

Now, as far as the soldiers are concerned, I have no contention with the law as defined and laid down by the committee, but I say there is nothing in the record, no evidence in the case, to prove that most of these soldiers did not have their legal domicile in Alaska at the time they entered into the military service. Because a man enlists in the United States Army in Seattle does not prove that he is not a resident of Alaska. I have had some of them come to my office since I have been here that I know are of that character.

It is very reasonable to assume that a man might go to Alaska, spend years prospecting, hunting for gold and not finding all that he hoped to find, come back to the States to visit his old home or his folks or to see the new developments, and becoming short of funds or for other innumerable reasons decide to enter the Army. He goes to the recruiting office in Seattle and says, "I want to join the Army." They ask him where he has been, and he says in Alaska, that he understands the country thoroughly, knows its conditions, and how to take care of himself under the peculiar difficulties confronting a soldier on duty in Alaska. "Very well," they say, "you are just the man we want. We have telegraph and cable systems there, and we want men of your type up there. You know how to take care of yourself and handle yourself in that country, and we will send you to Alaska." He says, "All right; I want to get back there as quick as I can." He is sent up there in the United States Army, and he is assigned to the Signal Corps or the Medical Corps or the Quartermaster Corps. The record shows that most of these soldiers there were in the Signal Corps, the Medical Corps, or the Quartermaster Corps. The only soldiers going on the witness stand swore under oath that they were legal voters. Are we justified in saying that they are perjurers and not telling the truth? Why did not the contestant show where the legal domiciles of these men are? He shows that they enlisted in the States, all except one.

The committee reports that all of them enlisted in the States. That is not true. The committee has not followed the record. I call attention to the case of Ralph O. Wilson, on page 176. He swears that he enlisted at Fairbanks, Alaska, on October 20, 1913, and he swears that he has been a civilian there since 1911. What right have the committee to throw that man's vote out? How does the committee know that man was not a legal resident of Alaska and entitled to vote under their own interpretation of the law? I call the attention of the committee to the case of William E. Wood, one of these soldiers. His deposition is found on page 186 of the record. Mr. Wood swears on the witness stand that he enlisted at Seattle, Wash., July 1, 1914.

Mr. WILSON of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. WILSON of Louisiana. I will say to the gentleman, if it will save any time, that William E. Wood's name was not considered among the soldiers who were held to be not residents of the district in which they voted.

Mr. SULZER. I have gone through the record and checked up every soldier, and every one is accounted for. I can not see how the committee could have allowed the vote of Mr. Wood and still reach their deductions.

Mr. WILSON of Louisiana. I will state to the gentleman that the list that was made up by the committee has been gone over a number of times, and it was made from the soldiers who were shown by the records of The Adjutant General's office to have enlisted in the States and whose testimony showed they had gone to Alaska as soldiers, and that that has been their occupation since they have been in Alaska, and that that was their occupation before. Mr. Wood was eliminated because he enlisted in Alaska.

Mr. SULZER. I have had no opportunity to examine as a witness anyone from the War Department, and when that statement was made up we were involved in a great war and the War Department was very much upset. There were possibilities of discrepancies occurring in a report of that kind, and besides it is not legal evidence.

Mr. WILSON of Louisiana. I will state to the gentleman that the courts have held that a certificate from the office of The Adjutant General, the legal custodian of documents of enlistment, has been held to be legal and all the evidence required.

Mr. SULZER. I will ask the gentleman this: Did the gentleman follow explicitly the statement and the report of the War Department?

Mr. WILSON of Louisiana. Yes; as to the place of enlistment, the time of enlistment of the men that were brought in there. Of course, there were a number of soldiers, some 45 or 48, and a number were eliminated.

Mr. FIELDS. Does the report of the War Department show the place of enlistment or the place of residence?

Mr. WILSON of Louisiana. It shows the place of enlistment, but the law as held by The Adjutant General's office, and upheld by the courts, is that the soldier's home remains at the place of enlistment.

Mr. FIELDS. Oh, no. That is not so.

Mr. RAKER. That could not be.

Mr. FIELDS Many soldiers from my district enlisted in Cincinnati.

Mr. WILSON of Louisiana. Probably I did not state that correctly.

Mr. FIELDS. And many of those soldiers who enlisted in Cincinnati voted by mail in Kentucky at their respective precincts.

Mr. WILSON of Louisiana. Yes; that might be true.

Mr. FIELDS. So that the place of enlistment does not determine the place of residence.

Mr. WILSON of Louisiana. No; I did not intend to say that it did; but, of course, I shall not take up the time of the gentleman to discuss that situation, but will discuss it when I come to it.

Mr. SULZER. Does the gentleman recollect that at the bottom of the statement from the War Department it is stated that they have no records as to Clarence Hefron?

Mr. WILSON of Louisiana. Yes.

Mr. SULZER. Showing that he has been enlisted in the United States Army, and they have searched the records for the past eight years.

Mr. WILSON of Louisiana. Yes; I recollect that.

Mr. HEFLIN. Did the committee make any deduction for Mr. Hefron?

Mr. WILSON of Louisiana. Yes.

Mr. SULZER. How does the committee arrive at the total of 36 votes?

Mr. WILSON of Louisiana. I would have to go through all of the evidence, of course. I do not care to take that much of the gentleman's time.

Mr. SULZER. The gentleman admits that there were the votes of 36 soldiers in controversy?

Mr. WILSON of Louisiana. Yes.

Mr. SULZER. The gentleman admits that 36 have been deducted, does he not?

Mr. WILSON of Louisiana. Yes.

Mr. SULZER. How does he eliminate those two—Mr. Wood and Mr. Hefron.

Mr. WILSON of Louisiana. Because there were more than 36 involved in the controversy over the soldiers.

Mr. SULZER. I do not agree with that. I just asked the gentleman if the total was 36.

Mr. WILSON of Louisiana. Thirty-six were involved in the deductions, but not involved in the entire controversy about soldiers.

Mr. SULZER. Does the gentleman get that from the statement of the War Department?

Mr. WILSON of Louisiana. Yes; and the record in this case.

Mr. SULZER. I would like to count that up.

Mr. WILSON of Louisiana. I have been through it several times.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. RAKER. I understand that there was a contest and the committee excluded 36 votes?

Mr. SULZER. Yes.

Mr. RAKER. How many of those were taken from the contestant's total?

Mr. SULZER. I suffered a net loss of 20.

Mr. RAKER. Where does Lena Morrow Lewis come in, who received 1,346 votes in Alaska? How many of those 36 voted for Lena?

Mr. SULZER. Well, the committee just assumed that the soldiers were so gallant none of them would vote for a lady. [Laughter.]

Mr. WILSON of Louisiana. The calculation is made on the basis of the votes polled there as actually polled, because that is what the law provided.

Mr. RAKER. The question struck me as being important, if the gentleman will allow me to answer.

Mr. SULZER. Yes; I yield.

Mr. RAKER. In general, the record shows that Lena Morrow Lewis received 1,346 votes in Alaska. Now, I wondered how you could take all the votes from Mr. Wickersham and Mr. Sulzer, the contestant and contestee, and leave Miss Lewis without any votes. Who knows but what every one of those 36 soldiers voted for Miss Lewis? Yet at the same time you deduct them from Mr. Wickersham, who loses them and he ought not to, and Mr. Sulzer, who loses them, possibly when he ought not to, when, as a matter of fact, they should be deducted from Miss Lewis.

Mr. WILSON of Louisiana. I do not agree with the gentleman. It was based upon the vote each got there, on the percentage; that is what the statute, the law, requires containing that provision; you have either got to do that or you have got to cast out the precinct.

Mr. SULZER. I call the attention of the gentleman from Louisiana to the record on pages 150 and 151, which contain a statement of the War Department. I have counted up the soldiers which they enumerate, and they make 33.

Mr. WILSON of Louisiana. Well, there is another certificate.

Mr. MOORES of Indiana. There are four in the other precinct.

Mr. WILSON of Louisiana. They give 34; that would necessitate counting in Hefron.

Mr. SULZER. The four at Eagle are included in the War Department statement.

Mr. MOORES of Indiana. Thirty-three at Fort Gibbon precinct and 4 at Eagle precinct.

Mr. SULZER. Then you have a total of 37. You do not seem to agree with the chairman of the committee. [Laughter.]

Mr. MOORES of Indiana. Because Ralph Wilson was a civilian who enlisted in Alaska, the only one of the bunch who did.

Mr. SULZER. The gentleman deducts Wilson, the chairman deducts Wood and Hefron, and I am sure I can not arrive at any conclusion as to what was actually done; but as far as the records prove there were 32 of those soldiers whose depositions were taken in Fort Gibbon and there were 4 that the contestant claims voted in Eagle. There is no evidence that they did. There were no depositions taken in Eagle. There is nothing at all about Eagle precinct in the record, but nevertheless the committee deducted those 4, and that makes 36, and I can not see how they arrived at it in any other manner; that is, the committee deducted the votes of all the soldiers shown to have voted at Gibbon and 4 that contestant claims voted at Eagle.

Now, William E. Wood swears that he resided in Alaska for six years previous to enlistment in the Army. I know William E. Wood. I know he was a deputy marshal up there in the early days. He is an Alaskan. He is what we call a "sour dough." He knows the country thoroughly. Now, what happened to William E. Wood? He went to Seattle for a trip. After he had been in Alaska for years, after he had established that as his legal domicile, he went to Seattle. When he got tired of Seattle he said, "I am going to join the Army," and he did join the Army, and the Army sent him back to Alaska. That man is a legal voter, and why should not the contestant be made to prove conclusively that every one of these soldiers was not of that character and type? Take the next, John O. Sherlock, page 196 of the record, where it shows that he enlisted at Fort Sam Houston, Tex., on July 19, 1914, and yet he on the stand said that he voted in Alaska in 1908 and 1912. Now, is the committee going to decide on mere presumption that that man was not a legal resident of Alaska simply because he was in the military service and wore the uniform of the United States Army, when he said on the witness stand that he voted in 1908 and 1912 and when the record of the War Department shows that he enlisted at Fort Sam Houston, Tex., on July 19, 1914?

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. SULZER. I will.

Mr. GOODWIN of Arkansas. Was there any proof to the contrary that he was not a resident of Alaska?

Mr. SULZER. No; there was no proof.

Mr. GOODWIN of Arkansas. Is his name deducted from the number of votes cast?

Mr. SULZER. Absolutely.

Mr. RAKER. In regard to the statement about which the question was asked a moment ago I was not prepared to answer, and I would like to ask the Delegate a question. On page 162 of the record I find that at Eagle precinct Lena Morrow Lewis received 5 votes, at Fairbanks she received 48 votes, and at Fort Gibbon 3 votes. That makes 56 votes in all, and there were only 36 soldier votes. Now, who knows but what every one of those soldiers voted for Lena?

Mr. SULZER. Well, I do not know. I will come to that in a moment. Mr. Speaker and gentlemen of the House, as I have said several times, the committee, in my judgment, instead of picking out these facts from the record—and I admit it is rather difficult to do it, because it is made as complicated and confused as possible by the contestant—but instead of picking out these various facts from the record they have evidently been largely following the briefs of the contestant, and that is what the report seems to indicate. Now, how does the committee know positively or definitely that these soldiers were not legal residents of Alaska? There were several hundred soldiers at Fort Gibbon alone on the day of election. No one will seriously dispute the fact that they were all citizens of the United States, and they had been in Alaska for some time. Why did not they all vote? Why did only 32 at Fort Gibbon vote after they had gone very thoroughly into all the legal phases of the question, after the matter had been taken up by the commanding officer of the Department of the West at San Francisco, after these soldiers had consulted numerous lawyers in Gibbon that I know of and learned what their true status and rights were?

All the soldiers whose depositions were taken were categorically asked a list of questions, and they answered "Yes" or "No," and the true facts were not developed. They were asked this question, "Did you come to Alaska in the service as a soldier?" and most of them answered, "Yes." But that is not a conclusive answer under the circumstances of their questioning. Most probably they understood this question to mean that after enlisting in the States they were sent to Alaska in the Army service. This is shown by the deposition of Wood, who at first answers, "Yes," but subsequently states he had been in Alaska years before entering the military service.

Why should the committee presume that only 32 out of these more than several hundred were not legal residents of Alaska—that they would go and cast an illegal ballot, and that they would swear they were legal residents when they were not? I say, why should they be presumed to be of that type?

And when you come to these Indians the committee says just the opposite. When the evidence is clear, concise, and conclusive, beyond all peradventure of a doubt, why should the committee refuse to reject any Indian votes? Why? Because they say that the evidence is indefinite and it is unsatisfactory, and that there is no way by which they can figure how they can make any deduction of these Indian votes when the record does not disclose for whom they voted. They do not have any trouble deducting the soldiers under the same circumstances.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. SULZER. I yield to the gentleman from Texas.

Mr. BLANTON. There is a legal presumption recognized by the jurisprudence of every State in this Union that when the law requires a certain thing to be done, or requires an official to act in a particular way, the thing is done according to law and the official acts according to law, until the contrary is shown; and the burden is upon anyone contending the law was not complied with to show that it was not complied with. If that legal presumption is given to the gentleman, his case is won. Is not that true?

Mr. SULZER. I think so.

Mr. BLANTON. He has been denied that legal presumption by the committee all the way through in passing upon the case. Is that your contention?

Mr. SULZER. I think the gentleman is correct.

Now, a few words further in regard to these soldier votes, and I ask the particular attention of the gentlemen of the committee, and particularly the gentleman from Indiana [Mr. MOORES]—and I hope he is not going out for the moment—to the fact that the committee have deducted 36 soldiers' votes from the precinct of Fort Gibbon and from the precinct of Eagle. There is no evidence in the record at all as to any soldier voting in Eagle; but, notwithstanding, they make the deduction; and Fort Gibbon and Eagle cast large majorities in my favor. Therefore, by the rule and action of the committee, I have suffered considerable loss, because I received 70 votes in those two precincts and the contestant received only 22.

Now, I want to ask the chairman of the committee this: When the record shows conclusively that 10 soldiers voted in the city of Fairbanks, Alaska, and when the record shows that I received 368 votes in Fairbanks, and the contestant received 529, why did not the committee take into consideration the Fairbanks precinct along with these other two precincts and make a deduction from all three? If they had done that, I would have suffered no loss.

Mr. WILSON of Louisiana. I will explain to the gentleman that Fairbanks was not an issue in the case, and that when the testimony was attempted to be taken at Fairbanks, as found on page 169, the attorneys for the contestee, Mr. Sulzer, objected to the taking of any testimony at that place, that being one of the grounds of the objection. And the witnesses were not sworn, and there was no testimony taken on account of the objection of the contestee himself. Particularly on page 170 you find that to be true; and the witnesses refused to testify under that objection.

Mr. SULZER. I think the chairman of the committee is totally wrong in his premises. In the first place, the chairman says there was no testimony taken in regard to the soldiers at Fairbanks. The chairman will admit there was no testimony taken in regard to the soldiers at Eagle?

Mr. WILSON of Louisiana. I do not admit it.

Mr. SULZER. Where is the testimony?

Mr. WILSON of Louisiana. There is some testimony on that. But I will not take up your time.

Mr. SULZER. I want you to take up my time, because I want you to point out any place in the record where there was any depositon taken at Eagle. I have read the record through a great many times, and I know it almost by heart, and I do not remember reading anything of that kind.

Mr. WILSON of Louisiana. I think if the gentleman will read his pleading in the brief, and his argument, he will find that is conceded.

Mr. SULZER. I never conceded anything of that kind. How could I do that? Does the gentleman think there is any deposition or evidence in the record about any soldier voting at Eagle?

Mr. WILSON of Louisiana. Yes.

Mr. SULZER. Can the gentleman refer to it?

Mr. WILSON of Louisiana. I will take that up when I get to my argument.

Mr. SULZER. Is it in the index?

Mr. WILSON of Louisiana. I stated that the vote of the soldiers at Eagle is conceded in the brief, in the pleading. That is not in dispute. And I think I am correct relative to the testimony at Fairbanks, because here is the objection on page 170, made by the attorney.

Mr. SULZER. The gentleman will concede that the attorneys on one side or the other objected to every blessed thing that was done in this contest.

Mr. WILSON of Louisiana. This objection was made.

Mr. SULZER. The committee, then, has simply upheld the objection made at one particular precinct and disregarded that one, but let all the objections stand as to every other precinct, because I got the worst of it. Is that the contention of the gentleman?

Mr. WILSON of Louisiana. There was no testimony taken.

Mr. SULZER. I call the gentleman's attention to the testimony of Robert Loghry, on page 166. The gentleman has the record there.

Mr. WILSON of Louisiana. I know about that.

Mr. SULZER. I will read it:

Robert Logary, being first duly sworn, testified as follows:
Q. State your name and age.—A. Robert Loghry, age 40 years.
Q. What was your business, occupation, or profession on November 7, 1916?—A. Master signal electrician at Fairbanks, Alaska.
Q. Give the place of your last enlistment in the United States Army prior to that date.—A. Fort Leavenworth, Kans.
Q. Did you come to Alaska in the service as a soldier?—A. I did.
Q. Has that been your occupation since coming to Alaska?—A. It has.
Q. Did you, on November 7, 1916, vote in Fairbanks precinct, Alaska, at an election then and there held for Delegate to Congress from Alaska?—A. I did.

They took no account of the Fairbanks precinct at all. That is what I contend with the chairman. He contends that there is no testimony on that in the record. I am reading from the record at page 166. Does the gentleman wish me to read further? I read:

Q. Did you then and there vote for Charles A. Sulzer for Delegate to Congress from Alaska?—A I refuse to state.
Q. What reason do you give for your refusal?—A. I don't know as I have to give any reason. I do not think the notary has proper authority to take my testimony.

That is signed Robert Loghry, sworn to and subscribed before Henry T. Ray, notary public in and for Alaska. That is followed by the testimony of James G. Coleman, another soldier who voted at Fairbanks.

Mr. RAKER. Mr. Chairman, will the gentleman yield there?

Mr. SULZER. Yes; I yield.

Mr. RAKER. Was there any pleading involved in this contest which raised the question of the soldier vote at Eagle, Fairbanks, and Gibbon?

Mr. SULZER. Well, there was at all three of them.

Mr. WILSON of Louisiana. I think the gentleman is mistaken as to Fairbanks. Objection was made by his counsel, and I consider the objection as absolutely good.

Mr. SULZER. I call the gentleman's attention to the record on page 36, where it is alleged in contestant's petition that illegal votes were cast at the precinct of Fairbanks. That is on page 36 of the record. I will call attention to the record there, where the contestant gave notice of taking depositions at Fairbanks. I have just called attention to page 166, where it is shown that depositions were taken. Now the gentleman ignores and does not consider Fairbanks, simply because some one who happened to act as my attorney there objected to taking testimony. Is the gentleman deciding this case on legal technicalities of that sort?

Mr. WILSON of Louisiana. No; because that precinct is not in issue.

Mr. SULZER. Has the gentleman any doubt that soldiers voted in Fairbanks?

Mr. WILSON of Louisiana. Fairbanks was not an issue in the record. That was done at the instance of the gentleman's counsel. It is true that in rebuttal Mr. Wickersham made an objection.

Mr. SULZER. Was it not in the pleading?

Mr. WILSON of Louisiana. It may have been in the pleading. That may be so.

Mr. SULZER. I call attention to page 36, that there were illegal votes cast in Fairbanks. That is his reply to the answer.

Mr. WILSON of Louisiana. That was not in his original petition. That is what I said. The objection made was in the final reply to the contest—the answer to the contest—and it was good.

Mr. SULZER. I do not understand the legal points involved, but it was not my understanding that that particular issue had to be raised in the original pleading. I think it could come in in the reply.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SULZER. Yes.

Mr. BLANTON. I would like to ask the chairman of the committee, as a lawyer, if these pleadings of the contestant did not raise the question of illegal votes cast at Fairbanks, and whether the deposition of a witness was not taken there who showed himself to be a soldier who enlisted at Fort Leavenworth, Kans., and went to Alaska, and remained in the service of the United States Government, thus proving, according to the committee's contention, that his vote should not be counted as being illegal. Did not that raise an issue before the committee which they should have considered?

Mr. WILSON of Louisiana. I do not think so.

Mr. BLANTON. Then there is nothing in the pleading or evidence that would raise an issue?

Mr. WILSON of Louisiana. Oh, yes. This question was not raised in the main issue, and the objection was made on behalf of Mr. Sulzer against taking depositions.

Mr. RAKER. Mr. Speaker, will the gentleman yield right there?

Mr. SULZER. In a moment. If I understand the contention of the gentleman from Louisiana, it is simply this: That if I had attorneys at every place where there was any testimony taken in this case and those attorneys objected to the taking of the testimony, then there would be no testimony in the case at all. I am anxious to know about that, because I might be involved in some future contest at a future time. [Laughter.]

Mr. WILSON of Louisiana. If the testimony was not taken, of course it is not in evidence.

Mr. SULZER. It is here in the record. I have read it. The gentleman did not consider it because my attorney objected to it. Well, my attorney objected to taking the testimony of soldiers at Gibbon—see the record, page 172—but Gibbon precinct has not been disregarded by the committee. If the gentleman will follow my attorneys in this case, then he will seat me and his report is not right. [Laughter.]

The gentleman says in this Indian proposition that my attorneys made the statement that all the Indians ought either to be counted or all thrown out, and therefore he followed the advice of my attorney. That is a surprising statement, because if the gentleman followed the advice of my attorneys I can not understand how in the world he brought in this report. [Laughter.] Because my attorneys certainly never advised my being unseated. [Laughter.] If I am going to lose this case on such technicalities, I might as well stop right here, and there is no use in arguing it further.

Now I yield to the gentleman from California.

Mr. RAKER. In turning to page 166 of the record, as to Fairbanks, I notice a number of witnesses were subpœnaed to testify before the notary, and that the attorneys for the parties were present at that place, and that two depositions were taken, and on page 167 I find the following:

Witnesses Griffin and Myerson, upon satisfactory showing that they had not voted at the election on November 7, 1917, were excused from further attendance.

Then this follows:

At this time the notary adjourned the hearing until June 15, 1917, at 1 o'clock p. m., and excused all witnesses until that time.

Mr. Clegg, of counsel for Mr. Sulzer, entered objection to adjournment on the ground that "all the witnesses are now present, and that the officer, Henry T. Ray, as notary public, has now no authority under the statute to postpone or continue the proceeding until to-morrow at the time set."

Now, what I want to know is whether or not these alleged soldiers who were subpœnaed, alleged to have voted at Fairbanks, were put on the witness stand, and whether the notary continued the hearing without hearing their testimony, against the protest of the counsel for the contestee.

Mr. SULZER. Yes. That is what happened. Two were put on the stand, and the notary adjourned the hearing, and he adjourned from day to day until they got tired, and he did not take any more testimony. Everybody knows what the facts are at Fairbanks. It is not such a very large city. There are only a few thousand people there. Mr. Ray, the attorney for the contestant, and every attorney in Fairbanks knows every soldier that was there; knows every man in the Signal Corps at Fairbanks. There is no doubt but that these men were soldiers and voted; and yet the committee entirely ignored it, and did not take it into consideration at all, whereas if they had followed the same rule that they followed at Eagle and Gibbon and made the deductions pro rata, made deductions from all the precincts instead of only two, then I would not have suffered any loss at all.

Now, Mr. Speaker and gentlemen of the House, in conclusion I wish to say that I feel that this House should reject the returns from Afognak and Seldovia.

I think they are wholly illegal and should be rejected. That would give me an advantage of 72 votes, and no matter what other considerations are taken it would insure my election. In addition to that the court's decision should be upheld; our law is absolutely mandatory, and the House should so rule. In addition to that the 28 votes that were fraudulently denied me at Craig ought to be allowed. In addition to that the soldier vote ought not to be taken into consideration at all, because the committee have overlooked very many important points in connection with it. They have deducted votes which should not be deducted under any circumstances. Beyond that there is no conclusive proof that most of these soldiers were not legal residents of Alaska at the time they voted. Beyond that the committee only picked out two precincts in all Alaska where the soldiers voted, and they refused to take Fairbanks into consideration. If the House will consider these matters from the evidence and the record, you will find that I was elected by a considerable majority of the legal votes cast in Alaska at the election November 7, 1916. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman asks to revise and extend his remarks. Is there objection?

There was no objection.

Mr. SULZER. Mr. Speaker, under the leave granted me to extend my remarks I desire to call attention to the deposition of contestant, James Wickersham, found on page 210 of the record in this contested-election case of Wickersham versus Sulzer. This deposition was taken at Seattle, Wash., during the 10 days' time allowed contestant for taking testimony in rebuttal. He introduced no evidence to rebut any testimony I had placed in the record, but he placed page after page in the record of the most slanderous charges that reflect upon my character and reputation and the character and reputation of honest and reputable men who are among the leading citizens of Alaska. He has charged the press of Alaska with crimes that are serious, and he has accused the officials of Alaska with all sorts of wrongdoing. While he had every opportunity to take depositions to support his wild and vicious charges, he contented himself with filling the record, which is a public document, with unsupported charges that reflect on some of the best people.

I quote from the record, page 210:

Mr. WICKERSHAM. Some time not long previous to the time when this letter was written I had a conversation with Thompson at Fairbanks, in which he told me that he was then receiving from the White Pass & Yukon Railway a regular salary of $150 per month for the control of his paper, and I also knew at that time from him and from other official record sources that the Northern Commercial Co. and the Northern Navigation Co., united or one for the other, had an interest in his paper, in the ownership, or by an advance of money to him for its use, and a mortgage in return. Thompson and McGowan collected, I am informed, $10,000 on this trip outside for the purpose of supporting Mr. Sulzer and defeating me at the election, and this money was expended very largely in controlling the press in the Territory. The Ketchikan Progressive Miner editor had just previously made an application to me for money, which I declined to give him, whereupon he was employed by Thompson and paid $350, and he did everything he could thereafter to support Mr. Sulzer and oppose me. The Juneau Daily Empire, of which John W. Troy is the editor, was also paid a consideration in that connection, although the paper was supporting Mr. Sulzer without the payment of this money, but it was very useful in that work. Eleven newspapers in the Territory of Alaska out of, I think, 16 were paid portions of this bribe fund put up by these corporations, and every one of the 11 that stayed bought fought me to a finish and supported Mr. Sulzer. Many of these newspapers previously supported me, and undoubtedly would have continued to do so if they had not been bribed by Thompson and McGowan for the big corporations.

There is not a word of truth in these malicious charges, and the owners of the papers mentioned by the contestant resent the unjust and unwarranted attacks that have been made upon them by the contestant in his efforts to deprive me of my rightful seat in the House of Representatives. The record, on page 217, discloses the following interesting statements made by the contestant:

Mr. JONES. Upon the answer of the witness, I move that his testimony given on this subject in direct examination be stricken as hearsay and as incompetent, irrelevant, immaterial, and not within the issues.

Q. Do you know that this Ketchikan editor, whom it was testified was paid $250 by Mr. Thompson, actually received that money?—A. It was $350.

Q. Do you know that of your own knowledge?—A. I didn't see it paid, but I accused him of it in public meeting and he didn't deny it. He admitted that he got it, but said that it was for advertising.

Q. How do you know, Mr. Wickersham, that Thompson and McGowan collected $10,000?—A. I don't know, except from what Thompson says in his letter and the information that I got from Lathrop and the other people who subscribed to the fund.

Q. By Thompson's letter you refer to your Exhibit A?—A. Yes.

Q. That is the source of your knowledge?—A. That and, as I say, other sources.

Q. Common gossip?—A. Oh, no. Not at all. Not at all. Common history.

The editor of the Ketchikan Progressive Miner has always been a Republican and has always published a Republican paper. He supported me because he believed I was the best man, and because I had lived and worked in the Ketchikan district for 15 years.

This editor, Mr. Rivard, sent me the following affidavit when the contestant's charges were brought to his attention:

UNITED STATES OF AMERICA,
Territory of Alaska, ss:

J. E. Rivard, being first duly sworn, upon his oath deposes and says: I am the editor, owner, and publisher of the Daily Progressive Miner, a daily newspaper published at Ketchikan, Alaska.

On September 9, 1916, James Wickersham, then Delegate to Congress from Alaska, made a political speech at Ketchikan, Alaska, in the course of which he said that a corruption fund had been raised by the corporations doing business in Alaska, to be used for the purpose of bringing about his defeat for reelection; and he further said, in substance, that the newspapers of Alaska had sold out to the corporation committee handling this corruption fund, and that said committee had paid to the Daily Progressive Miner the sum of $300 to further the candidacy of his opponent, Charles A. Sulzer.

Said statement was false. And affiant believes and alleges that Mr. Wickersham made that statement, knowing it to be untrue, and that it was made and asserted maliciously and with intent to deliberately deceive the voters of Alaska.

Affiant further says that in the issue of said Daily Progressive Miner of September 11, 1916, he wrote an editorial which appeared in the issue of said date, wherein he denies said statement as false and herewith refers to said issue of the Daily Progressive Miner, of Ketchikan, Alaska, of said September 11, 1916. J. E. RIVARD.

Subscribed and sworn to before me this 15th day of November, 1917.
[SEAL.] CHAS. H. COSGROVE,
Notary Public for Alaska.

[Extract from an editorial in the Daily Progressive Miner, Ketchikan, Alaska, Sept. 11, 1916.]

* * * * * * *

Leaving the infamous Alexander bill, he proceeded to abuse Shackleford, Irving, Faulkner, Murane, and others, who he said wanted to do the hossing in Alaska, to which he is much opposed, for the good reason that he wants to do that himself. He has tried to boss now for 15 years. He naturally hates like sixty to quit. Moving along in his usual tirade of abuses, he finally landed on the newspapers, which he said had sold out for $300, and he repeated, "for $300—just think." He further said that there was a newspaper man in the audience who had sold out in this campaign. That's Wickersham every time. He is always ready to accuse others. * * * But if he had reference to the Progressive Miner, all we can say is that he is a liar, and as such is a defamer of character. * * *

We have always tried to be fair with the Delegate. We have always given him credit when in our opinion we thought credit was due him, but our opposition to his coming election dates back from the time he said, "Not in 40 years will I help you in this matter." If the Delegate thought that he could throw dirt and we would stand that he might rub it in, he was mistaken. We could say a great deal about the Delegate that would not be to his credit, either. However, and so far as we are personally concerned, we feel that we have answered his charge, if the charge was intended for us. In conclusion, it would probably be well for the Delegate to remember Lincoln's old saying, which applied here would read thus: The Delegate may have fooled all the Alaskans some time, and he may be able to fool some all the time, but he can not fool them all all the time.

Messrs. Shackleford, Irving, Faulkner, and Murane were the leaders of the Republican Party in Alaska.

Mr. John W. Troy is one of Alaska's most honored citizens and a man of the highest integrity. When he learned of the accusations of the contestant against him he gave me the following affidavit, showing conclusively that all these charges of contestant are just so much rubbish:

[Statement by John W. Troy, of Juneau, Alaska.]

UNITED STATES,
District of Columbia, ss:

John W. Troy, being duly sworn, deposes and says: That he is a citizen of the United States, of the age of 21 years; that he is the editor and publisher of the Alaska Daily Empire, printed and published at Juneau, Alaska, and has been such editor and publisher for more than four years last past; that he was editor of said paper for one year previous to his acquisition of ownership of it; that during all of said five years he had been a resident of Juneau, Alaska, and is familiar with conditions in that Territory; that he was a resident of Skagway, Alaska, for 10 years, between 1897 and 1907, before he became a resident of Juneau; that he has read the testimony of James Wickersham in the contested-election case of Wickersham *v.* Sulzer, appearing at pages 208 to 218 of the printed record, and referring particularly to that portion of said testimony which appears at pages 210 and 211 and the reference thereto. On cross-examination, deponent says that neither T. A. McGowan nor W. F. Thompson, acting together or separately, raised $10,000, or any other sum, for the purpose of electing Charles A. Sulzer Delegate to Congress or of defeating James Wickersham for that office in the summer of 1916 or any other time; that neither T. A. McGowan nor W. F. Thompson were in the States during the summer of 1916 at all; that both of them were at Fairbanks, Alaska, long before the nomination of Charles A. Sulzer for Delegate to Congress and before it was known whether or not Mr. Sulzer would be a candidate for the nomination for Delegate to Congress before the Democratic convention, which convened at Juneau May 24, 1916, and before the announcement of the candidacy of James Wickersham for reelection to said office;

That when Mr. Wickersham testified that, "I had a conversation with Thompson at Fairbanks not long previous to the time when this letter was written," he was in error, because he was not in Fairbanks in 1916 nor had he been there for a long time before that date mentioned nor at any time during the period of the campaign of Mr. Sulzer for Delegate to Congress nor for a long time before said campaign was started; that such part of the testimony of Mr. Wickersham which refers to the Alaska Daily Empire and the deponent, wherein it is said that "the Juneau Daily Empire, of which Mr. John W. Troy is the editor, was also paid a consideration in that connection," is absolutely false and without a shred of fact for foundation; that the Alaska Daily Empire since it was acquired by said John W. Troy, or while said John W. Troy has been connected with it, never received a single cent from Thompson, McGowan, any corporation, or any agent of a corporation, or any person for supporting Mr. Sulzer for Delegate to Congress, or any other office, or for supporting anyone else for any office, or for supporting any proposition of nature or kind whatsoever, or for opposing Mr. Wickersham for Delegate to Congress or for any other office, or for opposing any person for any office, or for opposing any proposition of nature or kind whatsoever, directly or indirectly; that the Alaska Daily Empire has never received one cent for any purpose except for the sale of papers, for legitimate advertising, and in the general course of the legitimate newspaper business; that the Alaska Daily Empire donated, without charge to anyone whatever, the advertising that it carried in the interest of the campaign of Mr. Sulzer and the other candidates on the Democratic ticket, and it donated without charge hundreds of copies of the paper containing such advertising and other matter relating to the campaign of 1916 because of its conviction that the welfare of Alaska depended largely upon the election of Mr. Sulzer and the elimination of Wickersham; that deponent is familiar with the details of the campaign that was waged by the Democratic organization against Mr. Wickersham in the first division of Alaska in 1916 and in favor of the election of Mr. Sulzer for Delegate in Congress, and of his own knowledge no such sum as $1,500, or any other sum, was sent from Seattle to Juneau to be expended in the interest of Mr. Sulzer or against Mr. Wickersham, nor was any such sum sent to the first division from any other place, outside of the said first division, nor any sum whatever for use in the Sulzer campaign; that there were only seven newspapers in the Territory of Alaska which supported Mr. Sulzer in the last campaign, to wit, the Ketchikan Progressive Miner; the Alaska Daily Empire, of Juneau; the Douglas Island News; the Valdez Prospector; the Fairbanks Daily News-Miner; the Fairbanks Daily Citizen; and the Iditarod Pioneer; and seven newspapers in the Territory supported Mr. Wickersham, to wit, the Petersburg Report, the Juneau Daily Dispatch, the Seward Daily Times, the Anchorage Daily Times, the Fairbanks Daily Times, the Seward Daily Post, and the Skagway Daily Alaska; two papers, the Nome Industrial Worker and the Anchorage Labor News, supported Mrs. Lena Morrow Lewis, the Socialist nominee for Delegate; and five newspapers, the Wrangell Sentinel, the Seward Daily Gateway, the Ruby Record-Citizen, the Nome Nugget, and the McCarthy Avalanche, were neutral.

Only one of the newspapers that supported Mr. Sulzer in the campaign of 1916 supported Judge Wickersham in the campaign of 1914, to wit, the Ketchikan Progressive Miner; that the letter referred to in Mr. Wickersham's testimony as "Exhibit A" clearly refers to contracts that Mr. Thompson had secured from the newspapers for advertising space for the use of the National Liquor Dealers' Association, which contracts were secured long before the nomination of Mr. Sulzer by the Democrats, before the meeting of the Republican convention which failed to nominate a candidate for Delegate to Congress, and before the announcement of the candidacy of Mr. Wickersham; that Mr. Thompson made a trip throughout the coast towns of Alaska in the month of February, 1916, and possibly in early March of that year; that it was reported to the editor and publisher of the Alaska Daily Empire by his advertising manager that said Thompson was offering newspapers contracts to print certain articles to be prepared by said Thompson which would be in opposition to prohibition, the same to be run as advertising, but said Thompson did not offer said contract to the deponent, publisher of the Alaska Daily Empire; that a little later, but long before the meeting of the Democratic convention which nominated Mr. Sulzer for Delegate to Congress, and before it was known whether or not Mr. Sulzer would be a candidate, and long before the announcement of the candidacy for Delegate by Mr. Wickersham, Mr. Thomas A. McGowan made a trip along the coast of Alaska in the interest of the National Liquor Dealers' Association, and called upon the publisher of the Alaska Daily Empire at Juneau, informing the latter that he was representing the National Liquor Dealers' Association, and asked if he would accept advertising from the association and print the same in the Empire; that the publisher of the Empire informed him that he would accept such a contract, provided, of course, there was nothing objectionable in the matter submitted for publication in the advertising space; that McGowan then submitted a blank form of contract to the deponent, remarking as he did so, "Thompson was afraid to offer you a contract." When asked, "Why?" he replied, "Because he was afraid you would not sign it"; that upon investigating the deponent discovered that the blank contract presented to him provided for the payment of a certain sum for advertising, with a proviso that the amount to be paid would be 50 per cent greater in the event of the defeat of prohibition; that thereupon deponent told Mr. McGowan that he could not accept advertising for the Alaska Empire on that basis, that it was against the policy of the Empire to be financially interested in the result of an election, and that, furthermore, such a contract was in violation of the postal laws of the United States;

That deponent then told Mr. McGowan that he would be pleased to contract with the National Liquor Dealers' Association for space at the regular rates for advertising, but that was as far as he could go to do business with said association; that thereupon he signed a contract with the National Liquor Dealers' Association for $300 worth of space at the regular advertising rates of the Alaska Daily Empire, Mr. McGowan signing the same as agent for the said association; that Mr. McGowan thereupon said, in substance, "you are more conscientious than your contemporary," and selecting a carbon copy of a contract from among a bunch of others he exhibited to deponent the same, and it was signed by the publisher of another newspaper for that paper and by W. F. Thompson, as agent for the National Liquor Dealers' Association, and it was on the same blank form as that described, with a provision for an additional payment in case of the defeat of prohibition; subsequently that newspaper supported Mr. Wickersham for election as Delegate to Congress and he was one of Mr. Wickersham's managers in both the campaign of 1916 and that of 1914 in the first division; that there was nothing in the contract referred to as signed by the deponent that referred directly or indirectly to any other subject than the prohibition question and the space purchased; nothing was said in the contract concerning the attitude of the Empire on the question of prohibition or on anything else, the contract being simply for so much advertising space at the regular rates of the Empire; the space purchased was not great nor was the advertising contract regarded as an important transaction at all; the monthly earnings of the Empire have averaged for the last three years from $3,000 to more than $4,500 a month, and this contract, extending over several months, was for $300 only; later the advertising copy for the Empire was furnished by Mr. Thompson and printed in the paper in the advertising columns and as advertising in advertising type, and was paid for as contracted; that this contract was made long before the nomination of Mr. Sulzer or the announcement of the candidacy of Mr. Wickersham and before it was known whether or not that Mr. Sulzer would be a candidate; that there was nothing said during the negotiations for the advertising space concerning the election for Delegate or as to the attitude of the Empire on that matter or any other matter; that later the Alaska Daily Empire accepted advertising from the dry forces in favor of prohibition and printed it in like manner as it printed the matter from the National Liquor Dealers' Association, with this exception that the dry forces were only charged half rates for the advertsing while the National Liquor Dealers' Association paid the full rate, but not more; that Mr. McGowan and Mr. Thompson had completed their canvass of Alaska newspapers before the convention which nominated Mr. Sulzer had convened;

That Mr. McGowan and Mr. Thompson did not visit the coast again before the termination of the campaign; in fact, Mr. Thompson has not returned to the coast since he left there for the interior of Alaska in February, 1916, and Mr. McGowan did not return to the coast until the spring of 1917; that there was absolutely no connection between the campaign and candidacy of Mr. Sulzer and that for and against prohibition, though one of the campaign documents used by the Wickersham forces against Mr. Sulzer was a photograph of a letter written by Mr. Sulzer, in which he favored prohibition; that a further indication of the alignment of the voting population of Alaska is disclosed in the fact that the only precinct on Gastineau Channel, Alaska, including the municipalities of Juneau and Douglas, carried by Mr. Wickersham was the precinct in which 18 of Juneau's 19 saloons were located, while the precinct in which every one of Juneau's churches are located was carried by Mr. Sulzer by a large majority, the vote being, Sulzer 435, Wickersham 247; that Mr. Sulzer carried the only two towns in Alaska where saloons had been voted out of business by the people under local-option law then obtaining in Alaska, to wit, Skagway and Sitka; that there was no connection between Mr. Sulzer's campaign and the Guggenheim corporations is further disclosed by the fact that Mr. Wickersham got a plurality of the votes cast in the communities where the Guggenheim interests are located, including Cordova, notwithstanding that the members of union labor in all those towns, as elsewhere along the Alaska coast, generally supported Mr. Sulzer; that no corporation, local or foreign, contributed one cent to the Sulzer or Democratic campaign in the first division in the year 1916; that the whole campaign fund used for Mr. Sulzer and the other nominees on the Democratic ticket was small, not exceeding the total sum of $1,600 for the Territorial and legislative and divisional tickets, the committee being hard pressed at all times for funds to meet legitimate expenses for printing, for halls, music, etc.

JOHN W. TROY.

Subscribed and sworn to before me this 1st day of February, 1918.

D. B. MULL,
Notary Public in and for the District of Columbia.

My commission expires May 1, 1919.

Mr. Speaker, I have not had any opportunity to place these facts before the committee, and I have not placed them before the House because I felt it might be assumed that I was trying to influence Members in my behalf. The case is now practically disposed of and this may be my last opportunity to place the matter in the public record, and the slander against honorable and upright men should not be permitted to stand in the official records of Congress without a true statement of the facts being put in the RECORD.

These things illustrate the methods the contestant has resorted to in order to deprive me of my seat. Along the same

line he has placed in the record private letters and telegrams, purporting to come from his political friends, in an attempt to prove his contentions regarding the failure of the use of official ballots. What do such letters amount to? They are not evidence, and he has taken no depositions nor produced any evidence.

A soldier came into my office the other day and gave me the following affidavit, and it shows how dangerous it is to make presumptions regarding a few soldiers voting in Alaska:

[Before the House of Representatives, 65th Cong., 2d sess. James Wickersham, contestant, *v.* Charles A. Sulzer, contestee. Affidavit.]

UNITED STATES OF AMERICA,
District of Columbia, ss:

J. Perrin Willis being first duly sworn on oath deposes and says:

I. I have resided in and been a resident of the Fort Gibbon precinct, Territory of Alaska, since June, 1912.

II. That I have been actively engaged in the practice of law in the Fort Gibbon precinct, Territory of Alaska, since June, 1913.

III. That I was engaged in the practice of my profession in the Fort Gibbon precinct on the 7th day of November, 1916. That on that date and prior thereto I was frequently consulted by soldiers living at Fort Gibbon, Alaska, as to their rights of suffrage.

IV. That I advised such soldiers that they could not exercise the rights of suffrage unless they had acquired a residence within the Territory of Alaska before entering the military service.

V. That several soldiers upon my advice made no attempt to exercise their rights of suffrage at the above election.

VI. That as many as three soldiers voted at the aforesaid election who were personally known by me to have been residents of the Fort Gibbon precinct, Territory of Alaska, prior to their enlisting in the said United States Army, and others stated to me prior to said election that they had resided in Alaska prior to their enlistment in the Army; in fact, I know of none who voted at said election who were not qualified.

VII. That I personally saw a wire signed by Mr. James Wickersham and delivered to George F. Bemis as his local political manager prior to the 7th day of November, 1916, saying, in part, "Soldiers can vote."

VIII. That I have been and now am a supporter of Charles A. Sulzer and am thoroughly acquainted with all the facts and conditions prior to and including the date of said election of November 7, 1916, and am at present in the military service of the United States.

J. PERRIN WILLIS.

Subscribed and sworn to before me this 6th day of December, A. D. 1918, at the city of Washington, D. C.

[SEAL.] W. W. PICKERING,
Notary Public in and for the District of Columbia.

My commission expires September 19, 1919.

Mr. Speaker, regarding the people at Klawock and Hydaburg, whom the contestant has asserted are tribal Indians and not citizens, I desire to place in the RECORD the following statements that have been sent to me. The contestant made no charges against the Hydaburg citizens until he put them in during rebuttal, and I have therefore had no chance to introduce evidence to refute his unsupported statements regarding these worthy people. The men named in the following letters were voters at Sulzer whom the contestant alleges are illegal, and some were of those who were forcibly deprived of their rights at Craig. I have affidavits proving each individual case, but I have had no opportunity to get same in the RECORD or before the committee.

DEPARTMENT OF COMMERCE,
BUREAU OF NAVIGATION,
Washington, January 21, 1918.

Hon. CHARLES A. SULZER,
Delegate from Alaska,
House of Representatives.

DEAR SIR: Referring to your inquiry to-day, I have to state that, according to the records of this bureau, Mike George took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Bertha*, 10 net and gross tons, built in 1913 in Alaska. The date of the oath was May 19, 1913.

Luke Frank took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Tidings*, 9 gross and 8 net, built in 1908 in Alaska. The date of the oath was January 3, 1914.

Thomas Scowel took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Enterprise*, 11 gross, 7 net, built in 1908 in Alaska. The date of the oath was January 12, 1914.

John S. Brown took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Martha Logan*, 9 gross, 6 net, built in 1908 in Alaska. The date of the oath was April 20, 1914.

George Haldane took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Nancy*, 14 gross, 9 net, built in 1912 in Alaska. The date of the oath was April 29, 1914.

Walter Frank took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Pride*, 11 gross, 8 net, built in 1911 in Alaska. The date of the oath was March 20, 1916.

Richard Nix took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Valder*, 15 gross, 10 net, built in Tacoma, Wash., in 1910. The date of the oath was March 20, 1916.

Edwin Scott took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Marion*, 9 gross, 6 net, built in 1916 in Alaska. The date of the oath was July 6, 1916.

Alex Yeltatzie took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Venus*, 13 gross, 12 net, built in Alaska in 1911. The date of the oath was March 25, 1914.

John Wallace took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Alfonzo XIII* on October 13, 1914. This vessel is 11 gross, 5 net, was built at San Francisco in 1897.

John Skultka took the oath and was accepted by the customs officers of Alaska as an American citizen and as master of the gasoline boat *Reliance*, 9 gross, 8 net, built in Alaska in 1910. The date of the oath was January 3, 1917.

I attach hereto a blank form which is always used in taking the oath as master. Under our law vessels to operate under the American flag must at the time of these documents have been American owned and the master must have been an American citizen to comply with the law.

E. T. CHAMBERLAIN, *Commissioner.*

Cat. No. 1311.

OATH OR AFFIRMATION OF NEW MASTER OF VESSEL.

[Art. 44, Customs Regulations of 1915.]

Department of Commerce,
Bureau of Navigation.

DISTRICT OF ——— ———,

PORT OF ——— ———.

I, ——— ———, Master of the vessel called the ——— of ——— tons, do * ——— that I am a citizen of the United States, having been † ———, ‡ and that such vessel shall not, while her license continues in force, be employed in any manner whereby the revenue of the United States may be defrauded: So help me God.

——— ———,
——— ———.

PORT OF ——— ———.

Sworn to before me this —— day of ———, 19—.

——— ———,
Collector.

* Insert "swear" or "affirm."

† Insert "born within the limits thereof" or "naturalized in the State of ——, on the — day of ——, 19—, by ——— ———," stating the act or order of naturalization, and by what court or board.

‡ Strike out words, "and that such vessel shall not, while her license continues in force, be employed in any manner whereby the revenue of the United States may be defrauded," for a registered vessel.

DEPARTMENT OF COMMERCE,
BUREAU OF NAVIGATION,
Washington, February 7, 1918.

Hon. CHARLES A. SULZER,
Delegate from Alaska,
House of Representatives.

DEAR SIR: Referring to your inquiry to-day I have to state that the records of this bureau disclose the following information:

John Annisket, of Klawock, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska, as owner and master of the motor boat *Peter A.*, 9 gross tons and 8 net, built in 1913 in Alaska. The date of the oath was November 12, 1917.

Alex Peel, of Hydaburg, Alaska, took the oath as owner, and William Peel took the oath as master, and they were accepted as American citizens by the customs officers of Alaska in connection with documenting the motor boat *Lawrence P.*, 20 gross tons and 13 net, built in 1917 in Alaska. The date of the oath was September 7, 1917.

George Demment, of Saakan, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska, and as owner and master of the motor boat *Winifred D.*, 28 gross tons and 26 net, built in 1913 in Alaska. The date of the oath was November 19, 1913.

Mike George took the oath and was accepted as an American citizen by the customs officers of Alaska, and as owner and master of the motor boat *Bertha*, 10 gross tons and 10 net, built in 1913 in Alaska. The date of the oath was May 19, 1913.

Edwin Scott, of Hydaburg, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska, and as owner and master of the motor boat *Marion*, 9 gross tons and 6 net, built in 1916 in Alaska. The date of the oath was July 6, 1916.

C. A. Demment, of Saakan, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska, and as owner and master of the motor boat *W. A. Kelly*, 14 gross tons and 9 net, built in 1910 in Alaska. The date of the oath was April 8, 1915.

Sam Douglas, of Hydaburg, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska, and as owner and master of the motor boat *Elsie D.*, 12 gross tons and 8 net, built in 1917 in Alaska. The date of the oath was October 5, 1917.

Peter Roberts, of Klawock, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska and as owner and master of the motor boat *Isabelle R.*, 20 gross tons and 13 net, built in 1914 in Alaska. The date of the oath was April 8, 1915.

Andrew Thomas, of Ketchikan, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska and as owner and master of the motor boat *Ruby*, 10 gross tons and 7 net, built in 1913 in Alaska. The date of the oath was May 14, 1915.

Walter Frank, of Kasaan, Alaska, took the oath and was accepted as an American citizen by the customs officers of Alaska and as owner and master of the motor boat *Pride*, 11 gross tons and 8 net, built in 1911 in Alaska. The date of the oath was January 13, 1916.

Respectfully,

E. T. CHAMBERLAIN, *Commissioner.*

UNITED STATES OF AMERICA,
Territory of Alaska, ss:

Charles W. Hawkesworth, being first duly sworn, upon oath deposes and says: That he is district superintendent of schools for the southeastern district of Alaska, and that the said schools are conducted under the United States Bureau of Education; that during the period from 1911 to 1916, inclusive, he was the teacher of the school under the said bureau at the town of Hydaburg, Alaska; that during his said connection with the said school he became well acquainted with the people and the conditions at said town of Hydaburg, and that the history of the said town is substantially as follows:

The young people of Howkan and Klinquan, from about 1900, had desired to move away from the two above-mentioned towns, where tribal customs were in vogue, and establish a new town where such customs would have no influence over them. They consulted with

various superintendents of schools under the Bureau of Education to see if the bureau would establish a school at a site which they would choose.

This was agreed upon, and in 1911 the town of Hydaburg was started, all of the people of Klinquan moving themselves there, and Thanksgiving Day, 1911, is the day celebrated as Founders' Day in the town. The people of Howkan came later, and also several from Kasaan.

The people immediately organized a cooperative store and a sawmill, stock selling at $10 a share, and without exception every family in town owned shares in both companies. A town council was organized, and all of the affairs of the town were taken care of by this elected council, as the records in the town now show.

In order to have a uniform civic action, it was understood by all the members of this community that only those who were born on American soil could enjoy the right of franchise; affiant states that he was at Sulzer, Alaska, when the election of 1914 took place and knows that only such natives as had been born on American soil, abandoned tribal customs, and adopted the habits of civilized life presented themselves at the polls and voted at that election; with reference to the general election of 1916, affiant states that he is personally acquainted with the natives who voted at Sulzer, Alaska, at such election, including the following persons: Alex Peele, George Haldane, Peter Nathlan, Benson Skulthka, J. S. Brown, Paul D. Morrison, Fred Grant, Charlie Scott, Mason Frank, Powell Charles, Thaddeus Isaacs, Matthew Scott, Jack George, David Nathlan, Boyd Nakathla, Albert Nathkang, Sam Douglas, Mike George, Luke Frank, Fred Wallace, Alex Yealthtatze, Robert Edenshaw, Hugh Rogo, James George, David Jason, Willie Skulthka, Edwin Scott, and Alex Spoon; and that all of said persons were born on American soil, had abandoned tribal customs, and adopted the habits of civilized life, and were in all respects qualified to vote at such election.

According to the property returns of the town there are some 34 gas boats owned by the people of Hydaburg. These boats are powered with heavy-duty engines, ranging from 15 to 40 horsepower capacity, all of which are licensed in the customhouse at either Ketchikan or Sulzer.

The people have built their own sidewalks, by cooperative public work, and have also built two wharves, as well as the town hall. The only outside assistance of any sort they have received has been assistance from the Bureau of Education in establishing the school and in the purchase of the sawmill equipment, the purchase price of which was paid back in 1913. Last year, at a church meeting, the question was up for discussion as to whether the town should receive funds from the Presbyterian Board of Home Missions for building a church or should they furnish everything themselves and thus own their own building. After considerable debate it was decided that they would ask for no assistance from anyone outside the town, but would erect a building by themselves. This was done, and the cornerstone laid, with the records of the town placed therein.

The town council deliberations are all conducted in regular parliamentary manner and in the English language. The elected magistrate decides cases as they are presented to him in much the same way that cases are handled in the courts of the Territory.

Affiant states that from his work with the people of Hydaburg from 1911 to 1916, he can confidently say that these people are actually citizens of the United States, because of having abandoned tribal relations and taken up the life and habits of civilized men and women as white people in similar circumstances elsewhere in Alaska.

CHAS. W. HAWKESWORTH.

Subscribed and sworn to before me this 5th day of December, 1917.

[SEAL.] JNO. R. WINN,
Notary Public for Alaska.

My commission expires October 21, 1919.

Mr. MOORES of Indiana. Mr. Speaker, I ask unanimous consent that one hour's time be granted to the contestant [Mr. Wickersham].

The SPEAKER. The gentleman from Indiana [Mr. MOORES], a member of the committee, asks unanimous consent that the contestant, Judge Wickersham, be granted one hour. Is there objection?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker and gentlemen of the House, some question has been made here as to my politics and as to how I received the nomination for Delegate from Alaska two years ago. As to my politics, permit me to say that I was appointed United States district judge in Alaska by William McKinley and four years after that I was reappointed by Theodore Roosevelt. I have always been a Republican. Now, as to my nomination two years ago for Delegate from Alaska, permit me to say that the Territorial Legislature of Alaska has provided by law for nomination by petition. It is the only way in which one can get on the official ballot; it is the way that my opponent's name got on the official ballot; and it is the way mine got on the official ballot two years ago; and it is the way mine got on the official ballot this time, although last year we had a primary election in the Territory of Alaska and I was nominated as a Republican in the primary election, and my name came on the ticket in that way. I do not see the gentleman from Ohio [Mr. LONGWORTH] here. He asked some question about my politics, and I want to say to him that among the most pleasant things I have ever received in a political way have been the telegrams received from Theodore Roosevelt congratulating me upon my election as the Republican Delegate from the Territory of Alaska. So I hope there will be no question about that. I do not want to appear before these Democratic jurors under any other than my true colors. I do not understand that that has anything to do with this case, however, but since the question was raised by the gentleman from Ohio, I think it is perfectly fair to put the facts before the House.

In the two days that I have listened to my distinguished opponent I have been very much interested to note how skillfully he has talked about two of the precincts in this Territory without mentioning the point at issue. I say skillfully, for I compliment him upon the skill with which he has gone around the real true situation in Afognak and Seldovia precincts. I never was in Afognak precinct in my life, and all I know about it is what I have gathered from the standard histories of the Territory of Alaska. I have been in Seldovia. I was there this fall and became acquainted with 150 or more strong, vigorous American fishermen who inhabit that vincinity and precinct, and who gave me a large majority of their votes. They are strong, vigorous, good Americans. There are no better people in the Territory of Alaska than the men who live in Seldovia precinct, who voted for me two years ago and who voted for me this fall. I have not been in Afognak and know few of the people there. My acquaintance with them has resulted almost wholly from communications from them to me with respect to official business, but I do know their history and I do know their legal status before the law. My opponent has stood here hour after hour talking to you about "the Indians" who live in Seldovia and Afognak precincts. He has pointed the finger of scorn at them because some of them are unable to read and write. He has called them "Indians," and has mentioned the "chief of the tribe," and has declared that there is no excuse for permitting them to vote because they are Indians.

But my opponent is not ignorant of the true situation. There is in southwestern Alaska a population composed of people who have lived there, many of them, they and their ancestors for more than a hundred years. More than 100 years ago the Russians came into that region, settled there, intermarried with the Aleuts, and the half-breed Aleut-Russians inhabit Unalaska and Unga and Kodiak and Afognak, and some of them live at Seldovia. They are a mild, quiet, gentle people. The record before this House is full of evidence with respect to them. Father Kashevarof, their priest, was on the witness stand. He is their parochial priest, their guide; he gives their names and their birth, marriage, and death records. He states that they belong to his church, he gives their relationship to him and to his church. They are all his church members. They all belong to the Russian Orthodox Greek Church. They are substantial, quiet citizens. They lived in the Territory of Alaska long before Mr. Sulzer or I came there. Their church is there, their homes are there, their families are there; most of them engaged in fishing. They are a quiet, gentle sort of people. All of these people whom he has been talking about and calling "Indians" are by descent Russian half-breeds. He read you their names and pointed the finger of scorn at them because they had foreign names. Granted that they have, they are honest names.

Mr. GOODWIN of Arkansas. Are they still tribal Indians?

Mr. WICKERSHAM. No. Now I want to call your attention to that situation for a moment. These people have rights.

Mr. ELSTON. Do these so-called Indians wear the old-time Indian costumes and have they European customs and European habits?

Mr. WICKERSHAM. They have European habits and wear European costumes.

Mr. ELSTON. And they are not in any sense garbed up like the Indians of the West?

Mr. WICKERSHAM. No, sir; in no way, shape, or manner.

Now I want to call your attention to their civil status and to the people themselves. I get the testimony with respect to them from the fact that I have been with them and know them. While I was never at Afognak, I have been at Seldovia, Kodiak, and Unalaska. I have been at all these places, except Afognak. I know these people and have been acquainted with them for 20 years. I know their ministers, and a better class of people does not live anywhere in Alaska than these Russian-Aleut people. They are each and all citizens of the United States, made so by the solemn treaty contract between the United States and Russia. They have the right to vote, and merely because some were unable to read and write, merely because some of them said "no," and passed over the questions easily and got out of the situation without giving any particular information, does not show that they are not entitled to vote. It merely shows that they are a quiet, inoffensive people. Nine-tenths of them can read and write. Nine-tenths of them read and write either English or Russian. Churches were established among these people more than a century ago. Schools were established about the same time in Seldovia, Afognak, and Unalaska. They have been educated in their local schools and, as a class, they are well educated, as good a class of people as you will find in any agricultural population throughout the United States. It is true that you can pick out one here and there who is illiterate, and a sharp and shrewd lawyer getting them on the witness stand and finding that the witness is deficient in some way, asking questions and permitting him to say "no" to everything, can get evidence against him which, if applied to

the whole community, would make a very bad showing and specious argument, as the gentleman from Alaska did. But when you take them as a whole, they are an educated, civilized body, quiet, law-abiding, and almost without exception members of the Russian Greek Orthodox Church.

Mr. SHERWOOD. Will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. SHERWOOD. It is claimed by the sitting Member that he did not have an opportunity to reply in rebuttal to your testimony. How is that?

Mr. WICKERSHAM. My opponent made application to the committee on two occasions for leave to put something before the committee, either to introduce new testimony or to prepare and introduce new briefs. I think he had that opportunity on two occasions granted to him, and on one occasion when I knew nothing about it, but I did not object.

The taking of testimony in his case was begun in May, 1917. I took my testimony in the city of Washington in May, 1917, almost two years ago. The gentleman from Georgia [Mr. HOWARD] made some statements yesterday that appealed to me very strongly, and I thank him for making them. Then in July, 1917, following, we took additional testimony, and the taking of testimony was closed on the 9th day of August, 1917. The case was at issue practically at that time, upon the pleadings and all the evidence. This is January, 1919, and the committee has not refused anything that my opponent has asked of them. They have given him every opportunity to introduce testimony, to introduce briefs, and to appear before them in any and every way he has desired. Now, after almost two years has gone by, he comes in and says he has had no opportunity to be heard.

I want to go back and talk about these people in Afognak and Seldovia. I have gone over the record very carefully, and I find that there are 17 persons pointed out in the testimony in Afognak and Seldovia about whose voting there is some evidence in the record. Eight of these persons admitted that they voted for me. One said he voted for the "new man," which meant my opponent. The other seven said they did not know who they voted for.

If you knew these people—the quiet, inoffensive, gentle Aleuts—you would understand why they say they do not know. They just let it go at that. A cunning attorney encouraged them to do that, so as to make the record as bad against them as possible.

The Russian-Aleut voters, 17 in number, which have been shown to have voted at Afognak and Seldovia, who were examined, said that 8 voted for me, 1 for my opponent, and 7 said they did not know. That is all there is to it. My opponent gave notice that he would take the testimony of a large number, but they did not examine all of them. They had the records in their possession and knew their names, and they could interrogate them all, but they did not. That is the record with respect to these people.

Afognak was settled by the Russians in 1780, nearly 140 years ago, and ever since it has been inhabited by the Russians and their children. Afognak and Kodiak were called the garden spots of Alaska. Kodiak was the first capital of Alaska, made the capital about 1776, about the time of the beginning of the Revolutionary War. Churches and schools were built there soon after that, and these people have been living quietly and peaceably from that time to this.

In Bancroft's History of Alaska, 1890, which is the standard history with respect to Alaska, it is said about these localities:

> The islands of Kodiak and Afognak, "the garden spots of Alaska," as they are termed, enjoy more sunshine and fair weather than any portion of the Territory, with the exception, perhaps, of some favored spots of Cooks Inlet.
>
> The village of St. Paul, or Kodiak, contained in 1880 about 400 inhabitants, a large population of whom were Creoles.

A Creole is half Aleut and half Russian, or quarter blood, as the case may be. He is a mixture of Russian and Aleut. The Aleuts live along that coast from the mouth of the Copper River to the westward, out to the end of the Aleutian Islands.

Bancroft further says:

> The village of Afognak, on the island of the same name, separated by a narrow channel from the northern shore of Kodiak Island, is one of the most thriving settlements in Alaska. Though mountainous, and in some parts thickly wooded, the cutting of timber and firewood being one of its chief industries, it contains many spots suitable for pasture and agriculture. Boat building is also a profitable occupation. Many of the inhabitants, who now muster about 350, live in substantial frame houses, this being one of the few places in the Territory where any considerable number of dwellings other than log huts are to be found.

That was the description of Afognak and her people in 1890, about 30 years ago, as contained in the standard history of the Territory of Alaska. I could go on and give you more historical information about them, but it is all in this record. The record in this case is very full with respect to their being church members, with respect to Father Kashevarof and parochial schools and the parochial residence there, and the fact that they all belong to his church. All of them were asked if they belonged to his church, and all of them answered in the affirmative. With that admission, and it is an admission because it is not denied anywhere, I want to call your attention to their civil status.

In 1867 we purchased Alaska. At that time there were probably three or four thousand Creoles living along that coast from the mouth of the Copper River westward to Unalaska. They were Creoles, mind you. They were half-breeds, they were quarter-breeds, three-quarter breeds, and one of them became the governor of Alaska. One of these quarter-breed Aleuts became the governor of Alaska and another one engraved the great coast and geodetic charts of Alaska. He was a cartographer, skillful in the use of the pen, and made wonderful maps of Alaska, and you will find them all in Tebenkof's atlas of Alaska, consisting of 39 great charts, made in 1854. They were an educated people, a fishing and fur-producing population. Some arrangements had to be made by the Russian minister who signed the treaty with the United States for the purchase of Alaska about the protection of these people and their rights, and the treaty does make that provision, and it is a naturalization law. It is a law which naturalizes everyone of those residents of Afognak and Seldovia who are named in the evidence—in the record—as witnesses and voters. They have no need to be naturalized by any other laws of the United States, because they are naturalized by the treaty of 1867, in the third section, which reads as follows:

> ARTICLE III.
>
> The inhabitants of the ceded territory, according to their choice, reserving their natural allegiance, may return to Russia within three years, but if they should prefer to remain in the ceded territory they, with the exception of the uncivilized native tribes, shall be admitted to all the rights, advantages, and immunities of citizens of the United States, and shall be maintained and protected in the free enjoyment of their liberty, property, and religion. The uncivilized tribes will be subject to such laws and regulations as the United States may from time to time adopt in regard to aboriginal tribes of that country.

You will notice that this provision not only protects them in their property rights and their religion, but it makes citizens of the United States out of all those who shall remain in Alaska after three years. The provision used here to naturalize are the words which naturalized the inhabitants of the Floridas in the treaty by which we acquired the Florida cession from Spain in 1818, and they are almost the identical words, the substantial words, of the treaty by which we obtained the Louisiana Purchase at an earlier date. Those words have been before the courts on many occasions, and the United States Supreme Court and the lesser courts have held that those words naturalize the inhabitants of the ceded territory. So that when these Russian half-breeds remained in Alaska Territory for three years after 1867 they became by virtue of that provision of the treaty, ipso facto, citizens of the United States, with a right to cast their ballot without any naturalization law being passed by the Congress. Congress approved that treaty, and some of these questions were raised at the time the treaty was approved in Congress by Senator Cullom, from Illinois, who was then a Representative from that State. The treaty was approved with the distinct understanding that it had that effect. It has so been held by the courts from that day to this, and every one of these natives that my friend called Indians—and the evidence is perfectly clear that they are half-breed Russians, all down the line, all belonging to the Russian Greek Church—are American citizens, and it is not necessary that they should read or write to be entitled to cast a legal vote. We have no literacy qualification in Alaska. If you are 21 years of age, and have lived in the Territory one year and in the precinct 30 days, you are entitled to vote in Alaska, if you are a citizen of the United States as these people are.

Mr. SHERWOOD. Does that apply to soldiers in Alaska doing garrison duty?

Mr. WICKERSHAM. It does not, but it applies to all of these people at Afognak and Seldovia, who were born there, the data of whose births Father Kashevarof gave in his testimony, all of which appears in this record in detail.

Mr. BARNHART. Mr. Speaker, will the gentleman give us his idea of the meaning of the word "Tribes"?

Mr. WICKERSHAM. Yes; although it may be very indefinite, and I doubt if it will be satisfactory to me when I see it in print in the morning. But so far as it relates to Indians, it has relation to an aggregation of Indians who are recognized at least by the Government of the United States within her territories as having probably one language, living in the same community, being guided and controlled within that community by the same general cultural standards.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. COOPER of Wisconsin. Do they own property in severalty up there?

Mr. WICKERSHAM. All of them do; yes.

Mr. COOPER of Wisconsin. They do not own it as a tribe usually owns it—under the control of the chief?

Mr. WICKERSHAM. No; there is no tribal property.

Mr. COOPER of Wisconsin. Each man owns his own property?

Mr. WICKERSHAM. Yes; and the record is perfectly clear about that, and when the committee had this matter before them I argued it before the committee, as did my opponent. We argued it freely and fully to the committee, and the committee was advised about all of these various matters. I believe the committee was earnest and honest. They certainly had time enough to decide the case right, and they did decide it according to the law and the evidence.

Mr. ELSTON. Will the gentleman permit a question?

Mr. WICKERSHAM. I yield.

Mr. ELSTON. Do they act through a trustee?

Mr. WICKERSHAM. Under no condition.

Mr. ELSTON. None whatever?

Mr. WICKERSHAM. None whatever.

Mr. ELSTON. Their tribal relationship is merely a traditional affair?

Mr. WICKERSHAM. It is not only traditional but has not had any force among them for a hundred years.

Mr. ELSTON. Their recognition of the chief is merely traditional, too, without any authority, or has he any authority over them by law or custom?

Mr. WICKERSHAM. None whatever.

Mr. ELSTON. They merely look upon it as being an honor to him, and so forth?

Mr. WICKERSHAM. Not only that, but if my opponent will read the record and would make a fair statement to this House, he would say to this House there was proof from the evidence of some of these men who are best qualified to speak that their local organization is a sort of town-meeting organization somewhat after the Russian type—a sort of town-meeting organization, as we in America understand it.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. WICKERSHAM. And it is that sort of an organization that these Russian Aleuts have maintained in southwestern Alaska, and nothing more. I yield to the gentleman.

Mr. CAMPBELL of Kansas. There are citizens, yes, there are United States Senators and Members of Congress, who are known as members of certain tribes of Indians in Oklahoma to-day?

Mr. WICKERSHAM. Yes; some in the House.

Mr. CAMPBELL of Kansas. Those tribes have chiefs?

Mr. WICKERSHAM. Yes; as fairly as those mentioned in this record.

Mr. CAMPBELL of Kansas. Though they own their land in severalty and they are citizens for all purposes?

Mr. WICKERSHAM. Yes; just as the Russian Aleuts do.

Mr. CAMPBELL of Kansas. They do recognize tribes of Indians——

Mr. HARRISON of Mississippi. Will the gentleman yield?

Mr. WICKERSHAM. I have but a short time.

Mr. HARRISON of Mississippi. I wanted to ask the gentleman if these Indians were modeled after the present Russian type or after the old Russian type?

Mr. WICKERSHAM. After the old Russian type. I thank the gentleman for asking the question, because there is no Bolshevikism among them; they are mild, gentle, church-going, God-fearing people. These facts appear as a part of the history of our country, and this House and the courts of this land will take judicial notice of a fact of that kind. But it may occur to some one to ask when the question of the citizenship of these people in the Seldovia and Afognak precincts was raised why I did not make an allegation that the people at Kodiak and Unalaska and various other places inhabited by them were of the same type and therefore not citizens? Now, Mr. Sulzer got majorities in other precincts, as the record shows, while I had a majority in two—Afognak and Seldovia. Mr. Sulzer had majorities in four others. He brought a contest against the two precincts where I had majorities, alleging their want of citizenship, when as a matter of fact the same character exists in the other four precincts where he got greater majorities than I did in those two. You may say, "Why should you not make the same allegation and throw those precincts out?" Unfortunately for me, I was district judge in Alaska for eight years, and during that period it became my duty at one time to consider this matter and to write a very elaborate and very learned opinion upon the status of these people. I am sure it was elaborate and I am willing to admit it was learned. [Laughter and applause.] In that opinion, delivered, I think, in 1902 or 1903, which will be found in Second Alaskan Reports, page 200, I had occasion to go over the entire status and history of these people, and I held they were all American citizens and had all the rights of such citizens. So when this contest came up I could not go back on my former decision in the case and stultify myself by declaring the people in these precincts were not citizens of the United States and were not authorized to vote for Mr. Sulzer and whose votes ought to be thrown out. I could not do that, because if I did somebody would refer to this decision, and I would be barred by it; and for that reason I could not do it. My judgment then was and my judgment now is that they were all citizens of the United States and had the right to vote for Mr. Sulzer or for me. You will find the opinion mentioned in the case of In re Minook, Second Alaska, page 200.

When we purchased Alaska in 1867 we found a local system of government there. We found this system of government in the Territory of Alaska at that time, and it had existed there since 1799. In 1799 the Czar granted the first great charter to the Russian-American Co. in Russian America, now Alaska. He granted a subsequent charter in 1841, and in 1867, when we took over the Territory, the laws under those charters were in force there.

It is interesting to read those charters, to discover how broad and liberal they were. I am going to read you that portion of the charter of 1841 and of the rules and regulations promulgated thereunder by the Czar, having the force of law in the Territory in 1867, and which fixed the status of these Russian-Aleuts at the time we purchased the Territory. Article III of that charter provided:

ARTICLE III.

OF THE CREOLES.

SEC. 236. Children born of a European or Siberian father and a native American mother, or if a native American father and a European or Siberian mother, shall be regarded as Creoles equally with the children of these latter, of whom a special record is preserved.

SEC. 237. The Creoles are Russian subjects, and as such shall have a right to the lawful protection of the Government, equally with all other subjects belonging to the rank of commoners, even should they not, by merit and for special cause, acquire the rights extended to people belonging to a different station.

Now, that was the status of these people when we took over this country in 1867. They were commoners; they were subjects of the Russian Empire, and had all of the rights in Russian America, now the Territory of Alaska, that any other Russian subject had at that time, including the right to remain there for three years and become American citizens, under Article III of the treaty of cession. And these people did remain at Afognak and Seldovia, members of Father Kashevarof's church, as the record shows. Their grandfathers and grandmothers and their fathers and mothers were there at the time, and all became citizens of the United States under the treaty provisions, because they were citizens of Russia in Alaska at that time, and their previous status was fixed in Russian America by the law of Russia applicable to the country at that time.

I am technically correct in saying that Afognak and Seldovia were Russian communities and that those people had all the rights as Russian subjects at the time of the purchase.

Article IV of the imperial ukase of 1841, which was in force when we purchased Alaska in 1867, provides also:

ARTICLE IV.

OF THE SETTLED TRIBES.

SEC. 247. The settled tribes in the colonies include the inhabitants of the Kurile Islands, the Aleutian Islands, Kadiak and the adjacent islands, and the Alaska Peninsula, as also the natives living on the shores of America, such as the Kenai natives, the Chugach, etc.

Now, that covers Seldovia and Afognak, Kadiak, and Unalaska. That covered every Russian settlement from the mouth of the Copper River westward to Unalaska and all the Russian settlements of those people in that territory except that at Sitka, which is not included.

SEC. 248. The settled tribes professing the Christian belief are not designated by any special name; those professing the native faith shall be styled, for the purpose of discrimination, "settled tribes of other religions."

SEC. 249. These people are recognized by the Government—equally with all the others—as Russian subjects. So long as they remain in the colonies they shall constitute a distinct rank of people, and shall not be entitled, by meritorious service or for any other cause, to pass into another condition.

Of course, without consent of the Russian Government.

SEC. 250. As Russian subjects, they shall conform to the common laws of the Government and shall enjoy the protection thereof.

Now, we have another class of natives in Alaska, dependent upon the colonial authorities, living in the colonial possessions, and they are provided for in this treaty as uncivilized native tribes, living outside of the jurisdiction of the Russian-American Co. but trading with them.

ARTICLE V.

TRIBES NOT WHOLLY DEPENDENT ON THE COLONIAL AUTHORITY BUT LIVING IN THE COLONIAL POSSESSIONS.

SEC. 280. The tribes dwelling within the boundaries of the Russian colonies, but not wholly dependent, shall enjoy the protection of the colonial administration only on making request therefor, and when such request is deemed worthy of consideration.

SEC. 285. The relations of the colonial administration with the independent tribes shall be limited to the exchange, by mutual consent, of European wares for furs and native products.

Now, I have gone thus far into this matter, because so much stress has been laid upon the character of the voters of Seldovia and Afognak by the gentleman on the other side. He has called them "Indians," and has never once been fair with you jurors by mentioning that they were Russian half-breeds, Russian creoles, and are specifically made citizens by the laws, first of Russia, and then of the United States.

Oh, but he says one of them could not read or write. Well, there are a great many voters in this country who can not read and write. Theoretically, all the negroes in the United States can vote, but as a matter of fact there are a great many of them who can neither read nor write. There are a great many white people who go to the polls and vote in New York City who can neither read nor write the English language. There is probably not a gentleman upon the floor who has not more people in his district who can neither read nor write than are to be found in the Russian villages from the Copper River westward to Unalaska. The people there do read and write, but many of them only read and write the Russian language.

As to those who are said to have voted for me and whom Mr. SULZER desires to have stricken from the record because they can not read or write, Ivan Derenoff comes first. And you find from page 267 of the record that he reads and writes Russian; probably not English. John Taushwak, about whom so much was said, who is a Russian-Aleut creole, reads and writes English. John Taushwak is an educated man and an influential one in that community; a good citizen born in Alaska.

Anton Dolchak reads and writes English. Savarian Jakaloff speaks English, and so does Gregory Foxy. Mike Dolchok, who was mentioned, reads and writes English, as you will find on page 296 of this record. One man, Zakar Chonkua, can not read or write; and Steve E. Sorokovikoff, page 297 of the record, reads and writes English.

The first schools in that northern country were established at Kodiak. Before there was a school in California or Oregon or the State of Washington there were schools in Kodiak, and churches, and these challenged voters are the sons and daughters of Russian people who lived there for more than a century and have had the advantages of this schooling and the advantages of religious instruction from Father Kashevarof and other good men of that kind. They are not Indians, and I could not claim that in making my contest against my opponent, because I knew better. And he dare not set the truth up and challenge Kodiak and Unalaska, where exactly the same population lives that resides at Seldovia and at Afognak, because there he had the vote; there he had the majority; and to challenge that vote would rob him of his majority, and if I should do it it would stultify me, because I knew they were American citizens.

The same situation exists at St. Michael. St. Michael was not settled until about 1838, but from that time to this it has been a civilized community, inhabited by Russians and their descendants, who are the voters now there. The old Russian church stands there yet alongside of the old Russian blockhouse, and the old Russian minister is there. There are old Russians and young Russians, and a Russian half-breed population there; and they voted a majority for my opponent, and I have not challenged their right to vote. They are the cousins of the people who live at Unalakleet, of the same class and kind.

My opponent has challenged Unalakleet because there I had a majority, whereas at St. Michael he had the majority. St. Michael is called "St. Michael No. 1." Unalakleet is called "St. Michael No. 2." It is just across the bay, some little distance away. There is no difference in the character of the population. They are the same class of people. The records of our case are full and complete, the Census Bureau and all the Government publications are full and complete upon the character and the status of the people at Unalakleet, St. Michael, and from Unalaska to the mouth of the Copper River, and as to the St. Michael district there is plenty of evidence in the record, too. The evidence taken about Unalakleet shows, just as it does in Afognak and Seldovia, that the so-called Indians are members of the Greek Church and have lived there all of their lives. But either the attorney for the contestee or my attorney forgot it, and nobody asked the voters in Unalakleet for whom they voted, so that the record with respect to Unalakleet does not show who the challenged elector voted for. The evidence shows a lot of discussion between a couple of lawyers up at Nome, who took the evidence, about matters of law that have nothing to do with this case; but it does not show who these people voted for. The evidence about Afognak and Seldovia shows that 17 of them were interrogated as to whom they voted for, and 8 said they voted for me and 7 of them said they did not know whom they voted for. The cunning lawyer on the other side let them do it and did not get any information out of them, because that was exactly what he wanted.

We have another class of native people in Alaska, and that class is also referred to by the treaty of 1867. Those people are referred to as "uncivilized native tribes," and as to them the treaty provides:

The uncivilized tribes will be subject to such laws and regulations as the United States may from time to time adopt in regard to aboriginal tribes of that country.

They are to be controlled by laws applicable generally to the Indians in the United States. That distinction is made in the treaty of 1867, showing that their treaty rights are strictly preserved, and the distinction is made between Indians on the one hand and these inhabitants or subjects of Russia on the other hand; their rights are separate and distinct and are preserved separately one from the other in the treaty.

Now, my opponent told you that at the Hyda Indian Reservation those people were highly educated and intelligent; that they were qualified voters; and he expatiated upon their qualifications as good citizens at great length and declared that they did not live on an Indian reservation. The testimony shows that they do all live on an Indian reservation. We took the testimony of witnesses there at Craig upon notice given by my opponent. He gave me notice to take that testimony, declaring that a number of them offered to vote at Craig and were denied, though entitled to vote. I had a moment of leisure, and I went there and assisted in taking that testimony. Only two Indians appeared who claimed to have been denied their right to vote—R. J. Peratovitch and George Demmert. My opponent had a beautiful picture of C. W. Demmert, which he exhibited here yesterday, but the record, page 338, shows, without any doubt, it was George Demmert and not C. W. who thus appeared.

Mr. SHERWOOD. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. SHERWOOD. It is said by the sitting Member that there are no Indian reservations in Alaska.

Mr. WICKERSHAM. Yes. The sitting Member said that, and repeated it many times.

Mr. SHERWOOD. I would like to know about it.

Mr. WICKERSHAM. I think that statement of the sitting Member is fairly representative of the wild, exaggerated statements that he has been making to this House for two days; he said that there are no Indian reservations in Alaska. He looked you men in the eye and said: "There are no Indian reservations in Alaska." Every one of those natives who is said to have come to Craig to vote was an Indian from an Indian reservation. There were only two of them who came and testified, Peratovitch and Demmert. Peratovitch testified that his father was an Austrian who had run away from an Austrian ship and had gone up there, and that he was the son of that Austrian. I asked him whether his father had ever been naturalized. He said he did not know whether he had been or not. He thought he had seen his first intention papers. There is no proof that he ever was naturalized, and the proof is perfectly clear that he never was. So here is the son of an Austrian, a foreigner, who claimed the right to vote at that precinct. He took the legal status of his father as an Austrian, and if there was no other objection to him that was a good one, and he ought not to have been allowed to vote because he was an Austrian. But he lived on an Indian reservation and claimed to be an Indian, and that, under the law, disqualifies him.

Now, Gen. SHERWOOD asks here if there is an Indian reservation up there. I filed with the committee, and the committee has it in evidence——

Mr. CROSSER. Mr. Speaker, will the gentleman yield there?

Mr. WICKERSHAM. Yes.

Mr. CROSSER. Do I understand the gentleman to say that this Austrian was born in Alaska?

Mr. WICKERSHAM. Yes.

Mr. CROSSER. Would not that make him a citizen of the United States?

Mr. WICKERSHAM. Possibly it would, if he was not otherwise disqualified. I will state the fact to you fairly. I filed with the committee a copy, an official copy, of the Executive order creating the Hydah Indian Reservation. I will insert it in full, but I am going now to read all of it except that part which relates to the description. It is an Executive order, made by the President of the United States. I read:

EXECUTIVE ORDER.

It is hereby ordered that the following land and water surfaces within the Tongass National Forest, surrounding the village of Hydaburg, in Alaska, be, and the same are hereby, reserved, subject to any vested rights, for use of the Hydah Tribe of Indians and such of the natives of Alaska as may settle within the limits of the reservation, viz:

Beginning at a large rock situated at the line of high tide and a few feet north of the sawmill in the village of Hydaburg, on the west coast of Prince of Wales Island, at approximately 55° 12′ N. latitude and 132° 48′ W. longitude, and at a cross chiseled on said rock, and running thence east 140 chains to a point for the middle of the east boundary of the reservation; thence north 140 chains to a point for a N. E. — corner; thence west 279.60 chains on land and the water of Sukkwan Strait to a point for the N. W. corner; thence south 280 chains on said strait and on land to a point for the S. W. corner; thence east 280 chains on said strait and on land to a point for the S. E. corner; thence north on the east boundary 140 chains to a point east of the place of beginning, including a tract 12.24 square miles (7,833.6 acres) with all islands and parts of islands within said boundary, as represented upon a diagram accompanying this order and made a part hereof.

WM. H. TAFT.

THE WHITE HOUSE, *June 19, 1912.*

The accompanying map attached to the Executive order is entitled as follows:

Reservation for the use of Hydah Tribe of Indians and other natives of Alaska as may settle thereon in Alaska. Total area 12.24 square miles, or 7,833.6 acres. Department of the Interior, Bureau of Education, P. P. Claxton, Commissioner.

That order established the Hydah Indian Reservation for "the use of the Hydah Tribe of Indians," but that is not the Klawak Reservation, where Peratovitch and Demmert lived. Here is the one that relates to them. It is an Executive order, issued by Woodrow Wilson. I read:

EXECUTIVE ORDER.

It is hereby ordered that the tract of land in Alaska, described as follows, in and surrounding the native village of Klawak and within the Tongass National Forest, be, and the same is hereby, reserved, subject to any vested rights existing, for the use of the United States Bureau of Education and of the natives of indigenous Alaskan race who may there reside, viz:

DESCRIPTION.

Beginning at a point on the shore of the salt bay or mouth of Klawak Stream, 114 links south of a post marked "U. S. I. R. 1," which is a witness to said point on shore and stands about 40 chains eastward from Klawak village; thence northerly by a marked line 58° 49′ chains to a point on the shore of Klawak Harbor which is 30 links north of a witness post marked "U. S. I. R. 2"; thence westerly along the shore, and then around the peninsula at the mean high-tide mark to point for corner No. 1, the place of beginning; situated approximately in latitude 55° 33′ north, longitude 133° 06′ west, and estimated to contain 230 acres, as represented upon a diagram accompanying this order and made a part thereof.

WOODROW WILSON.

THE WHITE HOUSE, *21 April, 1914.*

Then follows the description, which I do not read. This is dated the White House, April 21, 1914. To that is attached a map which is marked "Klawak Reservation, for the use of Klawak Indians, Alaska, embracing a tract of land in the Tongas National Forest, approximately 230 acres, Department of the Interior." It is under the Department of the Interior. Both these are made Indian reservations by Executive order of the President of the United States, which still stands. It establishes these reservations for the use of these particular Indian tribes and so designates them officially.

Mr. RUCKER. How much land is there?

Mr. WICKERSHAM. In the Klawak Indian Reservation there are 230 acres, and in the other reservation 12.24 square miles.

Mr. RANDALL. Are these reservations under the jurisdiction of the Commissioner of Indian Affairs, or under the Commissioner of Education?

Mr. WICKERSHAM. They are under the Department of the Interior, but they are conducted by the Commissioner of Education, and the officers of that bureau are there in charge of them. Mr. Hibbs, who testified here, was one of the officers in charge of the Klawak, and another officer from the Interior Department is in charge of the Hydaburg Reservation. They are both reservations in every sense that any other Indian reservation created by Executive order of the President of the United States is an Indian reservation.

Mr. FIELDS. Are the people who reside on these reservations entitled to vote, or are they deprived of the right?

Mr. WICKERSHAM. They have no right to vote, because they are classed as reservation Indians by the Executive order of the President establishing them reservations.

Mr. DILLON. Will the gentleman yield to me for one question there?

Mr. WICKERSHAM. Yes.

Mr. DILLON. Is there any evidence showing that these Indians have any lands in severalty?

Mr. WICKERSHAM. No; the evidence is all the other way. They all testified that they lived on the reservation. The Indian severalty law of 1887 provides—

And every Indian born within the limits of the United States who has voluntarily taken up within said limits his residence separate and apart from any tribe of Indians is hereby declared to be a citizen of the United States, and is entitled to all the rights, privileges, and immunities—

And so forth. In other words, before an Indian can acquire any right as a citizen, and therefore the right to vote, he must take up his residence separate and apart from any tribe of Indians and adopt the habits of civilized life. Now, he may adopt all the habits of civilized life that he desires when living on the reservation and he can not become a citizen or entitled to vote. As long as he continues in the status of a reservation Indian he can not vote. That has been decided too many times in Alaska to be in any doubt at all. It has been decided by the courts of the country many times as respects the status of these natives under the Indian severalty law of 1887. Every lawyer who has had occasion to look into matters of that kind knows what the law is and what it means, and it means that Demmert and Peratovich, who came from the Klawak Indian Reservation to Craig to vote, were not allowed to vote by the election officers there because they were challenged, for the reason that they were Indians and resided on an Indian reservation. My opponent grew very eloquent and talked loudly about a conspiracy in challenging their votes. That is all there was to the conspiracy. He testified very fully about everything that he thought was important to his case here, but he gave you no evidence upon that, except what I have repeated, and in line with it.

Now, I challenged the 28 Hydah Indian votes cast for him at Sulzer. He lived at Sulzer, in Sulzer precinct, and the Hydaburg Reservation is in that precinct. Twenty-eight of the people from that reservation, as the record shows very fully and completely, came over to Sulzer and voted, and they voted for him. How do I know? Well, I can tell you how I know. There were 72 votes cast in the precinct, and I got only 2, and I learned who cast those 2. That was testified to in the record, and that left him the 28 Indians. They came over to Sulzer and voted for him two years ago. They came from an Indian reservation, where they resided as Indians. Oh, but he says, they can, some of them, read and write; and Demmert and Peratovich are put on the witness stand here as exhibits. Well, one of them does run a little store and the other, I think, runs a boat or something of that kind. They are pretty good men. I have known them as long as my opponent has. Some years ago, when I had occasion to make a speech up there, I gave that bunch of fellows a great big American flag, and they have it yet, and they are very proud of it. I know them very well, and a good many of them are bright Indians. You all know how the boys who go to Indian schools turn out. Many of them are bright young men, and many of these young men on these reservations, if they had the status of voters, would make good voters. I make no complaint against the men themselves—that is, Demmert and Peratovich—but, of course, there are a lot of old Indians there who can neither read nor write, who can not speak a word of English, who can speak only a little Chinook jargon, or the Klawak or Hydah Indian tongues. Those two men—Demmert and Peratovich—can read and write and are fairly intelligent men. If they did not live on this Indian reservation and resided separate and apart therefrom, they would be legal voters.

If they would abandon the Indian reservation, under the Indian severalty law of 1887, and take up their residence separate and apart from any tribe of Indians, they might be entitled to vote. Oh, well, you may say that is not very liberal, but it is the law. The finest mind in France or England or any foreign country might come to America and stay here his whole lifetime and not be entitled to vote. He might be a philosopher, a great financier, a Christian nobleman, but that would not entitle him to vote. The Supreme Court of the United States has passed on that question in the Elk case long ago. (Elk *v.* Wilkins, 112 U. S., 94.) It said in that case that while it may be that these accomplishments would justify Congress in making him a citizen, it does not of itself make him one. It requires naturalization, and Congress has passed a naturalization law with respect to these Indians in Alaska—the Indian severalty act of 1887—and they must comply with its terms before they can vote. Those who live on the Hydah and Klawak Indian Reservations are not entitled to vote under the act of Congress because they have not taken up their residence separate and apart from the tribe and adopted the habits of civilized life. They are no more entitled to vote than a Frenchman or Englishman or any other foreigner who first comes into this country, however well he may otherwise be qualified.

There is a great deal more about this matter that my opponent has talked about that I will not have time to discuss. He read to you the testimony of Mr. Hibbs, the agent in charge of the Klawak Reservation, and other people showing the qualifications of these men, showing that some of them are educated, which I admit, showing that some can read and write, which I admit, showing that one runs a store on the

reservation at the Indian camp, which I admit. He also quoted from the testimony of the deputy marshal, who was on the witness stand as his witness, in support of their cleverness, but when I got a chance to cross-examine him this is his testimony:

Q. Mr. Calhoun, if you saw a saloon keeper sell one of these Indians or half-breeds intoxicating liquors, would you have him arrested for it?—A. I would.
Q. You know they are Indians, don't you?—A. Yes.
Q. You know they reside on an Indian reservation, on an island set apart for their use by an order of the President, don't you?—A. I do.
Q. You know that the Government teacher, employed by the United States Bureau of Education, is there in charge of their schools and business, don't you?—A. I do.
Q. You know the white children do not go to the school on that reservation, don't you?—A. I do.
Q. You know that white men are not allowed to settle on that reservation, don't you?—A. Unless they were there prior to the time it was set aside.
Q. There are about 300 Indians residing on that reservation, are there not?—A. Yes.
Q. How many white men and women and children reside there, and what do they do?—A. Nine, to my knowledge; missionaries, school teachers, fishermen.
Q. How many missionaries, including children?—A. Four.
Q. Mr. Bromley and his wife and two children?—A. Yes, sir.
Q. How many in Mr. Hibb's family?—A. Two. And during schooltime they have another teacher living there.
Q. What other white men or persons live there?—A. George Nelson, Jack Brady, Mose Morrsion; there may be others, but that is all I can think of now.
Q. Are they married to Indian women?—A. Brady is not.
Q. How does it come that he is allowed to remain there?—A. He has a settler's right, as I understand it.
Q. Secured prior to the withdrawal of the land for Indian purposes?—A. I think so.

This is the testimony of the United States marshal, Mr. Calhoun, who stays there in front of this Klawak Reservation to keep people from selling liquor to the Indians. If they were citizens of the United States they would have a right to buy liquor, but they are not; they are reservation Indians.

The SPEAKER. The time of the gentleman from Alaska has expired.

Mr. MOORES of Indiana. Mr. Speaker, I ask unanimous consent that the time of the gentleman be extended 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WICKERSHAM. Now, with respect to the soldier vote at Fort Gibbon I want to talk to my Democratic brethren, for I suppose I may be allowed to call them brothers at least. These enlisted men at Fort Gibbon were stationed on a military reservation. I went to the War Department and got a certified copy of the record showing that each one of the 33 at Fort Gibbon had enlisted in some State—New York, California, or some other State—and had been transferred to Alaska by orders of a superior officer. That was filed with the committee. There were eight of these men at Fairbanks, and I got such certified copies with respect to them, and of the four at Eagle. Those certified copies of the record of these soldiers were obtained from the War Department under a legal and proper rule and filed, without any exception; and it established the fact that as to these men, every one of them had been enlisted in a State of the United States and sent to Alaska by orders of the superior officer. They voted on election day; they were challenged and they swore in the votes and cast them. Of course I knew from outside evidence that they voted against me and for my opponent. I challenged their right to vote and presented the objection fully to the committee.

Mr. SHERWOOD. How long had these men been in Alaska?

Mr. WICKERSHAM. Some had been there more than a year, perhaps all of them.

Now, the evidence shows that on election day there was posted at Fort Gibbons the following notice:

[Memorandum.]

HEADQUARTERS FORT GIBBON, ALASKA,
November 6, 1916.

Under date of October 17, 1916, the United States attorney of the fourth judicial district of Alaska, has expressed the opinion that enlisted men are entitled to vote at the coming election, provided they are citizens of the United States and have been residents of Alaska for one year and have resided within the district for 30 days immediately preceding the date of election.

The attention of all is invited to the fact that only actual and legal residents of Alaska are entitled to vote; that a declaration of legal residence in Alaska forfeits the legal residence of the voter in his permanent domicile, as no citizen can have legal residence in more than one State.

Enlisted men desiring to vote will see the commanding officer in his office before doing so.

S. B. MCINTYRE,
Captain, Fourteenth Infantry, Commanding.

And under these orders from headquarters 30 enlisted men belonging to that command, residing in military post at Fort Gibbon, on a military reservation, were marched to the polls at the congressional election and voted for Mr. Sulzer.

Now, here is what happened. The minute I served notice on my opponent that I was going to take testimony, he sent a telegram to the district judge in Alaska, saying this:

Wickersham will take testimony 33 soldiers, Tanana, June 6; Fairbanks, June 12, before Henry Ray. Wickersham states soldiers challenged, but made oath they were qualified. Soldiers in Alaska one year prior election entitled vote if he intends residence after discharge. Have me represented by reliable person. Answer fully, collect.

And then he wrote to another person:

I think the judge will look after this particular point.

He did; and when we were there to take their testimony they had these soldiers posted so that they would not answer. Some of them broke over and did answer that they voted for Sulzer, but the most of them simply said that they refused to answer. Well, what are you going to do about it? The record is full of all that. It shows that the attorney of my opponent had these soldiers fixed so that they would not answer as to how they voted. They did not answer, the most of them.

Mr. LARSEN. Will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. LARSEN. Does the record show what your opponent did to keep these parties from answering?

Mr. WICKERSHAM. The attorney who represented him made objection to their answering, and the district attorney wrote a letter, in which he advised them that they did not have to answer unless they wished to.

Mr. LARSEN. The gentleman stated that his opponent did so and so to prevent them.

Mr. WICKERSHAM. I referred to the telegram he sent. It is all in the record; the committee had all this before them.

Mr. GOODWIN of Arkansas. Mr. Speaker, the gentleman said a while ago that the record was full of facts showing that these soldiers were instructed or "fixed" before they went there, that they were instructed by the gentleman's opponent not to answer. I want the gentleman to refer to the record of that.

Mr. WICKERSHAM. What I said was that I read his telegram, and that his attorneys out there gave this sort of instruction to these people, and that they did not answer. Their objection will be found at page 169 of the record, and the attorneys' names on 170 and 171 of the record.

Mr. GOODWIN of Arkansas. The gentleman said that they were fixed by him.

Mr. WICKERSHAM. Yes; through his attorneys. See pages 169 to 171 of the record. Oh, he was not there personally. His attorneys were, however. Here, for instance, is the first man, Robert Loghry. Let me read his testimony:

Q. State your name and age.—A. Robert Loghry, age 40 years.
Q. What was your business, occupation, or profession on November 7, 1916?—A. Master signal electrician at Fairbanks, Alaska.
Q. Give the place of your last enlistment in the United States Army prior to that date.—A. Fort Leavenworth, Kans.
Q. Did you come to Alaska in the service as a soldier?—A. I did.
Q. Has that been your occupation since coming to Alaska?—A. It has.
Q. Did you on November 7, 1916, vote in Fairbanks precinct, Alaska, at an election then and there held for Delegate to Congress from Alaska?—A. I did.
Q. Did you then and there vote for Charles A. Sulzer for Delegate to Congress from Alaska?—A. I refuse to state.
Q. What reason do you give for your refusal?—A. I don't know as I have to give any reason. I do not think the notary has proper authority to take my testimony.
(The notary public here read to the witness sec. 116, chap. 8, Rev. Stat. U. S., 1878, providing penalty for failure to attend and testify, and upon further demand to the witness to answer the question the witness refused so to do.)
By Mr. Clegg, counsel for Mr. Sulzer:
Q. You are a citizen of the United States?—A. I am.
Q. Prior to November 7, 1916, how long had you resided in Alaska?—A. Since June 10, 1915.
Q. You are a married man, are you not?—A. I am.
Q. State whether or not your family has resided here with you during that time.—A. Yes.

ROBERT LOGHRY.

Subscribed and sworn to before me this 14th day of June, 1917.
[SEAL.] HENRY T. RAY,
Notary Public in and for Alaska.
My commission expires June 7, 1920.

And so it went all along the line. All of these soldiers refused to state, and the instructions of the district attorney and the objections of his attorneys—Mr. Sulzer's attorneys—are in the record, instructing them not to answer, at pages 169–171.

Mr. LARSEN. Mr. Speaker, does the gentleman contend that Mr. Sulzer instructed him to refuse to answer the questions?

Mr. WICKERSHAM. I have answered that. I contend that Mr. Sulzer sent his attorney instructions to represent him there and that his attorneys and these other people did prevent this testimony from being taken.

Mr. LARSEN. What evidence has the gentleman that Mr. Sulzer so instructed his attorney?

Mr. WICKERSHAM. The fact that his attorney did these things.

Mr. LARSEN. But where is the gentleman's authority for doing that?

Mr. WICKERSHAM. It is in this record, at pages 169–171.

Mr. LARSEN. Will the gentleman read that part of it?

Mr. WICKERSHAM. No; I will not, because I have only 30 minutes. If the gentleman wants it he can look it up. The committee has read it all through.

Mr. LARSEN. So far as getting time is concerned, I am perfectly willing that the gentleman have more time; but I am asking him in a courteous way whether he has anything in the record that shows that?

Mr. WICKERSHAM. Yes; at pages 169–171, record.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. COOPER of Wisconsin. I think the gentleman who has just questioned Judge Wickersham is mistaken as to what the judge said. I understood Judge Wickersham to say that Mr. Sulzer instructed his attorney to go there to represent him and that his attorney made the suggestions and objections.

Mr. WICKERSHAM. Yes; at pages 169–171, record.

Mr. COOPER of Wisconsin. He did not say that Mr. Sulzer instructed his attorneys to do such and such a thing.

Mr. LARSEN. That is the point of difference between the gentleman from Wisconsin and myself. My understanding is that he said that the contestee did so instruct.

Mr. WICKERSHAM. No, I did not say that; and if I did, I did not mean to say it, because the contestee was not there. He was here, and he sent the telegram which I read.

Mr. LARSEN. That is the point that I want information on.

Mr. WICKERSHAM. No; the contestee sent the telegram that I have read, and that telegram gave this sort of information with respect to these witnesses, and then the attorneys for the contestee there made the objections. Now, I think we have cleared that up and the record is perfectly clear and full on that.

Mr. HAMLIN. Is it not a fact, however, that those soldiers were within their rights under the law when they declined to answer?

Mr. WICKERSHAM. No; it is a crime, and in violation of the statute provided for taking testimony in contested-election cases.

Mr. HAMLIN. A crime not to tell for whom they voted?

Mr. WICKERSHAM. Yes; when they are not legal voters.

Mr. HAMLIN. Can they be made to divulge for whom they voted?

Mr. WICKERSHAM. Yes; when they were not legal voters.

Mr. HAMLIN. Then what do you do with the Indians who said they did not know for whom they voted?

Mr. WICKERSHAM. They are in the same category.

Mr. HAMLIN. But they were counted?

Mr. WICKERSHAM. Oh, no. You are asking about their civil status, under the law.

Mr. HAMLIN. I am asking about the question put to them, for whom they voted.

Mr. WICKERSHAM. The soldiers?

Mr. HAMLIN. Oh, they declined to answer; and would not they be within their rights when they declined?

Mr. WICKERSHAM. The gentleman can draw his own conclusion from the facts. I have stated the facts. Let me state why they declined to answer. The gentleman is a good Missouri Democrat and I am sure that he will appreciate this.

Mr. HAMLIN. I understood the gentleman to complain because the district attorney instructed them that they did not have to answer that kind of a question. Is not that true, as a matter of law?

Mr. WICKERSHAM. I do not think it is.

Mr. HAMLIN. I think it is.

Mr. WICKERSHAM. Very well. Here is why they declined to answer.

Mr. HAMLIN. I do not know why they declined to answer, but I think they were within their rights.

Mr. WICKERSHAM. The record shows on page 164.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. No. This man Robert Loghry on page 166 says that he declined to answer. On page 164 of the record it is shown that Robert Loghry was called and asked to be sworn and testify as a witness:

> Mr. Loghry refused to be sworn and refused to testify as requested, stating that he had been directed by his superior officer, First Lieut. M. H. Faust, stationed at Valdez, Alaska, not to be sworn or to give testimony in this proceeding unless the officer before whom the depositions were to be taken showed proper authority so to do under chapter 8, Revised Statutes, United States, 1878.

That is why he did not answer; and at page 165 we also find the following:

> Now, at 1 o'clock p. m., Cecil H. Clegg, Esq., being present, appeared James G. Coleman, Durwood M. Hocker, William A. Kirby, James E. Pegues, Austin L. Foster, Thomas G. Griffin, Harry Shutts, Raphael Myerson, Frank R. Moore, and Charles Agnetti, witnesses subpœnaed herein, and each being requested by me to be sworn and testify, each and all refused so to do, stating as grounds for refusal that they were acting under orders from their superior officer, said First Lieut. M. H. Faust aforesaid.

That is why they refused to answer, among others. Not only is that true with respect to these, but that is true with respect to all of them. These soldiers were marched down there and voted in violation of law, and then they were too cowardly to testify, and took refuge behind the fact that their superior officer had instructed them not to testify.

Mr. SHERWOOD. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. SHERWOOD. The gentleman read an order from an officer inviting the privates to see him before they voted.

Mr. WICKERSHAM. Yes.

Mr. SHERWOOD. Was this officer put on the stand to testify as to whether he was going to inquire as to their qualifications or to tell them how to vote?

Mr. WICKERSHAM. No; that testimony was taken by my opponent, and I do not think he was.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. RAKER. The gentleman referred to the deposition of the witness he just read. What was the page of that?

Mr. WICKERSHAM. Pages 164–165.

Mr. RAKER. Under the gentleman's contention and his reasoning that the witness was disqualified, I want to ask, then, if it is not true that the witness may not refuse to answer under the Australian ballot law? Is not that true? A man qualified can refuse to testify, but a man who is disqualified—in other words, who is not a legal voter—you place him upon the witness stand, he has not the rights of the man who is qualified, and he can not refuse to testify for whom he voted?

Mr. WICKERSHAM. That is right.

Mr. RAKER. Was there any effort to make these men testify for whom they voted?

Mr. WICKERSHAM. Yes.

Mr. RAKER. They were not cited for contempt?

Mr. WICKERSHAM. No; it was too far away; it is way up in the interior of Alaska; and in 40 days or 50 days you can not do very much in respect to these matters at that distance.

Now, something was said by my opponent about a man voting for me in Sour Dough precinct by the name of Louis Klopsch. This is a very simple matter. He was from Fairbanks, lived there for many years, ran a newspaper there, and he was coming over the trail, and got to this road house on election day, and he voted. Now, I conceded that his vote was illegal, but there is an excuse for it, because the law of Alaska provides that—

> SEC. 23. Any person who can qualify as a legal voter in the division in which he or she attempts or offers to vote may qualify and vote in any election precinct in such division by subscribing to the qualifications required for registration in this section—

And so forth.

So if he was qualified to vote in a division, he probably thought he was qualified by the law of the Territory of Alaska to vote in any precinct in the division.

Mr. RAKER. That is the same law Oregon had for many years.

Mr. WICKERSHAM. Unfortunately, in this case he voted over the line—he was in the wrong division. I do not know whether he knew that or not; but I did, when the question was put to me, and very promptly conceded in my brief that he was not entitled to vote in that precinct; also a man by the name of Forsman, whom my opponent spoke about, who admitted he voted for me before he had become naturalized. Now, there is a reason for that, and one consistent with honesty. Congress had passed a law which is in regard to organizing towns in Alaska. In section 625, in Compiled Laws of Alaska, 1913, which is before me, it is provided:

> SEC. 625. Every male person 21 years of age who is a citizen of the United States or has declared his intention to become such, and who has resided continuously one year next preceding the election in the district of Alaska and six months next preceding the election within the limits of the proposed corporation shall be qualified to vote at said or any subsequent municipal election.

It seems that Forsman had been voting in a municipality for municipal officers, and that was the reason he voted—by mistake of law—thinking that the act of Congress covered all elections.

Mr. HARDY. Will the gentleman yield?

Mr. WICKERSHAM. And I conceded he was not qualified to vote for Delegate, and that vote was stricken out. I yield to the gentleman.

Mr. HARDY. I would like to ask the gentleman if he can explain why it is within the precincts where the challenge occurred, eight of them I believe, the nonofficial ballot was used and what was the reason for not using the official ballot? Was

there any evidence of that, and if so, what was the reason for not using the official ballot?

Mr. WICKERSHAM. In those precincts thrown out, you mean?

Mr. HARDY. As I understand there are eight precincts where it was said the nonofficial ballots were used and for which in returning them they did not give any reason. Now, does the evidence show any reason why they used a nonofficial ballot?

Mr. WICKERSHAM. It is shown very clearly.

Mr. HARDY. I would like to hear it.

Mr. WICKERSHAM. Now let me talk to the gentleman for a minute. The gentleman is a lawyer and a good one, and I am a lawyer at least and I try to decide cases according to the law and evidence and I am sure the gentleman does.

Mr. HARDY. That is the very reason I am calling the gentleman's attention to the question which I put.

Mr. WICKERSHAM. When the gentleman submits a case to a jury and as good a jury as this committee has been, as faithful and long pursuing the truth as they have been, and they have given it the greatest attention with respect to the law and the facts, I think their judgment is entitled to a great deal of consideration, and it does seem to me that when this committee, headed by the gentleman from Louisiana [Mr. WILSON], with six Democrats on the committee and three Republicans, have unitedly gone into these laws and facts carefully day after day, studying all of them in the greatest detail, have given Mr. Sulzer time after time opportunity to put in additional evidence and briefs as they did, and when they studied these facts out and reached a conclusion, it does seem to me it is entitled to some credit and that a big lot of noise on this floor ought not to destroy that verdict. That is true in court.

Mr. HARDY. Does the gentleman catch my question?

Mr. WICKERSHAM. I do.

Mr. HARDY. What reason has ever been given for not using the official ballots in those eight precincts?

Mr. WICKERSHAM. I am going to answer now. The ballots did not reach the men who had charge of the election. Now, let me call this to your attention: The ballots and the paraphernalia for the election are not sent to the election officers; they are sent to the commissioner in the precinct. We have two precincts to consider in elections in Alaska. We have a recording precinct, which is an area of country sometimes 20 miles square, sometimes 100 miles square, and all the ballots for all elections in that large recording precinct are sent to the commissioner, for instance, at Nushagak or wherever he may happen to live. Now, it is the duty of the commissioner, 60 days before election, to divide his precinct into election precincts, and he has to make an order dividing that precinct into election precincts. He determines the number of precincts necessary in the larger precincts where all of the election paraphernalia is sent to him, and he distributes it around to the officers at the various polling places. Now, Mr. Lang's testimony—and the committee called attention to that very frankly and very fully—Mr. Lang's testimony is that he sent these election blanks, including the tickets, all to this commissioner.

If you will look at the record, you will find a very strong statement by Mr. Praeger, the Assistant Postmaster General, saying that for three months before that election no mails had gone out to that country. But the papers, some of them, did get there, because some of them came back. But they went to the commissioner of the recording precinct, in compliance with the law. The commissioner did not get them into the hands of the election officers in the various precincts within his precinct. Why it was, I do not know.

Mr. HARDY. Have you any way of accounting for the fact that the other papers got to these election officers and not the official ballots?

Mr. WICKERSHAM. I have not, except when they got to the recording commissioner they may have been in different packages, and one package may not have reached him, or he did not distribute them to the election officers. Now, we do not know why, but we do know from every source of evidence in the record that they did not get there.

Mr. HARDY. Have you any of the testimony of any of the judges of elections saying that they did not get them?

Mr. WICKERSHAM. Yes, sir; I have. I will read that to you.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. WICKERSHAM. Wait until I read this. Here is the statement, dated Dillingham, Alaska, May 5, 1917, which says:

> We, the electors of this precinct, hereby express our strong disapproval of this action, as we cast our votes in good faith, honestly, and fairly, thereby expressing our wishes relative to the result of such election.

Mr. HARDY. What is that you are reading from?

Mr. WICKERSHAM. From a certificate signed by the judges of election.

It says further:

> It was not the fault of either the election judges or the voters of this precinct that the proper ballots were not at our disposal.
>
> We have held two elections here during former years, and at such elections we have made our own ballots, as we did in this instance.
>
> As we were not furnished the proper ballots at the election November last, and as we were not informed as to any changes in the election laws, we feel that we have lost our votes unjustly.
>
> The necessary registration books, tally books, etc., were furnished by the clerk of the district court, but there were no ballots with them.
>
> It seems to us that if these votes were thrown out on account of the fact that the official ballot was not used, that the fault lies with the authorities who are supposed to furnish these supplies for election purposes, and therefore feel that we are and were deprived of our right as American citizens to cast our ballots for the persons we desired to represent us in our Government.

And that is signed by Adolf Osterhaus, judge of election; Louis Hansen, judge of election; and it is also signed by Otto A. Larson, postmaster; and Preston H. Nash, Government teacher.

Mr. SHERWOOD. Does the law of Alaska provide where the official ballots do not arrive that other ballots can be used?

Mr. WICKERSHAM. Yes; it does specifically. The law of Alaska is perfectly plain and particular on that point. The law provides that.

Mr. LARSEN. Is there any testimony there as to what the commissioners did with them, or whether they received them or not?

Mr. WICKERSHAM. No. I can only say this, that under the congressional act we have had the right to make our own ballots; that we had them printed and sent out through the country; but the Territorial legislature in 1915 passed a law called an Australian ballot system, and in that it provided for the form of ballot to be prepared by the clerk of the court, and to be sent out by the clerks, but it provided that if the official ballot should not reach the precinct they might make and vote their own ballot, as the act of Congress also provides. I think Mr. Sulzer has a good deal of merit in saying that the law is mandatory, and, if it is mandatory, then they had a right to make their ballots.

Mr. RUCKER. But what about the certificate accompanying the returns?

Mr. WICKERSHAM. I think the law has been so well stated by the committee that there is no question about it. I say their right to vote this ballot is mandatory.

Mr. RUCKER. Would the gentleman claim that one part of it was mandatory and the other was not; that the part that they could make their own ballots was mandatory and that part that they shall accompany it with a certificate is not mandatory?

Mr. WICKERSHAM. I think one part may be mandatory and the other part directory.

Mr. RUCKER. In the same section?

Mr. WICKERSHAM. Yes, sir; in the same section. I think all the decisions are in a line on that point.

Mr. HARDY. Was this certificate that you read from a document furnished to the committee, or was there any evidence by any witnesses who testified to the facts stated?

Mr. WICKERSHAM. I furnished that myself, because it came to me.

Mr. HARDY. It came to you; but was there any witness who testified to these facts, or simply a certificate from these men who signed as judges of the election?

Mr. WICKERSHAM. That is all; and that is all the law of Alaska requires, and the congressional act does not require even that.

Mr. HARDY. I was talking about the testimony before the committee. You had no witness?

Mr. WICKERSHAM. No; that is all the law requires—just their certificate.

Mr. STEAGALL. Will the gentleman yield for a question?

Mr. WICKERSHAM. I will.

Mr. STEAGALL. Did the gentleman take any part in the discussion or in the contest, if there was any, that led to the enactment of the Australian ballot law in the Territory?

Mr. WICKERSHAM. I did not. I was not there.

Mr. STEAGALL. You have taken no position on that law as it affects the question here?

Mr. WICKERSHAM. I have not committed myself in any way. I am in favor of the Australian ballot system.

Mr. STEAGALL. Are you in favor of it as adopted in the Territory?

Mr. WICKERSHAM. I never favored it or disfavored it. I think it is a dreadful botch. As a matter of fact, that law was prepared by a Democrat from Fairbanks, who introduced it in the legislature and sought to secure its passage. When it went to the senate, where my opponent was a member, it was loaded up with amendments in order to kill it, but when it came back the lower house took it with all of the amendments, in order that they might have something.

Mr. BUCHANAN. Will the gentleman tell me whether the nonofficial ballot used in the eight boxes had his opponent's name on them, as well as his own?

Mr. WICKERSHAM. There was no official ballot used there, you understand; by that I mean the one prepared by the clerk. What was used there was a worker's ballot, in yellow, prepared by my opponent and sent out there as sample ballots. He had sent them out there in the summer time, when the mails were running, and when the election time came on they voted his ballots and scratched his name off and put mine on. [Laughter.]

Mr. BURNETT. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. BURNETT. Does the record show that?

Mr. WICKERSHAM. Yes; it shows that.

Mr. BURNETT. Does it show that he sent out those particular ballots?

Mr. WICKERSHAM. It shows that they voted those Democratic ballots.

Mr. BURNETT. Who testifies that he sent them?

Mr. WICKERSHAM. I would not say that he sent them, but they were there.

Mr. BURNETT. Who testifies to it? Refer us to the record.

The SPEAKER. The time of the gentleman from Alaska has expired.

Mr. WICKERSHAM. I wish the House would give me a few minutes more.

The SPEAKER. How much?

Mr. WICKERSHAM. Oh, say, 15 minutes.

Mr. RAKER. I ask unanimous consent, Mr. Speaker, that the gentleman be allowed 20 minutes in which to complete his remarks.

The SPEAKER. The gentleman from California asks unanimous consent that the gentleman from Alaska be permitted to proceed for 20 minutes. Is there objection?

There was no objection.

Mr. MOORES of Indiana. Mr. Speaker, will the gentleman yield to a question?

Mr. WICKERSHAM. Yes; in a moment.

Mr. REAVIS. Mr. Speaker, will the gentleman yield to me?

Mr. WICKERSHAM. Yes; but I have already yielded to two gentlemen now, and the gentleman can wait a few minutes.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield; and if so, to whom?

Mr. WICKERSHAM. I yield to Judge RAKER.

Mr. RAKER. It was not I who asked the gentleman to yield. It was Judge HARDY.

Mr. REAVIS. My question is in line with Judge HARDY's suggestion.

Mr. WICKERSHAM. I yield to the gentleman.

Mr. REAVIS. Does the record show that the ballots voted in that precinct were the ballots that had your opponent's name on, and were scratched off and your own name put on?

Mr. WICKERSHAM. Yes.

Mr. REAVIS. The presumption would be that you did not prepare them.

Mr. WICKERSHAM. No; I did not prepare any. They were all Democratic sample ballots, sent out there either by my opponent or by his representatives. But there is nothing wrong about it. I am not making any charge of anything wrong in the matter, because he had the right to send those sample ballots out. I am merely calling the attention of the House to the fact that those were the ballots that were voted. If I am making a mistake about that, the chairman of the committee is here, and he can correct me.

Mr. MOORES of Indiana. Will the gentleman yield?

Mr. WICKERSHAM. Yes; I yield to the gentleman.

Mr. MOORES of Indiana. Did not the gentleman from Alaska see those ballots in the possession of the committee—the ballot bags and the ballots themselves?

Mr. WICKERSHAM. Yes; and all these ballots are in the possession of the House, in charge of the Committee on Elections No. 1. If you gentlemen want to look at them, you can send for them.

Mr. MOORES of Indiana. They are in the possession of the committee, and the statement of the gentleman from Alaska [Mr. Wickersham] is absolutely true.

Mr. WICKERSHAM. Yes; and they are yellow. [Laughter.]

Mr. SULZER. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes; I yield for a question. The gentleman has been talking for two days, but I yield to him now for a question.

Mr. SULZER. The gentleman has stated that these ballots were all Democratic workers' ballots, and the gentleman from Indiana [Mr. MOORES], although he has heard this discussion for two days and has read the record, makes the same statement. I therefore call the attention of the gentleman to page 10 of the report of the committee, Choggiung being the place of particular contention, where it is shown that—

> At Choggiung the judges of election had the official register and tally book just as they had at Naknek and Nushagak. The ballots were made with typewriter.

Now, the chairman of the committee said the same thing on the floor of the House. Why does the gentleman endeavor to create an erroneous impression in the minds of the gentlemen of the House?

Mr. WICKERSHAM. I do not. The ballots are here in the committee's possession. The House or any Representative can see them. They were yellow ballots, and they were sent out by you or by somebody from the Democratic headquarters. I do not know who sent them.

Mr. WILSON of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. WILSON of Louisiana. I would like to say, for the information of the House, that at Choggiung and Nushagak the ballots were made on a typewriter.

Mr. SULZER. And at one other precinct they were made out by the party workers.

Mr. WILSON of Louisiana. There is nothing in the record about party-worker ballots. The record shows that they were used in two precincts.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman let me read a line?

Mr. WICKERSHAM. I yield to the gentleman.

Mr. COOPER of Wisconsin. On page 11 of this report I find, under paragraph 3, this language:

> What reason could be given, for instance, for those who desired to vote for Mr. Wickersham declining to use ballots upon which his name was printed and taking ballots upon which the name of Mr. Sulzer was printed and going to the trouble to write Mr. Wickersham's name thereon in order to vote for him?

What does that mean?

Mr. SULZER. It simply means that they were not official ballots, but such as could be prepared on the outside of the polling place.

Mr. COOPER of Wisconsin. These were printed.

Mr. SULZER. They dispensed with the official ballot. That was the reason.

Mr. WICKERSHAM. Yes. They dispensed with the official ballot, but they used the ballot prepared by either you or the Democratic committee. But I am not quarreling about that.

There is nothing wrong about it; only those were the ballots that happened to be there, and they were voted, and they are in the possession of this committee. That answers the inquiry of the gentleman from Texas as to whether these other ballots got there. They did not get there. All the evidence in this record shows that they did not get there.

Mr. SULZER. What became of them. Where are they?

Mr. WICKERSHAM. You and your friends had the entire control of politics and the machinery of elections up there at that time, and if you do not know, nobody knows. [Laughter and applause.]

Now, something was said about my having had some friends at court at these elections. It is not true. We have had a difference of opinion in Alaska with respect to Republican politics, and I have been an independent Republican at times, because I would not yield my rights as an American citizen to the political boss up there, and when these election officers were selected and it became necessary to put on Republicans they always put on my political enemies, and, if anything, they were worse than the Democrats. [Laughter.]

Mr. SULZER. Will the gentleman yield for a question?

Mr. WICKERSHAM. Yes.

Mr. SULZER. Does the gentleman think that election officials who were friendly to me would do away with official ballots and use nonofficial ballots so that in a precinct like Choggiung, which cast 28 votes, I would receive only 3 of them and the contestant would receive 25?

Mr. WICKERSHAM. No, I do not think that. I think the official ballots did not get to those outer precincts, that the election officials there did not receive them. The record is perfectly clear on that question. Now, the official ballots did not get to Utica and to Deering precinct up at Nome, and the returns from those precincts were sent in without the certificates, but subsequently the certificates came along, and when this proceeding began in this House those certificates were here, and they are all in the record. They are all perfectly clear and in accord with the law. There is a perfectly straight record with respect to those certificates before the House. The committee has examined all those matters and has been frank and honest, and it seems to me it would be a shame to throw out the elec-

tion in Alaska and refuse to give me the right to which I am entitled under the law, after this committee has given the matter such careful attention as it has. The committee has been more than fair. If the committee has injured anybody it has injured me. It has made me wait here almost two years now for the right which the law gives me. I am not criticizing the committee, either. Mr. Sulzer has had the benefit of all that, and I do not think this House will take any such stand as that with respect to the matter.

Mr. ROBBINS. Is there any qualification in Alaska requiring a registration of the voters, such as we have in the United States?

Mr. WICKERSHAM. No; there is a registration there, but it takes place at the time the voter comes up to vote.

Mr. ROBBINS. And not prior to that time?

Mr. WICKERSHAM. No; not prior to that time.

Mr. HARRISON of Mississippi. In this last campaign—last November—was the proposition discussed as to whether you were elected or Mr. Sulzer was elected?

Mr. WICKERSHAM. It was discussed a little; yes.

Mr. HARRISON of Mississippi. Well, who was elected in the last election, or has not that been decided?

Mr. WICKERSHAM. We do not know yet. The answer will depend on whom you ask. If you ask me, I say that I am elected, and I have no doubt that if you ask Mr. Sulzer he will say that he is; but I am perfectly willing to say that it is so close that nobody can honestly tell you, and that neither you nor we will know until the official count is had.

Mr. HARRISON of Mississippi. And there will probably be a contest over that?

Mr. WICKERSHAM. Not if I lose here, because I have had enough of it. [Laughter.]

Mr. PARKER of New Jersey. Will the gentleman permit a question?

Mr. WICKERSHAM. Yes.

Mr. PARKER of New Jersey. In reference to this matter of unofficial ballots, I find at the top of page 10 of the report the following:

> At Naknek there were no official ballots, the voters using what are termed in that section "Party workers' ballots," on which the name of Mr. Sulzer was printed. At this precinct there were 9 votes for Sulzer and none for Wickersham. The election judges attached to the returns a statement that no official ballots had been received. They had the official register and tally book, which is a part of the official election supplies.

Mr. WICKERSHAM. Yes; that is correct.

Mr. PARKER of New Jersey. The report further says:

> At Nushagak they had exactly the same election supplies and used exactly the same ballot as at Naknek. Here the vote was 10 for Wickersham and 3 for Sulzer.

Mr. WICKERSHAM. Yes; the record is fairly full and clear on that.

Mr. PARKER of New Jersey. I only call attention to that statement in the report.

Mr. WICKERSHAM. That is in the record, and my opponent sent those tickets out; I did not send out any.

Now, gentlemen, our elections in Alaska are fair elections. We have about 15,000 voters up there, and there is very little trouble amongst our people. The difficulty usually begins when we get down here to Washington. [Laughter.] As a matter of fact our elections are quiet and honest generally. There have been times when we have had some crooked transactions at our elections.

My friend Sulzer talks about the purity of elections, and how earnestly he is in favor of the purity of elections. He puts his hand on his heart and talks about the purity of his purposes, and so forth, as if nobody else, except somebody by the name of Sulzer, had any such pure purposes. I try to obey the law myself, and the people of Alaska are in favor of pure elections; we are in favor of a square deal and a fair count at our elections; and when the election is finally had and a man is elected by a majority of 31 votes, we object to anybody else taking the certificate. My opponent went before the court almost two years ago, when I was in Washington City, and brought the suit which has been mentioned by him. I was not made a party to that suit. No service was made on me in that case. Mr. Sulzer brought a suit against the canvassing board, consisting of the governor, the secretary, and the collector of customs. He did not give me any notice or serve any papers on me. The court tried the title to the office and issued a mandamus to the canvassing board, compelling them to throw out those six precincts and give Mr. Sulzer the certificate of election, without any notice of any kind to me, something that has never been done before in any court in America, and I hope never will be done again.

Mr. DENISON. Who is this judge?

Mr. WICKERSHAM. His name is Robert Jennings. He ran against me four years before for Delegate, and was defeated by every other candidate for Delegate on the ticket, and he has been unfriendly toward me ever since. He is a good lawyer, too. I want to say that on the floor of the House, so that it will go into the RECORD.

Mr. REAVIS. Does the gentleman say that a good lawyer would enter a decree in a case in which the issue was the title to an office and deprive a man of that office without giving him any notice or making him a party to the suit?

Mr. WICKERSHAM. He is a good lawyer in this, that he knows where to get cases and quotations to make a plausible opinion in a bad case.

Mr. REAVIS. The gentleman is either reflecting on this judge's ability as a lawyer or on his honesty as a man.

Mr. WICKERSHAM. Well, those are the facts. You can draw your own conclusions. I was not made a party to the suit, and the record shows that. The record also shows that the governor and secretary of the Territory and collector of customs, who were the canvassing board, declined to employ any lawyer to defend the suit. It shows that the whole case was an agreed case without defense. They presented the matter to the court without any suggestion on my part, because the canvassing board made no defense, did not employ counsel; they prepared and filed an answer but said they had no money to hire a lawyer, and they simply filed the paper and let it go. In their answer they alleged:

> 5. These defendants further respectfully state that they have made no further answer to the allegations contained in the petition filed herein, for the reason that the canvassing board has no funds with which to employ legal counsel, and the members thereof do not conceive it to be their duty to employ such counsel and pay for his services from their private means.
>
> Wherefore, having answered the writ herein, these defendants respectfully ask that they be discharged therefrom and that the proceedings herein be dismissed.
>
> J. F. A. STRONG,
> CHARLES E. DAVIDSON,
> *Canvassing Board.*

Mr. MONTAGUE. Will the genleman yield?

Mr. WICKERSHAM. Certainly.

Mr. MONTAGUE. The decision to which the gentleman alluded is the one holding that the statute which requires the certification by the judges of election in the absence of the ballot was mandatory?

Mr. WICKERSHAM. Yes.

Mr. MONTAGUE. And the gentleman contends that it is directory?

Mr. WICKERSHAM. Yes.

Mr. MONTAGUE. There is a difference of opinion about it?

Mr. WICKERSHAM. I do not think so.

Mr. MONTAGUE. If it were not mandatory, what law do you have to govern the election?

Mr. WICKERSHAM. We have a law governing elections. It requires that all voters shall have been one year a resident of Alaska, and a resident of the precinct for 30 days. Congress passed that law, and in relation to qualifications it says that they may in the absence of official ballots use written or printed ballots. That is the law passed by Congress. Then it says that the Territorial legislature shall not have the power to modify, amend, or repeal the congressional law. That is substantially what it says.

Mr. MONTAGUE. Let me see if I understand the gentleman.

Mr. WICKERSHAM. The Territorial legislature had no authority to pass any law which would modify, repeal, or change the election law passed by Congress as to the holding of these Delegate elections. That is what this clause attempts to do.

Mr. MONTAGUE. The gentleman thinks that the legislative enactment is not valid because it is contradictory to the congressional legislation?

Mr. WICKERSHAM. I do, but the committee did not hold that with me.

Mr. RAKER. Will the gentleman yield?

Mr. WICKERSHAM. I will.

Mr. RAKER. Speaking of the mandamus case of Sulzer against the canvassing board, the judge rendered the final decision in that case after sustaining the demurrer. Was not that judgment appealable?

Mr. WICKERSHAM. But I was not a party.

Mr. RAKER. That is not the question. Did not the commissioners have the right to appeal?

Mr. WICKERSHAM. Yes; but in their answer they stated that they had no money and declined to do anything.

Mr. RAKER. The mere fact that the governor and the secretary of state, who had an official duty to perform, lay down and said that they would not perform it indicates that something must have been wrong.

Mr. WICKERSHAM. Something was wrong. [Laughter.]

Mr. RAKER. Were there also injunction proceedings commenced and served on the same official?

Mr. WICKERSHAM. Yes; there was an injunction in the original order.

Mr. RAKER. Any appeal taken from that?
Mr. WICKERSHAM. No.
Mr. RAKER. It became final?
Mr. WICKERSHAM. Yes.
Mr. RAKER. Is there any provision in the laws of Alaska that the contestee in any such mandamus proceeding is a proper party?
Mr. WICKERSHAM. I do not think there is any doubt about that in the world.
Mr. RAKER. I want to say that in ninety-nine cases out of one hundred he is not a proper party and could not be made a party.
Mr. WICKERSHAM. Let me ask the gentleman a question: Does the gentleman think that Mr. Sulzer ought to have brought suit against the canvassing board in the court, try my right and title to that office, grant a mandamus against the canvassing board compelling them to throw the precincts out, and issue a certificate to Mr. Sulzer without any notice to me?
Mr. RAKER. Clearly from the record notice was given.
Mr. WICKERSHAM. To me?
Mr. RAKER. I do not know.
Mr. WICKERSHAM. There is no such claim as that made.
Mr. RAKER. Ordinarily notice is to be given, but under the statutes of the various States it is an exceptional case where the party in interest is permitted to be made a party to the mandamus proceedings against the officers.
Mr. WICKERSHAM. That arises where the mandamus is to compel the officers to move, but never in a case to try the title to the office. Mandamus in such cases issues only to compel the officers to move along within the law. It does not go to the right of another party or to compel the board to do or not to do a certain thing. That is the correct rule in mandamus, and that the judge did not do. He issued a mandamus to compel the canvassing board to throw out the precincts and grant a certificate to my opponent, and I was not not made a party.
Mr. GARRETT of Texas. Will the gentleman yield.
Mr. WICKERSHAM. Yes.
Mr. GARRETT of Texas. In the suit which the gentleman refers to, by the contestee against the canvassing board for a mandamus, did the gentleman have knowledge of that suit? I do not mean notice, but did he have knowledge of it?
Mr. WICKERSHAM. I knew afterwards that the suit had been begun.
Mr. GARRETT of Texas. Did not the gentleman have a right under the law of Congress and of Alaska to intervene in the suit?
Mr. WICKERSHAM. Possibly.
Mr. GARRETT of Texas. Did the gentleman intervene?
Mr. WICKERSHAM. I did not; I was in the city of Washington here in attendance on Congress. I was then the Delegate. I was attending to my duties; but I saw by the papers from Alaska two or three weeks afterwards that the suit had been begun.
Mr. GARRETT of Texas. And you received no word?
Mr. WICKERSHAM. None whatever, and no notice of any kind except in that way.
Mr. GARRETT of Texas. How long was this suit pending?
Mr. WICKERSHAM. Probably three weeks.
Mr. GARRETT of Texas. Could you not have secured an attorney there to represent you if you had wanted to?
Mr. WICKERSHAM. I might, but I was not made a party.
Mr. SULZER. Mr. Speaker, will the gentleman yield?
Mr. WICKERSHAM. Yes.
Mr. SULZER. The gentleman knows that John Rustgard is one of the ablest attorneys in Alaska.
Mr. WICKERSHAM. I admit that.
Mr. SULZER. And he knows that John Rustgard was his campaign manager in this particular campaign.
Mr. WICKERSHAM. I deny that.
Mr. SULZER. The gentleman knows that John Rustgard was the attorney that acted for him when this testimony was taken.
Mr. WICKERSHAM. That is not true.
Mr. SULZER. He acted for the gentleman at Afognak and Seldovia in this case.
Mr. WICKERSHAM. Oh, he did that; yes.
Mr. SULZER. John Rustgard is an intimate friend of the gentleman, is he not?
Mr. WICKERSHAM. He is at least an acquaintance.
Mr. SULZER. John Rustgard acted as amicus curiæ, and practically though not technically represented the contestant in this particular proceeding.
Mr. WICKERSHAM. He did not.
Mr. SULZER. He represented him as well as he could.
Mr. WICKERSHAM. Mr. Speaker, I object to the gentleman interrupting me any longer. I will tell the story. When this case was called, Judge Jennings, who is a good lawyer, as I said before, notwithstanding the objections of my friend over here, knew that it was going to look bad not to have some one there to represent me, and he invited John Rustgard as amicus curiæ to make a showing.
The SPEAKER pro tempore (Mr. CLAYPOOL). The time of the gentleman has expired.
Mr. KNUTSON. Mr. Speaker, the gentleman has been interrupted so often, I ask that he be allowed to conclude his remarks.
Mr. WICKERSHAM. Oh, give me 10 minutes.
Mr. KNUTSON. I ask unanimous consent that he be given 10 minutes.
The SPEAKER pro tempore. Is there objection?
There was no objection.
Mr. GARRETT of Texas. What was the date of the filing of this suit?
Mr. WICKERSHAM. Some time in March—March 2, 1917.
Mr. GARRETT of Texas. I mean of the proceedings in Alaska against the returning board.
Mr. WICKERSHAM. It was some time in February or March. It is all in the record.
Mr. GARRETT of Texas. If it was in the month of March, then the gentleman's time had expired.
Mr. WICKERSHAM. But I was not at home, and it takes me some time to get home. I want to say this with respect to this amicus curiæ proceeding. When this case came up, Judge Jennings realized that it was going to look bad if he should try this case and render his judgment against me in my absence. He went to a member of the bar, Mr. John Rustgard, personally, as he says here in his opinion, and asked him to appear as amicus curiæ, although Mr. Sulzer was represented in the case by an array of attorneys and by the attorney general of Alaska as well. Judge Jennings did that so that he might have something between himself and criticism if he decided the case without giving me any notice. I never employed Mr. Rustgard in the matter, never was consulted about it, and in his appearance Mr. Rustgard says that he does not appear for me at all, that he appears at the request of the judge as amicus curiæ. Here is what he said:

In the district court for the district of Alaska, division No. 1, at Juneau. The Territory of Alaska, on the relation of Charles A. Sulzer, and Charles A. Sulzer, relator and plaintiff, *v.* The Canvassing Board for the Territory of Alaska, consisting of J. F. A. Strong, Charles E. Davidson, and John F. Pugh, defendants. No. 1593-A.

Comes now John Rustgard, in response to the court's invitation to appear as amicus curiæ, and respectfully submits the following considerations as bearing upon the question before the court, with the distinct understanding, however, that he does not have any authority, desire, or intention to appear for or on behalf of James Wickersham.

Mr. GARRETT of Texas. Did he file any pleadings on your behalf?
Mr. WICKERSHAM. No; he only filed a brief. He did not file any pleadings. This case was tried before Judge Jennings, and this judgment and opinion which you gentlemen heard read here and have heard so much about was prepared substantially in a case where there was only one party in court. It took away my rights, took away the certificate from me, because the governor of the Territory of Alaska and the secretary of the Territory of Alaska and the collector of customs of the Territory of Alaska, three officials appointed by President Wilson and confirmed by the United States Senate, sitting as a returning board, had declared me elected. This Democratic canvassing board on the last day had declared that I was elected and had notified the attorney general that they were going to sign my certificate, and he asked to have it put over until the next morning, and before the next morning they were served with an injunction, and the matter then was brought on for hearing before the court, and the peremptory writ was issued on March 23, 1917, just three weeks from the filing of the writ. Those are the facts.
Mr. LARSEN. Conceding all votes to be legal votes—both Indian and soldiers—who received a majority?
Mr. WICKERSHAM. I did on the face of the returns. I received 31 majority over Mr. Sulzer, according to the findings of the canvassing board. The Democratic canvassing board declared me to be elected—a Democratic canvassing board—and a Democratic committee of this House has declared that I was honestly elected. Now, what are you going to do about it? [Applause.]
Mr. DALLINGER. Mr. Speaker, I understand that it is the intention of the gentleman from Alabama to move to have this matter recommitted to the Committee on Elections. I hope that motion will not prevail, but that the report of the committee will be accepted by the House and that the resolutions recommended in that report will be adopted.
It seems to me that what has gone on here during the last two days has been a very extraordinary proceeding. Eighty

per cent of the membership of this House are members of the legal profession, and I suppose that is true relatively of the Democratic side of the House as it is with the Republican side. If it were possible to suppose such a case, no member of the legal profession would think of being influenced in regard to the law or the facts in an action at law by listening to one of the parties, plaintiff or defendant, speaking at great length in his own behalf and reading particular portions of the evidence that might seem to favor his side after that case had been exhaustively tried before a jury and after all law and all of the evidence had been considered and every opportunity had been given to all of the parties to put in all their evidence, to make all their argument, and that jury had unanimously decided against the party in question. To any member of the legal profession such an idea is preposterous; but that is what you have had here for the last two days.

This Committee on Elections No. 1, I am proud to say, as the Committee on Elections No. 3 in another case in the present Congress, has not been actuated by partisanship. In the case of Beakes against Bacon a committee composed of members of both political parties unanimously decided in favor of the Democratic contestant, because on the law and the evidence they were satisfied that the Democratic contestant was entitled to his seat. This Committee on Elections No. 1 has had another case in the present Congress which has been acted upon by the House, namely, the case of Scott against Steele, where a Democratic contestant sought to unseat a Republican Member who had received a certificate, and, although that committee was composed of six Democrats and three Republicans, after an exhaustive study of the case it unanimously decided to allow the Republican Member to retain his seat.

In the case now before the House, Committee on Elections No. 1, composed of six Democrats and three Republicans, after a full and complete hearing, has unanimously decided in favor of unseating the Democratic Delegate from Alaska and seating his Republican opponent. And it is a remarkable fact that this Democratic Delegate from Alaska could not get one of the six Democratic members of the Committee on Elections, members of his own party, to file a minority report in his favor upon the law and the facts in this case.

Mr. Speaker, I have been surprised to see that some of the leaders on that side of the House have apparently thought so lightly of the judgment of the Committee on Elections No. 1, a committee controlled by members of their own party and with their able colleague from Louisiana as chairman. In my opinion, there never was a man at the head of a Committee on Elections of this House who was more conscientious, more painstaking, and more thoroughly conversant with the laws governing elections than the honorable gentleman from Louisiana, Judge WILSON, chairman of this committee. [Applause.] Does any Member of this House seriously think that Judge WILSON would deliberately do anything that would refuse a full and fair hearing or a square deal to a sitting member of his own party in this House? And yet that is what the contestee in this case has deliberately charged him with in his speech of yesterday.

On the contrary, he has carefully considered and studied every decision and citation that the counsel for the sitting Delegate has presented to the committee. The parties in this case came before us and fixed their own time. Mr. Sulzer was given every opportunity to file additional briefs after the case was closed; and even after the committee report had been made and agreed upon, the chairman reopened the matter, and we had another meeting of the committee in order that the committee might consider these decisions filed in this extra and extraordinary brief.

Now, to show how much credence should be given to this defendant, who has been allowed full opportunity and unlimited time to present his case to the membership of this House who have not been familiar with the proceedings before the committee, I desire to call your attention to just one incorrect statement out of many which he made in the course of his remarks. You heard him state yesterday in answer to a question that there was no evidence in the record that these official Australian ballots had not reached the eight precincts, the returns from which were arbitrarily thrown out by the judge on mandamus proceedings. He told you without the blinking of an eye that there was no evidence, and yet the record is full of it. On page 154 there is the sworn affidavit of two of the three judges of election in the Deering precinct, and on the same page the sworn affidavit of all three judges of election in the Utica precinct. I have here a memorandum of what the record shows in every one of these precincts, but I know the House is weary, and I do not intend to go into the matter in detail. Suffice it to say that there is plenty of evidence in the record upon which the committee made its findings, and yet because this interested party, who has had a unanimous verdict returned against him by a court controlled by his friends, gets up and tells you that there is no evidence on a particular point when the record shows that there is, it is seriously proposed to disregard the findings of an impartial committee and recommit the report, which means that the contestee will continue to keep the office and draw the salary to which he is not entitled.

Mr. Speaker, I do not blame the Delegate from Alaska for speaking in his own behalf, but I do protest, as a Member of the American Congress, against this treatment of a committee of the House of Representatives.

You Members on that side would never think of treating any of your other committees that way. It is almost impossible to get an amendment on an appropriation bill that has not the approval of the committee, and yet you propose to-day to try to overthrow the work of one of your committees, composed of a 2 to 1 majority of members of your own party, after months of careful and exhaustive study.

Now, Mr. Speaker, it has already been pointed out here that the election machinery of the Territory of Alaska has been in the control, and was in the control at the time of this contested election, of the party to which Mr. Sulzer, the sitting Delegate, belonged. The canvassing board was a Democratic canvassing board. The board canvassed the returns and found that Mr. Wickersham was elected Delegate from the Territory of Alaska, and was about to issue a certificate to him, when there took place one of the most remarkable things that has ever taken place in the history of elections in this country. A petition for a writ of mandamus was brought before the judge of the United States court, the contestant not being made a party to the proceedings, and that judge issued a writ of mandamus ordering the canvassing board to throw out the returns of eight precincts. On what ground? On the ground that a certain provision in the law passed by the Territorial Legislature of Alaska was mandatory and not directory. Now, your committee did not go into the question raised by the contestant—Wickersham—that the Legislature of Alaska had no right to pass an Australian ballot law. I am one of those who believe that the legislature did not have that right, and that the act of Congress prescribing a form of government for the Territory of Alaska was to all intents and purposes the constitution of the Territory of Alaska; but we did not go into that question and did not consider it, because we did not consider it necessary, for the reason that the law in reference to the question of directory and mandatory provisions of election statutes is pretty well established. The provision of the Alaska statute, upon the strength of which the returns from eight precincts were arbitrarily thrown out, was enacted owing to the peculiar conditions in that Territory. It provided that where, owing to poor communication, the official Australian ballots did not reach a certain precinct, then the voters in that precinct should have the privilege, which they had always had previous to the passage of the Australian ballot-law statute, of preparing their own ballots. That was the situation all over the country before the Australian ballot law was passed. The different political parties used to print the ballots for their voters. There was no fraud about having ballots printed by the candidates or by their friends or by the political parties for the use of the voters.

Now, in the case of these eight precincts, there is evidence in the record that the ballots did not get there; but the judges of election, belonging to the majority party, belonging to the party of Mr. Sulzer, failed to send along with the returns from those eight precincts a certificate stating that the official ballots were not used for the reason that they did not get there in time. If there ever was a directory provision in the statute, it was that.

Now, I desire to call your attention to the decision that has already been referred to—and that is quoted in the committee's report—of the Supreme Court of Missouri in a recent case. Mr. Sulzer picks out one of the authorities cited by the committee, in the Twenty-first Congress, and tries to give you the impression that the Committee on Elections No. 1 was relying solely upon old and outgrown decisions. But this case of Norsefall against School District, reported in One hundred and forty-third Missouri, page 542, is a comparatively recent case, and it is the law in this country to-day. I ask you to listen and see if you do not agree that this is sound law and also sound common sense:

> Electors must not be deprived of their votes on account of any technical objection to the manner in which the election has been held or for any misconduct on the part of its presiding officers, if these have not affected the true result of the election. (Cooley's Constitutional Limitations, 617, 618; Prince v. Skillen, 71 Maine, 361.) This would be to deprive the citizen of a great constitutional privilege for a mere informality; to place it within the power of a few persons to defeat the right of suffrage altogether. The very means provided to insure a fair and proper election might become an instrument of fraud and dishonesty.

Now, I want the House to consider the importance of this precedent which, if Mr. Sulzer is allowed to retain his seat, will become established by the House of Representatives. It means that where, as in most parts of the country, the election boards are partisan, either composed entirely of members of one party or two of the majority party and one of the minority party, it is possible for these election officials, by neglecting or refusing to comply with some formality of the statute, to throw out the entire vote of precincts which have given the opposite party a majority. It is a most dangerous precedent. And I do not believe this House is going to establish any such precedent in this or any other case. So much for that.

Now, the contention of the contestee that Indians were illegally permitted to vote for the contestant has been disposed of most exhaustively by Mr. Wickersham himself. The committee found on the evidence that all of these so-called Indian votes complained of were votes of American citizens who were not Indians living in tribal relations at all, and who are protected in their civil and political rights by the treaty of 1867. If the Territorial Legislature of Alaska wants to pass on act providing for an educational qualification and providing that every person, in order to vote, must be able to read and write in the English language, it has that privilege, assuming, for the sake of argument, that it has the right to pass any election law modifying the act of Congress to which I have previously referred. But manifestly until it does pass such a statute the fact that a person can not read or write is no reason whatever why he or she can not vote in the Territory of Alaska, and no question to the contrary has ever been raised except by the contestee in his address to the Members of this House.

Now, I want to say a word in regard to the soldier vote. That is another question of establishing a precedent of the most vital importance to this Republic. As I said a minute ago, I do not believe that this House is going to override the well-established law in regard to directory and mandatory provisions of election statutes and establish the unfortunate precedent of permitting technical informalities to disfranchise whole precincts of voters. Neither do I believe that this House is going to establish a precedent by which soldiers of the American Army can be voted by an administration of any party in any part of the United States, regardless of their former domiciles. The law upon this question to-day is absolutely certain and there can be no real controversy in regard to it. The law is that a soldier of the United States can not gain a legal voting residence in any State of the Union during the time that he is in the military service; that when he enlists he has a certain domicile, and that domicile continues as long as he is in the military service of the United States Government. If any of these soldiers now in Alaska after their discharge from the Army wish to settle in that Territory and live there the year required by law, then they may become citizens of Alaska and entitled to vote. But until they do they can not vote. Just stop and think a minute what the establishment of any other precedent would mean, with the large standing Army that we are liable to have in the future or with the immense Army that we have at the present moment. It would be possible, Mr. Speaker, for a Republican administration at Washington to send northern troops coming from Republican localities to different camps and cantonments in the Southern States and absolutely dominate the politics of those States not only in national but in State and local elections. And, vice versa, it would be possible for a Democratic administration at Washington to send troops from the South, Democratic in their affiliation, into the close States and congressional districts of the North and determine the elections there. I believe that the law as it is now is sound, wise, and vitally necessary for the protection of free institutions, and I trust that this House will not override that law and establish any such dangerous precedent.

Mr. Speaker, I have touched briefly upon the chief points upon which this case was decided. Your committee has given the matter long and exhaustive study, and we have made a unanimous report to this House. Recommitting it to the committee will not change the result, because we have gone over all the facts and we have considered all the law and have exhaustively studied the question at issue from every possible angle. We believe that we ought to live up to the reputation that the Committees on Elections have made in this House, and that now and in the future these cases should be decided, as this case has been decided, upon their merits, upon the law and the facts in each particular case, without regard to personal or political consideration. I trust that this House will not adopt the motion to recommit, but will adopt the resolutions recommended by the committee in its report.

I thank you for your kind attention. [Applause.]

Mr. RAKER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. RAKER. I desire to say a few words.

The SPEAKER. The gentleman is recognized for an hour.

[Mr. RAKER addressed the House. See Appendix.]

Mr. BURNETT. Mr. Speaker, I intend to offer the following resolution, which I send to the Clerk's desk, and desire to discuss it only for a few minutes.

The SPEAKER. Is the gentleman offering it now or asking that it be read in his time?

Mr. BURNETT. I ask that it be read now, in my time, and give notice I shall offer it.

The SPEAKER. Without objection, the Clerk will report the resolution.

There was no objection.

The Clerk read as follows:

Mr. BURNETT moves to refer the contested election case of James Wickersham, contestant, against Charles A. Sulzer to Committee on Elections No. 1, and said committee shall report on said case by or before February 10, 1919.

Mr. MANN. Will the gentleman yield for a question?

Mr. BURNETT. Certainly.

Mr. MANN. Of course the committee is entitled to close debate under ordinary circumstances, but what I want to get at is for the convenience of the House and ascertain how long does the gentleman think it will take to conclude debate?

Mr. BURNETT. Well, I do not care, as far as my part is concerned, to consume more than 20 minutes. I presume the question is addressed to the chairman of the committee having the matter in charge.

Mr. WILSON of Louisiana. I shall not use more than 20 minutes.

Mr. MANN. At the end of that time is it the intention of the gentleman from Louisiana to move the previous question?

Mr. WILSON of Louisiana. Yes; on the resolution. Of course I do not know anybody else who wants to speak.

Mr. MANN. Well, I am not so anxious whether anybody else wants to speak or not. I have listened to two days' debate on this, and I think I have listened to enough; but I think the House would like to know when we are going to get through.

Mr. WILSON of Louisiana. It is the intention of the chairman of the committee to have a vote upon this resolution as soon as the gentleman from Alabama makes a statement and I make a short statement.

Mr. MANN. Then the gentleman will move the previous question?

Mr. WILSON of Louisiana. The previous question; yes.

Mr. BURNETT. Mr. Speaker, it was my purpose, without design to shut off the gentleman, to move the previous question and then ask unanimous consent for the gentleman to proceed for such time as he might desire; but I do not care; it is immaterial to me in regard to that.

The SPEAKER. The gentleman from Alabama.

Mr. BURNETT. Mr. Speaker, I want to say at the outset of this discussion that I would be the last man who would reflect on any member of the committee that reported this case. And the gentleman [Mr. DALLINGER] who spoke awhile ago urging that the report should be adopted because of the special sanctity that he thought was around the report of the committee can not say anything more favorable to the members of the committee, and especially to the chairman of the committee, with whom I have been associated at the same committee table for the last two years, than I can say.

Mr. Speaker, I would be the last man in this House to undertake to inject partisan politics into the question of seating or unseating a Member of Congress. I am the last man that ought to do that. I remember that 18 years ago I went through the same mill when there was a Republican House, with 30 or 40 majority, and when they had the power to pitch me out of the window without any ceremony.

I want to say further that, although I had made many a race inside of my party and against the common enemy, no contest that I ever had for the election scared me like that contest of my election before a Republican House. There were on that committee at that time men who were strong, able, fearless, honest, and fair. The present distinguished leader of the Republican Party himself was the ranking Republican on the committee. I haunted the committee room many and many a day, not for the purpose of buttonholing a Democrat or a Republican member of the committee, because I did not do that, but for the purpose of listening to contests and reading and trying to understand the precedents that had been established in contested-election cases. After the decision of that committee, I concluded that, so far as that Committee on Elections was concerned, there was not a member of it that would let partisan bias influence him for one moment.

And, Mr. Speaker, since that time I have followed, I believe, exactly that kind of policy in election cases. No man can throw it at me that I am inspired or moved by reason of the

fact that Mr. Sulzer is a Democrat or Mr. Wickersham is a Republican. In the contested-election case in this House a few years ago against Mr. DYER, of St. Louis, Mo., I differed from the report of a majority Democratic committee, and from a majority of Democrats in this House, and voted against unseating that gentleman, because I believed that he had been honestly elected.

Mr. Speaker, my position is not a reflection upon this committee. Why, the gentleman from Massachusetts [Mr. DALLINGER] himself has not regarded the sanctity of unanimous reports of committees heretofore. I remember that but a few weeks ago when a unanimous report of a committee of which I was a member came in, and where the members of the committee of his party unanimously concurred in the report, he himself joined in defeating that report.

Mr. Speaker, as chairman of a committee and a member of committees, many times have I brought in reports that I felt a special interest in, which by the time the House of Representatives was through with them I did not know as our own offspring. So all that kind of argument, it seems to me, is for the purpose of throwing dust in the eyes of somebody.

The chairman of the committee has sat with me in too many important matters pending before the Committee on Immigration and Naturalization to believe that for one moment I would doubt either his sincerity, his ability, or his industry. As a lawyer and as a man he investigates carefully and honestly questions coming before him.

Mr. Speaker, an election contest is one of the most important questions that can be considered under the rules of this House, and one of the very highest privilege. It involves not only the question of a seat of a man in Congress but the representation of the constituents whose commission he holds. And I think I can approach it without any desire whatever to be the partisan of either.

I know the distinguished ex-Delegate from Alaska better than I do the sitting Member. I have never had occasion to entertain anything but the kindest feeling for him, and the only motive that I have is to try to see justice done everybody, and I approach the discussion with diffidence because of the great respect and high opinion that I have for the ability, as well as the fairness and industry, of the chairman of this committee and its membership. Any other motive can not be charged against me.

Mr. Speaker, there are two questions that I want to discuss briefly. In the first place, I concur with the views of my able friend from California [Mr. RAKER], that this statute of Alaska is mandatory and is not directory. I want to read from one or two authorities on that very question. Here is a case in Ninetieth Northwestern, 485:

> The statute under consideration is, then, not in terms mandatory, but it is well settled that the employment of express words is not always necessary to give it that character. Where the aim and purpose of the lawmaking power would be plainly defeated if the command to do the thing in a particular manner did not imply an inhibition to do it in any other, no doubt can be maintained as to the mandatory character of the statute.

What evil was sought to be corrected by the Alaska law requiring Australian ballots to be used? It was to prevent fraud, to protect the voter in the secrecy of the ballot which he was to cast, and, above all, to secure and maintain the honesty and sanctity of the ballot. If the statute had provided for an Australian ballot alone, no one would argue for a moment that any other kind could be used. But the legislature, realizing that on account of geographical and other conditions in Alaska the official ballots might not reach the voting places, provided for the use of unofficial ballots under certain regulations, to which I shall advert later on.

Why, my able friend from Wisconsin [Mr. COOPER] called attention to the hardship of the case; that election managers might defeat the will of electors by some error or mistake of their own. Yes; and such a condition might arise if the statute in terms declared the ballot void if the judges of the election failed to properly certify the same. The judge might fail to certify properly, even if the statute declared in so many words that it was mandatory, and then the innocent voter would lose his vote. It would be void, and the innocent voter would suffer just the same from the misconduct of the judges of the election. I have never seen a statute, Mr. Speaker, exactly in the form of this statute, and it seems to me the principle that is laid down in the decision I have just quoted, and other decisions along the same line, will bear me out in the view that I have that this statute is a mandatory one.

The first statute provided for the Australian ballot. If it had stopped there, the committee in its report admits that no other form could be used. Suppose that no Australian ballot had then been used. Would anyone claim that if this provision for the use of another ballot had not been provided that it would be a legal election? Let us see what the provision is that validates their nonofficial ballot. It is this:

> That in any precinct where the election has been legally called and no official ballots have been received the voters are permitted to write or print their ballots.

Now, Mr. Speaker, if it had stopped there then the general certificate of the managers, I think, would be sufficient. But it does not stop there. It enters into the very essence of the legality of the ballot that something else shall be done, so jealously was the Legislature of Alaska trying to secure a fair election; and that is why the Australian ballot system has been so universally inaugurated all over the country, in order that there may be secrecy in the ballot, in order that the voter may be protected, in order that there may be no intermeddling, and that there may be no direct or indirect fraud perpetrated upon the voter or upon the candidate. If it had stopped there, I say, in my opinion the general affidavit certifying the returns by the judges of election would have been sufficient.

But it does not stop there, and there was a purpose in it. The purpose was to allow, in cases of a failure on the part of those sending the ballots to perform their duty, or failure on the part of the judges to receive them, something to be substituted for them, but they did not want the conditions to prevail that would prevail perhaps in the absence of these ballots, and therefore the judges are required to certify a reason. That is where it goes further and provides that—

> the judges of elections shall in this event certify to the facts which prevented the use of the official ballot, which certificate must accompany and be made a part of the election returns.

Now, it seems to me, Mr. Speaker, that both in law and logic the conclusion is irresistible that that is a mandatory provision, because, as I have said, if it had stopped at the end of the other clause, then the authorities which gentlemen have cited would be in point and would be conclusive. But this certificate is a part of the essence of the ballot itself. The ballot is not legalized by the man voting it, but it is legalized only when the judges of elections "shall in this event certify to the facts which prevented the use of the official ballot, which certificate must accompany and be made a part of the official returns." It is to prevent those very things which the Australian ballot law was intended and designed to prevent that this statute was passed by the Legislature of Alaska, and it seems to me that the judge who so held and who has been so harshly criticized by gentlemen here was within the law when he made that decision. If that be true, there was nothing else for this committee to do except to throw out those precincts.

Now, Mr. Speaker, I could cite a number of other authorities along the same line; but if it goes to the very merits of the election it is not necessary that the law must in terms state that it is void, and that is the principle that is laid down in the authorities. It certainly does go to the merits of election, and certainly the legislature intended that it should go to the merits of election when they so wrote it. Ita lex scripta est that it must be so certified by the judges of the election before it can be validated. In Thirty-sixth Cyclopedia it is said to be mandatory, "if from a consideration of the entire act, its nature, and its object, the consequences which would result from not construing it as mandatory would defeat the very objects of the legislation."

Now, Mr. Speaker, it seems to me that upon that question these gentlemen on the committee have erred—honestly so, no doubt. But, Mr. Speaker, we will pass beyond that. It seems from the report of the committee that when they had gotten by that question their idea was that that was about all that was left for them to do. They seem to have decided that when they overruled the learned judge who held the statute to be mandatory that that about settled the case.

Now I will call attention to the statement in the report of the committee in which it said, right on the first page:

> The final conclusion of the committee is that the merits of the case are confined to matters involved in—
>
> First. Certain proceedings had before the judge of the United States District Court of Alaska, first division.
>
> Second. The legality of the votes cast by native Indians in certain sections of the Territory.
>
> Third. The legality of the votes of soldiers of the United States Army stationed at Fort Gibbon and who voted there, and the votes of other soldiers in the Army who voted at Eagle precinct.

I have not gone into the record in regard to the Indian and soldier votes, for I understand that if the votes from the six precincts where the certificate of the judges is illegal are thrown out, then the contestee, Mr. Sulzer, will be entitled to retain his seat. Hence I have confined and will confine my argument to these six precincts.

Now, when they overruled the decision of the judge, it seems to me, Mr. Speaker, that the committee should have gone further in regard to these six contested precincts, and taken testimony; and upon that proposition I want to read you an authority that the committee themselves have cited. If these ballots

had been legally certified, then they would have been prima facie evidence of their correctness. In the opinion of the court which the gentleman cites, on page 7 of the report, he says:

If strictly followed—

That is, these rules in regard to certification and matters of that kind—

they furnish the best evidence that the election has been fairly conducted, and the burden of proof to show that it was not, either wholly or in part, rests upon the party attacking the returns.

Now, if there had been a correct certification, that would have been true. But suppose that I am incorrect in the assumption that this was a mandatory requirement and admit the contention of the gentleman that it was merely directory. Then, upon the very authority that the chairman cites, this was not even prima facie evidence of the correctness or genuineness of the votes, and they had no right to take the general certification of the judges to the correctness of that election, but they should have arrived at that conclusion by taking testimony aliunde, and that has not been done. The contestant brings his case into Congress, and the burden is upon him. He asserts, I believe in the fifteenth section of his notice, which is his declaration or pleading, that he was legally elected. Now, if I am wrong in my contention that the statute was mandatory, if I admit that it was only directory, then the burden was upon him to show that those votes were cast, and were cast for him at that place.

Mr. NORTON. How many votes were involved in that?

Mr. BURNETT. I have the calculation. I think it involves enough to change the result. I will say to my able and distinguished friend that that is the reason why I feel we are not ready to vote upon this most important question.

Mr. NORTON. The committee have had this matter under consideration now for nearly two years?

Mr. BURNETT. Yes.

Mr. NORTON. Do I understand the gentleman's motion to be to postpone this until February 10, 1919, or 1920?

Mr. BURNETT. I am not wedded to that particular date, but I will say to my friend that I merely make it because I think that would give them ample time to take the testimony that should have been taken. I would vote for a shorter time, but I believe it is fair to this House and to the people in this case that the depositions of the judges of election, by direct and cross examination, should be taken, for the purpose of showing that these were fair ballots, that they were voted by these people, and for whom they were voted.

Mr. NORTON. The gentleman does not understand my question. The gentleman's motion is not to postpone this case until 1920, is it?

Mr. BURNETT. Oh, no; February 10, 1919. This is no trick or scheme on my part to try to keep a man in Congress unjustly. It is a mere effort upon my part, if possible, to have it so that this House, when it votes, may decide the question who has been elected; and although I feel strongly that I am well grounded in the proposition that this was a mandatory requirement, I am willing to pretermit that. I am willing to yield that view, and to say that if the proper evidence, when taken, of the votes cast, shows that the contestant is entitled to this seat, no man will vote more cheerfully to give it to him than I will. But, gentlemen, I believe that matter has not been sufficiently gone into.

I remember years ago in my contest to which I referred a short while ago one of my friends was the returning officer of an election, and he wanted a watcher at the precinct that was largely Republican in a county that was overwhelmingly Republican; and when the election judges refused to allow him a watcher to watch the count, when the ballots were put in the ballot box he took the box and all and carried it to the county seat and turned it over to the sheriff. The contention was made by gentlemen representing the contestant in that case that by reason of that action the votes that I received should be rejected, while only the votes cast for my opponents should be counted. I conceded that in that precinct he got 92 votes and I got only 26, but I wanted what I did get, and the contestant's counsel contended that on account of that action on the part of my friend my votes should be thrown out and his counted in their entirety.

I remember that the distinguished gentleman from Illinois [Mr. MANN] called the lawyer who argued that proposition down and said, "Do you believe that the 26 men who voted for BURNETT ought to be disfranchised on account of some fellow running off with the ballot box?" We went to the county seat, opened the box, and counted the votes, and took the testimony of the voters themselves, and, gentlemen, you will be better satisfied, I will be better satisfied, these litigants ought to be better satisfied, if it is shown here to a reasonable certainty who were the real beneficiaries of these ballots. I am not going to charge fraud on the judges; I know nothing about that; but it is a strange thing that the election supplies all reached them, that the ballots did not reach them, and knowing that the supplies did reach them—there is testimony to that effect—we know that they returned the other supplies to the proper officers, but these official ballots never got there. The contestant, the beneficiary of those ballots, ought to explain this by proof. I do not care who furnished them, I do not care whether they were ballots sent by the contestant or the contestee, but you see how easy it would have been to secure a violation of the spirit and purpose of the Australian-ballot law by other substitutes for these ballots.

I am not going to ask the House to go as far as the facts warrant me in arguing. I simply ask that this committee may have this matter again before them, and that testimony may again be taken. Let the contestant, on whom the burden rests, clear up this strange proceeding by proper proof.

Let me tell you another thing. If we were confined to the strict letter of the law, the contestant ought to lose these ballots because it was upon him to have shown the correctness of the whole transaction. Gentlemen may argue that the contestee had an equal access to the ballots. Possibly that may be true, but, gentlemen, the man who brings his case into court is the man who assumes the burden, and he must carry it as he goes, and especially when he was the beneficiary of the mistake. He was the beneficiary of the failure on the part of the election judges, and he should have shown that these were ballots fairly cast for him. But he does not do it. You find some affidavits. He was out there during the taking of the testimony. He complains that he was away when the judge acted upon the mandatory injunction.

Well, the contestee was here discharging his duties while the testimony was being taken, and the contestant could have been there whether he was or not. I do not know whether he was keeping a room in the office building all that time or not, but he could have been right there looking into the honesty of these ballots that were cast at these places where they were not properly certified. Not having done so, the conclusion seems reasonable and just that there was something wrong in these ballots and that he ought to be charged with the wrong.

But I am not asking you to go to that extent. I am not asking you to visit anything he has done or anything he has left undone upon him. I am asking you—it is near the end of the session, it is true, but gentlemen have talked upon this case being here two years. I do not know but that the committee felt justified in taking all that time. My good friend the chairman of the committee has just told me that the committee has not had the case over six months. But if it has been two years the contestant in this case had all that time to go out there and have voter after voter and the election managers to have testified, and to have had an inspection made of the ballots, and reached the conclusion and furnished testimony to the committee upon the vital question of whether he was honestly elected or not. Gentlemen, that is what we want.

That is what my colleagues on this side and what you gentlemen want. I do not say that there is a Republican here who wants to treat a man unjustly. Now, what can be fairer than to allow this question to again be submitted to this committee in order that this matter may be cleared up?

Mr. HARDY. Will the gentleman yield?

Mr. BURNETT. Yes.

Mr. HARDY. Ought not the officers who held the election where the official ballots were not used be called as witnesses where they could be cross-examined and be heard?

Mr. BURNETT. Yes; nothing could be fairer. The ex parte affidavit that came afterwards is not a fair way to try a case. It would never do to turn a man out of Congress upon testimony that you would not admit in a little case on a promissory note in a country court.

Mr. MOORES of Indiana. Will the gentleman yield?

Mr. BURNETT. Yes.

Mr. MOORES of Indiana. The gentleman is aware that the committee was ready to report on this case in September, but at the request of the contestee the report was held up until late in December. The gentleman knows that, does he not?

Mr. BURNETT. I did not know it; but that does not change it. It is what is due to us, gentlemen—what is due to the House and what we owe to ourselves. It is not a question of Mr. Sulzer; it is not a question of Mr. Wickersham. We do not lose a vote on this side by it and the other side does not gain a vote, as a Delegate can not vote in this House.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. BURNETT. Yes.

Mr. COOPER of Wisconsin. I understand the gentleman to say that these affidavits of the commissioners or the judges of election that the official ballots were not received is not sufficient evidence of that fact?

Mr. BURNETT. I do. If the certificates had come in the proper manner and at the proper time under the existing statute, they would have been evidence. That is the distinction I draw between things that are mandatory and directory.

Mr. COOPER of Wisconsin. Will the gentleman permit another question?

Mr. BURNETT. Certainly.

Mr. COOPER of Wisconsin. If these same officers had made an election return, not under oath, but simply a certificate, that the majority of these votes had been cast for Mr. Wickersham, as the contestee admits, that would have sufficed to have the votes counted.

Mr. BURNETT. It would have sufficed if the certificate had been in proper form, because thus saith the law.

Mr. COOPER of Wisconsin. Now, if the unverified, unsworn certificate of these men would have been sufficient to elect Mr. Wickersham, does not the gentleman think their affidavits, no allegation of which is denied anywhere by the contestee, should be sufficient?

Mr. BURNETT. Does not the gentleman know that kind of evidence, no matter how honest you may believe men to be, after the matter has passed beyond the jurisdiction of these men, becomes ex parte? They had the right, because the statute gave them the right, to make that certificate at the right time, and that validated those ballots, but after that the powers of these judges became functus officio, and their affidavits were no more sacred than the affidavit of anyone else, and they then had only the right to give their evidence, subject to the cross-examination of those who were interested. The gentleman knows that that is the law.

Mr. COOPER of Wisconsin. Does the gentleman say that these officers had a right after they had sent the ballots away to have sent in another certificate?

Mr. BURNETT. I will again call the gentleman's attention to the law.

Mr. COOPER of Wisconsin. One moment. I asked that question because the United States district judge in Alaska held that the election officers, not having sent in a certificate with the ballots, could not subsequently furnish such certificate. Is not that so, I will ask the gentleman from Louisiana [Mr. WILSON]?

Mr. WILSON of Louisiana. That was the effect of the holding, as I understood it.

Mr. COOPER of Wisconsin. And therefore the judge in that particular case was so extremely technical that he would not permit the filing of another certificate by the same men. And now the gentleman from Alabama will not accept their affidavits. In other words, by an overtechnical construction he would disfranchise the men who voted for Judge Wickersham, as the contestee admits.

Mr. BURNETT. Oh, the gentleman misapprehends my contention.

Mr. COOPER of Wisconsin. That is the fact.

Mr. BURNETT. The law says that it must accompany the returns, and if it does not accompany the returns, then it becomes a nullity, so far as the sanctity of the certificate is concerned, and their testimony should then be taken. It should not be ex parte affidavits.

Mr. GOOD. Mr. Speaker, as I understand, the committee had decided this case in September and the report was held up until December at the request of the sitting Member. If that be the case, and in view of the fact that the country believes that these contests ought to be decided quickly and not postponed until the end of the term, does not the gentleman think that the sitting Member early in September should have raised the very question that the gentleman raises now and that this House should not be asked to send back this case in order that he may fill out a full term in Congress?

Mr. SULZER rose.

Mr. BURNETT. Oh, no; I shall answer that. If the sitting Member's interests were only at stake, then the laches of the sitting Member might well be visited upon him; but, Mr. Speaker, it is not the title of the sitting Member that is at stake, but it is the integrity of the House of Representatives and the honesty of the vote that we are asked to cast in this case. That is what it is.

Mr. GOOD. The gentleman will recognize the fact that the committee that heard this testimony are men with full appreciation of the fact that they are discharging a very grave and solemn duty. They can be trusted to look after the dignity of the House, can they not, in matters of that kind? I think that is a very serious indictment of the members of the committee who have heard the evidence of the case to say that they have violated their oaths practically and have not looked after the integrity of the House of Representatives.

Mr. BURNETT. If the committee decided this question, then the statement of the gentleman would have some force, but when the committee makes this report on its oath, and they have no doubt done that conscientiously and honestly, then the responsibility shifted to the gentleman and myself and the Members of this House under our oath to discharge our duty in this matter. That is my answer to the gentleman. Let us discharge it, gentlemen, not as partisans—I have pointed out in my record where I allowed no partisanship to control or influence me in seating a man I thought was elected; but this House owes it to itself—no; it is not an indictment of these gentlemen. If it is an indictment, why is it not an indictment if you gentlemen probably at the next session shall come in and vote to seat somebody that we thought ought not to be seated, and vice versa? Is it an indictment of any committee to dissent from their views? If so, gentlemen, then legislation ought to stop at the door of the committees, and we have no further right or power. We become mere automatons to jump at the command of committees.

Mr. COOPER of Wisconsin. Will the gentleman yield for one more question, and then I will not again interrupt him?

Mr. BURNETT. I yield to the gentleman.

Mr. COOPER of Wisconsin. The New York Court of Appeals, in the case of People ex rel. Hirsh *v.* Wood (New York Report, 143), stated the law on this question as follows, and I ask the particular attention of the gentleman from Alabama, who is a good lawyer, to this language. This is the unanimous opinion of the supreme court, the highest court of the State of New York:

> We can conceive of no principle which permits the disfranchisement of innocent voters for the mistake or even willful misconduct of election officers in performing the duty cast upon them. The object of elections is to ascertain the popular will and not to thwart it.

Now, the contestee admits that in these seven precincts Judge Wickersham had a majority, and yet, upon a mere technicality, the failure of these election officers to send in certificates, which under their oath they were bound to forward, these voters are to be disfranchised. But the Court of Appeals of New York, in a unanimous opinion, say:

> We can conceive of no principle which permits the disfranchisement of innocent voters for the mistake or even willful misconduct of election officers in performing the duty cast upon them.

Mr. BURNETT. The contestee does not admit any such thing. Mr. Speaker, carrying that kind of an argument to its legitimate conclusion, if there had been a statute which said that unless the managers did do this thing the election was void, then the gentleman would say the man still ought to be elected because the man himself was honest.

Mr. COOPER of Wisconsin. Will the gentleman permit me to answer right there?

Mr. BURNETT. Yes.

Mr. COOPER of Wisconsin. Not at all, because any such construction of such a law as that which the gentleman from Alabama has just made would permit the grossest kind of fraud. But in the case now before us the contestant alleges, and the contestee admits, that there was no fraud——

SEVERAL MEMBERS. No!

Mr. COOPER of Wisconsin (continuing). That there was no fraud in those precincts; that a majority of these were cast for Judge Wickersham in those seven precincts, just as set forth in the report; and in the absence of any allegation or evidence of fraud the court of appeals said:

> We can conceive of no principle which permits the disfranchisement of innocent voters for the mistake or even willful misconduct of election officers in performing the duty cast upon them.

In the pending case the intent of the voters and the act of the voters are admitted. And yet after they have cast a majority of their votes for Judge Wickersham we are asked to disfranchise them because of a failure of the election board to do its sworn duty. But, as I have said, the Court of Appeals of the State of New York unanimously declared that—

> We can conceive of no principle which permits the disfranchisement of innocent voters for the mistake or even willful misconduct of election officers in performing the duty cast upon them.

Mr. BURNETT. The gentleman certainly was not present when Mr. Sulzer called attention to place after place in the record that he contended showed that fraud had been committed.

Mr. COOPER of Wisconsin. Not in those seven precincts.

Mr. BURNETT. I always try to be fair to the gentleman——

Mr. COOPER of Wisconsin. But no such statement was made by Mr. Sulzer.

Mr. BURNETT. The House will remember, gentlemen. And not only that; if, as the gentleman contends, a man is an innocent voter, if the managers of the election fraudulently refuse or fraudulently violate the law, is that man to be allowed his

vote? He is an innocent voter, and according to the argument of the gentleman there would be no case in which the innocent voter could be disfranchised, and yet in this very law, in these very decisions, the courts called attention to the fact that it may work a hardship sometimes on individuals, and yet it is fair to have laws that will prevent fraud in a general way, even where it might work an injustice in some particular case.

Now, let me just read this one thing, and this is the general proposition, Mr. Speaker. It is a proposition of law and of logic. Here is the law:

> Where the aim and purpose of the lawmaking power would be plainly defeated if the command to do the thing in a particular manner did not imply an inhibition to do it in any other, no doubt can be maintained as to the mandatory character of the statute.

Now, here is an inhibition against the casting and counting of these ballots and the validity of these ballots unless certified to. But I have gone past that. I say in the interest of absolute fairness I am willing to say that that question should not come in, but the other proposition is a correct and just one. You must not allow men a month afterwards to come in on ex parte statements, whether it be an affidavit or not. Their powers have ceased. The law says it was to accompany the returns, and, admitting it is all directory, then, Mr. Speaker, the burden is upon the man who is the beneficiary of that mistake in the law to furnish the testimony of the fact that he got these votes. That is what we are contending for.

Mr. SISSON. Will the gentleman yield?

Mr. BURNETT. I will.

Mr. SISSON. I want to call the gentleman's attention to the peculiar affidavits and statements here. Now, on page 127 of the record you will find a list of voting precincts at which the contest was made. Now, as to all the places, except Deering and Utica, there is nothing but a letter written by some one to Mr. Wickersham, the contestant. There is only one certificate as to one man as to Utica and an affidavit of two officers of election as to Deering testifying that there were were no ballots there. The balance of this testimony is absolutely a blank, except as to certain letters written to Mr. Wickersham by certain individuals. So I believe the motion of the gentleman from Alabama should be sustained for the purpose of ascertaining whether or not these men really voted as has been returned here, because there is no testimony to show there was any effort to comply with the law at all, except these ex parte letters to Mr. Wickersham. Yes; and the very fact that the contestant only attempts to furnish ex parte statements as to two of the precincts raises a very violent presumption that the other precincts are tainted with fraud and that he can not clear it up. If he got these statements as to two of the precincts, why does he not produce them as to the other four? Let him answer that by producing the proof when this case is re-referred to the committee.

Mr. BUTLER. Will the gentleman yield?

Mr. SISSON. The gentleman from Alabama has the floor.

Mr. BURNETT. I will yield to the gentleman.

Mr. BUTLER. Will not the gentleman's anxiety be relieved a good deal after the 4th of March?

Mr. SISSON. I will say to my friend that it is not an anxiety about either of these gentlemen. But every man ought to have some caution about setting a precedent in this House for all these contested-election cases.

Mr. BURNETT. The remark of the gentleman from Pennsylvania [Mr. BUTLER] is unworthy of the gentleman. The gentleman seeks to inject some partisanship into this fight, when no one else has tried to do so.

Mr. Speaker, having presented this case fairly, I hope—and I believe justly—I will say that I believe the chairman of the committee desires to reply and will move the previous question on the resolution, and therefore I will not do so.

The SPEAKER. The gentleman from Louisiana [Mr. WILSON] is recognized.

Mr. WILSON of Louisiana. Mr. Speaker, I just wish to consume a few minutes and give notice that when I conclude I shall move the previous question, both upon the motion of the gentleman from Alabama and the resolution of the committee, if that will be in order from a parliamentary standpoint.

Mr. BURNETT. The motion is pending.

Mr. MANN. It has not been offered yet.

Mr. WILSON of Louisiana. I desire to offer it formally. I do not want to be shut off on a technicality. I believe the first vote will be on the motion to recommit.

The SPEAKER. Of course it will; but the gentleman ought to close the argument, and then before he moves the previous question the gentleman from Alabama can offer his motion, and then the gentleman can move the previous question on the whole thing.

Mr. BURNETT. If it is in order, I will offer it now.

The SPEAKER. No.

Mr. WILSON of Louisiana. Will it be in order for me to move the previous question after he offers it?

The SPEAKER. Yes; after the final conclusion of the whole matter.

Mr. WILSON of Louisiana. Mr. Speaker and gentlemen of the House, I feel that after all that has been said in this case it would be improper for me to make any continued or extended remarks. I appreciate very much the things that have been said by the gentlemen in reference to the committee, and I wish to say that the conclusions reached by the committee, and especially myself, in this case have been reached after mature deliberation. I am fully convinced of the correctness of the conclusion reached, and I hope that the time will never come when I should be influenced by the fear that in reaching a conclusion in any judicial matter I might not meet the approval of my friends in this House or in any other place, and I should feel disappointed if my friends should not act upon their own judgment and upon their own conscience in the same matter without any fear that they might offend me or any committee of this House.

This, gentlemen, is a judicial question. It is a legislative function, but it is a judicial performance. After all the extended debate on this case, we are back to the same proposition where we first started, and that is as to the proper construction of the Alaskan election law.

There is no doubt but that the House on yesterday, when it heard the statement of the gentleman from Alaska [Mr. SULZER], was impressed. He is a business man, according to his own statement, and if he is not successful he is in the wrong calling, because he would make a wonderful lawyer. The House was impressed by his statement relative to Indians in various parts of Alaska. No doubt he felt that the committee had not properly considered that question; but after hearing the statement of Mr. Wickersham relative to the law and the conditions prevailing as to the citizenship of Indians in the southwestern portion of Alaska, where it is claimed that 21 voted for him, and as to the conditions existing where 28 Indians in other portions of Alaska, coming from a reservation, voted for Mr. Sulzer, I feel sure that the Members of this House will be of opinion that the committee has done no injury, at least to the contestee, in adopting the course it has pursued in relation to counting those Indian votes and adding to the number cast for him.

That is a complicated question in Alaska, and if we should go into all the details of it, as shown in this record, we might spend a week on this case. I do not think, although it was referred to in a critical way, that the proposition stated to the committee by the attorney for the contestee, that we should either count the Indian vote as an entirety or throw it out as an entirety, was without merit in the statement of this record, because it was impossible, Mr. Speaker and gentlemen, to go through this record and feel that you could act with certainty on that subject; but nevertheless the statement of the committee, I am sure, is a correct statement.

Now, relative to the vote of the soldiers in Alaska, I do not believe there is any dispute about the law in respect to that matter. There was practically none before the committee. And while different Members might reach different additions in running through the record—I have been over it a number of times, and I went over it again last night and made it 37, because there are quite a number more soldiers involved in this matter—those shown in this report and held to be not qualified electors are those who the records of The Adjutant General's Office show had enlisted in States outside of Alaska, as follows: Ten from Missouri, 8 from California, 1 from Kansas, 1 from North Dakota, 4 from Washington, 3 from Ohio, 4 from Colorado, 2 from Texas, 1 from Louisiana, 1 from Minnesota, and 1 from New York. Now, it is possible to imagine that those soldiers lived in Alaska and wandered down into the States and then went into the Army and went back to Alaska and already had citizenship there. But that is an imaginary matter. But more than that, every one of these men mentioned in this report testified that he came to Alaska in the service of the Government as a soldier and that that had been his occupation ever since he came to Alaska and was such on the day he voted; and that brings them all directly within the law, and the whole mistake occurred there, if you wish to read the report; not because these soldiers wanted to commit perjury or to commit any wrong, but because they were advised legally that if they had been in Alaska for one year and 30 days they could vote there, provided they intended to make Alaska their residence. But, as the report states, this assumes that a man in the military service, because he testifies that he went there as a soldier and that that had been his occupation since he went there, and the

official papers show that his enlistment was in the States, can, while in the service and subject to the orders of his superiors, form the necessary and requisite intention to acquire a new domicile, a proposition which is absolutely contrary to the law and which, of course, ought to be.

I think it would be most unfortunate if you should adopt a doctrine that would notify the soldier that Congress was placing a construction upon the laws of this country by which he might find when he had returned home that while absent in the service of his country he had forfeited his citizenship. And it would be very unjust to the various communities of this country if you should adopt a construction of the law that would make it possible to involve in local politics the various organizations in the Military Establishment in the different States of this Union at this time or in the future.

Gentlemen, these are the facts. I am sure it is useless to pursue that matter in an argument before the Members of this House.

So we come back to the question as to the proper construction of the Alaska election law. We come back clearly to the condition as it obtained before the courts in Alaska in this case. Of course, I do not believe now that the gentlemen who have spoken in this connection, including my able and dear friend, Judge BURNETT, of Alabama, agree with the court up there, because the proposition is that the statute is mandatory to the extent of rejecting the returns which were made to the canvassing board, but not to the extent of precluding the man from going into court and making proof as to what occurred at the precinct.

I do not think it is necessary to read any additional law in that connection. I have stated that according to my conception of the law, in just as plain terms as possible, and I can not make up my mind that under a statute relating to an election, after the poll is complete, the voter can be made to suffer for the action of the election officers without any proof of fraud. I think it was most correct action upon the part of this House, if it was the action of the House, that decided that that sheriff down in Judge BURNETT's district, by going out and violating the law and taking a ballot box and going away with it to the courthouse, had not disfranchised those 25 voters.

So after all that has been said, I am still firm in the belief that this section of the Alaskan election law is directory. I think Judge Jennings is correct in a great deal of his opinion. Now, if this is directory, it would make quite a difference as to the burden of proof, because Judge Jennings says that if the statute is mandatory the demurrer should be sustained and if it is directory the demurrer should be dismissed. There the lawsuit would have ended if the statute is directory, and Mr. Wickersham would have had the certificate, and the contest, of course, would have come the other way.

Now, it is easy to read statutes about the Australian ballot law, and to talk about the sacredness of the Australian ballot law in Alaska; but I do not think it is any compliment to the people of Alaska to assume that if this statute is held to be directory, they are just lying in wait up there to commit general fraud in that Territory. This is the first election ever held under this statute in that Territory, and I think it is very remarkable that there were only five precincts in which these certificates were missing.

I would not attempt at this time to quote any further law than has been recited in this report; but I am perfectly willing to concede and admit that everything said relative to the necessity of an official ballot being used under the Australian ballot law is absolutely correct. But in Alaska they have a provision in their statute by which you may use nonofficial ballots, and you can not apply the general law in relation to official ballots to that provision in that statute of Alaska. As I have said, it was written in there for the sole purpose of protecting the citizens in the various portions of that Territory in the right to cast their votes, and the duty was placed upon the various election officers to supply the voters with these ballots as they appeared to vote, and to receive nothing back except the official ballots after they had been marked by the voters; but, so far as I am concerned, I go back to the original statement of yesterday, that the circumstances in this case are just as convincing, or more convincing, to my mind, as any testimony that you will be able to take up there. But I do not wish the Members of the House to accept that until they agree with the reasons for it. Here, as I stated, is a whole section of the Territory where no official ballots have been used. Official ballots were present and nonofficial ballots were used, and if nonofficial ballots were used you would get mixed ballots in some boxes in some sections of the Territory. But here every officer, every voter, used and was permitted to use these ballots, and, as I stated before, they are all of the same character, whether the majority was solidly for Sulzer or where it was mixed or where it was for Wickersham, and the only fact is that the certificates are missing from a few precincts.

As to the precincts of Utica and Deering, the evidence is more convincing, because, whether it came with the returns or not, here is the certificate made long before the lawsuit came up stating the official form of ballot had been received at one precinct and the form sent by phone to the other two precincts. That is, they phoned the form of ballot from one precinct to the other precincts. There could have been no design in making the statement, and a year and a half afterwards, when the returns were examined, here were the ballots from Utica absolutely in official form except made by the typewriter, and here came other ballots from Deering made by pencil in the same form. Do you think it is possible to get circumstances like that all fixed up ahead of time and have them dovetail in at the end?

But I am not going to talk about that. If the House feels that it is not satisfied about the evidence which is brought to the House, I expect each Member to use his own judgment.

I want to say, gentlemen of the House, that in spite of all that has been said, if you wish to pursue the subject and go through this record I believe you will be convinced, as far as facts are concerned, that the committee has advised the House as correctly as is possible in a long and complicated matter like this. [Applause.] I feel that I owe that to the House, and I feel that the House owes it to the country and to its conscience upon the record as submitted here, and not vote as partisans, not to vote as friends, but to vote as your conscience and your judgment shall dictate. I shall be very much disappointed to know that any friend wavered in the discharge of that duty. I would rather have the approval of my own conscience and my own judgment in a matter of this kind than all of the applause and praise of this House. [Applause.]

Mr. HARDY. Will the gentleman permit a question? Was there any witness before your committee who testified in these precincts that no official ballot had been received, or was it ex parte affidavit?

Mr. WILSON of Louisiana. No witness appeared before the committee. I went through that in the report, and I have gone through it in my statement.

Mr. HARDY. No depositions?

Mr. WILSON of Louisiana. No. I have stated the evidence upon which that is based.

The SPEAKER. The Clerk will report the motion of the gentleman from Alabama.

The Clerk read as follows:

Mr. BURNETT moves to refer the contested-election case of James Wickersham, contestant, against Charles A. Sulzer to the Committee on Elections No. 1, and said committee shall report on said case by or before February 10, 1919.

Mr. WILSON of Louisiana. And on that, Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Louisiana moves the previous question on the resolution and also on the motion of the gentleman from Alabama.

The previous question was ordered.

Mr. MANN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MANN. The previous question having been agreed to, if the House should now adjourn, would this matter come up for final disposition when the House meets again?

The SPEAKER. Yes; on Monday, immediately after the disposition of matters on the Speaker's table.

LEAVE OF ABSENCE.

By unanimous consent Mr. BRUMBAUGH was given indefinite leave of absence.

ADJOURNMENT.

Mr. WILSON of Louisiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 8 minutes p. m.) the House adjourned until Monday, January 6, 1919, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Interior submitting an estimate of appropriation required by the Bureau of Mines for the service of the fiscal year 1920 to carry on the investigation for utilization of lignite coal as fuel (H. Doc. No. 1035); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Interior sub-

mitting a substitute estimate of appropriation for regulation of explosives by the Bureau of Mines (H. Doc. No. 1636); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Navy, transmitting a statement showing the average number of employees at the various navy yards and naval stations paid increased compensation during the first four months of the present fiscal year (H. Doc. No. 1637); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of Agriculture, transmitting annual report of expenditures out of the funds appropriated for the survey of roads and trails within the national forests (S. Doc. No. 321); to the Committee on Expenditures in the Department of Agriculture and ordered to the printed.

5. A letter from the Secretary of the Treasury, transmitting information relative to needs of remodeling and repairing present post-office building at El Paso, Tex. (H. Doc. No. 1638); to the Committee on Public Buildings and Grounds and ordered to be printed.

6. A letter from the chief clerk of the United States Court of Claims, transmitting list of claims dismissed November 4, 1918, on motion of claimants' attorney (H. Doc. No. 1639); to the Committee on Claims and ordered to be printed.

7. A letter from the Secretary of the Treasury, transmitting a cablegram from the President of the United States and the tentative draft of a bill appropriating $100,000,000 for the relief of European peoples outside of Germany (H. Doc. No. 1640); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Secretary of the Navy, transmitting an analysis by ranks and ratings of the pay and allowances of the personnel of the Navy (H. Doc. No. 1641); to the Committee on Expenditures in the Navy Department and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. JOHNSON of Kentucky, from the Committee on the District of Columbia, to which was referred the bill (S. 2653) to revive with amendments an act entitled "An act to incorporate the Medical Society of the District of Columbia," reported the same without amendment, accompanied by a report (No. 889), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (S. 4000) to authorize corporations organized in the District of Columbia to change their names, reported the same without amendment, accompanied by a report (No. 890), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. JOHNSON of Washington: A bill (H. R. 13645) providing for the payment of mileage to certain officers of the Army; to the Committee on Military Affairs.

By Mr. KINKAID: A bill (H. R. 13646) providing for the disinterment and removal of the remains of the infant child, Norman Lee Molzahn, from the temporary burial site in the District of Columbia to a permanent burial place; to the Committee on the District of Columbia.

By Mr. PORTER: A bill (H. R. 13647) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Ohio River at or near McKees Rocks Borough, in the county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13648) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Allegheny River, at or near Millvale Borough, in the county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13649) granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Allegheny River, at or near Sixteenth Street, in the city of Pittsburgh, county of Allegheny, in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. CARY: A bill (H. R. 13650) to increase the compensation of bookbinders in the Government Printing Office; to the Committee on Printing.

By Mr. BYRNES of South Carolina: A bill (H. R. 13651) making an appropriation for the reclamation of swamp lands; to the Committee on Appropriations.

By Mr. DENT: A bill (H. R. 13652) to authorize the President to sell real or personal property, purchased or acquired by the United States in connection with or incidental to the prosecution of the existing war; to the Committee on Military Affairs.

By Mr. JONES: A bill (H. R. 13653) for the division of the State of Texas into five judicial districts; to the Committee on the Judiciary.

By Mr. LUNDEEN: Concurrent resolution (H. Con. Res. 64) instructing the President to withdraw at once all American troops now on Russian soil; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 13654) granting an increase of pension to Schuyler C. Pool; to the Committee on Pensions.

Also, a bill (H. R. 13655) granting a pension to Nancy Cochran; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 13656) granting a pension to Barney Flensburg; to the Committee on Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 13657) granting a pension to Annie J. Page; to the Committee on Pensions.

By Mr. GRIFFIN: A bill (H. R. 13658) granting a pension to Henry A. McGuire; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 13659) granting a pension to Marion P. Barnett; to the Committee on Pensions.

By Mr. MORGAN: A bill (H. R. 13660) granting an increase of pension to Francis M. Fisk; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13661) granting an increase of pension to Albert B. Watrous; to the Committee on Invalid Pensions.

By Mr. PRATT: A bill (H. R. 13662) granting a pension to Emily A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13663) granting an increase of pension to Thurlow J. Sutherland; to the Committee on Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 13664) granting a pension to Melissa J. Winburn; to the Committee on Invalid Pensions.

By Mr. SCULLY: A bill (H. R. 13665) granting an increase of pension to George Walton; to the Committee on Invalid Pensions.

By Mr. SNOOK: A bill (H. R. 13666) granting an increase of pension to Gilbert Smith; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Mississippi: A bill (H. R. 13667) for the relief of Ross Hazeltine, consul at Port Antonio, Jamaica; to the Committee on Claims.

By Mr. WELLING: A bill (H. R. 13668) granting a pension to James Grantham; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BESHLIN: Resolutions adopted at mass meeting of advocates of the freedom of Ireland, held in Thomas Theater, Sharon, Pa., December 2, 1918; to the Committee on Foreign Affairs.

By Mr. GALLIVAN: Resolutions by Ancient Order of Hibernians, of Philadelphia, denouncing effort to induce peace conference to ignore Ireland; to the Committee on Foreign Affairs.

By Mr. HAMILTON of Michigan: Resolutions by Owasso Lodge, No. 788, of the Brotherhood of Railroad Carmen of America, relating to the Government control of railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. KETTNER: Letters pertaining to revenue bill from jewelers, watchmakers, and engravers, of Beaumont, Cal., and J. Jessop & Son and the Ernsting Co., of San Diego, Cal.; to the Committee on Ways and Means.

Also, resolutions by San Diego Chamber of Commerce, recommending amendment to section 202 of proposed war-revenue bill; to the Committee on Ways and Means.

By Mr. LINTHICUM: Resolutions by conference board of the United Building Trades, urging defeat of resolutions now before Congress to close all "housing propositions not 75 per cent completed"; to the Committee on Ways and Means.

JUN 10 1919